# RGA International Reinsurance Company dac

# Solvency and Financial Condition Report (SFCR)

## 31 December 2016

Contents

## Executive Summary

*Company ownership*

RGA International Reinsurance Company dac (“the Company”) was incorporated in Ireland on 24th June 2003 as a wholly owned subsidiary of Reinsurance Group of America, Incorporated (RGA Inc.). RGA Inc. is the ultimate parent of “the Group” which consists of RGA Inc. and all its worldwide subsidiaries. RGA Inc.’s corporate headquarters are located in St. Louis, Missouri and it is listed on the New York Stock Exchange (NYSE: RGA).

In 2016 there was a change of immediate parent and the Company is now a wholly owned subsidiary of RGA Americas Reinsurance Company Ltd., a Bermudian reinsurance company which is 100% owned by RGA Inc.

*Authorisation and lines of business*

The Company is authorised by the Central Bank of Ireland to carry out life and non-life reinsurance. The Singapore Branch is also authorised by the Monetary Authority of Singapore.

The Company predominantly writes business in Ireland, the U.K., Continental Europe (including Eastern Europe and Scandinavia), Singapore, India and other parts of South East Asia.

The Company reinsures life products primarily covering mortality risk, longevity risk, and all related riders. In addition reinsurance is offered for accidental death and dismemberment, disability, total permanent disability, and critical illness coverages. Additional solutions include customised non-traditional reinsurance to meet the specific needs of clients.

The geographical dispersion of the material lines of business are shown in section A.1.5 of this report.

*2016 Company performance*

The underlying growth of premium, excluding one-off single premium transactions was 8.2%. This was despite the British Pound depreciating against the Euro by 13.5% during the year. The Company generated a profit before tax of €9.6million. A full analysis of the performance of the Company as presented in its Financial Statements is included in section A.2 of this report.

The Company is rated AA- stable by Standard and Poor’s.

*Governance*

The Company is overseen by its Board of Directors who have established three committees of the Board (Audit; Risk Management and Compliance; and Investment) to oversee the operations of the Company. In addition, the Board has established a risk management system and an internal control framework that it considers to be appropriate given the nature and scale of the business. Full details of the Company’s governance procedures; how it identifies and controls risk; including the Company’s audit processes, are included in Section B of this report.

### *Risk profile*

The Company's risk profile is discussed in detail in Section C of this report. The most significant risks that the Company faces are predominantly insurance and market risks. These risks account for 59% and 33% of the Company's solvency capital requirement. The Company has a prudent investment philosophy concentrating its investment into fixed income securities and employs a strategy of diversifying single name counterparties and asset liability matching to manage the market risks that it faces.

### *Regulatory v Financial Statement balance sheets*

The main differences between the valuation of assets and liabilities in the Regulatory (Central Bank return) and Financial Statement balance sheets are:

1. Deferred acquisition costs (excluded from the regulatory balance sheet);
2. The method employed to calculate the technical provisions.

The valuation of each asset and liability class are explained in detail in section D.

The Company's eligible own funds as per the regulatory balance sheet as at 31 December 2016, were €466.1million as opposed to the Shareholder's Funds in the Financial Statements of €530.6million. A full reconciliation is included in section E.1.3.

### *Solvency*

The Solvency Capital Requirement (SCR) reflects the level of eligible own funds that the Company is required to hold to absorb significant losses and that gives reasonable assurance to treaty participants and beneficiaries that payments will be made as they fall due.

The solvency ratio as at the 31 December 2016 was as follows:

| **Solvency Ratio** | **€'M** |
|---|---|
| Eligible Own funds | 466.1 |
| Solvency Capital Requirement (SCR) | 330.3 |
| Solvency Ratio | **141%** |

The Minimum Capital Requirement (MCR) is the minimum level of eligible own funds that the Company is required to hold.

The minimum solvency ratio as at 31 December 2016 was as follows:

| **Minimum Solvency Ratio** | **€'M** |
|---|---|
| Eligible Own funds | 466.1 |
| Minimum Capital Requirement (MCR) | 117.3 |
| Minimum Solvency Ratio | **397%** |

The Company has maintained compliance with all the solvency requirements through-out the year.

### *Board Approval*

This report was approved for publication by the Board of Directors on 10 May 2017.

Patricia Kavanagh
Managing Director

John O'Hanlon
Director

# A - Business and Performance

## A.1 Business and External Environment

### 1.1 Legal Status

RGA International Reinsurance Company dac ("the Company") was incorporated in Ireland on 24th June 2003 and has established branch offices in the U.K., France, Spain, Italy, the Netherlands, Germany, Poland and Singapore. In 2016 the Company was reconstituted as a designated activity company in accordance with the Companies Act 2014.

The Company's registration details:

- Companies House registration number:
  372722
- Registered address:

  RGA International Reinsurance Company dac
  3rd Floor, Block C
  Central Park
  Leopardstown
  Dublin 18
  D18 X5T1

The Company is authorised by the Central Bank of Ireland to carry out life and non-life reinsurance.

- Principal Office:

  Central Bank of Ireland
  New Wrapping Street
  North Wall Quay
  Dublin 1

The Company's branch in Singapore is also regulated by the Monetary Authority of Singapore.

### 1.2 Ownership

The Company is a wholly owned subsidiary of RGA Americas Reinsurance Company Ltd (RGA Americas), a company incorporated in Bermuda and regulated by the Bermudan Monetary Authority. The latter is a wholly owned subsidiary of the ultimate parent company Reinsurance Group of America, Incorporated, whose corporate headquarters is located in St. Louis, Missouri and is listed on the New York Stock Exchange (NYSE: RGA).

## 1.3 External Auditors

The independent external auditors of the Company are:

> Ms. Eimear McCarthy
> Deloitte
> Chartered Accountants and Statutory Audit Firm
> Deloitte & Touche House
> Earlsfort Terrace
> Dublin 2
> D02 AY28

## 1.4 Related Parties

### *Share Capital*

The Company has issued €0.8million of ordinary share capital to its sole Shareholder RGA Americas. The share capital is fully paid.

### *Capital Contributions*

RGA has made capital contributions to the Company of €201.3million. The Company has no obligation to repay the contributions.

### *Sub-ordinated loan note*

RGA Americas has entered into a sub-ordinated loan agreement with the Company for €90million.

The Capital Contributions and Subordinated Loan Agreements have been made in accordance with Solvency II requirements and approved by the Central Bank of Ireland.

### *Retrocession*

As part of its risk management mitigation the Company retrocedes a significant portion of its business to RGA Group companies in particular RGA Americas Reinsurance Company Ltd ("RGA Americas") and RGA Atlantic Reinsurance Company Ltd ("RGA Atlantic"). The effects of the retrocession arrangements are shown in the Company's underwriting performance in section A.2.5.

### *Administrative Services*

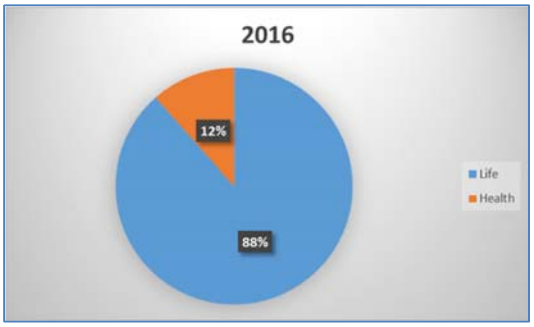
RGA Inc. and its subsidiaries ("the Group") avail of a number of shared services and outsourcing arrangements. Charges for these services are calculated on cost plus basis, with the mark-ups being consistent with both local tax guidelines and the OECD's Base Erosion and Profit Shifting (BEPS) recommendations.

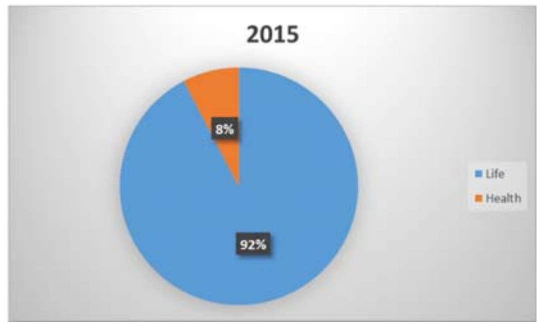
## 1.5 Material Lines of Business

The Company reinsures life products primarily covering mortality risk, annuity risk, and all related riders. In addition reinsurance is offered for accidental death and dismemberment, disability, total permanent disability, and critical illness coverages. Additional solutions include customised non-traditional reinsurance to meet the specific needs of clients.

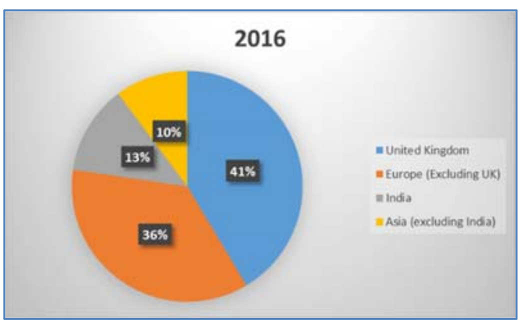
The gross written premium in 2016 was €521.8million compared to €544.1million in 2015. In 2015, the Company completed a single premium European Life Business transaction. The single premium received was €59.8million. This was 10.5% of the total premium written in 2015.

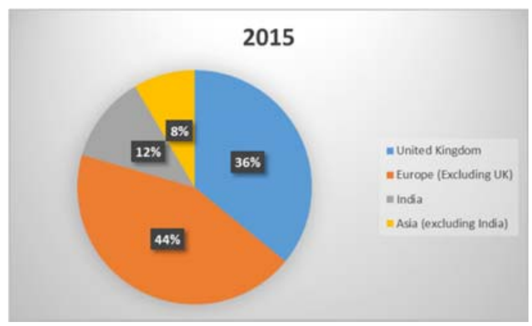
The premium split between life and health reinsurance is as follows:




The geographical premium split was as follows:



### A.2 Company Performance

The Company prepares its Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102).

The Company's technical results presented in those Financial Statements are summarised as follows:

| | Section | 2016 €'M | 2015 €'M |
|---|---|---|---|
| Gross Premium Earned | | 523.0 | 543.0 |
| Gross Benefits (Claims incurred + reserve movement) | | (467.9) | (486.4) |
| Experience Refunds | | (5.6) | (5.0) |
| Investment Returns from Dedicated Asset Intensive Portfolios | A.2.2 | 91.4 | 67.3 |
| **Gross Underwriting Profit** | A.2.1 | **140.9** | **118.9** |
| Investment Returns from Other Investments | A.2.2 | 13.2 | 13.8 |
| Other Income | A.2.3 | 6.2 | 18.6 |
| Reinsurance Arrangements | A.2.5 | (104.3) | (81.3) |
| Operating Expenses | A.2.4 | (46.3) | (15.2) |
| Profit before Tax | | **9.7** | **54.8** |

The decrease in the Company's profit before tax is explained in sections A2.1 to A2.5.

### A.2.1 Underwriting Performance

The gross underwriting profit by line of business was as follows:

| 2016 | Life €'M | Health €'M | Non-Life €'M | Total €'M |
|---|---|---|---|---|
| Gross Premiums Earned | 462.7 | 60.3 | - | 523.0 |
| Gross benefits | (437.1) | (34.5) | 3.7 | (467.9) |
| Experience refund | (3.6) | (0.6) | (1.4) | (5.6) |
| Investment Returns from dedicated asset intensive | 91.4 | - | - | 91.4 |
| **Gross Underwriting Profit** | **113.3** | **25.2** | **2.3** | **140.9** |

| 2015 | Life €'M | Health €'M | Non-Life €'M | Total €'M |
|---|---|---|---|---|
| Gross premiums earned | 501.2 | 41.8 | - | 543.0 |
| Gross benefits | (458.0) | (32.4) | 4.0 | (486.4) |
| Experience refund | (5.0) | - | - | (5.0) |
| Investment Returns from dedicated asset intensive portfolios | 67.3 | - | - | 67.3 |
| **Gross Underwriting Profit** | **105.5** | **9.4** | **4.0** | **118.9** |

The gross underwriting profit by geographical area is analysed as follows:

| 2016 | UK €'M | Europe (ex UK) €'M | India €'M | Asia (ex India) €'M | Total €'M |
|---|---|---|---|---|---|
| Gross Premiums Earned | 216.5 | 187.8 | 65.4 | 53.3 | 523.0 |
| Gross benefits | (250.5) | (124.3) | (56.3) | (36.8) | (467.9) |
| Experience refund | - | (4.5) | (0.5) | (0.6) | (5.6) |
| Investment Returns from asset intensive portfolios | 91.4 | - | - | - | 91.4 |
| **Gross Underwriting Profit** | **57.5** | **59.0** | **8.5** | **15.9** | **140.9** |

| 2015 | UK €'M | Europe (ex UK) €'M | India €'M | Asia (ex India) €'M | Total €'M |
|---|---|---|---|---|---|
| Gross Premiums Earned | 195.5 | 237.1 | 64.5 | 45.9 | 543.0 |
| Gross benefits | (210.6) | (182.0) | (54.4) | (39.4) | (486.4) |
| Experience refund | - | (3.0) | (1.4) | (0.6) | (5.0) |
| Investment Returns from asset intensive portfolios | 67.3 | - | - | - | 67.3 |
| **Gross Underwriting Profit** | **52.2** | **52.1** | **8.7** | **5.9** | **118.9** |

In 2015, the Company completed a single premium life reinsurance transaction in the Netherlands, which resulted in one-off premium payment of €59.8million. This distorts the comparability of the earned premium growth figures for both life reinsurance and business written in European Markets. Excluding this transaction, the underlying life reinsurance business grew by 4.8% and the underlying business written in Europe grew by 5.9%. The underlying growth of the total business was 8.2%.

In 2016, the UK business grew by 10.6% measured in Euro despite the British Pound depreciating by 13.5% against the Euro.

The life reinsurance business includes asset intensive business written in the United Kingdom. These transactions which provide reinsurance for closed books of annuities in payment have dedicated portfolios of assets, invested to generate cash flows to meet the annuity payments when due. The investment income and realised gains from these portfolios was €91.4million (2015: €67.3million). This investment return has been included as part of the gross underwriting profit to give a more accurate reflection of the actual performance.

