



LOMBARD
INTERNATIONAL
ASSURANCE
HOLDINGS SARL

Solvency & Financial Condition Report

2016



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Introduction

This Solvency and Financial Condition Report has been prepared in line with the requirements of the Solvency II Regulations, to assist clients of “the Company” (as further defined below) and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position.

This Solvency and Financial Condition Report (“SFCR”) covers Lombard International Assurance Holdings S.à r.l., a company incorporated in Luxembourg under the form of a “Société à responsabilité limitée” and having its registered address is 4, rue Lou Hemmer, L-1748 Luxembourg (“LIAH”) and its direct or indirect subsidiaries as further described on page 8, together referred to as “the Company”.

In particular this report includes full reporting of the Solvency II valuation undertaken at 31 December 2016, and the associated capital position for the Company. Those results are also presented in Quantitative Reporting Templates (“QRTs”) that can be found in the Appendix to this report.

Our business

The Company is a market leading wealth structuring provider for high net worth individuals and their families. For over 25 years Lombard International Assurance has been building tailored unit-linked life insurance solutions for succession and wealth planning purposes across the globe.

The business specialises in addressing the complex needs of high net worth clients. Whether that means providing solutions that enable cross-border wealth planning; the transfer of wealth between generations; or structuring investments in non-traditional assets. The Company safeguards legacies and helps to deliver better economic outcomes for clients. Lombard International Assurance’s wealth planning experts and sophisticated technology platforms support customers in designing innovative solutions that allow them to prepare for the future in an uncertain world. Client relationships are based on segregated accounts and the Company maintains dedicated and separate accounts per policy. The nature of the Company’s business means that the Company currently does not directly bear significant levels of risk, either through its investment or its underwriting activities.

The Company is the European arm of the Lombard International group (“the Group”). The Group is headquartered in Luxembourg and Philadelphia, serving core markets in Europe, the US, Asia and Latin America. The Group has over EUR 77 billion in assets under administration (as of 31 December 2016) and approximately 600 employees, including 60 technical wealth planning

experts specialising in more than 20 jurisdictions. Funds managed by Blackstone own Lombard International. Blackstone is one of the world's leading investment firms with assets under management of over USD 367 billion (as of 31 December 2016).

The largest subsidiary of the Company is Lombard International Assurance S.A. ("LIA"), a company rated A stable on May 15, 2017 by Kroll Bond Rating Agency ("KBRA"). The ratings rationale reflected "Lombard International's leading market position in providing wealth-planning solutions to high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals, families, and institutions in Europe, the U.S., Asia, and Latin America. Lombard International has deep expertise and critical mass in the private-placement and unit-linked life-insurance and annuity markets operating in over 20 countries around the globe."

2016 Business Performance

2016 was another successful year for Lombard International. As the business celebrated its 25th anniversary, several strategic investments were made to enhance and accelerate sustainable growth for the increasingly global enterprise. The Company continued to expand its network across the world, enhance its distribution and marketing capabilities, and introduce new technologies to better serve the needs of partners and clients.

The business operates in a global environment with progressively wide variations in economic conditions, languages and local regulations. One of the core strengths of Lombard International is the professional knowledge and capabilities of its in-house experts which serve these diverse markets and the distribution channels it accesses. The Group has gained significant experience in creating wealth structuring solutions that reflect the complexity of customers' lives; ensuring services remain flexible and responsive to the ever-changing regulatory environment.

The Group's 2016 financial results reflect the value it continues to bring to clients and partners with sustained growth in new business and a significant increase in assets under administration. These results also reflect continued investment in new initiatives designed to enhance the Company's wealth solutions, services and capabilities. These investments will drive higher sustained growth over the longer term.

* <https://www.krollbondratings.com/announcements/3573>

Summary

This report covers the Business and Performance of the Company, its system of Governance, Risk Profile, Valuation for Solvency II Purposes and Capital Management. The ultimate administrative body with responsibility for all of these matters is LIAH's Board of Managers ("BoM"), with the help of various governance and control functions that it has put in place to monitor and manage the business.

Business performance

The following table shows the growth in the assets under administration ("AUA") during 2016:

Insurance Business AUA €m (31 December 2016)

Opening	30,539.2
Gross Inflow	6,093.4
Outflow	(2,525.1)
Investment Return	697.2
Closing	34,804.6

The following table shows the solvency position as at 31 December 2016:

Solvency €m (31 December 2016)

Solvency Own Fund (A)	536.6
Solvency Capital Requirement (B)	412.7
Solvency II Free Assets (A-B)	123.9
Solvency Ratio (A/B)	130.0%

The Executive Chairman, John K. Hillman and Chief Executive Officer Europe, Axel Hörger, confirm that, to the best of their knowledge:

- (a) Throughout the financial year in question, the Company has complied in all material respects with the requirements of Solvency II Regulations as applicable; and
- (b) It is reasonable to believe that, at the date of the publication of the SFCR, the Company continues to comply, and will continue to comply in future.



John K. Hillman
Executive Chairman
30 June 2017



Axel Hörger
Chief Executive Officer Europe
30 June 2017

A.

Business Performance

The business of the Company is predominantly the provision of unit-linked insurance contracts to high net worth and ultra-high net worth clients.

A.1 Business

A.1.1 Name and legal form of the undertaking

LIAH is incorporated in Luxembourg and is a “Société à responsabilité limitée”. LIAH’s registered address is 4, rue Lou Hemmer, L-1748 Luxembourg.

A.1.2 Supervision

Under Solvency II, LIAH is supervised by the Commissariat aux Assurances (“CAA”) in Luxembourg. The CAA may be contacted at 7, boulevard Joseph II, L-1840 Luxembourg.

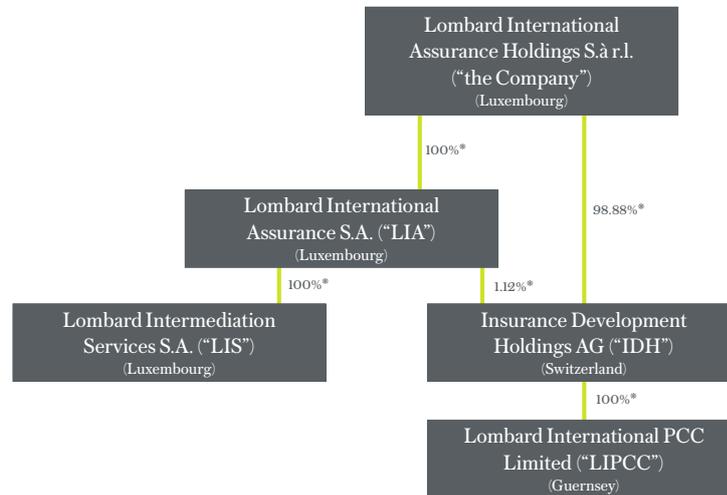
A.1.3 Position within the legal structure of the Company

LIAH is the ultimate insurance holding company which has its head office in an EEA State, Luxembourg.

