

Elips Life AG

Solvency and Financial Condition Report 2019

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1 Introduction

Elips Life AG (ELAG) is a Swiss Re¹ subsidiary and owns Elips Versicherungen AG. Wherever possible, both entities are governed and steered in identical structures; when this is the case, “elipsLife” is used as abbreviation.

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

2 Business and Performance

ELAG is an insurance company located and incorporated under the laws of Liechtenstein and regulated by the Finanzmarktaufsicht Liechtenstein (FMA); ELAG is audited by PWC, Birchstrasse 160, 8050 Zürich, Switzerland. Lead auditor is Michael Stämpfli. ELAG is part of the Swiss Re Group.

ELAG underwrites the following material lines of business: life and non-life insurance (1 Appendix 2 VersAG and 1/2 appendix 1 VersAG) in the form of mortality and disability covers.

Business performance

Gross premiums grew in the reporting year from CHF 261.2 million to CHF 312.4 million. Statutory pre-tax earnings decreased from CHF -8.4 million to CHF -50.6 million. The loss was driven by the negative technical result, especially of the disability insurance business.

ELAG's premium grew considerably in the core markets Switzerland and the Netherlands. ELAG has been expanding into Italy and Germany since 2016 and started to write business in Ireland in 2019.

The gross 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 56% of premiums.

| Country (values in CHF million) | Switzerland/ Liechtenstein | | Netherlands | | Italy | | Total | |
|------------------------------------|-------------------------------|------|-------------|-------|-------|------|-------|-------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Gross Premium | 51.4 | 46.9 | 239.1 | 201.6 | 15.2 | 7.0 | 312.4 | 261.2 |
| Gross claims | 78.5 | 41.2 | 194.7 | 138.2 | 6.7 | 5.5 | 293.7 | 199.5 |
| Loss ratio gross | 153% | 88% | 81% | 69% | 44% | 80% | 94% | 76% |

Investment performance

At year-end 2019, ELAG's investments consist of fixed-income assets (incl. cash). The income of the investments was CHF 12.1 million while the expenses amounted to CHF 1.2 million.

Other material income and expenses

Over the next years elipsLife remains focused on successfully growing its business in its established and newly entered markets. In addition, significant efforts will be put in building-up the prerequisites for appropriate investments (new modular IT Platform, exploring potential new geographic expansion opportunities).

Other material information

There is no further material information.

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

3.2. Remuneration policy

3.2.1. Remuneration Entitlements of the Administrative, Supervisory or Management Body (AMSB)

The members of the BoD aren't paid directly for their activities.

3.2.2. Variable Compensation

The elipsLife members of the Executive Board, 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 Performance Plan (LPP). The cash payment of VAI and LPP 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

With regard to the API, elipsLife's remuneration policy is aligned with the Swiss Re Group Compensation Policy. According to this policy, the variable compensation may not encourage inappropriate risk taking. The compensation system of Swiss Re Group complies with the FINMA Circular 2010/1 on remuneration schemes. The FINMA standards have a group-wide scope and also apply to foreign subsidiaries and branches which are part of the consolidated insurance groups supervision exercised by FINMA. At Swiss Re, all material compensation decisions are taken by the Swiss Re Group Board of Directors or the Compensation Committee of the Swiss Re Group Board of Directors.

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, Life Capital, 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 achievement of quantitative targets (financial results), behaviour targets (reflecting the corporate values) and other qualitative targets. The definition of the TAPI of the following business year is part of the annual salary review process which is equally linked to the annual performance management process.

3.3. Fit & Proper

ELAG requires that all persons effectively running the company and key functions holders (a "Relevant Person"²) 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 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

In 2019, elipsLife's risk management system has been further aligned with the global framework that governs risk management practices throughout the Swiss Re Group. The risk governance includes frameworks for risk management, risk control, risk appetite, limits and capitalisation. Taking and managing risk is central to elipsLife'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.

² Members of the BoD, the EB, the Head of Compliance, the Head of Corporate Actuary and Risk Management, the Appointed Actuary/Actuarial Function Holder, the Head of Internal Audit and Branch Managers.

The risk management framework comprises the following major elements:

- Risk governance documentation, including the Group Risk policy
- 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 ELAG is set out in risk governance documentation at Swiss Re Group and legal entity level. Group-level risk documents thereby 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. Where needed, an addendum is established to an existing Group or Business Unit governance document to provide for more specific risk management governance at the level of ELAG.

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
- Fundamental roles for

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 Board 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 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.

