LOMBARD
INTERNATIONAL
ASSURANCE
HOLDINGS SARL

Solvency and Financial Condition Report

2018

Contents

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. ("LIAH"), a company incorporated in Luxembourg under the form of a "Société à responsabilité limitée" and having its registered address at 4, rue Lou Hemmer, L-1748 Luxembourg 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 2018, and the associated capital position for the Company. Those results are also presented in the Quantitative Reporting Templates ("QRTs") that can be found in the Appendix to this report.

Our business

The Company is a leading independent, global wealth solutions provider with deep local market knowledge. We provide superior customised insurance-based solutions to help high net worth individuals and their families ensure their assets are protected, portable and can be passed on.

We have been working with advisors, high net worth individuals, their families and institutions for over 25 years, to give them greater control over their financial futures. At a group level we now administer €41.5 billion of our clients' assets across the globe (as of 31 December 2018).

The business specialises in addressing the complex needs of high net worth clients, with a team of more than 60 technical experts in wealth structuring, tax law and non-traditional assets based around the world. This deep-rooted expertise offers clients a proven capability that works across borders, regions and geographies, giving them the choice and flexibility to meet their unique needs. 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 creates and delivers solutions for its clients that protect their legacy, secure their wealth now and for future generations. Lombard International Assurance's wealth planning experts and sophisticated technology platforms support clients by designing customised solutions that allow them to prepare for the future in a changing world.

The Company is the European arm of the Lombard International Group ("the Group"). The Group is headquartered in Luxembourg and Philadelphia serving over 20 markets across the United States, Europe, Asia and Latin America.

Funds managed by Blackstone own Lombard International. Blackstone is one of the world's leading investment firms with assets under management of $ 472.0 bn (as of 31 December 2018).

2018 Business Performance

2018 was another successful year for Lombard International despite the difficult geopolitical and macro-economic environment across the globe. Over the last 12 months, the business further expanded its worldwide operations, building a truly unique business, enabling an integrated global perspective to best serve its clients and their advisors, no matter where they reside. This global reach enables us to leverage our expertise and benefit from the tailwinds in certain markets while managing headwinds in others, as we continue to build Lombard International for the long term.

The business operates in a global environment with progressively wide variations in economic conditions, languages and local regulations. One of the core strengths of the Company is the professional knowledge and capabilities of its in-house experts which serve these diverse markets and the distribution channels it accesses. The Company 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.

In 2018, the Company continued to enjoy the benefits of a sustainable business model underpinned by recurring fee-driven business, stable asset base, minimal balance sheet exposure and limited retained exposure to mortality risk, and delivered a resilient performance.

Innovation is a driving force that enables the Company to sustain its market leading position, continue to evolve and offer clients and partners best-in-class solutions. In addition to its unit-linked core offering, the Company designed the International Life Plan for high net worth individuals to protect and preserve key parts of their personal, family and business legacies. The solution is particularly relevant for international individuals who require a higher level of life cover, whose planning needs are more complex, and so require highly bespoke solutions.

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 2018:

Insurance Business AUA €m	31 Dec. 2018
Opening	35,072.4
Gross Inflow	4,047.5
Gross Outflow	(2,915.1)
Investment Return	(1,490.3)
Closing	34,714.5

The following table shows the solvency position as at 31 December 2018:

Solvency €m	31 Dec. 2018
Solvency Own Fund (A)	505.4
Solvency Capital Requirement (B)	356.4
Solvency II Free Assets (A-B)	149.0
Solvency Ratio (A/B)	141.8%

LIAH's Chairman, Axel Hörger and LIAH's Chief Financial Officer, Florent Albert 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.

Florent Albert
Chief Financial Officer
3 June 2019

Axel Hörger
Chairman
3 June 2019

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.

