Solvency and financial condition report

SEB LIFE INTERNATIONAL ASSURANCE COMPANY DESIGNATED ACTIVITY COMPANY,
635400ATDJAWUVSBWM50
15/05/2017

Summary

Following the introduction of the Solvency II EU regulatory regime on 1st January 2016, companies are required to provide a Solvency and Financial Condition Report (SFCR) providing detailed information in a publicly available document covering governance, business performance, solvency and capital management. This is the first such document to be produced by SEB Life International Assurance Designated Activity Company (The Company/SEBLI). This document and future annual updates will be published on the Company's website.

SEBLI is a life insurance company, regulated and licensed in Ireland. The Company is wholly owned by SEB Life and Pension Holding AB ("SEB L&P").

The Company offers predominantly single premium unit linked life insurance products whereby customers have the flexibility to manage their own individualised unit linked fund in conjunction with their chosen investment advisor or asset manager. The Company operates cross border into EU markets under the third life directives freedom to provide services regime. All products are offered subject to the local regulatory and tax requirements and in local language. The key markets for the Company are Sweden, Finland and Italy. There is also some other life insurance business which is in run-off/closed for new business which comprises UK branch business and a regular premium pension product.

The Company has established branches in Luxembourg and the UK. The Luxembourg branch provides similar products but under Luxembourg law and the UK branch, which is closed to new business, contains a small run-off portfolio.

The Company has had no material changes over the period to its business, performance, systems of governance, risk profile or valuation for solvency purposes. The Company maintains a strong solvency ratio with available assets exceeding the solvency requirement by 98% as at 31 December 2016.

New Business and Assets under Management

The following table gives an overview of the new business performance and assets under management at year-end 2016:

Euro Millions	Total
Sales	758
Total AUM	6,734

Developments during 2016

During 2016 the Company continued to pursue its strategy of focusing on its existing markets and products.

New business during the year was challenged due to uncertainty in the market with regards the US presidential elections and particularly with the UK's referendum to leave the European Union.

During the year the Company added an additional life cover benefit to the Portfolio Bond and Asset Management Bond products. The life cover benefit allows customers to choose a minimum death benefit of either a proportion of their premiums or highest policy value (adjusted for surrenders). The option is currently available in Sweden and Italy and may be extended to other countries in future.

Under the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015, the Company's Board of Directors (the "Board") is responsible for the oversight of the business and the Company's adherence to applicable rules and regulations and that it has an effective system of governance that provides for a sound and prudent management of the business. The Board sets its risk appetite based on its business strategy and plan.

A Business and Performance

A.1 Business

SEB Life International Assurance Company Designated Activity Company, trading as SEB Life International (The Company/SEBLI) engages in the cross border distribution of insurance based investment products. The Company is a Designated Activity Company, which is a private company limited by shares.

<u>The Company's registered office is;</u>
Bloodstone Building,
Riverside IV,
Sir John Rogerson's Quay,
Dublin 2

The Company is regulated by the Central Bank of Ireland ("CBI"), who is responsible for the supervision of the Company.

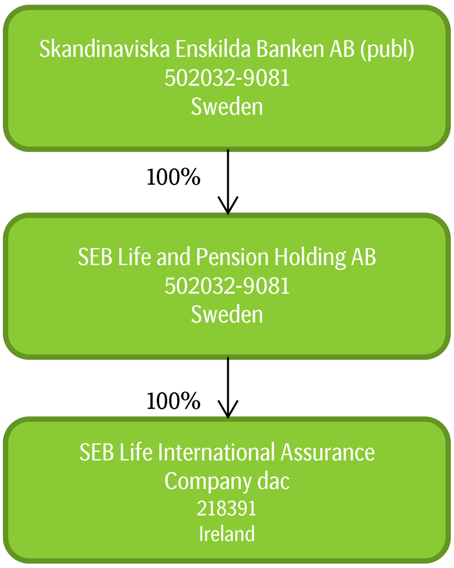
<u>The CBI's address is:</u>
Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1,
Ireland.

The Company is audited by PricewaterhouseCoopers (PwC).

<u>PwC's address is:</u>
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

The Company is wholly owned by SEB Life and Pension Holding AB, which is located in Sweden.

The ownership structure of the Company is illustrated below:



Business Overview

The principal activities of the Company are the marketing and administration of single premium unit-linked life assurance and investment business in the international market. The Company operates cross border from Ireland and has branches in the UK and Luxembourg. The Company operates under freedom of service in a number of European markets, the major markets being Sweden, Finland and Italy.

The new business environment was difficult during 2016 mainly as a result of the uncertainty created in the European markets in which we operate. This was a result of the UK referendum to leave the European Union and the US presidential elections. Sales were lower than budget and investment performance was below what had been anticipated.

A.2 Underwriting Performance

The Company sells single premium unit linked life assurance products. The benefits are linked to the performance of the unit-linked investment funds. The main product offering is a portfolio bond, which allows the policyholders to link to an individualised fund which they manage together with their asset manager or investment advisor.

The Company transacts it business across Europe, with its main markets being Sweden, Finland and Italy.

Underwriting performance	2016	2015
Investment return	392,461	277,760
Fees from investment contracts and fund management	63,965	57,498
Total operating income / (expense)	**456,426**	**335,258**
Change in investment contract liabilities	(390,505)	(270,882)
Acquisition Costs	(27,316)	(25,572)
Administrative expenses	(17,273)	(16,112)
Total operating (expenses) / income	**(435,094)**	**(312,566)**
Profit before taxation	**21,332**	**22,692**

A.3 Investment Performance

The assets of the unit-linked funds managed by the Company are selected by policyholders or their chosen asset manager or investment advisor. The Company does not offer investment guarantees on its products, the performance of the investments are directly passed on to the unit linked funds and borne by the policyholder. The Company maintains a close match between the unit-linked liabilities and the assets backing the unit linked policies.

The following table summarises the assets of the Company:

	2016	2015
	€'000	€'000
Debt securities	**771,394**	780,267
Equity shares and units in unit trusts	**5,380,158**	5,258,424
Derivative assets	**33**	701
Deposits	**551,923**	466,089
Derivative liabilities	**(144)**	(222)
Asset backing liabilities	**6,703,364**	6,505,259

The performance of the above assets is set out in the table below:

Investment return from financial assets at fair value through profit or loss	**2016**	2015
Equity shares	**€'000**	€'000
Dividends and interest	**26,331**	22,423
Exchange gains and losses	**2,412**	903
Fair value gains and losses	**234,275**	218,515
	263,018	241,841
Debt securities		
Dividends and interest	**12,942**	3,330
Exchange gains and losses	**1,187**	134
Fair value gains and losses	**115,314**	32,455
	129,443	35,919
Total		
Dividends and interest	**39,273**	25,753
Exchange gains and losses	**3,599**	1,037
Fair value gains and losses	**340,589**	250,970
	392,461	277,760

A.4 Performance of other activities

The Company performance is based on its sole activity as a provider of unit-linked insurance products and the income related to the management and administration of those policies.

The only material lease arrangement that company has entered into is an operating lease on its office. The lease runs for 10 years until 2021, with a rent review in year 5 (completed in 2016) and a break option in year 6 (2017).

SEB Life Assurance Company DAC was renamed in 2016 in accordance with its obligations under the Companies Act.

The Company paid an interim dividend in May 2016 of €13m.

The Company continues to look at broadening its product offering and opportunities in order to grow the business.

B System of Governance

B.1 General information on the system of governance

The Central Bank of Ireland classifies the Company as a Medium High Risk firm under PRISM or Probability Risk and Impact SysteM, which is its risk-based framework for the supervision of regulated firms.

Under the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015, the Company's Board of Directors (the "Board") is responsible for the oversight of the business and the Company's adherence to applicable rules and regulations and that it has an effective system of governance that provides for a sound and prudent management of the business. The Board sets its risk appetite based on its business strategy and plan.

The Board comprises a minimum of five members, as permitted under the Corporate Governance Requirements for Insurance Undertakings 2015. The names and Roles of the Board and Committee Members are as follows:

Name	**Status on Board**	**Membership and status on Sub-Committees**
Peter Nilsson	Chairman	None
Peder Nateus	Managing Director	Risk, Investment*
Peter Dahlgren	Non-Executive Director	Audit, Risk, Investment
Matt Coffey	Independent Non-Executive Director	Audit, Risk*, Investment
Roger Laker	Independent Non-Executive Director	Audit*, Risk, Investment

* Chairman

Peter Dahlgren resigned on 1st February 2017; and Colin Ball resigned on 22nd April 2016 and was replaced by Roger Laker.

The Company Secretary is Abigail St. John Kennedy.

The board has annual work plans which outline the activities to be considered and accounted for at each board meeting; and has met on 5 occasions during the financial year to 31 December 2016.

The Company's organisational and operational structure is designed to be transparent, with a clear allocation and segregation of duties. The managing director of the Company is responsible for its day to day operations in compliance with Irish, EU and other applicable regulations, and according to the Company's business plan and other decisions approved by the board. The Company is organised into departments which reflect their main functions and each department has a manager.

Three committees report to the board, namely the Audit, Risk and Investment Committee. Each Committee operates under defined terms of reference which are approved by the board. The Audit and Risk Committees have met on five occasions during the financial year to 31 December 2016 with the Investment Committee meeting on 3 occasions. The Audit and Risk Committees are each chaired by an Independent Non-Executive Director with the Investment Committee being chaired by the managing director.