LIAH owns, directly and indirectly, three business activities and commercial entities (together referred to as “the Company”):

- Lombard International Assurance S.A., a life insurance company incorporated in Luxembourg and with branches in Milan and Brussels. LIA was rated A, stable, by Kroll Bond Rating Agency on 15 May 2017;
- Lombard Intermediation Services S.A. (“LIS”), a specific categorization of financial companies “Professionel du Secteur Financier”, incorporated in Luxembourg, focusing mainly on insurance intermediary activities. It is a fully owned subsidiary of LIA;
- Lombard International PCC Limited (“LIPCC”), a cell company incorporated in Guernsey, whose main activity is the writing of unit-linked life insurance policies. LIPCC is held by the Company through Insurance Development Holdings AG (“IDH”), a holding company incorporated in Switzerland.

Company structure - Reporting scope



* Expressed as % of voting rights

A.1.4 Holders of qualifying holdings in the undertaking

The person(s), to the knowledge of LIAH, who were direct and indirect holders of qualifying holdings in LIAH at any time during the reporting period and at the end of the financial year was LIA SubCo Ltd. As at the reporting date, LIA SubCo Ltd. owned 100% of the shares of LIAH and was able to exercise 100% of the voting power at any general meeting.

A.1.5 External auditor of the undertaking

The independent auditor of LIAH is Ernst & Young, a “Société Anonyme”, 35E, Avenue John F. Kennedy, L-1855 Luxembourg.

A.1.6 Material Lines of Business and Material Geographical Areas

The Company’s primary business is unit-linked insurance.

The Company offers wealth structuring solutions in the following key markets: Belgium, Finland, France, Germany, Italy, Luxembourg, Spain, Sweden and the United Kingdom.

A.2 Underwriting performance

LIAH does not directly write insurance however the constituent companies write unit-linked insurance policies, having a line of business under Solvency II that is index-linked and unit-linked insurance. This business has very low levels of insurance risk. In addition reinsurance is utilised to limit its overall risk exposure as well as to reduce the volatility of underwriting performance.

The table below shows the Company's consolidated premiums and claims for the period ended 31 December 2016:

Premiums and claims* €m (31 December 2016)

Gross premiums written	3,809.3
Reinsurers' share	1.4
Net	3,807.9
Gross claims incurred	2,525.1
Reinsurers' share	0.0
Net	2,525.1

* The claims incurred (as shown in the above table) are predominantly withdrawals of clients' own assets.

As shown in the above table the total premium written as at 31 December 2016 is EUR 3,809.3m Gross of Reinsurance. Around 84% of this premium is generated from the Company's nine core markets.

A.3 Investment performance

The Company conducts the business of writing unit-linked life insurance policies. In general, positive investment performance of assets is passed on to clients through an equivalent increase in client benefits. An increase in benefits results in a proportionate increase in the administration fees, which contributes to improved business performance, but the matching policy of each insurance company ensures that at all times assets are in place to meet client liabilities.

Excess assets held by the Company are invested in short-term money market funds, which provide access to a diversified pool of high credit-quality assets. The investment performance of these assets is low, because focus is on security rather than yield.

The tables below show the consolidated investment income and investment charges for the period ended 31 December 2016.

Investment Income €m (31 December 2016)

Income from participating interests	0.0
Income from affiliated undertakings	0.0
Income from other investments	350.2
Realised gains on investments	1,540.3
Unrealised gains on investments	1,196.1
Total Investment Income	3,125.3

Investment Charges €m (31 December 2016)

Investment Management Charges	111.2
Realised losses on the sale of investment	1,239.8
Unrealised losses on investments	916.1
Total Investment Charges	2,267.1

A.4 Performance of other activities

The Company does not perform any other activity.

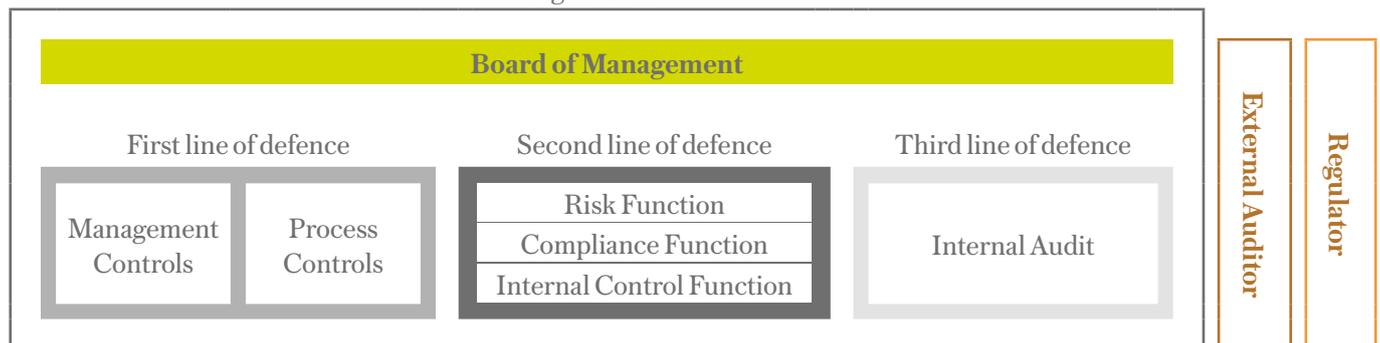
B. System of Governance

B.1 General information on the System of Governance

B.1.1 Introduction

As LIAH is a holding company, its Board of Managers (BoM) relies on the system of governance at each operational entity, which can be summarised as follows:

- LIA S.A. is managed by its Board of Directors and its Senior Management Committee, in accordance with applicable regulations. Please refer to the SFCR of LIA for more information.
http://www.lombardinternational.com/en-US/SFCR_2016_Report.pdf
- LIS S.A. is managed by its Board of Directors and its Management Committee, in accordance with applicable regulations.
- LIPCC is managed by its Board of Directors in accordance with applicable regulations.



The operational entities of the Group operate a “**three-lines-of-defence**” model, in line with prudent market practices:

- **The first line of defence** is made of the departmental management. Business unit managers and directors are accountable for the risks they run, and for the compliance and control environment in their units. They are supported by appointed risk-matter experts.
- **The second line of defence** is composed of the Risk, Compliance and Internal Control functions. More information is available under Section B4.
- **The third line of defence** is assumed by Internal Audit. More information is available under Section B5.