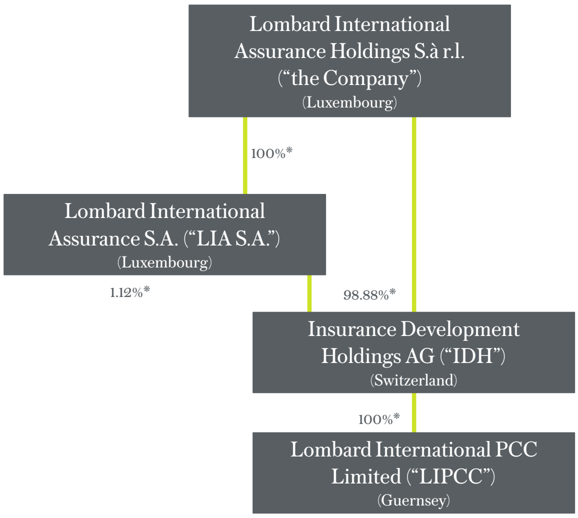
A.1.3 Position within the legal structure of the Company

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. ("LIA S.A."), a life insurance company incorporated in Luxembourg and with branches in Milan and Brussels.
- 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 Luxembourg, 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.

LIA S.A. offers wealth structuring solutions in a number of key markets including Belgium, France, Italy, Sweden and the United Kingdom, as well as a number of other jurisdictions.

A.1.7 Other Information

The number of Full Time Equivalent (FTE) employees is 396.3.

A.2 Underwriting performance

LIAH does not directly write insurance, however, the constituent companies write unit-linked insurance and life protection policies, having two lines of business under Solvency II, that is index-linked and unit-linked insurance and life insurance. The unit linked 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 2018:

Premiums and claims* €m	31 Dec. 2018	31 Dec. 2017
Gross premiums written	4.047.5	4,050.4
Reinsurers' share	1.6	1.6
Net premiums written	4.045.9	4,048.8
Gross claims incurred	2,915.1	4,420.2
Reinsurers' share	0.0	0.0
Net claims incurred	2,915.1	4,420.2

* 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 2018 is €4,047.5m (2017: €4,050.4m) Gross of Reinsurance.

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 2018.

Investment Income €m	31 Dec. 2018	31 Dec. 2017
Income from participating interests	0.0	0.0
Income from affiliated undertakings	0.0	0.0
Income from other investments	536.3	417.6
Realised gains on investments	1,891.4	2,392.3
Unrealised gains on investments	185.8	633.1
Total Investment Income	2,613.5	3,443.0

Investment Charges €m	31 Dec. 2018	31 Dec. 2017
Investment Management Charges	154.4	143.7
Realised losses on the sale of investment	1,343.6	1,247.9
Unrealised losses on investments	2,483.5	1,286.3
Total Investment Charges	3,981.5	2,677.9

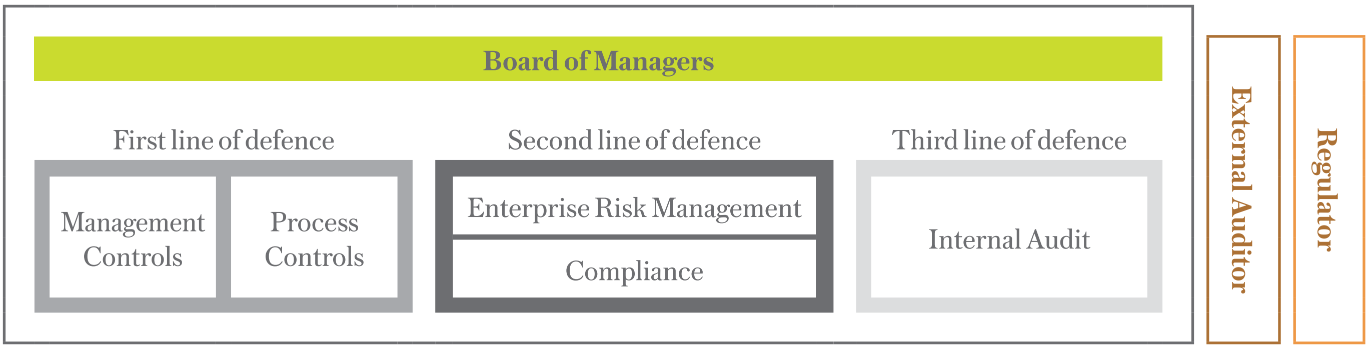
B. System of Governance

B.1 General information on the System of Governance

B.1.1 Introduction

As LIAH is a holding company, its 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 Executive Committee (ExCo), in accordance with applicable regulations. Please refer to the SFCR of LIA S.A. for more information. https://eu.lombardinternational.com/LombardEUROPE/media/Documentation-eu/SFCR_LIA_2018.pdf
- 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 Risk and Compliance Functions.
- **The third line of defence** is assumed by Internal Audit.