The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects, which are assessed annually for all employees in the performance and compensation process:

- 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 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 across multiple components of the risk management cycle. The CRO heads the elipsLife Risk Management Committee (RIM) and has a reporting line to the Chief Risk Officer of the Life Capital Business Unit and a reporting line to the elipsLife CEO.

elipsLife's Risk Management Committee (RIM) is the main body charged with oversight of ELAG's risk governance issues. The RIM is responsible for the identification, measurement and management of individual risks including the assessment against the defined risk appetite framework. This includes a forward-looking perspective arising from ELAG's business and capital plan and potential strategic transactions. The RIM is a cross-functional committee, chaired by the CRO, with members representing elipsLife's main business and operational units. The CRO is informed by the RIM members in the exercise of their responsibility.

Risk management activities are complemented by Compliance and Internal Audit (see section 3.7 and 0).

3.4.6. Risk Control Framework

elipsLife operates within a clearly defined risk control framework. This is set out in the Risk Management Standards at the level of the Swiss Re Group, the Life Capital Business Unit and the elipsLife legal entities. It comprises a body of 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 elipsLife'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 and Business Unit Life Capital Risk Management Standards and consists of two interlinked components: risk appetite and risk tolerance.

- *Risk appetite* – describes the conditions under which elipsLife engages in risk-taking activities and the types of risk that elipsLife 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 elipsLife 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.

3.5. 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 builds on existing activities performed at Group and legal entity level throughout the business cycle to effectively manage risk and capital. It covers all aspects of the risk and capital management framework that serve to determine the management's own view of risk and associated solvency needs.

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 the ORSA processes are set out in elipsLife's risk governance, in particular in the Group Risk Policy and Group Risk Management Standards, as well as various risk management standards at risk category and legal entity level. Reporting processes related to ORSA are governed by the Swiss Re Group ORSA Reporting Standards, which define the approach, processes, roles and responsibilities for Swiss Re's ORSA reporting at Group and legal entity level.

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 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 EB. 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

Operationally, the internal control system is based on the 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"> ■ Performed by risk takers (1st line of control) ■ Based on Global Operational Risk Register | <ul style="list-style-type: none"> ■ Performed by risk takers (1st line of control) ■ Based on elipsLife Control Catalogue | <ul style="list-style-type: none"> ■ Performed by all lines of control ■ All incidents logged in central repository | <ul style="list-style-type: none"> ■ Risk controlling by Risk Management and Compliance (2nd line of control) ■ Assurance by Internal Audit and Compliance (3rd line of control) |
| CONTROL ENVIRONMENT | | | |
| Standards, processes and structures that provide basis for internal control (eg. 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 | | | |

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 EB 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.

During the reporting period, the compliance organisation has been reinforced to take into account the company's growth.

3.8. Internal audit

The internal audit function is provided by Swiss Re's Group Internal Audit (GIA). GIA performs independent, objective assessments of the adequacy and effectiveness of internal control systems. It evaluates the execution of processes including those within Risk Management. Activities are coordinated with the Risk and Compliance functions. GIA has no direct operational responsibility or authority over any of the activities it reviews.

Authority is granted for full, free and unrestricted access to any and all of the Company's property and personnel relevant to any function under review. All employees are required to assist GIA in fulfilling their duty.

3.9. Actuarial Function

The actuarial function has a direct reporting line to the Deputy Group CEO and coordinates the calculation of the technical provisions, advises on underwriting guidelines and reinsurance and other risk mitigation measures and supports the CFO in the calculation of elipsLife's solvency capital in line with applicable regulations.

The actuarial function also provides advice to the EB 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 EB. 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.

3.11. Adequacy of the system of governance

ELAG's risks are linked to the business strategy, underwriting life business in different currencies; these are typical insurance risks and not interconnected with financial risks. The governance is considered adequate considering the relatively low complexity.

3.12. Other material Information

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

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. It is the highest risk category for ELAG.

4.2. Market Risk

The second biggest risk category for ELAG is market risk due to the participation in Elips Versicherungen AG and currency risk since ELAG underwrites in CHF and EUR. The fixed-income instruments give rise to a spread risk, whereas the interest rate risk is relatively low due to the alignment of assets and liabilities.

4.3. Credit risk

Credit risk is a material risk for ELAG due to the reinsurance structure chosen for its insurance business. Credit risk arises from the possibility of counterparty defaults; ELAG reinsures with Swiss Re subsidiaries exclusively.

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 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 2019 were as follows:

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

Investments: ELAG's investment portfolio consists of fixed income securities and of deposits with banks. 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 both for 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. It should be noted that 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's property held for own use doesn't consist of real estate; the statutory values are used for Solvency II accounts.

