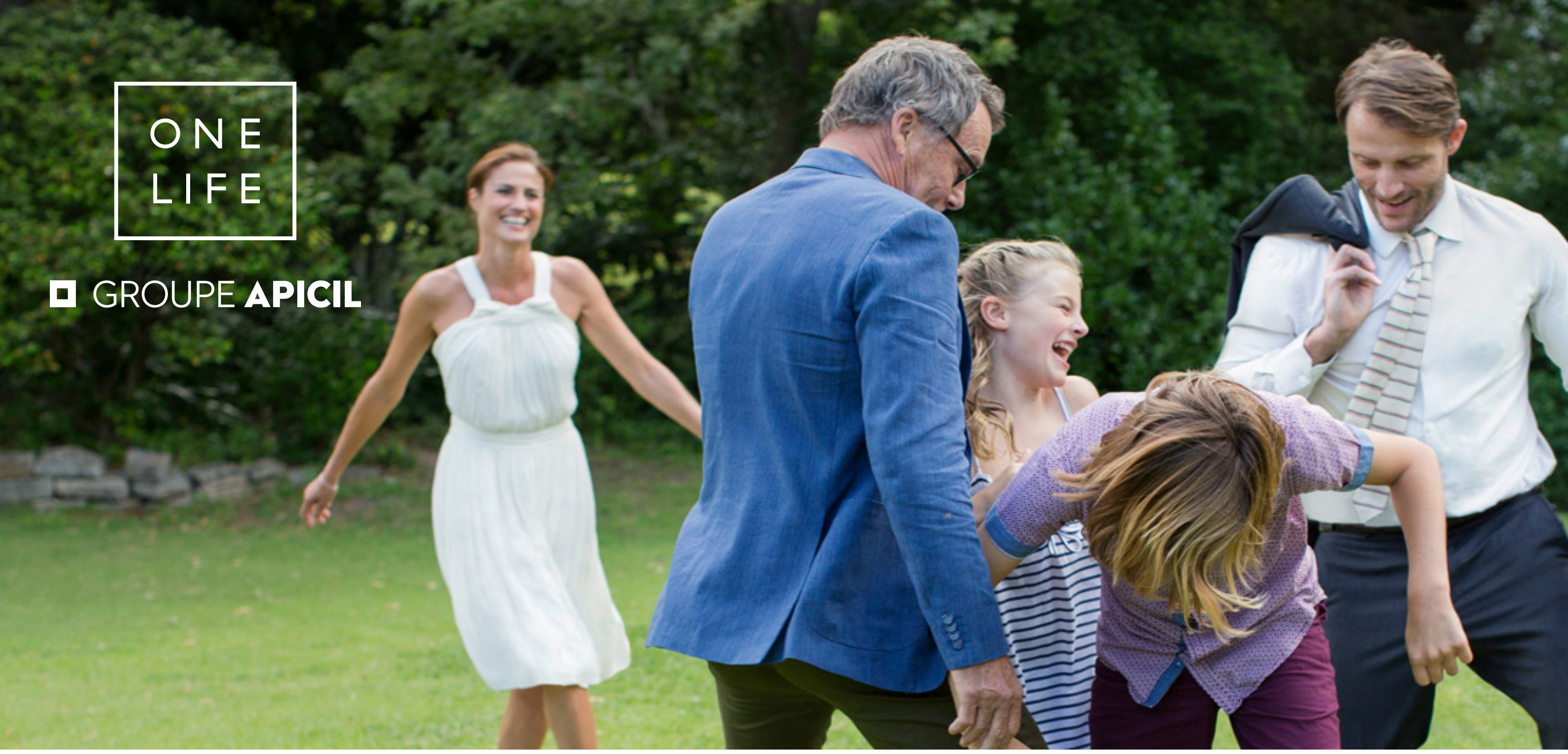
ONE
LIFE

# ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

ONELIFE
THE ONELIFE COMPANY S.A.
RCS LUXEMBOURG: B 34 402

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# BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER, RÉVISEUR D'ENTREPRISES AGRÉÉ

**Situation as of 31 December 2018**

## Board of Directors

Michel Wolter, Chairman of the Board of Directors

Christopher Baker

Antonio Corpas

Jean-Luc Jancel

Thierry Porté

Paul Wolff

Peter Yordan

## Managing Director

Antonio Corpas

## Secretary of the Board

Antonio Corpas

## Changes during the year

Mr. Marc Stevens resigned on 20 April 2018 from his mandate as Delegate to the daily management and as a Director of the Company (Board of Directors Member).

Mr. Antonio Corpas was appointed Delegate to the daily management and Director (Board member) of the Company on 18 April 2018. His appointment as Authorized Manager has been approved by the *Commissariat aux Assurances* (CAA or "the Regulator") on 3 May 2018.

