RGA International Reinsurance Company dac

Solvency and Financial Condition Report (SFCR)

31 December 2020

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.), the ultimate parent company in the Group whose corporate headquarters is located in St. Louis, Missouri and 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 Company operates a branch in the United Kingdom under the Temporary Permissions Regime "TPR" and is authorised to continue carrying on reinsurance activities until such time as the Prudential Regulation Authority authorises the Third Country Branch application. 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 and other parts of South East Asia.

The Company reinsures life products primarily covering mortality risk, morbidity 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.

2020 Company performance

The gross earned premium in 2020 was €913.3 million (2019: €840.3 million). As part of the Company's capital and risk management strategy a significant amount of risk is ceded to other group companies. The net retained earned premium decreased by 33% from €158.0 million to €105.4 million. This was primarily due to the restructuring of retrocessions during the year.

The Company generated a profit before tax of €50.8million (2019: €41.2million).

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

Governance

The Company is subject to and complies with the Corporate Governance Requirements for Insurance Undertakings 2015 issued by the Central Bank of Ireland. 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 49% (2019: 50%) and 43% (2019: 42%) of the Company's solvency capital requirement respectively. 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.

The ongoing COVID-19 global pandemic continues to cause increases in mortality, morbidity and other insurance risks, as well as significant disruption in the local and international economies and financial markets. During 2020 the daily operations were not impacted or disrupted and the Company continued to successfully serve its clients.

The risks to the financial statements include:

i) investments: increased risk of loss on investments due to default or deterioration in credit quality or value;

ii) insurance liabilities and related balances: potential changes to assumptions regarding investment returns, mortality, morbidity and policyholder behaviour which are reflected in insurance liabilities and other assets and liabilities.

The extent to which the Company's future results continue to be affected by COVID-19 will largely depend on, among other factors, country-specific circumstances, measures by public and private institutions, COVID-19's impact on all other causes of death and the timing of effective treatments and/or a vaccine for COVID-19.

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 2020, were €965.2 million (2019: €887.5 million) as opposed to the Shareholder's Funds in the Financial Statements of €1,076.5 million (2019: €878.5 million). 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 was as follows:

Solvency Ratio	2020 €'M	2019 €'M
Eligible Own funds	965.2	887.5
Solvency Capital Requirement (SCR)	607.6	613.1
Solvency Ratio	**159%**	**145%**

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 was as follows:

Minimum Solvency Ratio	2020 €'M	2019 €'M
Eligible Own funds	965.2	887.5
Minimum Capital Requirement (MCR)	151.9	161.0
Minimum Solvency Ratio	**635%**	**551%**

The Company has maintained compliance with all the solvency requirements throughout the year.

Board Approval

This report was approved for publication by the Board of Directors on 6th April 2021.

Patricia Kavanagh
Managing Director

Emer Daly
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 24 June 2003 and has established branch offices in the U.K., France, Spain, Italy, the Netherlands, Germany, Poland and Singapore. 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
  D18 X5T1

The Company is authorised by the Central Bank of Ireland to carry out life and non-life reinsurance in accordance with the Insurance Acts, as defined in the European Union (Insurance and Reinsurance) Regulations 2015, SI. 485 of 2015, and applicable European Commission Delegated Regulations and Implementing Regulations as designated enactments in section 2(2A) of the Central Bank Act 1942.

- Principal Office:
  Central Bank of Ireland
  New Wapping Street
  North Wall Quay
  Dublin 1

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

The Company operates a branch in the United Kingdom under the Temporary Permissions Regime "TPR" and is authorised to continue carrying on reinsurance activities until such time as the Prudential Regulation Authority authorises the Third Country Branch application.

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 Bermuda Monetary Authority. RGA Americas 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:

Mr. Glenn Gillard
Deloitte Ireland LLP
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
D02 AY28

1.4 Related Parties

Share Capital

The Company has issued €0.9million of ordinary share capital to its sole Shareholder RGA Americas. The share capital is fully paid.

The Company did not issue additional ordinary share capital during the year.

Share Premium

The Company has Share Premium of €105.5million from RGA Americas.

The Company did not issue additional share premium during the year.

Capital Contributions

RGA Group has made capital contributions to the Company of €241.3million. The Company has no obligation to repay the contributions. The Company did not receive any additional capital contributions during the year.

Sub-ordinated loan note

The Company has a €116 million (2019: €90 million) perpetual sub-ordinated loans from RGA Americas Reinsurance Company Ltd, the Company's immediate parent. The original loan was received in October 2015 and this was further increased by €26 million in June 2020. The Company pays interest on this debt at the Euribor rate plus one and a half percentage points. Subordinated Loan Agreements are in place 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 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.

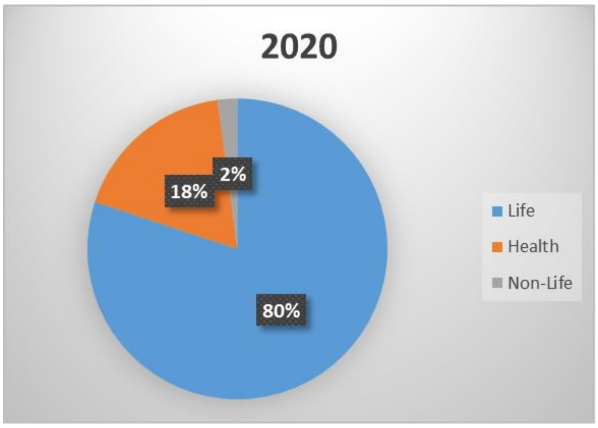
Administrative Services

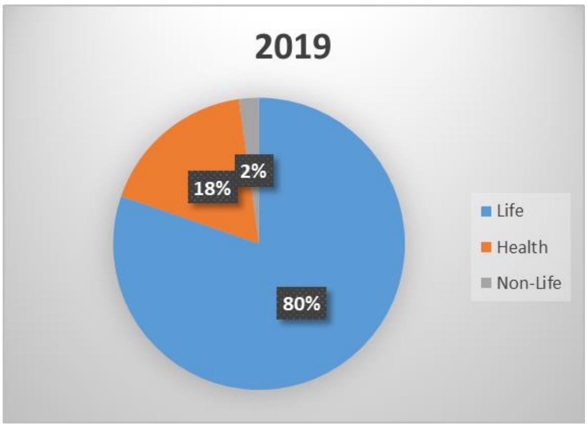
RGA Inc. and its subsidiaries ("the Group") avail of several shared services and outsourcing arrangements. Charges for these services are calculated on cost plus basis, with the mark-ups being consistent with both local tax guidelines and the OECD's Base Erosion and Profit Shifting (BEPS) recommendations.

1.5 Material Lines of Business

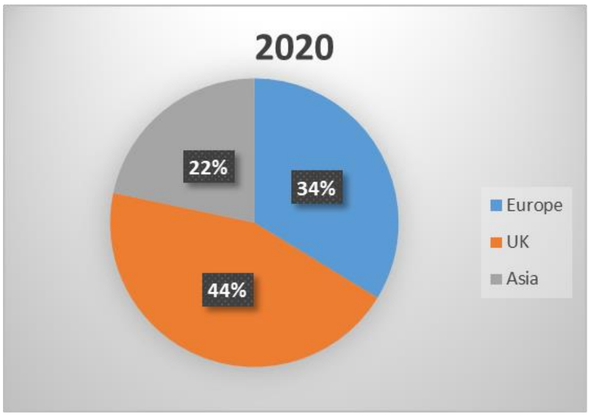
The Company reinsures life products primarily covering mortality risk, morbidity risk, annuity risk, and all related riders. In addition, reinsurance is offered for accidental death and dismemberment, disability income, total permanent disability, and critical illness coverages. Additional solutions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

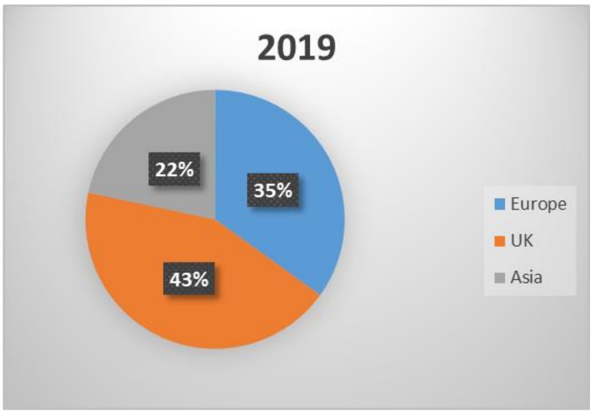
The gross earned premium in 2020 was €913.3million (2019: €840.3million). The growth of the company was 8.7%.





The geographical premium split was as follows:





1.6 Impacts of Covid-19 on the Company's operating practices

The Covid-19 pandemic has meant that staff were working remotely for the most part of the 2020 and continue to do so in 2021. This change did not cause any disruption or have a material impact on the ability of the Company to perform its business activities.