There was no change in the structure of the Company's BoM and no material change in the Corporate Governance during the reporting period.

B.1.2 Remuneration

Remuneration policy

The remuneration policy, in compliance with applicable regulatory requirements and best market practice, discourages risk taking beyond defined risk appetite, prevents non-sustainable decision making and avoids situations of conflict of interest.

Compensation schemes are designed to take account of competences required, evaluations, skills and performance.

The Company ensures equal, controlled and compliant remuneration practices that result in preventing non-sustainable business decisions, decisions in conflict with its clients' interests, risk taking outside risk appetite, fines from the Regulator(s), loss and/or demotivation of staff members. The Company is risk-averse to these risks.

This policy applies to all staff members. There are specific provisions for Material Risk Takers.

The remuneration framework:

- ensures that remuneration is adequate and linked to the mandate of the individual;
- rewards the overall delivery of the business strategy, the achievement of financial results and long-term growth and sustainability;
- aims at paying fair base pay, based on market practice, and at recognising and rewarding collective and individual performance via variable remuneration;
- encourages sound corporate governance and a strict compliance with internal rules and procedures.
- does not reward excessive risk taking outside of confirmed risk appetite;
- considers the principle of proportionality in defining the remuneration principles in such a way as to take into account the internal organisation and the nature, the scale and the complexity of the risks inherent to the business.

The remuneration includes:

- a fixed remuneration;
- the annual bonus which complements the base salary and is the annual incentive plan designed to motivate and compensate employees based on performance measurements.

The individual performance assessment is subject to calibration sessions pursuing the following objectives:

- a consistent approach throughout the Company;
- relevance of the criteria used to evaluate performance;

- application of a fair process;
- a dedicated conversation around low and high performers.

For Material Risk Takers, a deferral mechanism is applied.

B.1.3 Material transactions

The following material transactions were carried out in the period:

- LIAH injected €25.6m in order to bring the share capital of LIA from €2.0m to €27.6m by the way of the issuance of 2,560.0m new ordinary shares with a par value of €0.01 each;
- LIA distributed a dividend of €13.5m to the Company;
- LIA Subco Ltd, the sole shareholder of LIAH resolved to increase the equity basis of LIAH, by a cash contributions to a special equity reserve account (“the Special Reserve Account) of LIAH in respective amount of €25.6m
- LIAH distributed a dividend of €13.5m to LIA Subco Ltd.

B.2 Fit and proper requirement

B.2.1 Specific requirements

The Company ensures that all persons who effectively run the undertaking or have other key functions at all times fulfil the following requirements:

- their professional qualifications, knowledge and experience are adequate to enable sound and prudent management;
- they are of good repute and integrity.

B.2.2 Process of assessing fit and proper requirements

The Fit & Proper policy specifies the principles by which the Company ensures that all non-executive directors, senior managers and all persons who hold key functions or work within a key function are fit and proper for their role.

This policy covers the principles to apply as part of the recruitment process, the promotion process and on-going employment to assess whether candidates or employees in general and in particular those to be recruited in, promoted to or holding roles are fit and proper for their role.

For all prospective senior managers and employees within key functions, including key role holders, full and in-depth assessments and interviews are undertaken to review each individual’s qualifications, knowledge and experience.

For key role holders, the assessment is performed in writing and includes the following three criteria:

1. Experience: The assessment of experience has to take into account the nature, scale and complexity of the business and the responsibilities of the position concerned;
2. Reputation: Reputation will be assessed regardless of the nature, scale and complexity of the business and/or role;
3. Governance: When performing the assessment on the suitability, the overall functioning of the role within the corporate governance has to be assessed.

On the request of the Regulator, the Company may have to provide the written assessment performed, the guiding principles, the policy and procedure on the appointment and succession of key role holders. This written assessment must include the conclusions from the BoM on the suitability of the key role holder to be nominated.

B.3 Risk management system including ORSA

B.3.1 Risk Management

The Company has developed the processes and procedures that are used to identify, assess, monitor, manage and report the short and long term risks that the Company faces; and to determine the capital required to ensure that its overall solvency needs are met at all times.

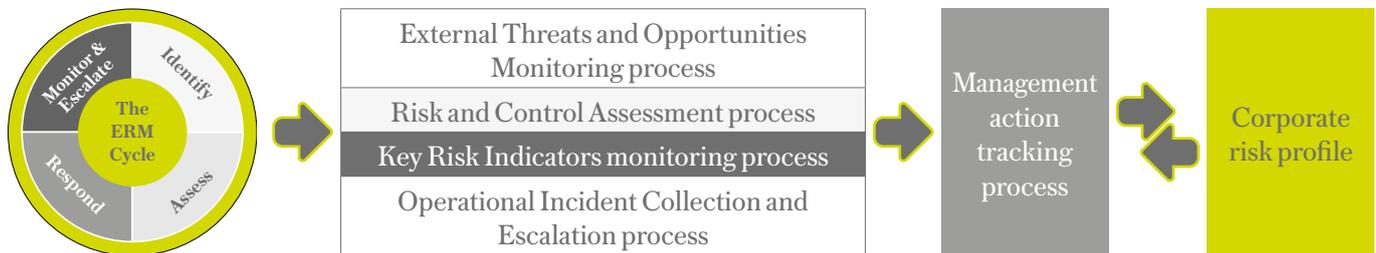
Enterprise Risk Management Framework

The Risk Management Framework is applied consistently at the level of the operational entities (including for LIPCC – third party entity as per EIOPA definition – therefore not submitted to Solvency II regulation at entity level).

As with all insurance undertakings, the Company faces different risks which are spread across its entities. These risks are internally classified in three main categories: strategic risks, financial risks and operational risks. To manage these risks, the Company has defined a risk strategy, which is formalised through the Risk Appetite Statement of the operational entities of the Company.

The risk strategy is further translated and articulated in a number of Company corporate policies and procedures compliant with all regulations in force, which document the risk governance, mitigation and controls in place to address the major risks.

The Company's risk management processes are built as illustrated hereafter, to meet the risk identification, assessment, response, monitoring and escalation requirements.



External Threats and Opportunities Monitoring process: This process is designed to ensure early awareness of external threats and opportunities, including legal or regulatory changes. It allows for both expert and business input in the assessment of these threats and opportunities and on the appropriateness of associated mitigation steps. Finally, the process ensures an audit trail of the agreed risk strategy and mitigating actions.

Risk and Control Assessment process: Objective of this process is to provide a regular assessment of individual risks taking into account the existing risk exposure and effectiveness of controls and mitigating actions in place. For risks assessed as being beyond the risk appetite, mitigating actions are identified and implemented.

