

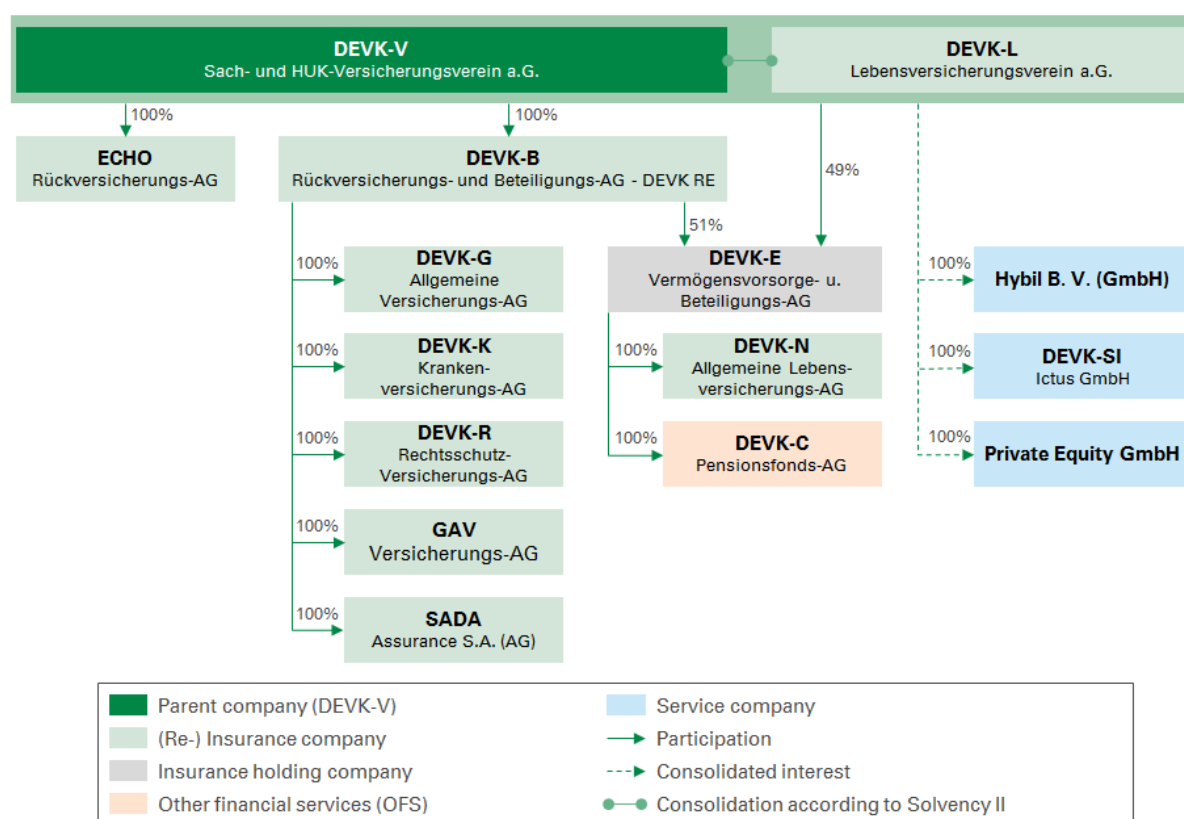
Summary of the Solvency and Financial Condition Report (SFCR)

A Introduction

DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE is an active unlisted stock corporation. The registered office of the company is Cologne. The company is registered in the Commercial Register of the Cologne District Court. The supervisory authority for DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE is the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), headquartered in 53117 Bonn, Graurheindorfer Str. 108.

KPMG in 50674 Cologne, Barbarossaplatz 1 a, is the appointed auditor for DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE both for local GAAP and Solvency II. Their audit did not reveal any irregularities.

DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE is part of the DEVK-Group with the parent company being DEVK Deutsche Eisenbahnversicherung Sach- und HUK-Versicherungsverein a.G.



The company's exclusive insurance purpose is to provide reinsurance for the insurance operations undertaken in various segments and types of non-life, accident, health and life insurance. Reinsurance is provided for both affiliated and non-Group companies.

