

# Elips Life AG Solvency and Financial Condition Report 2021

8 April 2022

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Elips Life AG (ELAG) is a Swiss Re<sup>1</sup> subsidiary and owns Elips Versicherungen AG (EVAG). Wherever possible, both entities are governed and steered in identical structures; when this is the case, “elipsLife” is used as abbreviation.

## 1 Summary

The following material changes have occurred in the undertaking's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period:

- The company has neither received any capital injections nor paid any dividends in the year 2021.
- As per 31 March 2021, ELAG granted an additional CHF 10m subordinated loan to EVAG - (having only immaterial impact on ELAG's capital/solvency positions).
- In December 2021, Swiss Re had announced to sell ELAG (excluding its participation into EVAG) to Swiss Life International and to enter into a long-term reinsurance partnership for elipsLife's in-force and new business. The transaction is expected to close during the summer of 2022, subject to merger control clearance and other regulatory approvals. As part of this transaction:
  - 100% reinsurance QS treaty has been introduced as per 01.01.2022 covering all in-force and also new business. It replaces all existing proportional and non-proportional reinsurance contracts<sup>2</sup>.
  - Transfer of Swiss/Liechtenstein Accident & Health portfolio from EVAG to ELAG (planned for Q2 2022, also subject to regulatory approval).
  - ELAG to sell EVAG to another Swiss Re Group entity (planned for Q2 2022).
  - Dividend payment to or capital injection from mother company in order to align to 140% Solvency II ratio level (planned for Q2 2022).
  - From Q3 2022 onwards it's planned that ELAG enters a long-term reinsurance partnership with its previous mother company, Swiss Re.

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<sup>1</sup> Swiss Re Ltd (Swiss Re, together with its direct and indirect subsidiaries, the Swiss Re Group)

<sup>2</sup> 80% QS treaty for all business written in 2021; 50% QS treaty for all business written prior to 2021; stop loss treaty for death business.

## 2 Business and Performance

ELAG is an insurance company located and incorporated under the laws of Liechtenstein and regulated by the Finanzmarktaufsicht Liechtenstein (FMA), Landstrasse 109, Postfach 279 9490 Vaduz (Liechtenstein); ELAG is audited by KPMG (Liechtenstein), Aeulestrasse 2, 9490 Vaduz (Liechtenstein). Lead auditor is Lars Klossack. ELAG is part of the Swiss Re Group (Business Unit Corporate Solutions, CorSo). ELAG underwrites the following material lines of business: life and non-life insurance (1. Appendix 2 VersAG and A.1 and A.2 appendix 1 VersAG) in the form of mortality and disability covers.

### Business objectives

elipsLife on one hand underwrites individual health insurance business in Ireland (in its EVAG legal entity). On the other hand it is a specialized European group life insurer focusing on mid-market clients. For the latter, elipsLife strives to be a leading competent B2B / B2B2C partner for mid-sized companies offering life and health insurance products in selected markets. The focus is on accident and health coverages as well as death and disability risks. Customers of elipsLife are pension funds, collective foundations, companies and associations. To create value for the mid-market segment means, in our understanding, to address sophisticated yet “must be affordable” needs of mid-sized companies, therefore to provide tailored affordable covers and service excellence delivered in an efficient and effective way for insureds, policyholders and distribution partners.

### Business performance

In 2021, the volume of premiums<sup>3</sup> increased by 22% from CHF 386 million to CHF 470 million. Statutory pre-tax loss amounts to CHF -26.7 million (prior year: to CHF -41.1 million). The result was mainly driven by a lower than expected investment result and by the impairment of some intangible assets, which more than offset an improved underwriting result.

The gross written premiums, gross claims (both in CHF million) and loss ratios for Switzerland, Netherlands and Italy are shown in the following table. ELAG underwrites mortality and disability covers; disability covers amount to about 55% of premiums.

Country (values in CHF million)	Switzerland/ Liechtenstein		Netherlands		Italy		Total <sup>4</sup>	
	2020	2021	2020	2021	2020	2021	2020	2021
Gross Premium	67.6	64.7	285.5	364.8	19.1	27.5	385.8	469.8
Gross claims	116.1	67.8	251.1	306.4	21.8	23.4	414.4	434.5
Loss ratio gross	172%	105%	88%	84%	114%	85%	107%	92%

### Investment performance

At year-end 2021, ELAG’s investments consist of fixed-income assets (incl. cash). The income of the investments was CHF 7.2 million while the expenses amounted to CHF 13.7 million.

### Other material income and expenses

Intangible assets were impaired by CHF 11.3m.

### Other material information

There is no further material information.

<sup>3</sup> Premiums: Gross written premiums + change in Gross unearned premiums

<sup>4</sup> Total additionally including amounts related to German, Austrian, Belgian and Irish operations.

## 3 System of Governance

### 3.1. Structure of the management and supervisory body, roles & responsibilities

ELAG's management and supervisory body consists of the Board of Directors (BoD) and the Executive Team (ET). The members of the BoD bear ultimate responsibility and liability for meeting applicable legal obligations.

As determined by applicable law, other rules and regulations and the Articles of Association, the BoD is vested with the broadest powers to perform all acts of administration, acquisition and disposal and take decisions on behalf of elipsLife and in elipsLife's interest except in the case of acts reserved by Liechtenstein law or the Articles of Association to the general meeting of shareholders.

The BoD has delegated responsibilities and authorities to the ET, subject to the responsibilities expressly retained by the BoD. The Chief Executive Officer (CEO) and, under the CEO's leadership, the ET may further delegate certain responsibilities and authorities to individual ET members.

### 3.2. Remuneration policy

#### 3.2.1. Variable Compensation

The elipsLife members of the Executive Team, the Managing Directors, the Directors (since 2015) and other staff employed on senior level (since 2017) are eligible for a discretionary, variable compensation. This scheme distinguishes between the following variable compensation elements: an Annual Performance Incentive (API), a Value Alignment Incentive (VAI) for APIs exceeding CHF 100'000, and a Leadership Share Plan (LSP). The cash (VAI) and shares (LSP) payments are deferred and vest after 3 years.

For elipsLife employees who aren't eligible for an API, other types of variable compensation elements can be paid out, such as sales commissions (for sales staff) or gratifications (for other staff).

#### Annual Performance Incentive

elipsLife operates a Target API (TAPI) system along with a performance management framework that provides equal weighting to results-oriented and behaviour-related performance criteria for all eligible employees. A TAPI is set for each eligible employee based on multiple factors, but primarily on the role being performed, internal calibration and market benchmarks.

For elipsLife, the total amount of API compensation is determined on the basis of an overall API pool which is built on the baseline of the total sum of Target Annual Performance Incentives (TAPI) and defined through the annual results of Swiss Re Group, Business Unit Corporate Solutions and elipsLife. The TAPI is set as an amount for each eligible employee on a discretionary basis and determined by factors, including the hierarchical job level, market situation, internal benchmarks. Similar to the determination of the base salary, the employee's total compensation and overall pay-mix are taken into account when setting the TAPI.

The effective allocated cash API ranges from 0% to 200% of the TAPI. On the basis of the overall API pool for elipsLife, the effective individual API is determined in the context of the

employee performance measurement process, i.e. by the employee's achievement of the own individual goals. The performance measurement and API weighting factors take into account the Business Performance Factor which reflects Swiss Re Group, Business Unit Corporate Solutions and elipsLife performance as well as an Individual Pay-out Factor which reflects the individual performance assessment, taking into account the two dimensions on the 'what' (quantitative & qualitative targets) and 'how' (behaviour targets linked to the corporate values and code of conduct) and is set at the manager's discretion but cannot exceed a factor of 2. The definition of the TAPI of the following business year is part of the annual compensation review (ACR) process which is equally linked to the annual performance management process.