The gross underwriting profit including the asset intensive portfolio income was €140.9million (2015: €118.9million).

### A.2.2 Investment Performance

The Investment return comprised on the follows:

| | 2016 €'M | 2015 €'M |
|---|---|---|
| Investment Return from Asset Intensive Porfolios | 91.4 | 67.3 |
| Investment Return from Other Investment Portfolios | 13.2 | 13.8 |
| | 104.6 | 81.1 |

The Investment Return for the Company was as follows:

| 2016 | Fixed income securities €'M | Short term investments €'M | Other investments €'M | Total €'M |
|---|---|---|---|---|
| Interest Receivable | 122.6 | 0.6 | 3.3 | 126.5 |
| Net Amortised Discounts and Premiums | (30.5) | (0.4) | (0.1) | (31.0) |
| Investment Expenses | (5.6) | - | - | (5.6) |
| Investment Income | 86.5 | 0.2 | 3.2 | 89.9 |
| Realised Capital Gains | 14.0 | 0.7 | - | 14.7 |
| | 100.5 | 0.9 | 3.2 | 104.6 |

| 2015 | Fixed income securities €'M | Short term investments €'M | Other investments €'M | Total €'M |
|---|---|---|---|---|
| Interest Receivable | 96.9 | 0.4 | 1.0 | 98.3 |
| Net Amortised Discounts and Premiums | (25.6) | (0.3) | - | (25.9) |
| Investment Expenses | (5.9) | - | - | (5.9) |
| Investment Income | 65.4 | 0.1 | 1.0 | 66.5 |
| Realised Capital Gains | 14.6 | - | - | 14.6 |
| | 80.0 | 0.1 | 1.0 | 81.1 |

Investment income is recognised as it accrues or is contractually due. Realised gains and losses on sales of investments are recognised as revenue net of any permanent impairments that have incurred in the period. There were no permanent impairments during the year.

The total income generated from investments, including realised gains and losses was €104.6 million (2015: €81.1 million). The increase in income has been driven by the total amount of assets invested in the year following the completion of an asset intensive transaction in December 2015. The increase in asset intensive income was €24.1million.

The Company, to support its operations, collects cash flows from both coupon interest payments and the sale of financial assets. Therefore, in accordance with IFRS 9 4.1.2A the Company measures these assets at fair value through other comprehensive income. These assets are classified as assets available for sale.

During the year, the Company recognised €212.9million of pre-tax unrealised gains (2015: €66.1million of losses) as fair value through Other Comprehensive Income.

### A.2.3 Non-Underwriting income

The Company's non-underwriting income comprised of the following:

| | 2016<br>€'M | 2015<br>€'M |
|---|---|---|
| Financial Reinsurance Fees | 5.2 | 18.7 |
| Foreign Exchange Gain / Loss | 1.0 | (0.3) |
| Other | - | 0.2 |
| | 6.2 | 18.6 |

The Company has a small number of financial reinsurance contracts. Such contracts provide financial relief for clients. Therefore the transfer of "significant" insurance risk is small. The Company receives a fee which is included in other income.

At the end of 2015, two significant contracts were not renewed by the clients as the transactions no longer provided a benefit to them.

### A.2.4 Expenses

The Company's operating expenses comprised the following:

| | 2016 €'M | 2015 €'M |
|---|---|---|
| Acquisition costs | 30.1 | 25.0 |
| Change in acquisition costs | (3.6) | (0.8) |
| Administration expenses | 44.9 | 11.4 |
| Gross operating expenses | 71.4 | 35.6 |
| Reinsurance commissions and profit participation | (25.1) | (20.4) |
| Net operating expenses | **46.3** | **15.2** |

In 2015 RGA commenced a review of its inter-company expense allocations to ensure that they are in accordance with relevant transfer pricing legislation and Base Erosion and Profit Shifting Guidance. This review was completed and finalised in 2016 and after detailed consideration the method of allocating costs adopted in 2015 was further refined in 2016 to recognise that a different basis of allocation should be applied to front office and back office costs. The approach adopted in 2015 resulted in an annual reduction in the Company's net operating expenses to €15.2million. The Company's net operating expenses in 2016, under the refined approach, amounted to €46.3million.

### A.2.5 Reinsurance Arrangements

The Company seeks to protect itself from large individual risks and large concentrations of risk. It does this through a retrocession programme, retroceding large elements of its business to other companies within the RGA Group and to external retrocessionaires.

These arrangements consist of both quota share and stop loss treaties.

The net effect of the arrangements were to reduce the Company's profit before tax by €104.3million (2015: €81.3million). The increase in 2016 was a result of a large asset intensive transaction that was completed at the end of 2015.

## B - System of Governance and Management Controls

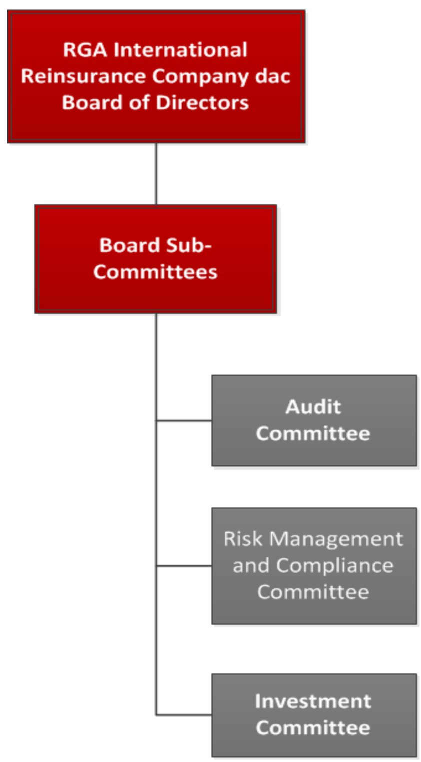
### B.1 General Governance arrangements

#### B.1.1 Role and responsibilities

The principal activity of the Company is the transaction of life and health reinsurance. The Board of Directors ("the Board") is responsible for the strategy and performance of the Company and for ensuring that an effective system of governance is in place to provide for sound and prudent management of the business. The Company has developed a well-defined governance framework giving due regard to the nature, size and complexity of the business.

*Overview of the Board and sub-committees*

The Board has ultimate responsibility for corporate governance reporting to the ultimate parent, Reinsurance Group of America Incorporated (RGA Inc.). The Board consists of three independent non-executive directors and five group directors. The Board is chaired by a Group Director and has established three sub-committees each chaired by an independent director. The Committees have no executive power and are accountable to the Board.



It is the Board's responsibility to:

- Determine the Company Strategy and approve the annual business plan.
- Assess regulatory and other risks faced by the Company and take appropriate action to lessen or mitigate those risks, including establishing effective systems of internal controls, risk management and compliance.
- Ensure the solvency requirements are maintained and the Company is run in an effective and efficient manner.
- Establish appropriate policies of the Company and ensure the Company is managed in a sound and prudent manner in accordance with those policies.
- Delegate authority responsibly to Board committees and senior managers which in no way discharges the Board from its duties and responsibilities. To this end the Board is responsible to report to the Company's Shareholder and regulators.
- Guide and support senior managers in the performance of the functions.

### *Audit Committee*

The Committee consists of three experienced independent Non-Executive Directors and one senior Group Executive Director. Executive and senior management attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive actuarial, life insurance, finance, investment, regulatory and compliance experience.

The Committee meets at least four times a year at appropriate times in the financial reporting and audit cycle and otherwise, including privately with the internal and external auditors, as required. The chairperson of the Committee is an independent Non-Executive Director and reports at each Board meeting on the activities of the Committee.

The responsibilities of the Audit Committee are to:

- Provide an avenue for communications among the Committee, the external auditors, the internal auditors, management and the Board.
- Oversee the Company's accounting and financial reporting processes and the integrity of its financial statements.
- Oversee the audits of the Company's Financial Statements.
- Oversee the adequacy of the Company's internal controls over financial reporting.
- Oversee the Company's compliance with legal and regulatory requirements.
- Oversee the qualifications and independence of the Company's External Auditor, in respect of which the Committee shall have direct responsibility for the oversight of the work of the Company's External Auditor.
- Oversee the performance of the Company's internal audit function and External Auditor.
- Identify risks with respect to financial reporting.
- Oversee sound business practices within the Company.
- Ensure it understands the Company's structure, controls and types of transactions in order to adequately carry out its duties.
- Provide reasonable assurance to the Board that financial disclosures made by management fairly present the Company's financial condition, results, plans and long-term commitments.
- Monitor and review the Company policies delegated to the Committee.

*Risk Management and Compliance Committee*

The Committee consists of three experienced independent Non-Executive Directors and three senior Executive Directors. Executive and senior management attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive actuarial, life insurance, finance, investment, regulatory and compliance experience.

The Committee meets at least four times a year. The chairperson of the Committee is an independent Non-Executive Director and reports at each Board meeting on the activities of the Committee.

The responsibilities of the Risk Management and Compliance Committee are to:

- Provide reasonable assurance that material risks to the Company are being identified, assessed and managed appropriately; that controls are in place to safeguard assets; and that relevant laws, regulations and statutory obligations are complied with.
- Ensure oversight and advice to the Board on the current and planned risk exposures of the Company and future risk management strategy.
- Promote the overall effectiveness of corporate governance.
- Make enquiries of management and satisfy itself that sufficient and appropriate information is being presented to it in order for the Committee to fulfil its role in assessing the Company's system of risk management and compliance.
- Monitor the effectiveness of the risk management and compliance functions, frameworks and systems with respect to the identification, assessment, mitigation, quantification and reporting of all risks.
- Manage the "Own Risk and Solvency Assessment" on behalf of the Board and to assess its adequacy.
- Monitor and review the Company policies delegated to the Committee.
- Regularly review the status of compliance with obligations in all countries in which the Company operates.

*Investment Committee*

The Committee consists of one experienced independent Non-Executive Directors and four senior Executive Directors. A further two independent non-executive directors were appointed to the Committee on 23rd March 2017. Executive and senior management attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive investment, finance, actuarial, life insurance, regulatory and compliance experience.

The Committee meets at least four times a year at appropriate times in the financial reporting and audit cycle and otherwise as required. The chairperson of the Committee is an independent Non-Executive Director and reports at each Board meeting on the activities of the Committee.

The responsibilities of the Investment Committee are to:

- Monitor and ensure the assets of the Company are properly managed.
- Review and evaluate the effectiveness and suitability of the Investment Managers, both in terms of considering the incumbent managers and the selection of replacement managers, with recommendations for actions, to the Board and the Shareholder.
- Monitor the engagement of Investment Managers, including dealing with appointment, remuneration, terms of engagement, monitoring and evaluating the Investment Manager's objectivity, effectiveness and performance. Arrange the tri-annual process for determining the suitability of asset managers and recommendations for new managers where appropriate.
- Review and evaluate that sufficient liquidity is maintained to meet the Company's financial and regulatory obligations.
- Approve, monitor and review such Company policies as may be delegated to the Committee from time to time by the Board. Ensure these policies are consistent with the Company's risk appetite.
- Review and evaluate the processes adopted by management to monitor the internal and external Investment Manager's ongoing compliance with these policies and ensure that there is an effective investment management environment within the Company.
- Review the adequacy of the resources within the investment team .
- Report and make recommendations to the Board on the results of reviews and evaluations mentioned above.
- Assist in effective communication between the Board and the Investment Managers.

*General Information on the Key Functions:*

The following section provides a summary of the authority, resources and operational independence of the key functions.

### Risk Function:

The risk function is headed by the Chief Risk Officer ("CRO") who ensures that all risks facing the Company are prudently managed and that material risks are reported regularly to management and the Board. The CRO is responsible for embedding risk management into the Company, promoting risk awareness and a risk culture conducive to best practice risk management in line with the risk philosophy of the Company. The CRO is supported by the Senior Risk Management Officer ("SRMO") and a network of Risk Management Officers ("RMOs"). The CRO acts independently of influence from other functions and management within the context of compliance with Solvency II and Corporate Governance.

The Risk Management Steering Committee ("RMSC") supports the CRO by understanding the risks undertaken by the Company and overseeing the management of these risks. The RMSC meets quarterly to assess current and emerging risks and provides guidance for areas of focus.

The CRO chairs the RMSC, and is responsible for ensuring that all risk management activities and reports are well-documented and appropriately communicated to the RMSC and Company management. The RMSC reports to the Risk Management and Compliance Committee.

### Internal Audit Function:

The function is headed by the Company's Head of Audit, who employed by RGA Enterprise Services Limited. Local internal audit employees are employed by RGA UK Services Limited. Internal Audit carries out an important role in monitoring and validating controls for risks across the Company. It has direct accountability to the Audit Committee and reports at least quarterly to the Committee. The Internal Audit function maintains independence from the Company and attests to this independence on an annual basis to the Audit Committee. Further information on this independence is provided in section B.6.

### Compliance Function:

The Compliance Officer is independent of the business units and reports on compliance with Company policies; and legislative and regulatory requirements. The Compliance Officer's role is discussed in detail in section B.5.5. The Compliance Officer provides quarterly reports on compliance to the Risk Management and Compliance Committee.

### Actuarial Function:

The Actuarial Function is headed by the Head of Actuarial Function ("HoAF"). Information on the authority, resources and independence of the Actuarial Function is provided in section B.7. The HoAF provides quarterly reports on the activities of the Actuarial Function to the Audit Committee.

### Finance Function:

The Finance function is headed by the Head of Finance. The Head of Finance is responsible for:

- All external reporting.
- Planning and Budgeting.
- Reporting on the financial performance to the Audit Committee and senior management, including the solvency position.
- Analysing cash flows, cost controls and expenses.
- Maintenance and oversight of the Internal Control Framework.

### B.1.2 Material Changes in the System of Governance

There were no material changes in the system of Governance during the year.

### B.1.3 Remuneration policy

#### *B.1.3.1 Principles of remuneration*

The principles for remuneration of the employees of the Company are:

- Total compensation opportunities that will attract, retain and motivate high-performing individuals.
- Align the compensation structure to business strategies and local market practice.
- Reinforce its pay-for-performance culture by making compensation variable and based on RGA Group, region, business unit and individual performance.
- Support the Company's culture of teamwork and accountability.
- Provide remuneration structures that encourage responsible management behaviour that supports the long term financial stability of the Company.

