# ANNUAL ACCOUNTS 2016

## ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016 AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

ONE
LIFE

THE ONELIFE COMPANY S.A.
(FORMERLY PRIVATE ESTATE LIFE S.A.)
RCS LUXEMBOURG: B 34 402


# TABLE OF CONTENTS

# 1 BOARD OF DIRECTORS, MANAGING DIRECTOR, RÉVISEUR D'ENTREPRISES AGRÉÉ

## Board of Directors

| | |
|---|---|
| Michel Wolter | Chairman of the Board of Directors |
| Paul Wolff | |
| Thierry Porté | |
| Marc Stevens | |
| Christophe Baker | |
| Jean-Luc Jancel | |
| Peter Yordan | |

## Managing Director

Marc Stevens

## Secretary of the Board

Antonio Corpas

## Réviseur d'entreprises agréé

Deloitte Audit, Société à Responsabilité Limitée

# 2 INTRODUCTION BY THE MANAGING DIRECTOR ON THE COMPANY'S ACTIVITIES AND RESULTS IN 2016

The OneLife Company S.A. (the Company – formerly Private Estate Life S.A.) and The OneLife Group (the Group) have been on an active and exciting journey throughout 2016 to develop market-oriented solutions in order to prepare for the years to come.

## Rebranding

In terms of market or business positioning and development, the Company delivered a key component of its market-oriented strategy by developing products for all its core markets and by re-deploying in June a new unified brand under the "OneLife" banner.

Belgium remains the Company's primary market with sales principally focused on Camelea, a unit-linked product in the form of an "all inclusive" life insurance policy that offers mass affluent policyholders a variety of investment options and high investment flexibility. It is also worth mentioning that Adiameris, the company's Belgian Dedicated Fund product, performed even better in 2016 than in 2015. In 2016, the Belgium market represented 81% of total premiums. OneLife clearly remains the Luxembourg market leader for this country through its unique experience and proposition. In order to further enhance this leadership position, the Company also successfully launched a dedicated pension product for Belgium during the year.

## Customer and product development

At the same time, the Company continues developing its products and services to forge new partnerships in all its core markets. Depending on the market situation of each country, a specific sales strategy is defined in terms of distribution partners and targeted end clients. For some countries only the growing (ultra) high net worth ((U)HNW) segment is the target while in others this covers Mass Affluent and (U)HNW client segments as well. Distribution partners are either the broker/IFA type or institutional partners like Family Offices and Private Banks. The serving capabilities for bespoke client solutions, including advanced Wealth Planning and diverse assets acceptance are now available for all core markets.

During 2016, the Company benefited from the development of a new complete set of products ("Wealth products") in all its core markets outside of Belgium: France, Luxembourg, UK, Finland and Sweden. This massive product development campaign continues with the next to launch in 2017 of Wealth Portugal that includes Latin America serving capabilities.

## Restructuring the Group

In terms of the Group's structure, the following actions were completed.

In order to further focus on its Luxembourg base, the Group sold its two operational entities located in Ireland and in The Bermuda Islands. The Company is now the sole Group's entity active in the Insurance business enabling a focus on its activities, its markets, its products and its business.

Since 2010, the OneLife Group was receiving services from its affiliate, FinAdmin E.I.G. (FinAdmin), a Grouping of Economic Interest and a regulated Professional of the Financial Sector supervised by the CSSF. FinAdmin was liquidated in the course of 2016, resulting in the transfer of the employees and the assets of FinAdmin to the Company. This move further streamlined the Group's and the Company's operations.

## IT and digital

A number of key achievements in the area of IT were realised internally and towards our partners and clients with the launch of a major digitalisation process. They include a state of the art IT infrastructure as well as powerful workflow management systems interconnected with our new App available on different mobile devices to partners. These improvements will continue over 2017 with the end of the migration project of our diverse platforms into a single integrated policy management system.

## Results and the future

In terms of financial performance, the Company delivered significantly better financial results than initially budgeted with a focus on its core activities. In continuity of the initiative that started in 2015, the Company implemented different actions in order to increase profitability through a combination of revenue growth, improved use of capital and strict cost control.

The Company reported a profit of EUR 4.4 million in 2016 (compared to a loss of EUR 5.7 million in 2015, mainly due to exceptional items). Last year's report on the Company's activities and results mentioned that without these exceptional and non-recurring charges, the Company would have ended 2015 with a positive result on ordinary activities after tax in excess of EUR 2 million. This is now confirmed and enhanced by our 2016 results.

The Company cashed EUR 353 million in new premiums which brought the overall Company Assets Under Management to EUR 5.1 billon.

Finally, it is noteworthy that the Company is adequately capitalised for the risks inherent to the business written. The Company successfully implemented the new era of Solvency II reporting and maintained its capital level throughout 2016 in accordance with the capital management policy and regulatory requirements. As at 31 December 2016, the Company's solvency ratio was 232% under Solvency I regime and 164% under Solvency II regime.

These focuses will remain over 2017 as the Company further implements Capital Management processes and profitable business initiatives and developments to strengthen its own funds and compliance with Solvency II regime.

Luxembourg, 10 April 2017

**Marc Stevens**
*Managing Director*

# 3 DIRECTORS' REPORT

The Directors present their Annual Report together with the audited Annual Accounts for the year ended 31 December 2016.

## Principal activity and changes in 2016

The OneLife Company S.A. (formerly Private Estate Life S.A. - the Company) is a life insurance company incorporated in Luxembourg on 26 June 1990.

The 100% shareholder and parent of the Company is The OneLife Holding S.à r.l. (formerly NPG Wealth Management S.à.r.l. - the Parent) which is incorporated in Luxembourg. For the purposes of these Annual Accounts, The OneLife Holding S.à.r.l. and all its subsidiaries are referred to as the "Group".

The Company is authorised by the *Commissariat aux Assurances* to provide:

- life insurances, annuities, pensions and retirement benefits, and reinsurance operations on business of a similar nature;
- and to conduct investment and real estate activity relating to the principal objective.

The OneLife Company S.A. sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU countries. The Company does not have and has not had any branches during the year under review.

The Company offers cross-border financial solutions through unit-linked products for financial planning and wealth structuring purposes. These are life insurance products where the premium paid is invested in collective external funds, collective internal funds and dedicated funds and the benefit payable under the policy is linked to the value of these funds at the time of payment.

In July 2016, the assets and liabilities of FinAdmin E.I.G. (FinAdmin) – including its employee contracts were allocated to the Company upon voluntarily dissolution and liquidation of FinAdmin that occurred on 30 June 2016. FinAdmin was a Grouping of Economic Interest and a regulated Professional of the Financial Sector supervised by the CSSF. The Company was a significant Member of FinAdmin.

FinAdmin's purpose was to provide its Members with services directly necessary to the performance of their business activities, providing, amongst others, employees or equipment, recruitment, management and remuneration of employees, legal assistance, control functions, management and maintenance of professional premises and installations, accounting, finance, marketing and information technology services but excluding any activity which could give the Grouping access to information of Members covered by any applicable professional secrecy rules..

In June 2016, the Group completed a rebranding of all its business under one single name, "OneLife".

