ONE LIFE

SOLVENCY & FINANCIAL CONDITION REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

THE ONELIFE COMPANY S.A.

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EXECUTIVE SUMMARY

The OneLife Group is composed of **The OneLife Holding S.à r.l. and its subsidiary** (the Group or OneLife). It is an insurance group whose sole and only insurance entity as of 31 December 2017 and 2018 is **The OneLife Company S.A.** (the Company), an insurance company licenced in Luxembourg.

This is the third Solvency & Financial Condition Report (SFCR) provided by the Company under the Delegated Regulation (UE) 2015/35 from the European Commission dated 10 October 2014, completing the European Parliament and Council Directive on the business of Insurance and Reinsurance (Solvency II). When applicable, a summary of material changes since the last SFCR issued is included in the current report.

The purpose of the SFCR is to satisfy the reporting requirement to the **Commissariat aux Assurances** (CAA or Regulator) under the EU wide regulatory regime for insurance companies, known as Solvency II, which came into force from 1 January 2016. This regime requires new reporting and disclosure arrangements to be put in place by insurers and some of that is required and issued to the CAA (referring to a specific separate confidential report- **Regular Supervisory Report** – RSR). The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management. The ultimate Administrative Body that has the responsibility for all these matters is the **Company's Board of Directors** (BoD) with the support of various governance and control functions that it has put in place to monitor and manage the business. The SFCR is a public document.

The Regulator has exempted OneLife from Group reporting for Solvency purposes. Accordingly, the sole Group entity having to produce RSR and SFCR reports is the Company and our reports are produced considering that entity on a stand-alone basis.

With regards to the business and performance, profits have been generated by the core insurance activities in conjunction with strict cost controls and exceptional items remain limited in amounts. It resulted in a profit of EUR 5.2 million (2017: EUR 5.9 million).

With regards to the system of governance, the Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business. The different elements of the risk profile are assessed with a solid risk management methodology that requires intervention of all parties of the Company in order to ensure a complete picture including under simulated stress scenarios.

The Company exclusively applies the Standard Formula to determine its **Solvency Capital Requirements** (SCR), without using simplified calculations and without using undertaking-specific parameters and has described the valuation methods used in section 5. As at 31 December 2018 and 2017, the Group's sole reporting entity, The OneLife Company S.A., post-dividend solvency II ratios were respectively 154% and 161%.

The tiering of basic own funds allows for the following split:

	2018	2017
Tier 1 unrestricted	94.6%	90.6%
Tier 1 restricted	5.4%	8.5%
Tier 2	N/A	0.9%

SCR of the Company are concentrated on Market risk (equity risk and spread risk) and on life underwriting risk (lapse risk and expense risk).

Finally, the Company complied with its SCR and **Minimum Capital Requirement** (MCR) throughout the Reporting Period and the Company does not foresee a risk of non-compliance with its SCR or MCR during its business planning horizon.

EXECUTIVE SUMMARY

On 1 August 2018, 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 OneLife is a clear indication of its commitment to Luxembourg and to further strengthening OneLife's position as a provider of global wealth solutions using unit-linked life assurance.

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 reported figures or comments for the period covered by this report from 1 January 2017 until 31 December 2018, apart from the change of ultimate Shareholder of the Group.

Luxembourg, 09 April 2019

Antonio CORPAS
Chief Executive Officer

Philippe BARRET
Chairman of the Board of Directors

1. INTRODUCTION

1.1 - List of abbreviations & used terms

ACA	Association des Compagnies d'Assurance
AML/CFT	Anti-Money Laundering / Combat against Financing Terrorism
ARCC	Audit, Risk and Compliance Committee
BEL	Best Estimate Liability
BSCR	Basic Solvency Capital Requirement
Board or BoD	Refers to The OneLife Company S.A. Board of Directors unless specified otherwise
Company	The OneLife Company S.A.
CAA or Regulator	Commissariat aux Assurances – Regulator of insurance companies in Luxembourg
CAC	Client Acceptance Committee
CEO	Chief Executive Officer- Delegate to the Daily Management
CF	Control Function
DF or Dedicated Funds	Unit-linked life insurance policies, capital redemption bonds and/or pension plans linked to an individual investment fund whose assets are managed according to the investment strategy selected by the Policyholder(s).
ERM	Enterprise Risk Management
GEC or Exco	Group Executive Committee
GDPR	General Data Protection Regulation
Group	subsidiary, The OneLife Company S.A.
HNWI	High Net Worth Individuals
HR	Human Resources department
HRRC	Human Resources and Remuneration Committee
Iberia	Iberian Peninsula composed of Spain & Portugal
IC	Investment Committee
ICA	In Collective Bargaining Agreement
Latam	Latin America
MCR	Minimum Capital Requirement
NGC	Nomination & Governance Committee
MLRO	Money Laundering Reporting Officer
OLC	The OneLife Company
OLH	The OneLife Holding S.à r.l.
OneLife	Also referred to as the Group
OSN	Overall Solvency Needs
ORSA	Own Risk and Solvency Assessment
PVFP	Present Value of Future Profits

QRT	Quantitative Reporting Template
RCC	Risk & Control Committee
RED	Risk Event Data
Regulator	Refer to CAA
REM	Risk Exposure Monitoring
RM	Risk Margin
RMC	Risk Management Committee
Reporting Period	The period from 1 January 2017 until 31 December 2018
RSR	Regular Supervisory Report (addressed to the Regulator once approved by the BoD)
RST	Reverse Stress Test
Saphir	Saphir II Holding S.à.r.l., a subsidiary of the Group, liquidated
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report (for publication on the Company's website)
SLA	Service Level Agreement
SMP	Senior Management Position
T&L	Tax & Legal Department
ToR	Terms of Reference
UK	United Kingdom

1.2 - Scope

This SFCR is prepared in accordance with requirements derived from the Regulation (EU) N° 1094/2010 of the European Parliament and of the Council (hereafter EIOPA Regulation) in connection with reporting on Solvency & Conditions Reports to the CAA for the regulated Company, The OneLife Company S.A.

In accordance with the requirement of the Directive 2009/138/EC "Solvency II Directive", all the insurance and reinsurance undertakings should provide some information to the supervisory authorities in the RSR and should publicly disclose some information in the SFCR.

All undertakings have to disclose on an annual basis, a report on their solvency and financial condition in which qualitative and quantitative information on business, performance, system of governance, risk profile, valuation for solvency purposes and capital management should be provided or described.

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. This report is based on the Company's audited financial statements for the years ended 31 December 2018 and 2017.

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

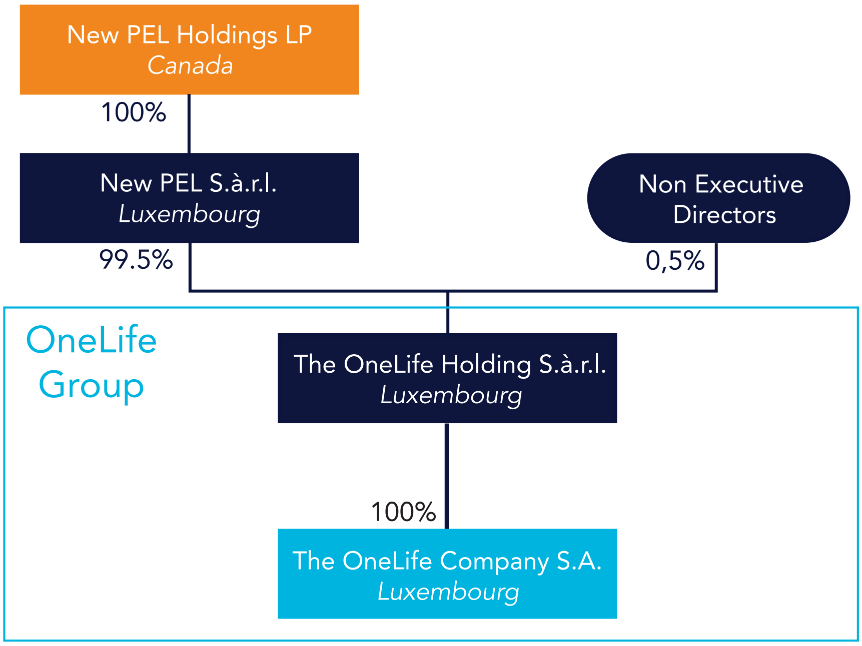
1. INTRODUCTION

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 this report, The OneLife Holding S.à.r.l. and all its subsidiaries are referred to as the "Group".

In terms of the Group's structure, the Group is a Luxembourg-based group active in the life insurance sector managed and controlled by The OneLife Holding S.à r.l.

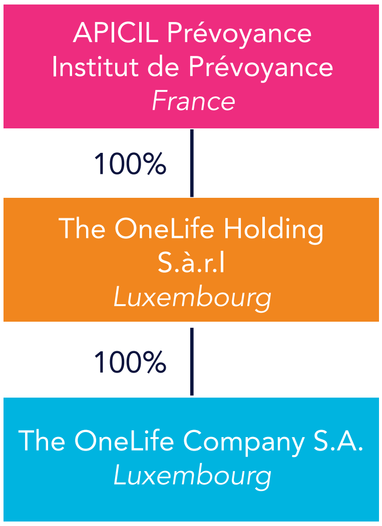
J.C. Flowers & Co., a leading private equity investor in the global financial services industry has been assembling the Group since late 2006 through a series of acquisitions of companies with a much longer trading history. J.C. Flowers & Co manages several private equity funds, i.e. JCF AIV PLP.

During the whole year under report, the Group structure was as shown below:



On 1 August 2018, 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 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 OneLife is a clear indication of its commitment to Luxembourg and to further strengthening OneLife's position as a provider of global wealth solutions using unit-linked life assurance.

Following this transaction, the structure of the Group as of the date of this report is as follows:



In 2016, the Regulator **exempted** OneLife from Group reporting for Solvency purposes with effective date on 1 October 2016. Accordingly, the sole Group entity having to produce these reports is The OneLife Company S.A. **and our SFCR report is produced considering that entity on a stand-alone basis.** Nevertheless, some references to the Group's bodies or processes or functions are made in the System of Governance part of this report as they were constituted when there were several active entities within the Group. They are still in existence but currently only apply to The OneLife Company S.A.

2. BUSINESS AND PERFORMANCE

2.1 - Business - Identification and appointments

This report relates to The OneLife Company S.A., an insurance company located and licenced in Luxembourg.

The Company is regulated by:

> **Commissariat aux Assurances**
> 7, boulevard Joseph II,
> L-1840 Luxembourg
> GD de Luxembourg
> Telephone: (+352) 22 69 11 - 1
> Fax: (+352) 22 69 10
> Website: www.caa.lu

The **Company's address** is at

> **OneLife**
> 38 Parc d'Activités de Capellen
> BP 110
> L-8308 Capellen
> GD de Luxembourg
> Telephone : (+352) 45 67 301
> www.onelife.eu.com

The Company offers unit-linked life assurance policies whose benefits are linked to the value of an investment portfolio. The Company offers a wide range of asset classes and investment strategies and calibrates each solution precisely using an array of fund types, financial products and investment vehicles – providing the flexibility and diversification that allow its clients to optimise risk / return profiles. Upon condition, the client can change asset allocation, custodian bank and investment manager during the life of a contract.

More particularly, the Company proposes the following assets in its products

- External investment funds managed by experienced asset managers;
- Internal collective funds offering mandated collective management in line with different policyholders' risk profiles;
- Internal dedicated funds that allow discretionary management, in line with the policyholder's personal objectives;
- Specialised funds that allow the holding of specific classes of assets without discretionary management.

The **external auditors** of the Company are:

> **Deloitte Audit, Société à Responsabilité Limitée**
> 560 Rue de Neudorf
> L-2220 Luxembourg
> GD de Luxembourg
> +352 45 14 51
> www.deloitte.lu

As at 31 December 2018 and 2017, **The Company's ultimate shareholder** is New PEL S.à.r.l. (owned by JCF AIV PLP, a limited partnership established in the Province of Alberta (Canada)) which owns 99.5% of The OneLife Holding S.àr.l, two independent directors own the remaining 0.5%.

As of these dates, the Group's organisation chart is as presented under section 1.2.

As of 31 December 2018, 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. Antonio Corpas	Director / Managing Director (Group Chief Executive Officer)
Mr. Christopher Baker	Director (Independent)
Mr. Jean-Luc Jancel	Director (Independent)
Mr. Peter Yordan	Director (Non-executive)

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 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.

Mr. Antonio Corpas resigned from his mandate as a Director (Member of the Board) of the Company on 2nd January 2019.

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.

Whenever applicable, the figures presented in this report are derived from **Audited Financial Statements for the years ended 31 December 2018 and 2017** which have been prepared in accordance with the 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.

The Annual Accounts cover the yearly period from 1 January until 31 December.

All amounts in this report are labelled in Euro (EUR), if not otherwise stated.

2.2 - Business – Key figures

In terms of financial performance, the Company reported a profit of EUR 5.2 million in 2018 (2017: EUR 5.9 million).

The earned premium net of reinsurance amounted to EUR 562.9 million for the year ended 31 December 2018 2017: EUR 504.8 million). Belgium remains the Company's primary market with additional core markets being France, Luxembourg, Denmark, UK, Finland, Iberia and Sweden. The Iberia (including Latam) regions are areas where activity was launched in 2017.

2018 Claims incurred, net of reinsurance amounted to EUR 520.5 million (charge) while 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.

Change in Other technical provisions, net of reinsurance stands at EUR 373.8 million for 2018 (income) and EUR 170.9 million (charge) for 2017.

Unrealised gains on investments stand at EUR 47.5 million for 2018 and EUR 429.5 million for 2017 and unrealised losses on investments amount to EUR 434.8 million in 2018 and EUR 229.7 million for 2017. The investment income which amounts to EUR 95.7 million in 2018 and remains stable compared to EUR 95.8 million in 2017.

Net operating expenses increased to EUR 51.3 million in 2018 from EUR 47.9 million in 2017.

Representative assets backing up technical provisions when the investment risk is borne by the policyholders account to EUR 4.9bn in 2018 and EUR 5.2bn in 2017, the variance being due mostly to market impact.

The Company has no other activity than directly related or derived from its life insurance activities. Non-Technical Income are recorded in Other Income and are mainly composed of Interests on Intragroup loans, interests derived from tax receivable, reversals of previous years taxes, liquidation process and reversal of prior years' excessive provisions.