#### *B.1.3.2 Share options, shares or variable components of remuneration*

The Company's variable remuneration is made up of:

- Annual Bonus Plan ("ABP").
- Long Term Incentive Plan ("LTIP").

##### Annual Bonus Programme ("ABP")

Employees are typically eligible to participate in the ABP, which provides annual cash incentive compensation based on a combination of the following factors (including both financial and non-financial):

- RGA Group performance.
- Regional performance.
- Business Unit performance.
- Individual performance.

In the calculation of performance based elements of compensation, consideration will be given to the proper balance of individual and company performance results (the what) and desirable individual behaviours (the how).

##### Long Term Incentive Plan ("LTIP") for senior employees

RGA compensates its senior employees additionally in the form of medium / long term equity and equity-based awards (Long Term Incentive Plan). The intent is to provide an appropriate mix of compensation to ensure plan participants are not overly focused on short-term results.

#### *B.1.3.3 Supplementary pension or early retirement schemes*

The Company's remuneration policy does not include any early retirement schemes for members of the Board, management or key function holders. The Company's group pension plans are country specific and depending on the country are Employer-only contributions or comprised of Employer / Employee contributions. Generally those are defined contribution plans for all employees.

*B.1.3.4 Total employee remuneration*

The total remuneration paid to employees was as follows:

| | 2016 | 2015 |
|---|---|---|
| | €'M | €'M |
| Employee Costs | 19.5 | 17.4 |

Employee numbers grew by 9% during the year.

Included in the total amounts paid to employees were the following amounts paid to the Directors of the Company:

| | 2016 | 2015 |
|---|---|---|
| | €'M | €'M |
| Aggregate amount of Emoluments paid to Directors | 1.6 | 1.5 |
| Aggregate amount of sums paid to Defined Contribution Pension schemes | 0.1 | 0.1 |
| Long Term Incentive Plans | 0.1 | 0.3 |
| | 1.8 | 1.9 |

There were no material transactions with persons who may exhibit a significant influence over the Company other than disclosed above.

### B.2 Fit and proper assessment

The Company's Fitness and Probity policy sets out the requirements for the appointment of personnel to the Board, Branch manager and senior manager positions which fall within the definition of "Control Function" in Statutory Instruments 437 and 615 of 2011, 394 of 2014 and 545 of 2015.

The staff appointed to these roles in the Company have been chosen because they possess the professional qualifications; experience; knowledge; and business acumen necessary to discharge their respective duty. They collectively have been assessed as fit to provide for the sound and prudent management of the Company.

The fitness and probity policy sets out the qualities needed for senior management and Director Positions. These include both professional competence, i.e. management and technical competence regarding their relevant area, as well as an assessment of the propriety of the person.

The Company considers only those potential candidates for interviews that have a proven track record in terms of qualifications, skills, market knowledge experience and reputation for the position under consideration. When suitable potential candidates have been identified for senior positions and selected they undergo a rigorous interview process. Once a candidate has been selected, contract negotiations are entered into and a detailed assessment is conducted including obtaining the following documentation:

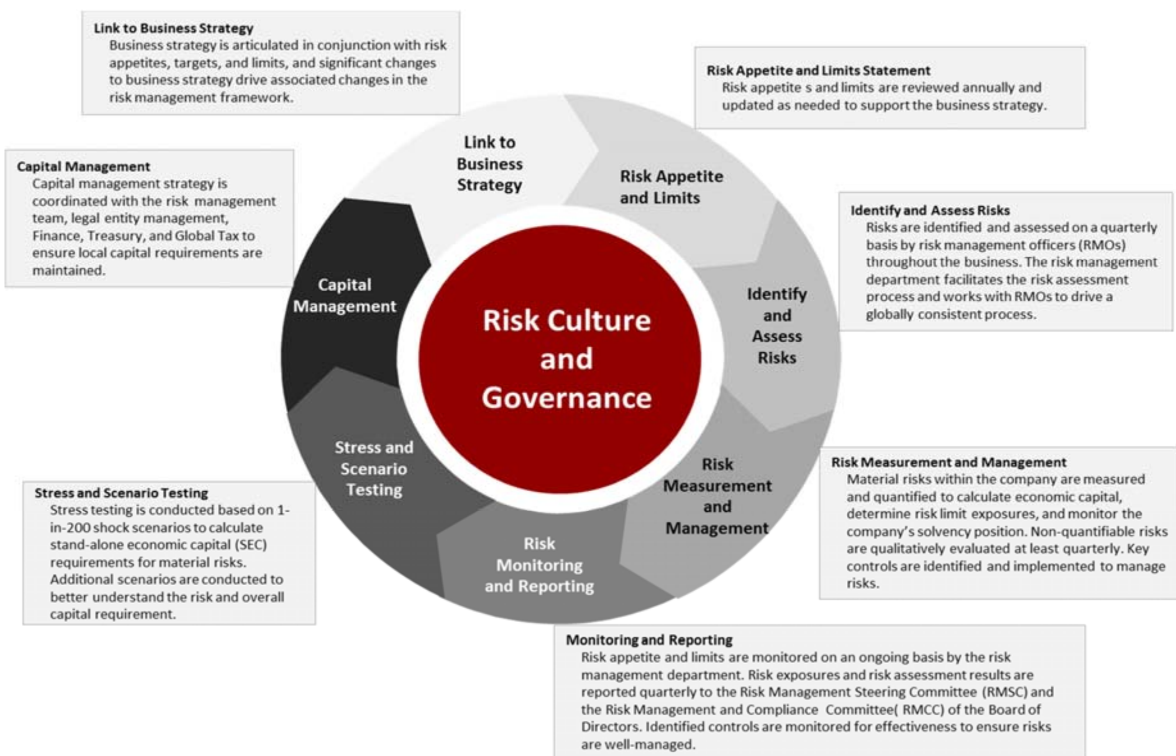
- CV.
- Previous Employer References.
- Educational background.
- Professional qualifications and Membership.
- Credit Check.
- Regulator register.
- Directorship register.
- Certification of fitness and probity by the applicant.

The Company assesses fitness and probity requirements through annual performance reviews. Senior managers and Directors are required to certify annually that they continue to be fit and proper in accordance with those standards to perform their function.

## B.3 Risk management system

Risk management is integrated within the business planning and strategy setting and is aligned to the Company's risk appetite. Through the management of common risks across the Company via the implementation of a robust risk assessment process, the Company is able to improve capital deployment and resource allocation and reduce operational losses and surpluses. It also protects its reputation and brand through an enhanced understanding of risks while feeding into the decision making process.

The goals are to have a robust risk governance framework with transparency of risks to senior management and the Board, to enable improvements in performance and the ability to establish competitive advantages while optimising the cost of risk management. The Company closely follows the Enterprise Risk Management ("ERM") framework illustrated in the pin wheel below.



### B.3.1 Risk Culture and Governance

A Company-wide risk management culture is the backbone that holds the ERM framework together, embedding risk management in all of the Company's business processes in accordance with the Company's overall risk philosophy. Risk culture plays a prominent role in the effective management of risks assumed. The Company's risk culture is focused on prudent risk management and the application of established best practices. The Company's risk management activities and all associated processes entail strong Board governance.

Through the facilitated ongoing risk monitoring process, review and continuous improvement, the Company encourages a culture of sharing and open communication. A positive risk culture stems from personal accountability and responsibility where everyone is aware of what they need to be doing. This positive culture is further enhanced by ensuring that as many employees as possible receive regular enterprise risk management training and remain at the forefront of latest thinking. A rigorous annual training program is undertaken by the ERM function across all countries within the Company reinforcing the message of openness and accountability.

### B.3.2 Risk Categories

The Company's risks are categorised as insurance; market; credit; and operational. This is in line with industry best practices and the way that the Company manages and quantifies risks and calculates its capital requirements.

### B.3.3 Risk Policy Framework

The Enterprise Risk Management Framework at the Company builds off three key policies.

- **The Risk Management Strategy**
  The Risk Management Strategy is an overarching document outlining the Company strategy with respect to ERM. The Strategy works in conjunction with the Individual Risk Policies, the Enterprise Risk Management Framework and the Risk Appetite Statement.

- **The Enterprise Risk Management Framework**
  The Enterprise Risk Management Framework document sets out the principles and approach for ERM across the Company. The Framework:
  - Provides a comprehensive overview of the Company's risk management practice and procedures.
  - Sets a consistent framework for risk management in line with other Corporate and Company policies.
  - Establishes a baseline around the ERM framework.
  - Articulates the approach to risk governance within the Company.

- **The Risk Appetite and Limit Statement**
  The purpose of the risk appetite statement is to define the level and nature of risks which the Risk Management and Compliance Committee (RMCC) considers acceptable. This document defines the boundaries of activity which the Company will accept.

  The Company's risk appetite statement is set in the context of both its overall business objectives and its risk strategy. Risk strategy and risk appetite are dynamic documents applied to meet Company objectives. Risk appetite will be a mechanism supporting the evaluation of strategic opportunities and decisions. If an opportunity is outside of the Company's risk appetite a new evaluation of the Company's capacity to bear the risk will be undertaken.

In addition to these policies, the Company also has specific policies relating its risk categories.

Risk management policies are reviewed by management and the Board annually.

### B.3.4 Risk Assessment process

In order to ensure that senior management and risk oversight committee members receive accurate risk information, the Company assigns roles and responsibilities for risk management in a fashion that reflects the complexities inherent in its global and regional business model.

The ERM function facilitates the quarterly risk assessment process as described in the Board approved ERM Framework. The process followed is repeated every quarter using a consistent risk assessment methodology across all offices adhering to the risk management practices and procedures.

In summary the Risk Assessment process encompasses:

- Risk Identification.
- Risk Measurement.
- Risk Management.
- Risk Monitoring.
- Risk Reporting.

## B.4 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") process is a key piece of the Risk Control Cycle process and links existing activities used by the Company to effectively manage risk and capital. These processes provide management with a mechanism to assess the risks the Company faces and to determine the necessary level of capital required to ensure that the Company meets its strategy.

The Risk Control Cycle is described as a continuous process of identification, measurement, monitoring and challenge throughout the Company.

An annual ORSA report is produced summarising the activities of the year as well as analysing the risks the Company faces. The report contains a 4 year projection of key income statement and balance sheet metrics and tests the impact of various extreme stresses and adverse scenarios on the Company's capital position.

### B.4.1 Use of the ORSA

The projections used in the development of the ORSA report are a valuable management tool. In between reports, the projections are used to project future capital requirements and its sensitivity to risks. When large transactions are being contemplated, these same projections are used to test the impact of the transaction on the Company.

In addition, the models and projections developed are used to set assumptions with respect to capital requirements for new business pricing. The models are also used in the development and setting of risk limits and in the development and testing of retrocession strategies.

### B.4.2 Solvency Assessment

The Company utilises the Solvency II Standard Formula to assess its risks and solvency needs. Analysis has shown that the Standard Formula is a reasonable representation of the risks facing the Company.

The primary exception is with respect to currency risk.

The Standard Formula calculates the risk exposure for Currency Risk as the difference between the assets and liabilities in all of its "foreign" currencies. The Company feels that is unduly punitive and discourages good risk management practices. Appropriate risk management practice is to invest its own funds in assets of currencies in proportion to the risks faced by the Company.

### B.4.3 Role of the Board and Committees

The ORSA process is an on-going assessment and is aligned to the quarterly risk reports provided to the RMSC and Risk Management and Compliance Committee of the Board. The Board ultimately owns the ORSA process and both Committees have been engaged in the development of the ORSA process since 2013.

The plan for the ORSA report is presented to the Committees in April of each year to allow the members to provide guidance and feedback on the risks to be considered during the year.

During 2016, the following specific topics were included on the agendas for Committee meetings:

- Operational risk review and Key Risk Indicator development.
- Risk Appetite and Limits and Dashboard review.
- Risk policies governance in accordance with Solvency II.
- Investment risk exposure.
- Catastrophe risk exposure.
- Counterparty risk exposure.
- Currency risk exposure.
- Economic Capital Dashboard.
- Brexit Risk.
- Pandemic Risk.

The most recent ORSA report was submitted to the Central Bank of Ireland in November 2016.

## B.5 Internal control system

### B.5.1 Overview

The Company has established an internal control framework which is directly linked to risk management and compliance.

The framework has been established to ensure the effective and efficient operation of the Company; enabling it to respond to financial, operational, compliance and other risks. It also ensures the accuracy of information and prevents the risk of fraud.

The framework encompasses the Company's Policies and Procedures; and authorities that have been delegated to management by the Board.

The policies and procedures are grouped as follows:

- Company Level Controls.
- Process / Transaction Controls.
- Roles and Responsibilities.

The Company's ultimate parent, RGA Inc., is listed on the New York Stock Exchange and as such it and its subsidiaries are subject to Section 404 of the 2002 Sarbanes-Oxley Act ("SOX"). This section requires the Group to make assertions relating to the effectiveness of the internal controls over the financial reporting.

### B.5.2 Company-level Controls

The Company-level controls are those controls that have a pervasive effect on the Company. These controls are subdivided into five components: control environment; risk assessment; monitoring; information and communication; and control activities.

The following table highlights the policies, procedures and other elements that Company has in place to support Company-level controls:

| Control Component | Policies, Procedures and Other Elements |
|---|---|
| **Control Environment** sets the tone of the Company, influencing the control consciousness of its employees. It is the foundation for all other components of internal control, providing discipline and structure. | • Core Compliance policies<br>• Organisational structure<br>• Audit Committee oversight<br>• HR policies, including management compensation programs<br>• Pricing Polices<br>• Fraud programs and controls (including whistleblower) |
| **Risk Assessment** is the identification, analysis and management of risks. | • Monitoring for changes that potentially can affect the Company<br>• Review of significant accounting estimates<br>• Consideration of the possibility for unrecorded transactions<br>• Identification and assessment of fraud risks<br>• Audit Committee oversight |

| Control Component | Policies, Procedures and Other Elements |
|---|---|
| **Monitoring** is a process that assesses the quality of internal control performance over time. | • Process for addressing internal control recommendations and known deficiencies<br>• Audit Committee oversight<br>• Process for monitoring the functioning of significant controls<br>Role and functioning of Internal Audit |
| **Information and Communication** systems support the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities. | • Accounting systems<br>• IT applications<br>• Written job descriptions<br>• Adequacy of communications across the Company |
| **Control Activities** are the policies and procedures that help ensure that management directives are carried out. | • Policies and procedures<br>• Safeguarding of physical assets<br>• Segregation of duties<br>• Business planning and budgetary processes |

### B.5.3 Process / Transaction-level Controls

For each significant process, the Company maintains written process documentation which includes a complete description of the process and a detailed description of the control activities.