The **Audit Committee** assists the board in fulfilling its corporate governance responsibilities in relation to the following:

- Monitoring the integrity of the financial statements of the Company, including its annual reports and management accounts;
- Assessing external auditor independence and the effectiveness of the audit process;
- Monitoring the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system,
- Reviewing the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- Reviewing the effectiveness of the Company's internal financial controls, internal controls and IT systems, including the Company's procedures for detecting fraud, and preventing bribery.

The **Risk committee** assists the board to strengthen risk awareness culture within the Company, and to fulfil its corporate governance responsibilities in relation to the following:

- Advising the Board on the Company's appetite and tolerance for the risks it is willing to accept to achieve the Company's overall financial objectives, taking shareholder and policyholders' perspectives into consideration,
- Monitoring the Company's risk profile and liaising regularly with the Chief Risk Officer to ensure the effective operation of risk management within the Company, including assessing exposure to emerging risks,
- Timely review of any material deviations of risk limits and the adequacy of proposed action,
- Approving the remit of the risk management function including its independence and access to information.

The **Investment Committee** is responsible for the on-going review of the investment policy for the shareholder and the unit-linked policyholder funds. The Investment Committee duties include:

- Ensuring that investments are in compliance with asset admissibility requirements and regulations, including the holding of any derivative instruments,
- Overseeing the operational management of internal funds,
- Agreeing due diligence criteria for the acceptance of external funds as investments; as well as third party fund managers, deposit takers and custodians,
- Reviewing operational policies and procedures from time to time to ensure that they comply with the overall strategic investment policy and applicable regulations;

The Company has the following **key control functions**: Compliance, Actuarial, Risk, and Internal Audit.

In line with the Corporate Governance Requirements for Insurance Undertakings 2015 and the requirements under Solvency II, the Board satisfies itself that all key control functions are independent of business units, and have adequate resources and authority to operate effectively.

The roles and responsibilities of each control function are described in instructions for that function and approved by the Board. These instructions are also reviewed every year by the Board.

The **Compliance function** is managed by a Head of Compliance, who is also the Company's Money Laundering Reporting Officer and the Company Chief Risk Officer (CRO). The Compliance function supports and advises the Company's business and monitors its compliance with applicable laws, regulations, internal rules and good practices and standards.

The Compliance function's risk management responsibilities cover primarily the following areas:

- Regulatory systems and controls
- Consumer protection
- Market conduct
- Prevention of money laundering and terrorism financing

The Head of Compliance reports to the board, and regularly attends board meetings when compliance matters are addressed and is a member of the senior management team. Other employees within the Compliance team carry support activities for the Head of Compliance.

The Compliance function coordinates its annual risk assessment with the Internal Audit and the Risk management function, to efficiently allocate control function resources and activities to key risk areas of the Company, and to avoid duplication. The board oversees the risk based compliance plan.

The Company has an independent **Risk function**, which is headed by the Chief Risk Officer (CRO) who is also the Company's Head of Compliance. The roles and responsibilities of the Risk function are laid down in an instruction adopted by the Board, and include:

- Assisting the Risk Committee, the Board and the Managing Director in the effective operation of the Company's risk management system;
- Monitoring the risk management system and the Company's risk profile;

- Timely reporting on the Company's material risks, including emerging risks, which enables the Risk Committee and the Board to understand the overall risk profile of the Company,
- Co-ordinating the Company's Own Risk and Solvency Assessment process and in so doing cooperate closely with the Actuarial function.

The Risk function is independent from the Company's risk taking activities to ensure that risks are monitored by a function that is separated from the units that expose the Company to risk. The CRO has direct access to the Chairman of the Board and reports regularly to the Risk Committee who oversee the outcome of the annual plan approved by the Board.

The **Internal Audit function** is outsourced to Skandinaviska Enskilda Banken AB (publ). The roles and responsibilities of the Internal Audit function are laid down in an instruction adopted by the Board and include responsibility for:

- Evaluating the Company's risk management, internal control procedures and other aspects of governance requirements,
- Assisting the Board with ad hoc investigations that needs specific internal audit knowledge.

Internal Audit's areas of responsibility also include outsourced parts of the Company's operations. The primary purpose of Internal Audit's auditing of the Company's internal controls is to assess the quality of control effectiveness, including efficient use of resources; the reliability and completeness of information and compliance with internal and external rules.

The Internal Audit function is positioned independently from the operating business and decides independently which parts of the Company's operations to audit, within the framework of the audit plan approved by the Board.

The Board assesses Internal Audit's work once a year; and an independent party assesses the quality of Internal Audit's work once every five years on the basis of international internal auditing standards.

The Company has an **Actuarial function** that coordinates and is responsible for the quality of the actuarial calculations and investigations, assists the Board and the managing director on matters relating to actuarial methods and calculations, and to policyholder reasonable expectations and contributes to the Company's risk management system. These responsibilities are described in a Board approved instruction.

The Actuarial function is an independent control function and must satisfy all applicable professional requirements as prescribed by law or regulation.

B.1.1 Material Changes in the System of Governance

The Head of Actuarial Function was approved by the board with effect 1 January 2016 to align the governance structure with the requirements of Solvency II. The Head of the Internal Audit function resigned in the spring of 2016; therefore, Skandinaviska Enskilda Banken AB (publ), the Company's ultimate parent company, provided a replacement internal auditor to fulfil the function for the remainder of 2016. There were also changes to the Non-executive Directors and Audit Committee Chair when Colin Ball resigned on 22nd April 2016 and was replaced by Roger Laker.

Remuneration policy
The Company offers a benefits package to help attract and retain the best employees.

External benchmarking and salary surveys are used to ensure the Company remains competitive and relevant within the local market.

The Company has a strong performance culture in place to promote performance and achieve long-term success. This is in line with the Companies core values which are:

- Customers First
- Commitment
- Collaboration
- Simplicity

The Company has an annual performance review framework in place for all employees, in line with Group guidelines, to ensure employees are motivated, focused and to allow them to reach their full potential with clear and achievable goals. Education support and a training program provide employees with the opportunity to stay up to date with relevant training.

The Company is an equal opportunities employer which promotes fairness, diversity and equality without discrimination in the workplace.

The Company operates an All Employee Programme (AEP), subject to the performance of annual financial targets and customer satisfaction for the Group, a fixed amount may be paid to all Group employees. 50% of this will be paid upfront and the remaining 50% will be deferred for three years and linked to the SEB share price.

Where certain employees receive variable remuneration, for example sales employees, any payment of the variable remuneration must be aligned with the risk horizon and portions of the variable remuneration may be deferred for at least three years and subjected to risk adjusters.

The Company pays contributions based on a percentage of salary into an occupational pension scheme on behalf of its employees (defined contribution plan). Employees contribute 5% of their salary and additional voluntary contributions to suit their circumstances.

All pension plans within SEB Life International are in line with SEB's Pension Policy and Instruction of the SEB Group.

B.1.2 Material Transaction with interested parties

Other than payment for services for those outsourced functions set out in 'B.7' of this report, the dividend paid to the shareholder annually, and contracted employee salaries and benefits mentioned above, there were no material transactions with the Shareholder, with persons who exercise a significant influence on the undertaking and with members of the administrative, management or supervisory body.

B.2 Fit and proper requirements

The persons who 'effectively run' the Company are the members of the Board and the Managing Director. The names of the Board members and the Managing Director can be found in section B1.1.

The Company has adopted an Instruction regarding fit and proper requirements, according to which the Board members, key function holders and other employees are required to be competent, capable, honest, ethical, act with integrity and be financially sound.

Controlled Functions (CFs) are specified by relevant regulatory requirements; and may include Pre-Approval Controlled Functions (PCFs) who are required to be approved by the regulatory authority prior to their being appointed.

CFs and PCFs must have appropriate qualifications (including professional qualifications), knowledge and experience ("fitness") in relation to their duties in the Company to be considered competent and capable. Detailed fitness requirements for employee CFs are adopted in the form of job descriptions on a position level; and for Board members, including in relation to relevant Board sub-committee roles, are adopted in applicable terms of reference.

CFs must act with the appropriate level of probity, which requires an assessment of the person's honesty, diligence, and integrity based on personal behaviour and business conduct. Additional due diligence by the Company may include, but is not limited to, professional body checks, verifying references, obtaining confirmation of compliance with applicable minimum competency requirements, obtaining individual's self-certifications in respect of conflicts of interest and criminal convictions, Company Registration Office or equivalent restriction checks, judgment debt checks and regulatory actions.