Key Risk Indicators monitoring process: Key Risk Indicators are identified and measured to monitor, on an ongoing basis, risk exposure versus risk appetite. These can either be internal or external indicators. Soft and hard limits are defined for each of them. When the hard limit is breached, rationale is investigated and mitigating actions are identified, where relevant.

Operational Incident Collection process: The process is a logging and escalation process, available for every employee of the Company, to report any operational incident including control failures. Material incidents are investigated for root-cause analysis and lessons learnt. Corrective and preventive actions are established when necessary. Trend analysis is also performed based on incident data to surface and prevent non-material but recurrent issues.

Management Action Tracking process: All risk management actions coming from any ERM processes or risk governance meetings are centralised in a dedicated tool. Deadline rebasing is subject to restrictive rules managed by the Risk Function. Objective being to ensure that risks are appropriately and timely mitigated.

Outputs of all the above-mentioned processes contribute to the production of the “Corporate Risk Profile” report which is provided on a regular basis to support the relevant decision bodies of the operational entities on their risk oversight duty.

This integrated ERM framework is embedded at the heart of key decision making process. All key decisions made such as product initiatives, new projects, capital management, reinsurance arrangement review, investment strategy, marketing strategy and distribution strategy follow internal governance processes, which include an assessment of the risk exposure, mitigation strategies and need for an ad hoc ORSA.

B.3.2 ORSA

In compliance with the applicable local and European Solvency II requirements, overall performance of the ORSA requires the combination of multiple pieces of information coming from existing processes in the organisation. The Risk Function coordinates the ORSA process throughout the year.

The Company ORSA process and report include all operational entities of the Company including LIPCC (as a non-European third-party entity).

Outcomes of the ORSA process are summarised in the internal Company ORSA Report and the external Company ORSA Supervisory Report both reviewed and approved by the Board of Managers.

The Company ORSA Supervisory Report is submitted to the CAA.

In validating the Company ORSA report, the Board of Managers confirms that:

- a suitable assessment of the risk profile and overall and on-going solvency needs has been conducted;
- appropriate processes are in place to properly identify, assess, manage and monitor the risks and solvency position, including appropriate risk governance and risk awareness;
- the Company is projecting to have sufficient internal capital and liquidity to meet its solvency needs and obligations to policyholders over the business planning period, including stress testing and scenario analysis exercises in determining its capital assessment needs.

The Company ORSA is an integral part of the business strategy and is taken into account, on an on-going basis, in the making of strategic decisions and in planning processes.

Comprehensive management reporting ensures that the significant parameters of the Company ORSA are consistently monitored and reported regularly to the Senior Management of the operational entities and the Board of Managers of LIAH. This includes performance against regulatory and internal capital and liquidity requirements and performance against the risk appetite under the ORSA planning horizon.

As per the ORSA procedure and due to its evolving nature (based on business mix, environment factors, etc.), the material events that might trigger a re-evaluation and new iteration of the Company ORSA have been identified. This encompasses both internal and external triggers. Material risk profile changes captured through product initiatives, new projects, capital management changes, reinsurance arrangement reviews, investment strategy changes, marketing and distribution strategy changes already foresee in their operational processing an assessment for potential ORSA impacts where significant.

B.4 Internal Control System

The Company's Internal Control System aims at ensuring:

- that the Company adheres to applicable laws and regulations;
- that the instructions (including corporate policies and guidelines) issued by Board of Managers and executive management are adequately implemented;
- that the Company's internal processes are in line with professional and ethical standards;
- the reliability of reporting, information and communication.

B.4.1 Internal Control

As presented in the System of Governance section, the Company has established a three lines of defence framework. The Internal Control Function is part of the second line.

Its mission is to enhance and protect organisational value by providing the executive management with risk-based, independent and objective assurance on the design and effectiveness of the controls. It also advises on improvements of the control environment in general.

It provides regular reports to the management and/or oversight bodies of the relevant entities contributing to the strengthening of the implemented control system.

B.4.2 Compliance

Similarly to the Internal Control Function, the Compliance Function is part of the second line of defence.

Compliance is part of the Internal Control System. It focuses on Compliance risks, which are defined as a failure to conduct its business in accordance with the regulatory rules in force and having potential regulatory, commercial and reputational impacts, which can result in:

- legal and regulatory risk;
- risk of sanctions;
- reputation risk;
- risk of breach of ethical rules;
- risk of breach of the Company's policies and requirements.

Matters that fall under the Compliance Function's competence include the following:

- prevention of money laundering and terrorism financing;
- market abuse and insider dealing prevention;
- clients interest protection;
- complaint handling;
- data protection and respect of professional secrecy;
- prevention and management of conflicts of interest;
- prevention of bribery (inducements including gifts);

- fraud prevention and detection;
- respect of ethics and duty based rules;
- management of cross-border activities related to compliance matters;
- financial reporting;
- oversight of first line of defence Investment Compliance activities.

In consideration of proportionality and subject matter expertise, the Compliance function may delegate day-to-day management and responsibility to other functions while retaining oversight responsibility.

B.5 Internal Audit Function

B.5.1 Implementation

The Internal Audit Function is part of the third line of defence of the Company.

Internal audit in the Company is implemented through the following process: An audit plan is created on an annual basis and ensures that sufficient evidence will be obtained to evaluate the effectiveness of the risk management and control processes across the business. The plan includes a review of the major risk management processes operating across the business and a selection of the key risks identified from those processes. The audit plan also gives special consideration to those operations most affected by recent or expected changes, for example changes following acquisitions, restructures and new ventures. The proposed plan is flexible so that adjustments can be made during the year as a result of changes in management strategies, external conditions, major risk areas, or revised expectations in respect of achieving the business objectives.

Based on the annual plan, the internal audit activity evaluates the adequacy and effectiveness of controls encompassing the governance, operations, and information systems. This includes:

- adequacy of risk management;
- monitoring of internal control's efficiency and effectiveness and where relevant compliance with the laws and regulations as well as the prudential requirements imposed by the Regulators;
- operation and effectiveness of the second line of defence;
- adequacy of the administrative, accounting and IT organisation;
- safeguarding of securities and assets;
- adequacy of the segregation of duties and of the execution of transactions;
- accurate and complete registration of the transactions;
- relevant and understandable information available without delay to the BoM, where appropriate senior management and the Regulator;
- implementation of the decisions taken by senior management and by the persons acting by delegation and under its responsibility.

In determining the proposed audit plan, the Head of Internal Audit considers relevant work that will be performed by other areas, e.g. Internal Control, External Audit. To minimise duplication of effort and inefficiencies, the work

planned or recently completed, by management in its assessments of the risk management process, controls and quality improvement processes, as well as the work planned by the external auditors, are considered in determining the expected coverage of the audit plan for the coming year.