## Subsequent event and situation as of the date of the report

On 1 August 2018, The OneLife Holding S.à r.l. and its subsidiary, The OneLife Company S.A. (together referred to as the Group) announced that agreement had been reached between funds advised by J.C. Flowers & Co. LLC (the Ultimate Shareholder of the Group) and the APICIL Group (APICIL) in France for the sale of the Group to APICIL. On 2 January 2019, the Group confirmed that the transaction was completed and that the Group was part of APICIL. Accordingly, as of the date of this report, the sole shareholder of the Group is APICIL PREVOYANCE (Institution de Prévoyance de droit Français).

On 2 January 2019, all Directors resigned and a new composition of the Board of Directors was approved by the Shareholders.

Since 2 January 2019 and as of the date of this report, the Board of Directors is composed of four Non-Executive Directors:

| | |
|---|---|
| Mr. Philippe Barret | Director and Chairman of the Board |
| Mr. Renaud Célié | Director |
| Mr. Alain Esquirol | Director |
| Mr. Michel Wolter | Director (Independent) |

As of the date of this report, Mr. Antonio Corpas is the Company's Chief Executive Officer, representative in charge of daily management and Authorized Manager towards the Regulator.

## *Réviseur d'Entreprises Agréé*

Deloitte Audit, Société à Responsabilité Limitée

# INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER ON THE COMPANY'S ACTIVITIES AND RESULTS IN 2018

## 2018 proved to be another year of growth for The OneLife Company S.A. (the Company or OneLife).

We saw our premiums increase to reach €563million. This strong performance is based on good returns in our long-standing markets like Belgium with investments made in other markets like Iberia and France bearing fruits leading to a well-diversified portfolio. New relationships with global institutional partners for our innovative cross-border wealth solutions were sealed.

In August, we announced the acquisition of The OneLife Group by the APICIL Group (APICIL). APICIL is the fourth largest social protection group in France, engaged in health and life insurance, pensions, savings products and related financial services. APICIL's investment in OneLife is a clear indication of its commitment to Luxembourg and to further strengthening our company's position as a provider of global wealth solutions using unit-linked life assurance. The transaction was completed on 2 January 2019 and we look forward to working with APICIL to capitalise on OneLife's expertise and positioning in wealth management. Our joint commitment will further grow our business, our value proposition and the quality we provide to partners and clients across our markets.

In addition to our well-established expertise in wealth structuring, cross-border portability and estate and succession planning, in 2018 we launched an important campaign called #Success in #Investments to showcase our expertise in this area. Over the past year, OneLife has invested significantly in developing its Non-Traditional Assets capability to bring new investment opportunities to our partners and clients outside the traditional sphere of equities, bonds and money market funds. This includes access to Private Equity, Real Estate and Securitisation vehicles which in times of low-interest rates can provide diversification through better returns, well-managed risk and exposure to sectors which are developing fast.

The eleventh edition of the OneLife Investment Forum took place in Brussels in October bringing together over 500 guests including international partners, asset managers, traditional and non-traditional fund houses and an array of different speakers and infuencers all on the theme of "Crossing borders for clients and investments".

Additionally, the Company successfully completed the next phase in the consolidation of its IT systems in 2018 – migrating to a single policy administration platform, the final stages of which have been completed in early 2019. This means that our service now provides straight-through processing and brings enhanced consistency and automation across operations. Our objective is to provide a seamless, efficient end-to-end service to our partners and clients across all markets and languages.

OneLife continued its digital transformation in 2018 adding the digital signature as a new key service for all its transactions for the Belgian market, with deployment to other markets planned in 2019. This facility is 100 per cent paperless, entirely secure and transactions which are signed digitally have the same legal value as manually signed ones. The digital signature provides a fast, efficient and paperless service to both partners and clients. OneLife also added new features to its mobile App which gives 24/7 real-time access to portfolios for partners and clients.

2018 was an unprecedented year when it came to the introduction of new regulation governing the financial services industry. The Packaged Retail and Insurance-based Investment Products (PRIIPs) on 1 January, the Global Data Protection Regulation (GDPR) on 25 May and the Insurance Distribution Directive (IDD) on 1 October all brought even more security and greater transparency for clients with the implementation of global standards governing investments, personal data and insurance distribution. OneLife prepared for these regulatory changes and communicated in advance with its partners and clients highlighting the main impacts for them.

# INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER ON THE COMPANY'S ACTIVITIES AND RESULTS IN 2018

In 2018, OneLife strengthened its teams to support its global growth ambitions, recruiting talent across a number of key functions including Non-Traditional Assets, Client Services and Wealth Planning.

OneLife and its employees were also active for charity throughout 2018. Pulling on sports shoes employees raised money for the European Leucodystrophies Association (ELA) and took part in Relais pour la Vie to help combat cancer. OneLife is committed to charity programmes which help fight disease and improve the local community. We also celebrated Luxembourg Diversity Day on 17 May illustrating the many cultures, nationalities and languages which make OneLife unique.

