



LOMBARD
INTERNATIONAL
ASSURANCE

30+ years of making legacy count

Solvency and Financial Condition Report

2021

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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 Lombard International Assurance S.A. (“the Company”) and other relevant stakeholders in understanding the nature of its business, how it is managed, and its solvency position.

This Solvency and Financial Condition Report (“SFCR”) covers the Company. In particular this report includes full reporting of the Solvency II valuation undertaken at 31 December 2021, 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.

Business Overview

The Company is the European arm of the Lombard International Group (“the Group”). The Group’s main operations are located in Luxembourg and Philadelphia, serving over 25 markets across the United States, Europe, Asia and Latin America. The Group administers €59.4 billion of its clients’ assets across the globe (as of 31 December 2021), of which €48.1 billion is administered by the Company.

The Group is a leading independent international wealth solutions provider with deep local market knowledge. It provides 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.

It has been working with advisors, high net worth individuals, their families and institutions for over 30 years, to give them greater control over their financial futures.

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.

The Group creates and delivers solutions for its clients that protect their legacy, secure their wealth now and for future generations. Its 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.

Funds managed by Blackstone own the Group. Blackstone is one of the world’s leading investment firms with \$881 billion in assets under management as of 31 December 2021.

2021 Business Performance

The Company delivered a strong new business performance in its 30th anniversary year. The results further reinforce the strength of the Company's business model thanks to continued investment in its long-term strategy of building a sustainable business that serves the wealth planning needs of the upper affluent, high net worth and ultra-high net worth clients across Europe as well as Asia and Latin America.

Throughout 2021, the Company enhanced its leading global position in a growing market. The specialist solutions it provides to support the sophisticated needs of its clients and partners are comprehensive, compliant and proven, but also, highly flexible, portable and adaptable to evolving lifestyles, whilst safeguarding interests against the uncertain and the unknown. Accelerated technology developments, driven by continued investments in digital connectivity and integration with its strategic partners, is further facilitating operating results growth.

In 2021, the Company delivered:

- A record €5.3 billion of new business premiums with key contributions from a number of core markets including France, the UK, Italy, and Sweden.
- Assets under Administration ("AUA") grew to €48.1 billion (as of 31 December 2021).

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 the Company's Board of Directors ("BoD"), 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 AUA during 2021:

Insurance Business AUA €m	31 Dec. 2021	31 Dec. 2020
Opening	39,498.5	38,420.3
Gross Inflow	5,270.8	3,128.1
Outflow	(2,231.8)	(2,765.0)
Investment Return	5,576.2	715.1
Closing	48,113.7	39,498.5

The following table shows the solvency position as at 31 December 2021:

Solvency €m	31 Dec. 2021	31 Dec. 2020
Solvency Own Funds (A)	660.8	546.7
Solvency Capital Requirement (B)	524.2	388.5
Solvency II Free Assets (A-B)	136.6	158.2
Solvency Ratio (A/B)	126.0%	140.7%

The conditions supporting the assumptions and conclusions presented in this report predate the 2022 war in Ukraine and no allowance for this event has been made herein. The Company continues to monitor the situation to ensure that all appropriate information about its impact is considered.

The Company's Chief Financial Officer, Rui Pinto; Chief Actuary, Edward Maguire; and Chief Risk Officer, Ralph Ehrhard, confirm that, to the best of their knowledge:

- Throughout the financial year in question, the Company has complied in all material respects with the requirements of Solvency II Regulations as applicable; and
- 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.



Rui Pinto
Chief Financial Officer
8 April 2022



Edward Maguire
Chief Actuary
8 April 2022



Ralph Ehrhard
Chief Risk Officer
8 April 2022

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

The Company is incorporated in Luxembourg and is a company limited by shares (“Société Anonyme”). The Company’s registered address is 4, rue Lou Hemmer, L-1748 Luxembourg.

A.1.2 Supervision

Under Solvency II, the Company 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 Group

The Company is an undertaking of Lombard International Assurance Holdings S.à r.l., the ultimate insurance holding company which has its head office in an EEA State, Luxembourg.

A.1.4 Holders of qualifying holdings in the undertaking

The person(s), to the knowledge of the Company, who were direct and indirect holders of qualifying holdings in the Company at any time during the reporting period and at the end of the financial year was Lombard International Assurance Holdings S.à r.l., a private limited liability company incorporated in Luxembourg.

As at the reporting date, Lombard International Assurance Holdings S.à r.l. owned 100% of the shares of the Company 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 the Company is Ernst & Young, 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 a number of key markets including France, the UK, Italy, and Sweden as well as a number of other jurisdictions.

A.1.7 Full Time Equivalent Employees

The number of Full Time Equivalent (“FTE”) employees is 389.7.