There was a change in LIAH's Board of Managers composition in 2018.* There was no material change in the Corporate Governance during the reporting period.

* Mandates of the following managers were terminated: John Hillman, Pat Baird, Norbert Becker, Jan Carendi, Menes Chee, David Miller, Frank Yu. The following persons were appointed to the Board of Managers: Florent Albert, Ralph Ehrhard, Axel Hörger, Monica Risam.

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:

- LIA S.A. distributed a dividend of €15.0m (2017: €21.7m) to the Company;
- The Company distributed a dividend of €14.9m (2017: €21.7m) 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 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 within key functions, including key role holders, full and in-depth 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.

At 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 of key role holders.

B.3 Risk management system including Own Risk and Solvency Assessment ("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.

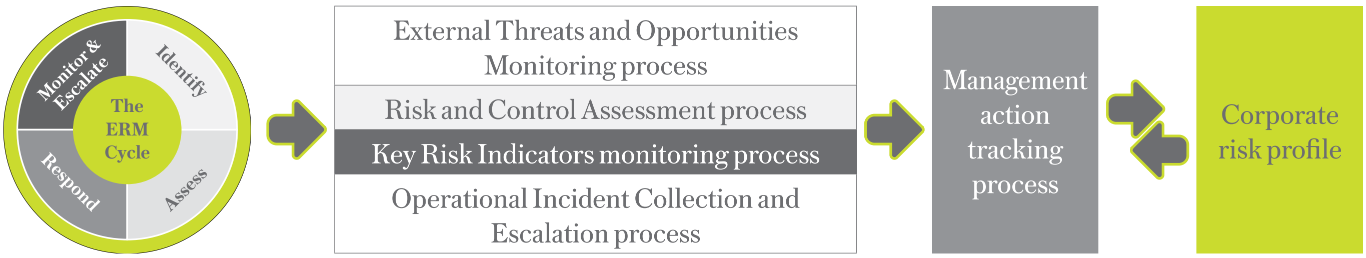
Enterprise Risk Management Framework

The Enterprise Risk Management Framework ("ERM") 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 solo 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 below illustrated, 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. Targets have been defined and when breached, rationale is investigated and mitigating actions are identified and implemented, 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 risk management 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" 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 risk management 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 Own Risk and Solvency Assessment

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 LIAH Board of Managers.

The Company ORSA Supervisory Report is submitted to the CAA. In validating the Company ORSA report, the LIAH Board of Managers confirms that:

- a suitable assessment of the risk profile and overall 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 stressed situations.

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 executive 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 LIAH's 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

The Company has established an Internal Control Framework which is owned by the Risk Function as part of the second line of defence. The aim of the framework 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.

Regular reports are provided to the Board of Managers of LIAH contributing to the strengthening of the implemented control system.

Overall the Internal Control Framework brings ongoing assurance to the Company by monitoring on a regular basis its business activities and their effectiveness.

B.4.2 Compliance

Similarly to the Risk Function, the Compliance Function forms an integral part of the Internal Control System and operates on the second line of defence.

The Compliance Function 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.

The Compliance Function brings ongoing assurance to the Company by monitoring on a regular basis its key regulatory requirements as defined in the Compliance Risk Assessment and Compliance Monitoring Plan. The Compliance Function also oversees the Company's Regulatory Reporting requirements and submissions with the support of Legal; and coordinates the External Threats & Opportunities Monitoring process (i.e. Regulatory Watch) with the support and under the direct responsibility of Regulatory Affairs.

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 position of Internal Audit Function within the organization and its powers and responsibilities are outlined in the Internal Audit Charter, which sets out the role, authorities, objectives and scope of the Internal Audit Function in relation to the internal audit activity within the Company.

The purpose of the Internal Audit Function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight to the Board of Directors of LIA S.A. via the Audit and Risk Committee and executive management.

The Head of Internal Audit has the responsibility to submit, at least annually to the Audit and Risk Committee a risk-based rolling 12 month audit plan and a 3-year plan for review and approval, which can be reviewed and adjusted, as necessary, in response to changes in the Company's business, risks, operations, programs, systems, and controls.