The BoM requires that the Head of Internal Audit performs sufficient audit work and gathers other available information during the year so as to form a judgement regarding the adequacy and effectiveness of the risk management and control processes. The Head of Internal Audit communicates overall judgement regarding the Company's risk management process and system of controls to the BoM.

B.5.2 Independence from other functions

The Internal Audit function of the Company is managed by the Head of Internal Audit who is an employee of LIA, has no direct operational responsibility or authority over any of the activities audited and has a direct reporting line into the Chair of the Audit & Risk Committee of LIA. This reporting structure ensures independence of the Internal Audit Function.

Internal Audit is free from interference in determining the scope of internal auditing, performing work, and communicating results.

B.6 Actuarial Function

Key responsibilities include:

- co-ordination of the calculation of Technical Provisions. This consists of assessing the sufficiency of the provisions, assessing the uncertainty in the estimates and justifying the differences between successive periods;
- reviewing the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience;
- producing an annual actuarial function report for the BoM. The report covers all of the information necessary for the BoM to form its own opinion on the adequacy of Technical Provisions and on the underwriting and reinsurance arrangements;
- contributing to the effective implementation of the risk management system of the Company;
- reviewing the output of the model used by the Company to calculate the Solvency Capital Requirement and Minimum Capital Requirement. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised;
- Contribution to ORSA capital calculations.

B.7 Outsourcing

When choosing an outsourcing provider for any critical or important function or activity, the Company (at entity level) carries out all necessary steps to ensure that:

- a detailed examination is performed of the potential service providers' ability and capacity to deliver the required functions or activities satisfactorily, taking into account the objectives and needs;
- the service provider has adopted all means to ensure that no explicit or potential conflict of interest with the entity impairs the needs of the outsourcing provider undertaking;
- the entity enters into a written agreement with the outsourcing provider which clearly allocates the respective rights and obligations of the entity and the outsourcing provider (even for intragroup outsourcing);
- the general terms and conditions of the outsourcing provider agreement are authorized and understood by the entity's management;
- the entity includes in its risk management systems and controls a process for monitoring and reviewing the quality and performance of the services provided according to the agreement;
- the outsourcing activity does not represent a breach of any data protection regulation or any other laws;
- the outsourcing provider is subject to the same provisions that are applicable to the entity regarding the safety and the confidentiality of the information related to its clients;
- the entity considers in its own contingency planning the possibility of having to face an emergency situation or business disruption arising from a failure or a problem of the outsourcing provided.

Details of the functions and activities outsourced, and the jurisdictions they operate in, are shown in the table below:

Activity	Entity	Jurisdiction
Fund Administration of Internal Collective Funds	LIA	Luxembourg
Creation, maintenance and printing of corporate marketing documentation, contractual forms and clients' communication	LIA	Luxembourg
IT back-up provider	LIA	Luxembourg
Data centre infrastructure management	LIA	Luxembourg
Archiving management	LIA	Luxembourg
Payroll services	LIA	Luxembourg
Investment services	LIA	Luxembourg
Client tax reporting for Austria	LIA	Austria
Client tax reporting for Cyprus	LIA	Cyprus
Client tax reporting for France	LIA	France
Client tax reporting for Italy	LIA	Italy
Client tax reporting for Malta	LIA	Malta
Client tax reporting for Portugal	LIA	Portugal
Client tax reporting for Spain	LIA	Spain
IT services	LIS	Luxembourg
Administration services, Investment administration and Fund accounting, Contracts & Relations, Finance services and Risk Function	LIPCC	Luxembourg
Investment services	LIPCC	Luxembourg
Insurance Manager, Compliance Function	LIPCC	Guernsey
Actuarial Function	LIPCC	Guernsey

C. Risk Profile

C.1 Underwriting risk	The level of insurance risk in the Company is immaterial. The death benefit on investment products is generally limited to 1% of invested assets and extensive use is made of reinsurance.
C.2 Market risk	The unit-linked nature of the Company's products means market risk is borne by the policyholder. Investment procedures for shareholder assets serve to minimise market risk.
C.3 Credit risk	Credit risk arises principally through exposure to debt security investments, bank deposits, derivative counterparties, and reinsurance counterparties, insurance and investment contracts receivables. The Company has adopted a risk averse approach to such risks and has a stated policy of not actively pursuing or accepting credit risk.
C.4 Liquidity risk	The Company ensures that it maintains sufficient financial resources to meet its obligations as they fall due through the application of a liquidity risk policy and through the development of its liquidity risk management plan.
C.5 Operational risk	The residual risks are operational risks covering regulatory, litigation and taxation. Operational risks are assessed and monitored and minimised wherever possible. The Company's main risks are stemming from the business activities of the operations, the major part from LIA (including LIS) and for a smaller part, from LIPCC. No specific risk arises from IDH as a holding company for LIPCC.
C.6 Other material risks	No other material risks.
C.7 Any other information	As part of the Company's ongoing risk management approach the Company performs a range of stress and scenario tests, reporting on the output as part of ORSA. The stress and scenario testing comprises two elements: <ul style="list-style-type: none"> <li data-bbox="592 1823 1477 1890">• sensitivity and stress testing of the financial and capital position to changes in key modelling assumptions; <li data-bbox="592 1906 1477 2152">• exploration of plausible adverse scenarios that may arise in the normal course of business – these are derived from the key drivers of business and the schedule of significant risks to the Company. Where possible the Company undertakes quantitative analysis of solvency and profit and loss impacts, augmented with qualitative analysis if modelling is not appropriate. This scenario testing also includes analysis of new risks emerging in the business and a programme of reverse stress testing.

D. Valuation for Solvency Purposes

D.I Assets

<u>Assets €m</u>	<u>Luxembourg GAAP*</u>	<u>Adjustments</u>	<u>Solvency II</u>
Deferred acquisition costs	61.3	(61.3)	0.0
Intangible assets	10.5	(10.5)	0.0
Property, plant & equipment held for own use	1.3	0.0	1.3
Investments (other than assets held for index-linked and unit-linked contracts)	49.4	0.7	50.2
Assets held for index-linked and unit-linked contracts	34,798.8	0.0	34,798.8
Insurance and intermediaries receivables	172.6	0.0	172.6
Cash and cash equivalents	140.4	0.0	140.4
Any other assets, not elsewhere shown	1.6	0.0	1.6
Total Assets	35,236.0	(71.1)	35,164.9

D.I.1 Investments

Investments were comprised of money market fund, participations, and assets received in advance from policyholders.

a) Money Market Funds

As at the reporting date, the Company had EUR 25.7m invested in money market funds. These investments were valued at lower of cost and market value in the Statutory Financial Statements.