A.2 Underwriting performance

The Company writes unit-linked insurance and life protection policies, and therefore has two lines of business under Solvency II: life and index-linked and unit-linked insurance. The unit-linked business has very low levels of insurance risk. In addition the Company utilises reinsurance to limit its overall risk exposure as well as to reduce the volatility of its underwriting performance.

The table below shows the Company's premiums and claims for the year ended 31 December 2021:

<u>Premiums and claims €m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Gross Premiums Written	5,270.8	3,128.1
Reinsurers' Share	1.9	2.0
Net	5,268.9	3,126.1
Gross Claims Incurred	2,230.6	2,763.8
Reinsurers' Share	0.0	0.0
Net	2,230.6	2,763.8

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 Company's matching policy 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 Company's investment income and investment charges for the year ended 31 December 2021:

<u>Investment Income €m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Income From Participating Interests	0.9	0.9
Income From Affiliated Undertakings	0.0	0.0
Income From Other Investments	606.8	480.1
Realised Gains On Investments	2,621.6	2,257.1
Unrealised Gains On Investments	5,369.6	1,128.0
Total Investment Income	8,598.9	3,866.1
<u>Investment Charges €m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Investment Management Charges	170.1	147.8
Realised Losses On The Sale Of Investments	1,080.8	1,599.5
Unrealised Losses On Investments	1,629.7	1,278.5
Total Investment Charges	2,880.6	3,025.8

The main driver of the positive growth during 2021 was the positive market movements.

A.4 Performance of other activities

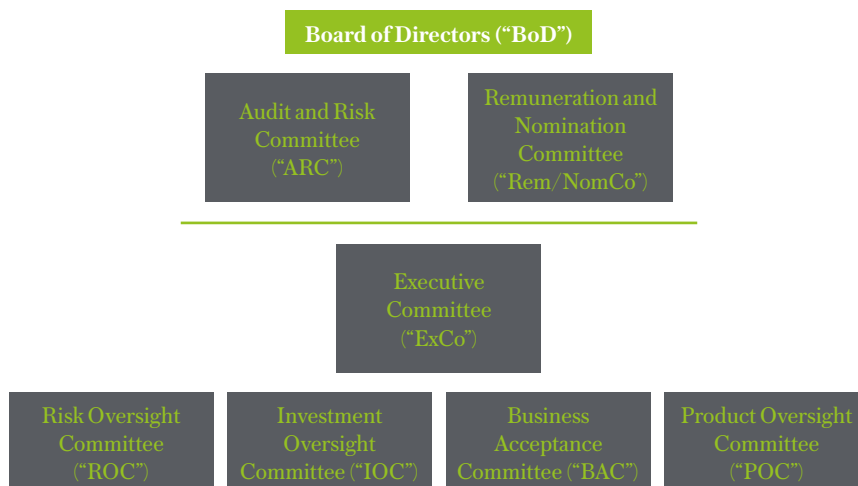
The Company does not perform any other activity.

B. System of Governance

B.1 General information on the System of Governance

B.1.1 Introduction

In order to ensure that risk management is appropriately embedded in the decision making process, the Company has implemented an efficient risk oversight conducted by governing bodies and adequate delegation of authorities. The Company has adopted the following risk governance structure, in line with the delegation of authorities from the BoD:



The BoD has overall responsibility for the management of risks. It has appointed two sub-committees to focus on specialised matters as follows:

- The ARC assists the BoD in fulfilling its governance responsibility for financial reporting, internal control, internal and external audit, compliance monitoring and risk management;
- The Rem/NomCo assists the BoD in reviewing remuneration programs in accordance with business objectives and risk exposure.

The BoD further delegates authority to management to carry out its strategy and the priorities as defined by it which include, among others:

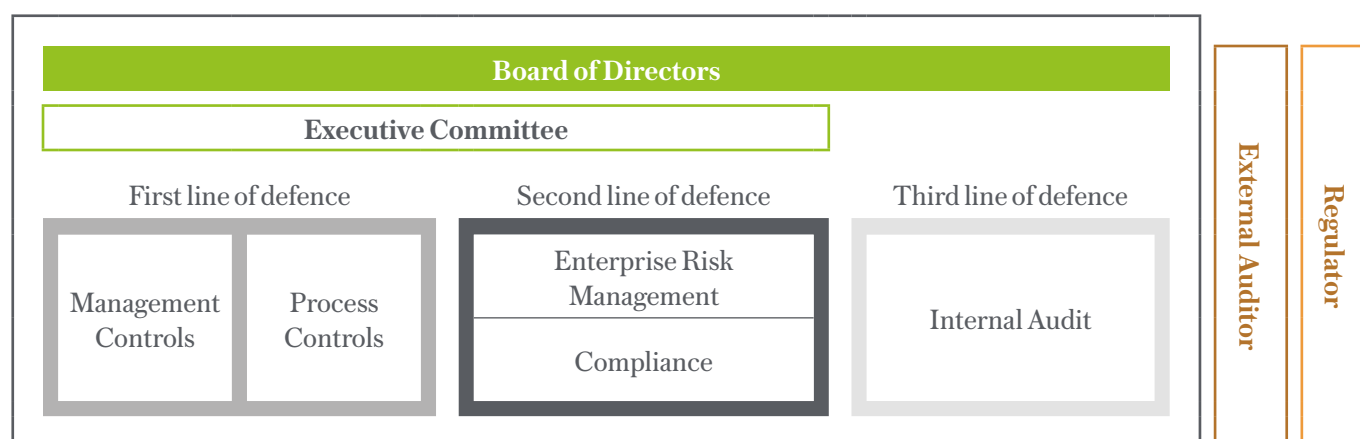
- Implementation of BoD-approved corporate strategy;
- Management and supervision of commercial, operational and financial performance;
- Development and implementation of policies and procedures to further corporate objectives;
- Risk management and control;
- Human Resources: planning management and control.

The ExCo is directly appointed by the BoD to carry out the BoD strategy. The ExCo is responsible for the overall leadership and management of the Company with the authority to make all decisions in matters delegated to it by the BoD. The ExCo delegated authority to sub-committees as follows:

- The ROC¹ ensures that critical risks are identified, assessed, monitored and managed by appropriate control processes;
- The IOC oversees the risk management processes in relation to client investment risks as well as for the operational set-up related to client investments;
- The BAC assesses the overall risk of specific policy application files and decides on their acceptance or rejection, considering the risk appetite of the Company;
- The POC, which was established in December 2021, is responsible for the product lifecycle, from analysis and design to development, launch, maintenance and review. The POC is delegated its authority from the ExCo, which was previously performing the product oversight and governance. The creation of this dedicated committee that has amongst its members some ExCo members, stems from the growing demands placed on product manufacturers by the European and Member States legislators in terms of product governance and oversight combined with the pace of legal, regulatory and tax changes and the digital strategy embraced by the Company.

The Company's Governance Framework operates as a "three-lines-of-defence" model, in line with prudent market practices:

- The first line of defence is made up 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. 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 were changes in the composition of the Company's BoD.² The main change in the Corporate Governance relates to creation of POC, which was established in December 2021.

B.1.2 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.

¹ In July 2021, the Internal Control Body ("ICB") was established as a sub-committee of the ROC to oversee all AML matters in relation to the Company's Spanish business activities.

² Ms. Virginie Lagrange was appointed as Board member with effect from 25 November 2021.

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 of the 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, with 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 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:

- Fixed remuneration;
- Annual discretionary variable remuneration depending on the Company results and the performance of the employee. For material risk takers, a deferral mechanism is applied.

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.

B.1.3 Material transactions

The Company did not distribute the planned dividend of €28.5m in 2021 (a dividend of €40.0m was distributed in 2020).

B.2 Fit and proper requirement

B.2.1 Specific requirements

The Fit & Proper Policy specifies the principles by which the Company, its subsidiaries, branches and related entities ensure that all Board Members, ExCo members including the Managing Director, and all Key Function Holders are expected to demonstrate their fitness and propriety ("Fit and Proper") for performing their role pursuant to the regulations and the principles for what is deemed Fit and Proper therein.

Under the current version of Article 42 of the Solvency II Directive 2009/138/EC, the Managing Director, through the company secretarial team, must notify the Regulator of any changes to the identity of any Individuals in Scope with all the information needed to confirm these persons are Fit and Proper for the roles they will be fulfilling.

Any temporary replacement (termination or prolonged absence) shall be notified to the Regulator with a foreseeable date of actual replacement, which should not be longer than 12 months after the termination.

B.2.2 Process of assessing fit and proper requirements

Key Function Holders³ (the “Individuals in scope”) are subject to a Fit and Proper assessment based on the fitness and propriety criteria outlined below and that is performed by the Human Resources team with support from the relevant ExCo members and Compliance department, as needed (in case any conflicts of interest or independence issues arise):

- a) **Experience and qualifications:** taking into account the nature, scale and complexity of the business and the responsibilities of the position concerned.
- b) **Good reputation:** assessing reputation regardless of the nature, scale and complexity of the business and/or role.
- c) **Governance and Independence:** when performing the assessment on the suitability of the Individuals in Scope, the overall functioning of the role within the corporate governance has to be assessed.