### 3.3. Fit & Proper

Key Function	Function Holder
Compliance	Benjamin Heusi
Risk	Ettore Franzolin
Actuarial	Bob Weenink
Audit	Outsourced to Swiss Re - Ian McClarty

ELAG requires that all persons effectively running the company and key functions holders (a "Relevant Person"<sup>5</sup>) are "fit and proper". The fit and proper requirements demand qualities in relation to the integrity demonstrated in personal behaviour and business conduct, soundness of judgment and a sufficient degree of knowledge, experience and professional qualifications. These qualification criteria must be fulfilled at all times to provide for a sound and prudent management of the company.

Policies and procedures are in place to assess the fitness and propriety of all relevant persons prior to joining the company and annually throughout their employment.

The fit and proper evaluation process prior to joining the company can be described with the following steps:

- At the commencement of the recruitment or nomination process, all candidates for the position will be made aware that any offer of employment or engagement is conditional on meeting elipsLife's fit and proper criteria.
- A candidate or nominee with an imminent offer of employment or engagement will be provided with a copy of the fit and proper policy and will be required to demonstrate their compliance with the policy by signing the declaration of fitness and propriety.
- HR is responsible for conducting the assessment against the fit and proper criteria based on references provided, documentation from the candidate, completed fit and proper declaration and the results of the background check.
- In considering whether the candidate meets the fit and proper criteria HR will consider the materiality, relevance and timing of any matters identified in the assessment process.
- The outcome of the assessment will be documented and stored in the HR file.
- Should the candidate or nominee be assessed as not having met the criteria any offer of employment or engagement shall be withdrawn.

The annual evaluation process is a detailed attestation by the relevant individual. This includes declarations concerning criminal convictions, adverse findings by courts or regulatory

<sup>5</sup> Members of the BoD, the ET, the Head of Compliance, the Appointed Actuary/Actuarial Function Holder, the Company Auditor and Branch Managers.

authorities, bankruptcy orders or liquidation or similar proceedings against them, potential or actual conflicts of interest, and engagement in dishonest or improper business practices.

### **3.4. Risk Management Framework**

Taking and managing risk is central to ELAG's business. All risk-related activities are subject to the Group's risk management framework. This framework sets out how Swiss Re organises and applies its risk management practices across the Group to ensure that all activities are conducted in line with the principles and limits mandated by the Group Risk Policy.

The risk management framework comprises the following major elements:

- Risk policy and risk governance documentation
- Key risk management principles
- Fundamental roles for delegated risk-taking
- Risk culture and behaviour
- Organisation of risk management, including responsibilities at Board and executive level
- Risk control framework
- Management of risk categories
- Risk appetite framework, including limits

#### **3.4.1. Risk governance documentation**

The risk management framework of elipsLife is based on the global framework that governs risk management practices throughout the Swiss Re Group. Swiss Re's risk management framework is set out in risk governance documentation at Group and legal entity level. Risk governance is the subset of corporate governance that describes the risk management framework and documents risk management practices. Group-level risk documents form the basis for all risk governance across Swiss Re. Additional risk governance for legal entities is prepared as an addendum to the Group or parent entity document.

Risk policies, standards and guidelines established at Group and Business Unit level therefore form a large part of elipsLife's risk management system; they are adopted by ELAG following review for appropriateness by the Board. An addendum to the existing Group or Business Unit governance document has been established to provide for more specific risk management governance at the level of elipsLife. For ELAG it is elipsLife's Annex to Group Risk Management Standards and Business Unit Corporate Solutions Risk Management Operational Manual - elipsLife Risk Management Standard.

#### **3.4.2. Key risk management principles**

Risk management is based on four fundamental principles. These apply consistently across all risk categories at the level of ELAG and the broader Swiss Re Group:

- Controlled risk-taking
- Clear accountability
- Independent risk controlling
- Transparency

### 3.4.3. Fundamental roles for delegated risk-taking

In order to ensure clear control, accountability and independent monitoring for all risks, the risk governance distinguishes between three fundamental roles in the risk-taking process:

- Risk owner (e.g. the BoD) - establishes a strategy, delegates execution and control, and retains ultimate responsibility for the outcomes.
- Risk taker (e.g. the Executive Team and the country units) - executes an objective within the authority delegated by the risk owner; risk takers are required to provide the respective risk controller with all information required to monitor and control their risks.
- Risk controller (e.g. the CRO, Head of Legal & Compliance or the Internal Audit Function) - is tasked by the risk owner with independent oversight of risk-taking activities to mitigate potential conflicts of interest between the risk owner and risk taker; risk controllers are responsible for escalating relevant concerns.

Risk-taking activities are typically subject to three lines of control:

- The first line of control comprises the day-to-day risk control activities performed by risk takers in the business as well as in Group functions, including identification of risks and design of effective controls.
- Independent oversight performed by functions such as Risk Management and Compliance represents the second line of control.
- The third line of control consists of independent audits of processes and procedures carried out by Group Internal Audit or by external auditors.

This approach is designed to achieve a strong, coherent and Group-wide risk culture built on the principles of ownership and accountability.

### 3.4.4. Risk culture

elipsLife fosters and maintains a strong risk culture to promote risk awareness and discipline across all its activities. This risk culture stands for the risk and control related values, knowledge and behaviour shared by all employees. Its principal components are summarised in a framework that builds on the Code of Conduct as well as on the key risk management principles in the Group Risk Policy.

The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects,:

- Leadership in providing clear vision and direction
- Consideration of risk relevant information in decision-making
- Risk governance and accountability of risk takers as well as transparent flow of risk information
- Embedding of risk management skills and competencies

Risk culture provides the foundation for the efficient and effective application of the risk management framework. The Risk Management function reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the risk-taking and risk management processes.

### 3.4.5. Organisation of risk management

The BoD of ELAG is ultimately responsible for oversight over the operation of the entity, including its risk. It is supported in this by the key function-holders (see section 3.3 for details).



The BoD meets at least quarterly, with meetings run and documented by the Corporate Secretary. The ELAG BoD has appointed a ELAG Chief Risk Officer (CRO) in order to properly discharge their responsibility at the legal entity level and act as the principal risk controller. The ELAG CRO coordinates with the broader Swiss Re Group Risk Management organisation and elipsLife's business functions to perform risk control activities. The ELAG CRO has a direct reporting line to the BU Corporate Solutions Chief Risk Officer and a reporting line to the elipsLife Group CEO. The ELAG CRO regularly presents the risk environment to the Executive Committee and to the Board of Directors.

### 3.4.6. Risk Control Framework

elipsLife Risk Control Framework is aligned with the Swiss Re Group's Risk Control Framework described in the Swiss Re Group Risk Management Standards and the subordinate Group Risk Category Standards. It comprises standards that establish an internal control system for taking and managing risk. These standards set responsibilities for risk takers and risk controllers. The risk control framework defines key tasks, which are the core components of ELAG's risk management cycle:

- Risk tolerance and appetite assessment of plan - ensures that the risk implications of plans are understood, and determines whether business and investment plans adhere to risk appetite framework (risk appetite and tolerance).
- Risk identification - ensures that all risks to which ELAG is exposed are transparent in order to make them controllable and manageable.
- Risk measurement - enables ELAG to understand the magnitude of its risks and to set quantitative controls that limit its risk-taking.
- Risk limit framework - allows ELAG to control its risk-taking decisions and total risk accumulations, including the passive risk the entity is exposed to through our operations.
- Risk reporting - creates internal risk transparency and enables to meet external disclosure requirements.

In addition, Risk Management performs the following risk control activities:

- Model and tool assurance - ensures that models or tools used for costing, valuation and risk capital determination are based on sound scientific concepts, have been implemented and calibrated correctly, and produce accurate results.
- Valuation assurance - assesses the quality of valuations for financial instrument prices and reserves.
- Insurance risk reviews - assess the quality of decision-making in the taking of insurance risks by performing independent evaluations of underwriting, costing, pricing and claims handling.

### 3.4.7. Risk Appetite Framework

elipsLife's risk appetite framework establishes the overall approach for controlled risk-taking. The framework is set out in elipsLife's Annex to Group Risk Management Standards and Business Unit Corporate Solutions Risk Management Operational Manual - elipsLife Risk Management Standard, and consists of two interlinked components: risk appetite statement and risk tolerance.