B.2.1 Fit and Proper assessment process

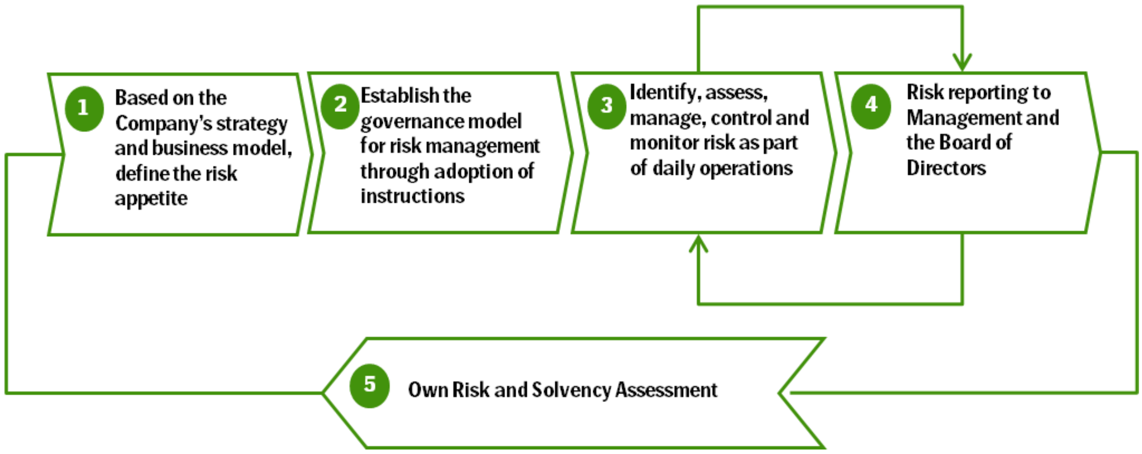
As part of ongoing performance monitoring, the Company requires CFs to certify their continued compliance with applicable fitness and probity standards on an annual basis.

In addition the Company will designate a person within the Company with overall responsibility for the outsourced CF who is considered to possess sufficient fitness and probity regarding the outsourced CF to be able to challenge the performance and results of the service provider.

B.3 Risk management system including the own risk and solvency assessment

Risk-taking and risk management are an integral part of the business. The Company's profitability is directly dependent upon its ability to identify, evaluate, monitor, manage, mitigate, control and price risks. Thus, risks are a natural and essential part of the Company's business and a critical component of its business plan, in terms of financial targets, solvency targets and risk appetite levels.

Proper handling of risks involves risk assessment, mitigation of risks and control of risks. This diagram provides an overview of the Company's risk management system, which is built around five main activities that are further described in the sections below.



The Risk Management system covers all risk categories defined in the Company´s risk categorization model:

Risk Appetite

The Company´s risk appetite is set by the Board through adoption of a risk appetite statement, which defines the risk types and risk levels the Company is willing to accept to achieve the overall business and financial objectives, taking into consideration both the shareholder and policyholders' perspective.

Ongoing monitoring of the risk appetite

The risk appetite statement sets qualitative risk tolerance statements for each risk category. In order to monitor the Company's business operating within its set risk spectrum, the qualitative statements are supported by quantitative indicators using a traffic light system according to the following definitions:

Green – The Company is operating safely within its defined risk appetite

Amber – The Company is operating within the higher end of its defined risk appetite, which indicates a need for increased awareness from Management.

Red – The Company is operating outside its defined risk appetite, and the Board of Directors needs to decide whether risk mitigating actions are needed or if the risk level is accepted for a specified time period.

If the Company is operating outside its defined risk appetite this is immediately reported to the CRO, the Managing Director, and the Chairman of the Board.

The risk indicators are regularly reported to Management and the Board of Directors.

Risk reporting

At each Board meeting, a Risk report is presented and discussed at the Risk Committee, before presentation to the Board meeting. The report includes the limit measures set by the Board in the Risk Appetite statement, and various analyses of risk categories and deep-dives into specific topics including emerging risks, which are presented and discussed in each Risk Committee meeting.

In addition to the formal risk reporting which is described below, risks are regularly evaluated, discussed and managed by respective business units.

B.3.1 Implementation of Risk Management

The Board having defined the overall objectives and principles for risk management and control within the Company through a set of instructions and guidelines, and having decided upon the overall risk appetite, ensures that the risk management system includes necessary tools to regularly monitor risk levels and ensure compliance with internal instructions and external regulations.

The managing director of the Company (the "MD") has implemented appropriate organisation, procedures and support systems to ensure that a sufficient system of internal controls is established. Respective Business Unit managers are responsible for identifying, managing, monitoring and following up of risks within his or her sphere of responsibility.

The Chief Risk Officer of the Company (the "CRO") is responsible for the risk function and for maintaining and monitoring the effectiveness of the Company's risk management system, in line with the Solvency II and Corporate Governance Requirements for Insurance Undertakings. The CRO presents any essential risk information regarding the Company to the Board. As described previously there is a Risk Committee, which acts in an advisory capacity to the Board in the areas of risk management, capital management and financing issues, and is governed by terms of reference.

The Company has implemented the following key control functions: Actuarial, Compliance, Risk and Internal audit, for which responsibilities and mandates are regulated in separate instructions adopted by the Board.

B.3.2 Own Risk and Solvency Assessment (ORSA)

The purpose of the Own Risk and Solvency Assessment ("ORSA") is to analyse and evaluate the business plan and the risk strategy of the Company and to conclude whether the identified risks and financial capital available to absorb those risks, are acceptable and manageable given the capital strength of the Company, or if actions are required to balance the risks in relation to the available capital resources.

The ORSA process identifies short as well as long-term risks which the Company faces or may face in the future and analyses the current as well as the future capital needs and capital available to ensure the long-term survival of the Company.

The ORSA is an integral part of the Company's strategy and business planning, to ensure that the Board is aware of the impact that strategic decisions may have on the Company's risk profile, solvency capital requirement and available capital resources.

The ORSA process runs in parallel with the business planning process and shall be seen as an iterative process, as illustrated below, entailing three components: strategy, risk and capital.

<u>Main activities:</u>

1. Set the business strategy and identify main risks
2. Prepare board scenario proposal document
3. Evaluate the appropriateness of the standard model
4. Prepare the financial plan based on the business plan
5. Prepare the financial plan based on the stressed scenarios
6. Perform reverse stress testing of the solvency position
7. Analyse the solvency position vs. solvency target
8. Create ORSA report

The main risks affecting the Company's goals and financial objectives embedded in the business plan are identified. This activity covers potential risks within all defined risk categories, i.e. counterparty default risk, market risk, and liquidity risk, underwriting risk, operational risk, governance risk, business risk and strategic risk.

Based on the risks identified during the business planning and potential down-turns in the macroeconomic environment, a set of stressed ORSA scenarios are defined. The scenarios are intended to give senior management and the Board a good sense of the potential financial impact over time of business and economic conditions more adverse than those underlying the business plan.

The Company uses the standard model to calculate the Solvency Capital Requirement ("SCR"). In order to ensure that the model properly reflects the specific risk profile of the Company, an evaluation of the appropriateness is performed annually by the Actuarial function.

A financial plan, based on the business plan, is then prepared for the Company; which covers five years and includes projections of a high level Profit & Loss statement, a high level Balance Sheet statement and the SCR. Based on the review and approval of the Board's Risk Committee, the ORSA model stress tests the plan and projects the financial results. Reverse stress testing with the most significant risk parameters is also completed to challenge the solvency levels of the Company.

The results are analysed in order to understand the Company´s ability to survive in times with more adverse conditions than those underlying the business plan. A contingency plan describing how to manage any capital shortfalls is also defined.

The final ORSA report is created and presented to the Board of Directors for review and approval. This report is used both for internal communication and reporting to the Regulator, the Central Bank of Ireland.

The Company will normally perform the ORSA annually unless there is a material change in the risk profile or capital situation, in which case an additional ORSA may be conducted.

B.4 Internal control system

The Company´s System of Internal Control support effective and efficient operations, helps ensure the reliability of internal and external reporting, and assists compliance with laws and regulations.

The System of Internal Control is based upon the framework issued by the Committee of Sponsoring Organizations (COSO), which is structured around five components; Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring (see the COSO cube be-low).

How this internal control framework is implemented within the Company is described below.

A description of how the Compliance function is implemented in the Company's system of internal control is described in section B.1.

Control Environment

The control environment is defined by the Company´s corporate culture and values, and the overall attitude and awareness of management regarding the System of Internal Control and its importance.

The following building-blocks form the foundation of the control environment within the Company:

Ethical values and Integrity:

In order to emphasise the importance of high integrity and sound ethical values throughout the organization, the Board has adopted an Instruction regarding Ethics, which is based on the SEB Group Code of Business Conduct and its core values of:

- Customers First
- Commitment
- Collaboration
- Simplicity

Structure and assignment of responsibility:

The set of governing documents adopted by the Board and the Managing Director creates a well-defined organizational structure including clear assignment of authority and responsibility.

Performance and Accountability:

To support a well-functioning System of Internal Control it is important to have employees with the necessary skills and experience to perform their responsibilities to a high standard. The Company strives to attract, develop and retain competent individuals. Examples of relevant activities to foster this are: Workforce planning, Performance Development Dialogues, Global Talent reviews and short- and long-term incentive programs; with regular evaluation of standards conduct and levels of competence.

Risk Assessment

It is important that all material risks are identified, therefore the Company performs several operational risk assessments to evaluate if the current internal control environment is effective or if there is a need for improvement:

- Internal Controls Catalogue self-assessment
- Operational Risk Self Assessments
- New Product Approval Process
- Analysis of incident data
- Compliance monitoring reviews
- Internal and External audits

The risk assessments consider all three internal control objectives, i.e. Efficiency of operations; Reliability of internal and external reporting; and Compliance with laws and regulations.

Control Activities
The objective of internal control activities is to mitigate the risks identified efficiently and effectively. Whilst instructions are adopted by the Board and the Managing Director; the internal control activities are documented in control catalogues by each Business Unit in the Company.

As described in the operational risk assessment types, the Internal Control system is regularly evaluated to determine the most suitable mix of preventive and detective controls; which include both manual and automated activities such as authorizations and approvals, verifications, reconciliations, and reviews.