The Company considers the risk of potential material errors or fraud and designs specific controls to prevent or detect these errors. These controls consist of segregation of duties, detailed review of data, authorisation limits, reconciliations and review of results.

Where the controls are performed by a third party provider, the Company has sufficient internal controls to mitigate the risks and has the ability to audit the third party provider.

In addition to the testing performed by management, Internal Audit performs detailed tests of controls through inquiry, observation, inspection and re-performance. Controls are either tested annually or on a rotational basis depending on their significance. The controls are be tested as part of the Group's SOX requirements or as part of the regular audit programme.

### B.5.4 Roles and Responsibilities

The Board approves the policies that define the internal control framework of the Company, and ratifies applicable policies promulgated by the Group.

The Audit Committee, on behalf of the Board, oversees the internal control framework.

The senior management team, led by the Managing Director, are responsible for ensuring that Company has the appropriate people and procedures in place to ensure that the Company's internal control framework is upheld.

### B.5.5 Compliance Function

The Compliance Officer has overall responsibility to identify, assess, monitor and report on compliance risk for the Company. Compliance risk is defined as the risk associated with non-compliance with applicable laws, rules, or regulations and Company policies that are related to compliance with such laws, rules, or regulations.

The Compliance Officer reports directly to the Managing Director and provides regular updates on compliance matters. In addition the Compliance Officer reports quarterly to the Risk Management and Compliance Committee of the Board.

The Compliance Function is described in the Compliance Policy. A Compliance Plan is approved annually by the Board.

The main compliance activities can be described as follows:

- Ensuring the Company is up-to-date on current regulatory and legislative requirements. Assessing and communicating the impacts of developments and ensuring the business is prepared for implementation.
- Regular engagement with the business to monitor and assess compliance including the annual review of Compliance Manuals for the Company and each of its Branches.
- Monitoring compliance with legislative, regulatory and Company policy requirements. This includes a detailed schedule of compliance requirements being maintained and monitored on an on-going basis.
- Reporting to the Risk Management and Compliance Committee on all compliance matters.

## B.6 Internal audit

*Introduction*

The Company utilises Global Audit Services ("the internal audit function") to perform its internal auditing.

An internal audit charter has been developed, which serves as the Company's internal audit policy. The charter is presented to the Audit Committee, at least annually for review and approval. There were no significant changes to the charter during 2016. The Internal Audit Policy covers the following areas:

*Role*

The Internal Audit Function's responsibilities are defined by the Audit Committee of the Board as part of their oversight roles.

*Authority*

The Internal Audit Function has full, free, and unrestricted access to any and all of the Company's records, physical properties and personnel and reports directly to the Audit Committee.

*Structure and resourcing*

The Internal Audit Function comprises:

- A dedicated multi-national team of auditors based in London and Paris who carry out operational audits covering the Company's Dublin headquarters and its European branches.
- Auditors from the group audit function at RGA's headquarters in St Louis, Missouri, who assist with audits of the financial solutions business, investments and information technology.
- An Asia Pacific audit team based in Hong Kong who conduct audits on the Company's Singapore branch.

Subject matter experts from RGA's Global Support Team and Global Risk Services team assist with audits of underwriting, claims, reserving and pricing under the supervision of internal audit management, after rigorous vetting to ensure the absence of conflicts of interest. Additional resources are sourced from reputable external professional services firms from to time to provide additional specialist expertise on selected audits.

*Independence and objectivity*

The Internal Audit Function remains free from interference by any element in the organisation and no internal auditors have any operational responsibilities within the business. Internal auditors are required to exhibit the highest level of professional objectivity and remain free of undue influence in forming judgements.

The Head of Internal Audit confirms to the Board Audit Committee, at least annually, the organisational independence of the internal audit function.

*Internal audit planning*

Annually, the Head of Internal Audit develops an audit plan, based on a risk-based methodology, which is approved by the Audit Committee. Any subsequent changes to the plan are communicated to the Audit Committee.

*Reporting and monitoring*

A written report is prepared at the end of each internal audit engagement. The report includes management responses and corrective action to be taken. The Internal Audit Function is responsible for following-up on engagement findings and recommendations to ensure that they are addressed by management on a timely basis.

A status report of all outstanding findings and recommendations is presented at each Audit Committee meeting.

### B.7 Actuarial function

Regulation 50 of The European Union (Insurance and Reinsurance) Regulations 2015 requires the Company to establish and maintain an effective Actuarial Function. The Domestic Actuarial Regime and Related Governance Requirements issued by the Central Bank of Ireland requires the Company to ensure that a Head of Actuarial Function ("HoAF") is appointed to be responsible for the actuarial function. The HoAF is a Pre-Approved Controlled Function role.

The position of the HoAF for the Company is held by a Fellow of the Institute and Faculty of Actuaries and the Society of Actuaries in Ireland who has complied continuously with the specific professional obligations this requires.

The HoAF is supported by Fellows of the Institute and Faculty of Actuaries and the Society of Actuaries in Ireland, international actuaries with equivalent qualifications, as well as other technical professionals within the Company.

The Actuarial Function is responsible for:

- Coordination of the calculation of technical provisions.
- Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions.
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparing best estimates against experience.
- Informing the Audit Committee of the Board of the reliability and adequacy of the calculation of technical provisions.
- Expressing an opinion on the overall underwriting policy.
- Expressing an opinion on the adequacy of reinsurance arrangements.
- Contributing to the effective implementation of the risk-management system.

The HoAF produces written reports to be submitted to the Board at least annually setting out the tasks that have been undertaken by the Actuarial Function, the results of those tasks and any relevant recommendations.

## B.8 Outsourcing

Given the nature, size and complexity of the Company it is intentionally organised to leverage the Group's expertise. Through the implementation of internal outsourcing arrangements, the Company is able to efficiently manage operational expenses, while properly managing risks, through leveraging the Group's worldwide presence, professional network, consistent standards and a high level of protection in delivery of service.

Given the diversity and complexities of operating in various markets the Company outsources to external local expert providers for investments, actuarial, payroll and tax.

The Company has implemented an outsourcing policy which sets out the process governing the decision to outsource, the choice of service provider and how monitoring is performed.

Each outsourcing arrangement is governed by a Services Agreement. The Company has identified the person in each service provider who is responsible for the performance of the outsourced activity.

The Company's outsourcing process is as follows:

*Service Provider Selection*

The Company adopts a high standard of care and due diligence in selecting a service provider. The Company considers only those potential service providers that have a proven track record in terms of qualification, reputation and capacity to fulfil the business service need. Once suitable potential service providers have been identified and selected they undergo a due diligence process to ensure they can deliver the service to the standards required.

*Contractual Approval*

Each service outsourced is governed by a legally binding Services Agreement signed by both parties. The Services Agreement is approved in line with the Company's contract approval process.

*Contingency and Exit Planning*

The Company has business continuity plan in place which is tested at least annually. External Service Providers are contractually bound to ensure their business recovery plan is tested and effective.

*Reporting and Monitoring*

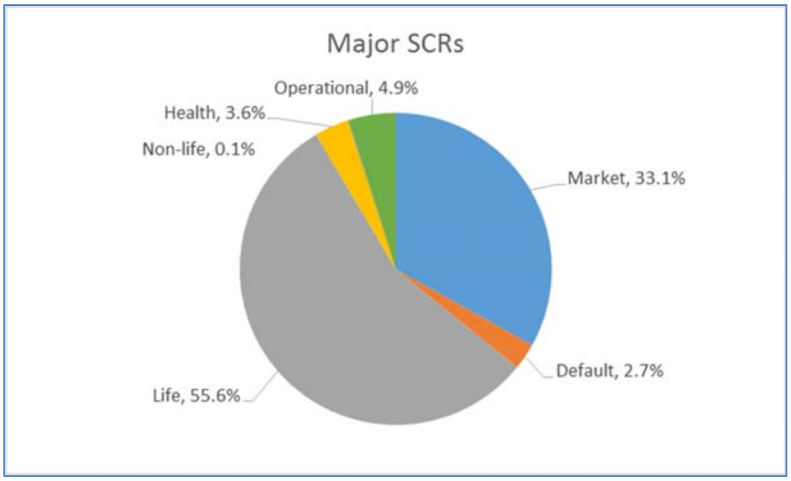
A detailed schedule of all outsourcing arrangements is maintained. The Company has processes for regularly monitoring the performance and service provided by the Service Providers.

The Company utilises Service Providers both internal and external to the Group to outsource certain critical or important functions as follows:

| Description of Outsourcing Activities | Name of the Service Provider | Jurisdiction |
|---|---|---|
| **Internal (RGA companies)** | | |
| Investment Management | RGA UK Services Limited | United Kingdom |
| Head of Actuarial Function | RGA UK Services Limited | United Kingdom |
| Marketing support services including pricing and business support services including underwriting, claims management, administration, actuarial, IT, legal, finance, internal audit and risk management | RGA UK Services Limited | United Kingdom |
| Investment Management, treasury, tax, internal audit, IT and data security | RGA Enterprise Services Company Limited | United States of America |
| Business support services including administration, finance, and legal | RGA International Corporation | Canada |
| **External** | | |
| Investment Management | AllianceBernstein and Barings | United Kingdom |
| Certifying Actuary | Willis Towers Watson | Singapore |

## C - Risk Profile

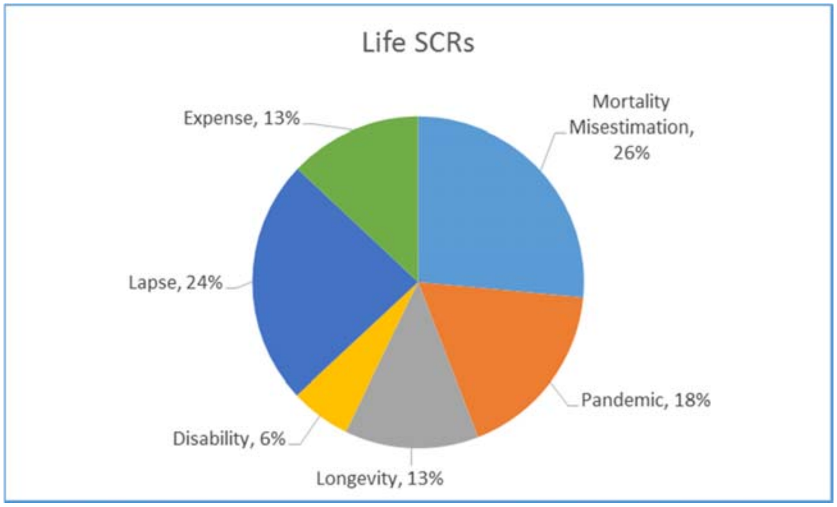
The risk profile of the Company is heavily weighted to insurance risks and more specifically, those risks related to its traditional protection reinsurance. This risk profile is not expected to change significantly over the near term.




The above chart shows the contribution of the major risk categories. All Solvency Capital Requirements ("SCRs") have been calculated net of retrocession. 55% of the Company's capital requirement comes from its insurance risks whereas only 34% of its capital requirement comes from market risks.

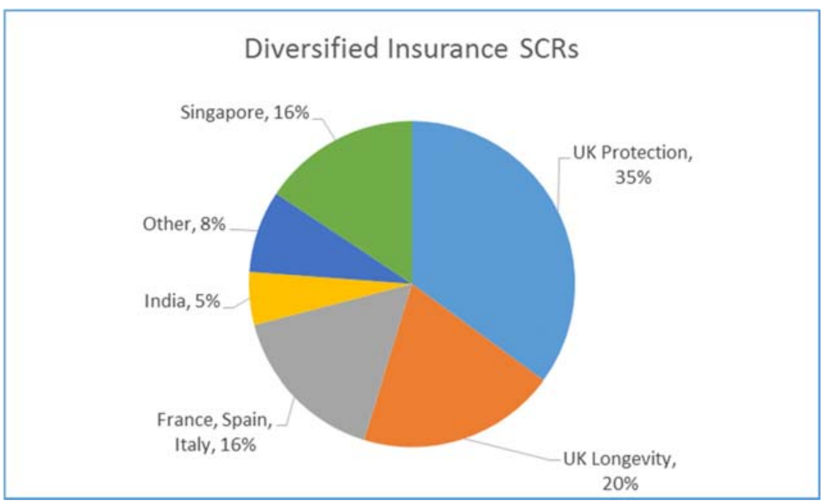
### C.1 Insurance risk

Within the insurance risk category, risks relating to the Company's life protection businesses dominate.



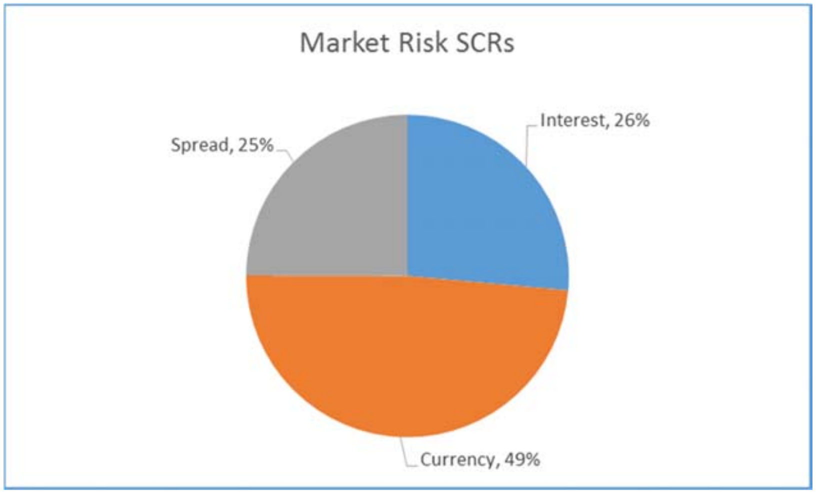

The above chart shows the Company's mortality risks (misestimation and catastrophe) make up 44% of its insurance risk exposures. When combined with policyholder behaviour and morbidity risk, the capital requirements from the protection insurance risks make up almost 74% of the Company's life capital requirements. Continued growth in the asset intensive and longevity lines of business will allow the Company to further diversify its risk profile.