Assessments must be performed prior to the recruitment and/or in case of appointment at the ExCo or Board level, periodically (every 3 years) to ensure that Individuals in Scope are and remain Fit and Proper. It is the responsibility of each Individual in Scope to inform Human Resources of any event which may affect their suitability and declare any conflict of interest to the Compliance function as per the Conflict of Interest Policy. These events and/or conflict of interest may trigger a new Fit and Proper assessment.

Any Appointment of an Individual in Scope is done by the Board based on a written Fit and Proper report or may be granted conditionally, pending completion of a Fit and Proper assessment at the discretion of the Board.

Individuals in Scope no longer fulfilling the Fit and Proper requirements as from a particular point in time can no longer remain in such role unless the requirements can and will be met again within one month.

B.3 Risk management system including the Own Risk and Solvency Assessment (“ORSA”)

B.3.1 Risk Management

The roles, responsibilities, authorities, objectives and scope of the Risk Function in relation to the risk and control activities performed within the Company are outlined in the Risk & Control Charter.

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

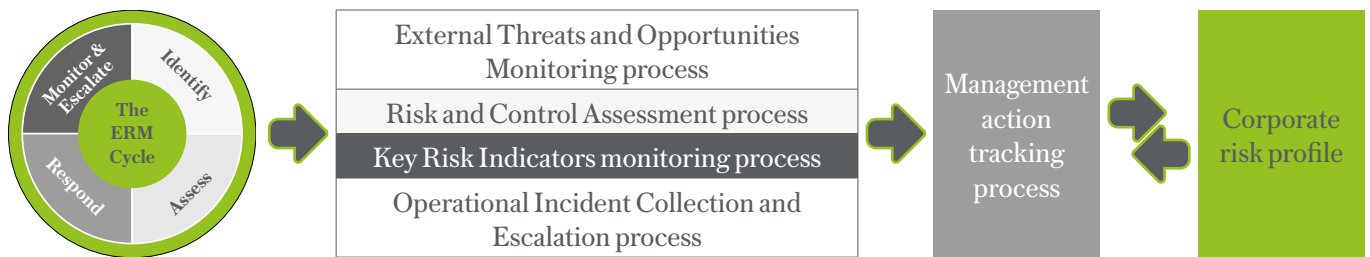
The Enterprise Risk Management (“ERM”) Framework describes the processes in which all departments are involved within the scope of their tasks and the support the Risk Function provides in its global risk management activities.

As with all insurance undertakings, the Company faces different risks which are spread across the organisation. 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 its Risk Appetite Statement.

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

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

³ Individuals in scope are as follows: Board Members, Executive Committee members including the Managing Director, Chief Risk Officer, Chief Compliance Officer, Money Laundering Reporting Officer, Deputy Money Laundering Officer, Chief Internal Auditor, Chief Actuary; and Person(s) Responsible for the Distribution of the Company’s products.



External Threats and Opportunities Monitoring process: This process is designed to ensure Company-wide 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: There is a logging and escalation process, available for every employee of the Company, to report any operational incident including control failures. Operational 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 identify 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 mitigated in a timely manner.

Outputs of all the above-mentioned processes contribute to the production of the “Corporate Risk” report which is provided on a quarterly basis to support the Non-Executive Audit and Risk Committee in its risk oversight duty.

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

B.3.2 Own Risk and Solvency Assessment

In compliance with the applicable local law 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. Overall ORSA process is coordinated by the Risk Function throughout the year.

Based on the CAA authorisation of 7 May 2018, no separate ORSA report is prepared for the Company. Outcomes of the ORSA process are summarised in the ORSA Report and ORSA Supervisory Report of Lombard International Assurance Holdings S.à r.l. The reports are reviewed and approved by the Board of Managers of Lombard International Assurance Holdings S.à r.l. and submitted to the CAA.

Before submission to the Board of Managers, the ROC validates and the ARC reviews the ORSA report, in order to confirm 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 entity 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 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 ORSA are consistently monitored and reported regularly to the ExCo, the ROC and/or the ARC. This includes performance against regulatory and internal capital and liquidity requirements and performance against the risk strategy under the ORSA planning horizon.

As per the ORSA procedure and due to its evolving nature (based on business mix, environment factors, etc.), the Company has identified the material events that might trigger a re-evaluation and new iteration of the ORSA. 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 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 ROC and ARC 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 roles, responsibilities, authorities, objectives and scope of the Compliance Function in relation to the compliance activities performed within the Company are outlined in the Compliance Charter.

The objectives of the Compliance Function are to:

- Act as an adviser in compliance matters within the organisation;
- Identify and assess the possible impact of any change in the legal environment on the operations of the Company;
- Identify and assess the compliance risks of the Company;
- Organise, coordinate and structure compliance-related controls;
- Report accordingly to executive management, the ROC and the BoD directly or through the ARC.