In 2019, we will continue to build out and expand in markets such as Belgium and France, with the support of APICIL, as well as Iberia, a region which demonstrated strong growth in 2018. We will add new resource and capability in Belgium to ensure that we are making the most of our leadership position there. In Denmark, we will extend our already strong market position. In other markets such as the Nordics, our aim is to grow market share and deepen relationships with key institutional partners.

APICIL, as new shareholder, will support and invest in OneLife's growth. With their leadership position in France and their extensive network, they will develop OneLife's international, cross-border life assurance expertise even further to build out their wealth management arm on an international basis. This strategy will bring with it considerable value for OneLife's partners and clients in terms of service and solutions. An application for the merger with the company Apicil Life in Luxembourg may be introduced in 2019 to the Commissariat aux Assurances for their review and authorization.

In 2019, OneLife will continue to implement its digital transformation, bringing dematerialisation of documents as a key service offering to our partners and clients. Making policy documents available digitally across our secure platforms youroffice and yourassets in just a few clicks and continuing to improve the customer experience with the use of technology is a key priority of this year's roadmap.

Our focus continues to be on increasing our operational efficiency which allows us to focus strongly on our partners and clients. Streamlining our operations further and bringing innovation and fast, effective service to both partners and clients is a key element of our strategy in 2019. Making it easier to do business with OneLife, giving enhanced access to online platforms and features will facilitate the connection between all parties involved in policy management.

This performance was achieved thanks to the trust our partners place in OneLife and to the hard work of all our employees throughout 2018. Our new shareholder, APICIL PREVOYANCE (Institution de Prévoyance de droit Français), is committed to the continued development of our business to ensure that we continue to provide the expertise, solutions and service of a leading wealth management firm. Our teams are aligned behind this important objective and we look forward to the opportunities 2019 offers to grow further and to collaborate in the common interests of our partners and clients.

Luxembourg, 9 April 2019

**Antonio Corpas**
*Chief Executive Officer*

# DIRECTORS' REPORT

## The Directors present their Annual Report together with the audited Annual Accounts for the year ended 31 December 2018.

### Principal activity and changes in 2018

The OneLife Company 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. 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.

### Financial year 2018

In terms of financial performance, the Company continues delivering good financial results since 3 years. 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 5.2 million in 2018 (compared to a profit of EUR 5.9 million in 2017).

The earned premium net of reinsurance amounted to EUR 563 million (2017: EUR 504.8 million). Belgium remains the Company's primary market with additional core markets being France, Luxembourg, UK, Iberia, Latin America, Finland and Sweden.

2018 Claims incurred, net of reinsurance, amounted to EUR 520.5 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business. This is slightly lower compared to 2017 when Claims incurred, net of reinsurance amounted to EUR 548.1 million (charge).

Caption "Change in other technical provisions, net of reinsurance" stands at EUR 373.9 million (income) versus a charge of EUR 170.9 million in 2017. 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 47.5 million (2017: EUR 429.5 million) and unrealised losses on investments increased from EUR 229.7 million in 2017 to EUR 434.8 million in 2018. These developments reflect the volatility of markets and exchange rates. The investment income to EUR 95.7 million in 2018 remained stable in comparison to EUR 95.8 million in 2017.

Net operating expenses increased to EUR 51.3 million from EUR 47.9 million in 2017 due to increased administrative expenses resulting, amongst other, from higher project expenses.

The Company did not conduct any activities in the field of research and development or repurchase of own shares in 2018.

### Assets under management

The Assets under Management decreased at EUR 4.9 billion as at the end of December 2018 compared to EUR 5.2 billion as at end of 2017 (decrease of 6.36%), due to a negative market impact of EUR 406 million, (-7.7%), that absorbed an overall positive net flow of EUR 41 million.

## Outlook and strategy

On 1 August 2018, The OneLife Holding S.à r.l. and its subsidiary, The OneLife Company S.A. (the Group) announced that an agreement had been reached between funds advised by J.C. Flowers & Co. LLC (the Ultimate Shareholder of the Group) and the APICIL Group (APICIL) in France for the sale of the Group to APICIL. On 2 January 2019, the Group confirmed that the transaction was complete and that it was part of APICIL. APICIL is the fourth largest social protection group in France, engaged in health and life insurance, pensions, saving products and related financial services. APICIL's investment in the Group is a clear indication of its commitment to Luxembourg and to further strengthening the Group's position as a provider of global wealth solutions using unit-linked life assurance.

An application for the merger with the company Apicil Life in Luxembourg may be introduced in 2019 to the *Commissariat aux Assurances* for their review and authorization in order to further strengthen the strategic positioning of the Company on its markets.