Despite its heavy weighting to life protection insurance risks, the Company achieves effective diversification through the geographic diversification of its insurance risks.




As the above chart shows, the business in the UK Branch contributes a significant amount (55%) to the Company's risk profile. UK longevity business creates a level of diversification within the Branch. Outside of the UK, operations South East Asia, India and Continental Europe also contribute significantly. The Company considers the risks to well diversified.

### C.2 Market risk




The Company's prudent investment philosophy is demonstrated in the above chart. The Company only invests in fixed income instruments and employs a strategy of single name exposures and asset liability matching to manage the market risks that it faces. The Company's largest market risk SCR relates to currency. This is the result of the Company investing its assets by currency to approximately match its liabilities and their related SCRs for risk management purposes.[1] Additionally, the Company does not invest its assets in the currencies of its smaller liability holdings due to economies of scale.

### C.3 Credit risk

Credit risk manifests itself on the balance sheet in two forms. These are the risks that credit spreads will expand and that individual companies will default on their bond commitments. The risk of changes in credit spreads is covered under market risks.

The Company mitigates its risk of credit default by several means. It invests primarily in investment grade sovereign and corporate bonds and only uses highly rated retrocessionaires. In addition, it diversifies its exposure by employing single name limits on its investments and its third party retrocessionaires. The Company does utilise retrocession to affiliated companies as a means of risk management.

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[1]Solvency II considers any assets in a currency (other than the Company's local currency) in excess of the liabilities in the same currency as a mismatch and requires capital to be held.

### C.4 Liquidity risk

Liquidity is needed to allow the Company to manage itself over periods of high unanticipated cash outflows. The Company's cash and sovereign bond holdings make up 7% of its balance sheet and is sufficiently liquid to make any unanticipated cash payments. The investment assets are invested in line with the prudent person principle, taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

In addition, a small number of cedants have required that assets be held in trust for their benefit. In these situations, the cedants have ceded significant liabilities on a coinsurance basis and require collateral to protect their interests. In these cases, the assets held in trust are less than the Best Estimate Liabilities ("BELs") under Solvency II. In addition, the assets and liabilities within these trusts are sufficiently matched that the movement of interest rates will have minimal impact.

The Expected Profit Included in Future Premiums ("EPIFP") is €261.2million, net of retrocession, as at 31 December 2016. The EPIFP arises where the expected cash income flows are greater than the cash expected outflows. The EPIFP is included as part of the Company's eligible own funds (section E1) but is considered to be highly illiquid.

### C.5 Operational risk

Operational risk is an unavoidable part of doing business. A company has to implement controls to mitigate operational risk if it is not possible to exclude operational risk completely.

The Company aims to minimise its operational risk in relation to the sources of risk which it is exposed to. The risk appetite of the Company is reflected by establishing a sound framework of mitigation techniques (e.g. reporting of operational risk events, setting up and monitoring of Key Risk Indicators ("KRIs") and limits). These measures aim to interpret the risk appetite of the Board and embed it into the operations of the Company.

The Company uses KRIs as a tool to facilitate the monitoring and control of operational risk. KRIs act as an early warning mechanism informing the Company's risk appetite on operational risks and indicating any changes in the Company's risk profile. The KRI owner (typically Head of Department) completes the KRIs on a quarterly basis. The Risk Management department reviews the results with the requisite Head of Department, seeking supplementary evidence where an amber or red rating is triggered.

In addition, the Company carries out Risk and Control Self-Assessments (RCSAs) to assess the design and performance of the Company's risk management and control processes. The scope of RCSAs spans across operational risk categories, processes and controls. The outcomes from the RCSA process serve to identify any areas of improvement and operational efficiency gains as well as any potential failures and control weaknesses, providing an opportunity to remediate any gaps.

At present, discussions with management and Internal Audit as well as the quarterly risk review process have not identified any operational events that have the potential to threaten the solvency or ongoing operations of the Company. The Company continues to look for combinations of operational risk which could potentially threaten solvency when considering risk mitigation and risk controls.

All the above processes help in ensuring the Board's stated appetite for risk is reflected operationally throughout the Company.

## C.6 Other risks

### C.6.1 Brexit

On 23 June 2016, the UK decided by way of referendum that it would leave the European Union ("Brexit"). On 29 March 2017, the Government gave notice of its intention to leave. The Company sourced 41% of its earned premiums in 2016 through its UK Branch in the UK.

It is unclear whether the Company will be able to continue to operate with a UK branch once the UK leaves the EU. The Company is currently developing a contingency plan to prepare for possible outcomes.

In addition to the potential regulatory impacts of Brexit, the U.K. capital markets are expected to remain volatile as negotiations unfold. Should the U.K. fall into a recession as a result of Brexit, the Company could experience a drop in new life cessions and an increase in lapse rates from its U.K. business.

### C.7 Sensitivity Analysis

The Company performs a range of sensitivity analysis each quarter. The sensitivities are designed to show the impact on the Company's solvency ratio from deviations of assumptions, new business acquisition and change in the macro-economic environment. The sensitivities that the Company monitors and the effect on the yearend solvency ratio are listed below:

| **Solvency Ratio Sensitivities** | **31 December 2016** |
|---|---|
| **Base Scenario** | **141%** |
| **15% Permanent Increase in Insurance Mortality** | 100% |
| **20% Permanent Reduction in Longevity Mortality** | 121% |
| **Catastrophe of 1.5 per mille** | 114% |
| **50% Deterioration in Lapse Rates** | 126% |
| **10% Increase in Expenses plus 1% p.a. Increase in Expense Inflation** | 121% |
| **35% Increase in First Year Morbidity Rates, 25% Permanent Increase Thereafter** | 132% |
| **Change in Asset Interest Rates (dependent on term to maturity)** | 119% |
| **Change in Asset Credit Spreads (dependent on rating)** | 125% |
| **25% Change in Foreign Exchange Rate (worst case)** | 123% |
| **100 BPs Decrease in Yields** | 138% |
| **Additional 10% Business Growth p.a.** | 128% |
| **Sensitivity to a Further Asset Intensive Transaction (€1Bn BEL)** | 138% |

The above scenarios, with the exception of the last three scenarios, are based on the shocks prescribed by the Standard Formula of Solvency II. We have chosen a different scenario for the decline in interest rates. Note that, given how low European interest rates are, the decrease is capped at 50% of the current rate in situations where the current rate is less than 1.00%. The last two scenarios are scenarios derived by management to show the impact of higher than expected growth.

## D – Regulatory Balance Sheet (Solvency II Balance Sheet)

This section explains the valuation method used for each item of the regulatory balance sheet.

The differences arising between the Financial Statements and the Regulatory Balance Sheet (Solvency II) are as follows:

| | SFCR Section | Value per financial Statemenst | Reclassification | Disallowance | Different Valuation Technique | Value per Regulatory Balance Sheet |
|---|---|---|---|---|---|---|
| | | €'M | €'M | €'M | €'M | €'M |
| **Assets** | | | | | | |
| Deferred Acqusition Costs | | 36.6 | - | (36.6) | - | - |
| Deferred tax assets | D.1.1 | 0.4 | - | | 4.8 | 5.2 |
| Property, plant & equipment held for own use | D.1.2 | 3.1 | - | - | - | 3.1 |
| Investments | D.1.3 | 3,068.7 | 53.5 | - | - | 3,122.2 |
| Reinsurance recoverables from: | D.1.4 | 1,149.9 | (211.5) | - | (392.6) | 545.8 |
| Deposits to cedants | D.1.5 | 30.2 | - | - | - | 30.2 |
| Insurance and intermediaries receivables | D.1.6 | 215.8 | - | - | - | 215.8 |
| Reinsurance receivables | D.1.7 | 55.2 | 211.5 | - | - | 266.7 |
| Receivables (trade, not insurance) | D.1.8 | 77.6 | (53.5) | - | - | 24.1 |
| Cash and cash equivalents | D.1.9 | 33.7 | - | - | - | 33.7 |
| | | 4,671.2 | - | (36.6) | (387.8) | 4,246.8 |
| **Liabilities** | | | | | | |
| Technical provisions | D.2 | 3,746.6 | (236.8) | - | (249.0) | 3,260.8 |
| Deferred tax liabilities | D.3.1 | 42.5 | - | - | (20.9) | 21.6 |
| Insurance & intermediaries payables | D.3.2 | 25.3 | 236.8 | - | - | 262.1 |
| Reinsurance payables | D.3.3 | 215.6 | - | - | - | 215.6 |
| Payables (trade, not insurance) | D.3.4 | 20.6 | - | - | - | 20.6 |
| Subordinated liabilities | D.3.5 | 90.0 | - | - | - | 90.0 |
| | | 4,140.6 | - | - | (269.9) | 3,870.7 |
| Excess of Assets over Liabilities (Shareholder's funds) | E.1.2 | 530.6 | - | (36.6) | (117.9) | 376.1 |

## D.1 Assets

### D.1.1 Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The carrying amount of deferred taxation assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

As at the 31 December 2016 the deferred tax amounts held were:

| | **Solvency II €'M** | **Financial Statements €'M** | **Difference €'M** |
|---|---|---|---|
| Deferred tax asset | 5.2 | 0.4 | 4.8 |
| Deferred tax liability | (21.6) | (42.5) | 20.9 |
| Net deferred tax liability | (16.4) | (42.1) | 25.7 |

The difference between the net deferred tax liabilities is a result from the different valuation methodologies applied when calculating the technical provisions and the deferred acquisition costs included in the Financial Statements.

### D.1.2 Plant Property and Equipment held for own use (Fixed Assets)

Tangible fixed assets are stated at historical cost. Depreciation is provided to write-off the cost of fixed assets by equal instalments over their estimated useful lives at the following annual rates:

| | |
|---|---|
| Computer Equipment: | 33% per annum |
| Furniture and Equipment: | 14% per annum |
| Leasehold Improvements: | 14% per annum |
| Computer Software: | 10% per annum |

There are no differences in the carrying value between the regulatory balance sheet and the Financial Statements which was €3.1million as at 31 December 2016.

### D.1.3 Investments

#### *D.1.3.1 Fixed Income Securities*

Fixed Income securities are valued at fair value plus accrued interest. In the Company's Financial Statements, the accrued interest is shown under Prepayments and Accrued Income.

Fair value is the amount that an asset or liability could be exchanged by willing parties in an arm's length transaction. Fair values are determined at prices quoted in active markets.

Accrued interest is a calculated amount based on the number of days since the last coupon payment and the coupon interest rate.

| | **€'M** |
|---|---|
| Fair value of fixed income securities (as per Financial Statements) | 3,024.8 |
| Accrued interest | 53.5 |
| Total value included in the annual regulatory return | 3,078.3 |

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements as at 31 December 2016.

#### *D.1.3.2 Collective Investment Undertakings (Money Market funds)*

Money market funds have been classed as collective investment undertakings in the regulatory balance sheet. They have been valued at fair value and the value held by the Company as at the 31 December 2016 was €43.9million

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements as at 31 December 2016.

### D.1.4 Reinsurance Recoverable

The Company uses a retrocession program to reduce its exposure to both large accumulation (and individual) risks and for capital efficiency with the RGA Inc. Group. The retrocession treaties that are in place are quota share treaties with embedded surplus arrangements and stop loss treaties.

The reinsurance recoverable value of €545.8million in the regulatory balance sheets is the retrocessionaires' share of the total technical provision (see section D2 – Technical provisions).

The value recoverable is calculated based on the technical provision and the terms of the retrocession treaty for each line of business.

The reinsurers' share of technical provisions in the Financial Statements is €1,149.9million.

| | €'M |
|---|---|
| Amounts recoverable from reinsurers per the Financial Statements | 1,149.9 |
| Pending Claims Recoverable | (211.5) |
| Technical provisions less pending claims | 938.4 |
| Reinsurance Recoverables | 545.8 |
| Difference | **392.6** |

The difference is due to different valuation methods used in calculating the technical provisions (see section D2 – Technical provisions). The method used in the Financial Statements uses a cost based approach locking assumptions at policy inception; whereas the regulatory balance sheet updates the assumptions at each valuation date.

### D.1.5 Deposits to cedants (Funds withheld)

The Company has entered into a number of treaties where the client retains the funds generated from the contract for the agreed period. These contracts are classified as funds withheld contracts and the balances owing is classified as deposits with cedants.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements which was €30.2million as at 31 December 2016.

### D.1.6 Insurance and Intermediary receivables

Insurance and intermediaries receivable balances represent premiums owed from policyholders. Outstanding premiums are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required.

Premiums due at the balance sheet date are shown net of outstanding claims on reinsurance contracts that specifically include a right of offset clause and are settled on a net basis.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements which was €215.8million as at 31 December 2016.

### D.1.7 Reinsurance receivables

The reinsurance receivables relate to the amounts recoverable from the Company's retrocessionaires for claims paid and pending. These claims are not part of the technical reserves on the regulatory balance sheet.

In the Financial Statements, the amounts recoverable for pending claims are included in the technical provisions and the amounts recoverable for paid claims are included in debtors.

The reinsurance receivables are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements, the values of which are as follows:

| | **2016** |
|---|---|
| | €'M |
| Pending Claims Recoverable | 211.5 |
| Settled Claims Recoverable | 55.2 |
| | 266.7 |

### D.1.8 Receivables (trade not insurance).

Receivables (trade, not insurance) comprises of the following amounts:

| | **2016** |
|---|---|
| | €'M |
| Investment settlements | 17.9 |
| Other including prepaid expenses, tax recoverable & rental deposits | 6.2 |
| | 24.1 |

Included in prepayments and accrued income within the Financial Statements are two amounts:

a. Interest receivable of €53.5million which has been included as part of the valuation of fixed income securities on the regulatory balance sheet.
b. Deferred Acquisition Costs of €36.6million. This value is excluded from the regulatory balance sheet in accordance with valuation requirements.

