

wefox

Solvency & Financial Condition Report 2020 (SFCR)

wefox Insurance AG

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Glossary of Terms

AF	Actuarial function	ICS	Internal Control System
ALM	Asset and Liability Management	ISA	Insurance Supervision Act
BoD	Board of Directors	ISO	Insurance Supervision Ordinance
BSCR	Basic Solvency Capital Requirement	KFZ	Motor physical damage & liability
CEO	Chief Executive Officer	MCBS	Market Consistent Balance Sheet
CF	Compliance function	MCR	Minimum Capital Requirement
CFO	Chief Financial Officer	OGC	Outsourcing Governance Committee
CHF	Swiss Francs	ORSA	Own Risk and Solvency Assessment
Company	wefox Insurance AG	PAC	Product Approval Committee
COO	Chief Operating Officer	PHV	Private Liability
CRO	Chief Risk Officer	QRT	Quantitative Reporting Template
ERM	Enterprise Risk Management	RC	Reserving Committee
EUR	Euro	RM	Risk Management function
FMA	Financial Market Authority, Liechtenstein	SCR	Solvency Capital Requirement
GC	General Counsel	SFCR	Solvency and Financial Condition Report
IA	Internal Audit function	VHV	Property

Executive Summary

The following summary aims to reproduce the content of the Solvency and Financial Condition Report of wefox Insurance AG ("wefox") in an easy-to-understand and compact form.

- **Chapter A Business and Performance** describes the business model, the strategy, the financial performance, and the performance of individual products.
- wefox Insurance AG ("wefox") is an insurance company based in Liechtenstein (stock corporation pursuant to Art. 14, ISA). The purpose of the company is the sale of property and casualty (P&C) insurance. The company was founded on 23.01.2018 and received the corresponding insurance license from the Financial Market Authority of the Principality of Liechtenstein (FMA) at the beginning of February 2018. Gross written premiums amounted to EUR 33.8m in 2020, of which EUR 13.1m was for household, EUR 4.2m for private liability and EUR 16.5m for motor insurance.
- As stated in **Chapter B Corporate Governance**, wefox has built an effective organizational structure and risk management system, adapted to the size and complexity of the business model, based on the requirements of the FMA and the Solvency II Directives, with clearly defined responsibilities. Central elements of the Corporate Governance are the control environment consisting of an Internal Control System (ICS), holistic Risk Management and employee awareness.
- The main bodies are the Board of Directors (BoD), the Executive Management (EM), and key functions such as the Risk Management function (RF), the Compliance function (CF), the Actuarial function (AF) and the Internal Audit function (IA).
- The company takes a holistic risk management approach with the aim of identifying potential risks, threats and opportunities at an early stage and reducing, avoiding, accepting, and sharing them as part of its risk strategy. Based on the Plan-Do-Check-Act principle, risk assessments are carried out to ensure risks are actively identified and controlled. The ORSA process plays a central role here as a link between risk management and business strategy.
- The risks to which the company is exposed are mentioned in **Chapter C Risk Profile**. These are technical insurance risks, market risks, credit risks, liquidity risks, operational risks, and other material risks. The major risks are insurance risks (Premium & Reserve, Catastrophe), market risks (foreign currencies), as well as credit risks, and operational risks (default).
- The resulting required Solvency Capital was calculated based on the standard formula under the Solvency II Directives.

- In **Chapter D Valuation for Solvency Purposes** the assets and liabilities of wefox are evaluated and compared in accordance with the Solvency II Directives as well as statutory provisions of personal and company law (PGR) and the Insurance Supervision Ordinance (ISO).
- The required Solvency Capital (SCR) and the Minimum Capital Requirement (MCR) is set out in **Chapter E Capital Management**. In the solvency balance sheet, as of 31.12.2020, wefox had eligible own funds of EUR 18'154'795, which consists of EUR 15'139'156 Tier 1 capital, and EUR 3'015'639 Tier 2 capital. The SCR amounted to EUR 6'031'279. The calculated MCR is below the limit of EUR 3'700'000 set by the Insurance Supervision Act (ISA).
- As of 31.12.2020, the SRC quota was 301% and the MCR ratio was 409%. During the reporting period, both rates have always been above the regulatory minimum requirement of 100%.

Information on the SFCR

a. Requirements for the SFCR

Solvency II became effective on 01.01.2016 for all insurance companies regulated in the European Union. The aim of Solvency II is to provide a risk-based approach to calculating and monitoring the required levels of capital for insurance companies. It also introduced a requirement for insurance companies to produce a publicly available Solvency and Financial Condition Report (SFCR) to assist customers and other stakeholders in understanding the types of business written, how the business is managed and the overall financial condition of the Company, including the regulatory capital coverage.

For insurance companies the Solvency and Financial Condition Report is produced in accordance with the Article 290 to 303 of Commission Delegated Regulation (EU) 2015/35 and the EIOPA guidelines on reporting and public disclosure (B05-15-109)

Included in the Annexes to this report are those Quantitative Reporting Templates (QRT) for the year ended 31.12.2020, required according to Article 5 of Commission implementing Regulation (EU) 2015/2452.

b. Note on auditability:

The following QRT's were audited by PricewaterhouseCoopers (PWC).

- Balance Sheet (S.02.01.02)
- Non-Life Technical Provisions (S.17.01.02)
- Own Funds (S.23.01.01)

c. Note on materiality:

Information disclosed is considered as material if its omission or misstatement could influence the decision-makings or the judgement of the users of the document.

d. Approval of the Solvency and Financial Condition Report

The report was reviewed and approved by the Board of Directors on 25.03.2021.

A. Business and Performance

A.1 Business

wefox Insurance AG ("wefox") is an insurance company based in Liechtenstein (stock corporation pursuant to Art. 14, ISA). The purpose of the company is the sale of primary insurance. wefox was founded on 23.01.2018 and received the insurance licenses from the Financial Market Authority of the Principality of Liechtenstein (FMA) at the beginning of February 2018.