The Company 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 company'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 the Company in today's marketplace.

Finally, the Company will continue to consolidate its financial position in terms of profitability and solvency as well as following-up on or preparing for new regulation in 2019 such as the Anti-Money Laundering risk questionnaire, Insurance Distribution Directive, Packaged Retail & Insurance-based Investment Products, Dormant & Unclaimed Accounts and FSMA Reporting.

## 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 Company.

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 Company 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 Company's Risk Management Team to coordinate risk event reporting and to participate in the conducting of the department's risk assessment process.

The Company 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.

## 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 and that the Company is adequately capitalised for the risks inherent to the business written.

Throughout 2018, the Company's capital level was maintained in accordance with the capital management policy. As at 31 December 2018, the Company's solvency ratio was 275% (2017: 253%) under Solvency I regime and 156% under Solvency II regime (2017: 163%).

In 2018, the Company did conduct successfully for the fifth 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, 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.

### Chief Executive Officer

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

### Directors, appointments and resignations

**Situation as at 31 December 2018**

As of 31 December 2018, the Board of Directors is composed of seven Directors

| | |
|---|---|
| Michel Wolter | Chairman of the Board of Directors (Independent) |
| Christopher Baker | Director (Independent) |
| Antonio Corpas | Director/ Managing Director (Group Chief Executive Officer) |
| Jean-Luc Jancel | Director (Independent) |
| Thierry Porté | Director (Group Executive Chairman) |
| Paul Wolff | Director (Independent) |
| Peter Yordan | Director (Independent) |

Mr. Marc Stevens resigned on 20 April 2018 from his mandate as Delegate to the daily management and as a Director of the Company (Board of Directors Member).

Mr. Antonio Corpas was appointed Delegate to the daily management and Director (Board member) of the Company on 18 April 2018. His appointment as Authorized Manager has been approved by the Regulator on 3 May 2018.

Since 2 January 2019 and as of the date of this report, the Board of Directors is composed of four Non-Executive Directors:

| | |
|---|---|
| Mr. Philippe Barret | Director and Chairman of the Board of Directors |
| Mr. Renaud Célié | Director |
| Mr. Alain Esquirol | Director |
| Mr. Michel Wolter | Director (Independent) |

As of the date of this report, Mr. Antonio Corpas is the Company's Chief Executive Officer, representative in charge of daily management and Authorized Manager towards the Regulator.

## Subsequent events

Since 31 December 2018, there were no significant business or other events that occurred during the period until reporting that had a material impact on the Company or that could affect the annual accounts of the Company for the year ended 31 December 2018, apart the change of ultimate Shareholder of the Group and the composition of the Board of Directors.

Luxembourg, 9 April 2019

**Philippe Barret**
*Chairman of the Board of Directors*

Deloitte.

Deloitte Audit
Société à responsabilité limitée

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To the Sole Shareholder of

The OneLife Company S.A.

38, Parc d'Activités de Capellen

L-8308 Capellen

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the annual accounts

#### *Opinion*

We have audited the annual accounts of The OneLife Company S.A. (the "Company"), which comprise the balance sheet as at 31 December 2018, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2018, and of the 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 annual accounts.

#### *Basis for Opinion*

We conducted our audit in accordance with the EU Regulation N° 537/2014, 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 Regulation, Law and standards are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the annual accounts" section of our report. We are also independent of the Company 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 annual 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.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- IT migration:

*Risk description*:

During the year ended December 31, 2018, the Company continued the implementation of an IT migration project whereby the Company has decommissioned policy administration and accounting applications and transferred the administration and bookkeeping of the related insurance policies into a single policy administration and accounting IT platform.

As part of this IT migration project, interfaces and feeds of account balances and classes of transactions arising from the administration of insurance policies into the financial ledger have been upgraded.

In this context, the IT migration in respect of migration procedures to ensure that data transfers between systems impacting the underlying data supporting annual accounts are complete and accurate has been considered as a key audit matter.

*Audit responses*:

With the assistance of our internal IT audit specialists, our procedures included:

- The assessment of the design and implementation of key controls which management performed on the change management process and governance oversight in implementing the IT migration project and particularly with respect to data migration and reconciliation plans. This included assessing the design and implementation of key controls over reconciliations of data transferred between systems through re-performance or inspection.
- The re-performance of reconciliations between the trial balance from the decommissioned accounting system and the trial balance transferred into the migrated accounting IT platform.
- The performance of substantive testing on significant account balances and classes of transactions affected by the IT migration by agreeing a sample of balances and transactions recorded to third party evidence.

***Other information***

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Directors' report but does not include the annual accounts and our report of the *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.

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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.

***Responsibilities of the Board of Directors and Those Charged with Governance 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 and presentation 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.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company'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 Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

***Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the annual accounts***

The objectives of our audit are to obtain reasonable assurance about whether the annual 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 EU Regulation N° 537/2014, 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 annual accounts.