The Compliance Function focuses on compliance risks, which are defined as the risks the Company may suffer following a failure to conduct business in accordance with the regulatory rules in force.

The main compliance risks are as follows:

- Legal and regulatory risks;
- 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 and/or scope are the following:

- Prevention of money laundering and terrorism financing;
- Market abuse, insider trading and insider dealing prevention;
- Clients' interest protection;
- Monitoring of complaints management;
- Data protection and respect of professional secrecy;
- Prevention and management of conflicts of interest;
- Prevention of bribery, fraud, tax fraud and corruption;
- Inducements;
- Information security;
- Distribution network and activities;
- Policy assets and money;
- Policy assets compliance management;
- Non-Traditional Assets;
- Product Oversight and Governance;
- Record keeping;
- Swiss visits notification;
- Corporate tax reporting;
- Policy tax reporting;
- Remuneration policy and Fit and Proper;
- Outsourcing;
- Pre-contractual documentation ("PRIIPs");
- Respect of ethics and deontology rules;
- Regulatory reporting – adherence to deadlines and completeness of reports submitted to the regulators;
- Any change in the legal environment on the operations of the company.

The Compliance Function brings ongoing assurance to the Company by monitoring 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 Wealth Structuring Solutions.

The External Threats & Opportunities Monitoring process (i.e. Regulatory Watch) is coordinated by the Compliance Function with the support 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 the 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 BoD via the ARC and executive management.

The Head of Internal Audit submits, at least annually, a risk-based 12-month audit plan and a 4-year plan to the ARC for approval. The plan can be revised 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 and effectiveness of risk management and control across the entire business;
- Monitoring of compliance with the laws and regulations;
- 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 and the provision of accurate, complete, relevant and understandable information available without delay to the BoD, specialised committees and, where appropriate, senior management and the regulators;
- Implementation of the decisions taken by the executive management and by the persons acting by delegation and under its responsibility;
- Compliance with the procedures governing the solvency or prudential regime;
- Operation and effectiveness of the second line functions.

B.5.2 Independence from other functions

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.

The Head of Internal Audit reports administratively to the Managing Director of Lombard International Assurance S.A. and functionally to the Chairperson of the ARC, with whom direct bilateral meetings 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.

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;
- Contribute to the ORSA capital calculations.

B.7 Outsourcing

When choosing an outsourcing provider for any critical or important function or activity, the Company 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 outsourcing provider has the necessary financial resources to perform additional tasks in a proper and reliable way, and that all staff of the service provider who will be involved in providing the outsourced functions or activities are sufficiently qualified and reliable;
- 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 Company 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 Company 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 Company has to notify the supervisory authorities, in a timely manner, prior to the outsourcing of material (critical or important) functions or activities as well as any subsequent material developments with respect to those functions or activities;
- There are rules in place covering cloud outsourcing.

The table below lists the activities outsourced:

Activity	Jurisdiction	Internal / External
Fund Administration of Internal Collective Funds	Luxembourg	External
Creation, maintenance and printing of clients' communication and marketing communication	Luxembourg	External
Data centre infrastructure management	Luxembourg	External
Archiving management	Luxembourg	External
Payroll services	Luxembourg	External
Software Platform for creation and maintenance of pre-contractual documentation (Key Information Documents)	Italy	External

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 the 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.

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

<u>Assets €m (31 Dec. 2021)</u>	<u>Luxembourg GAAP⁴</u>	<u>Adjustments</u>	<u>Solvency II 31 Dec. 2021</u>	<u>Solvency II 31 Dec. 2020</u>
Deferred Acquisition Costs	27.4	(27.4)	0.0	0.0
Intangible Assets	8.5	(8.5)	0.0	0.0
Property, Plant & Equipment Held For Own Use	2.6	0.0	2.6	1.5
Investments (Other Than Assets Held For Index-Linked And Unit-Linked Contracts)	80.5	1.0	81.5	46.5
Assets Held For Index-Linked And Unit-Linked Contracts	48,113.7	0.0	48,113.7	39,498.2
Reinsurance Assets	37.3	0.0	37.3	8.5
Insurance And Intermediaries Receivables	282.9	15.8	298.7	285.1
Cash And Cash Equivalents	83.0	0.0	83.0	78.7
Any Other Assets, Not Elsewhere Shown	3.5	0.0	3.5	2.9
Total Assets	48,639.4	(19.1)	48,620.3	39,921.4

D.1.1 Investments

Investments were mainly comprised of money market funds and fixed income securities.

a) Money market funds and assets received in advance from policyholders

As at 31 December 2021, the Company had €49.8m (2020: €20.0m) invested in money market funds and €4.0m as assets received in advance from policyholders. 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

Participation in related entities are valued at lower of cost and market value in the Statutory Financial Statements. As at 31 December 2021, participations in related entities amounted to €0.4m (2020: €0.4m).