A.2 Underwriting 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:

	2020	**2019**
	€'M	**€'M**
Gross Premium Earned	913.3	840.3
Gross Benefits (Claims incurred & reserve movement)	(823.3)	(737.6)
Experience Refunds	(74.3)	(4.0)
Investment Returns from Dedicated Asset Intensive Portfolios	162.3	121.6
Gross Underwriting Profit	**178.0**	**220.3**
Investment Returns from Other Investments	13.1	17.0
Other Income	14.8	5.4
Reinsurance Arrangements	(100.9)	(140.5)
Operating Expenses	(54.2)	(61.0)
Profit before Tax	**50.8**	**41.2**

The increase 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:

2020	Life €'M	Health €'M	Non-Life €'M	Total €'M
Gross Premiums Earned	733.3	160.7	19.3	913.3
Gross benefits	(697.7)	(117.3)	(8.3)	(823.3)
Experience refund	(70.8)	(1.4)	(2.1)	(74.3)
Investment Returns from asset intensive portfolios	162.3	-	-	162.3
Gross Underwriting Profit	**127.1**	**42.0**	**8.9**	**178.0**
2019	**Life €'M**	**Health €'M**	**Non-Life €'M**	**Total €'M**
Gross Premiums Earned	674.5	147.2	18.6	840.3
Gross benefits	(636.3)	(95.8)	(5.5)	(737.6)
Experience refund	(3.5)	(0.1)	(0.4)	(4.0)
Investment Returns from asset intensive portfolios	121.6	-	-	121.6
Gross Underwriting Profit	**156.3**	**51.3**	**12.7**	**220.3**

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

2020	Continental Europe €'M	UK €'M	Asia €'M	Total €'M
Gross Premiums Earned	306.2	408.4	198.7	913.3
Gross benefits	(190.7)	(442.0)	(190.6)	(823.3)
Experience refund	(73.0)	-	(1.3)	(74.3)
Investment Returns from asset intensive portfolios	-	162.3	-	162.3
Gross Underwriting Profit	**42.5**	**128.7**	**6.8**	**178.0**
2019	**Continental Europe €'M**	**UK €'M**	**Asia €'M**	**Total €'M**
Gross Premiums Earned	293.7	364.4	182.2	840.3
Gross benefits	(184.8)	(389.4)	(163.4)	(737.6)
Experience refund	(2.0)	-	(2.0)	(4.0)
Investment Returns from asset intensive portfolios	-	121.6	-	121.6
Gross Underwriting Profit	**106.9**	**96.6**	**16.8**	**220.3**

The gross earned premium in 2020 was €913.3million (2019: €840.3million). The growth of the company was 8.7%. The growth by Geographical region was: Europe – 5.2%; UK – 12.1% and Asia – 9.1%.

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 €162.3million (2019: €121.6million). 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 €178.0million (2019: €220.3million).

On 11th March the Company acquired by way of reinsurance, a UK block of annuities in payment and received a portfolio of assets of €251.6m.

On 31st December the Company disposed by way of a recapture, a UK block of annuities in payment and paid as consideration a portfolio of assets of €616.5m.

A.3 Investment Performance

The Investment return comprised on the follows:

	2020 €'M	2019 €'M
Investment Return from Asset Intensive Porfolios	162.3	121.6
Investment Return from Other Investment Portfolios	13.1	17.1
	175.4	138.7

The Investment Return for the Company was as follows:

2020	Fixed income securities €'M	Short term investments €'M	Other investments €'M	Total €'M
Interest receivable	159.3	0.1	(0.3)	159.1
Net amortised discounts and premiums	(29.7)	-	-	(29.7)
Investment expenses	(5.7)	-	-	(5.7)
Investment Income	123.9	0.1	(0.3)	123.7
Realised gains	51.7	0.0	-	51.7
	175.6	0.1	(0.3)	175.4

2019	Fixed income securities €'M	Short term investments €'M	Other investments €'M	Total €'M
Interest receivable	154.2	0.1	0.4	154.7
Net amortised discounts and premiums	(28.2)	(0.1)	(0.1)	(28.4)
Investment expenses	(5.3)	-	-	(5.3)
Investment Income	120.7	0.0	0.3	121.0
Realised gains	17.7	0.0	(0.1)	17.6
	138.5	0.0	0.2	138.7

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 €175.4million (2019: €138.7million).

The Company, to support its operations, collects cash flows from both coupon interest payments and the sale of financial assets. Therefore, in accordance with IAS 39 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 €248.2million of pre-tax unrealised gain (2019: €298.1million pre-tax unrealised loss) as fair value through Other Comprehensive Income.

A.4 Performance of other activities

A.4.1 Non-Underwriting income

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

	2020 €'M	2019 €'M
Financial Reinsurance Fees	7.4	5.3
Foreign Exchange Loss / Gain	7.4	0.1
	14.8	5.4

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

A.4.2 Expenses

The Company’s operating expenses comprised the following:

	2020	2019
	€'M	€'M
Acquisition costs	86.2	84.7
Change in deferred acquisition costs	(10.5)	(14.8)
Administration expenses	45.2	51.0
Gross operating expenses	120.9	120.9
Reinsurance commissions and profit participation	(66.7)	(59.9)
Net operating expenses	54.2	61.0

The level of incurred acquisition costs has increased in line with growth of the business.

A.4.3 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 was to reduce the Company's profit before tax by €101.0million (2019: €140.4million). This reduction was primarily due to the restructuring of retrocessions on the 1st April 2020.

A.5 Any other information

No other items to note.

B - System of Governance and Management Controls

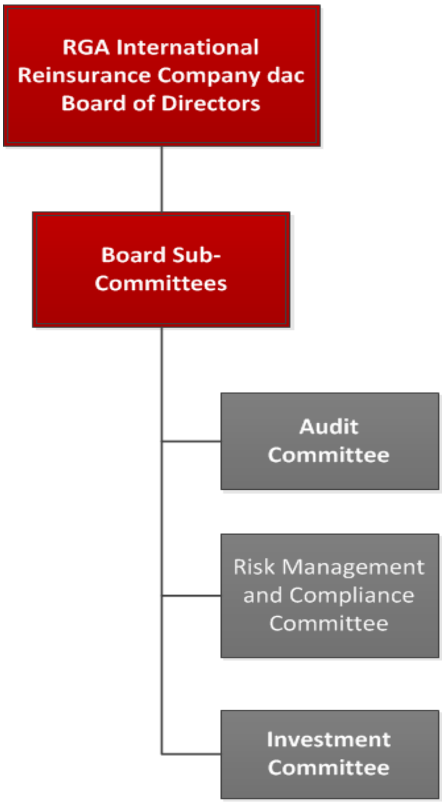
B.1 General information of the system of governance

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, RGA Inc. The Board is chaired by a Group Director and has two Independent Non-Executive Directors. The Board has established three sub-committees which 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 for the Company and its regulated branches.
- Ensure the Company and its branches are 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.
- Oversee the activities of the Singapore branch.

Audit Committee

During 2020 the Committee consists of two independent Non-Executive Directors, one Non-Executive Director and one Group Non-Executive Director. Executive Directors and senior management attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive actuarial, life insurance, finance, audit, risk management, investment, regulatory, compliance and operations 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 chair 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.
- Approve the Internal Audit Charter and rolling Audit Plan annually.
- Oversee the performance and effectiveness of the Company's finance function, internal audit function and External Auditor.
- Identify risks with respect to financial reporting.
- Review the actuarial function and its performance.

- Review and monitor management's response to any findings and recommendations of the Head of Actuarial Function and the Actuarial Peer reviewer.
- Oversee sound business practices within the Company.
- Ensure it understands the Company's structure, controls and types of transactions 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

During 2020 the Committee consists of two independent Non-Executive Directors, one Non-Executive Director, one Group Non-Executive Director and one Executive Director. The Chief Risk Officer and other Senior Executives attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive actuarial, life insurance, finance, audit, risk management, investment, regulatory, compliance and operations experience.

The Committee meets at least four times a year. The chairperson of the Committee is a 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 and in accordance with the Company's risk appetite and culture; 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.
- To oversee the audit and risk management committees in Singapore and the UK.
- Manage the "Own Risk and Solvency Assessment" on behalf of the Board and to assess its adequacy.
- To review and assess management of outsourcing risk.
- Monitor and review the implementation of the Company's risk appetite and culture through 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

During 2020 the Committee consists of two independent Non-Executive Directors, one Non-Executive Director, one Group Non-Executive Director and one Executive Director. Executive and Group Non-Executive Directors and senior management attend the Committee by invitation. The attendees of the Committee on a combined basis have extensive actuarial, life insurance, finance, audit, risk management, investment, regulatory, compliance and operations 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 Investment Committee are to:

- Monitor and ensure the assets of the Company are properly managed in all jurisdictions in which the Company operates
- 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.
- 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 Owners ("ROs"). 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 is employed by RGA Enterprise Services Company. 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. The Company operates a rolling risk adjusted audit plan to ensure that main risks are audited in a continual cycle, adjusted for risk-based prioritisation. Further information on this independence is provided in section B.6.