In 2016, the Company entered into a new process for its Solvency II reporting to the Regulator (*Commissariat aux Assurances*). As at 31 December 2016, the Company's solvency ratio was 232% under Solvency I regime and 164% under Solvency II regime.

## Financial year 2016

In terms of financial performance, the Company delivered significantly better financial results than initially budgeted with a focus on core activities. In continuity of the initiative that started in 2015, the Company implemented different actions in order to increase profitability through a combination of revenue growth, improved use of capital and strict cost control.

The Company reported a profit of EUR 4.4 million in 2016 (compared to a loss of EUR 5.7 million in 2015, mainly due to exceptional items).

The earned premium net of reinsurance amounted to EUR 352.6 million (2015: EUR 564.8 million). Belgium remains the Company's primary market with additional core markets being France, Luxembourg, UK, Finland and Sweden.

2016 Claims incurred, net of reinsurance, amounted to EUR 548.5 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business. This is a significant decrease compared to 2015 when Claims incurred, net of reinsurance amounted to EUR 701.2 million (charge).

Caption 'Change in other technical provisions, net of reinsurance' stands at EUR 130.2 million (income) versus a charge of EUR 46.5 million in 2015. The company is exposed to financial impacts from variations in the value of the underlying investments caused by changes in interest rates, liquidity, foreign exchange rates and equity exposure.

Unrealised gains on investments increased to EUR 513.4 million (2015: EUR 492.2 million) and unrealised losses on investments increased from EUR 348.1 million in 2015 to EUR 423.3 million in 2016. These developments reflect the volatility of markets and exchange rates, notably the USD and the GBP. The decrease in investment income to EUR 90.6 million in 2016 in comparison to EUR 162.8 million in 2015 is subject to the same driving factors.

Net operating expenses decreased to EUR 56 million from EUR 69.4 million in 2015 due to strict cost controls and the positive impact of restructuration starting in 2015 as well as an in depth review of the structure and processes across all entities and operations of the Group.

The Company did not conduct any activities in the field of research and development or repurchase of own shares in 2016.

### Assets under management

The Assets under Management decreased by 2.5% from EUR 5.2 billion on 1 January 2016 to EUR 5.1 billion as at the end of December 2016.

## Outlook and strategy

The Company's objectives and ambitions are to continue to deliver high-quality products and services that meet its clients' needs, whilst exploring new ideas, concepts and solutions. In support of its "excellence" philosophy, the Company will continue to improve the quality of its offer and services, in the way it manages its relationships as well as in the security and confidentiality of its operations.

The Company continues developing its products and services to forge new partnerships in all its core markets adapting its sales strategy and distribution partners' organisation with the support of advanced Wealth Planning and diverse assets acceptance capabilities.

The delivery towards core markets will be the key objective and ambition for 2017 alongside the finalisation of an IT migration to a unique platform and the implementation for our partners and clients of a complete digitalisation process. This includes state of the art IT infrastructure as well as powerful workflow management systems interconnected with our new App available on different mobile devices to partners.

Finally, the Company will continue to consolidate its financial position in terms of profitability and solvency.

## Risk management

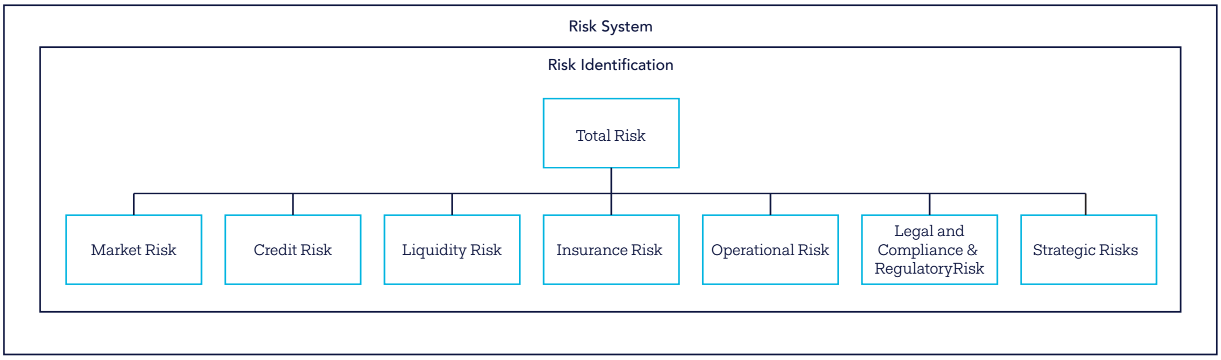
Risk Management is the process of identifying, assessing, responding, monitoring, controlling and reporting risks.

The risk system in all entities belonging to the Group forms an integral part of the management and Board processes and the decision- making framework applied across the Group

The key elements are:
- Risk strategy;
- Risk appetite;
- Risk governance, including risk policies and complete set of business internal rules;
- Risk map;
- Monitoring of the risk exposure;
- Risk oversight committees and defined roles and responsibilities;
- Processes used to identify, assess, report and treat risks.

### OneLife Risk Map

For the purposes of risk identification and assessment and as aligned with the Risk Policy, risks are grouped by risk type.




**Risk Map (High Level)**

*Financial Risk*

- Life Insurance Risk
- Market Risk
- Credit Risk
- Liquidity Risk
- Concentration Risk

*Operational Risk*

- Internal Fraud Risk
- External Fraud Risk
- Employment Practices and Workplace Safety Risk
- Clients, Products and Business Practices Risk
- Damage to Physical Assets Risk
- Business Disruption and Systems Failures Risk
- Execution, Delivery & Process Management Risk

*Strategic Risk*

- Strategic Project Risk
- Strategic Business Risk
- Risk Exposure Aggregation
- Reputational Damage Risk
- Human Resource Risk

*Governance Risk*

- Corporate Governance Risk

These risks may affect key metrics of Solvency, Earnings and Liquidity and Risk appetite is set relative to the previously mentioned metrics and to operational and reputational criteria.

Roles and responsibilities for risk management in the Group are based around the 'three lines of defence' model:

- **First Line of Defence** – Day-to-day Risk Management, performed by the various departments under the supervision of department heads.
- **Second Line of Defence** – Risk Oversight, performed by the Actuarial function, the Risk Management function, the Compliance function;
- **Third Line of Defence** – Independent Assurance, performed by the Internal Audit department.

The Risk function is accountable for quantitative and qualitative oversight and challenge of the risk management processes and for developing the risk management system Compliance is responsible for ensuring that business practices stay within legal and regulatory requirements. Internal Audit provides an independent assessment of the risk system and internal control processes.

Within the Group's operating departments there are a number of individuals identified to fulfil the role of the risk correspondent. They are the point of contact for the Group Risk Management Team to coordinate risk event reporting and to participate in the conducting of the department's risk assessment process.

The Group Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take. The oversight of risk and risk management at the Group level is supported by the Risk Management Committee which focuses on financial, strategic and governance risks. In addition, the Business Risk Compliance Committee focuses on Operational and Reputational risks.

Further information on the types and management of specific risks is given below:

## Financial risks

### Insurance risk

*Insurance risk* is the risk of loss arising from insurance contracts underwritten by the Group.