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 Board of Managers of LIAH, specialised committees and, 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 direction.

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 S.A. The Head of Internal Audit reports administratively to the CEO of Lombard International Assurance, and functionally to the Chairperson of the Audit and Risk Committee, with whom direct bilateral contacts take place at least on a quarterly basis. The absence of direct operational responsibility or authority over any of the activities audited, together with this reporting structure ensures independence.

Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.

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;
- 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;
- reviewing 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.

The table below lists the activities outsourced:

Activity	Entity	Jurisdiction
Fund Administration of Internal Collective Funds	LIA S.A.	Luxembourg
Creation, maintenance and printing of clients' communication and marketing communication	LIA S.A.	Luxembourg
Data centre infrastructure management	LIA S.A.	Luxembourg
Archiving management	LIA S.A.	Luxembourg
Payroll services	LIA S.A.	Luxembourg
IT Development Testing Management	LIA S.A.	Luxembourg
Software Platform for creation and maintenance of pre-contractual documentation (Key Information Documents)	LIA S.A.	Italy
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. The life protection product is fully reinsured.

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, monitored and minimised through the ERM and Internal Control processes wherever possible. The Company's main risks are stemming from the business activities of the operations, the major part from LIA S.A. 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:

- sensitivity and stress testing of the financial and capital position to changes in key modelling assumptions;
- 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.1 Assets

Assets €m	Luxembourg GAAP* 31 Dec. 2018	Adjustments 31 Dec. 2018	Solvency II 31 Dec. 2018	Solvency II 31 Dec. 2017
Deferred acquisition costs	46.1	(46.1)	0.0	0.0
Intangible assets	5.8	(5.8)	0.0	0.0
Property, plant & equipment held for own use	1.7	0.0	1.7	2.0
Investments (other than assets held for index-linked and unit-linked contracts)	69.0	0.0	69.0	33.6
Assets held for index-linked and unit-linked contracts	34,713.4	0.0	34,713.4	35,069.6
Reinsurance Assets	0.7	0.0	0.7	0.0
Insurance and intermediaries receivables	230.0	18.0	248.0	255.5
Cash and cash equivalents	76.5	0.0	76.5	111.3
Any other assets, not elsewhere shown	2.3	0.0	2.3	2.3
Total Assets	35,145.5	(33.9)	35,111.6	35,474.3

The total assets have moved from €35,474.3m at 31 December 2017 to €35,111.6m at 31 December 2018.

* Generally Accepted Accounting Principles.

D.1.1 Investments

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

a) Money Market Funds

As at the reporting date, the Company had €55.5m (2017: €23.9m) 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.

b) Participations

Participations have been eliminated at the consolidated level.

c) Assets received in advance from policyholders

As at 31 December 2018, assets received in advance from policyholders amounted to €3.5m (2017: €1.9m). These assets are valued at fair value under Solvency II and Statutory Financial Statements.

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 2018 the Company had a total receivables balance of €248.0m (2017: €255.5m). Receivables are valued at fair value and intangibles are removed under Solvency II.

D.1.3 Cash and cash equivalents

Cash at bank and in hand, as at 31 December 2018, amounted to €76.5m (2017: €111.3m). 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 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, deferred acquisition costs, 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 2018, were as follows:

Technical Provision in €m	31 Dec. 2018	31 Dec. 2017
Gross Best Estimate of Future Liabilities	34,054.3	34,330.5
Risk Margin	175.7	198.6
Total Technical Provisions	34,230.0	34,529.1

The Solvency II technical provisions have moved from €34,529.1m at 31 December 2017 to €34,230.0m at 31 December 2018 in line with total assets.

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

The Company reviews the mortality assumptions on an annual basis, taking into account relevant industry information.

D.2.4.2 Lapses

Lapse assumptions (full and partial surrender rates) are based on analysing the Company's experience from 2014 to 2018. Some additional judgement may be applied where the Company expects the future to be different from past experience.