Information and Communication
It is essential that members of staff are aware of and understand internal controls relevant to their activities; and so the Company and key control functions regularly communicate information, and conduct training; for example, mandatory training regarding the Company´s Board and MD instructions, training of business units to assess the efficiency and effectiveness of internal control processes; Operational risk workshops.

Internal communication lines are structured to support the reporting of negative news, and permit escalation beyond reporting lines where required. Communication channels, such as whistle-blower, are in place and enable confidential communication when normal channels are inoperative or ineffective.

Management and the control functions regularly report the performance and development of the System of Internal Control to provide the Board with information to carry out its oversight responsibilities. The Board also provides feedback and direction.

Monitoring activities
To ensure that the System of Internal Control is effective over time, the Company uses different approaches including monitoring of Key Risk Indicators performed by the line organisation, quality self-assessments, as well as testing performed by the control functions and external audit, with relevant results reported to Management, the Committees and the Board.

B.4.1 Compliance Function

The Company has a separate compliance function. The roles and responsibilities of the compliance function are laid down in an instruction regarding the function adopted by the Board. The compliance function is independent from the Company's business operations, which it monitors and advises on compliance with prevailing rules and regularly reports to the Company's Board. Reports on compliance issues can be also addressed to concerned Company staff members. Violation of external or internal regulations or standards is reported to the relevant manager.

The compliance function has full access to material, staff and property relevant to the performance of compliance duties. All staff members are required to cooperate fully with the compliance function. The compliance function attends Board meetings, Management team or existing Committee meetings when compliance matters are addressed.

The compliance function coordinates its activities with the Internal Audit function and Risk Management function, to ensure a suitable distribution of activities and avoid duplicating work.

Once a year, the Compliance function prepares a written report to the Board summarising the efforts undertaken over the past year and the results of these activities. The report includes an evaluation of how well the Company fulfils its legal requirements in the area of compliance. The report is presented to the Company's Board.

B.5 Internal audit function

The Internal audit function is outsourced to Skandinaviska Enskilda Banken AB (publ), and maintains its independence by not participating in the Company's business operations and adhering to its Function's Instruction adopted by the Board and the Institute of Internal Auditors standards set out in the International Professional Practices Framework.

The Internal audit function evaluates the Company's risk management system, internal control system and other aspects of governance requirements to assess primarily, efficient and economical use of resources, reliability and completeness of information, and compliance with internal and external rules. The function's areas of responsibility also include outsourced parts of the Company's operations.

The Internal audit function decides independently which parts of the Company's operations to audit, and reports the results in writing to the Audit Committee and the Board and, if necessary, to other concerned individuals in the Company.

Once a year, the Internal Audit function prepares a written report summarising the efforts undertaken over the past year and the results of these activities. Again, the annual report is presented to the Audit Committee and the Company's Board.

B.6 Actuarial function

The Actuarial function is responsible for coordinating and assuring the quality of the Company's actuarial calculations and investigations. According to its function instruction, this includes, assessing the methodologies used for the calculation of technical provisions including the review of the appropriateness and quality of the data used; certifying that premium rates are adequate for risks undertaken and reviewing limits and other constraints for underwriting risks. The Function also assists the Board and Managing Director in issues regarding actuarial methods and calculations and contributes to the Company's risk management system.

The Actuarial Function reports regularly to the Managing Director and Board.

The Company's Actuarial function comprises the head of the Actuarial unit who is also the Actuarial Function Holder. This means that the Company has both an actuarial function and an actuarial unit. To ensure the Actuarial function's objectivity, the Function's duties will regularly undergo internal and external auditing as well as periodic peer reviews. The results are reported to the Board.

B.7 Outsourcing

Outsourcing is an arrangement where the Company appoints an external party to perform a certain jobs and certain functions that are part of the Company's insurance business. The Company has an outsourcing instruction which specifies the circumstances under which the Company may enter into such arrangements and explains the outsourcing process. Among other things, the Instruction says that the Company may not outsource critical or important operational functions if it leads to:

a) materially impairing the quality of the system of governance of the Company,
b) unduly increasing the operational risk of the Company,
c) impairing the ability of the supervisory authorities to monitor the Company, or
d) undermining continuous and satisfactory service to customers.

The outsourcing instruction sets out the following:

- Definitions (including what constitutes critical or important operational functions)
- Scope and general considerations
- Conditions for outsourcing
- The outsourcing agreement
- Due diligence, approval and follow-up processes
- Annual review of the instruction and the outsourced arrangements and reporting to the Board

The Instruction also specifies what should be regulated in the agreement entered into between the Company and the service provider. In summary, the requirements state that the roles and responsibilities of the Company and the service provider must be described, that the Company is entitled to receive information regarding performance of the services, that the service provider shall collaborate with the supervisory authority and allow the supervisory authority access to the provider's premises, that the service provider shall protect confidential information; establish, implement and maintain a disaster plan; agree to follow applicable laws, rules and instructions from the Company, and that the service provider's staff will meet the Company's fit and proper requirements.

The Company has outsourced the following critical or important operational functions or activities.

<table>
<tr><th>Counterparty</th><th>Description of the agreement</th><th>Internal / External</th><th>Jurisdiction</th><th>Outsourcing Manager</th></tr>
<tr><td>SEB Pension och Försäkring AB</td><td>Product & process development services</td><td rowspan="4">Internal</td><td rowspan="4">Sweden</td><td rowspan="2">Head of Finance (PCF - 11)</td></tr>
<tr><td rowspan="3">SEB AB</td><td>Internal audit</td></tr>
<tr><td>IT Specification</td><td rowspan="3">Head of IT</td></tr>
<tr><td>IT User Services Agreement</td></tr>
<tr><td>External Supplier</td><td>Business recovery & continuity services</td><td>External</td><td>Ireland</td></tr>
</table>

B.8 Assessment of the Governance Framework

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company which is closed to new business.

C Risk Profile

C.1 Underwriting risk

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions.

Underwriting risk is not integral to the Company, and exists in small amounts in relation to certain products and benefits as opposed to relating to the Company's core products. The main types of underwriting risk for the Company are Lapse, Expense and Biometric risks. In Q4 2016 the Company began to offer additional Life Cover as a rider benefit. This has the potential to materially increase the volume of additional life cover which the Company is exposed to. As a result the Company has entered into a new reinsurance treaty with Hannover Re for life-cover benefits.

Lapse and expense risks are managed through appropriate product design, frequent monitoring of expense levels and prudent premium levels. The insurance agreement's premiums are set to cover the insurance agreement's future expected claims and expenses.

Biometric risks are managed through the Reinsurance policy, reinsurance limits and other constraints. The limits must fit within the overall risk appetite of the Company and in any event exist in small amounts in the Company.

Governance model for Underwriting risk management:
The following governance structure is in place to manage underwriting risk:

- The Board has established a Risk Committee to review the capital implications of product pricing principles.

- It is the Managing Director's responsibility to ensure that the Company's underwriting activities operates within the set risk appetite, and in compliance with internal instructions and external regulations.

- The Company's Actuarial department is responsible for monitoring changes to the Company's underwriting risk profile and reporting on any product developments or business changes that may materially change the risk. In addition where individual policies carry significant underwriting risks the actuarial department will advise on the appropriate price to be charged for the risk and/or whether any change to reinsurance is required or additional reserves should be held.

- The Actuarial function provides an opinion on the adequacy of the premium rates and advises the Company on the modifications necessary to protect the position of the policyholders.

- Management are responsible for maintaining an up-to-date version of reinsurer details and will notify the Board of any significant changes, especially any changes to the ratings of the various reinsurers or in relation to the reinsurance arrangements.

- Management monitor on an on-going basis the total sum at risk, total amount at risk after reinsurance and also total recoveries due from each reinsurer.

<u>Sensitivity analysis to Underwriting risk</u>
The insurance risks of a material nature are lapses and expenses. The Company tests the impact on the Best Estimate Liability of the stresses below for these key risks:

Risk	Stress	TP Impact (€m)
Lapse	50% increase in assumed lapse rates	€39.0
Expense	10% increase & 1% increase in Expense Inflation	€18.9

C.2 Market risk

The Company has a modest appetite for market risk which is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the market prices of assets, liabilities and financial instruments. The Company's market risk is focused on Equity risk, Interest rate risk, Spread risk, and Currency risk.

Investment of Shareholders' funds is governed mainly by solvency and liquidity considerations and the need to comply with the regulations and guidelines specified by the Central Bank of Ireland. The strategic asset allocation of shareholders' funds is regularly reviewed by management in consultation with the Actuarial Function holder. Any recommendations by management are presented to the Investment Committee of the Board.

As the Company's business is unit-linked the direct associated market risk is borne by the Policyholder. The Company however, is also exposed to this Policyholder market risk from fluctuations in the market value of policyholders' linked investments, through the effect on its earnings, and it manages this exposure primarily through product design, investment guidelines, and it strives to implement look-through of linked funds to the extent possible.

The design of the Company's portfolio bond products leads to the creation of a negative cash reserve, which creates an interest rate risk. The Company manages the impact of interest rate risk through product design and on-going monitoring. The Company has limited spread/concentration risk due to the number of territories in which the Company distributes its products and the considerable diversification of assets linked to policies and the number of counterparties the Company contracts.

The Company writes policies in multiple EU countries and in multiple currencies. As a result, the Company has some tolerance for accepting this risk. The Company rebalances its balance sheet on a monthly basis to reduce exposure to exchange rate fluctuations. The purpose of the Currency Hedging Process is to ensure that the Shareholder is not exposed to currency loss as a result of movement in foreign exchange rates.