Key balance sheet figures for the year ended 31 December 2018and 2017 are:

Assets

EUR	2018	2017
Intangible assets	6,541,389	7,192,751
Investments	75,173,872	104,509,475
Investments for the benefit of life insurance policyholders who bear the investment risk	4,863,795,511	5,193,903,898
Debtors	32,490,326	28,501,675
Other assets	43,137,514	60,071,221
Prepayments and accrued income	13,246,837	22,601,297
Total assets	**5,034,385,449**	**5,416,780,317**

Liabilities

EUR	2018	2017
Capital and reserves	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	6,941,019	14,041,019
Technical provisions	51,142,837	94,881,656
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
Creditors	43,308,784	43,148,122
Accruals and deferred income	1,060,368	1,338,740
Total liabilities	**5,034,385,449**	**5,416,780,317**

Key Profit & Loss figures for the year ended 31 December 2018 and 2017 are:

EUR	2018	2017
Earned premiums, net of reinsurance	562,978,904	504,767,306
Investment income	95,658,848	95,814,430
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
Change in other technical provisions, net of reinsurance	373,833,106	-170,891,073
Bonuses and rebates, net of reinsurance	0	8,148,116
Net operating expenses	-51,338,814	-47,901,210
Investment charges	-68,849,378	-38,809,657
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**
Other Income	1,025,767	1,348,067
Other charges, including value adjustments	-229,941	-690,790
Profit on ordinary activities after tax	5,479,749	6,228,088
Other taxes not shown under the preceding items	-267,300	-306,464
Profit for the financial year	**5,212,449**	**5,921,624**

2.3 - Personnel of the Company

Personnel employed during the year

The average number of persons employed by the Group for the year ending 31 December 2018 amounts to 149 (2017: 146) and is broken down into the following categories:

Categories	2018
Management	80
Employees	69
Total	**149**

2.4 - Underwriting performance

Products, markets and distribution

As a life assurance specialist, the Company develops cross-border financial planning solutions for wealthy clients across Europe, more specifically in Belgium, Denmark, Finland, France, Luxembourg, Portugal, Spain, Sweden and the UK.

OneLife's customised solutions are based on clients' financial, fiscal, legal and family circumstances. Its open architecture approach provides clients with unit-linked contracts that offer a large choice and great investment flexibility across a wide variety of funds: from external funds managed by prestigious asset managers to internal collective and dedicated funds.

In 2017, the Company launched an improved and enriched digital customer experience through its new Application ('OneApp') accessible via smartphones for its business partners. This allows 24/7 access to clients' portfolios providing real time consultation of portfolio valuations, tracking of operations and transactions and access to annual policy statements, all in just a few clicks. The same application for clients was made available in early 2018.

A key feature of the service offering to business partners is the secure online portal 'Youroffice', accessed via the Company's website that provides partners a one-stop source to view clients' portfolios and a history of all interactions with the Company such as a detailed history of commission payments.

A related system, 'Yourassets', gives clients access to information specific to their own individual portfolio.

Using these systems, intermediaries and clients can monitor their investments and download documents. The systems include a variety of charting tools that enable the broker or client to create performance comparisons.

During 2018, OneLife successfully completed the consolidation and upgrade of its IT systems – migrating to a single policy administration platform. This 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 started in 2016 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 to both partners and clients is 100 per cent paperless, entirely secure and transactions which are signed digitally have the same legal value as manually signed ones. OneLife also added new features to its mobile application which gives 24/7 real-time access to portfolios for partners and clients.

New business remains consistently targeted at two broad groups.

A complete new suite of products was developed in 2016 and 2017 on some Core markets of the Group (Finland, Sweden, UK, France, and Luxembourg) as well as Portugal. This new suite of products complemented the existing offer on other core markets of the Group (Belgium, Denmark) and were part of the success of the Company's business in 2017 and 2018.

In 2018, the Company also launched a series of new products to cater to the needs of its partners and their clients; Capitalisation Finland, a Belgian Pension Product (IPT), Wealth Spain & Wealth Portugal, Capitalisation Denmark and Capitalisation Luxembourg products

In 2018, another product was launched (Ma Sentinelle Lux with a distributor focusing on digital relationships).

The main products currently marketed are listed in the table below:

Client segment	(Ultra) High Net Worth (1M-10M) and Affluent
Product type	Life assurance Capitalisation bond Individual pension
Underlying structure	External funds Internal collective funds Internal dedicated funds Specialized Investment Funds
Main Products names & category	Camelea/Serenity (Unit Linked) Adiameris (Dedicated Fund) Pension Belgium (Pension) Wealth France / Capitalisation France (Wealth) Wealth Finland (Wealth) Wealth Sweden (Wealth) Wealth Spain (Wealth) Wealth UK / Capitalisation UK (Wealth) Personal Pension Denmark (Pension) Wealth Luxembourg / Capitalisation Luxembourg (Wealth) Wealth Portugal (Wealth)

The gross premiums written are broken down as follows:

EUR	2018	2017
Individual premiums	563,924,283	505,625,764
of which inwards reinsurance premium	-	-
Total	**563,924,283**	**505,625,764**

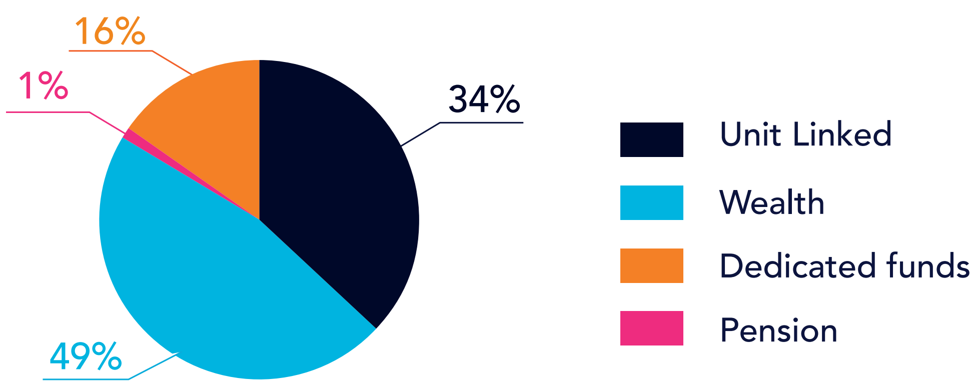
EUR	2018	2017
Periodic premiums	1,993,253	1,487,612
Single premiums	561,931,030	504,138,152
Total	**563,924,283**	**505,625,764**

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 the policyholder	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**

Premium products 2018



2.5 - Investment performance

As of 31 December 2018 and 2017, the Financial Investments were as follows:

	2018	2017
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
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

The Company also had the following cash at banks and in hand:

	2018	2017
Cash at bank and in hand	42,924,875	59,770,886

In 2018, these Financial Investments have generated a net income of EUR 1,053,841, (2017: EUR 1,114,749).

2.6 - Performance of other activities

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

2.7 - Any other information

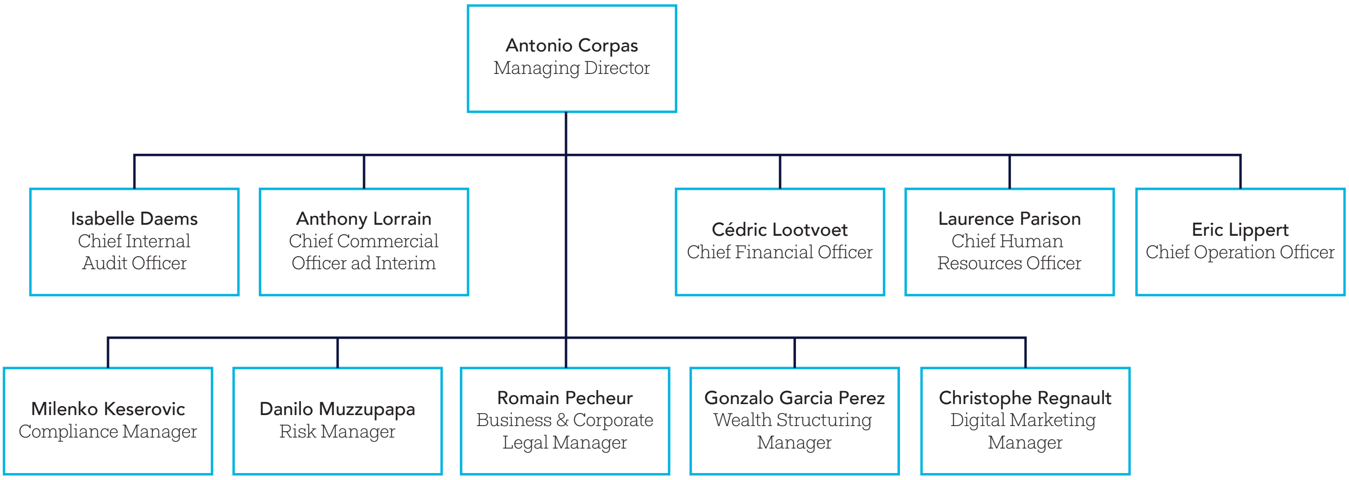
Reference is made to previous sections mentioning the subsequent significant change in the Group's shareholders' structure and organisation.

3. SYSTEM OF GOVERNANCE

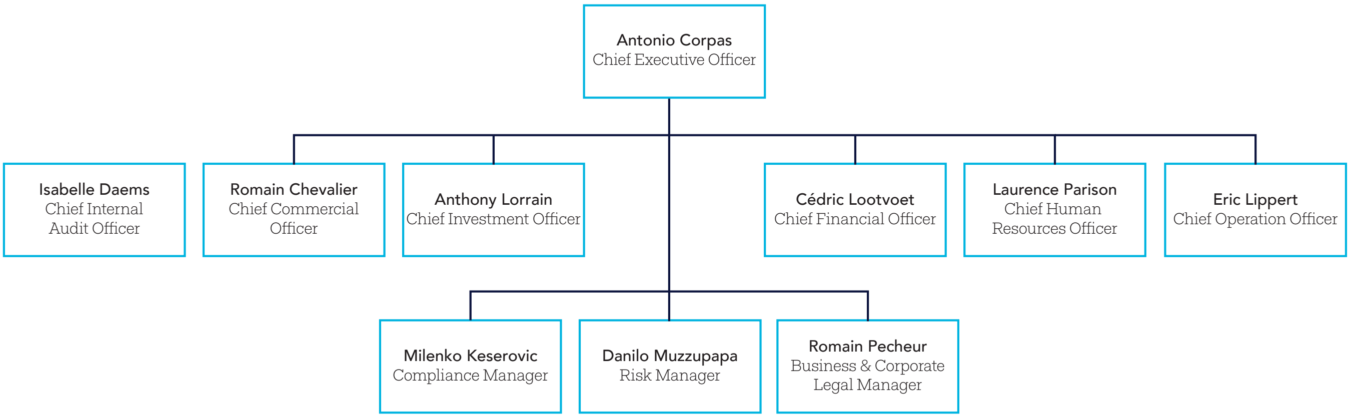
3.1 - General information on the system of governance

3.1.1 Organisation chart

The following graph illustrates the situation as of **31 December 2018** including the department heads, and the key function owners:



As of the date of this report, the situation is as follows:



It is worth noting that the Chief Internal Audit Officer, in addition to the administrative reporting to the Chief Executive Officer, also reports to the ARCC, from a functional aspect.

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

3.1.2 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 CEO and to approve the Annual Accounts.

3.1.3 Board of Directors

As of the date of this report, the Board of Directors of the Company is composed of four Non-Executive Directors (refer to 2.1) and is principally in charge of determining the Company's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, and monitors and evaluates the performance against the strategic plans and budgets.

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

The Members of the Board have extensive knowledge and experience in the areas of life insurance business, private banking, financial markets, securities, brokerage, finance, risk management, operating management, business development, strategic direction of the Companies and Group as a whole.

The Board meets at least four times a year on a quarterly basis. Additional Board Meetings may be convened with appropriate notice at any time to address specific needs of the business. Any Manager may call for a meeting of the Board of Managers. Any Board Member may request the inclusion of a matter on the agenda.

The Board appoints and removes the CEO, or other party responsible for the day-to-day oversight of the Company's affairs. Any changes in the Board composition is recommended by the Nomination and Governance Committee and submitted to the Board for approval (appointment or removal).

The Board Secretary also assists and advises the Board, the Chairman, the CEO and all Board Members in exercising their duties. The Board Secretary ensures that the Board procedures are complied with and that the Board acts in accordance with its obligations under the law, the Articles of Association, the internal rules and regulations.

Access to information and management:
The Board of Managers can have access to all corporate and business information needed to fulfil their duties.

A pack of documents is prepared and provided to each Manager prior to each meeting. Members of the Executive Management are invited to attend meetings to present the matters and answer questions. The Board of Managers may contact Members of the Executive Management, external experts and advisors in order to be provided with relevant information and supporting material.

The Board proceeds to an annual self-assessment of its own performance and of its Group's Committees (Audit, Risk and Compliance Committee, Nomination and Governance Committee, Human Resources and Remuneration Committee). It is worth mentioning that, as of the date of this report, the "Nomination and Governance Committee" and the "Human Resources and Remuneration Committee" are merged into the "Nomination, Remuneration and Governance Committee".

The Board has adopted Terms of Reference to promote strong and effective governance.

3.1.4 Chief Executive Officer (Delegate to the daily management)

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

3.1.5 Committees

3.1.5.1 Committees reporting to the Board of Managers:

- Audit, Risk and Compliance Committee (**ARCC**);
- Nomination and Governance Committee (**NGC**);
- Human Resources and Remuneration Committee (**HRRC**).

These Committees have been put in place by the Board; they report regularly to it and assist it in fulfilling its duties.

The ARCC comprises three Members (at least) of the Board. Its current composition gathers competencies such as senior management experience, risk management, strategic and operating management, knowledge of financial markets, private banking. The Chairman of the ARCC is an independent Director.

The ARCC meets separately, as needed, with the Group Chief Executive Officer, the Chief Financial Officer, the Head of Actuarial, the Risk Manager, the Chief Internal Audit Officer, the Compliance Manager, the Group General Counsel, the representatives of the Independent Auditor or other persons and may require the same to attend any meeting(s) of the ARCC.

The ARCC meetings are held on a quarterly basis, any additional meetings may be convened.

