CONSOLIDATED ANNUAL ACCOUNTS 2017

CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017 AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

ONE LIFE

THE ONELIFE HOLDING S.À R.L.
38, PARC D'ACTIVITÉS DE CAPELLEN
L-8308 CAPELLEN
R.C.S. LUXEMBOURG: B68.938

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1 BOARD OF MANAGERS, RÉVISEUR D'ENTREPRISES AGRÉÉ

Board of Managers

Thierry Porté:	Manager - Group Executive Chairman
Michel Wolter:	Manager - Chairman (independent)
Paul Wolff:	Manager (independent)
Jean-Luc Jancel:	Manager (independent)
Christopher L. Baker:	Manager (independent)
Peter Yordan:	Manager (Non-executive)
Marc Stevens:	Manager - Group Chief Executive Officer

Secretary of the Board

Antonio Corpas

Réviseur d'entreprises agréé

Deloitte Audit, *Société à responsabilité limitée*

2 CONSOLIDATED MANAGEMENT REPORT

The Managers present their Consolidated Management Report together with the Consolidated Annual Accounts for the year ended 31 December 2017.

Principal activity

OneLife (the Group) is a life insurance specialist, headquartered in Luxembourg, and comprises the parent company, The OneLife Holding S.à r.l. (the Company) and its subsidiary.

The Group develops holistic, cross-border financial planning solutions for (Ultra) High Net Worth and High Affluent clients across Europe and beyond with a focus on Belgium, Finland, Sweden, France and the UK. Through its subsidiary The OneLife Company S.A. ("OLC"), the Group provides clients with sophisticated and compliant financial structures based on life insurance products.

The Group's deep understanding of clients' needs combined with proven know-how in its markets ensure the delivery of the most relevant and efficient solutions for its end clients.

With more than 25 years of experience and EUR 5.2 billion assets under management, the Group has built a solid reputation in the life insurance industry and with its business partners – private banks, family offices, independent financial advisers and insurance intermediaries.

As of 31 December 2017, the Group is only composed of itself and one regulated life insurance company, The OneLife Company S.A. which is a Luxembourg-based life insurance company under the supervision of the Commissariat aux Assurances, the Regulator.

2017 marked a year of significant progress at OneLife. The Group celebrated its first anniversary under the "OneLife" brand that is a key catalyst in propelling the Group into new markets and forging lasting relationships with its business partners. Its value proposition which combines wealth planning expertise with extensive cross-border knowledge together with a strong capability in non-traditional assets are all key differentiators for the Group in today's marketplace.

In terms of market or business positioning, in addition to reaffirming its leadership position in the Belgian market, the Group also grew its reach in other core markets, including France, Denmark, Luxembourg and the Nordics, with development well underway for the UK, as well as for its most recent regions – Iberia and Latin America. OneLife recorded a new overall business premium for the year of over 40% compared to 2016, thanks to partners' trust in confiding new business to the Company. This diversification of business across markets and extending distribution network strongly supports the strategic growth of the Group.

Enhancing its existing product range, OLC also launched a series of new **products** to cater to the needs of its partners and their clients. These included: Capitalisation Finland, a Belgian Pension Product (IPT), Wealth Spain & Wealth Portugal, Capitalisation Denmark and Capitalisation Luxembourg.

The Group strengthened its team by **recruiting** for a number of key positions in Sales, Wealth Structuring and Customer Services to further support business development.

The Group successfully completed the next phase in the consolidation of its **IT systems** in 2017 – migrating to a single policy administration platform, the final stages of which will be completed in early 2018. As a now recognised leader in digital technologies, OneLife also deployed a number of key initiatives in 2017 to improve the customer experience. These include the availability of the OneLife OneApp for all partners and clients across its core markets, giving access to portfolio information 24/7. In addition, the introduction for the French and Belgian markets of B2B data exchange – or aggregation services – enabling the consultation of client portfolios, including life assurance policies, in a single view.

OLC also launched its Digital Days in June 2017 to fully engage employees in the **digital** transformation process. These two days of discovery and training in digital technologies aimed at raising awareness of its advantages and helping employees to implement digital innovation in their daily jobs to improve the partner-client experience. In recognition of its Digital Days, OneLife was awarded the Luxembourg Employee Experience Award by HROne. A new on-line learning platform for all OneLife employees was introduced in September giving them access to thousands of learning opportunities through Lynda.com by LinkedIn.