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As part of an audit in accordance with the EU Regulation N° 537/2014, 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 annual 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 Company'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 annual 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

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## Report on Other Legal and Regulatory Requirements

We have been appointed as *Réviseur d'Entreprises Agréé* by the General Meeting of the Shareholders on April 12, 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 8 years.

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

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Ludovic Bardon, *Réviseur d'Entreprises Agréé*
Partner

April 11, 2019

# THE ONELIFE COMPANY S.A.
# BALANCE SHEET AS AT 31 DECEMBER 2018

## Assets

| EUR | Note | 2018 | 2017 |
|---|---|---|---|
| **Intangible assets** | **4** | **6,541,389** | **7,192,751** |
| **Investments** | **5** | **75,173,872** | **104,509,475** |
| Other financial investments | | 75,173,872 | 104,509,475 |
| Shares and other variable yield transferable securities and units in unit trusts | | 11,109,153 | 15,037,159 |
| Debt securities and other fixed income transferable securities | | 58,458,599 | 83,846,226 |
| Other loans | | 106,120 | 126,090 |
| Deposits with credit institutions | | 5,500,000 | 5,500,000 |
| **Investments for the benefit of life insurance policyholders who bear the investment risk** | **6** | **4,863,795,511** | **5,193,903,898** |
| **Debtors** | | **32,490,326** | **28,501,675** |
| Debtors arising out of direct insurance operations | | 983,138 | 180,128 |
| Debtors arising out of reinsurance operations | | 35,213 | - |
| Other debtors | 7 | 31,471,975 | 28,321,547 |
| **Other assets** | | **43,137,514** | **60,071,221** |
| Tangible assets and stocks | 8 | 212,639 | 300,355 |
| Cash at bank and in hand | | 42,924,875 | 59,770,866 |
| **Prepayments and accrued income** | | **13,246,837** | **22,601,297** |
| Accrued interest and rent | | 734,694 | 1,178,645 |
| Deferred acquisition costs | | 11,325,546 | 14,278,949 |
| Other prepayments and accrued income | | 1,186,597 | 7,143,703 |
| **Total assets** | | **5,034,385,449** | **5,416,780,317** |

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

## Liabilities

| EUR | Note | 2018 | 2017 |
|---|---|---|---|
| **Capital and reserves** | **9, 10** | **62,551,643** | **59,839,194** |
| Subscribed capital | | 32,230,000 | 32,230,000 |
| Share premium account | | 3,613,792 | 3,613,792 |
| Reserves | | 15,000,000 | 8,188,350 |
| Profit brought forward | | 6,495,402 | 9,885,428 |
| Profit for the financial year | | 5,212,449 | 5,921,624 |
| **Subordinated liabilities** | **7, 11** | **6,941,019** | **14,041,019** |
| **Technical provisions** | | **51,142,837** | **94,881,656** |
| Life insurance provision | | 51,094,409 | 94,819,128 |
| Claims outstanding | | 48,428 | 62,528 |
| **Technical provisions for life insurance policies where the investment risk is borne by the policyholders** | | **4,863,795,511** | **5,193,903,898** |
| **Provisions for other risks and charges** | | **5,585,287** | **9,627,688** |
| Provisions for taxation | | 313,100 | 1,217,965 |
| Other provisions | | 5,272,187 | 8,409,723 |
| **Creditors** | **11** | **43,308,784** | **43,148,122** |
| Creditors arising out of direct insurance operations | | 36,423,884 | 35,912,269 |
| Creditors arising out of reinsurance operations | | 21,973 | 173,357 |
| Other creditors, including tax and social security | 7, 12 | 6,862,927 | 7,062,496 |
| **Accruals and deferred income** | **7** | **1,060,368** | **1,338,740** |
| **Total liabilities** | | **5,034,385,449** | **5,416,780,317** |