The ARCC has the sole authority to select, evaluate, appoint, and replace the Independent Auditor and approves in advance all audit engagement fees and terms and all audit-related, tax compliance and other non-audit engagements with the Independent Auditor. The ARCC consults with Management, but shall not delegate these responsibilities.

The ARCC has the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the ARCC. The Company provides funding, as determined by the ARCC, for payment of compensation to the Independent Auditor, any advisors employed by the ARCC and ordinary administrative expenses of the Committee.

The ARCC regularly reports to the Board on its activities. These main activities cover the financial statements and disclosure matters, the internal controls over financial reporting, oversight of the Group's relationship with the Independent Auditors, oversight of Risk Management, oversight of Internal Audit, oversight of Compliance Responsibilities, Oversight of Legal/Regulatory Responsibilities Oversight of General Management Responsibilities.

The NGC is currently composed of four Members.

The NGC takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board of Managers; the Corporate Governance Guidelines applicable to the Company and monitoring the Company's compliance with said policies and Guidelines.

The NGC is responsible for identifying individuals qualified to become Board members and recommending to the Board the Managers nominees for the next annual shareholders' meeting. It leads the Board in its annual review of the Board's performance and recommends to the Board director candidates for each committee for appointment by the Board.

The NGC shall comprise at least three members of the Board, and the members shall meet the independence, experience, and expertise requirements of the Luxembourg Stock Exchange and other applicable laws and regulations.

The HRRC is currently composed of four members.

It is responsible for:

(i) determining the compensation for the CEO

(ii) approving the compensation structure for members of senior management and certain highly compensated employees, in accordance with guidelines established by the HRCC from time to time, and

(iii) approving broad-based and special compensation and benefits policies across The OneLife Holding S.à.r.l. (the "Group"). Compensation decision of the committee includes fixed salary, discretionary bonus, pension schemes and when applicable any distinction of stock options

Additionally, the Committee will regularly review the Group's management resources, succession planning and development activities, as well as the performance of senior management. The Committee is charged with monitoring OneLife's performance toward meeting its goals on employee diversity.

A remuneration policy is adopted and there are two different status of employees in the Company:

- Non-ICA Employees
- ICA Employees

Non-ICA employees are Experts, Managers, Department Manager, Department Head (including executive committee members) are not subject to the ICA, for the financial side of their compensation.

ICA employees are employees below the Manager level.

Emoluments granted to members of the Board of Directors by reason of their responsibilities with respect to the financial year 2018 and 2017 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.

As mentioned previously under 3.1.3, as of the date of this report, the NGC and the HRRC are merged into the "Nomination, Remuneration and Governance Committee" which is composed of 3 members.

3.1.5.2 Committee with Chairman reporting to the Board of Managers

The Group Executive Committee.

The GEC is in-charge of implementing the strategy as defined by the Board.

The Group CEO, who reports directly to the Board of Managers, directs it.

As of 31 December 2018, the GEC is composed as follows:

- Group CEO
- Chief Financial Officer
- Chief Operations Officer
- Chief Human Resources Officer
- Chief Commercial Officer (ad-interim)

Members of the Executive Committee

Mr. Antonio CORPAS	Chief Executive Officer
Mr. Eric LIPPERT	Chief Operations Officer
Mr. Cedric LOOTVOET	Chief Financial Officer
Ms Laurence PARISON	Chief Human Resources Officer
Mr. Anthony LORRAIN	Chief Commercial Officer (ad-interim)

3.1.5.3 Committees reporting to the GEC

- Risk & Control Committee (RCC);
- Investment Committee (IC).

The former committees Business, Risk and Compliance Committee and the Risk Management Committee (RMC) were merged, a new committee: the Risk and Control Committee was implemented in January 2018 (RCC Terms of Reference approved by the Board of Managers on 20 December 2017).

The IC Committee shall approve and monitor the investment strategy, consider and monitor risk, monitor compliance with relevant law and regulation

The RCC ensures action plans to mitigate risks exposures are adequate and are effectively implemented, by escalating to GEC, where necessary, with respect to identified risks:

- to support the implementation of the Group Risk Management Framework
- to request any Compliance, Risk Assessment, Actuarial, or Audit deeper analysis on any specific topic which is deemed necessary
- to monitor compliance with Group Policies (including the Outsourcing Policy)

3.1.5.4 Committees implemented at the level of the life insurance company

A Client Acceptance Committee (CAC) has the authority to review and accept or refuse applications from prospective and existing clients relating to cases that qualify as high risk.

3.1.6 Group structure and shareholders

As at 31 December 2018 and 2017, New PEL S.àr.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 owned the remaining 0.5%.

On 1 August 2018, 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 complete and that it was part of APICIL.

3.2 - Fit and proper requirement

The Company has a policy to observe the obligations included in Solvency II Directive and detailed in the EIOPA Guidelines.

The Fit & Proper policy includes the minimum requirements pursuant to the Solvency II Directive requirements.

The functions subject to Fit & Proper assessment are:

- Members of the Boards of Directors,
- Members of the Boards of the ExCo,
- Key functions, as defined by the Solvency II guidelines.

Specific Senior Management or key positions as identified by HR.

Persons proposed for Senior Management Positions must be honest, diligent and of good reputation and must act and have acted ethically and with integrity.

In determining a person's honesty, integrity and reputation, the Company will have regard to matters, which may have arisen in either Luxembourg or elsewhere.

3.2.1 Documents to support Fitness Assessment Procedure

Persons proposed for Control Functions, or Senior Management Positions must be adequately trained, qualified and experienced regarding the nature of the functions and the required qualifications of the functions.

Due to the complexity of certain functions within the Group and in connection to the above criteria, for assessing one's qualification, training and experience (fitness) for one position, the Company shall seek for each applicant to a SMP at least the following documentation:

- A Curriculum Vitae (Resume), summarizing the person's past experiences, qualifications and certifications, and professional memberships if relevant;
- A cover letter from the candidates summarizing the experiences, their relevant degrees/diplomas, certifications, qualifications and motivations.

Whenever deemed necessary, as supplementary information the Human Resources and the Tax & Legal departments will seek the following documents:

- Suitable Proofs of relevant diplomas/degrees, both undergraduate and postgraduate (preferably originals or certified copies);
- Any proof of professional membership/registration/statute. Any proof of past experience including work certificates, references of past employment;
- Depending on the function proposed to the person and in line with the requirement for this function, any proof of relevant qualifications such as certifications, suitable proofs of training, learning or attending to relevant conferences.

3.2.2 Documents to support Probity Assessment

Persons proposed for CFs, or SMPs must be honest, diligent and must act ethically and with integrity.

In connection to the above criteria, for assessing one's honesty, integrity and good reputation, the Company shall seek for each applicant to a SMP at least the following documentation:

- An original extract of criminal records, which shall have been issued not less than 3 months ago; or any overseas equivalent;
- A self-certification or written confirmation that the individual complies with all laws and regulations, is of good reputation, has always acted with integrity and honesty shall be fulfilled.

Whenever deemed necessary, as supplementary information the Human Resources and the Tax & Legal departments will seek the following documents when available:

- A credit certificate through a public financial database (if available, for instance in Germany and the UK);
- A Solvency Certificate from a Bank / Credit institution;
- A certificate of good reputation issued by any company, regulator, public or governmental authority;
- A work certificate from any Company the person has worked for;
- A residence certificate confirming the person effectively lived at a given address.

3.3 - Risk management system including the own risk and solvency assessment

3.3.1 Risk Governance

The Board assumes final responsibility for the implementation of an appropriate risk system within the Company and to satisfy itself that an appropriate level of governance is exercised to ensure that risk is integrated into decision-making and control within the Company. The Board also assumes the final responsibility for the Risk Strategy and Risk Appetite definition.

The Board in turn delegates to a sub-committee, i.e. the ARCC the responsibility to undertake review of the corporate risk system, and the risk exposures to ensure that Management continue to manage the business within the Board's prescribed Risk Appetite, and that key risk exposures do not exceed Board approved limits.

Having established the risk exposure constraints for Management to operate within, the ARCC delegates to the Group Executive Committee the authority to continue operations such that the limits are not exceeded.

The Group Executive Committee in turn has established dedicated oversight committees for managing the Group's risk exposures, namely the RMC (Risk Management Committee) and the BRCC (Business Risk & Compliance Committee). As previously mentioned, both committees have been replaced in January 2018 by the RCC (Risk & Control Committee).

3.3.2 Corporate Three lines of Defence Model

The Group Corporate Governance is structured following 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.

  In each department, employees, managers and department heads have a deep understanding of their daily operations and the related risks, as such:
  - They own and manage risks (i.e. “risk owners”);
  - They are responsible for identifying, assessing, controlling and mitigating risks;
  - They maintain effective internal controls and execute risk and control procedures;
  - They implement corrective actions to address process and control deficiencies;
  - They design and implement “internal rules” in coordination with other departments;
  - They guide the design of controls into systems and processes.

- **Second Line of Defence** – Risk Oversight, performed by the Actuarial function, Risk Management function, Compliance function;

  The responsibilities of these functions include:
  - Supporting management policies;
  - Providing risk management frameworks identifying known and emerging issues;
  - Identifying changes in the organization's risk appetite;
  - Assisting management in developing processes and controls to manage risks and issues;
  - Providing guidance and training on risk management processes;
  - Monitoring implementation of effective risk management practices and adequacy and effectiveness of internal control;
  - Alerting to emerging issues and changing regulatory and risk scenarios.
- **Third Line of Defence** – Independent Assurance, performed by Internal Audit department.

  Additional information on how Internal Audit provide the governing body and Senior Management with comprehensive assurance, based on the highest level of independence and objectivity within the organization, is described in the Internal Audit section of this report.

3.3.3 Group Risk Management Team - Compliance & Risk Department

The Risk Management team – Compliance & Risk Department is responsible for:

- Co-ordinating the risk management programme and providing advice and guidance, including the development of standard templates and tools to assist the Company in managing risk;
- Developing and conducting training on the principles of risk management, risk assessment and on how to implement risk management effectively;
- Ensuring that strategic risks are considered by conducting an annual Reverse Stress Test to identify exogenous risk events which may lead to the business model no longer remaining viable and maintaining a register of endogenous risks which can lead to a failure of Group Executive Committee to achieve the objectives of the strategic plan. Further registers will be maintained of the financial and operational risks identified through the risk self-assessment process;
- Developing a comprehensive risk event reporting system and maintain information on losses or adverse events when risks crystallise;
- Supporting Management in the effective operation of the risk management system,
- Monitoring the risk management system;
- Maintaining a Group-wide perspective and aggregated view of the risk profile;
- Reporting on risk exposure and advise Management on risk in relation to strategic considerations and major initiatives and projects;
- Identifying and assessing emerging risk;
- Establishing policies and procedures to guide risk management activity.

The Risk Manager reviews the risk management process annually and reports this in an annual report on risk management to the ARCC.

3.3.4 Risk Correspondents

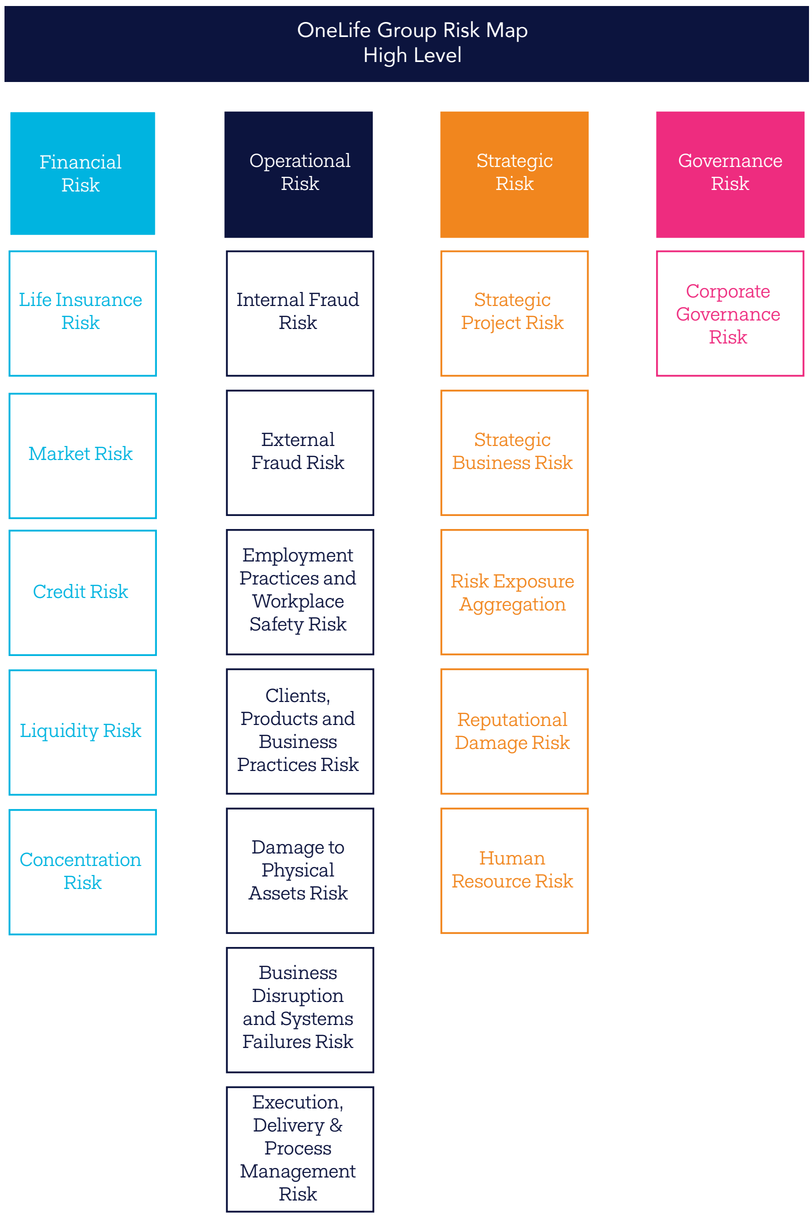
Within Group operating departments there are a number of individuals identified to fulfil the role of Risk Correspondent.

Their objective is to support the Risk Owner (usually the Department Head) in the embedding of a strong risk culture in the Business Unit, assisting the Group Risk Management team in compiling the Business Unit's Risk Register and reporting Risk Events.

Formal Terms of Reference for the role are agreed by the RMC until end of 2017, subsequently by the RCC.