Since inception, wefox Insurance holds the authorization from FMA for the insurance branches 8 and 9 ("fire and elemental damage as well as other property damage") and branch 13 ("general liability") in accordance with Annex 1 to the Insurance Supervision Act (ISA). This authorization applies to the target market Germany. As of October 2019, FMA approved wefox's additional license requests for the branches 1 (Accident and passenger transportation), 3 (motor collision damage insurance), 7 (transport goods), 10 (motor third party liability), 16 (financial losses), 18 (assistance).

In 2020, the FMA authorized wefox Insurance AG to expand its activities to Switzerland. In January 2021, the FMA authorized wefox Insurance AG to expand its activities to Poland.

a. Company name, domicile

Name and legal form of wefox Insurance AG (formerly ONE Insurance Ltd.):

wefox Insurance AG

Aeulestrasse 56
LI-9490 Vaduz
Liechtenstein

b. Regulator

wefox Insurance AG is supervised by the Financial Market Authority (FMA) in Liechtenstein:

Financial Market Authority Liechtenstein

Landstrasse 109
LI-9490 Vaduz
Liechtenstein

c. External Auditors

PricewaterhouseCoopers Ltd. is wefox Insurance AG appointed auditor:

PricewaterhouseCoopers Ltd.

Birchstrasse 160
CH-8050 Zürich
Switzerland

d. Ownership structure

The shares of wefox are held 90% by ONE Holding Ltd. and 10% by a qualified investor. ONE Holding Ltd. is held by diversified shareholders, with the share capital divided into one (1) preference share and ordinary shares. FinanceApp AG is part of this setup and holds the preference share through which it has preferential rights to dividends and liquidation proceeds from wefox.

e. Group structure

wefox Insurance AG is part of FinanceApp AG and, therefore, the wefox Group. FinanceApp AG, based in Zurich, was founded in 2014 as a broker of insurance solutions for private and individual customers. The business idea is to sell insurance through digitally enabled proprietary advisors as well as through brokers. The aim is to significantly improve the processes and services for the customer.

f. Business activities by division and country

In 2020, wefox Insurance AG was exclusively active in the German insurance market and sold property, private liability, and motor insurance mainly through brokers.

g. Subsequent events

On 17.02.2021 the subordinated loan amounting to EUR 5'000'000 was paid back to ONE Holding Ltd.

A.2 Insurance performance

This chapter describes the insurance results by lines of business for the financial years 2019 and 2020.

(in EUR m)	2019			2020			
	PHV	VHV	Total	PHV	VHV	KFZ	Total
Premiums earned, gross	2.138	4.453	6.592	4.262	13.070	11.733	29.065
Portfolio-Mix	32%	68%	100%	15%	45%	40%	100%
Claims incurred, gross	-1.464	-1.266	-2.729	-1.506	-0.939	-12.306	-14.751
Loss ratio, gross	68%	28%	41%	35%	7%	105%	51%
Underwriting result, gross	0.675	3.188	3.862	2.756	12.131	-0.573	14.314

The gross technical result in 2020 of EUR 14.3m was a significant improvement over the previous years and exceeded our projections due to lower incurred losses, which can be partially attributed to the COVID-19 lockdown.

Since Germany was the only market in which wefox was active for the respective years, the country-specific presentation is not shown.

A.3 Investment results

In the reporting period, loans with a term of 5 years have been granted. A value adjustment of 10% of the nominal value is made as a default reserve.

A.4 Performance of other activities

wefox's business model focuses on a high degree of digital administration of insurance policies.

A.5 Other information

There were no other extraordinary income or expenses.

B. Governance

B.1 General information on the governance system

Solvency II requires insurance and reinsurance undertakings to establish an effective corporate governance that ensures sound and prudent management of the business and is appropriate to the nature, scale, and complexity of the business.

wefox's corporate governance has an appropriate and transparent organizational structure with a clear allocation and appropriate separation of responsibilities. In addition, the corporate governance ensures an effective and efficient transmission of information.

wefox's policies and guidelines are also important parts of wefox's Corporate Governance. Furthermore, essential components are the internal control system (ICS), the risk management, as well as training and risk-awareness activities.

The responsibility for setting up, designing and operating risk management lies with the Board of Directors. This also includes the definition of the risk strategy and the risk appetite as well as the execution of the risk management process to identify and manage risks.

a. Primary responsibilities of corporate bodies

Board of Directors

The Board of Directors has the following responsibilities (non-transferable) and tasks that cannot be delegated:

- Approve the corporate objectives and set the strategy to achieve them
- Ensure that the company conducts its affairs in an ethical, legal, and responsible manner
- Set the organisational structure
- Set and monitor an adequate and effective internal control framework, that includes Risk Management (MF), Actuarial (AF), Compliance (CF), Internal Audit (IA) as well as an appropriate accounting and financial reporting framework
- Set and oversee policies on key areas including: risk, reserving, compliance, internal audit, outsourcing, 'fit and proper', business continuity, staff remuneration and accounting
- Set risk appetite and overall risk tolerance limits
- Set and oversee the strategy for the management of material risks including liquidity risk
- Approve material changes to the internal model

Executive Management

wefox's Executive Management (EM) has the following responsibilities:

- Manage the business, the resources, the logistics and the risks and ensuring compliance
- Adopt methods, procedures, tasks, and responsibilities

The following Management Committees have been established to assist and support the CEO, CFO and COO:

- The **Product Approval Committee (PAC)** determines insurance coverage, pricing, target customer segment, risk exposure, and product specifics before new products or tariffs updates are implemented
- The **Reserving Committee (RC)** assists the CEO, CFO and Actuarial function in managing, controlling, overseeing and co-ordinating reserving activities
- The **Outsourcing Governance Committee (OGC)** monitors potential outsourcing risks and decides on necessary measures

Key functions

In accordance with the applicable legal regulations, Solvency II and the Insurance Supervision Act (ISA) the corporate governance of wefox includes the following key functions:

- The **Risk Management** function is responsible for facilitating the implementation and effective operation of the ERM framework, reporting on risk exposures, and making recommendations to the Board of Directors on risk appetite and other risk management matters
- The **Compliance** function is responsible for promoting an ethics-based culture, delivering compliance solutions, and providing assurance. Among other things, the Compliance function advises the Board of Directors on compliance with laws and regulations, assesses the impact of changes in the external legal environment and assesses the adequacy of measures taken to prevent non-compliance
- The **Actuarial** function is responsible for carrying out the actuarial activities including the provision of regular reports to the Board of Directors on the valuation of technical provisions
- The **Internal Audit** function is responsible for providing independent and objective assurance to the Board of Directors on the adequacy and effectiveness of risk management, internal control, and governance processes. Currently the Internal Audit function is outsourced to ACONS Governance & Audit AG.