Under Solvency II, valuing all assets and liabilities of the subsidiary Company and related entities is carried out in accordance with the valuation principles of Directive 2009/138/ EC. They are valued at €1.4m (2020: €0.7m).

c) Loans to affiliated undertakings

At as 31 December 2021, loans to affiliated undertakings were €4.0m (2020: €3.7m).

⁴ Generally Accepted Accounting Principles.

d) Fixed income securities

As at 31 December 2021, fixed income securities amounted to €17.0m (2020: €16.6m).

e) Deposits with credit institutions

As at 31 December 2021, deposits with credit institutions amounted to €5.3m (2020: €5.2m).

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 2021, the Company had a total receivables balance of €298.7m (2020: €285.1m). 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 2021, amounted to €83.0m (2020: €78.7m), of which €32.2m (2020: €45.2m) 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 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 taxes is reflected in other liabilities;
- Reassessment of participations: As noted in D.1.1 above, Solvency II requires that subsidiaries are valued using the equity method. The overall impact is positive principally as a result of positive net equity of the participations;
- 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 were as follows:

Technical Provision in €m	31 Dec. 2021	31 Dec. 2020
Best Estimate (of future) Liabilities	47,214.0	38,771.1
Risk Margin	247.9	185.1
Total Technical Provisions	47,461.9	38,956.2

The Solvency II Technical Provisions have moved 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.

D.2.2.1 Best Estimate Liability

The Company's Best Estimate Liability 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.2.2.2 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 approach, 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 European Insurance & Occupational Pensions Authority ("EIOPA") 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 2017 to 2021. Some additional judgement may be applied where the Company expects the future to be different from past experience.

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 as provided by the EIOPA. The Company did not use the matching adjustment. Full detail of the Euro interest rate curve prescribed for use at 31 December 2021 can be found at

https://www.eiopa.europa.eu/sites/default/files/risk_free_interest_rate/eiopa_rfr_20211231.zip

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 shows the differences between Solvency II valuations and valuations for Financial Statements:

<u>€m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Luxembourg GAAP Insurance Contract Liabilities	48,151.2	39,498.5
Best Estimate of Future Liabilities under Solvency II	47,214.0	38,771.1
Risk Margin	247.9	185.1
Solvency II Technical Provisions	47,461.9	38,956.2

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 is no longer applied.

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 2021 there were no material amounts outstanding from reinsurance contracts. There were no special purpose vehicles.

D.2.12 Material Changes

There have been 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:

<u>€m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Provisions Other Than Technical Provisions	26.1	4.4
Deferred Tax Liabilities	205.3	133.3
Insurance & Intermediaries Payables	37.4	45.6
Payables (Trade, Not Insurance)	209.3	193.3
Any Other Liabilities, Not Elsewhere Shown	19.3	13.4

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 BoD 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 Dec. 2021	31 Dec. 2020
Ordinary Share Capital	27.6	27.6
Share Premium Accounts	10.7	10.7
Reconciliation Reserve	622.5	508.4
Total Basic Own Funds After Deductions	660.8	546.7
Adjustments For Ineligible Assets	0.0	0.0
Solvency II Excess Of Assets Over Liabilities	660.8	546.7

The reconciliation reserve at 31 December 2021 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. 2021	31 Dec. 2020
Statutory Accounts Excess Of Assets Over Liabilities	159.2	176.9
Reassessment Of Participation	1.0	0.3
Accounting Policy Differences	500.6	369.5
Solvency II Excess Of Assets Over Liabilities	660.8	546.7

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.

€m	31 Dec. 2021	31 Dec. 2020
Deferred Tax Asset	0.0	0.0

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 2021 were as follows:

€m	31 Dec. 2021	31 Dec. 2020
Solvency Capital Requirement	524.2	388.5
Minimum Capital Requirement	235.9	174.8

E.2.2 Risk Modules

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

€m	31 Dec. 2021	31 Dec. 2020
Mortality Risk	12.9	10.0
Longevity	1.0	1.0
Disability-Morbidity Risk	0.0	0.0
Lapse Risk	385.2	292.1
Expenses Risk	77.6	67.3
Catastrophe Risk	1.6	1.3
Revision	0.0	0.0
Diversification	(47.5)	(39.5)
Life Underwriting	430.8	332.2
Interest Rate Risk	7.4	1.3
Spread Risk	45.8	36.5
Equity Risk	329.1	222.3
Property Risk	0.0	0.0
Concentration Risk	4.0	2.6
Currency Risk	167.4	128.8
Diversification	(114.2)	(81.2)
Market Risk	439.5	310.3
Counterparty Default Risk (type 1)	4.7	2.9
Counterparty Default Risk (type 2)	1.8	3.5
Diversification	(0.3)	(0.4)
Counterparty Default Risk	6.2	6.0
Basic Solvency Capital Requirement (pre-diversification)	876.5	648.5
Diversification benefit	(186.5)	(138.5)
Basic Solvency Capital Requirement	690.0	510.0
Operational Risk	8.4	7.6
Adjustment for Deferred Tax	(174.2)	(129.1)
Final Solvency Capital Requirements	524.2	388.5