- Risk appetite statement - describes the conditions under which ELAG engages in risk-taking activities and the types of risk that ELAG wants to pursue or avoid.
- Risk tolerance - describes the extent to which the BoD has authorised executive management to assume risk. It represents the amount of risk that ELAG is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates.

The risk appetite statement therefore facilitates discussions about where and how capital, liquidity and other resources should be deployed under a risk-return view, while the risk tolerance sets clear boundaries to risk-taking.

### **3.4.8. Further information**

#### **Prudent Person Principle**

ELAG's assets are invested in fixed-income instruments which are secure, of a high quality, liquid and profitable (above risk-free rate).

#### **Risk-free rate, matching adjustment and volatility adjustment**

From June 2020 onwards, ELAG includes a volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

### **3.5. ORSA process**

elipsLife's Own Risk and Solvency Assessment (ORSA) is an internal process that captures risks and capital needs on an ongoing basis and ensures that an adequate control framework is in place. ORSA is thus part of enterprise risk management. It comprises all processes and procedures used to identify, evaluate, monitor and control risks, calculate capital adequacy throughout the planning period, and document or report the results of the process. The ORSA process includes all of the existing activities performed throughout the business cycle to effectively manage risk and capital. It covers all elements of its risk and capital management framework that serve to determine the management's own view of risk and the associated solvency requirements.

The ORSA process supports adherence to ELAG's internal risk appetite framework by monitoring that both current and planned exposures adhere to its criteria. Furthermore, execution of the business plan is subject to the risk control framework. The process assists in the evaluation of the adequacy of internal targets and operating capital levels throughout the business cycle. It is forward-looking and integrated with business and strategic planning. In addition, it serves to enhance the understanding of interrelationships between the risk profile and solvency needs, considering reasonably foreseeable and relevant material risks.

The principles regulating to the ORSA process are set out in risk governance, in the Swiss Re Group Risk Policy and Group Risk Management Standards, and various risk management standards at risk category and legal entity level including elipsLife's Annex to Group Risk Management Standards and Business Unit Corporate Solutions Risk Management Operational Manual - elipsLife Risk Management Standard. Reporting processes related to ORSA are governed by the Swiss Re's Group ORSA Reporting Standards, which define the approach, processes, roles and responsibilities for Swiss Re's ORSA reporting at Group and legal entity level.

The ORSA process is performed at least on an annual basis and additionally without any delay following any significant change in the risk profile of the company.

### **3.6. Internal Control System**

elipsLife has implemented a principle-based integrated internal control system to mitigate identified operational risks including financial reporting and compliance risks, as well as risks

that could impair the effectiveness and efficiency of operations. This control system represents a subset of the Swiss Re’s risk control framework and is based on international standards established by COSO (the Committee of Sponsoring Organisations of the Treadway Commission).

The internal control system is overseen by the BoD and Executive Team. It aims to provide reasonable oversight and assurance in achieving three objectives:

- Reliability of reporting - addressing the preparation of reliable reporting arrangements as well as related data covering significant financial, economic, regulatory and other reporting risks
- Compliance with applicable laws and regulations - addressing legal and regulatory requirements which Swiss Re is subject to, including compliance, legal and tax risks
- Effectiveness and efficiency of operations - addressing basic business objectives, including performance and profitability goals, and the safeguarding of assets covering significant market, credit, liquidity, insurance, technology and other risks

The internal control system is based on Swiss Re’s three lines of control and comprises five components:

RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION & COMMUNICATION	MONITORING ACTIVITIES
Processes to identify and assess risks	Risk mitigation activities established in policies and procedures	Capturing and sharing information for risk control and decisions	Ongoing evaluation of control effectiveness
<ul style="list-style-type: none"> <li>• Performed by risk takers (1st line of control)</li> <li>• Based on Global Operational Risk Register</li> </ul>	<ul style="list-style-type: none"> <li>• Performed by risk takers (1st line of control)</li> <li>• Based on elipsLife Control Catalogue</li> </ul>	<ul style="list-style-type: none"> <li>• Performed by all lines of control</li> <li>• All incidents logged in central repository</li> </ul>	<ul style="list-style-type: none"> <li>• Risk controlling by Risk Management and Compliance (2nd line of control)</li> <li>• Assurance by Internal Audit and Compliance (3rd line of control)</li> </ul>
CONTROL ENVIRONMENT			
Standards, processes and structures that provide basis for internal control (e.g. operational risk tolerance)			
Risk culture, including the corporate values, governance oversight, and roles and responsibilities, as well as performance measures, incentives, and rewards that drive accountability for performance			

The ‘Internal Control System Policy’ is reviewed annually under the responsibility of Finance Department. There were no significant changes made during the reporting period.

### 3.7. Compliance Function

The Compliance Function, as a part of the internal control system, is one of the key functions. The authority and responsibilities of the Compliance Function are established by the BoD. The Compliance Function is a staff unit with a dotted reporting line to the CEO and the Chairman of the BoD. It’s independence is ensured by the authorities laid down in the Compliance Charter which includes among others the authority to establish compliance related processes and controls and to have unrestricted access to all records.

The responsibilities, competencies and reporting duties of the Compliance Function are laid down in the Compliance Charter adopted by the BoD. The Compliance Charter provides that

elipsLife has a flexible, risk-based annual Compliance Plan approved by the BoD and ET setting out the compliance work and covering all areas of the company taking into account their susceptibility to compliance risk.

By means of a companywide Compliance Program, elipsLife supports and follows internationally and nationally recognized guidelines and standards for rules-compliant and value-based corporate governance. These include the principles of economic and financial sanctions and combating bribery, corruption, money laundering and terrorism financing. Through these standards, elipsLife aims to avoid the risks that might arise from non-compliance.

The independent Compliance Function is responsible for ensuring the effective implementation and monitoring of the Compliance Program within elipsLife, as well as for investigating potential compliance infringements. This includes the identification, assessment, and reporting of compliance risks. In addition, the Compliance Function advises the management body on compliance with the laws, regulations and administrative provisions adopted pursuant to Solvency II as well as the impact of any changes in the legal environment on the operations of the company.

The standards of conduct established by elipsLife's Code of Conduct are obligatory for all employees. The Code of Conduct and the internal guidelines derived from it provide all employees with clear guidance on behaviour that lives up to the values of elipsLife. In order to transmit the principles of the Code of Conduct and the Compliance Program, elipsLife has implemented a training program.

### **3.8. Internal audit**

The internal audit function is provided by Swiss Re's Group Internal Audit (GIA). GIA is an independent and objective assurance function that assists the Board of Directors and Group Executive Committee to protect the assets, reputation and sustainability of the organisation. GIA performs audit activities designed to assess the adequacy and effectiveness of the Group's internal control systems, and to add value through improving the Group's operations. GIA's mandate is set out in the Audit Charter that address the need of both the Group and Local Audit Committees. This Charter also establishes how the Group and Local Audit Committees coordinate on internal audit matters. GIA follows the "Code of Ethics" (Integrity, Objectivity, Confidentiality, Competency) and "International Standards for the Professional Practice of Internal Auditing" issued by The Institute of Internal Auditors (IIA). In addition, GIA adheres to the Group's guidelines and procedures, and GIA's organisation and processes manuals and methodology guidelines. GIA's vision is Advancing Swiss Re's Resilience. They aspire to be critical thinkers who lead from every seat, challenge the status quo, understand risk, and demonstrate that we are responsive to risk. They aim to provide risk focused measurable assurance and innovative insights that advance Swiss Re's control environment and risk culture. And lastly, we seek to optimize our assurance by applying innovative and risk-focused techniques that ensures that our audit effort is proportionate to risk.

### **3.9. Actuarial Function**

The Actuarial Function has a direct reporting line to the Head of Actuarial Reserving Swiss Re Corporate Solutions and shall coordinate the calculation of the technical provisions. The Actuarial Function shall have a regular exchange of views with the CRO. The Actuarial Function provides advice to the ET on elipsLife's risks in so far as they may have a material impact on elipsLife's ability to meet the regulatory capital requirements. The Actuarial Function produces at least annually a written report to be submitted to the ET. The report documents all tasks that have been undertaken by the Actuarial Function and their results. In particular the report shall include an opinion on the underwriting policy and the reinsurance arrangements and shall consider the interrelations between these and the technical provisions.