Compliance Function:

The Head of Compliance ("HoC") is independent of the business units and reports on compliance with Company policies, legislative and regulatory requirements. The HoC's role is discussed in detail in section B.5.5. The HoC 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 Financial 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 and solvency to the Audit Committee and senior management.
- 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 financial metrics 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 both financial and non-financial metrics.

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:

	2020 €'M	2019 €'M
Employee Costs	17.2	22.5

Employee numbers grew by 4% during the year. Covid-19 impacted the overall group performance and resulted in a reduced performance related compensation for employees.

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

	2020 €'M	2019 €'M
Aggregate amount of Emoluments paid to Directors	1.4	1.2
Aggregate amount of sums paid to Defined Contribution Pension schemes	0.1	0.1
Long Term Incentive Plans	0.2	0.5
	1.7	1.8

There were no material transactions with persons who may exert 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" as set out under the Central Bank of Ireland Fitness and Probity Standards issued under Section 50 of the Central Bank Reform Act 2010. It also sets outs the requirements of the Financial Conduct Authority for the UK Branch and the Monetary Authority of Singapore for the Singapore Branch.

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 set out the qualities needed for senior management and Director Positions. These include both professional competences 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 interview 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, 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.
- Self-Certification of fitness and probity by the applicant.

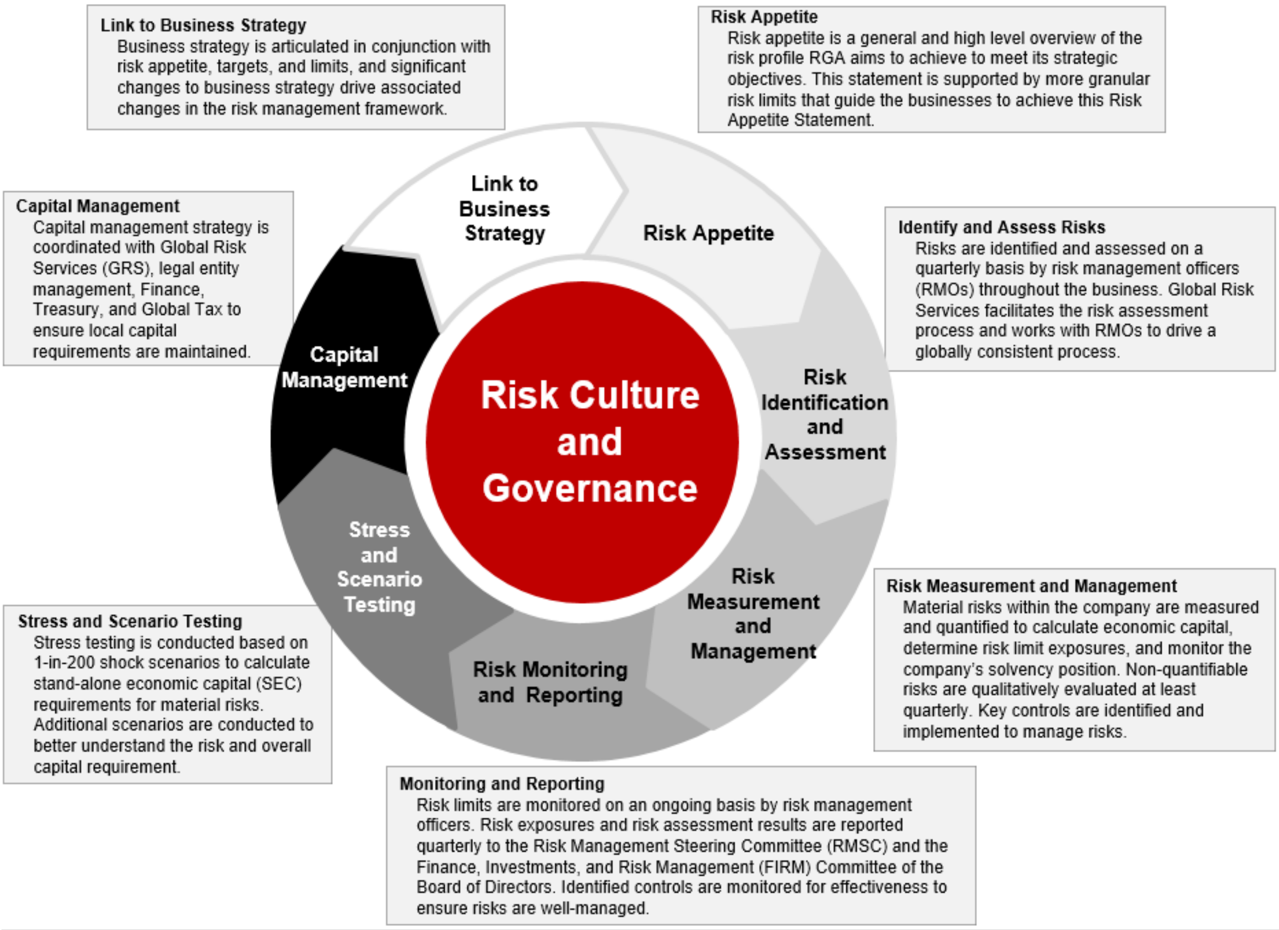
The Company assesses fitness and probity requirements through annual performance reviews. Senior managers and Directors are required to certify annually that they continue to be fit and proper in accordance with those standards to perform their function.

In accordance with the Minimum Competency Regulations issued by the Central Bank of Ireland the Company completes an assessment of all controlled functions and has identified the individuals that fall within scope, including those conducting reinsurance distribution as defined under the European Union (Insurance Distribution) Regulations 2018. These individuals will complete the annual 15 hours CPD requirement which will be evidenced through a CPD log on Company's Learning Exchange system or completion of professional CPD requirements from a professional qualification. The relevant individuals also complete an annual attestation of their compliance with this requirement.

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

Risk management is integrated within the business planning and strategy setting of the Company 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, reduce operational losses and protect its reputation and brand, through an enhanced understanding of risks which feeds into the decision-making process.

We have a robust risk governance framework with transparency of risks to senior management and the Board, and 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 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 Risk Management Function across all countries within the Company reinforcing the message of openness and accountability.

B.3.2 Risk Policy Framework

As part of the Risk Governance Framework, the Company maintains risk policies that are reviewed, and Board approved on a periodic basis to ensure that the key messages align to the Group's values, the Company's values, and Solvency II requirements.

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

- **The Risk Management Strategy**
  The Risk Management Strategy is an overarching policy 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 and Limits Statement.

- **The Enterprise Risk Management Framework**
  The Enterprise Risk Management Framework 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 Limits Statement**
  The purpose of the Risk Appetite and Limits Statement is to define the level and nature of risks which the Board's Risk Management and Compliance Committee (RMCC) considers acceptable. This document defines the boundaries which the Company will accept.

  The Company's Risk Appetite and Limits Statement is set in the context of both its overall business objectives and its risk strategy. Risk strategy and risk appetite are dynamic concepts. Risk appetite is a mechanism supporting the evaluation of strategic opportunities and decisions. If an opportunity is outside of the Company's risk appetite, an 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 to its risk categories.

B.3.3 Risk Categories

The Company's risks are categorised as Insurance, Market, Credit, Capital, Strategic and Operational. This is in line with industry best practices and the way that the Company manages and quantifies risks and its required capital.

B.3.4 Risk Assessment process

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 business model.

The Risk Management Function facilitates the quarterly risk assessment process as described in the Board approved ERM Framework. Risk Assessments are performed every quarter using a consistent risk assessment methodology.

In summary the Risk Assessment process encompasses:

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

B.3.5 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") process is a key element of the Risk Control Cycle. The ORSA provides management with a mechanism to assess the risks faced by the Company and to determine the level of capital required to ensure that the Company meets its strategic objectives.

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

An annual ORSA report is produced summarising the activities of the year and analysing the risks the Company faces. The report contains a multi-year projections 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.3.6 Use of the ORSA

The projections used in the development of the ORSA report are a valuable management tool. Between reports, the projections are used to project future capital usage 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.3.7 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 Company believes that appropriate risk management practice is to invest its own funds in assets of currencies in proportion to the risks faced by the Company. The Standard Formula calculates the risk exposure for Currency Risk as the difference between the assets and liabilities in all of its "foreign" currencies. For this reason, the Company is subject to a higher Currency SCR than it considers necessary. The Company further believes that this is unduly punitive and that it discourages good risk management practices with respect to currency.

B.3.8 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 are engaged in the development of the ORSA process. The ORSA is performed in accordance with the ORSA Policy of the Company that is reviewed annually and approved by its Board.

The plan for the ORSA report is presented to the Committees in the first meeting of each year to allow the members to provide guidance and feedback on the risks to be considered during the year. The stress tests included in the ORSA are forward looking but also take past experience into account.

The most recent ORSA report was submitted to the Central Bank of Ireland in November 2020.