Each of the Risk Management, Compliance, Actuarial and Internal Audit functions reports to and has access to the Board of Directors independent of their own management reporting line and has the right to receive all relevant information to perform their respective role.

b. Changes and adjustments to the corporate governance

Over the course of 2020, the management reporting line for the Risk Management functions changed from the Chief Financial Officer to the Chief Executive Officer.

c. Remuneration System

Although wefox does not have an approved written remuneration policy, wefox has a strong strategy to ensure a balance between market benchmarks, legal, and regulatory requirements. The basic principles include:

- Internal fairness, which includes fair remuneration of employees within a department based on the respective activity and individual characteristics;
- External competitiveness is reviewed against external salary benchmarks to ensure that remuneration packages help attract, motivate, and retain appropriately qualified employees for the company in the long-term;
- Compensation packages must also be economically sustainable by matching and ensuring the personnel budget and controls over personnel expenditures. wefox's business strategy and long-term strategic plans are key factors in structuring and regularly reviewing pay packages. The contributions of individuals and teams to wefox's success is integrated into the compensation packages through a performance-related compensation component.
- **Fixed remuneration:** The basic annual salary is the fixed remuneration component, the calculation for which consists of the responsibility, complexity and hierarchy level of the position and individual characteristics such as experience, skills, talent, and potential and external benchmarks.

- **Variable remuneration:** Selected employees receive a variable remuneration such as annual bonus and short-term bonuses. As a long-term variable compensation component there is a share-based compensation agreement with an agreed cash compensation (Employee Stock Option Plan -> Phantom Stock Agreement). This remuneration component is granted to both key functionaries and employees who have been employed by wefox for at least 2 years.
- The management of wefox has entered into a contractual agreement with the LLB Pension Foundation, which provides pension rights, disability insurance and survivors' benefits. The old age pension is usually due for payment at the age of 65. The pension entitlement is reduced in the event of early retirement, whereby the pension can only be paid out from the age of 60. In the case of disability pension and survivors' benefits, basic amounts are provided as a minimum pension.

d. Key transactions in the reporting period

There were no significant extraordinary transactions during the reporting period.

B.2 Requirements for professional qualifications and personal reliability

The holders of key functions play an essential role in the Corporate Governance of wefox. Their professional qualifications ("fitness") and their personal integrity ("properness") are fundamental prerequisites for business operations and are of great importance.

The detailed Fit & Proper requirements are dealt with in a guideline. This policy serves as a guidance of the legal and regulatory requirements for the professional qualifications and personal integrity of the members of the Board of Directors, the Executive Management, and the holders of key functions.

The first assessment of professional and personal qualifications is generally made at the time of recruitment or at the time when the person is to take on the relevant tasks. Subsequent assessments are carried out at least once per year. In detail, this means:

a. Professional requirements

Professional competence requires professional qualifications, knowledge, and experience, which ensure a solid and prudent management of the company. This requires adequate theoretical and practical knowledge of insurance business and, in the case of management tasks, adequate management experience.

b. Review and evaluation

The assessment of the professional qualification relates to both the examination of applicants at the time of recruitment, and further professional training as required. This ensures that (senior) employees can adapt to steadily changing requirements in relation to their responsibilities.

The holders of the following key functions are covered by the Fit & Proper requirements:

- Board of Directors (BoD)
- Executive Management:
 - Chief Executive Officer (CEO)
 - Chief Financial Officer (CFO)
 - Chief Operating Officer (COO)
- General Counsel (GC)
- Actuarial function (AF)
- Compliance function (CF)
- Risk management function (RF)
- Internal Audit (IA).

B.3 Risk Management

a. Risk Management function

Risks are continuously identified, measured, managed, monitored, and reported. wefox uses different approaches, such as tits risk assessment methodology for identifying individual risks that pertain to company strategy or major projects. Operational risks, including financial reporting and compliance risks, are identified within the ICS. Both approaches use measuring through probability and severity rating and results are captured in the risks tools. This allows consolidated analysis and reporting. Intolerable risks require management actions, which are regularly monitored through risk management. Regular monitoring of the identified risks is happening through updates of risks assessments or confirmation of the risks and controls. Risk management reports quarterly on the current risk profile and major risks assessments to the Executive Management and the Board of Directors.

wefox uses the three lines of defence approach to define and embed the risk governance. The structure forms the basis for the effective separation of duties between the business who takes risks and the risk functions that independently perform risk controls.

The three defence lines:

- 1.** Business management takes risks and is responsible for day-to-day risk management
- 2.** The Risk management function oversees the overall risk management framework, and helps manage risks by advising, supporting, and monitoring the first line. In addition, the compliance and actuarial function help business management manage and control specific types of risks
- 3.** The Audit function provides independent assurance regarding the effectiveness of the ERM framework and risks controls

b. ORSA process

wefox defines an ORSA as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short- and long-term risks wefox faces. A cornerstone of an ORSA is the analysis of the capital required under Solvency II for the current period and the planning horizon.