3.3.5 Risk Map

OneLife uses a pre-defined risk map, which is structured as follows (high level):



3.3.6 The Business' Review of Risk

A Global Risk Assessments Profile and Evaluation (GRAPE) is performed at least twice a year where the objective is to focus on all risk types shown in the Risk Map above.

The GRAPE is a structured and systematic process to:

- Create comprehensive risk scenarios by identifying vulnerabilities, triggers and consequences
- Quantify financial and/or reputational impact
- Define, plan, monitor and implement effective risk mitigations strategies: improvement actions and controls
- A quick way to capture the collective knowledge of in-house experts, and apply it effectively to risk control and improvement

Risk Indicators given by the Risk Events Data Collection and the Risk Exposure Monitoring (REM) are used as real events showing how risks could materialise. They are considered as input for Risk Assessment helping in the identification of:

- The efficiency of Controls in place or need of new controls implementation
- Vulnerability to risks
- Triggers for the materialization of potential risks
- Consequences that the risks could bring

Risks are discussed in bilateral meetings between Risk Management and Risks Owner(s) (and/or Business Expert(s)) and based on measurements criteria (scoring grid) defined in the Risk Management System, risks are then measured in terms of Impact and Likelihood/Probability. These two measures allow giving a rating representing The OneLife Company S.A.'s exposure to the identified risks.

Each risk can have an impact on the Solvency Capital Requirement (SCR), Total Operating Surplus, Operational Expenses and/or Reputation of the Company. In addition, a Strategy for each risk is also selected by the Risk Owner.

Risk Management department performs two types of Risk Assessment:

- Global Risk Assessment Profile and Evaluation (GRAPE) at Company Level performed twice a year as described above.
- Issue Based Risk Assessment (IBRA), which is mainly a risk assessment, based on events occurred with a high frequency and impact on a specific process (ad-hoc basis). The approach is the same as per GRAPE process, but the scope is a specific issue or process.

For the IBRA specific scoring grid and evaluation method are adapted to the process and validated by the Risk Assessment participants and the whole process is mentioned in the final report for a global overview.

3.3.7 Risk Exposure Reporting Process

The OneLife Company's Risk Exposure is estimated through risk assessments, the collection of operational incidents (Risk Event Data collection – or "RED") and the quarterly monitoring of key risks indicator which are reported in the Risk Exposure Monitoring ("REM") report.

The RED collection process consists of the systematic collection and recording of operational risk events across the Company. Risk Events are communicated to Risk Management via an internal tool; a report is presented to the committees on a regular basis.

The REM is produced by the Risk Management team on a quarterly basis, with financial and non-financial data collected across various departments of the Company. It includes breaches where applicable and an assessment of the exposures. The REM report is presented to the sub-Exco committees and to the ARCC.

The full picture on Risks Exposure (including the risk ratings, defined strategy, risk owner, mitigation actions, etc.) is presented to the Committees in order to validate the Risk Assessment: a regular follow-up on mitigation actions is done.

The GRAPE report is then presented to the Audit Risk and Compliance Committee and it used then by the Board of Directors as a decision maker tool.

3.3.8 ORSA process

The ORSA policy is adopted and states that the *"ORSA is a process that seeks to link the ERM framework to the Corporate Strategy and to the Solvency/Capital requirements of the enterprise. The business strategy will imply a number of risks that the business will face, but at the same time, a number of risk factors may change over time, such as the external economic environment, internal business practices and the competitive landscape. The ORSA needs to demonstrate that, over all reasonable expectations of such impacts, the business can continue to remain solvent.*

The Board needs to be assured that the ERM is robust with good governance, supports their expressed appetite for risk and of the business's ability to identify all of the types and levels of own risk (quantitative and qualitative) to which they are exposed as well as management actions through mitigation or adequate capital resources to survive the impact of such risks crystallising. Such analyses will have broader reach than just the risks specified for calculating the SCR, as well as having different calibrations of the impacts and likelihoods of the SCR risks, along with a different period.

There is a need using stress and scenario analysis to project over the horizon of the business plan –three years in OneLife's case - the outcomes in respect of capital positions arising from the impacts of own risks under range of scenarios.

The outcome of the ORSA is an ability to support the statements that, OneLife's plans are consistent with the Risk Appetite, that the Group is adequately capitalised on the basis chosen for the own risk assessment as well as on a regulatory basis, and that the Group will continue to be so over the planning horizon."

The ORSA is completed at a point in time during the year and provided to the regulators according to the requirements.

The ORSA exercise is undertaken on a yearly basis; OneLife aims to deliver an ORSA based on the latest available three-year budget. However, if a significant exceptional event affecting the structure of the Group occurs then the ORSA process would be triggered and an ad-hoc assessment (in part or in full as appropriate) would be conducted.

The Board, the ARCC, the GEC, the RCC and the CEO are also entitled to request an ORSA to be produced at any point in time.

Concerning the ORSA report structure, which is not fixed and can evolve according to report needs, the information included must cover at least (not exhaustive):

- Information on the Structure of the Group
- Information on the Business, Markets and Performance
- Information on the System of Governance
- Information on the Risk Profile

- Assessment of the overall solvency needs
- Forward-looking perspective of the overall solvency needs assessment
- Valuation and recognition bases of the overall solvency needs
- Continuous Compliance with Regulatory Capital Requirements
- Continuous Compliance with Technical Provisions
- Assessment on the potential Deviations from assumptions underlying the SCR calculation

The conclusion includes at least:

- The qualitative and quantitative results of the forward looking assessment and the conclusions drawn by the undertaking from those results
- The summary of the methods and main assumptions used

During the year Risk Management will ensure a process of risk reporting (in agreement with the results of the annual ORSA report) and continuous monitoring of the ORSA results (actuals vs. projected). In practice, whenever the Actuarial Team will report Solvency II coverage (which under Solvency II is at least on a quarterly basis), Risk Management will be informed of report any breach of the Risk Appetite Solvency coverage limit and it will be reported to the relevant stakeholders.

The ORSA assumptions and results are reported to the GEC for comments and approval before presentation to the ARCC and the ORSA assumptions and results have to be approved by the Board.

ORSA results are interpreted into budget approval process.

The ORSA process and modelling takes also into accounts risk as assessed as high and identifies if they are covered in the SCR calculated by the standard formula and for in stressed scenarios.

Category	Tasks
AML / CTF – Anti-money laundering / Counter Terrorist Financing	Review of Know-You-Customer files and atypical transactions. Perform regular controls on a "risk-based" approach. Name filtering of clients and brokers against official lists and exposed persons lists. Compliance performs the reporting of suspicious transactions to authorities and the Compliance Manager is the MLRO (Money Laundering Reporting Officer).
Compliance training	Following the compliance training plan, annual training is provided on AML / CTF, complaint handling, fraud prevention, GDPR and other related topics to employees.
Complaints handling	Centralization and analysis of complaints. Periodic reporting to ARCC.
Data protection and record retention	Set up data protection policies. Support other departments by performing reviews, setup of record retention schedules, etc.
Distribution network review	Review the distribution network of the different insurance companies of the Group in order to assess if the brokers are licensed and do not present reputation risk for the Group.
Fraud prevention / investigation	Promote a fraud awareness culture. Investigate potential cases of fraud. Propose procedures / controls / remediation actions based on findings.

Category	Tasks
Internal code of conduct / ethics	Develop policies and procedures that foster an ethical behaviour of all employees.
Internal procedures review	Review internal procedures in order to identify if those procedures take into consideration compliance risk.
Product review / product acceptance	Review new products and their development in order to raise and address on time potential compliance issues. Suggest modifications if needed.
Project support	Support ongoing project which may have a compliance impact.
Rules of conduct / Information to clients	Review proper mechanisms for information to clients (complete / accurate / timely).
Whistle Blowing	The Compliance manager is the contact person "GPM - Good Practice Manager" and is responsible for centralizing and handling alerts of unethical behaviour raised by employees.

3.4 - Internal control system

3.4.1 Compliance Team - Compliance & Risk Department

Group Compliance team's role within OneLife is the support of the Group and its key stakeholders against business practices that would not be in line with legal, regulatory and in some aspects ethical requirements.

This includes also the protection against reputation risk which is one of the key assets for development success.

The Compliance function includes the following main activities:

- The function documents its controls and issues recommendation when appropriate.
- It is an independent function and reports to the Group CEO and to the ARCC where it has direct access to Board members.
- Compliance related policies and procedures are reviewed at least on an annual basis.
- In addition, the function disposes of own resources and budgets to seek external support in case of need.

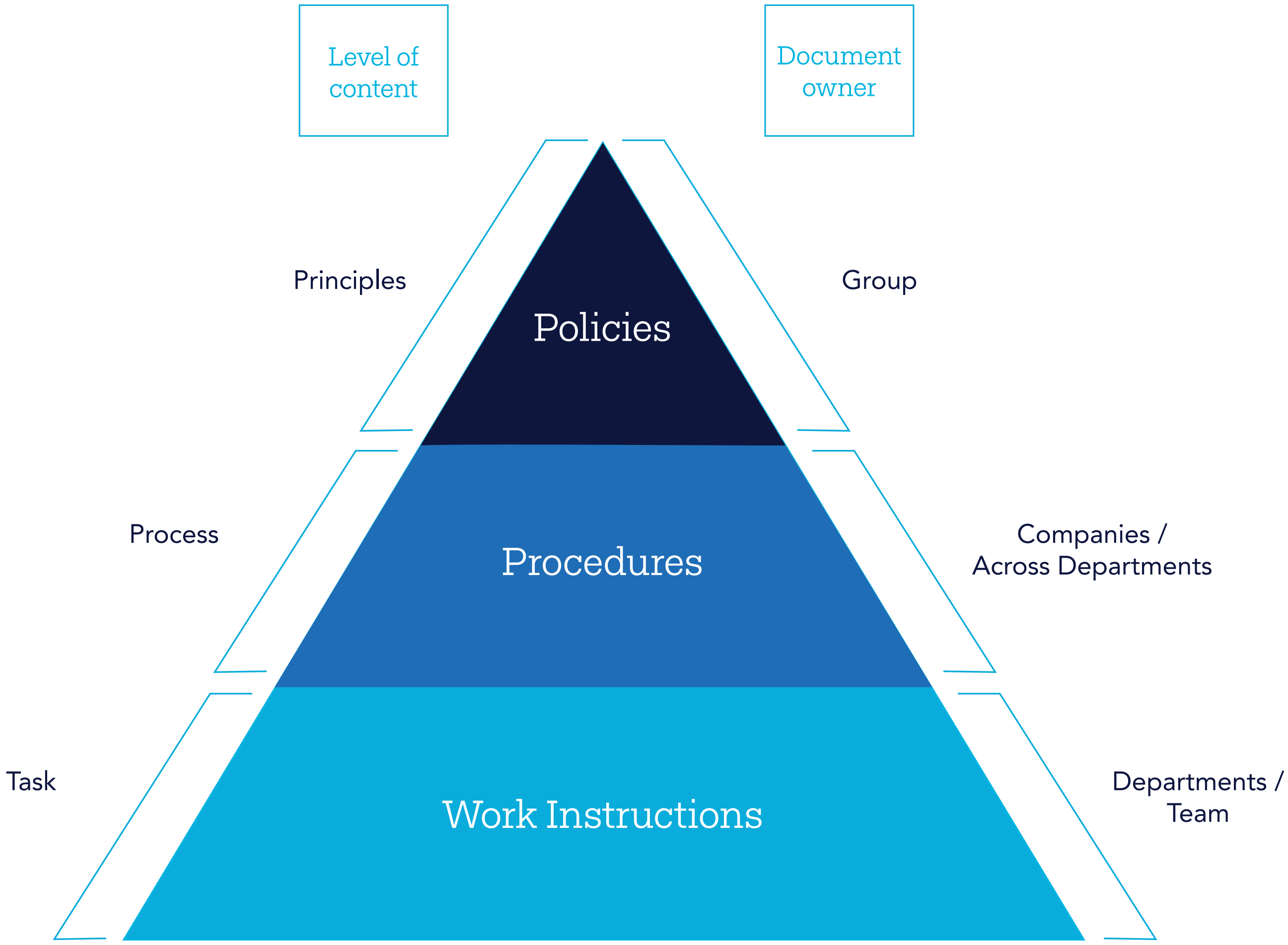
3.4.2 Internal rules

The Group has implemented Internal Rules covering all its activities, including its life insurance activities meeting the Commissariat aux Assurances requirements. The Group's Internal Rules manual is updated on a yearly basis or when deemed necessary.

Internal Rules are centralized by Group Compliance and Risk department and made available for all employees on the Group Intranet. They are structured under Policies, Procedures and Work Instructions).

- Policies set overall principles for activities of OneLife;
- Procedures document one process within and across departments and are applicable to one or several companies;
- Work instructions provide more detailed guidance on how to carry out a single task. Work instructions depend on the details requested to perform a specific task. In some cases, detailed work instructions may be optional if a detailed procedure is in place.

The graph below explains the level of details of each category of Internal Rules:



Trainings on some of these procedures are organized including but not limited to Compliance topics (AML, Complaints ...).

3.5 - Internal audit function

3.5.1 Internal Audit Department

The Internal Audit department is responsible for:

- evaluating the internal controls system through reviews of the various activities of OneLife and all its affiliates (whether located in Luxembourg or abroad),
- ensuring that OneLife is adequately protected by the internal rules in place, and
- making recommendations for improvement.

Scope, responsibilities, organisation and reporting lines of the Group Internal Audit function are defined in the Audit Charter, which has been approved by the ARCC.

The key principles and standards ruling the Group Internal Audit function have been made available to all staff members through the publication on the intranet of the Internal Audit Manual.

To ensure objectivity and in particular to avoid conflict of interest, a system of rotation of audit tasks is instituted within the limits of practicality, and arrangements made to avoid new recruits from within the organisation performing audit work on activities where they exercised their duties in the recent past.

3.5.2 Reporting Line

To provide for the independence of the Internal Audit activity, the Chief Internal Auditor Officer reports functionally to the ARCC and administratively to the Group Chief Executive Officer.

3.5.3 Risk Assessment and Internal Audit Plan

The internal audit activity of OneLife follows a risk-based approach, meaning that internal audit resources are deployed with efficiency to cover the audit universe, draw up the internal audit plan, plan audit engagements and communicate results. The risk assessment is aligned to the Risk Management's methodology.