In terms of the Group's structure, the following actions were initiated in 2016 and concluded in 2017:

On 30 January 2017, **Saphir II Holding S.à r.l. (Saphir)** has ceased its activities and was dissolved by an Extraordinary Meeting of Shareholders in front of a notary in a one-step liquidation process. Its sole shareholder, the Company, has received all outstanding assets of Saphir. In particular, the Company became de facto the sole shareholder of The OneLife Company S.A. Effective as of that date, the Company assumes all hidden or unknown liabilities of Saphir.

In December 2016, the liquidation process for **New PEL Bermuda Holdings Limited** has been initiated. New Pel Bermuda Holding Limited was a Bermuda-based company that owned the investment into Altraplan Bermuda Limited. The closing of the liquidation process occurred on 17 January 2017.

It was also resolved in 2016 to close the **Irish Branch** of The OneLife Holding S.à r.l., which owned the investment in Augura Life Ireland dac (sold in 2016). The liquidation and closing processes of the Irish Branch of The OneLife Holding S.à r.l. was concluded on 1 March 2017.

Financial year 2017

In terms of financial performance, the Group delivered a significant increase in new business premiums up over 40% compared to the previous year. In continuity of the initiatives launched in 2015 and 2016, the Group implemented different actions in order to increase profitability through a combination of revenue growth, improved use of capital and strict cost control.

The Group reported a profit of EUR 6.2 million in 2017 (EUR 4.9 million in 2016).

The earned premium net of reinsurance amounted to EUR 504.8 million (2016: EUR 353.6 million). Belgium remains the Company's primary market with additional core markets being France, Luxembourg, UK, Finland and Sweden.

2017 Claims incurred, net of reinsurance amounted to EUR 548.1 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business. This is a significant decrease compared to 2016 when Claims incurred, net of reinsurance, amounted to EUR 632.9 million (charge).

Caption "Change in other technical provisions, net of reinsurance" stands at EUR 170.9 million (charge) versus an income of EUR 228 million in 2016. 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 decreased to EUR 429.5 million (2016: EUR 580.6 million) and unrealised losses on investments decreased from EUR 588.7 million in 2016 to EUR 229.7 million in 2017. These developments reflect the volatility of markets and exchange rates, notably the USD and the GBP. The decrease in investment income to EUR 95.8 million in 2017 in comparison to EUR 201.7 million in 2016 is subject to the same driving factors.

Net operating expenses decreased to EUR 48.1 million from EUR 59 million in 2016 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 2017.

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

These investments increased by 3.57 % in 2017 to EUR 5.2 billion.

Outlook and strategy

The Group will maintain its strategic growth by developing relationships with key partners and deploying new solutions to meet the requirements of its international clients, while implementing its ambitious Digital roadmap. Digital innovations in 2018 include the implementation of a fully electronic onboarding process, automated KYC/AML processing through RegTech and further developments in the area of Robot Processing Automation.

The Group's value proposition which combines wealth planning expertise with extensive cross-border knowledge together with a strong capability in non-traditional assets are all key differentiators for OLC in today's marketplace.

Finally, the Group will continue to consolidate its financial position in terms of profitability and solvency as well as preparing for new regulation in 2018 such as the Insurance Distribution Directive (IDD) and Global Data Protection Regulation (GDPR).

Risk management

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

The risk management system 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.

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

- *Financial Risk*
- *Operational Risk*
- *Strategic Risk*
- *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's Risk Management Team to coordinate risk event reporting and to participate in the conducting of the department's risk assessment process.

The Company's 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 & Control Committee that focuses on financial, strategic and governance risks as well as on Operational and Reputational risks.

Specific risk belonging exclusively to the own activity of The OneLife Holding S.à r.l. are by nature limited.

Capital and liquidity management

In reporting the financial strength of the Group, capital and solvency are measured according to the regulations prescribed by the Regulator. 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 Group.

The Group'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.

Effective since 2016, the Regulator has exempted the Group for Group's reporting for Solvency II purposes. Accordingly, the sole Group's entity having to produce such report and to comply with applicable rules and ratio is The OneLife Company S.A.

As at 31 December 2017 and 2016, the Group's sole entity reporting on Solvency for regulatory purposes, The OneLife Company S.A., had solvency ratio of 253 % under Solvency I regime (2016: 232%) and 163.4 % under Solvency II regime (2016: 163.9%).