### D.1.9 Cash and Cash Equivalents.

Cash and cash equivalents include cash on deposit and highly liquid debt instruments purchased with an original maturity of three months or less.

They are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements which was €33.7million as at 31 December 2016.

## D.2 Technical provisions

At 31 December 2016 the Company held gross Technical Provisions, valued for regulatory purposes, of €3,260.8million. The amounts recoverable from the Company's retrocessionaires was €545.8million (see section D1.4 – Reinsurance Recoverable).

The Company values technical provisions using the Standard Formula methodology described by the Solvency II regulations. The technical provisions are made up of a Best Estimate Liability ("BEL") of discounted future cash flows, an incurred but not reported claims ("IBNR") reserve and a Risk Margin.

The Risk Margin is an addition to the Best Estimate Liabilities. This is based on the expected cost of the solvency capital required to support the Technical Provisions over the term of the projection. The prescribed rate is 6% per annum.

The Company has three homogeneous risk groups for Solvency II reporting; life reinsurance, health reinsurance and non-life reinsurance. The material lines of business are within the life reinsurance group and consist of individual and group life, individual critical illness and longevity business.

The table below shows the analysis of the Technical Provisions; showing the gross BEL, IBNR and Risk Margin by homogeneous risk group. It should be noted that the Risk Margin is always calculated on a net basis and there is no gross equivalent.

**Reinsurance Technical Provisions**

| | Life<br>€'M | Health<br>€'M | Non-Life<br>€'M | Total<br>€'M |
|---|---|---|---|---|
| Gross BEL | 2,746.1 | (37.6) | 1.3 | **2,709.8** |
| IBNR | 217.0 | 51.0 | 1.0 | **269.0** |
| Risk Margin | 276.4 | 5.6 | 0.0 | **282.0** |
| Gross Technical Provisions | 3,239.5 | 19.0 | 2.3 | **3,260.8** |
| Reinsurance recoverable | (528.7) | (15.2) | (1.9) | **(545.8)** |
| Net technical provision | **2,710.8** | **3.8** | **0.4** | **2,715.0** |

The BELs are calculated using a gross premium valuation method for all policies in-force and on risk at the valuation date.

This method projects forwards the expected premiums, claims, annuity payments, experience refunds, allowances (commissions) and expense cash flows. The projections require assumptions about future mortality, morbidity, disability and persistency.

These cash flows are discounted using prescribed risk-free rates provided by the European Insurance and Occupational Pensions Authority (EIOPA) to arrive at the final BEL. Negative BELs are permitted to be held on the regulatory balance sheet.

The Company does not use a matching adjustment or a volatility adjustment, and has not adopted transitional measures.

The assumptions for mortality, morbidity and lapses are set after considering relevant industry information and an analysis of credible previous Company experience.

The Company incurs acquisition, maintenance and overheads expenses. The future expenses allowed for in the BELs relate to a provision for maintenance (and associated overhead) of policies in force at the valuation date.

The Risk Margin is an addition to the Best Estimate Liabilities. This is based on the cost of the solvency capital required to support the technical provisions over their life. The prescribed rate is 6% per annum.

### *Levels of Uncertainty*

The uncertainty associated with the value of Technical Provisions relates to how future actual experience will differ from the best estimate assumptions used to calculate them. The key assumptions are interest rates, lapse rates, mortality rates, morbidity rates and future maintenance expenses.

There is also uncertainty in relation to the estimation of the losses relating to claims which have been incurred but not reported.

*Difference between the Regulatory Balance Sheet and the Financial Statements*

Pending claims are included in the Technical Provisions within the Financial Statements but have been included as Insurance & Intermediary Payables in the regulatory balance sheet.

| | €'M |
|---|---|
| Technical provisions per the Financial Statements | 3,746.6 |
| Pending Claims | (236.8) |
| Technical provisions less pending claims | 3,509.8 |
| | |
| Technical provisons per Regulatory Balance Sheet | 3,260.8 |
| | |
| Difference | **249.0** |

There is no difference in the carrying value of the IBNR between the regulatory balance sheet and the Financial Statements which was €269.0million as at 31 December 2016.

The reserves calculated in the Financial Statements are based on best estimate cash flow projections. However, the reserves in the Financial Statements also include a margin for adverse deviation. The assumptions used in developing these reserves are determined at the onset of the policy and for most lines of business are locked-in.

The regulatory balance includes a risk margin and the assumptions are reviewed and updated to reflect the current best estimate of future experience.

The different bases of calculation has generated a difference of €249.0million as at 31 December 2016.

## D.3 Other liabilities

### D.3.1 Deferred Tax Liabilities.

The deferred tax liability of €21.6million is discussed in section D1.1.

### D.3.2 Insurance & intermediary payables.

The insurance and intermediary amount payable comprised of the following:

| | **2016** |
|---|---|
| | **€'M** |
| Pending Claims | 236.8 |
| Experience refunds payable | 25.3 |
| | 262.1 |

Pending claims relate to amounts set aside for reported claims that are in the process of being settled. There is no difference in the valuation methods between the regulatory balance sheet and the Financial Statements, however, these amounts were included in the technical provisions in the Financial Statements.

Some clients, based on treaty provisions, are entitled to a refund if there is favourable experience on the reinsurance programme. The experience refund amounts are calculated based on the individual treaty provisions and the balance payable as at 31 December 2016 was €25.3million. There is no difference in the valuation methods between the regulatory balance sheet and the Financial Statements.

### D.3.3 Reinsurance Payables

The reinsurance amount payable comprised of the following:

| | **2016** |
|---|---|
| | **€'M** |
| Amounts due to reinsurers | 193.8 |
| Funds withheld liabilities | 21.8 |
| | 215.6 |

The reinsurance payables are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements as at 31 December 2016.

### D.3.4 Payables (trade, not insurance)

Payables (trade, not insurance) comprises of the following amounts:

| | 2016 |
|---|---|
| | €'M |
| Taxation including social security | 3.4 |
| Investment settlements | 9.4 |
| Accrued expenses and employee benefits payable | 7.8 |
| | 20.6 |

The amounts are valued at fair value and due to the short-term nature of the receivable no adjustments to valuation are required.

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements as at 31 December 2016.

### D.3.5 Sub-ordinate Loan

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements which was €90.0million as at 31 December 2016. (See Section E.1.2).

## D.4 Any Other Disclosures

### 4.1 Contingent liabilities

The Company has made non-cancellable contractual commitments for the rental of its offices.

These amounts are not recognised as a liability on the Company's Regulatory or Financial Statement Balance Sheet.

These commitments are as follows:

| | 2016 | 2015 |
|---|---|---|
| | €'M | €'M |
| Within one year | 1.2 | 1.2 |
| Between one and five years | 2.3 | 2.5 |
| After five years | - | 0.1 |

# E – Capital Management

## E.1 Eligible Own Funds

### E.1.1 Objectives

The Company's eligible Own Funds and ratio of eligible Own Funds to the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") are as follows:

| **Solvency Ratio** | **€'M** |
|---|---|
| Eligible Own funds | 466.1 |
| Solvency Capital Requirement (SCR) | 330.3 |
| Solvency Ratio | **141%** |

| **Minimum Solvency Ratio** | **€'M** |
|---|---|
| Eligible Own funds | 466.1 |
| Minimum Capital Requirement (MCR) | 117.3 |
| Minimum Solvency Ratio | **397%** |

The objectives of the Company are to maintain sufficient Own Funds to cover the SCR and MCR with an appropriate buffer set by the Board. The majority of surplus capital in the Company is invested in fixed income securities.

The available Own Funds are of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Acts.

The Senior Management of the Company ensure that there is continuous compliance with the Solvency Requirement. The regulatory capital position and a projection of future capital positions is prepared on a quarterly basis and is reviewed by the Audit Committee of the Board.

During the ORSA process, the Company prepares ongoing annual solvency projections and reviews the structure of Own Funds and future capital requirements. The business plan contains a five year projection of funding requirements. This process helps focus actions for future funding.

There were no material changes in the objectives, policies and processes employed by the Company for managing its Own Funds during the period.

### E.1.2 Tiering of Own Funds.

The Company's eligible Own Funds were €466.1million as a 31 December 2016.

There funds were classified as follows:

| | 2016 €'M |
|---|---|
| **Tier 1 - Unrestricted** | |
| Alloted, Called Up and Fully Paid Share Capital | 0.8 |
| Additional Capital Contributions | 201.3 |
| Reconciliation Reserve | 174.0 |
| Excess of Assets over Liabilities | 376.1 |
| | |
| **Tier 1 - Restricted** | |
| Subordinated Loan Note | 90.0 |
| | |
| Total Eligible Own Funds | **466.1** |

The Company has issued a subordinated loan note of €90million to RGA Americas Reinsurance Company Ltd.

All of the Company's Own Funds are classified as Basic Own Funds. The Company does not have any ancillary own funds.

### E.1.3 Reconciliation to the Company's Shareholder Funds disclosed in the Financial Statements

| | 2016 €'M |
|---|---|
| Shareholder's funds per the Financial Statements | 530.6 |
| Sub-ordinated loan note | 90.0 |
| Add the reduction in gross technical provisions | 249.0 |
| Less deferred acquisition costs | (36.6) |
| Less reduction in amounts recoverable from the reinsurer | (392.6) |
| Change in deferred taxes | 25.7 |
| Total own funds | **466.1** |

### E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Company has adopted the full Solvency II Standard Formula in calculating its Solvency Capital Requirement (“SCR").

#### E.2.1 Solvency Capital Requirement (SCR)

*Total Company SCR*

The Company’s total SCR as at 31 December 2016 was €330.3million. The SCR was comprised of the following values by risk module:

| | **2016** |
|---|---|
| | **€'M** |
| **Basic Solvency Capital Requirement** | |
| Market risk | 135.7 |
| Counterparty default risk | 12.4 |
| Life underwriting risk | 249.8 |
| Health underwriting risk | 16.3 |
| Non-life underwriting risk | 0.4 |
| Diversification | (92.3) |
| **Total Basic Solvency Capital Requirement** | **322.3** |
| Operational Risk | 22.2 |
| Adjustment due to ring fenced funds | 14.4 |
| Loss absorbing capacity of technical provisions | (6.9) |
| Loss absorbing capacity of deferred taxes | (21.6) |
| **Total Solvency Capital Requirement (SCR)** | **330.3** |

*Singapore Branch – Ring Fenced Fund*

The Company has a Branch in Singapore which is also regulated by the Monetary Authority of Singapore (MAS). The MAS has different capital requirements to Solvency II, known as Risk Based Capital 1 – RBC1. A ring-fenced fund has been established to meet the MAS’s requirements. The Capital Adequacy Ratio (CAR) of the Singapore Branch as at 31 December 2016 was 339%.

The Company’s regulatory capital calculations involve full separate calculations of the SCRs for the ring-fenced fund and residual business. This is in accordance with the Solvency II Standard Formula. The SCR for this ring-fenced fund was €54.2million as at 31 December 2016.

The table above shows the Basic Solvency Capital Requirement ignoring the ring-fenced fund, and adjusts separately for the loss of diversification.

### E.2.2 Minimum Capital Requirement (MCR)

The Company's MCR at the 31 December 2016 was €117.3million.

The calculation of the MCR is as follows:

| | 2016<br>€'M |
|---|---|
| Linear MCR | 117.3 |
| SCR | 330.3 |
| MCR cap (45% of SCR) | 148.6 |
| MCR floor (25% of SCR) | 82.6 |
| Combined MCR | 117.3 |
| Absolute floor of the MCR | 3.6 |
| **Minimum Capital Requirement** | **117.3** |

## E.3 Compliance with the MCR and SCR

The Company was compliant with both the Minimum Capital Requirement and Solvency Capital Requirement at all times during the year.

## Appendix – Quantitative Reporting Templates (QRTs)

The following QRTs were part of the Annual Return submitted to the Central bank of Ireland for the year ended 31 December 2016:

| | |
|---|---|
| S.02.01. | Balance sheet |
| S.05.01. | Premiums, claims and expenses by line of business (non-life) |
| S.05.01. | Premiums, claims and expenses by line of business (life) |
| S.05.02. | Premiums, claims and expenses by country (non-life) |
| S.05.02. | Premiums, claims and expenses by country (life) |
| S.12.01. | Life and Health SLT Technical Provisions |
| S.17.01. | Non-Life Technical Provisions |
| S.19.01. | Non-Life insurance claims - Accident Year |
| S.23.01. | Own Funds |
| S.25.01. | Solvency Capital Requirement - for undertakings on Standard Formula |
| S.28.01. | Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity |

**S.02.01.02**
**Balance sheet**

| | | Solvency II value |
|---|---|---|
| | **Assets** | C0010 |
| R0010 | Goodwill | |
| R0020 | Deferred acquisition costs | |
| R0030 | Intangible assets | |
| R0040 | Deferred tax assets | 5,195,141.00 |
| R0050 | Pension benefit surplus | |
| R0060 | Property, plant & equipment held for own use | 3,161,834.35 |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 3,122,237,800.01 |
| R0080 | *Property (other than for own use)* | |
| R0090 | *Holdings in related undertakings, including participations* | |
| R0100 | *Equities* | |
| R0110 | *Equities - listed* | |
| R0120 | *Equities - unlisted* | |
| R0130 | *Bonds* | 3,078,331,365.64 |
| R0140 | *Government Bonds* | 246,290,520.59 |
| R0150 | *Corporate Bonds* | 2,829,385,774.86 |
| R0160 | *Structured notes* | |
| R0170 | *Collateralised securities* | 2,655,070.19 |
| R0180 | *Collective Investments Undertakings* | 43,906,434.36 |
| R0190 | *Derivatives* | |
| R0200 | *Deposits other than cash equivalents* | |
| R0210 | *Other investments* | |
| R0220 | Assets held for index-linked and unit-linked contracts | |
| R0230 | Loans and mortgages | |
| R0240 | *Loans on policies* | |
| R0250 | *Loans and mortgages to individuals* | |
| R0260 | *Other loans and mortgages* | |
| R0270 | Reinsurance recoverables from: | 545,837,972.42 |
| R0280 | *Non-life and health similar to non-life* | 1,856,426.01 |
| R0290 | *Non-life excluding health* | 1,856,426.01 |
| R0300 | *Health similar to non-life* | |
| R0310 | *Life and health similar to life, excluding index-linked and unit-linked* | 543,981,546.41 |
| R0320 | *Health similar to life* | 15,244,832.66 |
| R0330 | *Life excluding health and index-linked and unit-linked* | 528,736,713.75 |
| R0340 | *Life index-linked and unit-linked* | |
| R0350 | Deposits to cedants | 30,180,392.55 |
| R0360 | Insurance and intermediaries receivables | 215,788,681.31 |
| R0370 | Reinsurance receivables | 266,706,621.08 |
| R0380 | Receivables (trade, not insurance) | 24,044,502.75 |
| R0390 | Own shares (held directly) | |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | |
| R0410 | Cash and cash equivalents | 33,709,175.78 |
| R0420 | Any other assets, not elsewhere shown | |
| R0500 | **Total assets** | 4,246,862,121.25 |