As described above, in relation to Unit-Linked Funds and Portfolio Bonds, risk tolerance and risk-return requirements are determined by policyholders based on their choice of funds or investments.

Asset-Liability Matching
The Company aims to maintain a matched unit position in respect of all of its policyholder funds. The Company strives to hold sufficient assets of appropriate nature, term and liquidity to enable it to meet its liabilities to policyholders as they become due.

Unit-Linked Funds
The Company offers a choice of Unit-Linked funds. The management of the funds is sub-delegated to a range of external asset managers. The addition of new Fund Managers is subject to due diligence and subsequent approval by the Board following consideration of management's recommendations.

All Unit-Linked funds are subject to the investment objectives of the underlying fund and these are determined by the Fund Manager and are specified in the associated fund prospectus.

Portfolio Bonds
Portfolio Bonds are managed on a personalised basis for individual policyholders and invested according to mandates or specific instructions set by the policyholders or their advisors. The strategic asset allocation for each personalised portfolio bond is based on the risk profile and investment preferences of the policyholder as agreed with their independent adviser. The selection of individual securities is determined taking into account individual requests of policyholders and their advisers. However the assets selected must meet the requirements of the Company as documented in its investment guidelines. All assets should be capable of being administered by the Company's processes and systems, including valuation of assets, risk measurement, calculation of solvency capital requirement and internal and external reporting. The Company's board has approved criteria that apply to derivatives which may be used to contribute to a reduction of investment risks or facilitate efficient portfolio management.

<u>Sensitivity analysis to Market risk</u>
As all business is unit-linked the direct associated market risk is therefore borne by the policyholder (although there is a secondary impact as company income from unit charges is dependent upon the markets). Financial assets net of liabilities to support company capital resources held outside unitised funds primarily consist of a UK government bond, cash and cash equivalents, and other assets and liabilities. Cash held is valued at par and is unaffected by movement in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Company's financial assets net of liabilities held outside unitised funds are not materially subject to market risk. Future revenues from annual management charges may be affected by movements in interest rates, foreign currencies and equity values.

The market risks of a material nature are equity and currency. The Company tests the impact on the Technical Provisions of the stresses below for these key risks:

Risk	Stress	TP Impact (€m)
Equity	30% fall in unit values	€52.5
Currency	25% increase in €	€27.8

C.3 Credit risk

The Company has a modest risk appetite for counterparty default risk. The Company is exposed to counterparty risk where the shareholder funds are held in credit institutions. To limit this risk, counterparties are subject to a due diligence and approval process and the selection takes into account the credit rating, competence, experience, solvency and level of service of the counterparty, in accordance with adopted guidelines. Furthermore, the counterparty default risk is managed with limits for maximum credit exposure to different counterparties, determined by their credit rating.

In relation to unit linked cash and other assets held in counterparties selected by Policyholders, the risk of failure of a selected counterparty is borne by the policyholder.

Nevertheless, the counterparties selected by the Policyholder are subject to a diligence and approval process by the Company together with ongoing monitoring of their custodian authorisations and cash holdings.

C.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to realise investments and other assets in order to settle its financial obligations when they fall due, or can do so only at excessive cost. The Company is subject to minimal liquidity risk since it maintains a high level of liquid assets to meet its liabilities. The Company regularly monitors liquidity levels and asset matching particularly in conjunction with dividend payment policy to ensure sufficient liquidity is available at all times. The Company has a number of contingency options available if liquidity were to become a problem including reducing the dividend, accessing other non-cash but cash like assets and if necessary securing loan funding from its parent.

Due to the unit linked nature of the portfolio bond product, policyholders have the flexibility to select a wide range of investments, which may lead to some experiencing restricted liquidity due to market conditions. Accordingly, for complex assets the Company has investment guidelines which also aim to manage liquidity risks.

Where this risk may also impact on the collection of fees the Company has a diligent monitoring process in place, and the product design allows fee collection on policy surrender.

C.5 Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.

The Company should not expect any return as compensation for operational risk. Therefore, it should look to minimise operational risk as much as possible. However, achieving zero operational risk is not possible and the Company acknowledges that operations will result in a certain level of operational risk. The Company has, however, zero appetite for any systems failure risk which might impact upon any policyholder transactions. This risk does not change dependant on time horizons.

Other Operational risk categories are Legal, Compliance and Regulatory risk. SEBLI has no tolerance for these breaches and will co-operate fully with all regulatory requirements. The Company accepts that legal and compliance risk cannot be fully eliminated.

The basis for the Company´s operational risk management is a well-defined and effective internal control system. On a high level, roles and responsibilities are defined in the instructions adopted by the Board and the MD, and on lower level, internal control responsibilities are defined and documented in control catalogues per unit within the Company.

The following tools / processes are implemented to manage and mitigate operational risks:

SEB Operational Risk Self-Assessment (ORSA):
The Company completes an operational risk self-assessment, based on the Company's consolidated operations every second year and reviews the assessment for relevance at least every 12 months. The self-assessment and its related action plans are registered in the Operational Risk Management Information System "ORMIS".

Operational risk identification in connection with the Business Planning:
As part of the Business Planning process, significant operational risks that could threaten the Company's ability to reach the goals and financial objectives embedded in the business plan are identified and analysed.

Registration and analysis of operational incidents:
All operational incidents are registered in an SEB core incident system and analysed to understand the root cause, and if there is a need to strengthen the internal control structure or initiate other activities in order to mitigate the risk for recurrence.

New Product Approval Process ("NPAP"):
The purpose of the NPAP is to ensure that the Company does not enter into activities containing unintended forms of risks or risks that are not immediately managed and controlled by the organisation in a professional and sustainable manner.

The Company's NPA committee decides on matters that have impact solely on the Company, as opposed to also affecting other organisations within the group. The committee consists of a chairman, a vice-chairman, a secretary and committee members representing company functions such as: actuarial, legal, IT, operations, compliance, finance, risk, information security and security.

Business Continuity Planning:
The Company has plans and procedures in place to provide continuity of critical processes and systems in case of large scale disturbances due to systems failures or various disasters (natural disasters, sabotage, settlement break downs etc.). The objective of the continuity plan shall be to restore business as quickly and seamlessly as possible.

These plans are registered in a web-based application used for all units within the Group. All managers have printed copies of their plan, both at home and in the office, which contains information about: Employees, call lists, alternative locations, critical processes / deliverables / systems, work-around procedures and critical documentation. Plans are tested and updated at least on an annual basis.

Crisis Management:

The Company´s Crisis Management Team (CMT), headed by the CFO, is the ultimate decision-making group in a time of crisis. The main responsibilities of the team are to:

- Establish what has happened
- Assess the impact
- Resolve any conflict of interest
- Identify and prioritize actions required
- Retain control

Information Security management:

The purpose of the Company's security and information security activities is to protect the Company's staff, business, customers, assets and expertise and to prevent the unauthorised disclosure of information and breaches of integrity. The scope of the Company's security and information security management covers:

- Confidentiality – Information not accessible or revealed to those unauthorized
- Integrity – Information not changed unintentionally
- Accessibility – Information accessible when needed.
- Traceability – It is possible to trace who, when and what has changed the information

Compliance Risk management:

The Company has a dedicated compliance function managing and monitoring compliance risks, with full support of the Group compliance function. Compliance risks are regularly analysed, monitored and reported to the MD and the Board.

Legal Risk management:

The Company has a dedicated Head of Legal, as well as access to internal legal counsel within the group and thus has a dedicated resource for the management of legal risk. In addition the Company maintains a network of legal firms to which it can refer in each country of its operation.

Regulatory Change Risk management

The Company operates a rigorous regulatory change risk monitoring and management framework in order to make sure the business is aware of all the regulatory changes as they arise.

Follow-up and analysis of audit issues:

There is a process for continuous follow-up and analysis of outstanding audit issues in order to mitigate the risks, which have been identified by the Company´s internal and / or external auditors.

Key Risk Indicators (KRIs):
Relevant KRIs for operational risk have been defined, and are included in the regular risk reporting to Management and the Board.

Governance model for Operational risk management:

- The Board defines the overall objectives and principles for the Company's operations, through adoption of the instructions. In order to ensure, the Board has defined reporting responsibilities and follow-up procedures to be included in each Board meeting.

- The Board has established a risk committee to regularly review the internal control environment, material operational risks, and to prepare related items that will be presented to the Board for decision.

- It is the Managing Director's responsibility to ensure that the Company operations are well managed from an internal control perspective, i.e. with low operational risk.

- Each manager is responsible for identification and management of operational risks within his or her sphere of responsibility, which include ensuring that relevant internal controls are defined, implemented, documented and regularly evaluated to identify potential control weaknesses.

- Independent monitoring and reporting of the Company's operational risk exposure is performed by the Risk function. In addition to the KRI's described above, the Risk function monitors key risk limits relating to operational risk; for example, total operating losses as a percentage of operating expenses; ensuring operational events are disclosed in line with escalation criteria.

C.6 Other material risks

Other material risks of concern within the Company at present are:

Cyber Risk:
The Company outsources its IT services to the Group, who reports to the Company's Board on the cybersecurity methodologies in place, overseen by the Local Information Securities Officer (LISO) who is also the Head of IT.