B.4 Internal control system

B.4.1 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.4.2 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.	• Tier 1 and Tier 2 compliance policies • Organisational structure • Audit Committee oversight • HR policies, including management compensation programmes • Pricing Polices • Fraud programs and controls (including whistleblower) • Reporting Policy, including error escalation procedures
Risk Assessment is the identification, analysis and management of risks.	• Monitoring for changes that potentially can affect the Company • Review of significant accounting estimates • Consideration of the possibility for unrecorded transactions • Identification and assessment of fraud risks • 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 • Audit Committee oversight • Process for monitoring the functioning of significant controls • 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 • IT applications • Written job descriptions • 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 • Safeguarding of physical assets • Segregation of duties • Business planning and budgetary processes

B.4.3 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. The Company has a separate outsourcing policy.

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.4.4 Roles and Responsibilities

The Board approves the policies that define the internal control framework of the Company.

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.4.5 Compliance Function

The Head of Compliance (“HoC”) 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 HoC is positioned independently of the business. It oversees and reports directly to the Managing Director and provides regular updates on compliance matters. In addition, the HoC reports quarterly to the Risk Management and Compliance Committee of the Board.

The Compliance Function is described in the Compliance Policy, Compliance Charter and Framework. 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.
- Ensuring a fit for purpose compliance framework is in place for the management of compliance risks.
- Act as one of the primary contacts with regulatory authorities in Ireland, EU countries where RGAI has branches and the UK.
- Own compliance policies and recommend changes as required. Present new or amended policies for the approval of the relevant governance committees, as appropriate.
- Provide any other such reports as may be required from time to time to the Risk Management and Compliance Committee, Audit Committee and Board.

B.5 Internal audit

Introduction

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

An internal audit charter and an internal audit policy have been developed. The charter and the policy are presented to the Audit Committee annually for review and approval. There were no significant changes to the charter or policy during 2020.

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 role.

Authority

The Internal Audit Function has full, free, and unrestricted access to 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 team of auditors based in London and Dublin who carry out operational audits covering the Company's branch offices including Dublin headquarters and the UK and 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, corporate functions and information technology.
- An Asia Pacific audit team based in Hong Kong who conduct audits on the Company's Singapore branch, and offices such as India where the Company has written business.
- 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 Audit Committee, at least annually, the organisational independence of the internal audit function.

Internal audit planning

Annually, Internal Audit updates the risk-based rolling audit plan, which the Head of Internal Audit or his delegate presents to the Audit Committee for approval. Any subsequent changes to the plan are communicated to the Audit Committee as part of Internal Audit's Activity Report.

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 promote remediation by management on a timely basis.

Issue tracking status and details of any significantly overdue items are included in Internal Audit's regular Activity Reports to the Audit Committee.

B.6 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 of 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 prepares and submits the annual Actuarial Report on Technical Provisions and Actuarial Opinions on Technical Provisions, Underwriting policy and the Adequacy of Reinsurance Arrangements. The HoAF also produces written reports that are 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.7 Outsourcing

Given the nature, size and complexity of the Company it is intentionally organised to leverage the Group's expertise. Through the implementation of intra-group outsourcing arrangements, the Company can efficiently manage operational expenses, while properly managing risks, by 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, IT data storage, actuarial, payroll and tax.

The Company has implemented an outsourcing policy, in keeping with system of governance requirements under Statutory Instrument 485, 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 a business continuity plan in place which is reviewed 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
Intra-group (RGA companies)		
Investment Management	RGA UK Capital 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, DPO, finance, internal audit and risk management	RGA UK Services Limited	United Kingdom
Investment Management, administration, treasury, tax, finance, internal audit, Executive, Risk Management, actuarial valuation, IT and data security	RGA Enterprise Services Company	United States of America
Business support services including administration, finance, actuarial valuation and legal and Executive	RGA International Corporation	Canada
Underwriting Services	LOGiQ³ Corp.	Canada
Administration and Compliance	RGA Services (Singapore) PTE. LTD.	Singapore
Business Support Services	RGA Global Shared Services India Private Limited	India
External		
Investment Management	AllianceBernstein Limited Barings Asset Management Limited AVIVA Investors Global Services Limited	United Kingdom
Longevity Administration	JLT Benefit Solutions Limited*	United Kingdom
Certifying Actuary	Willis Towers Watson	Singapore

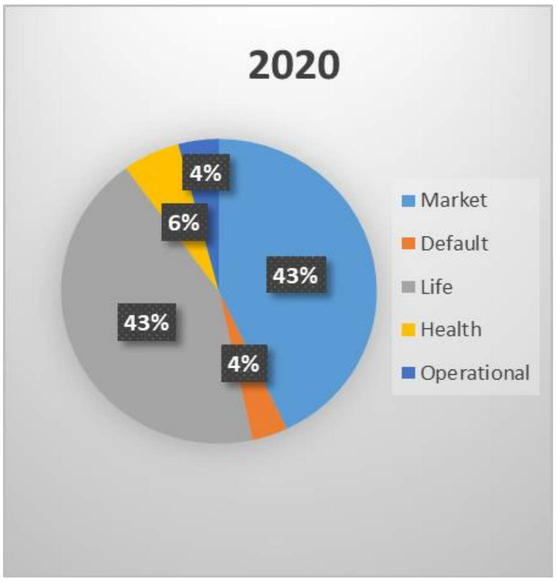
* JLT Benefit Solutions Limited is a sub-outsourcer via RGA UK Services Limited.

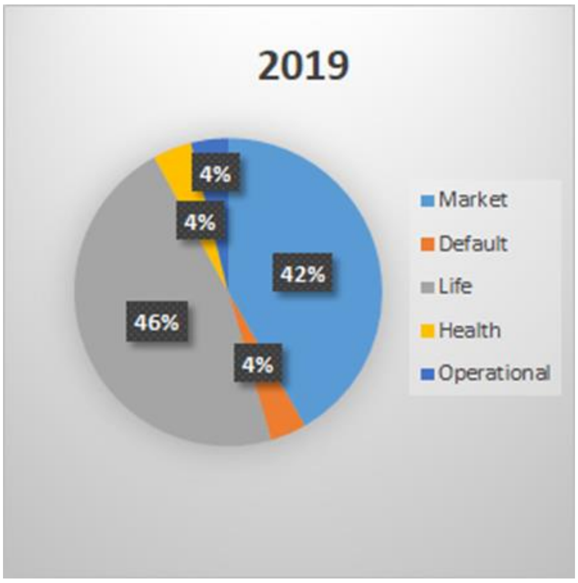
B.8 Any other information

No other items to note.

C - Risk Profile

The risk profile of the Company is weighted towards life and health insurance underwriting 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.



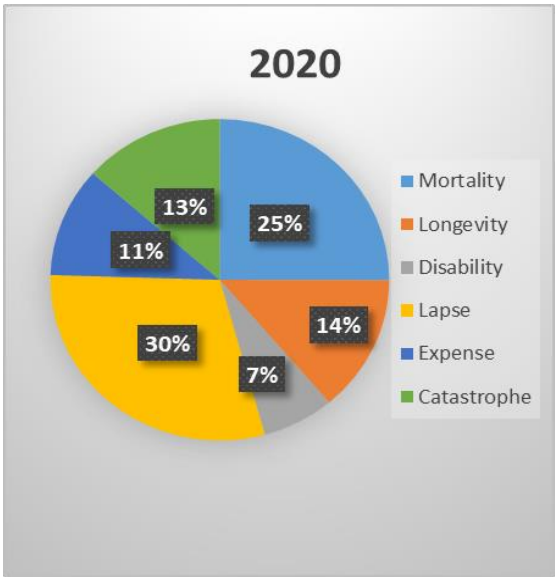


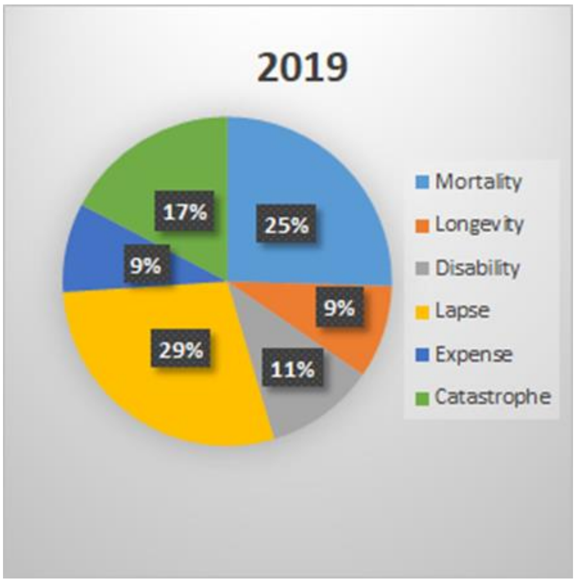
All Solvency Capital Requirements ("SCRs") have been calculated net of retrocession. The risk profile of the Company, as represented by the relative size of each element of the SCRs, is similar in both years although there has been some growth in the percentage of the Company's capital requirement arising from market risks (2020: 43%, 2019: 42%) relative to insurance risks (2020: 49%, 2019: 50%).