### 3.10. Outsourcing

elipsLife has an Outsourcing Policy which has been approved by the BoD. The policy is in line with the Solvency II requirements as well as the requirements of the Liechtenstein Insurance Supervision Act (ISA) and defines the governance, processes and approvals for using outsourced services. Based on the risks involved with the outsourcing it ensures a proper due diligence process for any service provider and it also lays out the ongoing obligations with regard to the oversight on the services provided by the third party.

elipsLife's Outsourcing Policy ensures that any third party arrangement entered into does not lead to impairment of either the company's systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

In addition to the outsourcing of Asset Management as critical and such important function, ELAG outsources the key function Internal Audit to Swiss Re Group. The outsourcing pursues the following objectives:

1. Concentration on the core business;
2. Increasing profitability;
3. Professionalization;
4. Increasing quality;
5. Ensuring the necessary expertise and the related to this the avoidance / minimization of risks.

The rationale for the intra-group outsourcing of certain key functions is to exploit synergies within the group.

The relevant units at Swiss Re group level (Asset Management; GIA) have the necessary skills and expertise to

assume those functions also on behalf of elipsLife. The compliance and regulatory risk related to group-internal outsourcing is remote as Swiss Re is subject to the same robust governance and compliance framework and control system as elipsLife. In the case of the Asset Management function, the iptiQ Group Holding Ltd, has been instructed to strictly follow the Investment Guidelines adopted by elipsLife. For each outsourced function, the legal relationship between elipsLife and Swiss Re is based on a Service Level Agreement.

In the Netherlands, underwriting functions and the administration of the policies are partly outsourced to independent ("mandated") brokers, which reflects local market practice for this particular distribution channel. These mandated brokers have to follow an agreed framework. Compliance with this framework is assessed regularly (i.e. ad-hoc, quarterly, annually) by a dedicated ELAG specialist following a pre-defined risk and random based schedule.

All cooperation agreements with service providers who perform important processes on behalf of elipsLife have been supplemented with certain terms to ensure proper compliance with the Liechtenstein supervisory law. elipsLife exercises due diligence checks in the selection of service providers and applies effective systems and risk controls on a regular basis throughout the contractual relationship with all service providers.

### 3.11. Adequacy of the system of governance

ELAG's risks are linked to the business strategy of writing life business, in a number of countries and currencies; these insurance risks and not interconnected with financial risks as they

are not dependent on financial performance of the assets. ELAG are confident that their governance framework and processes are appropriate for managing the risks that they are exposed to through its business activities.

### **3.12. Other material Information**

Where possible and appropriate ELAG leverages best practice know-how on governance, policies and procedures from Swiss Re.

## 4 Risk profile

Quantitative information for the different risk categories is given in section 6.2.

### 4.1. Underwriting risk

Underwriting risk is the risk that the claims resulting from the underwritten business are higher than expected. ELAG mitigates the underwriting risk with reinsurance.

### 4.2. Market Risk

The most significant risk category for ELAG is market risk due to the participation in Elips Versicherungen AG which causes equity risk and concentration risk. The fixed-income instruments give rise to a spread risk.

### 4.3. Credit risk

Credit risk is a material risk for ELAG due to premium receivables and the reinsurance structure. Credit risk arises from the possibility of counterparty defaults; ELAG reinsures nearly exclusively with Swiss Re.

### 4.4. Liquidity Risk

ELAG is primarily exposed to liquidity risk through the uncertainty of the size and timing of insurance claims arising out of its insurance business. ELAG's liquidity risk is measured with a liquidity coverage ratio that is regularly monitored. The risk tolerance requires a liquidity coverage ratio of at least 100%. ELAG doesn't rely on expected profits included in future premiums for liquidity considerations.

### 4.5. Operational Risk

Operational risk is defined as the expected and unexpected economic impact of inadequate or failed internal processes, people, and systems or from external events.

### 4.6. Risk exposure measurement

For most parts, risks are measured by the Solvency II standard formula, calculating a 99.5% value at risk. Operational risk is additionally assessed in a Risk Matrix. Liquidity risk is mainly controlled through a liquidity ratio.

### 4.7. Risk concentration

Material risk concentrations for ELAG lie in the participation of Elips Versicherungen AG and the reinsurance agreements.

### 4.8. Risk mitigation

The main financial risk mitigation method for ELAG is reinsurance.

#### **4.9. Stress testing and sensitivity analysis**

In order to test ELAG's solvability, the solvency ratio is calculated for different scenarios in the annual ORSA. The scenarios reflect the specific risks that ELAG is exposed to.

#### **4.10. Any other material information**

There is no further material information.



## 5 Narrative information on valuation for solvency purposes

### 5.1. Information on valuation of assets

#### 5.1.1. Asset classes

ELAG only uses the asset classes as prescribed by the Solvency II balance sheet template.

#### 5.1.2. Methods applied for valuation of material asset classes

Material assets by Solvency II valuation basis as at 31 December 2021 were as follows:

- Investments (other than assets held for index-linked and unit-linked funds);
- Holdings in related undertakings;
- Reinsurance recoverables;
- Other assets.

**Investments:** ELAG's investment portfolio consists of fixed income securities, deposits with banks and equities.

The bonds are valued in the statutory accounts at amortized costs (lower value of 'amortized costs' and 'market value'). Additional depreciation or write-downs are recognized if a permanent impairment is expected.

Under Solvency II, bonds are recognized at market value. This can therefore generate a difference in valuation.

Deposits with banks are valued at nominal value and equities based on equity method - for both Solvency II as well as for statutory accounts.

**Holdings in related undertakings:** Under Solvency II ELAG's 100% participation in Elips Versicherungen AG is valued with the full excess of assets over liabilities of Elips Versicherungen AG's Solvency II calculation while in statutory accounting only the book value is used.

**Reinsurance recoverables:** The share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross best estimate liability per treaty. Solvency II reinsurance recoverables are derived from the statutory values and valued at market value. This position is shown as a negative liability in the company's Financial Report (in accordance to VersAV, Anhang 4) whereas under Solvency II it is reported as an asset.

**Deposits to cedents:** none

**Tangible assets:** In statutory accounts, tangible assets are measured at historical cost and depreciated using the straight-line method over the expected useful life. Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

**Intangible assets:** there are no intangible assets recognized under Solvency II.

**Receivables and accruals:** both asset types are measured in statutory accounts at par value (less specific valuation allowance). Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

### **5.1.3. Assumptions and judgements applied for valuation of material assets**

Solvency II Investments are valued at market value which is determined as far as possible by reference to observable market prices. Where observable market prices aren't available, elipsLife follows the fair value measurement methodology. There are no major sources of estimation uncertainty when using judgments to determine valuations.

### **5.1.4. Changes made to recognition and valuation basis of material assets during the year**

No changes.

### **5.1.5. Drivers of difference between Solvency II and Company statutory accounts**

The difference between Solvency II balance sheet and the statutory balance sheet are explained by the different valuation methodologies used as described above.

### **5.1.6. Property (held for own use)**

ELAG only owns movable property. The statutory account values are used for Solvency II.

### **5.1.7. Inventories**

ELAG doesn't hold any inventories.

### **5.1.8. Intangible assets**

There are no intangible assets at ELAG under Solvency II.

### **5.1.9. Methods and assumptions applied in determining the economic value of financial assets**

Most financial asset prices are sourced from a major investment management company. The list of vendors used by the investment management company to confirm pricing is held by Swiss Re Asset Management. If the market value of an asset isn't available from the investment management company, then the pricing from an alternative vendor is used. These are pre-agreed vendors depending on the type of the financial assets. In addition, prices are checked by Swiss Re's independent pricing verification team to ensure agreement.