The company also acquires and holds participating interests. As the intermediary holding company within the DEVK Sach- und HUK-Versicherungskonzern, it manages the Group's other insurance companies as well as various participating interests.

B Capital Management

The Solvency ratio (SCR ratio) is calculated from the eligible own funds divided by the solvency capital requirement (SCR). The Solvency ratio amounted to 390.8% as at December 31, 2018.

| | 2018 | 2017 |
|--|---------|---------|
| Eligible own funds to cover SCR | 2,726.4 | 2,608.3 |
| SCR | 697.6 | 682.1 |
| SCR ratio | 390.8% | 382.4% |
| | | |
| Eligible own funds to cover MCR | 2,660.5 | 2,554.9 |
| MCR | 174.4 | 170.5 |
| MCR ratio | 1525.5% | 1498.2% |

all figures in millions of euros

According to tier classes, the eligible own funds were as follows:

| | 2018 | 2017 |
|--------|---------|---------|
| Tier 1 | 2,660.5 | 2,554.9 |
| Tier 2 | - | - |
| Tier 3 | 65.9 | 53.4 |

all figures in millions of euros

To cover the solvency capital requirement, Tier 1 and Tier 3 own funds were established. Only Tier 1 capital was used to cover the minimum capital requirement (MCR).

The balance sheet of DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE as at December 31, 2018 was prepared as a fair value balance sheet according to the principles of Solvency II. According to Solvency II, the balance sheet is as follows:

| Assets | Solvency II 2018 | Solvency II 2017 | Difference |
|--|------------------|------------------|---------------|
| Intangible assets | - | - | - |
| Deferred tax assets | 65.9 | 343.0 | -277.1 |
| Property, plant & equipment held for own use | 0.1 | 0.1 | 0.0 |
| Investments | 3,715.7 | 3,390.5 | 325.2 |
| Property (other than own use) | - | - | - |
| Participations | 2,170.6 | 2,103.4 | 67.2 |
| Equities | 98.3 | 118.0 | -19.7 |
| Bonds | 1,164.5 | 881.7 | 282.8 |
| Investment funds | 259.2 | 264.8 | -5.6 |
| Derivates | 0.1 | - | 0.1 |
| Other investments | 23.0 | 22.7 | 0.4 |
| Assets held for unit-linked funds | - | - | - |
| Mortgages and loans made | 77.1 | 105.6 | -28.5 |
| Reinsurance recoverables | 33.2 | 28.3 | 4.9 |
| Cash deposits to cedants | 54.1 | 239.5 | -185.5 |
| Intermediaries and insurance recoverables | 52.3 | 18.9 | 33.4 |
| Reinsurance receivables | 4.3 | 5.6 | -1.3 |
| Receivables (trade, not insurance) | 151.0 | 279.1 | -128.1 |
| Cash and cash equivalents | 0.8 | - | 0.8 |
| Any other assets | 0.8 | 1.1 | -0.3 |
| Total assets | 4,155.3 | 4,411.8 | -256.6 |

all figures in millions of euros

| Liabilities | Solvency II 2018 | Solvency II 2017 | Difference |
|--|-----------------------------|-----------------------------|-------------------|
| Technical provisions | 340.6 | 488.2 | -147.7 |
| Other technical provisions | - | - | - |
| Contingent liabilities | - | - | - |
| Provisions other than technical provisions | 130.6 | 67.3 | 63.3 |
| Pension benefit obligations | 851.5 | 827.8 | 23.7 |
| Deposits from reinsurers | - | - | - |
| Deferred tax liabilities | - | 289.6 | -289.6 |
| Derivates | 1.3 | 0.3 | 1.0 |
| Debts owed to credit institutions | 36.0 | - | 36.0 |
| Insurance & intermediaries payables | 43.6 | 111.9 | -68.3 |
| Reinsurance payables | 5.2 | 3.4 | 1.7 |
| Payables (trade, not insurance) | 0.0 | 0.2 | -0.2 |
| Subordinated liabilities | - | - | - |
| Any other liabilities, not elsewhere shown | 5.1 | 4.8 | 0.3 |
| Total liabilities | 1,413.9 | 1,793.5 | -379.7 |
| <i>Excess of assets over liabilities</i> | <i>2,741.4</i> | <i>2,618.3</i> | <i>123.1</i> |
| Total | 4,155.3 | 4,411.8 | -256.6 |

all figures in millions of euros

The accounting and valuation of the local GAAP balance sheet is carried out in accordance with the principles of the German Commercial Code. The assessment principles of the delegated regulation 2015/35 are the basis for the determination of the Solvency II balance sheet.