C.1 Underwriting risk

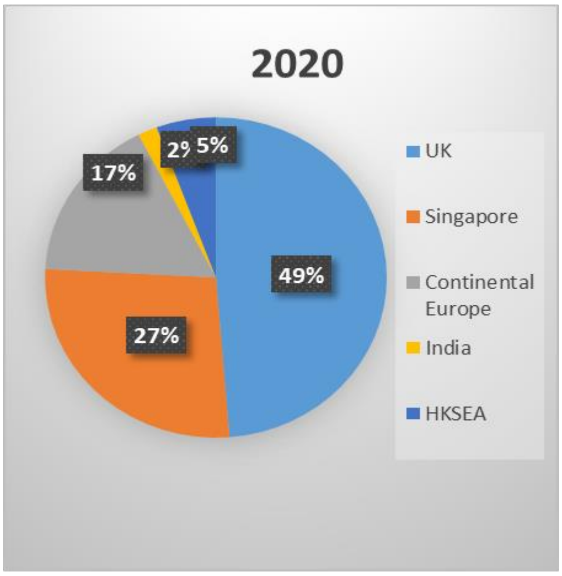
Within insurance underwriting risk, capital requirements relating to the Company's life protection businesses dominate, i.e. mortality, disability and lapse risks. Longevity risk relating to its reinsurance of annuity business continues to increase due to new business written, leading to improved diversification benefits.

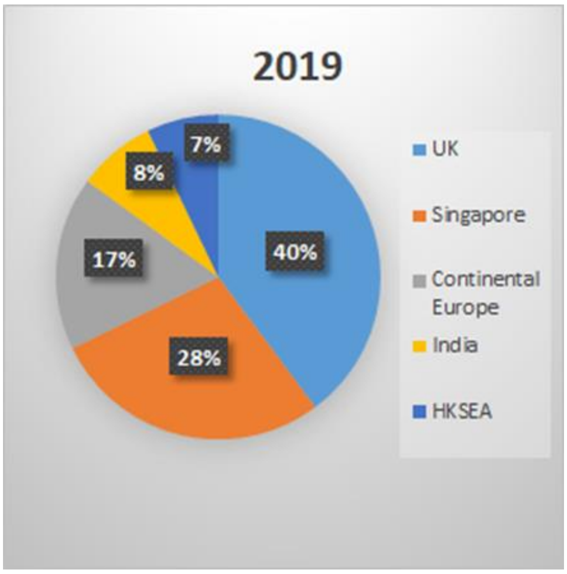
As illustrated by the following chart, the Company's mortality risks (including mortality catastrophe) make up 38% (2019: 42%) of its underwriting risk capital requirements. When combined with lapse and disability risk, the capital requirements from its protection business makes up 75% (2019: 82%) of the Company's underwriting risk capital requirements.





Within insurance risk, the Company achieves some diversification through its geographic diversity.



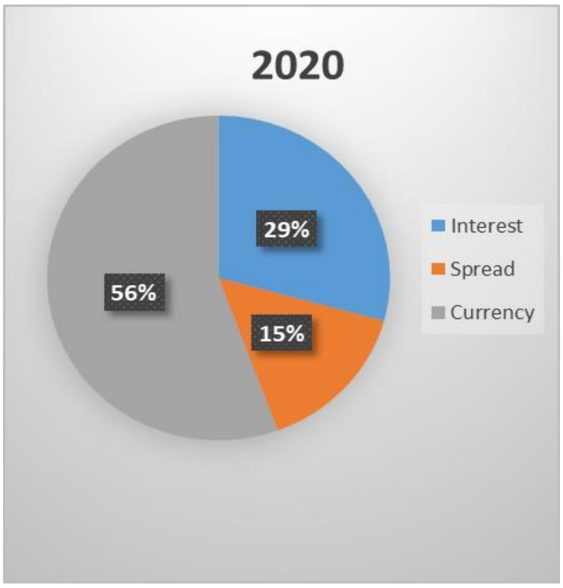


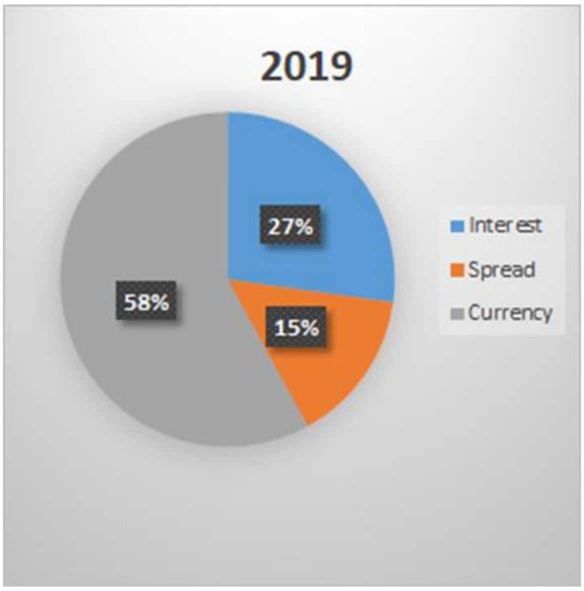
The UK branch, at 49% of the total insurance underwriting risk capital requirement (2019: 40%), contributes significantly to the risk profile of the Company. UK longevity business creates a level of diversification within the branch. Outside of the UK, operations in Singapore and Continental Europe also contribute significantly.

Overall the Company considers its insurance risks to be well diversified.

C.2 Market risk

Within the market risk category, the Company's exposure to the major sub-categories of risk is as follows:





The Company manages its exposure to currency and interest rate risks through the matching of its assets to its technical provisions and capital requirements. The Company manages its exposures to spread risk through a prudent investment philosophy of asset selection and diversification.

C.3 Credit risk

Credit risk manifests itself on the balance sheet in two forms; the risk that credit spreads on its corporate bonds will expand and the risk that individual companies will default on their 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, its exposure to insurance counterparties, and its third party retrocessionaires.

C.4 Liquidity risk

Liquidity risk is the risk of not having sufficient financial resources available to meet obligations as they fall due, or only being able to secure them at excessive cost.

Liquidity is needed to allow the Company to manage itself over periods of high unanticipated cash outflows. The Company's main sources of liquidity are reinsurance premium income and cash flows from its investment portfolio and other assets, which consist mainly of cash or assets that are readily convertible into cash. Assets are invested in line with the prudent person principle, considering the liquidity requirements of the business and the nature and timing of the insurance liabilities.

In addition, a small number of cedants require 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 €296.1million (2019: €364.6million). 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 highly illiquid.

C.5 Operational risk

Operational risk is an unavoidable part of doing business. A company must 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 to which it is exposed. 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 indicating any changes in the Company's risk profile. The KRI owner (typically Head of the relevant Department) completes the KRIs on a quarterly basis. The Risk Management Team reviews 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 material risks

C.6.1 The Exit of the United Kingdom from the European Union ('Brexit')

On 31 January 2020, the United Kingdom (UK) officially exited the European Union (EU).

In order to secure continuity of service to customers and to minimise disruption, the Company submitted an application to the UK Regulator (the PRA) to authorise the Company's UK Branch as a Third Country Branch. The application was submitted on 21 March 2018 and is with the PRA for consideration and approval.

The UK operated under a transition arrangement with the EU until the 31 December 2020 ("transitional period"). During the transition period EU law applied to the UK under the terms set out in the Withdrawal Agreement Act. Passporting rights for EEA firms continued for the duration of the transition period. The UK has legislated that a Temporary Permissions Regime (TPR) is effective from the end of the transition period. RGAI has PRA permission to continue carrying out business in the UK in the longer term under the TPR and until such time as the Prudential Regulation Authority (PRA) approves the transition of the RGAI UK branch to a Third Country Branch. The TPR ensures the smooth and orderly authorisation process and RGAI is engaging with the PRA.

The Company continues to closely monitor political developments with respect to Brexit as well as any relevant guidance and consultations published in the UK or Europe.

C.6.2 Coronavirus Disease (COVID-19)

The ongoing COVID-19 global pandemic continues to cause increases in mortality, morbidity and other insurance risks, as well as significant disruption in the local and international economies and financial markets, and may continue to adversely impact, the Company's results. Covid-19 has not materially impacted financial results in 2020. The extent to which the Company's future results continue to be affected by COVID-19 will largely depend on, among other factors, country-specific circumstances, measures by public and private institutions, COVID-19's impact on all other causes of death and the timing of effective treatments and/or a vaccine for COVID-19. However, during 2020 the daily operations have not been impacted or disrupted and the company has always been in a position to serve its clients.

C.7 Any Other Information

The Company makes a number of assumptions about the future to compile the financial results. These assumptions relate primarily to future expenses, mortality, morbidity and policyholder lapse rates. The assumptions are informed by an analysis of historic and expected experience.

Sensitivity tests are used to assess the impact of the deviation of actual future experience from that assumed and to understand the volatility of the solvency position. The results of key sensitivity tests are shown in the table below. These were produced based on results from our actuarial models. For each sensitivity test we show the revised solvency ratio following the application of the stress as described in the table.