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 2018 can be found at https://eiopa.europa.eu/regulation-supervision/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 Dec. 2018	31 Dec. 2017
Gross Luxembourg GAAP Insurance Contract Liabilities	34,714.5	33,884.2
Gross Best Estimate of Future Liabilities under Solvency II	34,054.3	34,330.5
Risk Margin	175.7	198.6
Solvency II Technical Provisions	34,230.0	34,529.1

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 as at 31 December 2018:

€m	No Volatility Adjustment	With Volatility Adjustment
Technical Provisions	34,231.0	34,230.0
Solvency Capital Requirement	357.0	356.4
Minimum Capital Requirement	160.7	160.4
Basic own funds	504.7	505.4
Amount of own funds eligible to cover the Minimum Capital Requirement & Solvency Capital Requirement	504.7	505.4

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 2018 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 Dec. 2018	31 Dec. 2017
Provisions other than Technical Provisions	5.4	7.8
Deferred Tax Liabilities	100.9	104.2
Insurance & intermediaries payables	37.9	127.4
Payables (trade, not insurance)	178.1	130.4
Any other liabilities, not elsewhere shown	20.5	22.3

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 Board of Managers of LIAH set 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 Dec. 2018	31 Dec. 2017
Ordinary share capital	0.0	0.0
Share premium accounts	25.6	25.6
Reconciliation reserve	479.8	512.3
Total basic own funds after deductions	505.4	537.9
Adjustments for ineligible assets	–	–
Solvency II excess of assets over liabilities	505.4	537.9

The reconciliation reserve at 31 December 2018 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 Dec. 2018	31 Dec. 2017
Statutory Accounts excess of assets over liabilities	176.2	132.4
Reassessment of participation	0.3	0.0
Accounting policy differences	329.0	405.5
Solvency II excess of assets over liabilities	505.4	537.9

The own funds of the company were impacted by the following material transactions:

- LIA S.A. distributed a dividend of EUR 15m (2017: €21.7m) to the Company;
- LIAH distributed a dividend of EUR 14.9m (2017: €21.7m) to LIA Subco Ltd.

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.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 Solvency Capital Requirement and Minimum 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 2018 were as follows:

€m	31 Dec. 2018	31 Dec. 2017
Solvency Capital Requirement	356.4	413.7
Minimum Capital Requirement	160.4	186.2

E.2.2 Risk Modules

The table below shows the 31 December 2018 Solvency Capital Requirement of the Company by Risk Module:

€m	Solvency Capital Requirements 31 Dec. 2018	Solvency Capital Requirements 31 Dec. 2017
Mortality Risk	10.5	11.9
Longevity	1.0	1.4
Disability and Morbidity Risks	–	–
Lapse Risk	271.1	294.9
Expenses Risk	63.3	74.8
Catastrophe Risk	1.1	1.2
Revision	–	–
Diversification	(38.1)	(44.1)
Life Underwriting	**308.9**	**340.1**
Interest Rate Risk	6.3	8.0
Spread Risk	27.9	30.7
Equity Risk	170.0	224.2
Property Risk	–	–
Concentration Risk	1.8	1.5
Currency Risk	118.7	95.5
Diversification	(71.1)	(67.8)
Market Risk	**253.6**	**292.1**
Counterparty Default Risk (type 1)	4.1	3.8
Counterparty Default Risk (type 2)	3.7	4.7
Diversification	(0.5)	(0.5)
Counterparty Default Risk	**7.3**	**7.9**
Basic Solvency Capital Requirement (pre-diversification)	**569.8**	**640.1**
Diversification benefit	**(121.5)**	**(136.9)**
Basic Solvency Capital Requirement	**448.3**	**503.2**
Operational Risk	**9.0**	**14.8**
Adjustment for Deferred Tax Liability	**(100.9)**	**(104.2)**
Final Solvency Capital Requirement	**356.4**	**413.7**

The Company has a minimum capital of the Minimum Capital Requirement of €160.4m.