The inherent activities of the Group stabilised the Group's consolidated shareholder cash position reaching EUR 63.0 million as of 31 December 2016 and EUR 60.0 million as of 31 December 2017, considering additional deposits with credit institutions (from EUR 4.0 million in 2016 to EUR 6.2 million in 2017) and a dividend distributed of EUR 1.0 million.

Over the same period, it is noteworthy that the intercompany balances reduced significantly from a global aggregate amount of EUR 29.9 million as of 31 December 2016 down to EUR 26.7 million as of 31 December 2017.

It is also worth mentioning that the Group is adequately capitalized for the risks inherent to the business written. Throughout 2017, the Group's capital level was maintained in accordance with the capital management policy.

Corporate governance

Decisions engaging the Group may be taken at different levels: the General Meeting of Shareholders, the Board of Managers and the Managing Director and the different committees of the respective entities.

General Meeting of Shareholders

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

Board of Managers

The Board of Managers of the Company is currently composed of seven Directors and is principally in charge of determining the Group's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, 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.

Managers, appointments and resignations

Situation as at year-end

As of 31 December 2017, 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)

New appointment and resignations during the year:

None.

Group structure and shareholders

As at 31 December 2017, New PEL S.à r.l. (owned by JCF AIV PLP, a limited partnership established in the Province of Alberta (Canada)) owned 99.5% of The OneLife Holding S.à r.l.. Two independent directors own the remaining 0.5%.

The Group is composed of the following regulated life insurance company:

The OneLife Company S.A. is a Luxembourg-based life insurance company under the supervision of the Commissariat aux Assurances.

Subsequent events

There are no subsequent events that could affect the consolidated annual accounts of the Company for the year ended 31 December 2017. It is nevertheless worth noting that, Antonio Corpas has been appointed on 18 April 2018 by the Board of Managers to replace Marc Stevens as a Member of the Board of Managers for The OneLife Holding S.à r.l and as a Member of the Board of Directors for The OneLife Company S.A. Antonio Corpas' appointment as Chief Executive Officer of these two entities and as Authorized Manager has been submitted to the Commissariat Aux Assurances for approval.

Luxembourg, 15 May 2018

Thierry Porté

Member of the Board of Managers
Group Executive Chairman

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To the Partners of

The OneLife Holding S.à r.l.

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the consolidated accounts

Opinion

We have audited the accompanying consolidated accounts of The OneLife Holding S.à r.l., which comprise the consolidated balance sheet as at December 31, 2017, and the consolidated profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated accounts give a true and fair view of the consolidated financial position of the The OneLife Holding S.à r.l. as at December 31, 2017, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated accounts" section of our report. We are also independent of the The OneLife Holding S.à r.l. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated accounts and our report of the "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the consolidated 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 consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of the Board of Managers for the consolidated accounts

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

In preparing the consolidated accounts, the Board of Managers is responsible for assessing the The OneLife Holding S.à r.l.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the The OneLife Holding S.à r.l. or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit 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 The OneLife Holding S.à r.l.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the The OneLife Holding S.à r.l.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"Réviseur d'Entreprises Agréé"* to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"Réviseur d'Entreprises Agréé"*. However, future events or conditions may cause the The OneLife Holding S.à r.l. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the The OneLife Holding S.à r.l. to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the The OneLife Holding S.à r.l. audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

For Deloitte Audit, *Cabinet de Révision Agréé*

Jérôme Lecoq, *Réviseur d'Entreprises Agréé*
Partner

May 18, 2018

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

Assets

EUR	Note	2017	2016
Intangible assets	**5**	**5,937,995**	**6,461,153**
Investments		**105,209,475**	**117,979,181**
Other financial investments	6	105,209,475	117,979,181
Shares and other variable yield transferable securities and units in unit trusts		15,037,159	3,865,431
Debt securities and other fixed income transferable securities		83,846,226	109,939,470
Other loans		126,090	174,280
Deposits with credit institutions		6,200,000	4,000,000
Investments for the benefit of life insurance policyholders who bear the investment risk		**5,193,903,898**	**5,014,782,744**
Reinsurers' share of technical provisions		**-**	**42,137**
Provision for claims outstanding		-	42,137
Debtors		**10,191,940**	**2,234,360**
Debtors arising out of direct insurance operations		180,127	1,512,208
Policyholders		180,127	1,462,257
Intermediaries		-	49,951
Other debtors	7	10,011,813	722,152
Other assets		**60,330,267**	**63,371,123**
Tangible assets	8	300,355	325,417
Cash at bank and in hand		60,029,912	63,045,706
Prepayments and accrued income		**22,794,263**	**25,546,800**
Accrued interest and rent		1,178,645	1,430,193
Deferred acquisition costs		14,278,949	16,240,958
Other prepayments and accrued income		7,336,670	7,875,649
Total assets		**5,398,367,839**	**5,230,417,498**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