It can take the form of:

### Product Design and Pricing

*Product Design and Pricing* is the risk of losses arising from accepting new business premiums at unprofitable rates.

### Underwriting Risk

*Underwriting Risk* arises where either the Group has excessive exposure due to concentration of sum assured on a single client or geographic location or inappropriate selection and approval of life risk due to poor underwriting policies and/or inadequate or misleading information. The scale of life cover in the Group's policies is relatively low, and is mitigated with reinsurance to achieve low levels of risk retention, in line with the Group's low appetite for Underwriting Risk.

### Policy Liabilities Risk

a) *Lapse Risk* comprises the risk of loss arising through higher levels of policyholder lapses than expected on contracts underwritten by the Group which has a low appetite for lapse risk.

b) *Mortality Risk* is the risk of loss arising through higher levels of policyholder deaths than expected on contracts underwritten by the Group. The Group has low tolerance for Mortality Risk, but will utilise reinsurance to mitigate the mortality risk and reported net sum at risk.

c) *Longevity Risk* is the risk of loss arising to the Group through policyholders surviving for longer periods than expected. The Group currently has no appetite for writing further longevity risk beyond that represented in its closed books.

d) *Expense Risk* is the risk of loss arising through increases in the Group's expense levels, or inflation over time. The Group has no appetite for expense risk and control is ensured through rigorous expense monitoring.

e) *Claims risk* could arise for the Group as Life Catastrophy risk which relates to the risk of losses arising due to mortality risk exposure from extreme or irregular events whose effects are not sufficiently captured by the Mortality Risk Limits. The Group has a low tolerance for exposure to Life Catastrophy Risk and through product design and reinsurance will ensure that any exposure remains within the limits identified.

### Market risk

*Market risk* is the risk of loss resulting from fluctuations in the level of market prices of assets, liabilities and financial instruments. Market risk is primarily held by policyholders for their investment products. For own funds and guaranteed portfolios, control is exercised through the Investment Committee. In respect of shareholder portfolio, specific limits, contained in the Investment Policy set by the Group's Investment Committee, are designed to keep the Group's direct market risk within the risk tolerances. The appetite for this risk is low.

### Credit risk

*Credit risk* describes the risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and debtors to which the Group is exposed.

Control is exercised through the due diligence on counterparties and diversification in reputable parties. The Investment Committee ensures also an oversight role. The risk appetite is low.

### Liquidity risk

*Liquidity risk* is the risk of losses in the event that insufficient liquid assets are available to meet the cash flow requirements of the obligations to any counterparties.

The Group has low tolerance for liquidity risk and the Group's Investment Policy Guidelines for shareholder funds requires investment in liquid assets which are listed on recognised markets.

### Concentration risk

*Concentration risk* is seen as high concentration of shareholder investments in a single entity or group of related entities, or in a single geographic location or industry. It is also seen as high concentration on a single Broker, Sales person or Custodian bank.

Any excessive exposure regarding the shareholder investment is prescribed within the Investment Policy limits and reported to the Investment Committee. With regards to high concentration on a single Broker, Sales person or Custodian bank, control is exercised through the Risk Exposure Monitoring tool.

### Operational risk

*Operational risk* is the risk of loss resulting from inadequate or failed processes, people and systems or from external events.

The Group has a medium-low appetite for Operational Risk, but sees it as an inevitable corollary of writing insurance business. The Group seeks to minimise operational risk through a robust operational risk management process and also by collecting and analysing Risk Events.

The Group uses a three-level categorisation of Operational Risk Events:

- **Level I:** Seven different event types are defined, in line with the Basel II definitions.
- **Level II:** For each Level I event type, Level II event types are developed to provide more detail on the type of the event to answer the question "what has happened?". The Level II event types are closely correlated to the Basel event types, but some adjustments were made for the application to the insurance industry.
- **Level III:** Facilitates the categorisation by giving more concrete examples that add to level I and II. Supports the analysis of reported losses by various stakeholders.

### Legal, regulatory and compliance risk

*Legal and regulatory (compliance) risk* is the impact arising from failure to comply with statutory or regulatory obligations. The Group has no appetite for material legal and regulatory risk and invests in people, systems and governance controls to minimise the possibility of failing to meet legal and regulatory obligations.

### Strategic (and reputation) risk

The Group is subject to Strategic risks which are beyond its control, the impact of which may be to render the Business Model unviable. This dimension is at the core review of Audit Compliance and Risk Committee which reports to the Group Board of Directors.

Reputation risk is the current and prospective impact on earnings and solvency capital arising from negative opinions exhibited by the public, regulators or tax authorities. Reputation risk can be seen as arising from other risks, in particular operational risk ("cascading effect"). The Group has no appetite for any reputation risk.

### Governance risk

*Governance risk* is seen as the risk of having an inadequate Company Governance structure due to missing/inadequate governance Committees, inadequate Committee members, the lack of Key Functions, presence of conflicts of interest, leading to inadequate strategic decisions.

## Capital management

In the reports on the financial strength of the Company, capital and solvency are measured according to the regulations prescribed by the *Commissariat aux Assurances*. These regulatory capital tests are based on required levels of solvency capital and a series of prudent assumptions with respect to the type of business written by the Company.

The Company's objectives in managing its capital are:

- to match its assets and liabilities profiles, taking into account the risks inherent to the business;
- to satisfy its regulatory requirements.

The Company's capital management policy is designed to ensure that the nature and the amount of capital are sufficient to meet regulatory capital requirements.

In addition, to ensure that the Company is adequately capitalised for the risks inherent to the business written. Throughout 2016, the Company's capital level was maintained in accordance with the capital management policy. As at 31 December 2016, the Company's solvency ratio was 232% (2015: 230%) under Solvency I regime and 164% under Solvency II regime that entered into force on 1 January 2016 (2015: N/A).

In 2016, the Company did conduct successfully for the third time ORSA (Own Risk Solvency Assessment) that analyses the solvency impact of various stresses and scenarios.

## Corporate governance

Decisions engaging the Company may be taken at different levels: the General Meeting of Shareholders, the Board of Directors and the Managing Director.

### General Meeting of Shareholders

The General Meeting of Shareholders is not involved in the day-to-day operations of the Company. Its role is to review and approve the strategy proposed by the Board of Directors and to control its implementation. To do so, the General Meeting of Shareholders is principally given the authority to appoint the Directors and the Managing Director and to approve the Annual Accounts.

### Board of Directors

The Board of Directors of the Company is currently composed of seven Directors and is principally in charge of determining the Company's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, and monitors and evaluates the performance against the strategic plans and budgets.

To do so, it is given all the powers not expressly reserved to the General Meeting of Shareholders by law or by the Articles of Association.

### Managing Director

The Managing Director is in charge of day-to-day operations and has all the powers required to fulfil this role. The Managing Director is the preferred, if not exclusive, point of contact between the Company and the *Commissariat aux Assurances*.