The money market funds are valued at fair value under Solvency II based on market prices at the reporting date, which are quoted prices in active markets. As these are publicly traded securities, the market prices are readily available and are actively traded. No significant estimates or judgements are used in the valuation of these investments.

* Generally Accepted Accounting Principles.

b) Assets received in advance from policyholders

As at 31 December 2016, assets received in advance from policyholders amounted to EUR 12.4m. These assets are valued at fair value under Solvency II and Statutory Financial Statements.

c) Participations

Participations have been eliminated at the consolidated level.

D.1.2 Receivables

Receivable balances are mainly related to fees receivable and foreign tax advances made in respect of applicable insurance policies. As at 31 December 2016 the Company had a total receivables balance of EUR 173m. Receivables are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required. The value of receivables in the Company's Financial Statements is the same as for Solvency II.

D.1.3 Cash and cash equivalents

Cash at bank and in hand, as at 31 December 2016, amounted to EUR 140.4m of which EUR 103.3m related to cash received from policyholders. Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period end to confirm the balances held. The value of cash and cash equivalents in the Company's financial statements is the same as for Solvency II.

D.1.4 Intangible Assets

Deferred Acquisition Costs ("DAC") balances and goodwill are valued at zero under Solvency II Regulations and are effectively removed in the preparation of the Solvency II balance sheet. Intangible assets, other than goodwill, are recognised in the Solvency II balance sheet at a value other than zero only if they can be sold separately and it can be demonstrated that there is a value for the same or similar assets that has been derived from quoted market prices in active markets.

D.1.5 Assumptions and judgements

The areas where assumptions and judgment are exercised by management include determining the value of deferred income taxes.

D.1.6 Reconciliation of Statutory valuation of assets to Solvency II valuation

- Accounting policy differences: As noted in D.1.4 above, goodwill, DAC, and other Intangible Assets are reassessed at zero value under Solvency II. The associated impact on deferred tax is reflected in other liabilities;
- Deferred tax: The adjustments listed resulted in an impact in the deferred tax liability.

D.2 Technical Provisions

D.2.1 Introduction

The Company has one material line of business that is unit-linked life insurance. The Technical Provisions, as at 31 December 2016, were as follows:

Technical Provision in €m (31 December 2016)

Gross Best Estimate of Future Liabilities	34,022.3
Risk Margin	218.6
Total Technical Provisions	34,240.9

D.2.2 Valuation methodology

Under Solvency II, the Technical Provisions comprise a Best Estimate Liability and a Risk Margin. These have been calculated as the sum of the respective elements from the two insurance subsidiaries. The subsidiaries employ the same methodology for the calculation of the technical provisions.

D.2.2.1 Best Estimate Liability

Client relationships are based on segregated accounts and the Company maintains dedicated and separate accounts per policy. In this way the underlying assets are consistently attributed to the corresponding policy.

The Company's Best Estimate of Future Liabilities has been calculated at a per-policy level for the policies in-force at the valuation date.

It is the present value of all future expected cash-flows allowing for claims, expenses and lapses. Allowance is made for reinsurance.

D.2.2.1 Risk Margin

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement over the lifetime of the insured portfolio. This cost is determined by applying a prescribed cost of capital rate of 6% p.a. to each year's projected Solvency Capital Requirement, and then discounting these amounts at the risk-free rate.

The projected Solvency Capital Requirement figures have been determined using the 'Standard Formula' basis, consistent with the calculation of the initial Solvency Capital Requirement, but only allowing for risks that are deemed to be non-hedgeable. The Company views the market risk arising from fluctuations in the value of its linked funds as being hedgeable, and therefore no allowance has been made for market risk within the projection of the Solvency Capital Requirement.

D.2.3 Judgements

D.2.3.1 Projection of Solvency II Capital Requirement for Risk Margin

Calculation of the Risk Margin requires projection of the Solvency Capital Requirement. Reflecting the relatively simple nature of the business and risks, a simplified method has been adopted in line with 'Method 1' outlined in Guideline 62 of EIOPA's guidelines on the valuation of Technical Provisions (i.e. the methodology involving the least simplifications). This uses a series of

'risk drivers' to project how each component of the initial Solvency Capital Requirement runs off over the lifetime of the portfolio.

D.2.4 Assumptions

D.2.4.1 Mortality

Mortality assumptions take account of relevant industry information. The Company adjusts the mortality assumptions on an annual basis to allow for future improvements in mortality rates.

D.2.4.2 Lapses

Lapses (full and partial surrender rates) are mainly based on the Company's average experience over the past three full calendar years (e.g. the rates used for the 31 December 2016 valuations are based on analysing the Company's experience during 2013, 2014 and 2015). Some additional judgement is applied where the Company expects the future to be different from the recent past.

The assumptions vary by geographical market and the length of time for which a policy has been in-force.

D.2.4.3 Expenses

The expense assumptions include allowance for administration costs and corporate overhead costs incurred. The corporate costs have been apportioned so that the total maintenance cost represents the anticipated ongoing expenses, including systems development costs, which are expected to arise in future years in meeting the policy servicing requirements of the in-force business.

D.2.4.4 Interest and Inflation Rates

The Solvency II regulations specify the risk-free interest rate term structure to be used. The Company used the Euro rates (with volatility adjustment) as provided by the European Insurance & Occupational Pensions Authority. The Company did not use the matching adjustment. Full detail of the Euro interest rate curve prescribed for use at 31 December 2016 can be found at <https://eiopa.europa.eu/regulationsupervision/insurance/solvency-ii-technical-information/risk-free-interest-rate-term-structures>.

The assumption for future inflation is derived from Euro denominated inflation swap data.

D.2.5 Uncertainty associated with the value of the Technical Provisions

The value of the Technical Provisions includes uncertainty in that they are based on the expected value of future cash-flows. The assumption-setting processes described above are designed to reduce uncertainty by using past experience with adjustments where there are appropriate reasons to expect that future expectations may differ from past performance.

D.2.6 Differences between Solvency II valuations and valuations for Financial Statements

The following table explains differences between Solvency II valuations and valuations for Financial Statements:

€m (31 December 2016)

Gross Luxembourg GAAP Insurance Contract Liabilities	32,429.4
Gross Best Estimate of Future Liabilities under Solvency II	34,022.3
Risk Margin	218.6
Solvency II Technical Provisions	34,240.9

D.2.7 Matching Adjustments

No matching adjustments have been applied.