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

# THE ONELIFE COMPANY S.A.
# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

## Technical account - life insurance business

| EUR | Note | 2018 | 2017 |
|---|---|---|---|
| **Earned premiums, net of reinsurance** | **13** | **562,978,904** | **504,767,306** |
| Gross premiums written | | 563,924,283 | 505,625,764 |
| Outward reinsurance premiums | 14 | (945,379) | (858,458) |
| **Investment income** | | **95,658,848** | **95,814,430** |
| Income from other investments | | 45,944,530 | 47,806,314 |
| Gains on realisation of investments | | 49,714,318 | 48,008,116 |
| **Unrealised gains on investments** | | **47,474,602** | **429,547,557** |
| **Other technical income, net of reinsurance** | | **1,470,960** | **3,616,214** |
| **Claims incurred, net of reinsurance** | | **(520,526,052)** | **(548,065,985)** |
| Claims paid | | (520,540,152) | (548,013,992) |
| Claims paid, gross | | (520,553,893) | (548,154,880) |
| Claims paid, reinsurer's share | 14 | 13,741 | 140,888 |
| Change in the provisions for claims | | 14,100 | (51,993) |
| Change in the provisions for claims, gross | | 14,100 | (9,856) |
| Change in the provisions for claims, reinsurer's share | 14 | - | (42,137) |
| **Change in other technical provisions, net of reinsurance** | | **373,833,106** | **(170,891,073)** |
| Change in life insurance provision, net of reinsurance | | 373,833,106 | (170,891,073) |
| Change in life insurance provision, gross amount | | 373,833,106 | (170,891,073) |
| **Bonuses and rebates, net of reinsurance** | | **-** | **8,148,116** |
| **Net operating expenses** | | **(51,338,814)** | **(47,901,210)** |
| Acquisition costs | | (21,068,553) | (22,049,004) |
| Change in deferred acquisition costs | | (2,953,403) | (1,962,010) |
| Administrative expenses | 15, 16 | (27,544,559) | (24,203,268) |
| Reinsurance commissions and profit participation | 14 | 227,701 | 313,072 |
| **Investment charges** | | **(68,849,378)** | **(38,809,657)** |
| Investment management charges, including interest | | (23,750,555) | (24,476,097) |
| Losses on realisation of investments | | (45,098,823) | (14,333,560) |
| **Unrealised losses on investments** | | **(434,764,409)** | **(229,716,247)** |
| **Other technical charges, net of reinsurance** | | **(1,253,844)** | **(938,640)** |
| **Balance on the technical account - life insurance business** | | **4,683,923** | **5,570,811** |

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

## Non-technical account

| EUR | Note | 2018 | 2017 |
|---|---|---|---|
| Balance on the technical account – life insurance business | | 4,683,923 | 5,570,811 |
| Other income | | 1,025,767 | 1,348,067 |
| Other charges, including value adjustments | | (229,941) | (690,790) |
| Profit (Loss) on ordinary activities after tax | | 5,479,749 | 6,228,088 |
| Other taxes not shown under the preceding items | 19 | (267,300) | (306,464) |
| Profit for the financial year | | 5,212,449 | 5,921,624 |

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

# NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

## Note 1 – General

The OneLife Company 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 Register of Commerce 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 under the Law of December 7, 2015 on insurance business. 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. (the "parent company") 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".

As of 2 January 2019, the sole shareholder of the Group is APICIL PREVOYANCE (Institution de Prévoyance de droit Français) following the completion of a sales transaction as outlined within note 23.

The Company's accounting year begins on January 1 and ends on December 31.

## 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 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 based on 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 policies 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 product 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 2018 and 2017, intangible assets include a goodwill, which has been recognised as a result of the acquisition in 2015 of 100% of the shares of Altraplan Luxembourg S.A. ("Altraplan") by the Company and the subsequent merger by absorption of Altraplan by the Company. 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 based on its estimated embedded value.

In accordance with Note 3.2, an amortisation charge of EUR 250,952 has been recognised in the Profit and Loss Account for the years ended 31 December 2018 and 2017, in the caption "administrative expenses".

As at 31 December 2018, the Board of Directors believes that there is no permanent impairment on the net book value of the goodwill amounting to EUR 1,003,804.

Other intangible assets are composed of technical software and developments. As at 31 December 2018, the gross book value of intangible assets related to software amount to EUR 20,862,512 with cumulated depreciation amounting to EUR 15,324,927.

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

| EUR | Goodwill | Other | Total |
|---|---|---|---|
| Gross book value as at 31 December 2017 | 2,007,610 | 19,558,685 | 21,566,295 |
| Additions and acquisitions of the year | - | 1,303,827 | 1,303,827 |
| **Gross book value as at 31 December 2018** | **2,007,610** | **20,862,512** | **22,870,122** |
| Accumulated amortisation as at 31 December 2017 | (752,854) | (13,620,690) | (14,373,544) |
| Amortisation of the year | (250,952) | (1,704,237) | (1,955,189) |
| **Accumulated amortisation as at 31 December 2018** | **(1,003,806)** | **(15,324,927)** | **(16,328,733)** |
| Net book value as at 31 December 2017 | 1,254,756 | 5,937,995 | 7,192,751 |
| **Net book value as at 31 December 2018** | **1,003,804** | **5,537,585** | **6,541,389** |

## Note 5 – Other financial investments

As at 31 December 2018, the book and market values of other financial investments are as follows:

| EUR | Book value at 31.12.2018 | Market value at 31.12.2018 |
|---|---|---|
| **Shares and other variable yield transferable securities and units in unit trusts** | **11,109,153** | **11,152,313** |
| **Debt securities and other fixed income transferable securities** | **58,458,599** | **59,467,135** |
| **Other loans** | **106,120** | **106,120** |
| **Deposits with credit institutions** | **5,500,000** | **5,500,000** |
| **Total** | **75,173,872** | **76,225,567** |