Solvency Ratio Sensitivities	31 December 2020
Base Scenario	**159%**
5% Permanent Increase in Insurance Mortality	150%
5% Permanent Reduction in Longevity Mortality	155%
Pandemic of 0.5 per mille	154%
16.7% Deterioration in Lapse Rates	154%
5% Increase in Expenses plus 0.5% p.a. Increase in Expense Inflation	152%
10% Increase in Morbidity Rates	155%
200 bps increase in Asset Credit Spreads	143%
10% Change in Foreign Exchange Rates	159%
Decrease in Interest Rates of 1%	141%

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:

2020	SFCR Section	Value per financial Statements	Reclassification	Disallowance	Different Valuation Technique	Value per Regulatory Balance Sheet
		€'M	€'M	€'M	€'M	€'M
Assets						
Deferred Acquisition Costs		44.8	-	(44.8)	-	-
Deferred tax assets	D.1.1	0.6	-		95.0	95.6
Property, plant & equipment held for own use	D.1.2	3.1	-	-	2.0	5.1
Investments	D.1.3	4,547.5	60.7	-	-	4,608.2
Reinsurance recoverables from:	D.1.4	1,951.8	(514.7)	-	(789.3)	647.8
Deposits to cedants	D.1.5	160.3	-	-	-	160.3
Insurance and intermediaries receivables	D.1.6	460.8	-	-	-	460.8
Reinsurance receivables	D.1.7	18.9	514.7	-	-	533.6
Receivables (trade, not insurance)	D.1.8	72.9	(58.7)	-	-	14.2
Cash and cash equivalents	D.1.9	98.1	-	-	-	98.1
		7,358.8	2.0	(44.8)	(692.3)	6,623.7
Liabilities						
Technical provisions	D.2	5,591.1	(603.7)	-	(547.3)	4,440.1
Deferred tax liabilities	D.3.1	120.2	-	-	35.4	155.6
Insurance & intermediaries payables	D.3.2	35.6	603.7	-	-	639.3
Reinsurance payables	D.3.3	404.4	-	-	-	404.4
Payables (trade, not insurance)	D.3.4	15.1	2.0	-	-	17.1
Subordinated liabilities	D.3.5	116.0	-	-	-	116.0
Financial liabilities other than debts owed to credit institutions	D.3.6	-	-	-	2.0	2.0
		6,282.4	2.0	-	(509.9)	5,774.5
Excess of Assets over Liabilities (Shareholder's funds)	E.1.2	1,076.4	(0.0)	(44.8)	(182.3)	849.3

2019	SFCR Section	Value per financial Statements	Reclassification	Disallowance	Different Valuation Technique	Value per Regulatory Balance Sheet
		€'M	€'M	€'M	€'M	€'M
Assets						
Deferred Acquisition Costs		46.9	-	(46.9)	-	-
Deferred tax assets	D.1.1	1.2	-		40.5	41.7
Property, plant & equipment held for own use	D.1.2	4.5	-	-	2.6	7.1
Investments	D.1.3	4,698.6	68.2	-	-	4,766.8
Reinsurance recoverables from:	D.1.4	2,012.9	(341.1)	-	(602.1)	1,069.7
Deposits to cedants	D.1.5	170.7	-	-	-	170.7
Insurance and intermediaries receivables	D.1.6	353.3	-	-	-	353.3
Reinsurance receivables	D.1.7	30.2	341.1	-	-	371.3
Receivables (trade, not insurance)	D.1.8	70.3	(68.2)	-	-	2.1
Cash and cash equivalents	D.1.9	92.8	-	-	-	92.8
		7,481.4	(0.0)	(46.9)	(559.0)	6,875.5
Liabilities						
Technical provisions	D.2	6,078.2	(407.8)	-	(552.9)	5,117.5
Deferred tax liabilities	D.3.1	67.2	-	-	25.5	92.7
Insurance & intermediaries payables	D.3.2	28.3	407.8	-	-	436.1
Reinsurance payables	D.3.3	322.6	-	-	-	322.6
Payables (trade, not insurance)	D.3.4	16.5	-	-	-	16.5
Subordinated liabilities	D.3.5	90.0	-	-	-	90.0
Financial liabilities other than debts owed to credit institutions	D.3.6	-	-	-	2.6	2.6
		6,602.8	-	-	(524.8)	6,078.0
Excess of Assets over Liabilities (Shareholder's funds)	E.1.2	878.6	(0.0)	(46.9)	(34.2)	797.5

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, based on 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 enough 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 the deferred tax amounts held were:

2020	**Solvency II**	**Financial Statements**	**Difference**
	€'M	**€'M**	**€'M**
Deferred tax asset	95.6	0.5	95.1
Deferred tax liability	(155.6)	(120.2)	(35.4)
Net deferred tax liability	(60.0)	(119.7)	59.7

2019	**Solvency II**	**Financial Statements**	**Difference**
	€'M	**€'M**	**€'M**
Deferred tax asset	41.7	1.2	40.5
Deferred tax liability	(92.7)	(67.2)	(25.5)
Net deferred tax liability	(51.0)	(65.9)	14.9

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
Large Software Applications:	10% - 15% per annum depending on expected useful life of the application.

As part of Solvency II reporting, leases are required to be recognised in accordance with IFRS 16. The company prepares its Financial Statement under FRS102 and has not chosen to adopt IFRS16. Hence, the right of use asset in the amount of €2.0million (2019: €2.6million) is the only difference in the carrying value of Plant Property and Equipment between the regulatory balance sheet and the Financial Statements.

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.

	2020 €'M	2019 €'M
Fair value of fixed income securities (as per Financial Statements)	4,499.1	4,663.1
Accrued interest	60.8	68.3
Total value included in the annual regulatory return	4,559.9	4,731.4

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements.

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 as at the 31 December was €48.4million (2019: €35.5million).

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements.

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 €647.8million (2019: €1,069.7million) 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 €1,951.8million (2019: €2,012.9million).

	2020 €'M	2019 €'M
Amounts recoverable from reinsurers per the Financial Statements	1,951.8	2,012.9
Pending Claims Recoverable	(514.7)	(341.1)
Technical provisions less pending claims	1,437.1	1,671.8
Reinsurance Recoverables	647.8	1,069.7
Difference	**789.3**	**602.1**

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 several 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 €160.3million (2019: €170.7million).

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 €460.7million (2019: €353.3million).

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:

	2020 €'M	2019 €'M
Pending Claims Recoverable	514.7	341.1
Settled Claims Recoverable	18.9	30.2
	533.6	371.3

D.1.8 Receivables (trade not insurance).

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

	2020 €'M	2019 €'M
Other including prepaid expenses, tax recoverable & rental deposits	14.2	2.2
	14.2	2.2

D.1.9 Prepayments and Accrued Income

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

a. Interest receivable of €60.8million (2019: €68.3million) which has been included as part of the valuation of fixed income securities on the regulatory balance sheet.
b. Deferred Acquisition Costs of €44.9million (2019: €46.9million). This value is excluded from the regulatory balance sheet in accordance with valuation requirements.

D.1.10 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 €98.1million (2019: €92.8million).

D.2 Technical Provisions

At 31 December 2020 the Company held gross Technical Provisions, valued for regulatory purposes, of €4,440.1million (2019: €5,117.5million). The amounts recoverable from the Company's retrocessionaires was €647.8million (2019: €1,069.7million) (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				
2020	**Life**	**Health**	**Non-Life**	**Total**
	€'M	**€'M**	**€'M**	**€'M**
Gross BEL	3,718.3	(154.1)	11.6	3,575.8
IBNR	251.7	109.4	2.6	363.7
Risk Margin	446.6	53.7	0.3	500.6
Gross Technical Provisions	4,416.6	8.9	14.6	4,440.1
Reinsurance Recoverable	(642.3)	6.2	(11.8)	(647.8)
Net Technical Provision	**3,774.3**	**15.2**	**2.8**	**3,792.3**
2019	**Life**	**Health**	**Non-Life**	**Total**
	€'M	**€'M**	**€'M**	**€'M**
Gross BEL	4,408.0	(134.1)	10.8	4,284.6
IBNR	252.1	88.8	2.8	343.7
Risk Margin	464.0	24.8	0.3	489.1
Gross Technical Provisions	5,124.1	(20.5)	13.9	5,117.5
Reinsurance Recoverable	(1,062.3)	3.5	(10.9)	(1,069.7)
Net Technical Provision	**4,061.8**	**(17.0)**	**3.0**	**4,047.8**

The reduction in the net Technical Provision was driven by the novation of an asset intensive transaction to OmniLife, an RGA sister company. This reduction offset an acquisition, by way of reinsurance, of a new asset intensive transaction and other changes. 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. 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 overhead 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.

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.

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 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.

	2020 €'M	**2019 €'M**
Technical provisions per the Financial Statements	5,591.1	6,078.2
Pending Claims	(603.7)	(407.8)
Technical provisions less pending claims	4,987.4	5,670.4
Technical provisions per Regulatory Balance Sheet	4,440.1	5,117.3
Difference	**547.3**	**553.1**

There is no difference in the carrying value of the IBNR between the regulatory balance sheet and the Financial Statements which was €363.7million (2019: €343.7million).

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. The regulatory assumptions are reviewed and updated to reflect the current best estimate of future experience and are discounted using market risk-free interest rates as regularly published by EIOPA.

The different bases of calculation have generated a difference of €547.3million (2019: €553.1million) as at 31 December.