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 2018 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

In € as at 31 December 2018

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 measures and transitionals
S.23.01.22	Own funds
S.25.01.22	Solvency Capital Requirement – for groups on Standard Formula

Group in this context is LIAH and its direct and indirect subsidiaries

S.32.01.22

Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0020	C0010	C0040	C0050	C0060	C0070	C0080
LEI/549300TG736IJQBL4N81	LU	Lombard International Assurance S.A.	1	société anonyme	2	Commissariat aux Assurances
SC/LEI/222100G9WE14OVDGJW09+ GG00001	GG	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
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		1		1		1
100%	100%	100%		1		1		1

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	1,699,925
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	69,033,315
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	5,379,060
Government Bonds	R0140	1,454,281
Corporate Bonds	R0150	3,924,779
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	58,455,689
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	5,198,565
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	34,713,405,270
Loans and mortgages	R0230	–
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	R0270	655,493
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	655,493
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	655,493
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	247,964,021
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	76,510,145
Any other assets, not elsewhere shown	R0420	2,253,934
Total assets	**R0500**	**35,111,522,102**

		C0010
Liabilities		
Technical provisions – non-life	R0510	–
Technical provisions – non-life (excluding health)	R0520	–
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
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	1,521,485
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	1,521,485
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	1,513,455
Risk margin	R0680	8,030
Technical provisions – index-linked and unit-linked	R0690	34,228,460,204
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	34,052,809,871
Risk margin	R0720	175,650,334
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	5,397,101
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	100,913,323
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	37,916,563
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	178,132,534
Subordinated liabilities	R0850	–
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	20,531,417
Total liabilities	**R0900**	**34,572,872,627**
Excess of assets over liabilities	**R1000**	**538,649,475**

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	–	–	4,047,511,109	–
Reinsurers' share	R1420	–	–	1,578,853	–
Net	R1500	–	–	4,045,932,256	–
Premiums earned					
Gross	R1510	–	–	4,047,511,109	–
Reinsurers' share	R1520	–	–	1,578,853	–
Net	R1600	–	–	4,045,932,256	–
Claims incurred					
Gross	R1610	–	–	2,913,480,793	–
Reinsurers' share	R1620	–	–	–	–
Net	R1700	–	–	2,913,480,793	–
Changes in other technical provisions					
Gross	R1710	–	–	(358,126,412)	431,728
Reinsurers' share	R1720	–	–	–	–
Net	R1800	–	–	(358,126,412)	431,728
Expenses incurred	R1900	–	–	99,600,298	–
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
–	–	–	–	4,047,511,109
–	–	–	–	1,578,853
–	–	–	–	4,045,932,256
–	–	–	–	4,047,511,109
–	–	–	–	1,578,853
–	–	–	–	4,045,932,256
–	–	–	–	2,913,480,793
–	–	–	–	–
–	–	–	–	2,913,480,793
–	–	–	–	(357,694,684)
–	–	–	–	–
–	–	–	–	(357,694,684)
–	–	–	–	99,600,298
				3,763,351
				103,363,649

S.05.02.01

Premiums, claims and expenses by country

		Home country	Top 5 countries (by amount of gross premiums written) – life obligations					Total for top 5 countries and home country
			GB	IT	FR	ES	SE	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	74,070,526	256,625,516	1,645,053,687	501,641,441	211,155,544	162,611,832	2,851,158,546
Reinsurers' share	R1420	–	–	–	–	–	–	–
Net	R1500	74,070,526	256,625,516	1,645,053,687	501,641,441	211,155,544	162,611,832	2,851,158,546
Premiums earned								
Gross	R1510	74,070,526	256,625,516	1,645,053,687	501,641,441	211,155,544	162,611,832	2,851,158,546
Reinsurers' share	R1520	–	–	–	–	–	–	–
Net	R1600	74,070,526	256,625,516	1,645,053,687	501,641,441	211,155,544	162,611,832	2,851,158,546
Claims incurred								
Gross	R1610	4,174,752	360,778,217	1,032,328,771	236,998,449	245,600,749	127,184,892	2,007,065,830
Reinsurers' share	R1620	–	–	–	–	–	–	–
Net	R1700	4,174,752	360,778,217	1,032,328,771	236,998,449	245,600,749	127,184,892	2,007,065,830
Changes in other Technical Provisions								
Gross	R1710	(73,234,508)	128,483,491	(121,892,092)	(24,345,371)	165,603,755	32,807,140	107,422,415
Reinsurers' share	R1720	–	–	–	–	–	–	–
Net	R1800	(73,234,508)	128,483,491	(121,892,092)	(24,345,371)	165,603,755	32,807,140	107,422,415
Expenses incurred	R1900	1,460,776	8,617,602	37,490,476	12,647,806	6,356,757	5,791,844	72,365,261
Other expenses	R2500							**3,763,351**
Total expenses	R2600							**76,128,612**