Information regarding the individual balance sheet items is provided in euro. Investments denominated in foreign currencies are included in the fair value calculation at the exchange rate at year-end.

The stated fair values of investments include the respective market value and any accrued interest on the shares (dirty price).

SCR per risk module

The composition of the total SCRs is shown in the following table in the individual categories:

| Risk module | SCR 2018 | SCR 2017 |
|--|--------------|----------|
| Life underwriting risk | 5.9 | 8.2 |
| Mortality risk | 2.3 | 3.2 |
| Longevity risk | 0.0 | 0.0 |
| Disability morbidity risk | 2.5 | 3.5 |
| Lapse risk | - | - |
| Revision risk | 0.0 | 0.0 |
| Expense risk | 0.0 | 0.0 |
| CAT risk | 3.4 | 4.8 |
| Diversification life underwriting risk | -2.3 | -3.3 |
| Health underwriting risk | 39.6 | 38.2 |
| Mortality risk | - | - |
| Longevity risk | 0.3 | 0.3 |
| Disability morbidity risk | - | - |
| Lapse risk | - | - |
| Revision risk | - | - |
| Expense risk | 0.0 | 0.0 |
| Premium risk | 8.6 | 8.5 |
| Reserve risk | 9.3 | 8.7 |
| Lapse risk | - | 3.2 |
| CAT risk | 32.6 | 31.3 |
| Diversification health underwriting risk | -11.2 | -13.8 |
| Non-Life underwriting risk | 257.6 | 200.6 |
| Premium risk | 81.5 | 72.8 |
| Reserve risk | 68.3 | 48.9 |
| Lapse risk | 13.3 | 10.2 |
| CAT risk | 192.0 | 145.5 |
| Diversification non-life underwriting risk | -97.5 | -76.8 |
| Market risk | 695.2 | 691.4 |
| Interest rate risk | 50.4 | 57.4 |
| Spread risk | 101.3 | 76.4 |
| Equity risk | 543.9 | 566.1 |
| Concentration risk | 8.1 | 10.0 |
| Property risk | 43.7 | 33.0 |
| Currency risk | 37.5 | 32.7 |
| Diversification market risk | -89.7 | -84.2 |
| Counterparty default risk | 10.3 | 16.3 |
| Type 1 counterparties | 10.3 | 16.3 |
| Type 2 counterparties | - | - |
| Diversification counterparty default risk | - | - |
| Diversification Basis-SCR | -194.2 | -170.6 |
| Basis-SCR | 814.4 | 784.1 |
| Loss absorbing capacity of deferred taxes | -133.2 | -116.2 |
| Operational risk | 16.4 | 14.2 |
| SCR | 697.6 | 682.1 |

all figures in millions of euros

For DEVK Rückversicherungs- und Beteiligungs-AG – DEVK RE, the largest single risk is market risk and within this category the equity risk, which is dominated by the risk arising from investments in other DEVK companies (volume: approximately € 2,171 millions).

The cat risk (€ 192.0 million) is the largest single risk within the underwriting risk, mainly as a result of the acquired cat exposure. The premium risk of € 81.5 million means a 18.1% increase in the loss rate in the event of a shock. The reserve risk of € 68.3 millions results in a loss of 28.8% of net reserves as a shock. The diversification effect for the premium and reserve risk is 34.0%.

Compared to previous year, operational risk has risen from € 14.2 to 16.4 million. This results largely from the growth of the company and the associated increase in premium income and provisions.

No simplifications have been used in accordance with the implementing regulation Solvency II. The company does not apply the volatility adjustment, nor the transitional deduction referred to in article 308b of Directive 2009/138/EC. The company - DEVK RE has not certified any undertaking specific parameters (USP) for the calculations.

There are no discernible developments that could lead to a significant impairment of the company's net assets, financial position and results of operations and thus jeopardise its continuing existence.