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 2021 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 AuA. The final amount of the Solvency Capital Requirement is subject to supervisory assessment.

E.2.4 Adjustment for the loss-absorbing capacity of deferred taxes

<u>€m</u>	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
Adjustment for loss absorbing capacity of deferred taxes	(174.2)	(129.1)

The adjustment for the loss-absorbing capacity of deferred taxes is equal to the change in the value of deferred taxes of insurance and reinsurance undertakings that would result from an instantaneous loss of an amount that is equal to the sum of the following:

- the Basic Solvency Capital Requirement;
- the adjustment for the loss-absorbing capacity of technical provisions;
- the capital requirement for operational risk.

The adjustment for the loss-absorbing capacity of deferred taxes is tested for recoverability against future taxes on the value of expected future profits.

E.3 Use of the duration-based equity risk submodule in the calculation

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 Minimum Capital Requirement and noncompliance with the Solvency Capital Requirements

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

F. Appendix

F. Appendix: Quantitative Reporting Templates

In € as at 31 December 2021

QRT ref	QRT Template name
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.12.01.02	Life and Health SLT Technical Provisions
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

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	2,588,417
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	77,507,893
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	1,321,250
Equities	R0100	-
Equities – listed	R0110	-
Equities – unlisted	R0120	-
Bonds	R0130	17,071,989
Government Bonds	R0140	16,151,074
Corporate Bonds	R0150	788,011
Structured notes	R0160	132,904
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	53,810,142
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	5,304,512
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	48,113,743,430
Loans and mortgages	R0230	3,965,359
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	3,965,359
Reinsurance recoverables from:	R0270	37,304,479
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	37,304,479
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	37,304,479
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	-
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	298,683,510
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	83,034,048
Any other assets, not elsewhere shown	R0420	3,432,027
Total assets	R0500	48,620,259,163

		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	37,541,941
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	37,541,941
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	37,345,831
Risk margin	R0680	196,110
Technical provisions – index-linked and unit-linked	R0690	47,424,418,169
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	47,176,684,025
Risk margin	R0720	247,734,144
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	26,131,088
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	205,338,596
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	37,427,660
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	209,306,871
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	19,339,233
Total liabilities	R0900	47,959,503,558
Excess of assets over liabilities	R1000	660,755,605

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	-	-	5,270,440,531	348,586
Reinsurers' share	R1420	-	-	1,643,144	296,515
Net	R1500	-	-	5,268,797,387	52,071
Premiums earned					
Gross	R1510	-	-	5,270,440,531	348,586
Reinsurers' share	R1520	-	-	1,643,144	296,515
Net	R1600	-	-	5,268,797,387	52,071
Claims incurred					
Gross	R1610	-	-	2,230,558,504	-
Reinsurers' share	R1620	-	-	-	-
Net	R1700	-	-	2,230,558,504	-
Changes in other technical provisions					
Gross	R1710	-	-	8,614,580,630	28,757,825
Reinsurers' share	R1720	-	-	-	28,757,825
Net	R1800	-	-	8,614,580,630	-
Expenses incurred	R1900	-	-	131,232,769	267,978
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
-	-	-	-	5,270,789,117
-	-	-	-	1,939,659
-	-	-	-	5,268,849,458
-	-	-	-	5,270,789,117
-	-	-	-	1,939,659
-	-	-	-	5,268,849,458
-	-	-	-	2,230,558,504
-	-	-	-	-
-	-	-	-	2,230,558,504
-	-	-	-	8,643,338,455
-	-	-	-	28,757,825
-	-	-	-	8,614,580,630
-	-	-	-	131,500,747
				34,097,364
				165,598,111