### **5.1.10. Lease assets**

ELAG has long term rental contracts for the office buildings in Switzerland, Liechtenstein, the Netherlands, Italy, Germany, and Ireland. Under US GAAP valuation, the corresponding operating right of use asset amounts to CHF8.8 million and the lease liability is CHF 8.7 million. Under Solvency II, no lease assets are taken into account in the own funds. The operating lease liability is indirectly considered in the expenses of the expected future profit calculation.

### **5.1.11. Holdings in related undertakings**

ELAG owns 100% of Elips Versicherungen AG, which is a related undertaking.

### 5.1.12. Equities

10% participation in Sobrado AG (provider of broker platform). Valuation according to equity method.

### 5.1.13. Deferred tax assets

For Solvency II purposes, deferred income tax assets have been recognized for all deductible temporary differences and for the carry forward on unused tax losses and unused tax credits, to the extent that the realization of the related tax benefit through expected future taxable profits is probable.

## 5.2. Information on valuation of technical provisions

### 5.2.1. Value of technical provisions by line of business

ELAG writes mainly business in the category 'Other Life' and a small share which is classified as 'Health -similar to non-life' (Health - NSLT).

The Health portfolio is in run-off. It is classified as 'similar to non-life' on the Solvency II balance sheet because it was taken over from a nonlife insurance company. It actually consists of life insurance products.

For mortality and disability assumptions, BVG tables are used in Switzerland and GBM/WGA/AOV tables are used in the Netherlands.

The Solvency II technical provisions are outlined in the below table:

	Other life		Health - NSLT		Total	
	2020	2021	2020	2021	2020	2021
Best-estimate	1153.7	1371.0	10.5	7.4	1164.2	1378.4
<i>thereof expected profit from future premiums<sup>6</sup></i>	<i>71.1</i>	<i>54.7</i>	<i>0.0</i>	<i>0.0</i>	<i>71.1</i>	<i>54.7</i>
Risk Margin	29.1	42.4	0.0	0.2	29.1	42.6

(values in CHF million)

ELAG uses the volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

There are no material changes in the relevant assumptions made for the calculation of the technical provisions compared to the previous reporting period.

<sup>6</sup> Expected profit from future premiums reducing best estimate liabilities

### 5.2.2. Material differences with statutory reserves

The material differences between technical provisions under Solvency II and reserves under Liechtenstein GAAP are the following:

- Discounting: under Solvency II, the interest rates published by European Insurance and Occupational Pensions Authority (EIOPA) with Volatility Adjustment are used, while under Liechtenstein GAAP discounting rates of 0.5% and the interest rate curves published by De Nederlandsche Bank are used (for Switzerland and the Netherlands respectively). Reducing the Volatility Adjustment to zero would increase the technical provisions by CHF 3.8 million.
- Expected profit included in future premiums (EPIFP): Under Solvency II the profit that is expected from future premiums of in-force contracts is subtracted from the technical provisions.
- Risk Margin: The Solvency II technical provisions contain a risk margin.
- Prudency reserves: Since Solvency II follows a best estimate consideration, prudency reserves are removed from the Solvency II balance sheet.

### 5.2.3. Relevant assumptions about future management actions

The only relevant assumption about future management actions is the continuance of the existing reinsurance arrangements, taking into account already agreed changes. (note: From Q3 2022 onwards it's planned that ELAG enters a long-term reinsurance partnership with its previous mother company, Swiss Re.)

### 5.2.4. Relevant assumptions about policyholder behaviour

ELAG assumes some lapses for a small part of the Swiss portfolio which is similar to individual business.

### 5.2.5. Level of uncertainty of technical provisions

In the calculation of technical provisions actuarial and economic assumptions are used. As the assumptions are used for prospective events, there is inherent uncertainty with regards to the development of future mortality, recovery and costs. The size of the portfolio isn't sufficient yet for easily absorbing large deviations from the expected values. Reinsurance is therefore used for reducing this risk (see next point).

### 5.2.6. Description of the recoverables from reinsurance contracts

The following reinsurance covers were in-force in the reporting period:

- Quota-share, where premiums, claims and claims reserves, and profit commissions are shared;
- Stop-loss reinsurance cover.

The 2021 reinsurance recoverables without EPIFP amount to CHF 786.7 million (2020: CHF 581.3 million) under Solvency II valuation.

### 5.2.7. Risk Margin

The risk margin is according to the standard formula 6% of the present value of the projected SCR. It amounts to CHF 42.6 million (2020: CHF 29.1 million).

For the Risk Margin calculation, the SCR submodules are projected for future time steps, aggregated to a total SCR per time step, and then discounted.

### 5.3. Information on Valuation of other liabilities

	Solvency II		Statutory		Difference	
	2020	2021	2020	2021	2020	2021
Deposits from reinsurers	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	10.5	5.8	1.2	0.0	9.3	5.8
Total of all other liabilities not listed above	60.5	53.4	60.5	53.4	0.0	0.0
<b>Total other liabilities</b>	<b>71.0</b>	<b>59.2</b>	<b>61.7</b>	<b>53.4</b>	<b>9.3</b>	<b>5.8</b>

(values in CHF million)

#### 5.3.1. Provisions other than technical provisions

There are no provisions other than technical provisions.

#### 5.3.2. Deposits from reinsurers

There are no deposits from reinsurers.

#### 5.3.3. Deferred tax liabilities:

Under Solvency II, deferred tax assets and liabilities are considered based on temporary differences between the Solvency II balance sheet and the local statutory balance sheet. The analysis is performed on basis of the local branches of the company and the corresponding jurisdictional tax regulations were taken into account. Deferred tax assets are calculated on all balance sheet differences which are recognized as being temporary and which will have a tax reversal impact in the foreseeable future. The valuation of the deferred tax assets can be supported by projections of the future taxable profits. The projections are based on prior year experience considering expectations about future business. ELAG is presumed not to enter into run-off after a shock loss, and credit is only given for deferred tax assets utilized within a 3 year timeframe.

#### 5.3.4. All other liabilities (accounts payable and other provisions):

Accounts payable are recorded at par value in both Solvency II and statutory accounts. Other provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow. Provisions are tested for adequacy on every reporting date.

### 5.4. Any other material information

There is no further material information.

## 6 Capital Management

### 6.1. Own Funds

ELAG's own funds consist entirely of Tier 1 capital and amount to CHF 164.4 million. Own funds are managed and steered on a quarterly basis (and on an ad-hoc basis in case of major events) with the objective to keep Solvency II ratio above regulatory required thresholds at any time.

#### 6.1.1. Differences between statutory and Solvency II

The basic own funds under Solvency II differ from the assets over liabilities under Liechtenstein GAAP as follows:

- market values for bonds and technical provisions are considered;
- the participation in Elips Versicherungen AG impacts the own funds positively;
- the present value for future cash-flows impact the basic own funds positively;
- the risk margin impacts the basic own fund negatively;
- inclusion of tax assets and liabilities;
- allocation of deposits other than cash equivalents as bonds.