Once per year, the Group Internal Audit department performs a risk identification and assessment, aiming at determining the key risks to which the OneLife is exposed to and their magnitude. Inherent business risks, mitigating controls and residual risks are evaluated.

For efficiency reasons, the Group Internal Audit department relies to some extent on the work of others (e.g. Risk Register compiled by Risk Management team), but expresses its opinion independently.

The Group Internal Audit department:

- conducts interviews with members of the Group Executive Committee, with Group Risk Management and reviews documents made available by all departments, and
- produces some high-level risk matrix representing the audit universe, a Heat Map summarising high levels risks and finally the risk based audit plan.

The audit plan is:

- foreseen as a dynamic tool to be adapted in relation to the evolution of the business and of its related risk. Quarterly reviews of the internal audit plan are performed to take this into account;
- drawn up for at least 3 years so as to cover all activities and functions according to their risk exposure;
- approved by the CEO and the Audit, Risk and Compliance Committee.

Special investigations may be carried out by the Internal Audit department at the request of the CEO and / or the Group Executive Chairman (until 31 December 2018) and / or the ARCC.

3.5.4 Audit Reports

Standard reports include observation, risk and recommendation. Observations are classified between Extremal, High, Moderate or Low in relation to their residual risk. The level of residual risk attached to each internal audit finding is determined as a result of the internal audit engagement, following the risk topology and the risk assessment methodology approved by the Group Risk Management Committee.

Management responses, with precise action plan and deadline for implementation, are included in the final report, which is graded according to the magnitude of the reported observations.

Management responses, with action plan and deadline for implementation are included in the final report, which is graded A, B, C or D, according to the magnitude of the reported findings.

3.5.5 Follow-up Process and Reporting

Recommendations raised by the Group Internal Audit department for the purpose of improving the organisational and internal control quality are subject to regular follow-up whose frequency is dependent on the "Recommendation Priority" as described in a procedure.

3.6 - Actuarial function

The duties of the Actuarial Function are carried out by the Company's Actuarial Team, which is part of the Company's Finance Department.

The Head of Actuarial reports to the CFO, with a dual reporting line to the CEO and access to the Board of Directors through regular attendance at ARCC meetings.

The Actuarial Function carries out the following tasks, which are summarised in an annual Actuarial Function Report to the Board of Directors:

- coordinates the calculation of technical provisions;
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares best estimates against experience;
- informs the Board of the reliability and adequacy of the calculation of technical provisions;
- oversees the calculation of technical provisions where approximations have been used due to insufficient data of appropriate quality;
- expresses an opinion on the overall underwriting policy;
- expresses an opinion on the adequacy of reinsurance arrangements, and;
- contributes to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the SCR, MCR and to the ORSA.

3.7 - Outsourcing

An Outsourcing policy has been set and the owner is the Tax & Legal department.

Each department of the Company is responsible for maintaining the list of the outsourced function activities in its department. The information in the outsourcing log is provided by all the Company's departments to Tax and Legal which will submit the log to the Executive Committee.

The Executive Committee manages the outsourcing arrangement.

In order to ensure that the outsourcing of critical or important functions or activities does not impair the ability of the supervisory authorities to monitor the compliance of the Company with its obligations, the Executive Committee ensures that:

- the service providers cooperate with the supervisory authorities of OneLife in connection with the outsourced functions or activities
- OneLife, its external and internal auditors have effective access to data related to the outsourced functions or activities.

The Tax & Legal department reviews the SLA from a legal point of view.

3.8 - Adequacy of the system of governance

The Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business.

3.9 - Any other information

Reference is made to previous sections mentioning the significant changes in the Group's structure and organisation.

4. RISK PROFILE

4.1 - Underwriting risk

Underwriting risk is the risk of loss arising from insurance contracts underwritten by the Company. It arises from the following sources:

Lapse Risk

Lapse Risk comprises the risk of loss arising through higher levels of policyholder lapses than expected on contracts underwritten by the Company. It may be concentrated where a large number of policyholders are serviced by a small number of distributors, and where the focus on HNWI leads to fewer but larger premium receipts and corresponding surrenders.

The Company accepts that in the short to medium term it will be significantly exposed to lapse risk and in particular as it implements its strategy to build relationships with a wider range of product distributors. In designing its products and processes the Company will take steps to limit direct exposure to lapses. The Company has a low appetite for lapse risk.

Mortality Risk

Mortality Risk is the risk of loss arising through higher levels of policyholder deaths than expected on contracts underwritten by the Company.

The scale of life cover in the Company's policies is relatively low, and is mitigated with reinsurance to achieve low levels of risk retention, in line with the Company's low appetite for mortality risk.

Longevity Risk

Longevity Risk is the risk of loss arising to the Company through policyholders surviving for longer periods than expected. It is a risk most typically associated with annuity business, but can be present in other types of business. The Company currently has no appetite for writing further longevity risk beyond that represented in its closed books.

Expense Risk

Expense risk is the risk of loss arising through increases in the Company's expense levels, or inflation over time. Expense risk is a significant risk for the Company, and one which it must accept in order to write business. The Company will monitor expense experience on an on-going basis and has set limits for actual expenses relative to budgeted expenses The Company has a low appetite for expense risk.

Life Catastrophe Risk

This relates to the risk of losses arising due to mortality risk exposure from extreme or irregular events whose effects are not sufficiently captured by the Mortality Risk Limits. The Company has a low tolerance for exposure to Life Catastrophe Risk and through product design and reinsurance will ensure that any exposure remains within the limits identified.

4.2 - Market risk

Market Risk is the risk of loss resulting from fluctuations in the level of market prices of assets, liabilities and financial instruments.

OneLife's appetite for Market Risk has two key elements – a policyholders' fund element and a shareholders' fund element:

In respect of policyholder funds, the Company has no appetite for direct Market Risk, and future products will be designed such that no guarantees will be provided which will directly expose the Company to Market Risk. There are no development plans for products with investment guarantees. The existing guaranteed portfolios have some inherent risk that is managed with a robust asset liability matching overseen by the Investment Committee, the appetite for this residual risk is low.

However, the Company earn fee income based on the value of policyholder funds, and therefore will accept Market Risk at this second order level. The appetite for the second-level order of market risk is Medium-High. Control is exercised through the Investment Committee over the investments permitted to be held in policyholder portfolios.

In respect of the shareholder portfolio, the Company has a low appetite for Market Risk. The Company will invest primarily in lower risk assets, such as cash, conservative investment funds and fixed interest securities. However, the Company is willing to take on some risk, through allowing to invest in non-government fixed interest securities with a view to generating additional returns, subject to specific limits contained in the Investment Policy set by the Company's Investment Committee. These limits are designed to keep the Company's direct market risk within the risk tolerances set out in this document, and will be reviewed as appropriate in light of any changes to this document.

It can take the form of:

Interest Rate Risk

Interest Rate Risk is the risk of loss resulting from adverse changes in interest rates. The Company is exposed to Interest Rate risk through direct holdings of fixed interest securities supporting guaranteed funds, through shareholder investment in bonds and bond funds and through the second order impact of changes in interest rates on policyholder funds. The Company has a low tolerance for direct interest rate risk and has determined an investment policy for shareholder and guaranteed funds on that basis.

Control on shareholder and guaranteed fund investments is done at Investment Committee level.

Capital Market Risk

For OneLife, Capital Market Risk primarily relates to the risk of loss resulting from fluctuations in the market prices of equities and other market priced assets. The Company has no tolerance for direct equity or asset exposure other than where an exposure is required for operational reasons through a temporary shareholder holding in unit funds, either as a box position or for seeding funds, for which the appetite is low.

The Company has medium-high tolerance for Capital Market Risk through the second order exposure to policyholder unit funds (through fee income). This is part of the business model and at Global Risk Assessment Profile and Evaluation (GRAPE) level, this risk is accepted.

Risk Limits for Capital Market Risk are set out in the Risk Appetite Statement.

Foreign Exchange Risk

Foreign Exchange Risk is the risk of loss resulting from adverse movements in currency exchange rates.

The Company has a low tolerance for Foreign Exchange Risk. The Company has a strategic objective to develop portfolio bond product opportunities in a number of European markets. The risk appetite of the Company is compatible with writing business in territories where the Euro is not the local currency. However, it is likely that policyholder requirements will mean that the Company will earn fee income in non-Euro currencies whilst typically incurring at least some expenses in Euro.

The Company has a low tolerance for some level of Foreign Exchange Risk, primarily for operational purposes, but has determined overall limits for aggregate currency exposures within which it must operate.

These Risk Limits are set out in the Risk Appetite Statement.

4.3 - Credit risk

Credit Risk describes the risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and debtors to which the Company is exposed. It can take the form of:

- Investment Counterparty Risk
- Reinsurer Counterparty Risk
- Policyholder Counterparty Risk

Investment Counterparty Risk

Investment Counterparty risk reflects the risk of loss arising from a counterparty defaulting and being unable to fully discharge an obligation to the Company, and/or spread risk. It will typically include counterparties to fixed interest securities, and other parties that the Company is exposed to, consideration is also given to intra-Group exposures.

The Company has a medium-low appetite for investment counterparty risk and has set specific limits in the Investment Guidelines Policy, which must be adhered to in relation to investments held directly in shareholder funds. The risk of default on investments in unit-linked funds is passed to policyholders and the risk to the Company is a second order effect driven by a reduction in fee income.

The Company will monitor exposures to relevant third parties. The Company has determined Risk Limits for Investment Counterparty Risk exposures, and will actively monitor these exposures to ensure that they remain within these limits.

Spread risk is treated as a sub-risk of Investment Counterparty Default Risk and relates to the risk of loss arising from changes in the value of market securities driven by changes in the credit standing of counterparties. For OneLife, the risk manifests itself primarily through the shareholder portfolio of fixed interest investments and the guaranteed portfolio. Changes in the credit spreads of fixed interest counterparties (whether corporate or sovereign) will affect the value of those assets.

The Company has a low tolerance for spread risk and has set out a defined Investment Policy to limit exposure by credit rating and concentration limits of counterparties.

Risk limits for the Company's exposure to spread risk are set out in the Company's Investment Policy reviewed at least annually in the context of these risk limits.

Reinsurance Counterparty Risk

Exposures to re-insurers will be monitored as appropriate, and the Company will apply defined limits reporting to the Board. The Board's tolerance to Reinsurance Counterparty Risk is low.

The majority of reinsurance is placed with Munich Re (over 90%). This does not generate a significant concentration of reinsurer credit risk due to the risk premium structure of the reinsurance, which does not cause significant reserves to build up on the reinsurer's balance sheet. Credit risk is therefore limited to claims incurred but not yet reimbursed by the reinsurer, and to accrued profit share not yet received.

Policyholder Counterparty Risk

On occasions, some policyholder funds have issues to liquidate part of the holding to meet fees due, and this creates an exposure for OneLife. The Board expects these exposures to be minimised and action for recovery taken at the earliest opportunity, hence their tolerance for this risk is low.

4.4 - Liquidity risk

Liquidity Risk is the risk of losses in the event that insufficient liquid assets are available to meet the cash flow requirements of the obligations to any counterparties, such as employees, service providers and policyholders in respect of surrenders when they fall due.

The Company has a low tolerance for liquidity risk. Robust modelling of medium term liquidity needs is completed as part of the annual planning exercise and a safety margin is maintained for short-term liquidity based on recent experience of cash demands. The investment of shareholder funds backing the guarantee funds must be in line with the Asset and Liability Matching Policy which takes account of the Company's projected liability profile, including the projected duration of liabilities, with assets backing policyholder liabilities suitably matched by duration.

The Company's Investment Policy Guidelines for shareholder funds requires investment in liquid assets which are listed on recognised markets. Where unlisted assets, or other assets which may have less liquidity than typical listed assets, are held within unit funds, the Company will clearly set out the basis for transferring those assets back to policyholders if claims are made on a policy at a time when the assets cannot readily be realised.

The Company's Investment Committee will determine the eligibility of assets or types of asset into unit funds on a case-by-case basis, where the automatic criteria for inclusion in the fund, determined by the Investment Committee, have not been met.

OneLife also monitors the ratio of shareholders' cash at bank, in hand, unused facilities and cash deposits divided by Expenses (monthly average).

The Company writes only a small amount of regular premium business and those future recurring premiums have been considered outside the contract boundaries for the valuation of technical provisions. The Company does not take credit for any material expected profit included in future premiums.

4.5 - Operational risk

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

The Company has a medium-low appetite for Operational Risk, but sees it as an inevitable corollary of writing insurance business. The Company will seek to minimise operational risk through a robust operational risk management process.

The Company has an operational risk policy and uses a three-level categorization of Operational Risk Events:

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

The operating model is described in the Operational Risk policy and the events types on the three levels are listed in Appendix I of the same policy.

The collection of risk event data enables the Company to supplement the risk information provided by the risk assessment process undertaken by business areas.

4.6 - Stress Testing

In its 2018 ORSA, the Company modelled stress testing based on 6 stresses and 2 scenarios:

Stresses were applied against the main risks OneLife is exposed to, namely:

Sales risk

A sales volume stress of 50% across all portfolios is applied on budget figures in 2019, 2020 and 2021.

Lapse risk

A lapse rate stress of 30% across portfolios is applied on budget figures in 2019.

Market and Credit risk (inclusive of currency risk)

A market fall of 25% on assets under management is applied across all portfolios in 2019. Market and credit risk is projected as a shock representing the combined effect of market price falls, credit defaults, adverse movements in exchange rates and increases in bond yields. All these effects ultimately result in reduced AuM, hence lower fee income.

Expense risk

This stress assumes an increase of 10% in 2019, and 5% in both 2020 and in 2021 of expenses compared to those allowed in the Business Plan.

Operational risk

Operational risk was estimated as an additional expense arising from crystallising risk events of €4M in 2019, and €2M in 2020 and 2021.

Erosion of Fees

This stress reflects an erosion of our fee rates of 10% in 2019, 2020 and 2021.

Fee margins in the budget are experienced fee rates. This stress reflects our strategy to move to higher net worth clients with a corresponding reduction in margins, as well as competitive pressures and commercial gestures.

Summary of stresses:

Stress	2019	2020	2021
Sales	-50%	-50%	-50%
Lapses	30%	0%	0%
Market risk	-25%	0%	0%
Expenses	10%	5%	5%
Operational risk	€4m	€2m	€2m
Erosion Fees	-10%	-10%	-10%

In addition, two opposite scenarios were considered; one anticipates recession and the other an improving economy. Scenarios have been built as an aggregated set of stresses. While the stresses set out above are meant to be extreme limits, for the two scenarios values have been set at more reasonable levels.