D.2.8 Volatility adjustments

The volatility adjustment, referred to in Article 77b of Directive 2009/138/EC has been applied. The table below shows the position without this adjustment compared with the position with the adjustment:

€m	No Volatility Adjustment	With Volatility Adjustment
Technical Provisions	34,263.8	34,240.9
Solvency Capital Requirement	416.4	412.7
Minimum Capital Requirement	179.4	177.8
Basic own funds	519.6	536.6
Amount of own funds eligible to cover the Minimum Capital Requirement & Solvency Capital Requirement	519.6	536.6

D.2.9 Transitional Risk Free Interest Rate

The transitional risk-free interest rate term structure referred to in Article 308c of Directive 2009/138/EC has not been applied.

D.2.10 Transitional Deduction

The transitional deduction referred to in Article 308d of Directive 2009/138/EC has not been applied.

D.2.11 Reinsurance Recoverable

At 31 December 2016 there were no material amounts outstanding from reinsurance contracts. There were no special purpose vehicles.

D.2.12 Material Changes

No material changes made in the calculation of the Technical Provisions compared to the previous reporting period.

D.3 Other liabilities

The table below shows the other liabilities

€m (31 December 2016)

Provisions other than Technical Provisions	7.3
Deferred Tax Liabilities	106.4
Insurance & intermediaries payables	130.8
Payables (trade, not insurance)	105.0
Any other liabilities, not elsewhere shown	37.9

D.4 Alternative methods for valuation

There are no other valuation methods used.

E. Capital Management

E.1 Own funds

The Company, in line with its Capital Management Policy, maintains capital at a level that enables it to carry out its current business plan within its risk appetite. The BoM of the Company sets an appropriate target level of solvency cover given the risks to which the business is currently exposed and those implicit in the Company's medium term business plan.

The composition of the Company's Own Funds is as follows:

€m (31 December 2016)

Ordinary share capital	0.0
Share premium accounts	25.7
Reconciliation reserve	510.9
Total basic own funds after deductions	536.6
Adjustments for ineligible assets	–
Solvency II excess of assets over liabilities	536.6

The reconciliation reserve is mostly comprised of the value of future profits expected from the in-force business.

The table below reconciles the equity in the Financial Statements and the Solvency II excess over liabilities:

€m (31 December 2016)

Statutory Accounts excess of assets over liabilities	121.4
Reassessment of participation	0.0
Accounting policy differences	415.2
Solvency II excess of assets over liabilities	536.6

The Own Funds of the Company were impacted by the profit generated during the year.

The whole amount of the Own Funds is eligible to cover the Solvency Capital Requirement and the Minimum Capital Requirement.

There are no amounts within the Own Funds that arise from transitional arrangements, and no ancillary Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.1.1 Consolidation Approach

Solvency of the Company has been assessed using Method 1 'Accounting consolidation-based method', as referred to in Article 230 of Directive 2009/138/EC.

E.1.2 Restrictions to Eligible Own Funds

There were no restrictions to the fungibility and transferability of own funds eligible for covering the Company Solvency Capital Requirement.

E.2.1 Introduction

The Solvency Capital Requirement and Minimum Capital Requirements have been determined using the 'standard formula' approach set out in Directive 2009/138/EC. No material simplified methods or undertaking specific parameters have been used in this assessment.

The amounts of Solvency Capital Requirement and Minimum Capital Requirement as at 31 December 2016 were as follows:

€m (31 December 2016)

Solvency Capital Requirement	412.7
Minimum Capital Requirement	177.8

E.2.2 Risk Modules

The table below shows the 31 December 2016 Solvency Capital Requirement of the Company by Risk Module:

€m	Solvency Capital Requirements
Mortality Risk	10.8
Longevity	1.3
Disability and Morbidity Risks	-
Lapse Risk	301.4
Expenses Risk	69.4
Catastrophe Risk	1.3
Revision	-
Diversification	(41.3)
Life Underwriting	342.9
Interest Rate Risk	8.1
Spread Risk	40.1
Equity Risk	204.4
Property Risk	-
Concentration Risk	2.8
Currency Risk	105.4
Diversification	(74.0)

Market Risk	286.8
Counterparty Default Risk (type 1)	3.4
Counterparty Default Risk (type 2)	12.1
Diversification	(0.7)
Counterparty Default Risk	14.8
Basic Solvency Capital Requirement (pre-diversification)	644.6
Diversification benefit	(140.5)
Basic Solvency Capital Requirement	504.1
Operational Risk	15.0
Adjustment for Deferred Tax Liability	(106.4)
Final Solvency Capital Requirement	412.7

The Company has a minimum capital of the Minimum Capital Requirement of EUR 177.8m.

The Company is not subject to any level of capital add-on.

E.2.3 Material changes

The movement in the Company's Solvency Capital Requirement during 2016 was mainly due to new business and investment performance which impact in particular Market risk and Lapse risk. Growth in the capital requirement generally moves in line with assets under administration. The final amount of the Solvency Capital Requirement is subject to supervisory assessment.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The duration based equity risk sub module has not been used in the calculation of the Solvency Capital Requirement.

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

No internal or partial internal model has been used in the calculation of the Solvency Capital Requirement.

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

The Company has maintained Own Funds in excess of the Minimum Capital Requirement and Solvency Capital Requirement throughout the period.

F. Appendix: Quantitative Reporting Templates

QRT ref	QRT Template name
S.32.01.22	Undertakings in the scope of the group
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.22.01.22	Impact of long term guarantees and transitional measures
S.23.01.22	Own funds
S.25.01.22	Solvency Capital Requirement – for groups on Standard Formula

S.32.01.02**Undertakings in the scope of the group**

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
Co010	Co020	Co030	Co040	Co050	Co060	Co070	Co080
LU	LEI/549300TG736IJQBL4N81	1	Lombard International Assurance S.A.	1	société anonyme	2	Commissariat aux Assurances
GG	SC/LEI222100G9WE14OVDGJW09GG00001	2	Lombard International PCC Limited	1	company limited by shares	2	GUERNSEY FINANCIAL SERVICES COMMISSION

Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
Co180	Co190	Co200	Co210	Co220	Co230	Co240	Co250	Co260
100.00%	100%	100.00%		1	—	1		1
100.00%	100%	100.00%		1	—	1		1