## Directors, appointments and resignations

**Situation as at year-end**

As of 31 December 2016, the Board of Directors is composed of seven Directors:

| | |
|---|---|
| Mr. Michel Wolter | Director (Independent) and Chairman of the Board |
| Mr. Paul Wolff | Director (Independent) |
| Mr. Thierry Porté | Director (Group Executive Chairman) |
| Mr. Marc Stevens | Director / Managing Director (Group Chief Executive Officer) |
| Mr. Christopher Baker | Director (Independent) |
| Mr. Jean-Luc Jancel | Director (Independent) |
| Mr. Peter Yordan | Director (Non-executive) |

On 1 July 2016, an extraordinary general meeting was held to appoint Mr. Baker, Mr. Jancel, Mr. Yordan (1 July 2016 effective date).

**Resignations during the year**

None

## Subsequent events

On 30 January 2017, Saphir II Holding S.à r.l., the direct shareholder of the Company was liquidated and its assets and liabilities were transferred to the Parent company, The OneLife Holding Sàrl, becoming de facto the sole and direct shareholder of the Company.

Luxembourg, 10 April 2017

**Marc Stevens**

*Managing Director*
*Member of the Board of Directors*

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To the Sole Shareholder of

The OneLife Company S.A. (formerly Private Estate Life S.A.)

38, Parc d'Activités de Capellen

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## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated April 14, 2016, we have audited the accompanying annual accounts of The OneLife Company S.A. (formerly Private Estate Life S.A.), which comprise the balance sheet as at December 31, 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Responsibility of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

*Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.



Société à responsabilité limitée au capital de 35 000 €
RCS Luxembourg B 67.895
Autorisation d'établissement : 10022179

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend of the *réviseur d'entreprises agréé*'s judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of The OneLife Company S.A. (formerly Private Estate Life S.A.) as of December 31, 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of *réviseur d'entreprises agréé* thereon.
Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Deloitte.

**Report on other legal and regulatory requirements**

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

Jérôme Lecoq, *Réviseur d'entreprises agréé*
*Partner*

April 13, 2017

5

# BALANCE SHEET AS AT 31 DECEMBER 2016

## Assets

| EUR | Note | 2016 | 2015 |
|---|---|---|---|
| **Intangible assets** | **4** | **7,966,861** | **1,756,659** |
| **Investments** | **5** | **117,979,181** | **129,746,948** |
| Other financial investments | | 117,979,181 | 129,746,948 |
| Shares and other variable yield transferable securities and units in unit trusts | | 3,865,431 | 649,303 |
| Debt securities and other fixed income transferable securities | | 109,939,470 | 123,118,970 |
| Other loans | | 174,280 | 205,043 |
| Deposits with credit institutions | | 4,000,000 | 5,367,950 |
| Other | | - | 405,682 |
| **Investments for the benefit of life insurance policyholders who bear the investment risk** | **6** | **5,014,782,744** | **5,133,822,176** |
| **Reinsurers' share of technical provisions** | | **42,137** | **56,471** |
| Claims outstanding | | 42,137 | 56,471 |
| **Debtors** | | **23,429,906** | **56,171,470** |
| Debtors arising out of direct insurance operations | | 1,512,208 | 785,471 |
| Debtors arising out of reinsurance operations | 7 | - | 217,203 |
| Other debtors | 7 | 21,917,698 | 55,168,796 |
| **Other assets** | | **60,941,499** | **55,150,456** |
| Tangible assets and stocks | 8 | 325,417 | - |
| Cash at bank and in hand | | 60,616,082 | 55,150,456 |
| **Prepayments and accrued income** | | **25,540,594** | **31,902,163** |
| Accrued interest and rent | | 1,430,192 | 1,667,055 |
| Deferred acquisition costs | | 16,240,959 | 19,705,663 |
| Other prepayments and accrued income | | 7,869,443 | 10,529,445 |
| **Total assets** | | **5,250,682,922** | **5,408,606,343** |

The accompanying Notes form an integral part of the Annual Accounts.

## Liabilities

| EUR | Note | 2016 | 2015 |
|---|---|---|---|
| **Capital and reserves** | **9,10** | **56,917,570** | **52,485,294** |
| Subscribed capital | | 32,230,000 | 32,230,000 |
| Share premium account | | 3,613,792 | 3,613,792 |
| Reserves | | 8,188,350 | 8,188,350 |
| Profit brought forward | | 8,453,152 | 14,132,524 |
| Profit (Loss) for the financial year | | 4,432,276 | (5,679,372) |
| **Subordinated liabilities** | **7, 12** | **14,041,019** | **14,041,019** |
| **Technical provisions** | | **111,249,997** | **124,172,440** |
| Life insurance provision | | 103,049,209 | 114,201,386 |
| Claims outstanding | | 52,672 | 70,588 |
| Provision for bonuses and rebates | | 8,148,116 | 9,900,466 |
| **Technical provisions for life insurance policies where the investment risk is borne by the policyholders** | | **5,014,782,744** | **5,133,822,176** |
| **Provisions for other risks and charges** | | **9,440,937** | **6,316,126** |
| Provisions for taxation | | 1,383,000 | 1,691,645 |
| Other provisions | 11 | 8,057,937 | 4,624,481 |
| **Creditors** | | **43,102,910** | **76,960,387** |
| Creditors arising out of direct insurance operations | 12 | 39,851,662 | 63,050,352 |
| Creditors arising out of reinsurance operations | 12 | 210,133 | 349,326 |
| Other creditors, including tax and social security | 7, 13 | 3,041,115 | 13,560,709 |
| **Accruals and deferred income** | **7** | **1,147,745** | **808,901** |
| **Total liabilities** | | **5,250,682,922** | **5,408,606,343** |

The accompanying Notes form an integral part of the Annual Accounts.

6

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

## Technical account - life insurance business

| EUR | Note | 2016 | 2015 |
|---|---|---|---|
| **Earned premiums, net of reinsurance** | **14** | **352,547,572** | **564,847,071** |
| Gross premiums written | | 353,451,193 | 565,620,987 |
| Outward reinsurance premiums | 15 | (903,621) | (773,916) |
| **Investment income** | | **90,608,532** | **162,806,584** |
| Income from other investments | | 53,920,958 | 74,164,574 |
| Gains on realisation of investments | | 36,687,574 | 88,642,010 |
| **Unrealised gains on investments** | | **513,362,924** | **492,233,988** |
| **Other technical income, net of reinsurance** | | **782,820** | **1,084,687** |
| **Claims incurred, net of reinsurance** | | **(548,477,285)** | **(701,151,660)** |
| Claims paid | | (548,480,867) | (701,156,572) |
| Claims paid, gross | | (548,615,094) | (701,162,011) |
| Claims paid, reinsurer's share | 15 | 134,227 | 5,439 |
| Change in the provisions for claims | | 3,582 | 4,912 |
| Change in the provisions for claims, gross | | 17,916 | 24,560 |
| Change in the provisions for claims, reinsurer's share | 15 | (14,334) | (19,648) |
| **Change in other technical provisions, net of reinsurance** | | **130,191,609** | **(46,544,975)** |
| Change in life insurance provision, net of reinsurance | | 130,191,609 | (46,626,600) |
| Change in life insurance provision, gross amount | | 130,191,609 | (46,626,600) |
| Change in other technical provision, net of reinsurance | | - | 81,625 |
| **Bonuses and rebates, net of reinsurance** | | **1,752,350** | **(917,375)** |
| **Net operating expenses** | | **(56,007,307)** | **(69,372,183)** |
| Acquisition costs | | (15,173,868) | (22,563,499) |
| Change in deferred acquisition costs | | (3,464,704) | (1,663,339) |
| Administrative expenses | 16, 17 | (37,781,389) | (45,475,390) |
| Reinsurance commissions and profit participation | 15 | 412,654 | 330,045 |
| **Investment charges** | | **(56,956,798)** | **(60,081,772)** |
| Investment management charges, including interest | | (21,085,676) | (15,335,647) |
| Losses on realisation of investments | | (35,871,122) | (44,746,125) |
| **Unrealised losses on investments** | | **(423,307,552)** | **(348,081,427)** |
| **Other technical charges, net of reinsurance** | | **-** | **(87,980)** |
| **Balance on the technical account - life insurance business** | | **4,496,865** | **(5,265,042)** |

The accompanying Notes form an integral part of the Annual Accounts.