Liabilities

EUR	Note	2017	2016
Capital and reserves	**9, 10, 11**	**49,771,667**	**44,931,622**
Subscribed capital		7,713,050	7,713,050
Share premium account		31,885,914	31,885,914
Consolidated reserves		3,954,656	384,711
Profit (Loss) for the financial year		6,218,047	4,947,947
Subordinated liabilities	**12, 14**	**5,800,000**	**5,800,000**
Technical provisions		**94,881,656**	**111,249,997**
Life insurance provision	13	94,819,128	103,049,209
Provision for claims outstanding	13	62,528	52,672
Provision for bonuses and rebates		-	8,148,116
Technical provisions for life insurance policies where the investment risk is borne by the policyholders	**13**	**5,193,903,898**	**5,014,782,744**
Provisions for other risks and charges		**9,627,987**	**9,440,937**
Provisions for taxation		1,217,965	1,383,000
Other provisions		8,410,022	8,057,937
Creditors	**14**	**43,024,098**	**43,182,495**
Creditors arising out of direct insurance operations		35,912,269	39,851,663
Creditors arising out of reinsurance operations		173,357	210,134
Other creditors, including tax and social security	14, 15	6,938,472	3,120,698
Accruals and deferred income		**1,358,533**	**1,029,703**
Total liabilities		**5,398,367,839**	**5,230,417,498**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

4 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

Technical account - life insurance business

EUR	Note	2017	2016
Earned premiums, net of reinsurance		**504,767,306**	352,562,157
Gross premiums written	16	505,625,764	353,604,338
Outward reinsurance premiums	17	(858,458)	(1,042,181)
Investment income		**95,814,430**	**201,743,649**
Income from other investments		47,806,314	55,943,708
Gains on realisation of investments		48,008,116	145,799,941
Unrealised gains on investments		**429,547,557**	**580,613,635**
Other technical income, net of reinsurance		**3,616,214**	**1,054,375**
Claims incurred, net of reinsurance		**(548,065,985)**	**(632,931,469)**
Claims paid		(548,013,992)	(632,847,325)
Claims paid, gross		(548,154,880)	(632,967,584)
Claims paid, reinsurers' share	17	140,888	120,259
Change in provision for claims		(51,993)	(84,144)
Change in provision for claims, gross	13	(9,856)	(69,810)
Change in provision for claims, reinsurers' share	17	(42,137)	(14,334)
Change in other technical provisions, net of reinsurance	**13**	**(170,891,073)**	**228,010,722**
Change in life insurance provision, net of reinsurance		(170,891,073)	228,010,722
Change in life insurance provision, gross amount		(170,891,073)	228,010,722
Bonuses and rebates, net of reinsurance		**8,148,116**	**1,752,350**
Net operating expenses		**(48,074,549)**	**(58,972,101)**
Acquisition costs	18	(22,049,004)	(15,344,157)
Change in deferred acquisition costs		(1,962,010)	(3,464,704)
Administrative expenses	19, 20	(24,376,607)	(40,472,108)
Reinsurance commissions and profit participation	17	313,072	308,868
Investment charges		**(38,809,657)**	**(81,326,368)**
Investment management charges, including interest		(24,476,097)	(21,166,227)
Losses on realisation of investments		(14,333,560)	(60,160,141)
Unrealised losses on investments		**(229,716,243)**	**(588,670,965)**
Other technical charges, net of reinsurance		**(938,641)**	**-**
Balance on the technical account - life insurance business		**5,397,475**	**3,835,985**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

Non-technical account

EUR	Note	2017	2016
Balance on the technical account - life insurance business		**5,397,475**	**3,835,985**
Other income	22	1,665,350	1,601,251
Other charges, including value adjustments	22	(543,380)	(178,621)
Tax on profit/(loss) on ordinary activities		-	(6,954)
Profit on ordinary activities after tax		**6,519,445**	**5,251,661**
Other taxes not shown under the preceding items		(301,398)	(303,714)
Profit (Loss) for the financial year		**6,218,047**	**4,947,947**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

5 NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1 - General

The OneLife Holding S.à r.l. (the "Company"), was incorporated in the Grand-Duchy of Luxembourg on 2 March 1999 as a Société anonyme for an unlimited duration. The Company was converted into a Société à responsabilité limitée at an Extraordinary General Meeting of Shareholders on 24 July 2003. The Company maintains its registered office at 38, Parc d'Activités de Capellen, L-8308 Capellen and is registered in Luxembourg (R.C.S. Luxembourg B 68.938).