The ORSA report is produced once a year to summarize wefox's risk and solvency assessments at a point in time. Regular reporting on risk and solvency is happening throughout the year. The Board of Directors (BoD) oversees the ORSA process and ultimately owns and approves the report.

The ORSA process is an integral component of the Company's risk management framework and is formally documented within its risk policy and directive, which is a separate standalone document. The ORSA process outlines the individual steps that need to be undertaken by management to carry out the own risk and solvency assessment and articulate the necessary risk performance information to the BoD.

wefox uses the ORSA process:

- To provide the Executive Management and the Board of Directors with information on risks and solvency to support decision making
- As an integral part of the strategy and capital planning process
- To provide the regulator with consistent insight into wefox's risks and solvency position

c. Internal Control System

wefox has implemented a comprehensive internal control system (ICS) that covers process-based financial, operational, compliance and reporting controls. Following the three lines of defence approach business owns the processes, related risks and controls and regularly confirms effectiveness and accuracy of them. Risk management oversees the internal control system, including the central storages of the risk and controls and regularly reports on the overall status and effectiveness of the ICS.

The ICS is an essential part of the control environment and helps to effectively manage risks and opportunities. wefox has outlined and formally defined the ICS in the Risk Policy and Directives, which is a separate, standalone document.

B.4 Compliance function

The Compliance function is considered as key function in Solvency II and is required to meet special professional and personal requirements in accordance with the guideline "Fit & Proper".

The Compliance function at wefox includes the following activities and responsibilities:

- Develop compliance program and compliance plan and develop uniform minimum standards for organizational compliance
- Implement compliance requirements and regulations and ensure the availability and correctness of internal instructions
- Advise the company's bodies on all applicable laws, regulations, and to conduct employee trainings
- Annual reporting to the Board of Directors and the Executive Management
- Advise on the introduction of new products, projects, and services

B.5 Actuarial function

The Actuarial function (key function according to Solvency II with special requirements for professional and personal qualifications) together with the Risk Management function and the Compliance function forms the second line of defence. The Actuarial function is responsible for the co-ordination and validation of the technical provision calculations, and provides an opinion on the company's underwriting policy.

The Actuarial function is also responsible for validating the adequacy of any reinsurance arrangements, and ensuring the adequacy of actuarial methods and underlying models. The Actuarial function informs the Board of Directors, Executive Management and other supervisory bodies of the reliability and adequacy of the calculation of technical provisions.

In addition, the Actuarial function makes an important contribution to the effective implementation of the risk management system referred to in Article 446 (Solvency II Directives) with a view to the creation of risk models that can be used to calculate the risk capital requirements within the meaning of Chapter VI, Sections 4 and 5 (the Solvency II Directives), and the assessment referred to in Article 457 (the Solvency II Directives).

B.6 Internal Audit

a. Internal Audit function

The Internal Audit function provides independent and objective auditing and advisory services aimed at creating added value and improvements to business processes. It supports the Executive Management and the Board of Directors in achieving the organisations goals by using a systematic and targeted audit approach to evaluate and improve the effectiveness of the risk management, compliance, internal control, and governance processes. The tasks, competencies and responsibilities are defined in the Internal Audit Charter.

Internal Audit prepares an annual audit plan, which is approved by the Board of Directors. The prioritisation of audit areas is based on a risk-based approach. For each audit area, the specific objectives and audit actions are defined. After completion of audit fieldwork, the audit results are reported.

b. Independence of Internal Audit

The Internal Audit function reports directly to the Board of Directors. It has auditing, reporting and documentation duties. It is not subject to instructions in the exercise of its mandate and has unrestricted rights of access to and inspection. The Internal Audit can perform its tasks without any restriction, fully objectively and independently.

B.7 Outsourcing

Outsourcing refers to an arrangement by which a business capability that would otherwise be performed by a unit or a function within the company is instead performed by an external service provider. wefox has outsourced critical functions, key functions, and other operational services in the context of (functional) outsourcing to intra-group companies or external specialists in the European Union, the Principality of Liechtenstein and Switzerland.

The outsourcing of functions and operational services are carried out in compliance with wefox's quality standards and are used to ensure performance and reliability (business continuity).

The following principles also apply:

- For each outsourcing of critical functions, key functions or operational services, there is a corresponding functional outsourcing agreement, which regulates the reasons, objectives, and mode of outsourcing and corresponding service level agreement
- Outsourcing of critical functions and the outsourcing of key functions are approved by the FMA
- The compliance with the contractual agreements by the (functional) outsourcing partners is monitored by means of the Internal Control System
- wefox has appointed an outsourcing officer for each (functional) outsourcing partner
- The same legal requirements also apply to outsourcing of critical functions and key functions as for internal service delivery (e.g., ensuring fit & proper requirements, loyalty, capital market compliance).

B.8 Other information

wefox's responsible corporate bodies assess the current corporate governance. Risk Management and Compliance are reliable, complete, effective, and appropriate in terms of the size, nature and complexity of the organization and business areas. All important and relevant information were explained in the previous sections.

C. Risk profile

The section analyses the risks faced by the company as of 31.12.2020.

The risks faced by the company are typical of a non-life insurance company. These risks include insurance risk, market risk, credit risk, liquidity risk, operational risk, and reputational risk. A framework is in place to monitor and mitigate these risks.

At wefox the Solvency Capital Requirement (SCR) under Solvency II is calculated based on the standard formula. The Basic Solvency Capital Requirement (BSCR) is calculated from the aggregation of the various risk modules and risk submodules, taking into consideration correlation effects. The underlying risk measure is the 99.5 percent value-at-risk (VaR) over a time horizon of one year.

The sum of BSCR, capital requirements for operational risk and adjustments for free surpluses and deferred taxes result in the Solvency Capital Requirement (SCR).

All calculations for the risk modules and submodules and their aggregation are based on the methods or regulations set out in Delegated Regulation (EU) 2015/35 (see also Chapter E.2).