## Non-technical account

| EUR | Note | 2016 | 2015 |
|---|---|---|---|
| Balance on the technical account – life insurance business | | 4,496,865 | (5,265,042) |
| Other Income | | 489,462 | - |
| Tax on profit or loss on ordinary activities | 20 | (6,420) | - |
| Other charges, including value adjustments | | (286,846) | (78,000) |
| Profit (Loss) on ordinary activities after tax | | 4,693,061 | (5,343,042) |
| Other taxes not shown under the preceding items | 20 | (260,785) | (336,330) |
| Profit (Loss) for the financial year | | 4,432,276 | (5,679,372) |

The accompanying Notes form an integral part of the Annual Accounts.

7

# NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

## Note 1 – General

The OneLife Company S.A. (formerly Private Estate Life S.A.) ("the Company") is a life insurance company incorporated in the Grand Duchy of Luxembourg under Luxembourg law as a Société Anonyme on 26 June 1990 under Luxembourg Commerce Register Number: B 34 402.

The Company is authorised by the *Commissariat aux Assurances* to provide life insurances, annuities, pensions and retirement benefits, and reinsurance operations of business of similar nature, and to conduct investment and real estate activity relating to the principal objective. The Company sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU countries.

The parent company of The OneLife Company S.A. is The OneLife Holding S.à r.l. (formerly NPG Wealth Management S.à r.l.) ("the parent company") which is incorporated in Luxembourg. For the purposes of these Annual Accounts, The OneLife Holding S.à.r.l. (formerly NPG Wealth Management S.à r.l.) and all its subsidiaries are referred to as the "Group".

On 15 December 2015, the Company acquired from its parent company an affiliated life insurance undertaking, Altraplan Luxembourg S.A. ("Altraplan") which was incorporated in Luxembourg on 10 June 1996, and merged with it by absorption on 22 December 2015 with effective accounting date as of 1 January 2015. The merger was ratified by the Extraordinary General Meeting on 22 December 2015.

In June 2016, the Group completed a rebranding of all its business under one single name, OneLife. At the same time, Private Estate Life S.A. was renamed The OneLife Company S.A., by a decision of the Extraordinary General Meeting dated 7 June 2016.

As from 1 July 2016, all the activities carried out by FinAdmin E.I.G. ("FinAdmin") and its employees have been transferred to The OneLife Company S.A.

FinAdmin, an Economic Interest Grouping, was a Professional of the Financial Sector supervised by the Commission de Surveillance du Secteur Financier, providing services in support of the activities of Group undertakings, of which the Company was a member.

On 19 February 2016, the Board of Managers of FinAdmin resolved to proceed with the voluntary liquidation of FinAdmin.

On 30 June 2016, the Extraordinary General Meeting of FinAdmin resolved to dissolve FinAdmin with immediate effect and to transfer all remaining assets and liabilities to The OneLife Company S.A.

The main accounting effects of the transfer of assets and liabilities of FinAdmin to the Company are described in Notes 4, 8 and 11.

## Note 2 – Presentation of Annual Accounts

The Annual Accounts have been prepared in accordance with Luxembourg law on the accounts of insurance and reinsurance undertakings (the Law) of 8 December 1994 as amended; and in compliance with the generally accepted accounting policies for the insurance and reinsurance industry in the Grand-Duchy of Luxembourg. The accounting policies and the valuation rules are determined and applied by the Board of Directors.

The following significant general rules have been applied:

- the Company is on a going concern basis;
- the valuation methods are consistent from one financial year to the other, except where otherwise stated in the Annual Accounts;
- the prudence principle is followed;
- only realised profits are recognised, with the exception of life insurance business where the risk is borne by the policyholder;
- all foreseeable risks and potential losses which arise during the course of the financial year are taken into account;
- assets and liabilities are valued item by item.

All amounts in these Annual Accounts are presented in Euro (EUR).

## Note 3 – Accounting policies

### 3.1 Translation of items expressed in foreign currencies

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates in effect at the balance sheet date.

Income and charges denominated in foreign currencies are converted into EUR at the exchange rate prevailing at the transaction date. Gains and losses arising from foreign exchange translations are recognised in the Profit and Loss Account.

### 3.2 Intangible assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts.

In case of durable depreciation in value, value adjustments are made in respect of intangible assets. The value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

Intangible assets are composed of goodwill and technical policy management software.

The amortisation of the goodwill is recognised over an eight-year period, corresponding to the estimated lapse period of the in-force insurance portfolio of the absorbed entity at the date of the merger.

The Custy Policy Administration Software module is amortised over a 7-year period which corresponds to its estimated useful life. The Company has built its strategy on the integration of business operations around this tailor-made software.

Intangible assets are amortised over their estimated useful economic life, using the straight-line method at the following rate:

- Goodwill: 12.5%
- Software (Policy Administration module): 14.3%
- Software (other): 33%

## 3.3 Investments

**Other financial investments**

Shares and other variable yield transferable securities and units in unit trusts are valued at the lower of historical acquisition cost or realisable value (lower of cost or market).

Debt securities and other fixed income transferable securities are valued at amortised cost. Premiums paid over the redemption value and discounts received in consideration of the redemption value are amortised through the Profit and Loss Account over the period to maturity.

Deposits with credit institutions and other loans are valued at nominal value.

## 3.4 Investments for the benefit of life insurance policyholders who bear the investment risk

Investments for the benefit of life insurance policyholders who bear the investment risk are valued at market value. Changes in the value of these investments are recognised in the Profit and Loss Account under Unrealised gains on investments and Unrealised losses on investments.

The market value of the investments has been determined according to the following methods:

- Transferable securities admitted to an official stock exchange listing or traded on another regulated market are valued on the basis of the last available market price. If such securities are listed on several markets, the last known price on the principal market is applied;
- Transferable securities not admitted to an official stock exchange listing or not traded on another regulated market, and transferable securities admitted to an official stock exchange listing or traded on another regulated market, but for which the last available price is not representative, are valued on the basis of their reasonably foreseeable price determined based on available information provided by the custodian banks, other price providers or in the financial statements of these investments.

The value of Technical provisions for life insurance policies where the investment risk is borne by policyholders is set by reference to these investments.