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

| EUR | 2018 | 2017 |
|---|---|---|
| **Amortisation of discounts** | **17,456** | **23,543** |
| **Amortisation of premiums** | **2,958,745** | **1,535,918** |

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 | 2018 | 2017 |
|---|---|---|
| **Unamortised discounts** | **4,707** | **61,909** |
| **Unamortised premiums** | **2,970,791** | **3,970,118** |

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

As at 31 December 2018, investments for the benefit of life insurance policyholders who bear the investment risk amounted to EUR 4,863,795,511 (2017: EUR 5,193,903,898).

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

Amounts owed by and to affiliated undertakings are as follows:

| EUR | 2018 | 2017 |
|---|---|---|
| Assets | 16,171,070 | 18,336,820 |
| **Other debtors** | **16,171,070** | **18,336,820** |
| Liabilities | 7,175,544 | 8,554,361 |
| Other creditors, including tax and social security | 234,525 | 309,053 |
| **Accruals and deferred income** | **-** | **4,289** |
| **Subordinated liabilities** | **6,941,019** | **8,241,019** |

The subordinated liabilities are composed of one loan with The OneLife Holding S.à r.l..

## Note 8 – Tangible assets

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

| EUR | Furniture | Fixture | Hardware | Total |
|---|---|---|---|---|
| Gross book value as at 31 December 2017 | 312,395 | 1,327,077 | 39,489 | 1,678,961 |
| Additions and acquisitions of the year | - | - | - | - |
| Gross book value as at 31 December 2018 | 312,395 | 1,327,077 | 39,489 | 1,678,961 |
| Accumulated amortisation as at 31 December 2017 | (294,121) | (1,061,970) | (22,515) | (1,378,606) |
| Amortisation of the year | (11,875) | (70,056) | (5,785) | (87,716) |
| Accumulated amortisation as at 31 December 2018 | (305,996) | (1,132,026) | (28,300) | (1,466,322) |
| **Net book value as at 31 December 2017** | **18,274** | **265,107** | **16,974** | **300,355** |
| **Net book value as at 31 December 2018** | **6,399** | **195,051** | **11,189** | **212,639** |

## 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 | Reserves | Profit brought forward | Profit of the year | Total |
|---|---|---|---|---|---|---|
| **As at 31 December 2017** | **32,230,000** | **3,613,792** | **8,188,350** | **9,885,428** | **5,921,624** | **59,839,194** |
| **Allocation of results 2017** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Profit brought forward** | **-** | **-** | **6,811,650** | **(3,390,026)** | **(3,421,624)** | **-** |
| **Dividend distributed** | **-** | **-** | **-** | **-** | **(2,500,000)** | **(2,500,000)** |
| **Profit for the financial year 2018** | **-** | **-** | **-** | **-** | **5,212,449** | **5,212,449** |
| **As at 31 December 2018** | **32,230,000** | **3,613,792** | **15,000,000** | **6,495,402** | **5,212,449** | **62,551,643** |

During the annual general meeting of the Company's shareholder, held on 12 April 2018, it was resolved to distribute a dividend of EUR 2,500,000 to the sole shareholder of the Company.

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 15,000,000 (2017: EUR 8,188,350) are composed of the legal reserve of EUR 3,223,000 (2017: EUR 3,223,000) and a free reserve of EUR 11,777,000 (2017: 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 2018, no allocation was made to the legal reserve. The total balance reached 10% of the issued share capital on 27 May 2008.

## Note 11 – Classification of creditors according to duration

As of 31 December 2018, the classification of creditors based on their duration is as follows:

| EUR | More than 5 years | Less than 5 years |
|---|---|---|
| Creditors arising out of direct insurance operations | - | 36,423,884 |
| Creditors arising out of reinsurance operations | - | 21,973 |
| Other creditors, including tax and social security | - | 6,862,927 |
| Subordinated liabilities | 6,941,019 | - |

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

| EUR | More than 5 years | Less than 5 years |
|---|---|---|
| Creditors arising out of direct insurance operations | - | 35,912,269 |
| Creditors arising out of reinsurance operations | - | 173,357 |
| Other creditors, including tax and social security | - | 7,062,496 |
| Subordinated liabilities | 6,941,019 | 7,100,000 |

## Note 12 – Other creditors, including tax and social security

Other creditors, including tax and social security amount to EUR 6,862,927 as at 31 December 2018 (2017: EUR 7,062,496), and include mainly VAT payable for EUR 376,172 (2017: EUR 520,714), general expenses payable of EUR 1,237,034 (2017: EUR 2,059,800), fees due to funds for EUR 1,245,887 (2017: EUR 97,958) and related taxes amounting to EUR 1,113,091 (2017: EUR 1,730,500). As at 31 December 2018, amounts owed to affiliated undertakings are EUR 234,525 (2017: EUR 309,053).