Risks are continuously identified, measured, evaluated, monitored, and controlled.

a. Risk identification

At wefox, risks are recorded according to a uniform classification and compiled into a risk inventory. A complete risk assessment is carried out at least once a year, with a review of the risk inventory by the risk management function. The identification of risks in the context of the risk management control process is carried out through appropriate processes.

b. Risk consolidation

The identified risks are categorized and consolidated.

c. Risk analysis and evaluation

The risk assessment includes the analysis and assessment of the risks. For this purpose, the risks already identified and collected and categorized in the central risk inventory, as well as the dependence between the risks are analysed and evaluated on a transparent measurement methodology.

This assessment methodology ensures that the two dimensions, the extent of damage and the probability of occurrence of a damage event, are appropriately collected, related, and evaluated. The result of the assessment is shown in a risk map.

d. Definition of measures

Risk management is based on the risk strategy. The risk strategy provides the framework for risk steering measures.

C.1 Insurance risk

Insurance risk is the risk of inadequacy of premiums charged and reserves held to cover claims and loss expenses. The risk is strongly influenced by the product lines, geographical exposure, and expense developments. wefox writes non-life business for retail customers in Germany. Expansion to Switzerland and Poland occurred at the end of 2020 and beginning of 2021, respectively. wefox uses standard tariffs and has very clear underwriting criteria to actively control the risks taken onto the balance sheet.

C.2 Market Risk

Market risk is the possibility of experiencing losses due to factors that affect the overall performance of the financial markets involved. It arises mainly from the investment in assets and consists of five subcategories, of which FX is the most relevant for wefox. Asset and liability management (ALM) is the practice of managing financial risks that arise due to mismatches between the assets and liabilities as part of an investment and treasury strategy.

Currency risk is the risk of adverse movements in exchange rates impacting the own funds. This can arise where the denomination of assets differs from the liabilities. wefox currently operates mainly within the Euro-Zone, with assets and liabilities mainly denominated in Euro.

Interest rate risk is very small due to the low interest rate environment and short tail nature of the assets and liabilities. The duration of the investment assets is near to zero years as they are held as cash at banks bar the broker loans. The duration of the technical liabilities is increasing due to the increasing third-party liability exposure from the motor book and the subordinate loan from the ONE Holding Ltd.

C.3 Credit Risk

Credit risk is the risk that a financial loss or potential financial loss will be incurred if a counterparty to a transaction does not fulfil its financial obligations in a timely manner. wefox's key credit risks stem from reinsurance assets, cash, premium collection, and loans.

C.4 Liquidity Risk

Liquidity risk is the risk that wefox is unable to pay its liabilities as they fall due. wefox's assets are mainly held in cash therefore this is currently not a major risk. Liquidity could be threatened quickly in the case of a funding risk event, which would likely result in solvency thresholds being breached first.

C.5 Operational Risks

Operational risk refers to the risk of a loss arising from inadequate or failed internal processes, systems, from employee's actions or from external events. wefox is carrying a high level of operational risks given its young nature of business. Legal risks arise from the violation of or noncompliance with laws and regulations which results in compliance risks. The compliance risk is the risk associated with non-compliance, which is identified, assessed, monitored, and managed as part of the risk management process. wefox is highly digitalized, reliant on cloud services and digital transactions and is therefore exposed to cyber risks.

C.6 Other significant risks

a. Reputation Risks

Reputation risk is the risk that an act or omission could result in potential negative publicity, public perception, or uncontrollable events that have an adverse impact on reputation, trust in the company and brand.

A lost or damaged reputation could cause a significant decline in customer base, investor base or revenue. As reputation is a consequence of all kinds of risks from other risk categories, wefox focuses on actively managing aspects of its reputation, brand management and external stakeholder communication.

b. Strategic Risks

Strategic risks are the risks that affect or are created by an organization's business strategy and strategic objectives. Inadequate or incomplete assessments, improper implementation, or unexpected changes to assumptions are all strategic risks. An important aspect of strategic risks is related to mergers and acquisitions. wefox performs regular risk assessments on the strategic targets within its ORSA process.

C.7 Other information

There is no other significant information.

D. Valuation for Solvency II

Solvency II and statutory valuations

The methods and assumptions used for the valuation of assets, technical provisions, and other liabilities, follow the approaches prescribed under Solvency II valuation rules and statutory PGR.

Solvency II valuation rules are used to produce the economic balance sheet which is known as the Market Consistent Balance Sheet (MCBS). The fundamental accounting principle in Solvency II is that assets and liabilities are recorded according to the value of expected future cashflow accounting principle.

The statutory financial statements of the company are prepared in accordance with the PGR in Liechtenstein.

The different accounting rules result in significant differences in the values of assets and liabilities with a resulting difference in the net value of assets of EUR 7.1m.

The variances in the valuation of assets and liabilities between statutory valuation and Solvency II as of 31.12.2020 are shown in the table below.

(in EUR)		Solvency II value		Statutory accounts value		+/-
Intangible assets	R0030	0	0%	2,253,388	5%	-2,253,388
Deferred tax assets	R0040	2,168,486	5%	1,158,395	3%	1,010,091
Property, plant & equipment held for own use	R0060	9,631	0%	9,631	0%	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	60,032	0%	60,032	0%	0
Loans and mortgages	R0230	1,055,577	2%	950,482	2%	105,096
Reinsurance recoverables	R0270	1,033,994	2%	3,334,513	7%	-2,300,518
Insurance and intermediaries receivables	R0360	9,848,919	23%	9,848,919	21%	0
Reinsurance receivables	R0370	3,676,022	9%	3,679,709	8%	-3,687
Receivables (trade, not insurance)	R0380	4,081	0%	4,085	0%	-4