## 3.5 Debtors

Debtors are valued at the lower of their nominal and their probable realisation value. Value adjustments are made when recoverability is questionable, either in part or entirely. These value adjustments are no longer carried when the reasons for which they were made cease to apply.

## 3.6 Other assets

### 3.6.1 Tangible assets and stocks

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost.

Tangible assets are amortised over their estimated useful economic lives, using the straight-line method at the following rates:

- Furniture: 20%
- Fixture and fittings: over the remaining period of the lease or 20%

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-off is recorded in order to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### 3.6.2 Cash at bank and in hand

Cash at bank and in hand is valued at nominal value.

### 3.7 Prepayments and accrued income

#### 3.7.1 Deferred acquisition costs

Acquisition costs relating to the life insurance policies are deferred and recognised as an asset. The deferred acquisition costs are amortised over the acquisition charge earning period, on a straight-line basis. Additional amortisation is recorded on fully surrendered policies and on policy with significant partial surrenders.

#### 3.7.2 Other prepayments and accrued income

Other prepayments and accrued income include other expenditure incurred during the financial year which relates to a subsequent financial year and income relating to the current financial year, but which is not receivable until a subsequent financial year.

### 3.8 Subordinated liabilities

Subordinated loans are valued at nominal value. The interest expense on the loans is included in the Profit and Loss Account under "Investment management charges, including interest".

### 3.9 Technical provisions

#### 3.9.1 Life insurance provision

The Life insurance provision consists of the estimated actuarial value of the Company's insurance liabilities, less the estimated actuarial value of the policyholders' commitments. It is calculated individually for each policy.

#### 3.9.2 Claims outstanding

The provision for claims outstanding corresponds to the total estimated cost, including claim settlement costs, for settling all the claims arising from events, which have occurred up to the end of the financial year, less amounts already paid in respect of such claims. The provision for claims outstanding is calculated separately for each claim and does not include any discounts or deductions.

Reinsurers' share in claims outstanding represents the part of the gross technical provisions that the Company is entitled to recover from reinsurers under contractual reinsurance arrangements.

#### 3.9.3 Provision for bonuses and rebates

The Provision for bonuses and rebates includes all amounts which are allocated to the revaluation of policyholders' policies for the financial year, or which are set aside in their favour and which represent the allocation of a surplus arising from all financial transactions relating to the segregated funds linked to these policies, after deduction of costs stipulated in the policy.

## 3.10 Technical provisions for life insurance policies where the investment risk is borne by the policyholders

Technical provisions cover liabilities relating to investments in the context of life insurance policies for which the value or the return is determined by reference to the investments for which the policyholder bears the risk.

The change in technical provisions for life insurance policies where the investment risk is borne by the policyholders is reported in the Profit and Loss Account under the caption "Change in other technical provisions, net of reinsurance".

## 3.11 Provisions for other risks and charges

### 3.11.1 Provisions for taxation

Provisions for taxation include the Company's best estimate of income tax liabilities for financial years for which a definitive taxation assessment has not yet been received from the fiscal authorities and final unpaid tax liabilities. Advance tax payments are recognised under Prepayments and accrued income.

### 3.11.2 Other provisions

Other provisions are intended to cover losses or liabilities the nature of which is clearly defined and which, at the balance sheet date, are either likely to be incurred or certain to be incurred, but uncertain as to the amount or as to the date on which they will arise.

## 3.12 Creditors

Creditors are valued at settlement value.

## 3.13 Accruals and deferred income

Accruals and deferred income consist of both income received before the balance sheet date, but relating to a subsequent financial year, and charges relating to the current financial year, but payable in a subsequent financial year.

## 3.14 Earned premiums, net of reinsurance

Earned premiums include business issued during the year.

Net earned premiums comprise outward reinsurance premiums consisting of premiums paid or payable with respect to outward reinsurance contracts entered into by the Company.

## 3.15 Claims incurred, net of reinsurance

Claims incurred comprise all payments made in respect of the financial year and the movement in the provision for claims outstanding.

## 3.16 Investment income and charges

Investment income comprises all investment income and realised investment gains. Investment charges include investment expenses, charges and interest expenses as well as realised losses on the disposal of investments.

### 3.17 Other technical income

Other technical income comprises mainly trailer fees and income related to structured products purchases.

### 3.18 Acquisition costs

Acquisition costs comprise direct costs arising from the conclusion of insurance policies and indirect costs relating to the sales structure, advertising and administrative costs connected with the issuance of policies.

### 3.19 Administrative expenses

Administrative expenses include overheads which cannot be allocated to the recording of premiums, the management of claims or the management of investments and commissions relating to the on-going management of policies.

### 3.20 Allocated investment return transferred to the non-technical account

This income represents the total net investment return relating to assets that are transferred from the life insurance technical account to the non-technical account in order to better reflect the balance of the technical account relating to life business. Allocated investment return consists of dividends, realised gains and losses and unrealised gains and losses arising from shareholder's investments.

## Note 4 – Intangible assets

As at 31 December 2016 and 2015, intangible assets include a goodwill which has been recognised as a result of the acquisition in 2015 of 100% of the shares of Altraplan by the Company and the subsequent merger by absorption of Altraplan by the Company as described in Note 1.

This goodwill amounts to EUR 2,007,610 and corresponds to the difference between the acquisition price of 100% of the shares of Altraplan and the value of its net asset value at the date of the merger. The acquisition price of Altraplan has been determined on the basis of its estimated embedded value.

In accordance with Note 3.2, an amortisation charge of EUR 250,951 has been recognised in the Profit and Loss Account for the year ended 31 December 2016 and 2015, in the caption "administrative expenses".

As at 31 December 2016, the Board of Directors believes that there is no permanent impairment on the net book value of the goodwill amounting to EUR 1,505,708.

Other intangible assets are composed of technical software and developments transferred from FinAdmin when being absorbed by the Company as described in Note 1 or additional investments made after the transfer. As at 31 December 2016, the gross book value of intangible assets related to software amount to EUR 16,946,082 with cumulated depreciation amounting to EUR 10,484,929.

The movements in intangible assets during the financial year are summarised as follows:

| EUR | Goodwill | Other | Total |
|---|---:|---:|---:|
| Gross book value as at 31 December 2015 | 2,007,610 | - | 2,007,610 |
| Additions and acquisitions of the year | - | 1,231,957 | 1,231,957 |
| Gross book value transferred from FinAdmin | - | 15,714,125 | 15,714,125 |
| **Gross book value as at 31 December 2016** | **2,007,610** | **16,946,082** | **18,953,692** |
| Accumulated amortisation as at 31 December 2015 | (250,951) | - | (250,951) |
| Accumulated amortisation transferred from FinAdmin | - | (8,847,442) | (8,847,442) |
| Amortisation of the year | (250,951) | (1,637,487) | (1,888,438) |
| **Accumulated amortisation as at 31 December 2016** | **(501,902)** | **(10,484,929)** | **(10,986,831)** |
| Net book value as at 31 December 2015 | 1,756,659 | - | 1,756,659 |
| **Net book value as at 31 December 2016** | **1,505,708** | **6,461,153** | **7,966,861** |