**S.02.01.02**
**Balance sheet**

| | | Solvency II value |
|---|---|---|
| | **Liabilities** | C0010 |
| R0510 | Technical provisions - non-life | 2,354,431.85 |
| R0520 | *Technical provisions - non-life (excluding health)* | 2,354,431.85 |
| R0530 | *TP calculated as a whole* | |
| R0540 | *Best Estimate* | 2,321,491.33 |
| R0550 | *Risk margin* | 32,940.52 |
| R0560 | *Technical provisions - health (similar to non-life)* | |
| R0570 | *TP calculated as a whole* | |
| R0580 | *Best Estimate* | |
| R0590 | *Risk margin* | |
| R0600 | Technical provisions - life (excluding index-linked and unit-linked) | 3,258,493,287.10 |
| R0610 | *Technical provisions - health (similar to life)* | 19,138,644.57 |
| R0620 | *TP calculated as a whole* | |
| R0630 | *Best Estimate* | 13,443,377.07 |
| R0640 | *Risk margin* | 5,695,267.50 |
| R0650 | *Technical provisions - life (excluding health and index-linked and unit-linked)* | 3,239,354,642.53 |
| R0660 | *TP calculated as a whole* | |
| R0670 | *Best Estimate* | 2,963,082,143.86 |
| R0680 | *Risk margin* | 276,272,498.67 |
| R0690 | Technical provisions - index-linked and unit-linked | |
| R0700 | *TP calculated as a whole* | |
| R0710 | *Best Estimate* | |
| R0720 | *Risk margin* | |
| R0730 | Other technical provisions | |
| R0740 | Contingent liabilities | |
| R0750 | Provisions other than technical provisions | |
| R0760 | Pension benefit obligations | |
| R0770 | Deposits from reinsurers | |
| R0780 | Deferred tax liabilities | 21,609,743.11 |
| R0790 | Derivatives | |
| R0800 | Debts owed to credit institutions | |
| R0810 | Financial liabilities other than debts owed to credit institutions | |
| R0820 | Insurance & intermediaries payables | 262,108,090.04 |
| R0830 | Reinsurance payables | 215,583,244.27 |
| R0840 | Payables (trade, not insurance) | 20,617,186.39 |
| R0850 | Subordinated liabilities | 90,000,000.00 |
| R0860 | *Subordinated liabilities not in BOF* | |
| R0870 | *Subordinated liabilities in BOF* | 90,000,000.00 |
| R0880 | Any other liabilities, not elsewhere shown | |
| R0900 | **Total liabilities** | 3,870,765,982.76 |
| | | |
| R1000 | **Excess of assets over liabilities** | 376,096,138.49 |

**S.05.01.02**

**Premiums, claims and expenses by line of business**

**Non-life**

| | | Line of Business for: non-life insurance and reinsurance obligations (direct | |
|---|---|---|---|
| | | Miscellaneous financial loss | Total |
| | | C0120 | C0200 |
| | **Premiums written** | | |
| R0110 | *Gross - Direct Business* | | |
| R0120 | *Gross - Proportional reinsurance accepted* | | |
| R0130 | *Gross - Non-proportional reinsurance accepted* | | |
| R0140 | *Reinsurers' share* | | |
| R0200 | *Net* | | |
| | **Premiums earned** | | |
| R0210 | *Gross - Direct Business* | | |
| R0220 | *Gross - Proportional reinsurance accepted* | | |
| R0230 | *Gross - Non-proportional reinsurance accepted* | | |
| R0240 | *Reinsurers' share* | | |
| R0300 | *Net* | | |
| | **Claims incurred** | | |
| R0310 | *Gross - Direct Business* | | |
| R0320 | *Gross - Proportional reinsurance accepted* | -347,544.47 | -347,544.47 |
| R0330 | *Gross - Non-proportional reinsurance accepted* | | |
| R0340 | *Reinsurers' share* | -278,035.24 | -278,035.24 |
| R0400 | *Net* | -69,509.23 | -69,509.23 |
| | **Changes in other technical provisions** | | |
| R0410 | *Gross - Direct Business* | | |
| R0420 | *Gross - Proportional reinsurance accepted* | -1,960,811.00 | -1,960,811.00 |
| R0430 | *Gross - Non-proportional reinsurance accepted* | | |
| R0440 | *Reinsurers' share* | -1,568,649.00 | -1,568,649.00 |
| R0500 | *Net* | -392,162.00 | -392,162.00 |
| R0550 | **Expenses incurred** | 425,433.87 | 425,433.87 |
| R1200 | **Other expenses** | | 45,620.51 |
| R1300 | **Total expenses** | | 471,054.38 |

**S.05.01.02**

**Premiums, claims and expenses by line of business**

**Life**

| | | Life reinsurance obligations | | |
|---|---|---|---|---|
| | | **Health reinsurance** | **Life reinsurance** | **Total** |
| | | C0270 | C0280 | C0300 |
| | **Premiums written** | | | |
| R1410 | *Gross* | 60,155,834.14 | 461,601,114.02 | 521,756,948.16 |
| R1420 | *Reinsurers' share* | 46,640,898.94 | 363,641,080.01 | 410,281,978.95 |
| R1500 | *Net* | 13,514,935.20 | 97,960,034.01 | 111,474,969.21 |
| | **Premiums earned** | | | |
| R1510 | *Gross* | 60,252,480.02 | 462,676,854.85 | 522,929,334.87 |
| R1520 | *Reinsurers' share* | 46,717,926.46 | 364,504,671.36 | 411,222,597.82 |
| R1600 | *Net* | 13,534,553.56 | 98,172,183.49 | 111,706,737.05 |
| | **Claims incurred** | | | |
| R1610 | *Gross* | 27,823,941.08 | 645,614,184.23 | 673,438,125.31 |
| R1620 | *Reinsurers' share* | 21,985,358.21 | 369,882,635.73 | 391,867,993.94 |
| R1700 | *Net* | 5,838,582.87 | 275,731,548.50 | 281,570,131.37 |
| | **Changes in other technical provisions** | | | |
| R1710 | *Gross* | 7,481,480.36 | -205,141,086.29 | -197,659,605.93 |
| R1720 | *Reinsurers' share* | 5,481,138.41 | -88,618,707.79 | -83,137,569.38 |
| R1800 | *Net* | 2,000,341.95 | -116,522,378.50 | -114,522,036.55 |
| R1900 | **Expenses incurred** | 6,258,990.92 | 42,200,592.52 | 48,459,583.44 |
| R2500 | **Other expenses** | | | 4,516,430.63 |
| R2600 | **Total expenses** | | | 52,976,014.07 |

**S.05.02.01**

**Premiums, claims and expenses by country**

| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 |
|---|---|---|---|---|---|---|---|---|
| | **Non-life** | **Home Country** | **Top 5 countries (by amount of gross premiums written) - non-life obligations** | | | | | **Total Top 5 and home country** |
| R0010 | | | | | | | | |
| | | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |
| | **Premiums written** | | | | | | | |
| R0110 | *Gross - Direct Business* | | | | | | | |
| R0120 | *Gross - Proportional reinsurance accepted* | | | | | | | |
| R0130 | *Gross - Non-proportional reinsurance accepted* | | | | | | | |
| R0140 | *Reinsurers' share* | | | | | | | |
| R0200 | *Net* | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | **Premiums earned** | | | | | | | |
| R0210 | *Gross - Direct Business* | | | | | | | |
| R0220 | *Gross - Proportional reinsurance accepted* | | | | | | | |
| R0230 | *Gross - Non-proportional reinsurance accepted* | | | | | | | |
| R0240 | *Reinsurers' share* | | | | | | | |
| R0300 | *Net* | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | **Claims incurred** | | | | | | | |
| R0310 | *Gross - Direct Business* | | | | | | | |
| R0320 | *Gross - Proportional reinsurance accepted* | -347,544.47 | | | | | | -347,544.47 |
| R0330 | *Gross - Non-proportional reinsurance accepted* | | | | | | | |
| R0340 | *Reinsurers' share* | 278,035.24 | | | | | | 278,035.24 |
| R0400 | *Net* | -625,579.71 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -625,579.71 |
| | **Changes in other technical provisions** | | | | | | | |
| R0410 | *Gross - Direct Business* | | | | | | | |
| R0420 | *Gross - Proportional reinsurance accepted* | -1,960,811.00 | | | | | | -1,960,811.00 |
| R0430 | *Gross - Non-proportional reinsurance accepted* | | | | | | | |
| R0440 | *Reinsurers' share* | 1,568,649.00 | | | | | | 1,568,649.00 |
| R0500 | *Net* | -3,529,460.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -3,529,460.00 |
| R0550 | **Expenses incurred** | 425,433.87 | | | | | | 425,433.87 |
| R1200 | **Other expenses** | | | | | | | 45,620.51 |
| R1300 | **Total expenses** | | | | | | | 471,054.38 |

**S.05.02.01**

**Premiums, claims and expenses by country**

| | | C0150 | C0160 | C0170 | C0180 | C0190 | C0200 | C0210 |
|---|---|---|---|---|---|---|---|---|
| | **Life** | **Home Country** | **Top 5 countries (by amount of gross premiums written) - life obligations** | | | | | **Total Top 5 and home country** |
| R1400 | | | **GB** | **FR** | **IN** | **ES** | **SG** | |
| | | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 |
| | **Premiums written** | | | | | | | |
| R1410 | *Gross* | 51,312,273.67 | 170,137,283.39 | 70,611,174.65 | 64,955,565.25 | 32,820,161.91 | 30,892,951.86 | 420,729,410.73 |
| R1420 | *Reinsurers' share* | 41,049,818.94 | 119,096,098.37 | 56,488,939.72 | 51,964,452.20 | 26,256,129.53 | 24,714,361.49 | 319,569,800.25 |
| R1500 | *Net* | 10,262,454.73 | 51,041,185.02 | 14,122,234.93 | 12,991,113.05 | 6,564,032.38 | 6,178,590.37 | 101,159,610.49 |
| | **Premiums earned** | | | | | | | |
| R1510 | *Gross* | 50,993,671.35 | 169,965,116.16 | 70,609,276.29 | 65,083,450.12 | 32,776,276.91 | 31,035,419.17 | 420,463,210.00 |
| R1520 | *Reinsurers' share* | 40,794,937.08 | 118,975,581.31 | 56,487,421.03 | 52,066,760.10 | 26,221,021.53 | 24,828,335.34 | 319,374,056.38 |
| R1600 | *Net* | 10,198,734.27 | 50,989,534.85 | 14,121,855.26 | 13,016,690.02 | 6,555,255.38 | 6,207,083.83 | 101,089,153.62 |
| | **Claims incurred** | | | | | | | |
| R1610 | *Gross* | 45,510,549.16 | 409,246,095.10 | 29,368,007.16 | 56,392,027.88 | 24,547,926.65 | 20,415,604.72 | 585,480,210.67 |
| R1620 | *Reinsurers' share* | 36,408,439.33 | 286,472,266.57 | 23,494,405.73 | 45,113,622.30 | 19,638,341.32 | 16,332,483.78 | 427,459,559.03 |
| R1700 | *Net* | 9,102,109.83 | 122,773,828.53 | 5,873,601.43 | 11,278,405.58 | 4,909,585.33 | 4,083,120.94 | 158,020,651.64 |
| | **Changes in other technical provisions** | | | | | | | |
| R1710 | *Gross* | 933,560.24 | -194,325,619.54 | 14,671,296.52 | 311,482.24 | -3,995.00 | 313,002.49 | -178,100,273.05 |
| R1720 | *Reinsurers' share* | 746,848.19 | -136,027,933.68 | 11,737,037.22 | 249,185.79 | -3,196.00 | 250,401.99 | -123,047,656.49 |
| R1800 | *Net* | 186,712.05 | -58,297,685.86 | 2,934,259.30 | 62,296.45 | -799.00 | 62,600.50 | -55,052,616.56 |
| R1900 | **Expenses incurred** | 6,124,562.33 | 19,768,289.62 | 20,565,900.11 | 5,219,604.50 | 7,624,327.40 | 2,086,049.64 | 61,388,733.58 |
| R2500 | **Other expenses** | | | | | | | 3,641,916.42 |
| R2600 | **Total expenses** | | | | | | | 65,030,650.00 |

**S.12.01.02**
**Life and Health SLT Technical Provisions**

| | | Accepted reinsurance | Total (Life other than health insurance, incl Unit-linked) | Health reinsurance (reinsurance accepted) | Total (Health similar to life insurance) |
|---|---|---|---|---|---|
| | | C0100 | C0150 | C0200 | C0210 |
| R0010 | **Technical provisions calculated as a whole** | | | | |
| R0020 | 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 | | | | |
| | **Technical provisions calculated as a sum of BE and RM** | | | | |
| | **Best estimate** | | | | |
| R0030 | **Gross Best Estimate** | 2,963,082,143.86 | 2,963,082,143.86 | 13,443,377.07 | 13,443,377.07 |
| R0080 | Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | 528,736,713.75 | 528,736,713.75 | 15,244,832.66 | 15,244,832.66 |
| R0090 | Best estimate minus recoverables from reinsurance/SPV and Finite Re | 2,434,345,430.11 | 2,434,345,430.11 | -1,801,455.59 | -1,801,455.59 |
| R0100 | **Risk margin** | 276,272,498.67 | 276,272,498.67 | 5,695,267.50 | 5,695,267.50 |
| | **Amount of the transitional on Technical Provisions** | | | | |
| R0110 | Technical Provisions calculated as a whole | | | | |
| R0120 | Best estimate | | | | |
| R0130 | Risk margin | | | | |
| R0200 | **Technical provisions - total** | 3,239,354,642.53 | 3,239,354,642.53 | 19,138,644.57 | 19,138,644.57 |