Together with the affiliated companies under its control, the Company forms a group (the "Group"), whose objective is the acquisition, administration, management, control and development of participations, in any company or firm, whether or not an insurance entity, and the establishment, management, development and acquisition of a portfolio of securities and patents of whatever origin. The Company may grant any assistance, loan, and advance or guarantee to or for the benefits of subsidiaries or affiliates, borrow from subsidiaries, affiliates or any other person or entity, and proceed to the private issue of bonds or debentures. The Company may also carry out any commercial, financial, personal and real estate operations which it may deem useful in the accomplishment of its purposes.

The Group, through its main shareholder New PEL S.à r.l., is ultimately controlled by JCF AIV P LP, a private equity investor.

The Consolidated Annual Accounts of the Group are available at the Company's registered office located in 38, Parc d'Activités de Capellen, L-8308 Capellen.

As of 31 December 2016, the Company had a branch in Ireland under registration number 905956 located in Ireland Suite 6, Rineanna House, Shannon Free Zone, Co. Clare, Ireland. That branch has been closed on 1 March 2017.

Note 2 - Presentation of Consolidated Annual Accounts

The Consolidated Annual Accounts have been prepared in accordance with the relevant Luxembourg laws and because insurance is the Group's principal activity, they follow the presentation rules for the insurance sector prescribed by the Luxembourg law on the accounts of insurance and reinsurance undertakings of 8 December 1994 (as subsequently modified). The accounting policies of the Group comply with applicable Luxembourg statutory requirements and generally accepted accounting principles (GAAP) in Luxembourg. The Group's reporting period is from 1 January to 31 December.

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

Note 3 - Consolidation

3.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Intra-group transactions, balances, income and expenses and unrealised gains on intra-group transactions are eliminated in full. Unrealised losses are also eliminated in the consolidation process, unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary for the purposes of consolidation to ensure consistency with the policies adopted by the Group according to Luxembourg GAAP. The list of the fully consolidated subsidiaries and percentages of shareholding is shown below:

Company	Country	Currency	% of holding 31.12.2017	% of holding 31.12.2016
New PEL Bermuda Holdings Limited (1)	Bermuda	EUR	0%	100%
The OneLife Company S.A.	Luxembourg	EUR	100%	100%
Saphir II Holding S.à r.l. (2)	Luxembourg	EUR	0%	100%

(1) In December 2016, the liquidation process of New PEL Bermuda Holdings Limited had been initiated. The closing of the liquidation process occurred on 17 January 2017.

(2) In December 2016, the liquidation process for Saphir II Holding S.à r.l. had been initiated. The closing of the liquidation process occurred on 30 January 2017.

As of 31 December 2016, the Company has a branch in Ireland under registration number 905956 located in Ireland Suite 6, Rineanna House, Shannon Free Zone, Co. Clare, Ireland. This branch has been closed on 1 March 2017.

3.2 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Consolidated Profit and Loss Account and in the Consolidated Balance Sheet, separately from equity attributable to the owners of the parent company.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group and are recorded in the Consolidated Profit and Loss Account.

Note 4 - Significant accounting policies

4.1 Translation of items expressed in foreign currencies

Assets and liabilities denominated in currencies other than EUR are translated into EUR at the rates prevailing at the balance sheet date.

Income and charges denominated in foreign currencies are converted into EUR at average exchange rates of the year.

Gains and losses arising from foreign exchange translations are recognised in the Consolidated Profit and Loss Account.

4.2 Intangible assets

Intangible assets are valued at historical acquisition costs and amortised on a straight-line basis over a period of 3 years, except for information technology and information system projects, which are amortised over 7 years. Amortisation of software development costs starts once the relevant system is put into use by the Group.