(in EUR)	Solvency II value			Statutory accounts value		+/-
Cash and cash equivalents	R0410	23,989,645	56%	23,989,645	52%	0
Any other assets, not elsewhere shown	R0420	680,338	2%	680,338	1%	0
Total assets	R0500	42,526,725	100%	45,969,136	100%	-3,442,411
Technical provisions – non-life	R0510	14,750,781	35%	10,831,160	24%	3,919,621
Insurance & intermediaries payables	R0820	131,027	0%	131,027	0%	0
Reinsurance payables	R0830	3,063,962	7%	3,063,962	7%	0
Subordinated liabilities	R0850	4,708,602	11%	5,000,000	11%	-291,398
Any other liabilities, not elsewhere shown	R0880	2,564,712	6%	2,564,712	6%	0
Total liabilities	R0900	25,219,083	59%	21,590,860	47%	3,628,223
Excess of assets over liabilities	R1000	17,307,642	41%	24,378,276	53%	-7,070,635

D.1 Assets

A significant portion of the assets (52%) consists of cash & cash equivalents. The remaining amounts are divided into receivables from insurance and intermediaries (21%), receivables/recoverables from reinsurers (15% total) and a deferred tax asset of EUR 1'158'395 (5%) and smaller accrued income amounts. Under Solvency II the amounts for intangible assets, recoverable amounts from reinsurers and the deferred tax asset are adjusted for.

D.2 Technical provisions

The technical provisions are shown in the table below. A distinction is made as follows:

- Case reserves are provisions for future cash flows (claims expenses and costs) that occurred before the balance sheet date;
- Unearned premium reserves are provisions for future claims payments and costs for commitments incurred regarding future risks (e.g., losses occurring after the balance sheet date);
- The risk margin corresponds to the cost of capital that another insurer would require to assume claims reserves and unearned premiums;

(in EUR)		Direct business and accepted proportional reinsurance				Total Non-Life obligation
		Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	
Best estimate						
Premium provisions						
Gross	RO060	3,941,188	4,474,611	-684,516	52,476	7,783,760
Total recoverable from reinsurance	RO140	-2,328,057	661,002	-47,030	-148,191	-1,862,276
Net Best Estimate of Premium Provisions	RO150	6,269,245	3,813,609	-637,486	200,668	9,646,036
Claims provisions						
Gross	RO160	3,531,537	1,026,159	259,472	1,084,405	5,901,573
Total recoverable from reinsurance	RO240	1,641,485	461,204	154,142	639,440	2,896,270
Net Best Estimate of Claims Provisions	RO250	1,890,052	564,955	105,330	444,966	3,005,303
Total Best estimate - gross	RO260	7,472,725	5,500,770	-425,044	1,136,881	13,685,333
Total Best estimate - net	RO270	8,159,297	4,378,565	-532,157	645,633	12,651,339
Risk margin	RO280	811,569	93,034	35,384	125,461	1,065,448
Technical provisions - total	RO320	8,284,294	5,593,804	-389,660	1,262,342	14,750,781
Recoverable from reinsurance contract/ SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	RO330	-686,572	1,122,205	107,113	491,248	1,033,994
Technical provisions minus recoverables from reinsurance	RO340	8,970,866	4,471,599	-496,773	771,094	13,716,787

- wefox applies established actuarial methods to estimate claims provisions. The results are compared by several static methods. Finally, the best estimate is determined using market data. The amounts of the best estimate are projected according to the expected payment patterns and discounted with the risk-free interest rate curve;
- The unearned premium provisions are calculated according to an expected claim cost ratio considering the future commitments;
- The net provisions for property, private liability, and motor (unearned premium provisions) are determined in accordance with the existing reinsurance contracts;
- We notice that future claims are subject to natural uncertainty. wefox's still relatively short history of losses and the size of the portfolio make it difficult to estimate the commitments. wefox therefore monitors the course of the subscribed business on an ongoing basis and adjusts the provisions if necessary.

D.3 Other liabilities

Other liabilities in the solvency balance sheet amount to EUR 2.6m. This basically includes liabilities from VAT, social security, various vendors, and accruals. The above liabilities are valued in the Solvency II balance sheet in the same way as in the Statutory accounts.

D.4 Deferred tax assets

The deferred tax balances recorded in the MCBS as of 31.12.2020 included an amount of EUR 2.2m relating to carry forward tax losses. The recoverability test in accordance with recognised accounting principles and required is evidencing the ability to effectively use the carry forward tax loss against future taxable profits.

D.5 Alternative valuation methods

In the 2020 financial year, no alternative valuation methods were used, except the valuation of furniture (and property, plant, and equipment).

D.6 Other information

The following rates of exchange were used as of the balance sheet date:

as of 31.12.2020:	CHF 1 - EUR 0.942599
as of 31.12.2019:	CHF 1 - EUR 0.919963

E. Capital Management

The Solvency II capital requirements are known as the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). The SCR value significantly exceeds the MCR value. The regulatory capital requirement is that Own Funds should exceed the SCR; the MCR is a relevant metric only in extreme capital distress situations.

The ratio of Own Funds to the SCR is known as the SCR ratio. The regulatory requirement is for the SCR ratio to be at least at 100%. If the SCR ratio is less than 100% then FMA must be notified. In the event, that the SCR ratio is below 100% a recovery plan must be approved by the Board of Directors and submitted to the FMA. This plan should include the actions to restore the SCR ratio above 100%.

The SCR ratio as of 31.12.2020 was 301% representing an excess of EUR 12.1m of Own Funds held over the SCR value, whereas the MCR ratio was 409%.

The primary objective of the capital management for the company is to meet the regulatory requirement for the SCR ratio to be at least 100% on an ongoing basis.

wefox ensures that the capital requirements were met through proactive capital management at all times. Available Own Funds must meet both Solvency II prudential capital requirements and the required liquidity. As further objective of capital management, the financial strength of wefox is to be actively guaranteed even under difficult economic conditions to ensure the continued existence of the insurance business.

E.1 Own Funds

As of 31.12.2020 the equity in the statutory accounts amounted to EUR 24.378m. Basic Own Funds in accordance with regulatory economic valuation under Solvency II principles amounted to EUR 17.308m. The following table (in EUR) shows the reconciliation from Statutory equity to economic equity under Solvency II.