	Statutory		Solvency II	
	2020	2021	2020	2021
Intangible assets	16.2	11.4	0.0	0.0
Pension benefit surplus	0.0	0.0	0.0	0.0
Property, plant & equipment for own use	2.7	2.0	2.7	2.0
Holdings in related undertakings	6.6	6.6	130.0	139.5
Equities	3.3	0.0	3.3	0.0
Bonds	430.3	632.4	658.7	642.6
Deposits other than cash equivalents	198.1	0.0	0.0	0.0
Loans	10.0	20.0	10.0	20.0
Reinsurance recoverables	593.4	818.4	539.9	734.9
<i>thereof EPIFP</i>	<i>0.0</i>	<i>0.0</i>	<i>-41.4</i>	<i>-51.9</i>
Insurance and intermediaries receivables	17.0	35.0	17.0	35.0
Reinsurance receivables	0.1	15.6	0.1	15.6
Receivables (trade, not insurance)	35.8	40.7	35.8	40.7
Cash and cash equivalents	65.3	12.4	69.3	12.4
Any other assets, not elsewhere shown	5.4	5.0	5.4	1.9
<b>Total Assets</b>	<b>1384.2</b>	<b>1599.6</b>	<b>1472.2</b>	<b>1644.6</b>

	Statutory		Solvency II	
	2020	2021	2020	2021
LIABILITIES				
Technical provisions	1232.7	1479.5	1193.3	1421.0
<i>thereof: Best Estimate (excl. EPIFP)</i>	<i>1232.7</i>	<i>1479.5</i>	<i>1235.3</i>	<i>1433.1</i>
<i>thereof: EPIFP</i>	<i>0.0</i>	<i>0.0</i>	<i>-71.1</i>	<i>-54.7</i>
<i>thereof: Risk margin</i>	<i>0.0</i>	<i>0.0</i>	<i>29.1</i>	<i>42.6</i>
Deferred tax liabilities	1.2	0.0	10.5	5.8
Insurance & intermediaries payables	13.8	19.9	13.8	19.9
Reinsurance payables	0.0	0.0	0.0	0.0
Payables (trade, not insurance)	3.9	0.0	3.9	0.0
Subordinated liabilities	0.0	0.0	0.0	0.0
Any other liabilities, not elsewhere shown	42.7	33.5	42.7	33.5
<b>Basic Own Funds</b>	<b>89.9</b>	<b>66.7</b>	<b>207.9</b>	<b>164.4</b>
<b>Total Liabilities</b>	<b>1384.2</b>	<b>1599.6</b>	<b>1472.2</b>	<b>1644.6</b>

(values in CHF million)

## 6.2. Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR)

	2020	2021
<b>Solvency Ratio</b>	<b>205%</b>	<b>180%</b>
<b>Basic Own Funds</b>	<b>207.9</b>	<b>164.4</b>
<b>Solvency Capital Requirement</b>	<b>101.3</b>	<b>91.6</b>
Diversification	-35.1	-24.7
Loss absorbing capacity of technical provisions and taxes	-14.1	-10.6
Life & Health underwriting risk	45.8	12.7
Market risk	67.5	66.9
Counterparty Default Risk	21.0	29.3
Operational Risk	16.2	18.0

(values in CHF million)

The MCR is calculated based on standard formula and amounts to CHF 22.9 million (2020: 40.4 million), the MCR ratio is 718% (515%). The solvency ratio with a Volatility Adjustment of zero would be 177%.

ELAG isn't using simplified calculations or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

Due to simultaneous publication and submission to the regulators, the calculation of the capital requirements hasn't yet been approved by FMA.

## 6.3. Any other material information

There is no further material information.

## **Annex I - Quantitative Reporting Templates to Solvency and Financial Condition Report 2021 Elips Life AG**

All monetary amounts are in thousands of Swiss Francs.



**Annex I**
**S.02.01.02**
**Balance sheet**

	Solvency II value	
		C0010
<b>Assets</b>		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	2'044
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	782'089
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	139'519
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	642'570
Government Bonds	R0140	374'700
Corporate Bonds	R0150	267'870
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	20'000
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	20'000
Reinsurance recoverables from:	R0270	734'872
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	734'872
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	734'872
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	34'974
Reinsurance receivables	R0370	15'622
Receivables (trade, not insurance)	R0380	40'735
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	12'395
Any other assets, not elsewhere shown	R0420	1'906
<b>Total assets</b>	<b>R0500</b>	<b>1'644'638</b>

**Annex I**
**S.02.01.02**
**Balance sheet**

	<b>Solvency II value</b>	
		<b>C0010</b>
<b>Liabilities</b>		
Technical provisions – non-life	<b>R0510</b>	7'647
Technical provisions – non-life (excluding health)	<b>R0520</b>	0
TP calculated as a whole	<b>R0530</b>	0
Best Estimate	<b>R0540</b>	0
Risk margin	<b>R0550</b>	0
Technical provisions - health (similar to non-life)	<b>R0560</b>	7'647
TP calculated as a whole	<b>R0570</b>	0
Best Estimate	<b>R0580</b>	7'426
Risk margin	<b>R0590</b>	221
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b>	1'413'349
Technical provisions - health (similar to life)	<b>R0610</b>	0
TP calculated as a whole	<b>R0620</b>	0
Best Estimate	<b>R0630</b>	0
Risk margin	<b>R0640</b>	0
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b>	1'413'349
TP calculated as a whole	<b>R0660</b>	0
Best Estimate	<b>R0670</b>	1'370'959
Risk margin	<b>R0680</b>	42'391
Technical provisions – index-linked and unit-linked	<b>R0690</b>	0
TP calculated as a whole	<b>R0700</b>	0
Best Estimate	<b>R0710</b>	0
Risk margin	<b>R0720</b>	0
Contingent liabilities	<b>R0740</b>	0
Provisions other than technical provisions	<b>R0750</b>	0
Pension benefit obligations	<b>R0760</b>	0
Deposits from reinsurers	<b>R0770</b>	0
Deferred tax liabilities	<b>R0780</b>	5'815
Derivatives	<b>R0790</b>	0
Debts owed to credit institutions	<b>R0800</b>	0
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>	0
Insurance & intermediaries payables	<b>R0820</b>	19'925
Reinsurance payables	<b>R0830</b>	0
Payables (trade, not insurance)	<b>R0840</b>	0
Subordinated liabilities	<b>R0850</b>	0
Subordinated liabilities not in BOF	<b>R0860</b>	0
Subordinated liabilities in BOF	<b>R0870</b>	0
Any other liabilities, not elsewhere shown	<b>R0880</b>	33'467
<b>Total liabilities</b>	<b>R0900</b>	1'480'203
<b>Excess of assets over liabilities</b>	<b>R1000</b>	164'435

**Annex I**
**S.05.01.02**
**Premiums, claims and expenses by line of business**

		Line of Business for: <b>life insurance obligations</b>						<b>Life reinsurance obligations</b>		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health	Health reinsurance	Life reinsurance	
<b>Premiums written</b>										
Gross	<b>R1410</b>				467'900				467'900	
Reinsurers' share	<b>R1420</b>				368'015				368'015	
Net	<b>R1500</b>				99'885				99'885	
<b>Premiums earned</b>										
Gross	<b>R1510</b>				469'767				469'767	
Reinsurers' share	<b>R1520</b>				368'331				368'331	
Net	<b>R1600</b>				101'436				101'436	
<b>Claims incurred</b>										
Gross	<b>R1610</b>				434'532				434'532	
Reinsurers' share	<b>R1620</b>				315'420				315'420	
Net	<b>R1700</b>				119'112				119'112	
<b>Changes in other technical provisions</b>										
Gross - Direct business and reinsurance accepted	<b>R1710</b>				0				0	
Reinsurers' share	<b>R1720</b>				0				0	
Net	<b>R1800</b>				0				0	
<b>Expenses incurred</b>	<b>R1900</b>				59'874				59'874	
<b>Other expenses</b>	<b>R2500</b>								0	
<b>Total expenses</b>	<b>R2600</b>								59'874	

**Annex I**
**S.05.02.01**
**Premiums, claims and expenses by country**

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
<b>R0010</b>								
		<b>C0080</b>	<b>C0090</b>	<b>C0100</b>	<b>C0110</b>	<b>C0120</b>	<b>C0130</b>	<b>C0140</b>
<b>Premiums written</b>								
Gross - Direct Business	<b>R0110</b>							
Gross - Proportional reinsurance accepted	<b>R0120</b>							
Gross - Non-proportional reinsurance accepted	<b>R0130</b>							
Reinsurers' share	<b>R0140</b>							
Net	<b>R0200</b>							
<b>Premiums earned</b>								
Gross - Direct Business	<b>R0210</b>							
Gross - Proportional reinsurance accepted	<b>R0220</b>							
Gross - Non-proportional reinsurance accepted	<b>R0230</b>							
Reinsurers' share	<b>R0240</b>							
Net	<b>R0300</b>							
<b>Claims incurred</b>								
Gross - Direct Business	<b>R0310</b>							
Gross - Proportional reinsurance accepted	<b>R0320</b>							
Gross - Non-proportional reinsurance accepted	<b>R0330</b>							
Reinsurers' share	<b>R0340</b>							
Net	<b>R0400</b>							
<b>Changes in other technical provisions</b>								
Gross - Direct Business	<b>R0410</b>							
Gross - Proportional reinsurance accepted	<b>R0420</b>							
Gross - Non- proportional reinsurance accepted	<b>R0430</b>							
Reinsurers' share	<b>R0440</b>							
Net	<b>R0500</b>							
<b>Expenses incurred</b>	<b>R0550</b>							
<b>Other expenses</b>	<b>R1200</b>							
<b>Total expenses</b>	<b>R1300</b>							