4.3 Investments

4.3.1 Investments in affiliated undertakings and participating interests

Investments in affiliated undertakings that are not part of the consolidation scope are accounted for at their acquisition cost. Value adjustments are made when the Board of Managers considers that there is a permanent diminution in value.

4.3.2 Other financial investments

Shares and other variable yield transferable securities and units in unit trusts are valued at market value at the balance sheet date.

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

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

4.4 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 Consolidated Profit and Loss Account under captions "Unrealised gains on investments" and "Unrealised losses on 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.

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 based on 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 with prudence and good faith by the Group, based on available information provided by the custodian banks, other price providers or in the financial statements of these investments.

4.5 Reinsurers' share of technical provisions

The reinsurers' share of technical provisions represents the part of the gross technical provisions that the Group is entitled to recover from reinsurers under contractual reinsurance arrangements.

4.6 Debtors

Debtors are valued at the lower of their nominal value and their probable recoverable 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.

4.7 Other assets

4.7.1 Tangible assets

Tangible assets are valued at historical acquisition costs and depreciated on a straight-line basis over their useful economic lives. The useful economic life for different classes of tangible assets is estimated as follows:

Office furniture	5 years
Office equipment	4 years
Computer hardware	1-3 years

4.7.2 Cash at bank and in hand

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

4.8 Prepayments and accrued income

4.8.1 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 policies with significant partial surrenders.

4.8.2 Other prepayments and accrued income

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

4.9 Subordinated liabilities

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

4.10 Technical provisions

4.10.1 Life insurance provision

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

4.10.2 Provision for claims outstanding

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

4.10.3 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 related to the segregated funds linked to these policies, after deduction of costs stipulated in the policy.

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

Technical provisions for life insurance policies where the investment risk is borne by the policyholders 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 Consolidated Profit and Loss Account under Change in other technical provisions, net of reinsurance.

4.12 Provisions for other risks and charges

4.12.1 Provisions for taxation

Provisions for taxation include the Group'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 caption "Prepayments and accrued income".

4.12.2 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.

4.13 Creditors

Creditors are valued at settlement value.

4.14 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.

4.15 Earned premiums, net of reinsurance

Earned premiums include business initiated 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 Group.

4.16 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.

4.17 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.

4.18 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.

4.19 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 ongoing management of policies.

4.20 Allocated investment return transferred to the non-technical account

This income represents the total net investment return that relates to assets which 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 5 - Intangible assets

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

EUR	Software
Gross book value as at 31 December 2016	16,946,082
Additions/new acquisitions	2,612,603
Gross book value as at 31 December 2017	**19,558,685**
Accumulated depreciation as at 31 December 2016	(10,484,929)
Write-offs/depreciation	(3,135,761)
Accumulated depreciation as at 31 December 2017	**(13,620,690)**
Net book value as at 31 December 2016	6,461,153
Net book value as at 31 December 2017	**5,937,995**

Note 6 - Other financial investments

As of 31 December 2017, the book and market values of other financial investments are as follows:

EUR	Book value at 31.12.2017	Market value at 31.12.2017
Shares and other variable yield transferable securities and units in unit trusts	15,037,159	15,073,480
Debt securities and other fixed income transferable securities	83,846,226	86,274,984
Other loans	126,090	126,090
Deposits with credit institutions	6,200,000	6,200,000
Total	**105,209,475**	**107,674,554**

As of 31 December 2016, the book and market values of other financial investments were 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	2017	2016
Amortisation of discounts	23,543	29,010
Amortisation of premiums	1,535,918	2,254,551

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

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

EUR	2017	2016
Unamortised discounts	61,909	88,286
Unamortised premiums	3,970,118	5,486,261

Note 7 - Other debtors

Other debtors are classified as maturing within one year.

Note 8 - Tangible assets

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

EUR	Equipment and motor vehicles, fixtures and fittings	IT equipment	Total
Gross book value as at 31 December 2016	1,602,536	22,087	1,624,623
Additions/new acquisitions and disposals	36,936	17,402	54,338
Gross book value as at 31 December 2017	**1,639,472**	**39,489**	**1,678,961**
Accumulated depreciation and impairment as at 31 December 2016	(1,277,425)	(21,781)	(1,299,206)
Allowance/new acquisitions and disposals	(78,666)	(734)	(79,400)
Accumulated depreciation and impairment as at 31 December 2017	**(1,356,091)**	**(22,515)**	**(1,378,606)**
Net book value as at 31 December 2016	325,111	306	325,417
Net book value as at 31 December 2017	**283,381**	**16,974**	**300,355**