D.3 Other liabilities

D.3.1 Deferred Tax Liabilities.

The deferred tax liability of €155.6million (2019: €92.7million) is discussed in section D1.1.

D.3.2 Insurance & intermediary payables.

The insurance and intermediary amount payable comprised of the following:

	2020 €'M	2019 €'M
Pending Claims	603.7	407.8
Experience refunds payable	35.6	28.3
	639.3	436.1

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 favorable 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 2020 was €35.6million (2019: €28.3million). There is no difference in the valuation methods between the regulatory balance sheet and the Financial Statements.

D.3.3 Reinsurance Payables

The reinsurance amounts payable comprised of the following:

	2020 €M	2019 €'M
Amounts due to reinsurers	313.0	244.0
Funds withheld liabilities	91.4	78.6
	404.4	322.6

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.

D.3.4 Payables (trade, not insurance)

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

	2020 €'M	2019 €'M
Taxation including social security	4.7	6.3
Investment settlements	2.3	2.2
Accrued expenses and employee benefits payable	8.1	8.0
	15.1	16.5

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.

D.3.5 Subordinate Loan

There is no difference in the carrying value between the regulatory balance sheet and the Financial Statements which was €116.0million (2019: €90.0million).

D.3.6 Financial liabilities other than debts owed to credit institutions

As part of Solvency II reporting, leases are required to be recognised in accordance with IFRS 16. The company prepares its Financial Statement under FRS102 and has not chosen to adopt IFRS16. Hence, the lease liability in the amount of €2.0million (2019 : €2.6million) is the only difference in the carrying value of financial liabilities other than debts owed to credit institutions the regulatory balance sheet and the Financial Statements.

D.4 Alternative methods for valuation

Commercial mortgage loans represent approximately less than 2% of the company cash and invested assets as of 31 December 2020.

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. Fair values are determined using prices quoted in active markets. In some instances, such price information is not available, and the Company applies valuation techniques to measure such instruments.

The fair value of commercial mortgage loans on real estate is estimated by discounting cash flows, both principal and interest, using current interest rates for mortgage loans with similar credit ratings and similar remaining maturities. As such, inputs include current treasury yields and spreads, which are based on the credit rating and average life of the loan, corresponding to the market spreads.

The value of the commercial mortgage loans in the regulatory balance sheet is €91.5million (2019: €73.7million).

D.5 Any other information

D.5.1 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 FRS102 Balance Sheet.

These commitments are as follows:

	2020	**2019**
	€'M	**€'M**
Within one year	0.9	1.1
Between one and five years	2.1	2.4
After five years	0.1	0.6
	3.1	4.1

E – Capital Management

E.1 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 shown below.

Solvency Ratio	**2020 €'M**	**2019 €'M**
Eligible Own funds	965.2	887.5
Solvency Capital Requirement (SCR)	607.6	613.1
Solvency Ratio	**159%**	**145%**

Minimum Solvency Ratio	**2020 €'M**	**2019 €'M**
Eligible Own funds	965.2	887.5
Minimum Capital Requirement (MCR)	151.9	161.0
Minimum Solvency Ratio	**635%**	**551%**

The Company's Own Funds, SCR and MCR have changed due to new business, changes in business flows, changes in economic conditions and changes in valuation assumptions in 2020.

The objectives of the Company are to maintain enough Own Funds to cover the SCR and MCR with an appropriate buffer set by the Board. Most of the 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 three-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 €965.2million (2019: €887.5million).

There funds were classified as follows:

	2020 €'M	2019 €'M
Tier 1 - Unrestricted		
Alloted, Called Up and Fully Paid Share Capital	0.9	0.9
Additional Capital Contributions	241.3	241.3
Share Premium	105.6	105.6
Reconciliation Reserve	501.4	449.7
Excess of Assets over Liabilities	849.2	797.5
Tier 1 - Restricted		
Subordinated Loan Note	116.0	90.0
Tier 2	-	-
Tier 3	-	-
Total Eligible Own Funds	**965.2**	**887.5**

The Company has issued a subordinated loan note of €116million (2019: €90million) to RGA Americas. The original loan was received in October 2015 and this was further increased by €26 million in June 2020.

The reconciliation reserve increased by €51.7million during the year. This increase was a result of the Company changing its retrocession programme; market impacts on the valuation the assets and liabilities; the disposal and acquisitions of annuities in payment and underwriting experience.

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

	2020 €'M Total	2020 €'M Tier 1 Unrestricted
Total available own funds to meet the SCR	965.2	849.2
Total available own funds to meet the MCR	965.2	849.2

	2019 €'M Total	2019 €'M Tier 1 Unrestricted
Total available own funds to meet the SCR	887.5	797.5
Total available own funds to meet the MCR	887.5	797.5

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

	2020 €'M	2019 €'M
Shareholder's funds per the Financial Statements	1,076.5	878.5
Subordinated loan	116.0	90.0
Add the reduction in gross technical provisions	547.2	553.1
Less deferred acquisition costs	(44.8)	(46.9)
Less reduction in amounts recoverable from the reinsurer	(789.4)	(602.1)
Change in deferred taxes	59.7	14.9
Total own funds	**965.2**	**887.5**

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

The Company has adopted the 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 2020 was €607.6million (2019: €613.0million). The following table shows the breakdown of the SCR:

	2020 €'M	2019 €'M
Basic Solvency Capital Requirement		
Market risk	376.4	363.2
Counterparty default risk	31.8	32.9
Life underwriting risk	380.6	405.0
Health underwriting risk	51.4	35.4
Non-life underwriting risk	2.2	2.2
Diversification	(214.3)	(206.8)
Total Basic Solvency Capital Requirement	**628.1**	**631.8**
Operational risk	36.4	34.0
Adjustment due to ring fenced funds	13.2	13.0
Loss absorbing capacity of technical provisions	(11.1)	(14.1)
Loss absorbing capacity of deferred taxes	(59.0)	(51.7)
Total Solvency Capital Requirement (SCR)	**607.6**	**613.0**

The main drivers for the change in the SCR have been offsetting movements in the Market, Life and Health SCRs. The increase in the Market SCR is due to increases in the Interest and Currency SCRs, due to market movements and changes in volumes (due to business growth and changes in business flows). The reduction in the Life SCR is due to changes in business flows for business from Singapore and Other Asia. The increase in the Health SCR is due to changes in business mix.

Singapore Branch – Ring Fenced Fund

The Singapore Branch is also regulated by the Monetary Authority of Singapore (MAS). The MAS has different capital requirements to Solvency II, known as Risk Based Capital – RBC. 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 2020 was 3,774% (2019: 417%).

The Company’s regulatory capital calculations involve full separate calculations of the SCRs for the ring-fenced fund and main fund business. This is in accordance with the Solvency II Standard Formula. The SCR for this ring-fenced fund is €156.9million (2019: €159.1million).

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 2020 was €151.9million (2019: €161.0million).

The calculation of the MCR is as follows:

	2020	2019
	€'M	€'M
Linear MCR	128.9	161.0
SCR	607.6	613.1
MCR cap (45% of SCR)	273.4	275.9
MCR floor (25% of SCR)	151.9	153.3
Combined MCR	151.9	161.0
Absolute floor of the MCR	3.6	3.6
Minimum Capital Requirement	151.9	161.0

The floor of 25% of the SCR has applied, based on the Solvency II Standard Formula. Before the application of the floor, the MCR reduced due to a reduction in the capital at risk, driven by increased retrocession of business from Singapore and Other Asia.

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

The Company does not have equity risk exposure and does not use the duration-based equity risk sub-module.

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

The Company uses the standard formula to calculate the SCR.

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

The Company was continuously compliant with both the Minimum Capital Requirement and Solvency Capital Requirement during the year.

E.6 Any other information

No other items to note.