**Annex I**
**S.05.02.01**
**Premiums, claims and expenses by country**

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country	
		C0150	C0160	C0170	C0180	C0190		C0200
<b>R1400</b>		<del>SWITZERLAND</del>	<del>NETHERLAND</del>	<del>BELGIUM</del>	<del>ITALY</del>	<del>GERMANY</del>	<del></del>	
		<b>C0220</b>	<b>C0230</b>	<b>C0240</b>	<b>C0250</b>	<b>C0260</b>	<b>C0270</b>	<b>C0280</b>
<b>Premiums written</b>								
Gross	<b>R1410</b>	298	64'426	364'824	5'243	25'421	3'664	463'876
Reinsurers' share	<b>R1420</b>	234	50'704	286'479	4'117	20'248	2'952	364'734
Net	<b>R1500</b>	63	13'723	78'345	1'126	5'173	712	99'142
<b>Premiums earned</b>								
Gross	<b>R1510</b>	298	64'426	364'824	5'243	27'481	3'424	465'696
Reinsurers' share	<b>R1520</b>	234	50'704	286'479	4'117	19'472	3'264	364'270
Net	<b>R1600</b>	63	13'723	78'345	1'126	8'009	160	101'426
<b>Claims incurred</b>								
Gross	<b>R1610</b>	-2'497	70'307	306'359	6'491	23'389	2'777	406'825
Reinsurers' share	<b>R1620</b>	-2'118	59'635	231'296	4'900	16'875	2'698	313'286
Net	<b>R1700</b>	-379	10'671	75'064	1'590	6'514	79	93'539
<b>Changes in other technical provisions</b>								
Gross	<b>R1710</b>	0	0	0	0	0	0	0
Reinsurers' share	<b>R1720</b>	0	0	0	0	0	0	0
Net	<b>R1800</b>	0	0	0	0	0	0	0
<b>Expenses incurred</b>	<b>R1900</b>	122	26'352	15'210	219	8'914	4'796	55'612
<b>Other expenses</b>	<b>R2500</b>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	
<b>Total expenses</b>	<b>R2600</b>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	55'612

**Annex I**  
**S.12.01.02**  
**Life and Health SLT Technical Provisions**

S.12.01.02

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	
		C0020	C0030	Contracts without options and guarantees	Contracts with options or guarantees	C0060				Contracts without options and guarantees
<b>Technical provisions calculated as a whole</b>	R0010	0	0			0		0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0			0		0	0	0
<b>Technical provisions calculated as a sum of BE and RM</b>										
<b>Best Estimate</b>										
<b>Gross Best Estimate</b>	R0030	0		0	0		1'370'959	0	0	1'370'959
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0		0	0		734'872	0	0	734'872
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	0		0	0		636'087	0	0	636'087
<b>Risk Margin</b>	R0100	0	0			42'391		0	0	42'391
<b>Amount of the transitional on Technical Provisions</b>										
Technical Provisions calculated as a whole	R0110	0	0			0		0	0	0
Best estimate	R0120	0		0	0		0	0	0	0
Risk margin	R0130	0	0			0		0	0	0
<b>Technical provisions - total</b>	R0200	0	0			1'413'349		0	0	1'413'349

**Annex I**  
**S.12.01.02**  
**Life and Health SLT Technical Provisions**

	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180			
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	<b>R0020</b>					
<b>Technical provisions calculated as a sum of BE and RM</b>						
<b>Best Estimate</b>						
<b>Gross Best Estimate</b>	<b>R0030</b>					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0080</b>					
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	<b>R0090</b>					
<b>Risk Margin</b>	<b>R0100</b>					
<b>Amount of the transitional on Technical Provisions</b>						
Technical Provisions calculated as a whole	<b>R0110</b>					
Best estimate	<b>R0120</b>					
Risk margin	<b>R0130</b>					
<b>Technical provisions - total</b>	<b>R0200</b>					

**Annex I**  
**S.17.01.02**  
**Non-life Technical Provisions**

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>		0							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	<b>R0050</b>									
<b>Technical provisions calculated as a sum of BE and RM</b>										
<b>Best estimate</b>										
Premium provisions										
Gross	<b>R0060</b>									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0140</b>									
Net Best Estimate of Premium Provisions	<b>R0150</b>									
<b>Claims provisions</b>										
Gross	<b>R0160</b>		7'426							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0240</b>									
Net Best Estimate of Claims Provisions	<b>R0250</b>		7'426							
<b>Total Best estimate - gross</b>	<b>R0260</b>		7'426							
<b>Total Best estimate - net</b>	<b>R0270</b>		7'426							
<b>Risk margin</b>	<b>R0280</b>		221							
<b>Amount of the transitional on Technical Provisions</b>										
Technical Provisions calculated as a whole	<b>R0290</b>									
Best estimate	<b>R0300</b>									
Risk margin	<b>R0310</b>									



**Annex I**  
**S.17.01.02**  
**Non-life Technical Provisions**

		<b>Direct business and accepted proportional reinsurance</b>								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		<b>C0020</b>	<b>C0030</b>	<b>C0040</b>	<b>C0050</b>	<b>C0060</b>	<b>C0070</b>	<b>C0080</b>	<b>C0090</b>	<b>C0100</b>
<b>Technical provisions - total</b>		<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>
Technical provisions - total	<b>R0320</b>		7'647							
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	<b>R0330</b>		0							
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	<b>R0340</b>		7'647							

**Annex I**  
**S.17.01.02**  
**Non-life Technical Provisions**

	Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0110	C0120	C0130	C0140	C0150	C0160	C0170	
<b>Technical provisions calculated as a whole</b>								0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole								
<b>Technical provisions calculated as a sum of BE and RM</b>								
<b>Best estimate</b>								
Premium provisions								
Gross								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								
Net Best Estimate of Premium Provisions								
<b>Claims provisions</b>								
Gross								7'426
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								
Net Best Estimate of Claims Provisions								7'426
<b>Total Best estimate - gross</b>								7'426
<b>Total Best estimate - net</b>								7'426
<b>Risk margin</b>								221
<b>Amount of the transitional on Technical Provisions</b>								
Technical Provisions calculated as a whole								
Best estimate								
Risk margin								

**Annex I**  
**S.17.01.02**  
**Non-life Technical Provisions**

	Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	<b>C0110</b>	<b>C0120</b>	<b>C0130</b>	<b>C0140</b>	<b>C0150</b>	<b>C0160</b>	<b>C0170</b>	
<b>Technical provisions - total</b>								
Technical provisions - total								7'647
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total								0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total								7'647

**Annex I**
**S.22.01.21**
**Impact of long term guarantees and transitional measures**

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	<b>R0010</b>	1'420'996	0	0	1'726	0
Basic own funds	<b>R0020</b>	164'435	0	0	-1'726	0
Eligible own funds to meet Solvency Capital Requirement	<b>R0050</b>	164'435	0	0	-1'726	0
Solvency Capital Requirement	<b>R0090</b>	91'600	0	0	71	0
Eligible own funds to meet Minimum Capital Requirement	<b>R0100</b>	164'435	0	0	-1'726	0
Minimum Capital Requirement	<b>R0110</b>	22'900	0	0	18	0

**Annex I**  
**S.23.01.01**  
**Own funds**

**Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35**

Ordinary share capital (gross of own shares)  
 Share premium account related to ordinary share capital  
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings  
 Subordinated mutual member accounts  
 Surplus funds  
 Preference shares  
 Share premium account related to preference shares  
 Reconciliation reserve  
 Subordinated liabilities  
 An amount equal to the value of net deferred tax assets  
 Other own fund items approved by the supervisory authority as basic own funds not specified above