## Note 5 – Other financial investments

As at 31 December 2016, the book and market values of other financial investments are as follows:

| EUR | Book value at 31.12.2016 | Market value at 31.12.2016 |
|---|---:|---:|
| Shares and other variable yield transferable securities and units in unit trusts | 3,865,431 | 3,893,108 |
| Debt securities and other fixed income transferable securities | 109,939,470 | 113,106,951 |
| Other loans | 174,280 | 174,280 |
| Deposits with credit institutions | 4,000,000 | 4,000,000 |
| **Total** | **117,979,181** | **121,174,339** |

The amortisation of discounts and premiums on fixed income securities is as follows:

| EUR | 2016 | 2015 |
|---|---:|---:|
| Amortisation of discounts | 29,010 | 44,984 |
| Amortisation of premiums | 2,254,551 | 2,614,662 |

The amortisation of discount on fixed income securities is shown under caption "Income from other investments". Discounts represent the negative difference between the purchase prices of these securities compared to the amount repayable at maturity and are written up in instalments over the period remaining until maturity. The amortisation of premium on fixed income securities is shown under caption "Investment management charges, including interest". Premiums represent the positive difference between the purchase prices of securities compared to the amount repayable to maturity and are written down in instalments over the remaining period to maturity.

The remaining unamortised discounts and premiums on fixed income securities are as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Unamortised discounts | 88,286 | 100,098 |
| Unamortised premiums | 5,486,261 | 4,412,947 |

## Note 6 – Investments for the benefit of life insurance policyholders who bear the investment risk

As at 31 December 2016, investments for the benefit of life insurance policyholders who bear the investment risk amounted to EUR 5,014,782,744 (2015: EUR 5,133,822,176). As at 31 December 2015, investments for the benefit of life insurance policyholders who bear the investment risk included structured products which were considered illiquid and no secondary market was available for these products. As at December 31, 2015, these investments were valued based on the prices provided by the valuation agents and amounted to EUR 5,490,126 (31 December 2016: nil).

## Note 7 – Amounts owed by and to affiliated undertakings

Amounts owed by and to affiliated undertakings are as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Assets | | |
| Other debtors | 21,496,501 | 47,480,115 |
| Debtors arising out of reinsurance operations | - | 217,203 |
| Liabilities | | |
| Other creditors, including tax and social security | - | 8,884,919 |
| Accruals and deferred income | 135,842 | 138,658 |
| Subordinated liabilities | 8,241,019 | 8,241,019 |

The subordinated liabilities are composed of a loan with The OneLife Holding S.à r.l. (formerly NPG Wealth Management S.à r.l.).

## Note 8 – Tangible assets

The tangible assets are the results of the transfer of assets and liabilities of FinAdmin to the Company during the year ended 31 December 2016 as described in Note 1 and are composed of furniture, fixtures and IT hardware.

The movements in tangible assets during the financial year are summarised as follows:

| EUR | Furniture | Fixture | Hardware | Total |
|---|---|---|---|---|
| Gross book value as at 31 December 2015 | - | - | - | - |
| Additions and acquisitions of the year | 8,529 | 108,564 | - | 117,093 |
| Gross book value transferred from FinAdmin | 303,866 | 1,181,577 | 22,087 | 1,507,530 |
| **Gross book value as at 31 December 2016** | **312,395** | **1,290,141** | **22,087** | **1,624,623** |
| Accumulated amortisation as at 31 December 2015 | - | - | - | - |
| Accumulated amortisation transferred from FinAdmin | (265,993) | (896,378) | (20,405) | (1,182,776) |
| Amortisation of the year | (13,760) | (101,294) | (1,376) | (116,430) |
| **Accumulated amortisation as at 31 December 2016** | **(279,753)** | **(997,672)** | **(21,781)** | **(1,299,206)** |
| Net book value as at 31 December 2015 | - | - | - | - |
| **Net book value as at 31 December 2016** | **32,642** | **292,469** | **306** | **325,417** |

## Note 9 – Capital and reserves

The movements in capital and reserves during the financial year are broken down as follows:

| EUR | Subscribed capital | Share premium account | Reserves | Profit & loss brought forward | Profit/(loss) for the year |
|---|---|---|---|---|---|
| As at 31 December 2015 | 32,230,000 | 3,613,792 | 8,188,350 | 14,132,524 | (5,679,372) |
| Allocation of result 2015 | - | - | - | (5,679,372) | 5,679,372 |
| Profit for the financial year 2016 | - | - | - | - | 4,432,276 |
| **As at 31 December 2016** | **32,230,000** | **3,613,792** | **8,188,350** | **8,453,152** | **4,432,276** |

The subscribed capital amounts to EUR 32,230,000 and is represented by 1,300,000 shares.

## Note 10 – Reserves

The reserves amounting to EUR 8,188,350 (2015: EUR 8,188,350) are composed of the legal reserve of EUR 3,223,000 (2015: EUR 3,223,000) and a free reserve of EUR 4,965,350 (2015: EUR 4,965,350).

In accordance with Luxembourg company law, the Company allocates 5% of its net profit for each financial year until the legal reserve balance reaches 10% of the issued share capital. The legal reserve is not available for distribution to shareholders, except upon dissolution of the Company. During 2016, no allocation was made to the legal reserve. The total balance reached 10% of the issued share capital on 27 May 2008.

## Note 11 – Other provisions

During the year ended 31 December 2016, the transfer of assets and liabilities of FinAdmin resulted in the transfer of other provisions to the Company. As of 31 December 2015, FinAdmin had other provisions for EUR 3,534,050 and the Company had other provisions for EUR 4,624,481.

## Note 12 – Classification of creditors according to duration

As of 31 December 2016, the classification of creditors on the basis of their duration is as follows:

| EUR | More than 5 years | Less than 5 years |
|---|---:|---:|
| Creditors arising out of direct insurance operations | - | 39,851,662 |
| Creditors arising out of reinsurance operations | - | 210,133 |
| Other creditors, including tax and social security | - | 3,041,115 |
| Subordinated liabilities | 14,041,019 | - |

As of 31 December 2015, the classification of creditors on the basis of their duration was as follows:

| EUR | More than 5 years | Less than 5 years |
|---|---:|---:|
| Creditors arising out of direct insurance operations | - | 63,050,352 |
| Creditors arising out of reinsurance operations | - | 349,326 |
| Other creditors, including tax and social security | - | 13,560,709 |
| Subordinated liabilities | 14,041,019 | - |

## Note 13 – Other creditors, including tax and social security

Other creditors, including tax and social security amount to EUR 3,041,115 as at 31 December 2016 (2015: EUR 13,560,709), and mainly include general expenses payable of EUR 1,409,625 (2015: EUR 3,018,322) and related taxes amounting to EUR 906,174 (2015: EUR 866,511). As at 31 December, 2016, amounts owed to affiliated undertakings are nil (2015: EUR 8,884,919).

## Note 14 – Breakdown of gross premiums written

Gross premiums include an amount of EUR 353,383,759 related to life insurance business and an amount of inward reinsurance premiums of EUR 67,434 related to the reinsurance agreement as disclosed in Note 23.