Note 9 - Capital and reserves

The movements of Capital and reserves during 2017 and 2016 are broken down as follows:

EUR	Subscribed capital	Share premium account	Consolidated reserves	Profit/(loss) for the year	Total equity
As at 31 December 2016	**7,713,050**	**31,885,914**	**384,711**	**4,947,947**	**44,931,622**
Allocation of result 2016					
Profit brought forward	-	-	3,947,947	(3,947,947)	-
Dividend distributed	-	-	-	(1,000,000)	(1,000,000)
Consolidation adjustment	-	-	(378,002)	-	(378,002)
Profit for the financial year 2017	-	-	-	6,218,047	6,218,047
As at 31 December 2017	**7,713,050**	**31,885,914**	**3,954,656**	**6,218,047**	**49,771,667**

On 30 May 2017, the General Meeting of Shareholders acknowledged the 2016 consolidated gain of EUR 4,947,947. It was resolved to allocate EUR 3,947,947 to the consolidated reserves and to distribute a dividend of EUR 1,000,000.

As at 31 December 2017, the subscribed capital is set at EUR 7,713,050 (2016: EUR 7,713,050) and is represented by 1,752,966 shares of EUR 4.40 each and fully paid.

Note 10 - Legal reserve and consolidated reserves

The consolidated reserves include the statutory legal reserve, free reserve, as well as the merger premiums resulting from previous mergers within the Group.

In accordance with Luxembourg company law, Group companies domiciled in Luxembourg allocate 5% of their 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 the dissolution of the Company.

All companies being consolidated have reached legal reserves as being 10% of the issued share capital.

Note 11 - Minority interest

There are no minority interests as at 31 December 2017 and 2016.

Note 12 - Subordinated liabilities

As at 31 December 2017 and 2016, this item comprises subordinated loans issued by the subsidiary The OneLife Company S.A. to a third party:

- EUR 4,800,000 Fixed/Floating Rate Subordinated Undated Notes issued on 16 April 2008;
- EUR 1,000,000 Fixed/Floating Rate Subordinated Undated Notes issued on 19 September 2008.

Note 13 - Technical provisions

The movements in technical provisions during the financial year are broken down as follows:

EUR	Technical provisions for life insurance policies where the investment risk is borne by the policyholders	Life insurance provision	Provision for claims outstanding
As at 31 December 2016 (Balance Sheet)	5,014,782,744	103,049,209	52,672
Change in provision (Consolidated profit and loss account)	179,121,154	(8,230,081)	9,856
As at 31 December 2017 (Balance Sheet)	**5,193,903,898**	**94,819,128**	**62,528**

Note 14 - Classification of creditors according to duration

As of 31 December 2017, the classification of creditors based on their duration is as follows:

EUR	More than 5 years	Less than 5 years
Subordinated liabilities	-	5,800,000
Creditors arising out of direct insurance operations	-	35,912,269
Creditors arising out of reinsurance operations	-	173,357
Other creditors	-	6,938,472

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

EUR	More than 5 years	Less than 5 years
Subordinated liabilities	5,800,000	-
Creditors arising out of direct insurance operations	-	39,851,663
Creditors arising out of reinsurance operations	-	210,134
Other creditors	-	3,120,698

Note 15 - Other creditors, including tax and social security

Other creditors, including tax and social security, amount to EUR 6,938,472 as of 31 December 2017 (2016: EUR 3,120,698) and include mainly general expenses and tax payables.

Note 16 - Breakdown of gross premiums written

Gross premiums written are broken down as follows:

EUR	2017	2016
Individual premiums	505,625,764	353,604,338
Premiums under group policies	-	-
Total	**505,625,764**	**353,604,338**
Periodic premiums	1,487,612	3,188,389
Single premiums	504,138,152	350,415,949
Total	**505,625,764**	**353,604,338**
Premiums from non-bonus policies	16,732	25,225
Premiums from bonus policies	135,123	196,209
Premiums from policies where the investment risk is borne by the policyholders	505,473,909	353,382,904
Total	**505,625,764**	**353,604,338**

The geographical distribution of gross premiums written is as follows:

EUR	2017	2016
Luxembourg	48,187,947	12,507,391
Other EU countries	457,338,135	340,627,400
Non EU countries	99,682	469,547
Total	**505,625,764**	**353,604,338**

Note 17 - Reinsurance balance

Outward reinsurance contracts are written in order to reinsure the death insurance coverage.