When modelling the value of the in-force portfolio in the stressed conditions, we anticipated that management would be able to take some corrective action to reduce future expense levels following a fall in assets under management.

4.7 - Other material risks

Product Design and Pricing

New business pricing risk is the risk of losses arising from accepting new business premiums at unprofitable rates. It is an important risk for the Company to monitor. Whilst it may be important for the Company to write business on competitive terms, and there may be occasions where it is appropriate to apply special terms, the Company has no appetite for writing unprofitable business more generally.

The process for minimising new business pricing risk requires the profitability of new product developments to be assessed by the Head of Actuarial. Exception requests in respect of individual cases or sub-products are coordinated by Sales & Marketing and must be approved by the Actuarial Team. Periodic reviews of the current pricing of existing products are undertaken at a portfolio level.

The New Business Product Approval process has been revised in line with the Insurance Distribution Directive (IDD). It is not strictly a risk in its own right, but is a key control. A robust product approval process is central to ensuring that the Company does not inadvertently accept new risks or otherwise increase its risk profile.

Risk Concentration

Within OneLife, risk concentration is monitored and controlled at Shareholders cash balance level: any excessive exposure due to high concentration of shareholder investments in a single entity or Company of related entities, or in a single geographic location or industry are all prescribed with Investment Policy Limits and reported monthly to the Investment Committee.

Consolidated shareholders cash balance per Bank on a Company level is reported by Treasury. Concentration limits for exposures to individual banking companies, are set to minimise the outcome of counterparty defaults.

In addition, the Risk concentration is monitored and controlled at partner level: OneLife developed Key Risk Indicators in order to monitor Broker, Sales person and Custodian concentration.

Sales Risk

Sales risk, is the risk of not reaching the budgeted sales figures or having a surrender rate higher than expected.

Risk Management monitors the actual premiums against budget every quarter (by market and by product) as well as monitoring actual surrenders against budget.

Legal, Regulatory & Compliance Risk

Legal/regulatory (compliance) risk is the impact arising from failure to comply with statutory or regulatory obligations. OneLife considers legal risk as the outcome of other risks crystallising, in particular operational risk. The Company has no appetite for material legal / regulatory risk and will invest in people, systems and governance controls to minimise the possibility of failing to meet legal and regulatory obligations.

Strategic Risk (including Reputational Risk)

The Company is subject to Strategic Risks which are beyond its control, the impact of which may be to render the Business Model unviable. An annual exercise of Reverse Stress Testing has been undertaken by the Executive Committee and presented to the Board for their consideration of events which could have such an impact. A key output from the process is to ensure appropriate early warning measures are in place and that Management actions have been considered and documented should such events arise.

The Company has a low appetite for unprofitable classes of business arising from strategic positioning, or resulting from adverse pricing experience.

Reputational risk is the current and prospective impact on earnings and solvency capital arising from negative opinions exhibited by the public, regulators or tax authorities. Reputational risk can be seen as arising from other risks, in particular operational risk ("cascading effect"). It is considered one of the effects of operational risk events.

The Company has no appetite for reputational risk. OneLife continues to invest heavily in building in its chosen markets and in developing the necessary systems and controls to minimise reputation risk.

One area where Reputation Risk can arise relates to policyholder expectations which can be driven in part by product literature and the sales process. The Board is responsible for ensuring that the reasonable expectations of policyholders are met.

In addition, the Company will carefully select the distributor companies with which it will enter into distribution agreements and will verify the regulatory status of all agents, and where appropriate, implement a programme of on-going sales monitoring in all jurisdictions, and field visits / audits to ensure proactive monitoring of the activities of agents.

4.8 - Prudent Person Principle

The prudent person principle for investment purposes is covered through the regular monitoring of the Investment Committee that applies for the own portfolio and portfolios with guarantee return.

OneLife believes that prudent management of risk is a central element of the investment function and that diversification among asset classes will maximize the probability of achieving investment goals while minimizing the risk of loss associated with any single security, asset class, industry sector, or geographical region.

The Investment Committee oversees and guides the investment process and its policies subject to the following principles:

- To act solely in the interest of OneLife, its clients, and its shareholders
- To act with care, skill, prudence and diligence under any circumstances
- To prudently manage the costs of implementing this Investment Policy.

This is fully documented in the Company Investment Policy Guidelines

For portfolios where policyholders bear the investment risk, the decision about the asset classes are determined by the policyholders and/or their advisors. The Company ensures that those decisions comply with their investment strategies and with regulatory-determined investment limits.

4.9 - Any other information

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).

5. VALUATION FOR SOLVENCY PURPOSES

5.1 - Assets

As at 31 December 2018, The OneLife Company held the following assets:

Balance sheet: Assets (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Intangible assets	**a**	**6.54**	**0.00**
Investments		**75.17**	**77.96**
Shares, other variable yield transferable securities and units in unit trusts	b	11.11	12.05
Debt securities and other fixed income transferable securities	c	58.46	60.30
Other loans	d	0.11	0.11
Deposits with credit institutions	d	5.50	5.50
Investments for the benefit of life insurance	**e**	**4,863.80**	**4,863.80**
Debtors	**f**	**32.49**	**32.49**
Other assets		**43.14**	**43.14**
Cash at bank and in hand	g	42.93	42.93
Tangible assets and stocks		0.21	0.21
Any other assets, not elsewhere shown	**h**	**1.92**	**1.19**
Deferred acquisition costs	**i**	**11.33**	**0.00**
Total assets		**5,034.39**	**5,018.59**

The valuation principles applied to the assets are as follows:

a. For the Statutory Accounts, intangible assets are valued at purchase price including the incidental expenses, less cumulated depreciation amounts. They are composed of goodwill and technical policy management software which are respectively amortized over an eight-year period and over a seven-year period. For Solvency II, intangible assets are taken at nil value.

b. For the Statutory Accounts, shares and other variable yield transferable securities and units in unit trusts are valued at the lower of historical acquisition cost or market value. For Solvency II, they are valued at market value.

c. For the Statutory Accounts, debt securities and other fixed income transferable securities are valued at amortised cost. For Solvency II they are valued at market value.

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

e. Investments for the benefit of life insurance policyholders who bear the investment risk are valued at market value.

f. 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 shall no longer be carried when the reasons for which they were made cease to apply.

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

h. Any other assets 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. For Solvency II, this item excludes accrued interest on debt securities, which is instead included in the "Debt Securities and other fixed income and transferable securities" line.

i. For Statutory Accounts, some acquisition costs relating to life insurance policies are deferred and recognized 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. For Solvency II, deferred acquisition costs are not recognized as an asset and are taken at nil value.

5.2 - Technical provisions

The amounts of technical provisions as at 31 December 2018 for the purposes of financial statements and Solvency II are as follows:

Balance sheet: Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Unit Linked Technical Provisions	a	4,863.80	4,863.80
Technical Provisions excluding Unit Linked	b	51.14	51.14
Present Value of Future Profits	c	-	(108.07)
Risk Margin	d	-	26.40
Total Technical Provisions		**4,914.94**	**4,833.27**

a. Unit Linked Technical Provisions

The portfolio mainly comprises single premium (with possible additional premiums) and regular premium unit-linked policies allowing investment into a range of internal or external collective funds which the Company makes available, or to one or more dedicated funds where the policy value is linked to an individual investment fund whose assets are managed according to the investment strategy selected by the policyholder.

Unit Linked Technical Provisions correspond to liabilities for those policies, for which the benefits are determined by reference to the value of the investments and where the investment risk is borne by the policyholders. They were evaluated as the net asset value of units allocated to policies on the valuation date, with assets taken at their market value.

An additional technical provision (EUR 0.56m at 31 December 2018) has been included in this line of business in respect of loyalty bonus funded from annual management charges.

b. Technical Provisions excluding Unit Linked

The Company has a number of guaranteed fund portfolios in run-off, namely Taux Minimum Garanti (TMG) and Taux Regulier Garanti (TRG) funds and guaranteed portfolios mainly written on the Danish market (53A & G82 portfolios).

The 53A and G82 products consist of single and regular premium policies originally issued by Danica Liv and Pension (53A product) and Nordea Life & Pensions S.A (G82 product) for the Danish market. The policies include endowments, whole of life policies, deferred and in-payment annuities, term assurances and waiver of premium and disability benefits.

Guaranteed returns are administered by allocating a number of units to policies, the price of which is increased at the relevant guaranteed rate on a weekly basis.

The technical provisions were calculated as the number of units allocated to policies, multiplied by the price at the valuation date.

The technical provisions also include strengthening reserves in respect of the guarantee funds. These were determined by revaluing liabilities, including allowance for future bonuses, on a market-consistent basis.

A number of additional provisions are also included, relating to a small number of traditional annuities and to mortality and disability.

c. Present Value of Future Profits (PVFP)

The value of technical provisions under Solvency II requirements equals the sum of the Best Estimate Liability (BEL) and the Risk Margin (RM). The BEL is the expected present value of the probability-weighted average of future cashflows, using the relevant risk-free interest rate term structure.

For ease of comparison to the Company's Annual Report & Accounts, the BEL has been presented as the sum of technical provisions described above and evaluated under the Solvency I requirements using methodologies communicated to the CAA, and the Present Value of Future Profits (PVFP) calculated by projecting forward the cashflows expected to arise from policies in-force at the valuation date on a best-estimate basis and discounting these cashflows using the risk-free rates provided by EIOPA.

Two positive PVFP of the portfolios are shown as negative amounts in the table above as it reduces the amount of overall technical provisions.

Cashflows were modelled on a policy-by-policy basis for 98% of the portfolio, with the remainder being modelled using a model point approach for groups of contracts possessing similar technical characteristics. Cashflows included in the projections were:

- management fees, rebates and other fees and charges;
- claims (mortality, surrender and maturity);
- maintenance expenses;
- trail and renewal commission.

The Company did not apply the matching adjustment, volatility adjustment, transitional risk-free interest term structure or transitional deduction referred to in, respectively, Articles 77b, 77d, 308c and 308d of the Solvency II Directive.

The PVFP was calculated net of reinsurance with adjustment for the expected net profit from reinsurance profit share arrangements.

At the valuation date, amounts recoverable from reinsurance contracts were limited to recoveries due in respect of claims paid and reimbursements due under reinsurance profit share arrangements.

The assumptions about incomes and expenses were determined on the basis of internal observations and analysis, made separately for each part of the modelled portfolio. The probabilities of lapse were determined based on the observations made over the previous three years.

The principal assumptions were as follows:

Economic assumptions	
Risk free rates	EUR Risk free zero coupon curve as at the valuation date provided by EIOPA
Risk discount rates	Equal to the risk free rates
Fund growth rates	Equal to the risk free rates
Currency rates	All cash flows were converted to EUR using rates published by the ECB as at the valuation date
Demographic assumptions	
Surrender Rates	Surrender rates were based on an average of the last 3 years' experience prior to the valuation date, derived on an amounts basis per product grouping.
Mortality	As there is insufficient Company experience to derive the mortality assumptions on a standalone basis, industry standard tables have been used in the valuations for all products.
Expense Assumptions	
Maintenance Expenses	Expenses were modelled on a per-policy basis, which implicitly assumes a going concern approach. Per-policy costs were derived from analyses of Group expenditure over the 12 months prior to each valuation date. The analyses allocated expenses by type (acquisition, maintenance and custody) and by product grouping.
Expense Inflation	was set at 2.2% p.a. (2018), 2.4% p.a. (2017)
Fund Management Assumptions	
External Fund Management Charges	Based on fund data applicable at the valuation date.
Trail Commissions	Based on trail commission arrangements in place at the valuation date.
Investment Fund Rebates	Based on retrocession arrangements in place at the valuation date.
Product Specific Assumptions	
Charges	Management charge rates were taken from policy data extracts from the administration systems.

d. Risk Margin

The Risk Margin (RM) represents the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insurance obligations. It is calculated with a "cost of capital" approach by applying the cost of capital rate to the discounted value of the projected SCR.

The market risk component of the SCR was excluded from the calculation, by assuming that the assets are selected in such a way that they minimise the SCR for market risk, in accordance with Article 38 (1) (h) of the Delegated Regulation.

Guideline 62 of the EIOPA guidelines on the valuation of technical provisions sets out a hierarchy of simplifications for the risk margin. The Company uses method 2 (the second most precise method) where the SCR for each future year is proportional to the ratio of the best estimate for the relevant year to the best estimate at the valuation date. For that purpose, the best-estimate was assumed to evolve in proportion to the projected assets under management of the in-force portfolio.

The projected SCR at each future time period was then discounted back to the valuation date using risk free rates.

The result of the calculation was then multiplied by the cost of capital rate of 6% to give the Risk Margin.

Uncertainty associated with the value of the technical provisions

The value of the technical provisions at the valuation date is highly sensitive to the assumptions underlying the calculation of the Present Value of Future Profits (PVFP) and, in particular, to the assumptions of future lapse experience, maintenance expenses, investment fund rebates, trail commissions and investment performance and discount rates.

The evolution of technical provisions is also highly sensitive to the development of assets under management, which is itself sensitive to market performance, levels of new business written and lapse experience.

Differences from the Statutory Account valuation & Other Information

A comparison of the technical provisions for the purposes of the financial statements and Solvency II has been shown in the table above.

The differences arise from the inclusion of the PVFP and the Risk Margin in the Solvency II technical provisions.

No securitisation arrangements were in place.

5.3 - Other Liabilities

The amounts of other liabilities as at 31 December 2018 for the purposes of the financial statements and Solvency II are as follows:

Balance sheet: Other Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Subordinated Liabilities	**a**	**6.94**	**7.21**
Provisions for other risks and charges	**b**	**5.59**	**5.59**
Provisions for taxation		0.31	0.31
Other provisions		5.27	5.27
Creditors	**c**	**43.31**	**43.31**
Accruals and deferred income	**d**	**1.06**	**1.06**
Total of other liabilities		**56.90**	**57.17**

a. For Solvency II, subordinated loans were valued by discounting payments of interest and capital at risk-free interest rates. The basis differs from that used in the statutory accounts, which valued subordinated liabilities at nominal value.

b. Provisions for other risks and charges include the provisions for taxation and the other provisions.

   The 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 recognized under the category "Any other assets".