**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

**Deductions**

Deductions for participations in financial and credit institutions

**Total basic own funds after deductions**

**Ancillary own funds**

Unpaid and uncalled ordinary share capital callable on demand  
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand  
 Unpaid and uncalled preference shares callable on demand  
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand  
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC  
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC  
 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC  
 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC  
 Other ancillary own funds

**Total ancillary own funds**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	12'400	12'400			
R0030	160'300	160'300			
R0040	10'100	10'100			
R0050					
R0070					
R0090					
R0110					
R0130	-18'365	-18'365			
R0140	0		0	0	0
R0160	0				0
R0180					
R0220	0				
R0230	0				0
R0290	164'435	164'435	0	0	0
R0300	0			0	
R0310	0			0	
R0320	0			0	0
R0330	0			0	0
R0340	0			0	
R0350	0			0	0
R0360	0			0	
R0370	0			0	0
R0390	0			0	0
R0400	0			0	0

**Annex I**  
**S.23.01.01**  
**Own funds**

**Available and eligible own funds**

Total available own funds to meet the SCR  
 Total available own funds to meet the MCR  
 Total eligible own funds to meet the SCR  
 Total eligible own funds to meet the MCR

**SCR**

**MCR**

**Ratio of Eligible own funds to SCR**

**Ratio of Eligible own funds to MCR**

	<b>Total</b>	<b>Tier 1 - unrestricted</b>	<b>Tier 1 - restricted</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>R0500</b>	164'435	164'435	0	0	0
<b>R0510</b>	164'435	164'435	0	0	
<b>R0540</b>	164'435	164'435	0	0	0
<b>R0550</b>	164'435	164'435	0	0	
<b>R0580</b>	91'600				
<b>R0600</b>	22'900				
<b>R0620</b>	1.7952				
<b>R0640</b>	7.1806				

**Reconciliation reserve**

Excess of assets over liabilities  
 Own shares (held directly and indirectly)  
 Foreseeable dividends, distributions and charges  
 Other basic own fund items  
 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

**Reconciliation reserve**

**Expected profits**

Expected profits included in future premiums (EPIFP) - Life business  
 Expected profits included in future premiums (EPIFP) - Non- life business

**Total Expected profits included in future premiums (EPIFP)**

	<b>C0060</b>
<b>R0700</b>	164'435
<b>R0710</b>	0
<b>R0720</b>	0
<b>R0730</b>	182'800
<b>R0740</b>	
<b>R0760</b>	-18'365
<b>R0770</b>	2'823
<b>R0780</b>	0
<b>R0790</b>	2'823

**Annex I**  
**S.25.01.21**
**Solvency Capital Requirement - for undertakings on Standard Formula**

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 66'937		-
Counterparty default risk	R0020 29'281		
Life underwriting risk	R0030 12'702	-	-
Health underwriting risk	R0040 0	-	-
Non-life underwriting risk	R0050 0	-	-
Diversification	R0060 -24'716		
Intangible asset risk	R0070 0		
<b>Basic Solvency Capital Requirement</b>	R0100 84'205		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 18'044		
Loss-absorbing capacity of technical provisions	R0140 0		
Loss-absorbing capacity of deferred taxes	R0150 -10'650		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160 0		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 91'600		
Capital add-on already set	R0210 0		
<b>Solvency capital requirement</b>	R0220 91'600		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400 0		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410 0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420 0		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430 0		
Diversification effects due to RFF nSCR aggregation for article 304	R0440 0		
<b>Approach to tax rate</b>			
		<b>Yes/No</b>	
		<b>C0109</b>	
Approach based on average tax rate	R0590	Approach not based on average tax rate	
<b>Calculation of loss absorbing capacity of deferred taxes</b>			
		<b>LAC DT</b>	
		<b>C0130</b>	
LAC DT	R0640 -10'650		
LAC DT justified by reversion of deferred tax liabilities	R0650 0		
LAC DT justified by reference to probable future taxable economic profit	R0660 -10'650		
LAC DT justified by carry back, current year	R0670 0		
LAC DT justified by carry back, future years	R0680 0		
Maximum LAC DT	R0690 0		

**Annex I**  
**S.28.02.01**
**Minimum capital Requirement - Both life and non-life insurance activity**

	Non-life activities		Life activities	
	Non-life activities MCR <sub>(NL,NL)</sub> Result	Life activities MCR <sub>(NL,L)R</sub> result		
	C0010	C0020		
<b>Linear formula component for non-life insurance and reinsurance obligations</b>	<b>R0010</b>	973	0	
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0030	C0040
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0050	C0060
Medical expense insurance and proportional reinsurance	<b>R0020</b>	0	0	0
Income protection insurance and proportional reinsurance	<b>R0030</b>	7'426	0	0
Workers' compensation insurance and proportional reinsurance	<b>R0040</b>	0	0	0
Motor vehicle liability insurance and proportional reinsurance	<b>R0050</b>	0	0	0
Other motor insurance and proportional reinsurance	<b>R0060</b>	0	0	0
Marine, aviation and transport insurance and proportional reinsurance	<b>R0070</b>	0	0	0
Fire and other damage to property insurance and proportional reinsurance	<b>R0080</b>	0	0	0
General liability insurance and proportional reinsurance	<b>R0090</b>	0	0	0
Credit and suretyship insurance and proportional reinsurance	<b>R0100</b>	0	0	0
Legal expenses insurance and proportional reinsurance	<b>R0110</b>	0	0	0
Assistance and proportional reinsurance	<b>R0120</b>	0	0	0
Miscellaneous financial loss insurance and proportional reinsurance	<b>R0130</b>	0	0	0
Non-proportional health reinsurance	<b>R0140</b>	0	0	0
Non-proportional casualty reinsurance	<b>R0150</b>	0	0	0
Non-proportional marine, aviation and transport reinsurance	<b>R0160</b>	0	0	0
Non-proportional property reinsurance	<b>R0170</b>	0	0	0



**Annex I**
**S.28.02.01**
**Minimum capital Requirement - Both life and non-life insurance activity**

	Non-life activities MCR <sub>(L,NL)</sub> Result	Life activities MCR <sub>(L,L)</sub> Result	
	C0070	C0080	
<b>Linear formula component for life insurance and reinsurance obligations</b>	<b>R0200</b>	0	14'506

	Non-life activities		Life activities	
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	0	0	0
Obligations with profit participation - future discretionary benefits	R0220	0	0	0
Index-linked and unit-linked insurance obligations	R0230	0	0	0
Other life (re)insurance and health (re)insurance obligations	R0240	0	690'760	0
<b>Total capital at risk for all life (re)insurance obligations</b>	<b>R0250</b>	0	690'760	0

**Annex I**
**S.28.02.01**
**Minimum capital Requirement - Both life and non-life insurance activity**
**Overall MCR calculation**

		<b>C0130</b>
Linear MCR	<b>R0300</b>	15'479
SCR	<b>R0310</b>	91'600
MCR cap	<b>R0320</b>	41'220
MCR floor	<b>R0330</b>	22'900
Combined MCR	<b>R0340</b>	22'900
Absolute floor of the MCR	<b>R0350</b>	6'418
		<b>C0130</b>
<b>Minimum Capital Requirement</b>	<b>R0400</b>	22'900

**Notional non-life and life MCR calculation**

		<b>Non-life activities</b>	<b>Life activities</b>
		<b>C0140</b>	<b>C0150</b>
Notional linear MCR	<b>R0500</b>	973	14'506
Notional SCR excluding add-on (annual or latest calculation)	<b>R0510</b>	5'757	85'843
Notional MCR cap	<b>R0520</b>	2'591	38'629
Notional MCR floor	<b>R0530</b>	1'439	21'461
Notional Combined MCR	<b>R0540</b>	1'439	21'461
Absolute floor of the notional MCR	<b>R0550</b>	2'588	3'830
Notional MCR	<b>R0560</b>	2'588	21'461