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
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		SE	IT	FR	FI	PT	
		C0220	C0230	C0230	C0230	C0230	C0230	C0280
Premiums written								
Gross	R1410	1,439,923,823	731,067,099	891,539,043	1,135,751,441	440,631,988	198,978,257	4,837,891,651
Reinsurers' share	R1420	-	-	-	-	-	-	-
Net	R1500	1,439,923,823	731,067,099	891,539,043	1,135,751,441	440,631,988	198,978,257	4,837,891,651
Premiums earned								
Gross	R1510	1,439,923,823	731,067,099	891,539,043	1,135,751,441	440,631,988	198,978,257	4,837,891,651
Reinsurers' share	R1520	-	-	-	-	-	-	-
Net	R1600	1,439,923,823	731,067,099	891,539,043	1,135,751,441	440,631,988	198,978,257	4,837,891,651
Claims incurred								
Gross	R1610	321,781,330	137,658,393	765,510,979	228,210,648	124,055,642	46,073,376	1,623,290,368
Reinsurers' share	R1620	-	-	-	-	-	-	-
Net	R1700	321,781,330	137,658,393	765,510,979	228,210,648	124,055,642	46,073,376	1,623,290,368
Changes in other technical provisions								
Gross	R1710	3,350,139,489	1,426,675,008	924,424,173	1,472,317,589	506,659,969	314,169,005	7,994,385,233
Reinsurers' share	R1720	-	-	-	-	-	-	-
Net	R1800	3,350,139,489	1,426,675,008	924,424,173	1,472,317,589	506,659,969	314,169,005	7,994,385,233
Expenses incurred	R1900	22,443,669	5,521,018	31,163,807	26,323,577	3,930,281	7,094,787	96,477,138
Other expenses	R2500							25,756,494
Total expenses	R2600							122,233,633

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S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			
				Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080
Technical provisions calculated as a whole	R0010	-	-			-		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	-	-			-		
Technical provisions calculated as a sum of BE and RM								
Best Estimate								
Gross Best Estimate	R0030	-		-	47,176,684,025		-	37,345,831
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-			-		-	37,304,479
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	-			47,176,684,025		-	41,352
Risk Margin	R0100	-	247,734,144			196,110		
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0110	-	-			-		
Best estimate	R0120	-			-		-	-
Risk margin	R0130	-	-			-		
Technical provisions - total	R0200	-	47,424,418,169			37,541,941		

Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)	
			Contracts without options and guarantees	Contracts with options or guarantees				
C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
-	-	-	-			-	-	-
-	-	-	-			-	-	-
-	-	47,214,029,856		-	-	-	-	-
-	-	37,304,479		-	-	-	-	-
-	-	47,176,725,377		-	-	-	-	-
-	-	247,930,254	-			-	-	-
-	-	-	-			-	-	-
-	-	-	-			-	-	-
-	-	-	-			-	-	-
-	-	47,461,960,110	-			-	-	-

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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	27,606,875	27,606,875		-	
Share premium account related to ordinary share capital	R0030	10,674,161	10,674,161		-	
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	622,474,569	622,474,569			
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	660,755,605	660,755,605	-	-	-
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	-			-	-

		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	660,755,605	660,755,605	-	-	-
Total available own funds to meet the MCR	R0510	660,755,605	660,755,605	-	-	
Total eligible own funds to meet the SCR	R0540	660,755,605	660,755,605	-	-	-
Total eligible own funds to meet the MCR	R0550	660,755,605	660,755,605	-	-	
SCR	R0580	524,223,769				
MCR	R0600	235,900,696				
Ratio of Eligible own funds to SCR	R0620	126.0%				
Ratio of Eligible own funds to MCR	R0640	280.1%				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	660,755,605
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	38,281,036
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	622,474,569
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.25.01.21**Solvency Capital Requirement – for undertakings on Standard Formula**

		Gross solvency capital requirement	Simplifications
		C0110	C0100
Market risk	R0010	439,463,042	
Counterparty default risk	R0020	6,202,805	
Life underwriting risk	R0030	430,777,596	
Health underwriting risk	R0040	-	
Non-life underwriting risk	R0050	-	
Diversification	R0060	(186,450,718)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	689,992,725	

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	8,413,576
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(174,182,531)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	524,223,769
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	524,223,769
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	-

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		CO130
LAC DT	R0640	(174,182,531)
LAC DT justified by reversion of deferred tax liabilities	R0650	(174,182,531)
LAC DT justified by reference to probable future taxable economic profit	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	(174,182,531)

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Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR _L Result	R0200	330,293,844

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	-	
Obligations with profit participation – future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	47,176,684,025	
Other life (re)insurance and health (re)insurance obligations	R0240	41,352	
Total capital at risk for all life (re)insurance obligations	R0250		80,267,977

Overall MCR calculation

		C0070
Linear MCR	R0300	330,293,844
SCR	R0310	524,223,769
MCR cap	R0320	235,900,696
MCR floor	R0330	131,055,942
Combined MCR	R0340	235,900,696
Absolute floor of the MCR	R0350	3,700,000
Minimum Capital Requirement	R0400	235,900,696

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