The Company is not a retail operation, however still faces cyber threats which would not only cause financial loss to the Company but could also result in reputational damage in the market place. Accordingly, the SEB Group and the Company take cyber security seriously and many mitigating measures are in place, together with a fully documented and robustly tested Business Recovery Plan.

Brexit:
The referendum on whether the UK should leave the European Union ("Brexit") was held on 23 June 2016, and the vote concluded in favour of the leave campaign.

Consensus remains that any UK withdrawal from the EU will need to take place over a period of time in a structured manner, and changes will be required, amongst others, to the Company's UK branch authorisation, relevant terms of business with UK customers and service providers and the Company's distribution network.

Brexit has caused uncertainty and delays in investment decisions by potential UK customers planning to relocate to Spain, which has had a negative impact on company sales activity in this territory.

D Valuation for Solvency Purposes

D.1 Assets

This section defines and describes material differences between the statutory financial reporting and the solvency 2 reporting. The table below shows differences between the determined valid categories on the asset side (and debt derivatives) of the balance sheet.

MEUR	Solvency 2 value	Solvency 2 valuation Basis	Statutory reporting value	Statutory reporting valuation Basis	Value difference
Deferred acquisition cost	-	excluded	80.1	Mark to model	(80.1)
Bonds	14.0	Market value	14.0	Market value	0
Investment funds	5.9	Market value	5.9	Market value	0
Assets held for index-linked and unit-linked funds	6,683.4	Market value	6,683.4	Market value	0
Insurance & intermediaries receivables	12.0	Market value	12.0	Market value	0
Cash and cash equivalents	54.3	Market value	54.3	Market value	0
Other	3.6	Market value	3.6	Market value	0
Total	**6,773.2**		**6,853.3**		**(80.1)**

The major difference between the reporting standards is the excluded deferred acquisition cost in the Solvency 2 reporting.

D.2 Technical Provisions

The Technical Provisions ("TP") comprise the Best Estimate of the Liabilities ("BEL") and the Risk Margin ("RM"). The table below shows the TP at 31 December 2016 separately for each line of business:

MEUR	**BEL**	**RM**	**TP**
Index/unit-linked	6 475	53	6 528
Total	**6 475**	**53**	**6 528**

A. Best Estimate of Liabilities

The BEL represents unit linked liability less the projected future surplus from the unit-linked policies plus some non-linked reserves.

The calculations have been performed on a best estimate basis in accordance with Articles 75 to 86 of the Solvency II Directive. The calculations do not make any allowance for transitional measures or assumed management actions.

The BEL corresponds to the probability weighted average of future cash-flows, taking account of the time value of money. BEL is based on a cash flow projection on a policy-by-policy basis using actual policy data.

The contract boundary for single premium contracts is the whole life of the policy. For our regular premium pension products the future regular premiums due are considered as being within the contract boundary and included in the BEL.

B. Risk Margin

The RM is an addition to the BEL to ensure that the technical provisions as a whole are equivalent to the amount that insurance undertakings would be expected to require to take over and meet the insurance obligations. The risk margin is calculated as the amount of capital needed to support the Solvency Capital Requirement over the lifetime of the business at a prescribed cost of capital rate of 6% per annum.

To enable the risk margin to be calculated the SCR is projected into the future. This is done by projecting the cashflows for each of the sub-risk modules underlying the SCR, allowing the SCR to be recalculated at each future time period. The EIOPA prescribed rate of 6% is then applied to these projected SCR's to produce the required cost of holding the SCR at each point in the future. The costs-of-capital are discounted back to the valuation date using the prescribed EIOPA risk-free interest rates to produce the final RM.

Assumptions

The key demographic assumptions underlying the BEL are based on company experience (i.e. lapses and expenses). Economic assumptions (including unit growth and discount rate) are pre-specified in the EIOPA Solvency II guidance. Mortality assumptions are set within the Actuarial Function, though the TP are not materially sensitive to these due to the minimal levels of additional mortality risk under SEBLI's products.

The following assumptions have been made in the calculation of best estimate:

Assumption	
Discount/Growth rate	As per EIOPA specified rates: rates vary depending on policy currency
Surrender rate	10% p.a. on Portfolio-Bond, Unit-Linked, UK
	13% p.a. on International Investor Bond
Expense assumption	€375 p.a. on Portfolio-Bond
	€60 – €120 p.a. on Unit-Linked
Expense inflation	2.00 % p.a.
Mortality rate	80% AM/AF80 select

The technical provisions are a best estimate of the Company's liabilities with allowance for the cost of capital to cover those liabilities included. They are not calculated therefore with margins for prudence. In calculating the technical provisions a number of assumptions must be made about the likely future development of the portfolio with the most significant assumptions being policyholder behaviour regarding timing of surrender and the future expenses of the Company.

Another source of uncertainty in the calculation is future investment performance of the assets of the Company; however as the business is almost all unit-linked the effect of this uncertainty on the Company is small.

Comparison to valuation in financial statement

The table below shows differences between the valuation of technical provisions for solvency purposes and those used for their valuation in financial statement (statutory reporting) separately for each line of business.

MEUR	**TP Solvency II**	**TP Statutory Reporting**	**Difference**
Index/unit-linked	6 528	6 734	-206
Total	**6 528**	**6 734**	**-206**

The main difference between the TPs for solvency II and the statutory reporting is that in solvency II account is taken of the future expected cashflows arising on the in-force business which is not recognized in the statutory accounts of the Company. This results in lower TPs under solvency II as the Company is writing profitable business and therefore future cashflows are income that the Company expects to earn over the life of the portfolio.

MEUR		
TP Statutory reporting	6 734	
Solvency II revaluation related to BE		-259
Solvency II revaluation related to RM		53
TP Solvency II	6 528	

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

TP Assumption Changes

A review of the assumptions underlying the TP calculations was carried out during 2016 to ensure assumptions are best-estimate and reflect company experience.

Expense

The renewal expenses assumed in calculation of TP's are based on the results of analyses of the Company's most recent actual expense experience. These expenses are then allocated across the main lines of business to determine appropriate per policy expense assumptions for the valuation of the liabilities.

Product	1 January 2016	31 December 2016
Portfolio Bond	€479.07	€375.00
Portfolio Bond - Sweden	€141.30 plus 0.05% AUM	€375.00
Single Premium unit-linked	€95.37	€60.00
Regular Savings Plan	€197.38	€120.00
UK and run-off policies	€28.26	€60.00

Expense Inflation

The table below shows the expense inflation assumption at year-end 2016:

Product	1 January 2016	31 December 2016
All	2.67%	2.00%

Given that a large proportion of SEBLI's expenses are salary related it would be expected that a large part of the expense base will rise with salary inflation. The expense inflation assumption is to the ECB target for Eurozone inflation of 2% p.a.

Policy Surrender

The following table shows the Solvency II Day 1 and year-end 2016 lapse assumptions for the TP calculations:

Product	December 2015	December 2016
Portfolio Bond	11%	10%
Unit-linked single premium	13%	13%
UK and run-off portfolio	11%	10%

Surrender assumptions are based on the recent actual persistency experience across the product range.

D.3 Other liabilities

This section defines and describes material differences between the statutory financial reporting and the solvency 2 reporting. The following table shows differences between the determined valid categories on the liability side of the balance sheet.

MEUR	Solvency 2 value	Solvency 2 valuation basis	Statutory reporting value	Statutory reporting valuation basis	Value difference
Provisions other than technical provisions	12.7	Market value	81.9	Market value	(69.2)
Included in statutory technical provisions	-	Excluded	(43.0)	Market value	43.0
Deferred tax liabilities	19.0	Market value	0.3	Market value	18.8
Insurance & intermediaries payables	21.9	Market value	21.9	Market value	0.0
Reinsurance payables	0.0	Market value	0.0	Market value	0.0
Payables (trade, not insurance)	5.8	Market value	5.8	Market value	0.0
Total	**59.4**		**66.9**		**(7.5)**

The major defined difference between the reporting standards is the excluded deferred front-end fees and cash reserve. The deferred tax liability is added as required under the Solvency 2 reporting regulations.

E Capital Management

E.1 Own funds

The Company has adequate available assets to meet the capital requirements calculated for the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR). The Company has set an internal target to maintain 115% of the calculated SCR.

The Company capital management plan as approved by the board

- Maintain available own funds at a minimum of 115% of SCR
- The Company has no debt, and does not intend to raise debt
- The Company does not intend to issue any capital
- Available assets will be invested is cash or highly liquid assets in accordance with the Company's investment policy

The below table outlines the structure of the available assets, with a comparison to the Day 1 position 31/12/2016

MEUR	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary Share Capital	2			
Share premiums account related to ordinary share capital	3			
Reconciliation Reserve	155			
Total	**160**			
Total Basic Own Funds	**160**			

Day 1 position

MEUR	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary Share Capital	2			
Share premiums account related to ordinary share capital	3			
Reconciliation Reserve	165			
Total	**170**			
Total Basic Own Funds	**170**			

The decrease in Basic Own Funds is the result of a dividend paid to the shareholders. The Company comfortably exceeds its SCR requirement and its internal instruction to maintain 115% of SCR.

The eligible amount of own funds to cover the SCR is wholly classified as Tier 1.
The eligible amount of own funds to cover the MCR is wholly classified as Tier 1.