		Cooro
Liabilities		
Technical provisions – non-life	Ro510	–
Technical provisions – non-life (excluding health)	Ro520	–
TP calculated as a whole	Ro530	–
Best Estimate	Ro540	–
Risk margin	Ro550	–
Technical provisions – health (similar to non-life)	Ro560	–
TP calculated as a whole	Ro570	–
Best Estimate	Ro580	–
Risk margin	Ro590	–
Technical provisions – life (excluding index-linked and unit-linked)	Ro600	1,064,755
Technical provisions – health (similar to life)	Ro610	–
TP calculated as a whole	Ro620	–
Best Estimate	Ro630	–
Risk margin	Ro640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	Ro650	1,064,755
TP calculated as a whole	Ro660	–
Best Estimate	Ro670	1,064,755
Risk margin	Ro680	–
Technical provisions – index-linked and unit-linked	Ro690	34,239,864,904
TP calculated as a whole	Ro700	–
Best Estimate	Ro710	34,021,286,346
Risk margin	Ro720	218,578,558
Contingent liabilities	Ro740	–
Provisions other than technical provisions	Ro750	7,333,164
Pension benefit obligations	Ro760	–
Deposits from reinsurers	Ro770	–
Deferred tax liabilities	Ro780	106,405,950
Derivatives	Ro790	–
Debts owed to credit institutions	Ro800	–
Financial liabilities other than debts owed to credit institutions	Ro810	–
Insurance & intermediaries payables	Ro820	130,771,589
Reinsurance payables	Ro830	–
Payables (trade, not insurance)	Ro840	104,955,517
Subordinated liabilities	Ro850	–
Subordinated liabilities not in BOF	Ro860	–
Subordinated liabilities in BOF	Ro870	–
Any other liabilities, not elsewhere shown	Ro880	37,919,673
Total liabilities	Ro900	34,628,315,553
Excess of assets over liabilities	R1000	536,580,208

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations			
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance
		C0210	C0220	C0230	C0240
Premiums written					
Gross	R1410	0	0	3,809,362,489	0
Reinsurers' share	R1420	0	0	1,403,063	0
Net	R1500	0	0	3,807,959,426	0
Premiums earned					
Gross	R1510	0	0	3,809,362,489	0
Reinsurers' share	R1520	0	0	1,403,063	0
Net	R1600	0	0	3,807,959,426	0
Claims incurred					
Gross	R1610	0	0	2,525,140,044	0
Reinsurers' share	R1620	0	0	0	0
Net	R1700	0	0	2,525,140,044	0
Changes in other Technical Provisions					
Gross	R1710	0	0	(4,265,751,383)	0
Reinsurers' share	R1720	0	0	0	0
Net	R1800	0	0	(4,265,751,383)	0
Expenses incurred	R1900	0	0	124,866,059	0
Other expenses	R2500				
Total expenses	R2600				

Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Life reinsurance obligations		Total
		Health reinsurance	Life reinsurance	
C0250	C0260	C0270	C0280	C0300
o	o	o	o	3,809,362,489
o	o	o	o	1,403,063
o	o	o	o	3,807,959,426
o	o	o	o	3,809,362,489
o	o	o	o	1,403,063
o	o	o	o	3,807,959,426
o	o	o	o	2,525,140,044
o	o	o	o	o
o	o	o	o	2,525,140,044
o	o	o	o	(4,265,751,383)
o	o	o	o	o
o	o	o	o	(4,265,751,383)
o	o	o	o	124,866,059
				594,780
				125,460,839

S.05.02.01

Premiums, claims and expenses by country

		Home country	Top 5 countriesCountry (by amount of gross premiums written) – life obligations					Total for top 5 countries and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	3,809,362,489	0.00					3,809,362,489
Reinsurers' share	R1420	1,403,063	0					1,403,063
Net	R1500	3,807,959,426	0					3,807,959,426
Premiums earned								
Gross	R1510	3,809,362,489	0					3,809,362,489
Reinsurers' share	R1520	1,403,063	0					1,403,063
Net	R1600	3,807,959,426	0					3,807,959,426
Claims incurred								
Gross	R1610	2,525,140,044	0					2,525,140,044
Reinsurers' share	R1620	-	0					-
Net	R1700	2,525,140,044	0					2,525,140,044
Changes in other Technical Provisions								
Gross	R1710	(4,265,751,383)	0					(4,265,751,383)
Reinsurers' share	R1720	-	0					-
Net	R1800	(4,265,751,383)	0					(4,265,751,383)
Expenses incurred	R1900	124,866,059	0					124,866,059
Other expenses	R2500							594,780
Total expenses	R2600							125,460,839

S.22.01.22**Impact of long term guarantees and transitional measures**

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	0	0	0	22,909,670	0
Basic own funds	R0020	0	0	0	(16,992,600)	0
Eligible own funds to meet Solvency Capital Requirement	R0050	0	0	0	(16,992,600)	0
Solvency Capital Requirement	R0090	0	0	0	3,628,100	0

S.23.01.01**Own funds**

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	12,500	12,500			
Non-available called but not paid in ordinary share capital at group level	R0020	–				
Share premium account related to ordinary share capital	R0030	25,645,000	25,645,000		–	
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	510,922,708	510,922,708			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
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	536,580,208	536,580,208	–	–	–

		Co010	Co020	Co030	Co040	Co050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	R0400	–			–	–
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	536,580,208	536,580,208	–	–	–
Total available own funds to meet the MCR	R0510	536,580,208	536,580,208	–	–	
Total eligible own funds to meet the SCR	R0540	536,580,208	536,580,208	–	–	–
Total eligible own funds to meet the MCR	R0550	536,580,208	536,580,208	–	–	
SCR	R0580	412,749,034				
MCR	R0600	177,774,785				
Ratio of Eligible own funds to SCR	R0620	130.0%				
Ratio of Eligible own funds to MCR	R0640	301.8%				

Reconciliation reserve

		Co060
Reconciliation reserve		
Excess of assets over liabilities	R0700	536,580,208
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	25,657,500
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Reconciliation reserve	R0760	510,922,708
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	–
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–
Total Expected profits included in future premiums (EPIFP)	R0790	–

S.25.01.22**Solvency Capital Requirement – for undertakings on Standard Formula**

		Gross solvency capital requirement	USP	Simplifications
		Co110	Co090	Co100
Market risk	R0010	286,825,822		
Counterparty default risk	R0020	14,781,978		
Life underwriting risk	R0030	342,943,465		
Health underwriting risk	R0040	–		
Non-life underwriting risk	R0050	–		
Diversification	R0060	(140,418,077)		
Intangible asset risk	R0070	–		
Basic Solvency Capital Requirement	R0100	504,133,188		

Calculation of Solvency Capital Requirement

		Co100
Operational risk	R0130	15,021,796
Loss-absorbing capacity of technical provisions	R0140	–
Loss-absorbing capacity of deferred taxes	R0150	(106,405,950)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency Capital Requirement excluding capital add-on	R0200	412,749,034
Capital add-on already set	R0210	–
Solvency capital requirement	R0220	412,749,034
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	–

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