## Note 13 – Breakdown of gross premiums written

Gross premiums include an amount of EUR 563,924,283 related to life insurance business (2017: EUR 505,625,764).

Gross premiums written are broken down as follows:

| EUR | 2018 | 2017 |
|---|---|---|
| Individual premiums | 563,924,283 | 505,625,764 |
| **Total** | **563,924,283** | **505,625,764** |

| EUR | 2018 | 2017 |
|---|---|---|
| **Periodic premiums** | **1,993,253** | **1,487,612** |
| **Single premiums** | **561,931,030** | **504,138,152** |
| **Total** | **563,924,283** | **505,625,764** |

| EUR | 2018 | 2017 |
|---|---|---|
| **Premiums from non-bonus policies** | **12,434** | **16,732** |
| **Premiums from bonus policies** | **129,191** | **135,123** |
| **Premiums from policies where the investment risk is borne by policyholders** | **563,782,658** | **505,473,909** |
| **Total** | **563,924,283** | **505,625,764** |

**The geographical distribution of gross premiums written is as follows:**

| EUR | 2018 | 2017 |
|---|---|---|
| **Luxembourg** | **10,502,483** | **48,187,947** |
| **Other EU countries** | **553,293,962** | **457,338,135** |
| **Non EU countries** | **127,838** | **99,682** |
| **Total** | **563,924,283** | **505,625,764** |

## Note 14 – Reinsurance balance

For the year ended 31 December 2018, the net reinsurance balance of the technical account amounts to a charge of EUR 703,937 (2017: charge of EUR 446,635).

## Note 15 – 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 | 2018 | 2017 |
|---|---|---|
| **Acquisition commissions** | **3,066,403** | **4,168,247** |
| **Other commissions** | **19,872,589** | **18,936,016** |
| *of which "Trail / Renewal"* | *19,513,735* | *18,462,147* |
| *and "Switching commissions"* | *358,854* | *473,869* |

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

## Note 16 – Personnel employed during the year

The average number of persons employed by the Company during 2018 amounted to 149 (2017: 146) and is broken down into the following categories:

The average number of persons employed by the Company during 2017 amounted to 146 (2016: 160) and is broken down into the following categories:

| Number of persons | 2018 | 2017 |
|---|---|---|
| **Management** | **80** | **70** |
| **Employees** | **69** | **76** |
| **Total** | **149** | **146** |

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

| EUR | 2018 | 2017 |
|---|---|---|
| **Wages and salaries** | **12,235,431** | **11,797,773** |
| **Non periodical remuneration** | **2,397,016** | **1,540,251** |
| **Social security costs** | **1,908,281** | **1,799,808** |
| *of which pensions* | *883,435* | *896,018* |
| **Other costs** | **1,558,562** | **1,370,177** |

## Note 17 – 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 2018 amounted to EUR 200,000 exclusive of VAT (2017: EUR 200,000) 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 18 – 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 2018 and 2017. The Company has no commitments with respect to guarantees of any kind entered into on account of senior management.

## Note 19 – 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 20 – Fees to the Réviseur d'Entreprises Agréé

The fees to the Réviseur d'Entreprises Agréé accounted for the year ended 31 December 2018 are equal to the amount to EUR 124,853 inclusive of VAT (2017: EUR 175,139), of which EUR 118,161 (2017: EUR 166,871) 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 6,692 (2017: EUR 8,268) 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 21 – 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., 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 22 – Off-balance sheet commitments and contingencies

As at 31 December 2018, the Company has commitments amounting to EUR 2,741,985 (2017: EUR 2,518,240) in relation to IT hardware, software and IT contractors, commitments amounting to EUR 605,566 (2017: EUR 815,950) in relation to car leasing contractors and commitments amounting to EUR 3,202,099 (VAT included) in relation to building lease (2017: EUR 3,644,597).

## Note 23 – Subsequent event

The Sole Shareholder of The OneLife Group, New PEL S.à r.l. (held by J.C. Flowers & Co. LLC) signed a share purchase agreement with APICIL Prévoyance on July 31, 2018 for the sale of its 99,5% share in The OneLife Holding S.à r.l.. The change in ownership of the Company was approved by the *Commissariat aux Assurances* on December 5, 2018.

As of January 2, 2019, APICIL Prévoyance owns 100% of the shares of The OneLife Holding S.à r.l. and The OneLife Company has become a subsidiary of the APICIL Group. The change of the ultimate Shareholder of the Group resulted in the change of the composition of the Board of Directors of the Company.

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ONE LIFE

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