   The 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.

   For the purposes of Solvency II, an amount of nil was shown for the value of Deferred Tax Liabilities as the liability was shown net of relief from carried forward tax losses. The amount was calculated by applying the relevant tax rate for the company (29.76%) to the result of:

	(i)	Capital & Reserves on the Solvency II basis
less	(ii)	Capital & Reserves on the Financial Statements Basis
less	(iii)	Amount of tax losses carried forward

   subject to a floor of zero.

c. Creditors are valued at settlement value for both the Statutory Accounts and Solvency II.

d. 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. They are valued at settlement value for both the Statutory Accounts and Solvency II.

5.4 - Alternative methods for valuation

The Company has not used alternative methods of valuation under Article 10(5) of the Delegated Regulations.

5.5 - Any other information

The Company has no further material information to disclose regarding the valuation of assets and liabilities for solvency purposes.

6.1 - Own Funds

6.1.1 Capital Management Process

The objective of the capital management process is to ensure that the nature and amount of Own Funds are sufficient to meet regulatory capital requirements (i.e. the Solvency Capital Requirement and Minimum Capital Requirement) at all times.

The capital management process is summarised in the Capital Management Policy and includes the following key items:

- An annual Budget and Medium Term Capital Management Plan, carried out annually in the 4th quarter with a three-year time horizon and which takes into account different scenario hypotheses and any planned dividends or capital restructuring. A reforecast exercise is also run annually in the 2nd quarter, taking into account expected year-to-date performance.
- Stress and scenario analysis conducted within the ORSA process and summarised in the ORSA Report, which is used as an input to the Medium Term Capital Management Plan.
- The process for approval of any dividends or distributions of capital.
- Processes for simulating the solvency impact of planned new activities.
- Roles and responsibilities of the Actuarial Function, Group Executive Committee, ARCC and Board of Directors in the monitoring of capital adequacy on at least a quarterly basis.
- Processes to allow the Company to effectively manage a crisis situation that might lead to a capital shortfall against regulatory requirements or risk appetite.
- The roles of the CFO and the Investment Committee in managing and monitoring the investment of Own Funds.

6.1.2 Tiering and Quality of Own Funds

The following table shows the eligible amount of own funds to cover the SCR and the MCR classified by tiers and the corresponding solvency ratios:

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2018					
Subscribed capital	32.23	32.23	-	-	-
Share premium account	3.61	3.61	-	-	-
Reconciliation reserve	90.30	90.30	-	-	-
Subordinated Liabilities	7.21	-	7.21	-	-
Basic Own Funds	**133.35**	**126.14**	**7.21**	**-**	**-**
SCR	**86.79**				
MCR	**35.23**				
Ratio of Eligible own funds to SCR	**153.6%**				
Ratio of Eligible own funds to MCR	**378.6%**				

For comparison, the Own Funds at the end of the previous reporting period were as follows:

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2017					
Subscribed capital	32.23	32.23	-	-	-
Share premium account	3.61	3.61	-	-	-
Reconciliation reserve	104.37	104.37	-	-	-
Subordinated Liabilities	14.54	-	13.08	1.46	-
Basic Own Funds	**154.75**	**140.21**	**13.08**	**1.46**	**-**

All Own Funds items have been categorised as Tier 1, following the redemption of Tier 2 subordinated liabilities since the previous reporting date.

The reduction in Own Funds during 2018 was mainly due to:

- redemptions of Tier 1 and Tier 2 subordinated liabilities during the year and;
- a reduction in the reconciliation reserve, mainly resulting from a lower PVFP due to market falls., which led to reduced assets under management ;
- allowance for a €2.0m dividend to be paid in 2019 (in respect of 2018 earnings) to the Company's parent company, The OneLife Holding S.à.r.l., offset by operating profits.

a. Subscribed Capital and Share Premium Account

The subscribed capital amounts to EUR 32.23m and is represented by 1,300,000 fully paid and called-up ordinary shares. The share premium account corresponds to an amount of EUR 3.61m.

b. Reconciliation Reserve

The reconciliation reserve, classified as Unrestricted Tier 1, comprises the following items:

EURm	31/12/2018	31/12/2017
Reserves	15.00	8.19
Profit brought forward	6.50	9.89
Profit for the financial year	5.21	5.92
Foreseeable dividend	(2.0)	(2.5)
Variation in the valuation of assets	(15.82)	(16.96)
Variation in the valuation of liabilities	81.40	99.83
Reconciliation reserve	**90.30**	**104.37**

The reserves amounting to EUR 15.0m (2017: EUR 8.19m) are composed of the legal reserve of EUR 3.22m (2017: EUR 3.22m) and a free reserve of EUR 11.78 m (2017: EUR 4.97m). In accordance with Luxembourg 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. This level being reached since 2008, no allocation was made to the legal reserve.

c. Subordinated Liabilities

The Company's Own Funds included the following subordinated loans, valued on a Solvency II basis:

EURm	31/12/2018	31/12/2017
Loan 1 – Dekania Europe CDO III Plc	-	4.92
Loan 2 – Dekania Europe CDO III Plc	-	1.08
Loan 3 - The OneLife Holding S.à.r.l.	7.21	7.09
Loan 4 - The OneLife Holding S.à.r.l.	-	1.46
Total	**7.21**	**14.54**

Details of the loans are as follows:

- Loan 1: Subordinated loan issued by the Company to Dekania Europe CDO III Plc on 20/03/2008 for a nominal amount of EUR 4.80m. The loan was fixed rate until the reset date (15/03/2018) and floating rate thereafter. The Company exercised its option to redeem all of the loan on the reset date in the 1st quarter of 2018.
- Loan 2: Subordinated loan issued by the Company to Dekania Europe CDO III Plc on 19/08/2008 for a nominal amount of EUR 1.00m. The loan was fixed rate until the reset date (15/09/2018) and floating rate thereafter. The Company exercised its option to redeem of the loan in the 3rd quarter of 2018.
- Loan 3: Subordinated floating rate loan originally issued on 01/03/1995 with unlimited term, now owed to The OneLife Holding S.à.r.l. for a nominal amount of EUR 6.94m.
- Loan 4: Subordinated and unsecured bearer notes originally issued by Altraplan Luxembourg S.A. to Altraplan Bermuda Limited on 18/12/2014 with unlimited term, subsequently becoming owed to The OneLife Holding S.à.r.l. for a nominal amount of EUR 1.30m. The loan was reimbursed during the 1st quarter of 2018.

The loans are subject to the transitional measures set out in Articles 308b(9) and 308b(10) of the Solvency II Directive (consolidated version), which can be applied for a 10-year period for subordinated loans issued before 1st of January 2016. Loans 1, 2 and 3 are classified as "Tier 1 – Restricted" and Loan 4 classified as "Tier 2".

As of 31 December 2018 and 2017, the Company had sufficient "Tier 1 – Unrestricted" Own Funds to fully cover its SCR and MCR, without recourse to subordinated liabilities.

d. Ancillary Own Funds, Deductions and Restrictions

The Company has no Ancillary Own Funds, applies no deductions to Own Funds and there are no material restrictions affecting their availability and transferability.

6.1.3 Comparison of Own Funds to Financial Statements

The following table reconciles the Capital & Reserves in the Company's financial statements to the excess of the assets over liabilities as calculated for Solvency II purposes.

Basic Own Funds: Reconciliation of Net Equity with Own Funds (mio EUR)	31/12/18	31/12/17
Total Equity in financial statements	**62.55**	**59.84**
Subscribed capital	32.23	32.23
Share premium account	3.61	3.61
Reserves	15.00	8.19
Profit / (loss) brought forward	6.50	9.89
Profit / (loss) for the financial year	5.21	5.92
Variation in the valuation of assets	**(15.82)**	**(16.96)**
Intangible assets	(6.54)	(7.19)
Deferred acquisition costs	(11.33)	(14.28)
Difference of valuation on the assets	2.05	4.51
Variation in the valuation of liabilities	**81.40**	**99.83**
Difference of valuation of the technical provisions	108.07	125.19
Risk Margin	(26.40)	(24.86)
Difference of valuation of subordinated liabilities	(0.27)	(0.50)
Subordinated liabilities (Solvency II basis)	**7.21**	**14.54**
Foreseeable dividend	**(2.00)**	**(2.50)**
Basic Own Funds	**133.35**	**154.75**

The difference between the Own Funds and the financial statements net equity arises from the differences between the valuations of assets, liabilities and technical provisions described in the sections above.

For the purposes of Solvency II, an amount of nil was shown for the value of Deferred Tax Liabilities as the liability was shown net of relief from carried forward tax losses.

6.2 - Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the amounts of the Company's Solvency Capital Requirement split by risk modules.

Solvency Capital Requirement and Minimum Capital Requirement (mio EUR)	31/12/18	31/12/17
Market Risk	**41.60**	**53.15**
Interest Risk	1.32	0.98
Equity Risk	31.03	45.06
Property Risk	0.00	0.00
Spread Risk	8.74	6.63
Currency Risk	8.01	7.44
Concentration Risk	0.80	0.56
Diversification effect	(8.32)	(7.51)
Life Underwriting Risk	**60.07**	**60.98**
Mortality Risk	2.14	2.14
Longevity Risk	0.00	0.00
Disability - Morbidity Risk	0.00	0.00
Lapse Risk	48.70	51.22
Expense Risk	17.93	15.77
Revision Risk	0.00	0.00
Catastrophe Risk	0.53	0.50
Diversification effect	(9.23)	(8.65)
Counterparty Default Risk	**5.41**	**5.63**
Diversification effect	**(24.06)**	**(27.47)**
BSCR	**83.02**	**92.29**
Operational Risk	**3.77**	**3.93**
SCR	**86.54**	**96.22**
MCR	**35.23**	**39.01**

The Company exclusively applies the Standard Formula to determine its Solvency Capital Requirement, without using simplified calculations and without using undertaking-specific parameters.

In accordance with Chapter VII of the Delegated Regulation, the Minimum Capital Requirement calculation is based on the net value of the technical provisions and the total capital at risk on death, evaluated at the reporting date. The result of the calculation is subject to a floor of 25% of the SCR and to a cap of 45% of the SCR.

Capital requirements moved as follows over previous two years:

mio EUR	31/12/18	31/12/17	31/12/16
Market Risk	41.60	53.15	51.93
Life Underwriting Risk	60.07	60.98	54.35
Counterparty Default Risk	5.41	5.63	5.13
Diversification effect	(24.06)	(27.47)	(25.61)
Operational Risk	3.77	3.93	4.05
SCR	**86.79**	**96.22**	**89.84**
MCR	**35.23**	**39.01**	**37.65**

Over the 2018, the main drivers of the changes in SCR components were as follows:

- Adverse movements in equity markets over the year led to a reduction in PVFP which, as the lower value generates less sensitivity, caused a reduction in the market and life underwriting components of the SCR.
- The market risk component also reduced due to a fall over the year in the symmetric adjustment applied in the equity risk shock.

6.3 - Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module (set out in Article 304 of the Solvency II Directive) in the calculation of the Solvency Capital Requirement.

6.4 - Differences between the standard formula and any internal model used

The Company is not using an internal or partial internal model to determine the Solvency Capital Requirement.

6.5 - Non-compliance with the MCR and non-compliance with the SCR

The Company complied with its Solvency Capital Requirement and Minimum Capital Requirement throughout the reporting period.

The Company does not foresee a risk of non-compliance with its Solvency Capital Requirement or Minimum Capital Requirement during its business planning horizon.

6.6 - Specific assessment made for the merger of APICIL Life in 2019

It is contemplated that The OneLife Company SA will merge with the company APICIL Life in Luxembourg in 2019. This merger is subject to the CAA approval process and is expected to take place as part of the rationalization of the presence of the APICIL Group in Luxembourg.

In the course of the preparation of the merger, special attention will be given to the proper integration of the different processes and procedures in order to minimize the risk.

Furthermore detailed projection in terms of Solvency impact will be conducted and will be part of the internal decision process to conclude the merger.

Finally this potential merger is coordinated into a project governance process in order to ensure on time delivery with the adequate quality standards.

The process is expected to take place in the course of 2019.

6.7 - Any other information

None

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A. QRT S.02.01.02 BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	**R0010**		**1,003,805**
Deferred acquisition costs	**R0020**		**11,325,546**
Intangible assets	**R0030**	**-**	**5,537,585**
Deferred tax assets	**R0040**	**-**	**-**
Pension benefit surplus	**R0050**	**-**	**-**
Property, plant & equipment held for own use	**R0060**	**212,639**	**212,639**
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**77,853,153**	**75,802,446**
Property (other than for own use)	R0080	-	-
Holdings in related undertakings, including participations	R0090	-	-
Equities	R0100	407	396
Equities - listed	R0110	407	396
Equities - unlisted	R0120	-	-
Bonds	R0130	60,298,418	58,589,379
Government Bonds	R0140	21,811,432	21,193,231
Corporate Bonds	R0150	38,421,387	37,332,409
Structured notes	R0160	65,598	63,739
Collateralised securities	R0170	-0	-0
Collective Investments Undertakings	R0180	12,054,327	11,712,671
Derivatives	R0190	-	-
Deposits other than cash equivalents	R0200	5,500,000	5,500,000
Other investments	R0210	-	-
Assets held for index-linked and unit-linked contracts	**R0220**	**4,863,795,511**	**4,863,795,511**
Loans and mortgages	**R0230**	**106,120**	**106,120**
Loans on policies	R0240	-	-
Loans and mortgages to individuals	R0250	-	-
Other loans and mortgages	R0260	106,120	106,120

		Solvency II value	Statutory accounts value
		C0010	C0020
Reinsurance recoverables from:	**R0270**	**-**	**-**
Non-life and health similar to non-life	R0280	-	-
Non-life excluding health	R0290	-	-
Health similar to non-life	R0300	-	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-	-
Health similar to life	R0320	-	-
Life excluding health and index-linked and unit-linked	R0330	-	-
Life index-linked and unit-linked	R0340	-	-
Deposits to cedants	**R0350**	**-**	**-**
Insurance and intermediaries receivables	**R0360**	**983,138**	**983,138**
Reinsurance receivables	**R0370**	**35,213**	**35,213**
Receivables (trade, not insurance)	**R0380**	**31,471,976**	**31,471,976**
Own shares (held directly)	**R0390**	**-**	**-**
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	**-**	**-**
Cash and cash equivalents	**R0410**	**42,924,882**	**42,924,875**
Any other assets, not elsewhere shown	**R0420**	**1,186,590**	**1,186,590**
Total assets	**R0500**	**5,018,569,221**	**5,034,385,450**
Liabilities			
Technical provisions – non-life	**R0510**		
Technical provisions – non-life (excluding health)	R0520		
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540		
Risk margin	R0550		
Technical provisions - health (similar to non-life)	R0560		
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580		
Risk margin	R0590		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	50,292,404	51,142,838
Technical provisions - health (similar to life)	R0610	-	-
Technical provisions calculated as a whole	R0620	-	