Equity Statutory accounts	24,378,276
Intangible assets	-2,253,388
Deferred tax assets	1,010,091
Loans and mortgages	105,096
Reinsurance recoverables	-2,300,518
Reinsurance receivables	-3,687
Receivables (trade, not insurance)	-4
Technical provisions - non-life	-3,919,621
Subordinated liabilities	291,398
Equity Solvency II	17,307,642

Tiering is applied to the Own Funds, in accordance with the Solvency II rules. The tiering rules determine the eligibility of Own Funds to meet the SCR and MCR, based on their quality.

wefox has unrestricted Tier 1 resources amounting to EUR 15.1m. This amount can be credited without restrictions. The Tier 2 capital is eligible at 50% for Solvency II, whereas Tier 3 is not recognized at all.

(in EUR)		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Reconciliation reserve	R0130	15,139,156	15,139,156			
An amount equal to the value of net deferred tax assets	R0160	2,168,486				2,168,486
Total basic own funds after deductions	R0290	17,307,642	15,139,156			2,168,486
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	5,000,000			5,000,000	
Total available Own Funds to meet the SCR	R0500	22,307,642	15,139,156		5,000,000	2,168,486
Total eligible Own Funds to meet the SCR	R0540	18,154,795	15,139,156		3,015,639	
Total eligible own funds to meet the MCR	R0550	15,139,156	15,139,156			
SCR	R0580	6,031,279				
MCR	R0600	3,700,000				
Ratio of Eligible own funds to SCR	R0620	301%				
Ratio of Eligible own funds to MCR	R0640	409%				

E.2 Solvency Capital Requirement and Minimum Capital Requirement

wefox uses the standard formula to determine the Solvency Capital Requirements. The calculation is carried out in accordance with the relevant Solvency II regulations and on the assumption that the business will continue to operate. The Solvency Capital Requirement is calibrated to ensure that all quantifiable risks to which the company is exposed to, are considered. This includes both current business activities and new business expected in the following twelve months. According to the Solvency II Guidelines, the Solvency Capital Requirement corresponds to the value-at-risk of wefox's basic own funds at a confidence level of 99.5 percent over the period of one year. The Minimum Capital Requirement (MCR) is also calculated in accordance with the Solvency II Directives. For wefox, the limit value of the MCR is currently even higher than the calculated MCR. That is why the MCR is EUR 3.7m.

The tree on **page 28** shows the Solvency Capital Requirement per risk module.

		SCR	
		6'031'279	
	BSCR		Operational Risk
	4'639'445		1'391'833
Market Risk	Non-Life Underwriting	Default Risk	
207'771	3'546'084	1'620'121	
Interest	Premium & Reserve	Type 1	
6'172	2'976'886	664'730	
Equity	Catastrophe	Type 2	
2'853	1'298'236	1'060'772	
Spread	Lapse		
126'670	308'379		
Concentration			
159'664			
Currency			
3'413			

E.3 Using the duration-based submodule Stock Risk

wefox does not currently hold any shares and has therefore no equity risk.

E.4 Differences between standard formula and internal models

wefox does not use an internal model to determine Solvency Capital Requirements.

E.5 Non-compliance Minimum Capital Requirement and Solvency Capital Requirement

There were zero incidences of non-compliance with the MCR or SCR during the year 2020.

E.6 Other information

All important and relevant information was presented in the previous sections.

F. Annexes

S.02.01.02.01

Balance Sheet		Solvency II value	
		C0010	
Assets			
Goodwill	R0010		
Deferred acquisition costs	R0020		
Intangible assets	R0030		0.00
Deferred tax assets	R0040		2,168,485.84
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060		9,630.75
Investments (other than assets held for index-linked and unit-linked contracts)	R0070		60,031.92
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090		
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130		
Government Bonds	R0140		
Corporate Bonds	R0150		

Balance Sheet		Solvency II value	
		C0010	
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180		
Derivatives	R0190		60,031.92
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230		1,055,577.44
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		1,055,577.44
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270		1,033,994.22
Non-life and health similar to non-life	R0280		1,033,994.22
Non-life excluding health	R0290		1,033,994.22
Health similar to non-life	R0300		
Life and health similar to life, excluding health and index-linked and unit-linked	R0310		
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330		
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360		9,848,918.51
Reinsurance receivables	R0370		3,676,021.87
Receivables (trade, not insurance)	R0380		4,080.91
Own shares (held directly)	R0390		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410		23,989,645.41
Any other assets, not elsewhere shown	R0420		680,338.22
Total assets	R0500		42,526,725.08

Balance Sheet		Solvency II value
		C0010
Liabilities		
Technical provisions - non-life	R0510	14,750,780.86
Technical provisions - non-life (excluding health)	R0520	14,750,781.09
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	13,685,333.09
Risk margin	R0550	1,065,448.00
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	

Balance Sheet	Solvency II value	
	C0010	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	0.00
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	131,026.55
Reinsurance payables	R0830	3,063,961.80
Payables (trade, not insurance)	R0840	
Subordinated liabilities	R0850	4,708,602.10
Subordinated liabilities not in Basic Own Funds	R0860	4,708,602.10
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	2,564,712.06
Total liabilities	R0900	25,219,083.59
Excess of assets over liabilities	R1000	17,307,641.69

S.05.01.02.01

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance) on-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Total
	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	
	C0040	C0050	C0070	C0080	C0200

Premiums written

Gross - Direct Business	R0110	11,698,075.82	4,802,978.88	13,072,751.88	4,243,293.21	33,817,099.79
Gross - Proportional reinsurance accepted	R0120	0.00	0.00	0.00		0.00
Gross - Non-proportional reinsurance accepted	R0130					0.00
Reinsurers' share	R0140	6,098,657.94	2,153,612.83	1,091,010.40	2,594,877.38	11,938,158.55
Net	R0200	5,599,417.88	2,649,366.05	11,981,741.48	1,648,415.83	21,878,941.24