**S.17.01.02**
**Non-Life Technical Provisions**

| | | Direct business and accepted proportional reinsurance | Total Non-Life obligation |
|---|---|---|---|
| | | Miscellaneous financial loss | |
| | | C0130 | C0180 |
| R0010 | **Technical provisions calculated as a whole** | | |
| R0050 | 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 | | |
| | **Technical provisions calculated as a sum of BE and RM** | | |
| | **Best estimate** | | |
| | **Premium provisions** | | |
| R0060 | **Gross - Total** | 1,035,084.33 | 1,035,084.33 |
| R0140 | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | 827,300.01 | 827,300.01 |
| R0150 | **Net Best Estimate of Premium Provisions** | 207,784.32 | 207,784.32 |
| | **Claims provisions** | | |
| R0160 | **Gross - Total** | 1,286,407.00 | 1,286,407.00 |
| R0240 | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | 1,029,126.00 | 1,029,126.00 |
| R0250 | **Net Best Estimate of Claims Provisions** | 257,281.00 | 257,281.00 |
| R0260 | **Total best estimate - gross** | 2,321,491.33 | 2,321,491.33 |
| R0270 | **Total best estimate - net** | 465,065.32 | 465,065.32 |
| R0280 | **Risk margin** | 32,940.52 | 32,940.52 |
| | **Amount of the transitional on Technical Provisions** | | |
| R0290 | TP as a whole | | |
| R0300 | Best estimate | | |
| R0310 | Risk margin | | |
| R0320 | **Technical provisions - total** | 2,354,431.85 | 2,354,431.85 |
| R0330 | **Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - tota** | 1,856,426.01 | 1,856,426.01 |
| R0340 | **Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total** | 498,005.84 | 498,005.84 |

**S.19.01.21**
**Non-Life insurance claims**

**Total Non-life business**

Z0010 **Accident year / underwriting year** Accident Year

**Gross Claims Paid (non-cumulative)**
(absolute amount)

| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0170 | C0180 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Year** | | | | | **Development year** | | | | | | | **In Current** | **Sum of years** |
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | **year** | **(cumulative)** |
| R0100 | Prior | | | | | | | | | | | 0.00 | 0.00 | 0.00 |
| R0160 | N-9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 |
| R0170 | N-8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | 0.00 | 0.00 |
| R0180 | N-7 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | | 0.00 | 0.00 |
| R0190 | N-6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | | | 0.00 | 0.00 |
| R0200 | N-5 | 0.00 | 362,463.15 | 461,949.77 | 17,032.41 | 139,013.60 | 0.00 | | | | | | 0.00 | 980,458.93 |
| R0210 | N-4 | 1,684,754.45 | 4,008,183.35 | 672,848.71 | 1,014,781.16 | 100,353.73 | | | | | | | 100,353.73 | 7,480,921.40 |
| R0220 | N-3 | 1,256,249.98 | 1,866,658.30 | 896,521.40 | 112,844.42 | | | | | | | | 112,844.42 | 4,132,274.10 |
| R0230 | N-2 | 731,291.35 | 934,264.84 | 125,413.46 | | | | | | | | | 125,413.46 | 1,790,969.65 |
| R0240 | N-1 | 459,664.76 | 586,502.69 | | | | | | | | | | 586,502.69 | 1,046,167.45 |
| R0250 | N | 219,534.38 | | | | | | | | | | | 219,534.38 | 219,534.38 |
| R0260 | | | | | | | | | | | | **Total** | 1,144,648.68 | 15,650,325.91 |

**S.19.01.21**
**Non-Life insurance claims**

**Total Non-life business**

Z0010 **Accident year / underwriting year** Accident Year

**Gross undiscounted Best Estimate Claims Provisions**
(absolute amount)

| | | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0360 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Year** | **Development year** | | | | | | | | | | | **Year end (discounted data)** |
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | |
| R0100 | Prior | | | | | | | | | | | 2,170.00 | 2,170.00 |
| R0160 | N-9 | 0.00 | 0.00 | 0.00 | 0.00 | 34,821.78 | 36,420.88 | 911.83 | 911.83 | 911.83 | 912.00 | | 912.00 |
| R0170 | N-8 | 0.00 | 0.00 | 0.00 | 606,492.68 | 231,350.14 | 357,630.17 | 363,105.86 | 347,688.39 | 333,369.60 | | | 333,369.60 |
| R0180 | N-7 | 0.00 | 0.00 | 2,579,697.71 | 1,644,603.90 | 1,409,414.97 | 1,256,609.22 | 1,219,930.98 | 1,200,446.40 | | | | 1,200,446.40 |
| R0190 | N-6 | 0.00 | 5,819,731.67 | 3,537,393.31 | 2,812,891.55 | 2,407,465.33 | 2,264,311.32 | 2,206,213.06 | | | | | 2,206,213.06 |
| R0200 | N-5 | 6,361,104.25 | 2,954,543.24 | 1,558,206.26 | 1,382,265.34 | 1,219,534.32 | 1,187,568.31 | | | | | | 1,187,568.31 |
| R0210 | N-4 | 5,124,084.54 | 2,587,187.35 | 2,231,247.94 | 1,515,678.19 | 1,392,389.91 | | | | | | | 1,392,389.91 |
| R0220 | N-3 | 4,362,928.88 | 3,253,328.03 | 1,350,243.26 | 1,296,496.19 | | | | | | | | 1,296,496.19 |
| R0230 | N-2 | 4,368,659.00 | 982,447.43 | 751,133.37 | | | | | | | | | 751,133.37 |
| R0240 | N-1 | 1,824,049.64 | 688,882.57 | | | | | | | | | | 688,882.57 |
| R0250 | N | 1,209,875.77 | | | | | | | | | | | 1,209,875.77 |
| R0260 | | | | | | | | | | | | **Total** | 10,269,457.18 |

**S.23.01.01**
**Own Funds**

| | | Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|
| | **Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35** | C0010 | C0020 | C0030 | C0040 | C0050 |
| R0010 | Ordinary share capital (gross of own shares) | 771,545.00 | 771,545.00 | | 0.00 | |
| R0030 | Share premium account related to ordinary share capital | | 0.00 | | 0.00 | |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings | 201,331,154.43 | 201,331,154.43 | | 0.00 | |
| R0050 | Subordinated mutual member accounts | | | 0.00 | 0.00 | 0.00 |
| R0070 | Surplus funds | | 0.00 | | | |
| R0090 | Preference shares | | | 0.00 | 0.00 | 0.00 |
| R0110 | Share premium account related to preference shares | | | 0.00 | 0.00 | 0.00 |
| R0130 | Reconciliation reserve | 173,993,439.06 | 173,993,439.06 | | | |
| R0140 | Subordinated liabilities | 90,000,000.00 | | 90,000,000.00 | 0.00 | 0.00 |
| R0160 | An amount equal to the value of net deferred tax assets | | | | | 0.00 |
| R0180 | Other own fund items approved by the supervisory authority as basic own funds not specified above | | 0.00 | 0.00 | 0.00 | 0.00 |
| | **Own funds from the financial statements that should not be represented by the reconciliation reserve** | | | | | |
| R0220 | Own funds from the financial statements that should not be represented by the reconciliation reserve and | 0.00 | < Note: this deduction now included in R0290/C0020 | | | |
| | **Deductions** | | | | | |
| R0230 | Deductions for participations in financial and credit institutions | | 0.00 | 0.00 | 0.00 | |
| R0290 | **Total basic own funds after deductions** | 466,096,138.49 | 376,096,138.49 | 90,000,000.00 | | |
| | **Ancillary own funds** | | | | | |
| R0300 | Unpaid and uncalled ordinary share capital callable on demand | | | | | |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | | | | | |
| R0320 | Unpaid and uncalled preference shares callable on demand | | | | | |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand | | | | | |
| R0340 | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | | | | | |
| R0350 | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | | | | | |
| R0360 | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | | | | | |
| R0370 | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | | | | | |
| R0390 | Other ancillary own funds | | | | | |
| R0400 | **Total ancillary own funds** | | | | | |

**S.23.01.01**

**Own Funds**

**Available and eligible own funds**

| | | | | | | |
|---|---|---|---|---|---|---|
| R0500 | Total available own funds to meet the SCR | 466,096,138.49 | 376,096,138.49 | 90,000,000.00 | | |
| R0510 | Total available own funds to meet the MCR | 466,096,138.49 | 376,096,138.49 | 90,000,000.00 | | |
| R0540 | Total eligible own funds to meet the SCR | 466,096,138.49 | 376,096,138.49 | 90,000,000.00 | | |
| R0550 | Total eligible own funds to meet the MCR | 466,096,138.49 | 376,096,138.49 | 90,000,000.00 | | |

| | | |
|---|---|---|
| R0580 | **SCR** | 330,283,944.35 |
| R0600 | **MCR** | 117,331,765.75 |
| R0620 | **Ratio of Eligible own funds to SCR** | 141.12% |
| R0640 | **Ratio of Eligible own funds to MCR** | 397.25% |

| | | |
|---|---|---|
| | **Reconcilliation reserve** | C0060 |
| R0700 | Excess of assets over liabilities | 376,096,138.49 |
| R0710 | Own shares (held directly and indirectly) | 0.00 |
| R0720 | Foreseeable dividends, distributions and charges | |
| R0730 | Other basic own fund items | 202,102,699.43 |
| R0740 | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced | 0.00 |
| R0760 | **Reconciliation reserve** | 173,993,439.06 |

**Expected profits**

| | | |
|---|---|---|
| R0770 | Expected profits included in future premiums (EPIFP) - Life business | 261,236,284.92 |
| R0780 | Expected profits included in future premiums (EPIFP) - Non- life business | |
| R0790 | **Total Expected profits included in future premiums (EPIFP)** | 261,236,284.92 |

**S.25.01.21**

**Solvency Capital Requirement - for undertakings on Standard Formula**

| | | Gross solvency capital requirement | USP | Simplifications |
|---|---|---|---|---|
| | | C0110 | C0080 | C0090 |
| R0010 | Market risk | 141,793,421.56 | | |
| R0020 | Counterparty default risk | 12,990,309.57 | | |
| R0030 | Life underwriting risk | 260,911,673.91 | | |
| R0040 | Health underwriting risk | 16,987,710.46 | | |
| R0050 | Non-life underwriting risk | 394,058.36 | | |
| R0060 | Diversification | -96,454,111.52 | | |
| R0070 | Intangible asset risk | 0.00 | | |
| R0100 | **Basic Solvency Capital Requirement** | 336,623,062.33 | | |

| | | C0100 |
|---|---|---|
| | **Calculation of Solvency Capital Requirement** | |
| R0130 | Operational risk | 22,158,604.20 |
| R0140 | Loss-absorbing capacity of technical provisions | -6,887,973.66 |
| R0150 | Loss-absorbing capacity of deferred taxes | -21,609,748.51 |
| R0160 | Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC | 0.00 |
| R0200 | **Solvency Capital Requirement excluding capital add-on** | 330,283,944.35 |
| R0210 | Capital add-ons already set | 0.00 |
| R0220 | **Solvency capital requirement** | 330,283,944.35 |
| | **Other information on SCR** | |
| R0400 | Capital requirement for duration-based equity risk sub-module | 0.00 |
| R0410 | Total amount of Notional Solvency Capital Requirements for remaining part | 276,081,009.76 |
| R0420 | Total amount of Notional Solvency Capital Requirements for ring fenced funds | 54,202,934.59 |
| R0430 | Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | 0.00 |
| R0440 | Diversification effects due to RFF nSCR aggregation for article 304 | 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 |
|---|---|---|
| R0010 | $MCR_{NL}$ Result | 86,502.15 |

| | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|---|---|
| | | C0020 | C0030 |
| R0020 | Medical expense insurance and proportional reinsurance | | |
| R0030 | Income protection insurance and proportional reinsurance | | |
| R0040 | Workers' compensation insurance and proportional reinsurance | | |
| R0050 | Motor vehicle liability insurance and proportional reinsurance | | |
| R0060 | Other motor insurance and proportional reinsurance | | |
| R0070 | Marine, aviation and transport insurance and proportional reinsurance | | |
| R0080 | Fire and other damage to property insurance and proportional reinsurance | | |
| R0090 | General liability insurance and proportional reinsurance | | |
| R0100 | Credit and suretyship insurance and proportional reinsurance | | |
| R0110 | Legal expenses insurance and proportional reinsurance | | |
| R0120 | Assistance and proportional reinsurance | | |
| R0130 | Miscellaneous financial loss insurance and proportional reinsurance | 465,065.32 | |
| R0140 | Non-proportional health reinsurance | | |
| R0150 | Non-proportional casualty reinsurance | | |
| R0160 | Non-proportional marine, aviation and transport reinsurance | | |
| R0170 | Non-proportional property reinsurance | | |

**S.28.01.01**

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

| | **Linear formula component for life insurance and reinsurance obligations** | C0040 |
|---|---|---|
| R0200 | $MCR_L$ Result | 117,245,263.60 |

| | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|---|---|---|---|
| | | C0050 | C0060 |
| R0210 | Obligations with profit participation - guaranteed benefits | | |
| R0220 | Obligations with profit participation - future discretionary benefits | | |
| R0230 | Index-linked and unit-linked insurance obligations | | |
| R0240 | Other life (re)insurance and health (re)insurance obligations | 2,432,543,974.52 | |
| R0250 | Total capital at risk for all life (re)insurance obligations | | 94,516,914,479.69 |

| | **Overall MCR calculation** | C0070 |
|---|---|---|
| R0300 | Linear MCR | 117,331,765.75 |
| R0310 | SCR | 330,283,944.35 |
| R0320 | MCR cap | 148,627,774.96 |
| R0330 | MCR floor | 82,570,986.09 |
| R0340 | Combined MCR | 117,331,765.75 |
| R0350 | Absolute floor of the MCR | 3,600,000.00 |
| | | |
| R0400 | **Minimum Capital Requirement** | 117,331,765.75 |