For the year ended 31 December 2017, the reinsurance balance of the technical account amounts to a net charge of EUR 446,635 (2016: EUR 627,388).

Note 18 - Acquisition costs and commissions

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

Commissions related to the on-going management of policies amount to EUR 23,104,263 (2016: EUR 26,995,639) and are included in the Consolidated Profit and Loss Account under captions "Administrative expenses", "Acquisition costs" and "Investment charges".

Note 19 - Personnel employed during the year

The average number of persons employed by the Group for the year ending 31 December 2017 amounts to 146 (2016: 162) and is broken down into the following categories:

Number of persons	2017	2016
Management	70	68
Employees	76	94
Total	**146**	**162**

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

Number of persons	2017	2016
Wages and salaries	11,799,940	12,173,820
Non-periodical remuneration	1,540,251	249,603
Social security costs	1,799,992	1,792,870
of which pensions	896,018	931,597
Other costs	1,370,177	1,251,893
Total	**16,510,360**	**15,468,186**

Note 20 - Remuneration granted to members of the Board of Managers

Emoluments granted to the members of Board of Managers and supervisory bodies of consolidated entities by reason of their responsibilities in respect of the financial year 2017 amount to EUR 400,000 (2016: EUR 418,000) and are included in the Consolidated Profit and Loss Account under Administrative expenses.

No commitments have been entered into with respect to retirement pensions for former members of the supervisory bodies of consolidated entities.

Note 21 - Commitments and advances granted to former members of supervisory bodies

The Group has no commitments with respect to retirement pension for former members of the supervisory bodies. Neither advances nor credits were granted to members of the supervisory bodies during the year under report and during 2016. The Group has no commitments with respect to guarantees of any kind for members of the supervisory bodies.

Note 22 - Other income and other charges, including value adjustments

As of 31 December 2017, other income and other charges, including value adjustments amount to a net income of EUR 1,121,970 (2016: EUR 1,422,630).

Note 23 - Taxes

The Group companies The OneLife Holding S.à r.l. and its subsidiary The OneLife Company S.A. form a tax unity for corporate income tax. All the other Group companies are separately subject to tax in their country of establishment.

Note 24 - Fees to the *Réviseur d'entreprises agréé*

The fees paid to the Réviseur d'Entreprises Agréé for the statutory audit of the Consolidated Annual Accounts for the year ended 31 December 2017 amount to EUR 11,875 inclusive of VAT (2016: EUR 32,360). The fees to the Réviseur d'Entreprises Agréé are included in the Consolidated Profit and Loss Account under Administrative expenses.

Note 25 - Off-balance sheet commitments and contingencies

As at 31 December 2017, the Group has commitments amounting to EUR 2,518,240 (2016: EUR 2,846,449) in relation to IT hardware, IT software and IT contractors, commitment amounting to EUR 815,950 (2016: EUR 357,940) in relation to car leasing contractors and commitments amounting to EUR 3,644,597 (2016: EUR 4,450,789) in relation to building lease.

Note 26 - Stock Option Plan

As of 1 February 2012, the Company introduced a Stock Option Plan (SOP). In 2017, the number of option granted to the members of the management has been reduced down to 40,779 (2016, 41,227). As of 31 December 2017, 39,460 options are vested (2016: 37,973). As at 31 December 2017 and in application of the terms and conditions of the SOP, the Company has no off-balance sheet commitment with respect to the SOP. As per the SOP, vested options shall be exercised automatically upon occurrence of certain events and under certain conditions described in the rules of the plan. If such events and conditions are not met, the vested options lapse automatically.

Note 27 - Subsequent events

There are no subsequent events that could affect the consolidated annual accounts of the Company for the year ended 31 December 2017. It is nevertheless worth noting that, Antonio Corpas has been appointed on 18 April 2018 by the Board of Managers to replace Marc Stevens as a Member of the Board of Managers for The OneLife Holding S.à r.l and as a Member of the Board of Directors for The OneLife Company S.A. Antonio Corpas' appointment as Chief Executive Officer of these two entities and as Authorized Manager has been submitted to the Commissariat Aux Assurances for approval.

ONE/NC/NC/MISC/275/EN/001/1805

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Société à responsabilité limitée with registered capital of 7,713,050.40 €