Premiums earned

Gross - Direct Business	R0210	8,312,229.37	3,421,250.46	4,262,278.52	13,069,521.07	29,065,279.42
Gross - Proportional reinsurance accepted	R0220	0.00	0.00	0.00		0.00
Gross - Non-proportional reinsurance accepted	R0230					0.00
Reinsurers' share	R0240	5,777,002.54	2,124,583.88	2,637,501.40	1,119,034.53	11,658,122.35
Net	R0300	2,535,226.83	1,296,666.58	1,624,777.12	11,950,486.54	17,407,157.07

Claims incurred

Gross - Direct Business	R0310	7,627,220.09	4,678,846.18	1,506,286.94	938,886.44	14,751,239.65
Gross - Proportional reinsurance accepted	R0320	0.00	0.00	0.00		0.00
Gross - Non-proportional reinsurance accepted	R0330					0.00
Reinsurers' share	R0340	3,514,749.03	2,105,480.77	903,772.55	704,375.71	7,228,378.06
Net	R0400	4,112,471.06	2,573,365.41	602,514.39	234,510.73	7,522,861.59

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance) on-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Total
	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	
	C0040	C0050	C0070	C0080	C0200

Changes in other technical provisions

Gross - Direct Business	R0410					0.00
Gross - Proportional reinsurance accepted	R0420					0.00
Gross - Non-proportional reinsurance accepted	R0430					0.00
Reinsurers' share	R0440					0.00
Net	R0500					0.00
Expenses incurred	R0550	2,168,091.45	955,132.89	1,192,247.92	5,383,226.70	9,698,698.96
Other expenses	R1200					0.00
Total expenses	R1300					9,698,698.96

S.17.01.02.01

Non-Life Technical Provisions	Direct business and accepted proportional reinsurance				Total Non-Life obligation	
	Motor vehicle liability insurance	Other motor insurance	Fire & other damage to property insurance	General liability insurance	Non-proportional property reinsurance	
	C0050	C0060	C0080	C0090	C0180	
Technical provisions calculated as a whole	R0010					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060	3,941,188.11	4,474,611.39	-684,515.90	52,476.11	7,783,759.72
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-2,328,056.85	661,001.90	-47,029.59	-148,191.46	-1,862,275.99
Net Best Estimate of Premium Provisions	R0150	6,269,244.96	3,813,609.48	-637,486.31	200,667.57	9,646,035.71
Claims provisions						
Gross	R0160	3,531,537.14	1,026,159.00	259,472.18	1,084,405.05	5,901,573.37
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1,641,484.73	461,203.58	154,142.39	639,439.50	2,896,270.21
Net Best Estimate of Claims Provisions	R0250	1,890,052.41	564,955.42	105,329.78	444,965.55	3,005,303.16
Total Best estimate - gross	R0260	7,472,725.25	5,500,770.38	-425,043.72	1,136,881.17	13,685,333.09
Total Best estimate - net	R0270	8,159,297.37	4,378,564.90	-532,156.52	645,633.13	12,651,338.87

Non-Life Technical Provisions	Direct business and accepted proportional reinsurance				Total Non-Life obligation	
	Motor vehicle liability insurance	Other motor insurance	Fire & other damage to property insurance	General liability insurance	Non-proportional property reinsurance	
	C0050	C0060	C0080	C0090	C0180	
Risk margin	R0280	811,568.84	93,033.96	35,383.78	125,461.20	1,065,447.77
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0.00
Best estimate	R0300					0.00
Risk margin	R0310					0.00
Technical provisions - total						
Technical provisions - total	R0320	8,284,294.09	5,593,804.34	-389,659.94	1,262,342.37	14,750,780.86
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-686,572.11	1,122,205.48	107,112.81	491,248.04	1,033,994.22
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	8,970,866.20	4,471,598.86	-496,772.75	771,094.32	13,716,786.64

S.23.01.01.01

Own Funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	5.550.000,00	5.550.000,00			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	9,589,155.87	9,589,155.87			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	2,168,485.81				2,168,485.81
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	17,307,641.69	15,139,155.87			2,168,485.81

Own Funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary Own Funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	5,000,000.00			5,000,000.00	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400	5,000,000.00			5,000,000.00	
Available and eligible Own Funds						
Total available Own Funds to meet the SCR	R0500	22,307,641.69	15,139,155.87		5,000,000.00	2,168,485.81
Total available Own Funds to meet the MCR	R0510	15,139,155.87	15,139,155.87			
Total eligible Own Funds to meet the SCR	R0540	18,154,795.15	15,139,155.87		3,015,639.28	
Total eligible Own Funds to meet the MCR	R0550	15,139,155.87	15,139,155.87			
SCR	R0580	6,031,278.57				
MCR	R0600	3,700,000.00				
Ratio of Eligible Own Funds to SCR	R0620	3.0101				
Ratio of Eligible Own Funds to MCR	R0640	4.0917				

S.23.01.01.02

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	17,307,641.69
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	7,718,485.81
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	9,589,155.87
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	771,522.76
Total Expected profits included in future premiums (EPIFP)	R0790	771,522.76

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	2,667,208.85

S.28.01.01.02

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		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	8,159,297.37	3,567,913.13
Other motor insurance and proportional reinsurance	R0060	4,378,564.90	1,820,329.00
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		11,933,572.76
General liability insurance and proportional reinsurance	R0090	645,633.13	1,617,172.01
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

S.28.01.01.05

Overall MCR calculation		C0070
Linear MCR	R0300	2,667,208.85
SCR	R0310	6,031,278.57
MCR cap	R0320	2,714,075.36
MCR floor	R0330	1,507,819.64
Combined MCR	R0340	2,667,208.85
Absolute floor of the MCR	R0350	3.700.000,00
Minimum Capital Requirement	R0400	3.700.000,00

wefox

Vaduz, 25. März 2021
wefox Insurance AG