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 2020; all figures shown in the templates are in EUR thousands:

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

RGA International Reinsurance Company dac

Solvency and Financial Condition Report

Disclosures

31 December

2020

(Monetary amounts in EUR thousands)

General information

Undertaking name	RGA International Reinsurance Company dac
Undertaking identification code	01TRDHWDCL69YP41S025
Type of code of undertaking	LEI
Type of undertaking	Reinsurance undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2020
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.12.01.02 - Life and Health SLT Technical Provisions
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	95,610
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	5,094
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	4,516,553
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	4,468,192
R0140	*Government Bonds*	582,571
R0150	*Corporate Bonds*	3,878,467
R0160	*Structured notes*	0
R0170	*Collateralised securities*	7,155
R0180	*Collective Investments Undertakings*	48,361
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	91,466
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	91,466
R0270	Reinsurance recoverables from:	647,809
R0280	*Non-life and health similar to non-life*	11,764
R0290	*Non-life excluding health*	11,764
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	636,044
R0320	*Health similar to life*	-6,236
R0330	*Life excluding health and index-linked and unit-linked*	642,280
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	160,301
R0360	Insurance and intermediaries receivables	460,761
R0370	Reinsurance receivables	533,632
R0380	Receivables (trade, not insurance)	14,115
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	98,070
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	6,623,411

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	14,545
R0520	*Technical provisions - non-life (excluding health)*	14,545
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	14,266
R0550	*Risk margin*	278
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	4,425,550
R0610	*Technical provisions - health (similar to life)*	8,875
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	-44,785
R0640	*Risk margin*	53,660
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	4,416,675
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	3,970,055
R0680	*Risk margin*	446,620
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	155,552
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	2,035
R0820	Insurance & intermediaries payables	639,331
R0830	Reinsurance payables	404,175
R0840	Payables (trade, not insurance)	17,062
R0850	Subordinated liabilities	116,000
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	116,000
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	5,774,249
R1000	**Excess of assets over liabilities**	849,161

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 business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business																	0
R0120	Gross - Proportional reinsurance accepted												19,393					19,393
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share												14,794					14,794
R0200	Net												4,599					4,599
	Premiums earned																	
R0210	Gross - Direct Business																	0
R0220	Gross - Proportional reinsurance accepted												19,393					19,393
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share												14,794					14,794
R0300	Net												4,599					4,599
	Claims incurred																	
R0310	Gross - Direct Business																	0
R0320	Gross - Proportional reinsurance accepted												6,707					6,707
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share												5,364					5,364
R0400	Net												1,343					1,343
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted												1,583					1,583
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share												1,266					1,266
R0500	Net												317					317
R0550	**Expenses incurred**												3,980					3,980
R1200	**Other expenses**																	
R1300	**Total expenses**																	3,980

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross							164,200	732,724	896,924
R1420	Reinsurers' share							138,947	657,160	796,107
R1500	Net							25,252	75,564	100,816
	Premiums earned									
R1510	Gross							163,242	733,306	896,548
R1520	Reinsurers' share							138,103	655,285	793,388
R1600	Net							25,139	78,021	103,160
	Claims incurred									
R1610	Gross							98,104	879,540	977,644
R1620	Reinsurers' share							86,031	601,309	687,339
R1700	Net							12,073	278,231	290,305
	Changes in other technical provisions									
R1710	Gross							19,210	-181,769	-162,559
R1720	Reinsurers' share							16,802	-33,122	-16,320
R1800	Net							2,408	-148,647	-146,239
R1900	**Expenses incurred**							6,233	48,302	54,535
R2500	**Other expenses**									
R2600	**Total expenses**									54,535

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			IT	FR	SG			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business							0
R0120	Gross - Proportional reinsurance accepted	1,074	17,383	906	29			19,393
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	820	13,261	691	22			14,794
R0200	Net	255	4,123	215	7			4,599
	Premiums earned							
R0210	Gross - Direct Business							0
R0220	Gross - Proportional reinsurance accepted	1,074	17,383	906	29			19,393
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	820	13,261	691	22			14,794
R0300	Net	255	4,123	215	7			4,599
	Claims incurred							
R0310	Gross - Direct Business							0
R0320	Gross - Proportional reinsurance accepted	106	6,338	261	2			6,707
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	81	5,083	199	1			5,364
R0400	Net	25	1,256	62	0			1,343
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted	159	986	438	0			1,583
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share	121	811	334	0			1,266
R0500	Net	38	175	104	0			317
R0550	**Expenses incurred**	744	3,002	230	3			3,980
R1200	**Other expenses**							
R1300	**Total expenses**							3,980

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400			GB	FR	IN	IT	SG	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	65,890	364,795	88,826	48,543	38,977	81,837	688,869
R1420	Reinsurers' share	52,712	327,951	71,061	38,834	31,182	65,470	587,210
R1500	Net	13,178	36,844	17,765	9,709	7,795	16,367	101,659
	Premiums earned							
R1510	Gross	66,104	364,793	88,383	48,687	38,337	81,893	688,197
R1520	Reinsurers' share	52,883	327,949	70,706	38,950	30,670	65,514	586,672
R1600	Net	13,221	36,844	17,677	9,737	7,667	16,379	101,525
	Claims incurred							
R1610	Gross	56,891	539,698	43,039	56,374	85,720	58,707	840,428
R1620	Reinsurers' share	45,513	485,189	34,431	45,099	68,576	46,965	725,772
R1700	Net	11,378	54,510	8,608	11,275	17,144	11,741	114,655
	Changes in other technical provisions							
R1710	Gross	-10,122	-132,186	15,189	-2,093	-54,262	7,459	-176,014
R1720	Reinsurers' share	-8,097	-118,835	12,151	-1,675	-43,410	5,967	-153,898
R1800	Net	-2,024	-13,351	3,038	-419	-10,852	1,492	-22,116
R1900	**Expenses incurred**	6,927	24,431	24,880	100	9,590	975	66,902
R2500	**Other expenses**							
R2600	**Total expenses**							66,902

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**									0	0					0	0
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									0	0					0	0
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**									3,970,055	3,970,055					-44,785	-44,785
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									642,280	642,280					-6,236	-6,236
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re									3,327,775	3,327,775					-38,549	-38,549
R0100	**Risk margin**									446,620	446,620					53,660	53,660
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole									0	0					0	0
R0120	Best estimate									0	0					0	0
R0130	Risk margin									0	0					0	0
R0200	**Technical provisions - total**									4,416,675	4,416,675					8,875	8,875

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**												0					0
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												0					0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross												11,641					11,641
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default												9,664					9,664
R0150	**Net Best Estimate of Premium Provisions**												1,977					1,977
	Claims provisions																	
R0160	Gross												2,625					2,625
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default												2,100					2,100
R0250	**Net Best Estimate of Claims Provisions**												525					525
R0260	**Total best estimate - gross**												14,266					14,266
R0270	**Total best estimate - net**												2,502					2,502
R0280	**Risk margin**												278					278
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole												0					0
R0300	Best estimate												0					0
R0310	Risk margin												0					0
R0320	**Technical provisions - total**												14,545					14,545
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**												11,764					11,764
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**												2,781					2,781

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	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 year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											21	21	21
R0160	2011	554	2,350	1,082	17	23	1,115	0	12	0	20		20	5,172
R0170	2012	460	2,536	470	321	771	-9	10	-13	34			34	4,580
R0180	2013	775	1,119	535	878	-30	25	-35	16				16	3,282
R0190	2014	153	794	502	2	55	0	7					7	1,513
R0200	2015	199	335	89	196	7	0						0	826
R0210	2016	79	194	169	30	7							7	478
R0220	2017	34	786	25	8								8	853
R0230	2018	160	650	381									381	1,190
R0240	2019	288	1,048										1,048	1,336
R0250	2020	234											234	234
R0260												Total	1,776	19,486

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											0	0
R0160	2011	2,544	611	164	117	10	9	2	0	0	0		0
R0170	2012	1,992	440	240	96	18	7	1	0	0			0
R0180	2013	2,064	638	129	113	9	2	0	0				0
R0190	2014	2,906	227	101	32	2	0	0					0
R0200	2015	1,084	207	39	8	-1	0						0
R0210	2016	828	90	9	3	0							0
R0220	2017	371	47	0	0								0
R0230	2018	1,643	0	0									0
R0240	2019	2,817	0										0
R0250	2020	2,625											2,625
R0260												Total	2,625

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	944	944		0	
R0030	Share premium account related to ordinary share capital	105,532	105,532		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	501,355	501,355			
R0140	Subordinated liabilities	116,000		116,000	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	241,331	241,331	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	965,161	849,161	116,000	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	965,161	849,161	116,000	0	0
R0510	Total available own funds to meet the MCR	965,161	849,161	116,000	0	
R0540	Total eligible own funds to meet the SCR	965,161	849,161	116,000	0	0
R0550	Total eligible own funds to meet the MCR	965,161	849,161	116,000	0	
R0580	**SCR**	607,551				
R0600	**MCR**	151,888				
R0620	**Ratio of Eligible own funds to SCR**	158.86%				
R0640	**Ratio of Eligible own funds to MCR**	635.44%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	849,161
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	347,806
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	501,355
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	296,068
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	14
R0790	**Total Expected profits included in future premiums (EPIFP)**	296,081

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	384,301		
R0020	Counterparty default risk	32,433		
R0030	Life underwriting risk	388,594		
R0040	Health underwriting risk	52,495		
R0050	Non-life underwriting risk	2,228		
R0060	Diversification	-218,689		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	641,363		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	36,445
R0140	Loss-absorbing capacity of technical provisions	-11,131
R0150	Loss-absorbing capacity of deferred taxes	-59,126
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	607,551
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	607,551
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	450,618
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	156,933
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	No

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	-59,126
R0650	LAC DT justified by reversion of deferred tax liabilities	-59,126
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	-135,678

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

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	1,029

		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	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	2,502	4,617
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	127,852

		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	3,289,225	
R0250	Total capital at risk for all life (re)insurance obligations		83,969,153

	Overall MCR calculation	C0070
R0300	Linear MCR	128,881
R0310	SCR	607,551
R0320	MCR cap	273,398
R0330	MCR floor	151,888
R0340	Combined MCR	151,888
R0350	Absolute floor of the MCR	3,600
R0400	**Minimum Capital Requirement**	151,888