S.22.01.22

Impact of long term guarantees measures and transitionals

		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	34,229,981,689			1,011,665	
Basic own funds	R0020	505,449,475			(743,998)	
Eligible own funds to meet Solvency Capital Requirement	R0050	505,449,475			(743,998)	
Solvency Capital Requirement	R0090	356,359,449			676,358	

S.23.01.22

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						
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	–		–	–	–
Non-available subordinated mutual member accounts at group level	R0060	–		–	–	–
Surplus funds	R0070	–	–			
Non-available surplus funds at group level	R0080	–	–			
Preference shares	R0090	–		–	–	–
Non-available preference shares at group level	R0100	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Non-available share premium account related to preference shares at group level	R0120	–		–	–	–
Reconciliation reserve	R0130	479,791,975	479,791,975			
Subordinated liabilities	R0140	–		–	–	–
Non-available subordinated liabilities at group level	R0150	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
The amount equal to the value of net deferred tax assets not available at the group level	R0170	–				–
Other items approved by supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Non available own funds related to other own funds items approved by supervisory authority	R0190	–	–	–	–	–
Minority interests (if not reported as part of a specific own fund item)	R0200	–	–	–	–	–
Non-available minority interests at group level	R0210	–	–	–	–	–
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 other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	–	–	–	–	–
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	–	–	–	–	
Deductions for participations where there is non-availability of information (Article 229)	R0250	–	–	–	–	–
Deduction for participations included by using D&A when a combination of methods is used	R0260	–	–	–	–	–
Total of non-available own fund items	R0270	–	–	–	–	–
Total deductions	R0280	–	–	–	–	–
Total basic own funds after deductions	R0290	505,449,475	505,449,475	–	–	–

		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	–			–	
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	–			–	–
Non available ancillary own funds at group level	R0380	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	R0400	–			–	–
Own funds of other financial sectors						
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410	–	–	–	–	
Institutions for occupational retirement provision	R0420	–	–	–	–	–
Non regulated entities carrying out financial activities	R0430	–	–	–	–	
Total own funds of other financial sectors	R0440	–	–	–	–	–
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	–	–	–	–	–
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	–	–	–	–	–
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	505,449,475	505,449,475	–	–	–
Total available own funds to meet the minimum consolidated group SCR	R0530	505,449,475	505,449,475	–	–	–
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	505,449,475	505,449,475	–	–	–
Total eligible own funds to meet the minimum consolidated group SCR	R0570	505,449,475	505,449,475	–	–	
Minimum consolidated Group SCR	R0610	160,361,752				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	3.1519				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	505,449,475	505,449,475	–	–	–
Group SCR	R0680	356,359,449				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1.4184				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	538,649,475
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	33,200,000
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	–
Other non available own funds	R0750	–
Reconciliation reserve	R0760	479,791,975
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	–

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Solvency Capital Requirement – for groups on Standard Formula

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	253,560,098	
Counterparty default risk	R0020	7,307,325	
Life underwriting risk	R0030	308,946,439	
Health underwriting risk	R0040	–	
Non-life underwriting risk	R0050	–	
Diversification	R0060	(121,464,136)	
Intangible asset risk	R0070	–	
Basic Solvency Capital Requirement	R0100	448,349,725	

Calculation of Solvency Capital Requirement		
		Value
		C0100
Operational risk	R0130	8,923,048
Loss-absorbing capacity of technical provisions	R0140	–
Loss-absorbing capacity of deferred taxes	R0150	(100,913,323)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency Capital Requirement excluding capital add-on	R0200	356,359,449
Capital add-ons already set	R0210	–
Solvency capital requirement for undertakings under consolidated method	R0220	356,359,449
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	–
Minimum consolidated group solvency capital requirement	R0470	160,361,752
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non-regulated entities carrying out financial activities	R0530	–
Capital requirement for non-controlled participation requirements	R0540	–
Capital requirement for residual undertakings	R0550	–
Overall SCR		
SCR for undertakings included via D and A	R0560	–
Solvency capital requirement	R0570	356,359,449

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