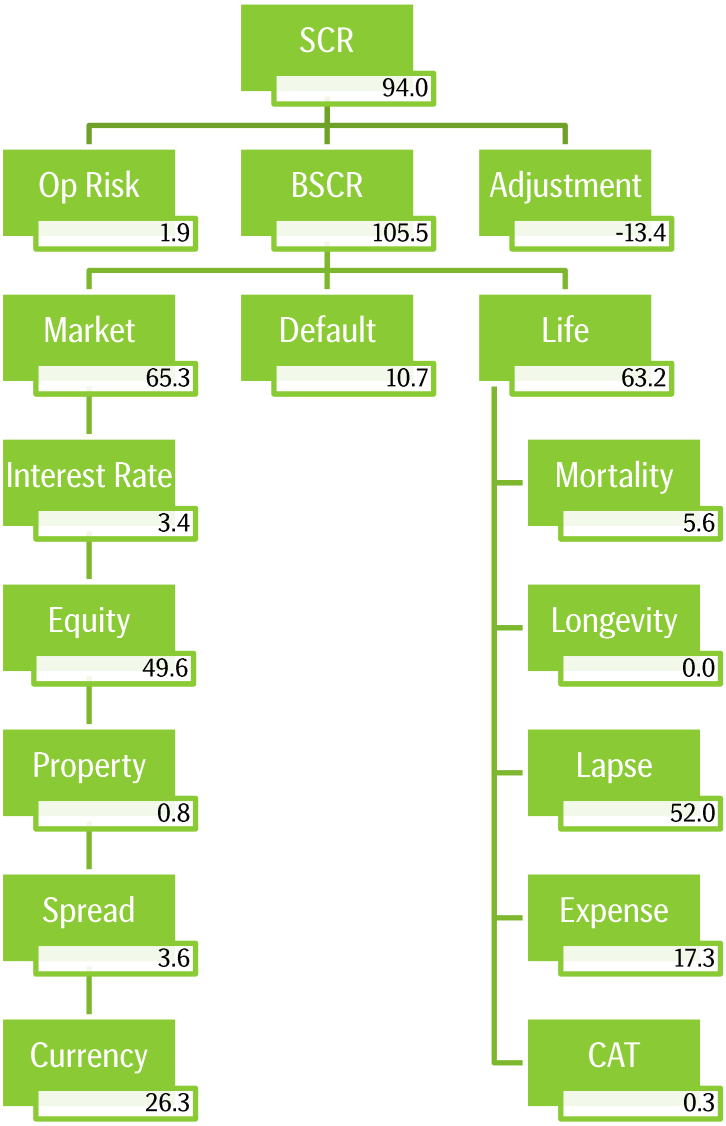
The below table is a reconciliation of the equity as per the Company's statutory financial statements, to the available assets as per the Solvency II return

Difference in Own funds compared to Equity	*MEUR*
Equity as per Financial Statements	52
Reassessed technical provision	206
Asset and liability adjustments	(54)
Deferred Tax	(19)
Total available Assets	**185**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) at the end of the reporting period are €94.0m and €42.3m respectively.

The table below shows the components of the SCR (using the Standard Formula) at 31 December 2016:



The Company uses EIOPA's Solvency II Standard Formula. It does not use Company specific parameters and does not use simplified calculations in its computation.

The MCR of is calculated using the prescribed standard formula as below:

0.7% * TP + 0.07% * Capital-At-Risk

Year-End 2016 : 0.7% * €6,469m + 0.07% * €33m = €45.3m

This number is then subject to a floor of 25% and cap of 45% of the SCR:

Year-End 2016 Floor : 25% * SCR = €23.5m
Year-End 2016 Cap : 45% * SCR = €42.3m

As our formula based number is higher than the Cap, then the Cap applies and so €42.3m is the final MCR.

The Company has not opted to use the duration-based equity risk sub-module of the Solvency II regulations.

The Company applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

Appendix

Public Quantitative Reporting Templates. All values are expressed in Euro

S.02.01.02

Balance sheet		**Solvency II value**
Assets		**C0010**
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**	299,916.85
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	19,945,996.42
Property (other than for own use)	**R0080**	.
Holdings in related undertakings, including participations	**R0090**	.
Equities	**R0100**	.
Equities - listed	**R0110**	.
Equities - unlisted	**R0120**	.
Bonds	**R0130**	14,046,942.36
Government Bonds	**R0140**	14,046,942.36
Corporate Bonds	**R0150**	.
Structured notes	**R0160**	.
Collateralised securities	**R0170**	.
Collective Investments Undertakings	**R0180**	5,899,054.06
Derivatives	**R0190**	.
Deposits other than cash equivalents	**R0200**	.
Other investments	**R0210**	.
Assets held for index-linked and unit-linked contracts	**R0220**	6,683,417,361.98
Loans and mortgages	**R0230**	.
Loans on policies	**R0240**	.
Loans and mortgages to individuals	**R0250**	.
Other loans and mortgages	**R0260**	.
Reinsurance recoverables from:	**R0270**	.
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**	.
Health similar to life	**R0320**	.
Life excluding health and index-linked and unit-linked	**R0330**	.
Life index-linked and unit-linked	**R0340**	.
Deposits to cedants	**R0350**	.
Insurance and intermediaries receivables	**R0360**	11,959,481.15
Reinsurance receivables	**R0370**	.
Receivables (trade, not insurance)	**R0380**	3,334,464.53
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**	54,280,927.63
Any other assets, not elsewhere shown	**R0420**	.
Total assets	**R0500**	**6,773,238,148.56**

S.02.01.02		
Balance sheet		**Solvency II value**
Liabilities		**C0010**
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**	.
Technical provisions - health (similar to life)	**R0610**	.
Technical provisions calculated as a whole	**R0620**	.
Best Estimate	**R0630**	.
Risk margin	**R0640**	.
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	.
Technical provisions calculated as a whole	**R0660**	.
Best Estimate	**R0670**	.
Risk margin	**R0680**	.
Technical provisions – index-linked and unit-linked	**R0690**	6,528,399,723.89
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	6,475,234,257.23
Risk margin	**R0720**	53,165,466.66
Other technical provisions	**R0730**	-
Contingent liabilities	**R0740**	.
Provisions other than technical provisions	**R0750**	12,689,623.94
Pension benefit obligations	**R0760**	.
Deposits from reinsurers	**R0770**	.
Deferred tax liabilities	**R0780**	19,027,363.59
Derivatives	**R0790**	.
Debts owed to credit institutions	**R0800**	.
Financial liabilities other than debts owed to credit institutions	**R0810**	.
Insurance & intermediaries payables	**R0820**	21,893,109.52
Reinsurance payables	**R0830**	12,813.20
Payables (trade, not insurance)	**R0840**	5,758,360.90
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**	.
Total liabilities	**R0900**	**6,587,780,995.04**
Excess of assets over liabilities	**R1000**	**185,457,153.52**

S.05.01.01
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**																	
Net	**R0200**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**																	
Net	**R0300**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**																	
Net	**R0400**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses incurred	**R0550**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative expenses																		
Gross - Direct Business	**R0610**																	
Gross - Proportional reinsurance accepted	**R0620**																	
Gross - Non-proportional reinsurance accepted	**R0630**																	
Reinsurers' share	**R0640**																	
Net	**R0700**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment management expenses																		
Gross - Direct Business	**R0710**																	
Gross - Proportional reinsurance accepted	**R0720**																	
Gross - Non-proportional reinsurance accepted	**R0730**																	
Reinsurers' share	**R0740**																	
Net	**R0800**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Claims management expenses																		
Gross - Direct Business	**R0810**																	
Gross - Proportional reinsurance accepted	**R0820**																	
Gross - Non-proportional reinsurance accepted	**R0830**																	
Reinsurers' share	**R0840**																	
Net	**R0900**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition expenses																		
Gross - Direct Business	**R0910**																	
Gross - Proportional reinsurance accepted	**R0920**																	
Gross - Non-proportional reinsurance accepted	**R0930**																	
Reinsurers' share	**R0940**																	
Net	**R1000**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overhead expenses																		
Gross - Direct Business	**R1010**																	
Gross - Proportional reinsurance accepted	**R1020**																	
Gross - Non-proportional reinsurance accepted	**R1030**																	
Reinsurers' share	**R1040**																	
Net	**R1100**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses	**R1200**																	
Total expenses	**R1300**																	0.00

S.05.01.01 (Cont)