A. QRT S.02.01.02
BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Best Estimate	R0630	-	
Risk margin	R0640	-	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	50,292,404	51,142,838
Technical provisions calculated as a whole	R0660	-	
Best Estimate	R0670	50,018,288	
Risk margin	R0680	274,116	
Technical provisions – index-linked and unit-linked	R0690	4,782,916,703	4,863,795,511
Technical provisions calculated as a whole	R0700	-	
Best Estimate	R0710	4,756,847,662	
Risk margin	R0720	26,069,041	
Other technical provisions	**R0730**	**-**	**-**
Contingent liabilities	**R0740**	**-**	**-**
Provisions other than technical provisions	**R0750**	**6,645,653**	**6,645,653**
Pension benefit obligations	**R0760**	**-**	**-**
Deposits from reinsurers	**R0770**	**-**	**-**
Deferred tax liabilities	**R0780**	**-**	**-**
Derivatives	**R0790**	**-**	**-**
Debts owed to credit institutions	**R0800**	**-**	**-**
Financial liabilities other than debts owed to credit institutions	**R0810**	**-**	**-**
Insurance & intermediaries payables	**R0820**	**36,423,884**	**36,423,884**
Reinsurance payables	**R0830**	**21,973**	**21,973**
Payables (trade, not insurance)	**R0840**	**6,862,930**	**6,862,930**
Subordinated liabilities	**R0850**	**7,209,710**	**6,941,019**
Subordinated liabilities not in Basic Own Funds	R0860	-	-
Subordinated liabilities in Basic Own Funds	R0870	7,209,710	6,941,019
Any other liabilities, not elsewhere shown	**R0880**	**-**	**-**
Total liabilities	**R0900**	**4,890,373,258**	**4,971,833,808**
Excess of assets over liabilities	**R1000**	**128,195,963**	**62,551,642**

B. QRT S.05.01.02
PREMIUMS, CLAIMS & EXPENSES BY LINE OF BUSINESS

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		141,625	563,782,658					-	563,924,283
Reinsurers' share	R1420		38,292	907,087					-	945,379
Net	R1500		103,333	562,875,571					-	562,978,904
Premiums earned										
Gross	R1510		141,625	563,782,658					-	563,924,283
Reinsurers' share	R1520		38,292	907,087					-	945,379
Net	R1600		103,333	562,875,571					-	562,978,904
Claims incurred										
Gross	R1610		42,093,728	478,460,165					-	520,553,893
Reinsurers' share	R1620		-	13,741					-	13,741
Net	R1700		42,093,728	478,446,424					-	520,540,152
Changes in other technical provisions										
Gross	R1710		-42,536,113	-312,712,216					-	-355,248,329
Reinsurers' share	R1720		-	-					-	-
Net	R1800		-42,536,113	-312,712,216					-	-355,248,329
Expenses incurred	R1900		3,327,143	62,305,225					-	65,632,368
Administrative expenses										
Gross	R1910		32,069	27,512,490					-	27,544,559
Reinsurers' share	R1920								-	-
Net	R2000		32,069	27,512,490					-	27,544,559
Investment management expenses										
Gross	R2010		60,037	9,338,593					-	9,398,629
Reinsurers' share	R2020								-	-
Net	R2100		60,037	9,338,593					-	9,398,629

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Claims management expenses										
Gross	R2110			4,667,224					-	4,667,224
Reinsurers' share	R2120								-	-
Net	R2200		-	4,667,224					-	4,667,224
Acquisition expenses										
Gross	R2210		3,235,038	20,786,918					-	24,021,956
Reinsurers' share	R2220			-					-	-
Net	R2300		3,235,038	20,786,918					-	24,021,956
Overhead expenses										
Gross	R2310								-	-
Reinsurers' share	R2320								-	-
Net	R2400								-	-
Other expenses	**R2500**									**1,061,728**
Total expenses	**R2600**									**66,694,096**
Total amount of surrenders	**R2700**		**42,093,728**	**478,460,165**					**-**	**520,553,893**

All amounts are expressed in K EUR

C. QRT S.05.02.01
PREMIUMS, CLAIMS & EXPENSES BY COUNTRY

		Home country (LU)	BE	ES	FR	GB	Total
		C0220	C0230	C0230	C0230	C0230	C0280
Premiums written							
Gross	R1410	10,502,483	288,830,795	96,650,721	71,781,616	47,472,663	515,238,278
Reinsurers' share	R1420	-	945,379	-	-	-	945,379
Net	R1500	10,502,483	287,885,416	96,650,721	71,781,616	47,472,663	514,292,899
Premiums earned							
Gross	R1510	10,502,483	288,830,795	96,650,721	71,781,616	47,472,663	515,238,278
Reinsurers' share	R1520	-	945,379	-	-	-	945,379
Net	R1600	10,502,483	287,885,416	96,650,721	71,781,616	47,472,663	514,292,899
Claims incurred							
Gross	R1610	84,696,941	269,481,222	6,249,658	38,354,654	24,266,489	423,048,964
Reinsurers' share	R1620	-	13,741	-	-	-	13,741
Net	R1700	84,696,941	269,467,481	6,249,658	38,354,654	24,266,489	423,035,223
Changes in other technical provisions							
Gross	R1710	-84,240,124	-260,674,125	79,437,384	23,176,776	-9,312,948	-251,613,039
Reinsurers' share	R1720	-	-	-	-	-	-
Net	R1800	-84,240,124	-260,674,125	79,437,384	23,176,776	-9,312,948	-251,613,039
Expenses incurred	**R1900**	**1,426,442**	**27,206,884**	**5,043,212**	**4,985,965**	**5,151,022**	**43,813,525**
Other expenses	**R2500**						
Total expenses	**R2600**	**1,426,442**	**27,206,884**	**5,043,212**	**4,985,965**	**5,151,022**	**43,813,525**

D. QRT S.12.01.02
LIFE & HEALTH SLT TECHNICAL PROVISIONS

			Index-linked and unit-linked insurance				
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees	Total (Life other than health insurance, incl. Unit-Linked)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0150	C0210
Technical provisions calculated as a whole	**R0010**						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**						
Technical provisions calculated as a sum of BE and RM							
Best estimate							
Gross Best Estimate	R0030	50,018,288		4,756,847,662		4,806,865,950	
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040						
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050						
Recoverables from SPV before adjustment for expected losses	R0060						
Recoverables from Finite Re before adjustment for expected losses	R0070						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	50,018,288		4,756,847,662		4,806,865,950	
Risk Margin	R0100	274,116	26,069,041			26,343,157	
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	**R0200**	**50,292,404**	**4,782,916,703**			**4,833,209,107**	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	**50,292,404**	**4,782,916,703**			**4,833,209,107**	
Best Estimate of products with a surrender option	**R0220**	**46,833,665**	**4,756,847,662**			**4,803,681,327**	
Gross BE for Cash flow							
Cash out-flows							
Future guaranteed and discretionary benefits	R0230						
Future guaranteed benefits	R0240	51,142,845					
Future discretionary benefits	R0250	-					
Future expenses and other cash out-flows	R0260	2,410,250	229,219,969			231,630,218	
Cash in-flows							
Future premiums	R0270						
Other cash in-flows	R0280	3,534,807	336,167,818			339,702,625	
Percentage of gross Best Estimate calculated using approximations	**R0290**	**0.01%**	**0.96%**				
Surrender value	**R0300**	**50,940,441**	**4,844,546,391**			**4,895,486,832**	
Best estimate subject to transitional of the interest rate	**R0310**						
Technical provisions without transitional on interest rate	**R0320**						
Best estimate subject to volatility adjustment	**R0330**						
Technical provisions without volatility adjustment and without others transitional measures	**R0340**						
Best estimate subject to matching adjustment	**R0350**						
Technical provisions without matching adjustment and without all the others	**R0360**						

E. QRT S.23.01.01 OWN FUNDS

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	32,230,000	32,230,000		-	
Share premium account related to ordinary share capital	R0030	3,613,792	3,613,792		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	90,352,171	90,352,171			
Subordinated liabilities	R0140	7,209,710		7,209,710	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**133,405,674**	**126,195,963**	**7,209,710**	**-**	**-**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-

E. QRT S.23.01.01
OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	**R0400**	**-**			**-**	**-**
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	133,405,674	126,195,963	7,209,710	-	-
Total available own funds to meet the MCR	R0510	133,405,674	126,195,963	7,209,710	-	
Total eligible own funds to meet the SCR	R0540	133,405,674	126,195,963	7,209,710	-	-
Total eligible own funds to meet the MCR	R0550	133,405,674	126,195,963	7,209,710	-	
SCR	**R0580**	**86,790,506**				
MCR	**R0600**	**35,225,662**				
Ratio of Eligible own funds to SCR	**R0620**	**153.7%**				
Ratio of Eligible own funds to MCR	**R0640**	**378.7%**				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	128,195,963
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	2,000,000
Other basic own fund items	R0730	35,843,792
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	**R0760**	**90,352,171**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	**R0790**	**-**

F - QRT S.23.02.01(A,S)
DETAILED INFORMATION BY TIERS ON OWN FUNDS

Basic own funds

		Total	Tier 1		Tier 2		Tier 3
				Of which counted under transitionals		Of which counted under transitionals	
		C0010	C0020	C0030	C0040	C0050	C0060
Ordinary share capital							
Paid in	R0010	32,230,000	32,230,000				
Called up but not yet paid in	R0020	-			-		
Own shares held	R0030	-	-				
Total ordinary share capital	**R0100**	**32,230,000**	**32,230,000**		**-**		
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual type undertakings							
Paid in	R0110	-	-				
Called up but not yet paid in	R0120	-			-		
Total initial fund members' contributions or the equivalent basic own fund item for mutual and mutual type undertakings	R0200	-	-		-		
Subordinated mutual members accounts							
Dated subordinated	R0210	-	-	-	-	-	-
Undated subordinated with a call option	R0220	-	-	-	-	-	-
Undated subordinated with no contractual opportunity to redeem	R0230	-	-	-	-	-	-
Total subordinated mutual members accounts	R0300	-	-	-	-	-	-

F - QRT S.23.02.01(A,S) DETAILED INFORMATION BY TIERS ON OWN FUNDS

		Total	Tier 1		Tier 2		Tier 3
				Of which counted under transitionals		Of which counted under transitionals	
		C0010	C0020	C0030	C0040	C0050	C0060
Preference shares							
Dated preference shares	R0310	-	-	-	-	-	-
Undated preference shares with a call option	R0320	-	-	-	-	-	-
Undated preference shares with no contractual opportunity to redeem	R0330	-	-	-	-	-	-
Total preference shares	**R0400**	**-**	**-**	**-**	**-**	**-**	**-**
Subordinated liabilities							
Dated subordinated liabilities	R0410	-	-	-	-	-	-
Undated subordinated liabilities with a contractual opportunity to redeem	R0420	7,209,710	7,209,710	7,209,710	-	-	-
Undated subordinated liabilities with no contractual opportunity to redeem	R0430	-	-	-	-	-	-
Total subordinated liabilities	**R0500**	**7,209,710**	**7,209,710**	**7,209,710**	**-**	**-**	**-**

Ancillary own funds

		Tier 2		Tier 3	
		Initial amounts approved	Current amounts	Initial amounts approved	Current amounts
		C0070	C0080	C0090	C0100
Ancillary own funds					
Items for which an amount was approved	R0510	-	-	-	-
Items for which a method was approved	R0520		-		-

Excess of assets over liabilities - attribution of valuation differences

		Total
		C0110
Excess of assets over liabilities - attribution of valuation differences		
Difference in the valuation of assets	R0600	- 15,816,229
Difference in the valuation of technical provisions	R0610	- 81,729,242
Difference in the valuation of other liabilities	R0620	268,692
Total of reserves and retained earnings from financial statements	R0630	26,707,850
Other, please explain why you need to use this line	R0640	-
Reserves from financial statements adjusted for Solvency II valuation differences	R0650	92,352,172
Excess of assets over liabilities attributable to basic own fund items (excluding the reconciliation reserve)	R0660	35,843,792
Excess of assets over liabilities	R0700	128,195,963

Excess of assets over liabilities - attribution of valuation differences - other

		Explanation
		C0120
Other, please explain why you need to use this line	R0640	-

G - QRT S.25.01.01(A,S)
SOLVENCY CAPITAL REQUIREMENT - FOR UNDERTAKINGS ON STANDARD FORMULA

Basic Solvency Capital Requirement

Article 112	Z0011	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	41,595,200	41,595,200	
Counterparty default risk	R0020	5,414,482	5,414,482	
Life underwriting risk	R0030	60,072,092	60,072,092	
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	- 24,059,327	- 24,059,327	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	83,022,447	83,022,447	

G - QRT S.25.01.01(A,S) SOLVENCY CAPITAL REQUIREMENT - FOR UNDERTAKINGS ON STANDARD FORMULA

Calculation of Solvency Capital Requirement

Article 112	Z0012	No

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	3,768,059
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	86,790,506
Capital add-on already set	R0210	
Solvency capital requirement	R0220	86,790,506
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	

H - QRT S.28.01.01(A,S)
MINIMUM CAPITAL REQUIREMENT - ONLY LIFE OR ONLY NON-LIFE INSURANCE OR REINSURANCE ACTIVITY

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	

Background information

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	35,225,662

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	50,018,288	
Obligations with profit participation - future discretionary benefits	R0220	0.00	
Index-linked and unit-linked insurance obligations	R0230	4,756,847,662	
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		110,073,612

Overall MCR calculation

		C0070
Linear MCR	R0300	35,225,662
SCR	R0310	86,790,506
MCR cap	R0320	39,055,728
MCR floor	R0330	21,697,627
Combined MCR	R0340	35,225,662
Absolute floor of the MCR	R0350	3,700,000
Minimum Capital Requirement	R0400	35,225,662

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