Gross premiums written are broken down as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Individual premiums | 353,451,193 | 565,620,987 |
| of which inwards reinsurance premium | 67,434 | 1,186,495 |
| Premiums under group policies | - | - |
| **Total** | **353,451,193** | **565,620,987** |

| EUR | 2016 | 2015 |
|---|---|---|
| Periodic premiums | 3,073,044 | 3,077,490 |
| Single premiums | 350,378,149 | 562,543,497 |
| of which inwards reinsurance premium | 67,434 | 1,186,495 |
| **Total** | **353,451,193** | **565,620,987** |

| EUR | 2016 | 2015 |
|---|---|---|
| Premiums from non-bonus policies | 25,225 | 19,143 |
| Premiums from bonus policies | 196,209 | 195,503 |
| Premiums from policies where the investment risk is borne by policyholders | 353,229,759 | 565,406,341 |
| of which inwards reinsurance premium | 67,434 | 1,186,495 |
| **Total** | **353,451,193** | **565,620,987** |

The geographical distribution of gross premiums written is as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Luxembourg | 12,507,391 | 23,687,174 |
| Other EU countries | 340,479,511 | 513,593,283 |
| Non EU countries | 464,291 | 28,340,530 |
| **Total** | **353,451,193** | **565,620,987** |

## Note 15 – Reinsurance balance

For the year ended 31 December 2016, the net reinsurance balance of the technical account amounts to a charge of EUR 371,074 (2015: charge of EUR 458,080).

## Note 16 – Acquisition costs and commissions

Acquisition costs include direct commissions and other acquisition expenses, including an allocation of staff costs which represent the cost of business acquisition activity.

The breakdown of the different commissions is as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Acquisition commissions | 4,510,809 | 7,680,715 |
| Other commissions | 22,484,830 | 24,156,807 |
| of which “Trail / Renewal” | 21,957,017 | 23,076,081 |
| and “Switching commissions” | 527,813 | 1,080,726 |

Other commissions are included in the Administrative expenses in the Profit & Loss Account.

## Note 17 – Personnel employed during the year

As mentioned in Note 1, the Company has taken over assets, liabilities and employees of FinAdmin during the year ended 31 December 2016. As of 1 July 2016, 92 employees were transferred from FinAdmin to the Company.

As a result of that transfer, the average number of persons employed by the Company during 2016 amounted to 160 and is broken down into the following categories:

| Number of persons | 2016 | 2015 |
|---|---|---|
| Management | 66 | 21 |
| Employees | 94 | 45 |
| **Total** | **160** | **66** |

Employee related costs are included in administrative expenses and are broken down as follows:

| EUR | 2016 | 2015 |
|---|---|---|
| Wages and salaries | 11,997,003 | 4,309,784 |
| Non periodical remuneration | 249,603 | 1,299,329 |
| Social security costs | 1,776,206 | 744,780 |
| of which pensions | 923,123 | 334,336 |
| Other costs | 1,251,893 | 447,412 |

During 2015, FinAdmin did provide services to its members, and charged the relevant costs to the Company. The average number of persons employed for the Company by FinAdmin during 2015 was as follows:

| Number of persons | 2015 |
|---|---|
| Management | 20 |
| Employees | 39 |
| Total | 59 |

Employee related costs of FinAdmin recharged to the Company during the year ended 31 December 2015 are broken down as follows:

| EUR | 2015 |
|---|---|
| Wages and salaries | 9,792,072 |
| Non periodical remuneration | 3,417,283 |
| Social security costs | 1,331,795 |
| of which pensions | 766,888 |
| Other costs | 1,056,384 |

## Note 18 – Remuneration to members of the Board of Directors

Emoluments granted to the members of the Board of Directors by reason of their responsibilities with respect to the financial year 2016 amounted to EUR 150,000 (2015: EUR 100,000) and are included in Administrative expenses in the Profit and Loss Account.

No commitments have been entered into with respect to retirement pensions for former members of the Board of the Company.

## Note 19 – Commitments and advances granted to members of supervisory staff

The Company has no commitments with respect to retirement pension for former senior management. No advances or credits have been granted to senior management during 2016 and 2015. The Company has no commitments with respect to guarantees of any kind entered into on account of senior management.

## Note 20 – Taxes

The Company is subject to the general tax regulations applicable to all companies in Luxembourg. The Company entered into a tax consolidation arrangement, together with other Group entities domiciled in Luxembourg.

## Note 21 – Fees to the Réviseur d'entreprises agréé

The fees to the Réviseur d'entreprises agréé accounted for during the year ended 31 December 2016 amount to EUR 218,135 inclusive of VAT (2015: EUR 310,752), of which EUR 204,750 (2015: EUR 292,500) relate to the audit of the statutory annual accounts and the related regulatory report ("rapport distinct" in accordance with the circular letter 09/1 as amended issued by the *Commissariat aux Assurances*), and EUR 13,385 (2015: EUR 18,252) fees for non-audit related services. The fees to the Réviseur d'entreprises agréé are included in the Administrative expenses in the Profit and Loss Account.

## Note 22 – Information relating to consolidation

The annual accounts of the Company are included in the consolidated financial statements of its parent company, The OneLife Holding S.à.r.l. (formerly NPG Wealth Management S.à r.l.), that represents the smallest and the largest undertaking that draws up consolidated accounts. The consolidated financial statements are available at the registered office, located at 38, Parc d'Activités de Capellen, L-8308 Capellen, Luxembourg.

## Note 23 – Related party transactions

Until June 2016, the Company was a member of FinAdmin, the purpose of which was to provide, among others, all services directly attributable to the accomplishment of commercial activities of its members, all of which are the members of the Group.

As described in the Note 1, FinAdmin has been liquidated in the course of 2016 and its assets and liabilities have been transferred to the Company.

In virtue of a reinsurance agreement signed between Altraplan and PEL Altraplan Gibraltar PCC Limited on 27 June 2014, for which the rights and obligations were subsequently transferred to the Company and to Augura Life Ireland dac, a reinsurance premium of EUR 67,434 has been accounted for during the year ended 31 December 2016 (2015: EUR 1,186,495).

Reference is made to Note 7 regarding the amounts owed by and to affiliated undertakings.

## Note 24 – Off-balance sheet commitments and contingencies

As at 31 December 2016, the Company has commitments amounting to EUR 2,846,449 (2015: EUR 2,914,972) in relation to IT hardware, software and IT contractors, commitments amounting to EUR 357,940 (2015: EUR 430,788) in relation to car leasing contractors and commitments amounting to EUR 4,450,789 (VAT included) in relation to building lease (2015: EUR 5,058,123).

As a consequence of the liquidation of FinAdmin as described in Note 1, the Company has taken over off balance commitments of FinAdmin as of 1 July 2016, for which the Company was previously a joint guarantor as a member of the Economic Interest Grouping.

## Note 25 – Subsequent event

On 30 January 2017, Saphir Holding S.à r.l., the direct shareholder of the Company was liquidated and its assets and liabilities were transferred to the parent company, The OneLife Holding S.àr.l. (formerly NPG Wealth Management S.à r.l.), the later becoming de facto the sole and direct shareholder of the Company.

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