Premiums, claims and expenses by line of business		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	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	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**			757,912,904.27						757,912,904.27
Reinsurers' share	**R1420**			103,012.24						103,012.24
Net	**R1500**	0.00	0.00	757,809,892.03	0.00	0.00	0.00	0.00	0.00	757,809,892.03
Premiums earned										
Gross	**R1510**			757,912,904.27						757,912,904.27
Reinsurers' share	**R1520**			103,012.24						103,012.24
Net	**R1600**	0.00	0.00	757,809,892.03	0.00	0.00	0.00	0.00	0.00	757,809,892.03
Claims incurred										
Gross	**R1610**			695,059,848.57						695,059,848.57
Reinsurers' share	**R1620**									
Net	**R1700**	0.00	0.00	695,059,848.57	0.00	0.00	0.00	0.00	0.00	695,059,848.57
Changes in other technical provisions										
Gross	**R1710**			195,043,650.02						195,043,650.02
Reinsurers' share	**R1720**									
Net	**R1800**	0.00	0.00	195,043,650.02	0.00	0.00	0.00	0.00	0.00	195,043,650.02
Expenses incurred	**R1900**	0.00	0.00	16,969,976.78	0.00	0.00	0.00	0.00	0.00	16,969,976.78
Administrative expenses										
Gross	**R1910**			3,412,934.00						3,412,934.00
Reinsurers' share	**R1920**									
Net	**R2000**	0.00	0.00	3,412,934.00	0.00	0.00	0.00	0.00	0.00	3,412,934.00
Investment management expenses										
Gross	**R2010**			853,233.49						853,233.49
Reinsurers' share	**R2020**									
Net	**R2100**	0.00	0.00	853,233.49	0.00	0.00	0.00	0.00	0.00	853,233.49
Claims management expenses										
Gross	**R2110**			1,706,466.99						1,706,466.99
Reinsurers' share	**R2120**									
Net	**R2200**	0.00	0.00	1,706,466.99	0.00	0.00	0.00	0.00	0.00	1,706,466.99
Acquisition expenses										
Gross	**R2210**			9,290,875.31						9,290,875.31
Reinsurers' share	**R2220**									
Net	**R2300**	0.00	0.00	9,290,875.31	0.00	0.00	0.00	0.00	0.00	9,290,875.31
Overhead expenses										
Gross	**R2310**			1,706,466.99						1,706,466.99
Reinsurers' share	**R2320**									
Net	**R2400**	0.00	0.00	1,706,466.99	0.00	0.00	0.00	0.00	0.00	1,706,466.99
Other expenses	**R2500**									
Total expenses	**R2600**									16,969,976.78
Total amount of surrenders	**R2700**			695,059,848.57						695,059,848.57

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations	Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0070
	R0010			
		C0080	C0090	C0140
Premiums written				
Gross - Direct Business	R0110			
Gross - Proportional reinsurance accepted	R0120			
Gross - Non-proportional reinsurance accepted	R0130			
Reinsurers' share	R0140			
Net	R0200	0.00		0.00
Premiums earned				
Gross - Direct Business	R0210			
Gross - Proportional reinsurance accepted	R0220			
Gross - Non-proportional reinsurance accepted	R0230			
Reinsurers' share	R0240			
Net	R0300	0.00		0.00
Claims incurred				
Gross - Direct Business	R0310			
Gross - Proportional reinsurance accepted	R0320			
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340			
Net	R0400	0.00		0.00
Changes in other technical provisions				
Gross - Direct Business	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non- proportional reinsurance accepted	R0430			
Reinsurers'share	R0440			
Net	R0500	0.00		0.00
Expenses incurred	R0550			
Other expenses	R1200			
Total expenses	R1300			

		Home Country	Country (by amount of gross premiums written) - life obligations													Total for top 5 countries and home country (by amount of gross premiums written) - life obligations
		C0150	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0160	C0210
	R1400		SE	FI	IT	FR	ES	MT	GB	CY	BE	LU	NL	ZA	AT	
		C0220	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0230	C0280
Premiums written																
Gross	R1410		424,636,056.23	177,517,464.80	63,577,172.02	34,710,794.83	26,165,010.80									726,606,498.68
Reinsurers' share	R1420		0.00	51,132.49	0.00	0.00	0.00									51,132.49
Net	R1500	0.00	424,636,056.23	177,466,332.31	63,577,172.02	34,710,794.83	26,165,010.80									726,555,366.19
Premiums earned																
Gross	R1510		424,636,056.23	177,517,464.80	63,577,172.02	34,710,794.83	26,165,010.80									726,606,498.68
Reinsurers' share	R1520		0.00	51,132.49	0.00	0.00	0.00									51,132.49
Net	R1600	0.00	424,636,056.23	177,466,332.31	63,577,172.02	34,710,794.83	26,165,010.80									726,555,366.19
Claims incurred																
Gross	R1610		371,288,066.81	121,619,845.55	80,366,391.18	8,624,389.60	20,345,744.42									602,244,437.56
Reinsurers' share	R1620															
Net	R1700	0.00	371,288,066.81	121,619,845.55	80,366,391.18	8,624,389.60	20,345,744.42									602,244,437.56
Changes in other technical provisions																
Gross	R1710		89,862,270.44	47,768,067.68	21,637,261.52	4,801,294.39	5,713,020.88									169,781,914.91
Reinsurers' share	R1720															
Net	R1800	0.00	89,862,270.44	47,768,067.68	21,637,261.52	4,801,294.39	5,713,020.88									169,781,914.91
Expenses incurred	R1900		5,319,941.50	4,651,467.19	1,174,760.42	252,346.66	1,199,565.32									12,598,081.09
Other expenses	R2500															
Total expenses	R2600															12,598,081.09

S.12.01.02

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	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)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
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				6,475,234,257.23						6,475,234,257.23						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080																
Best estimate minus recoverables from reinsurance/SPV and Finite Re — total	R0090				6,475,234,257.23						6,475,234,257.23						
Risk Margin	R0100		53,165,466.66								53,165,466.66						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110		6,528,399,723.89								6,528,399,723.89						
Best estimate	R0120																
Risk margin	R0130																
Technical provisions — total	R0200																

S.12.01.02

Life and Health SLT Technical Provisions

		Health insurance (direct business)					
			Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0160	C0170	C0180	C0190	C0200	C0210
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						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re — total	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions — total	R0200						

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	1,635,307.00	1,635,307.00		0.00	
Share premium account related to ordinary share capital	**R0030**	2,964,011.00	2,964,011.00		0.00	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0.00	0.00		0.00	
Subordinated mutual member accounts	**R0050**	0.00		0.00	0.00	0.00
Surplus funds	**R0070**	0.00	0.00			
Preference shares	**R0090**	0.00		0.00	0.00	0.00
Share premium account related to preference shares	**R0110**	0.00		0.00	0.00	0.00
Reconciliation reserve	**R0130**	155,857,835.52	155,857,835.52			
Subordinated liabilities	**R0140**	0.00		0.00	0.00	0.00
An amount equal to the value of net deferred tax assets	**R0160**	0.00				0.00
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	0.00	0.00	0.00	0.00	0.00
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**	160,457,153.52	160,457,153.52	0.00	0.00	0.00
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	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**	.			.	.
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	160,457,153.52	160,457,153.52	0.00	0.00	0.00
Total available own funds to meet the MCR	**R0510**	160,457,153.52	160,457,153.52	0.00	0.00	
Total eligible own funds to meet the SCR	**R0540**	160,457,153.52	160,457,153.52	0.00	0.00	0.00
Total eligible own funds to meet the MCR	**R0550**	160,457,153.52	160,457,153.52	0.00	0.00	
SCR	**R0580**	93,979,530.74				
MCR	**R0600**	42,290,788.83				
Ratio of Eligible own funds to SCR	**R0620**	1.71				
Ratio of Eligible own funds to MCR	**R0640**	3.79				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	185,457,153.52	
Own shares (held directly and indirectly)	**R0710**	.	
Foreseeable dividends, distributions and charges	**R0720**	25,000,000.00	
Other basic own fund items	**R0730**	4,599,318.00	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0.00	
Reconciliation reserve	**R0760**	155,857,835.52	
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	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	65,315,620.30		
Counterparty default risk	R0020	10,710,964.52		
Life underwriting risk	R0030	63,199,013.26	63,199,013.26	0.00
Health underwriting risk	R0040	.	.	.
Non-life underwriting risk	R0050	.	.	.
Diversification	R0060	(33,740,198.57)		
Intangible asset risk	R0070	.		
Basic Solvency Capital Requirement	R0100	105,485,399.51		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	1,919,775.37
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	(13,425,644.14)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	.
Solvency capital requirement excluding capital add-on	R0200	93,979,530.74
Capital add-on already set	R0210	.
Solvency capital requirement	R0220	93,979,530.74
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0.00
Total amount of Notional Solvency Capital Requirement 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	0.00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0.00

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	.

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expenses and proportional reinsurance	R0020	.	.
Income protection insurance and proportional reinsurance	R0030	.	.
Workers' compensation insurance and proportional reinsurance	R0040	.	.
Motor vehicle liability insurance and proportional reinsurance	R0050	.	.
Other motor insurance and proportional reinsurance	R0060	.	.
Marine, aviation and transport insurance and proportional reinsurance	R0070	.	.
Fire and other damage to property insurance and proportional reinsurance	R0080	.	.
General liability insurance and proportional reinsurance	R0090	.	.
Credit and suretyship insurance and proportional reinsurance	R0100	.	.
Legal expenses insurance and proportional reinsurance	R0110	.	.
Assistance and proportional reinsurance	R0120	.	.
Miscellaneous financial loss insurance and proportional reinsurance	R0130	.	.
Non-proportional health reinsurance	R0140	.	.
Non-proportional casualty reinsurance	R0150	.	.
Non-proportional marine, aviation and transport reinsurance	R0160	.	.
Non-proportional property reinsurance	R0170	.	.

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	45,349,958.86

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0.00	
Obligations with profit participation - future discretionary benefits	R0220	0.00	
Index-linked and unit-linked insurance obligations	R0230	6,475,234,257.23	
Other life (re)insurance and health (re)insurance obligations	R0240	0.00	
Total capital at risk for all life (re)insurance obligations	R0250		33,312,947.56

Overall MCR calculation		C0070
Linear MCR	R0300	45,349,958.86
SCR	R0310	93,979,530.74
MCR cap	R0320	42,290,788.83
MCR floor	R0330	23,494,882.69
Combined MCR	R0340	42,290,788.83
Absolute floor of the MCR	R0350	3,700,000.00
Minimum Capital Requirement	R0400	42,290,788.83