5.1.7. Inventories

elipsLife 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 BlackRock. The list of vendors used by BlackRock to confirm pricing is held by Swiss Re Asset Management. When BlackRock prices aren't available a market price from an alternative vendor is selected. 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

elipsLife doesn't have any material financial and operating leasing arrangements.

5.1.11. Holdings in related undertakings

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

5.1.12. 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 'Nonlife'. 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 | | Nonlife | | Total | |
|---|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Best-estimate | 838.0 | 620.6 | 13.3 | 17.1 | 851.3 | 637.7 |
| <i>thereof expected profit from future premiums</i> | <i>-41.1</i> | <i>-85.7</i> | <i>0.0</i> | <i>0.0</i> | <i>-41.1</i> | <i>-85.7</i> |
| Risk Margin | 16.5 | 16.3 | 0.0 | 0.0 | 16.5 | 16.3 |

es in CHF million)

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) 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).
- Present Value of Future Profits: 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.

5.2.3. Level of uncertainty of technical provisions

The main level of uncertainty of technical provisions is driven by sudden and unexpected large claims. 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).

5.2.4. Description of the recoverables from reinsurance contracts

The following reinsurance covers are in-force:

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

The 2019 reinsurance recoverables amount to CHF 392.8 million (2018: CHF 254.7 million) under Solvency II valuation.

5.2.5. Risk Margin

The risk margin is according to the standard formula 6% of the present value of the projected SCR. It amounts to CHF 16.3 million (2018: CHF 16.3 million).

5.3. Information on Valuation of other liabilities

| | Solvency II | | Statutory | | Difference | |
|---|--------------|-------------|--------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Deposits from reinsurers | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax liabilities | 13.5 | 18.1 | 0.0 | 1.1 | 13.5 | 17.0 |
| Total of all other liabilities not listed above | 106.0 | 37.8 | 106.0 | 37.8 | 0.0 | 0.0 |
| Total other liabilities | 119.5 | 55.9 | 106.1 | 38.9 | 13.5 | 17.0 |

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 161.7 million. The own funds are planned within the financial planning with a time horizon of three years.

The negative technical result of 2019 caused a decrease of own funds, while the capital demand is expected to increase because of business growth. The ORSA process identified that ELAG's solvency ratio would fall below the internal risk tolerance level if no measures were taken. As a consequence, the own funds of ELAG were strengthened with a subordinated loan of CHF 20 million from Swiss Re Life Capital Reinsurance Ltd. The subordinated loan counts as Tier 1 capital.

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.

| | Statutory | | Solvency II | |
|--|---------------|--------------|---------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| ASSETS | | | | |
| Intangible assets | 19.4 | 19.7 | 0.0 | 0.0 |
| Pension benefit surplus | 0.0 | 0.0 | 0.0 | 1.1 |
| Property, plant & equipment held for own use | 2.1 | 2.3 | 2.1 | 2.3 |
| Holdings in related undertakings | 6.6 | 6.6 | 114.4 | 115.5 |
| Bonds | 366.5 | 379.0 | 379.2 | 358.3 |
| Collective investments undertakings | 0.0 | 0.0 | 0.0 | 28.4 |
| Deposits other than cash equivalents | 4.0 | 0.0 | 0.0 | 0.0 |
| Loans | 10.0 | 10.0 | 10.0 | 10.0 |
| R/I recoverables | 424.3 | 251.7 | 414.7 | 254.7 |
| Insurance and intermediaries receivables | 37.2 | 25.6 | 37.2 | 25.6 |
| Reinsurance receivables | 0.0 | 10.5 | 0.0 | 10.5 |
| Receivables (trade, not insurance) | 17.9 | 5.1 | 17.9 | 5.1 |
| Cash and cash equivalents | 148.2 | 39.8 | 152.3 | 39.8 |
| Any other assets, not elsewhere shown | 4.3 | 4.4 | 4.3 | 4.4 |
| Total Assets | 1040.5 | 754.6 | 1132.1 | 855.7 |

| | Statutory | | Solvency II | |
|--|---------------|--------------|---------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| LIABILITIES | | | | |
| Technical provisions | 919.7 | 650.1 | 867.8 | 606.3 |
| <i>thereof: Best Estimate (excl. EPIFP)</i> | 919.7 | 650.1 | 892.4 | 637.8 |
| <i>thereof: Expected profit in future premiums (EPIFP)</i> | 0.0 | 0.0 | -41.1 | -47.8 |
| <i>thereof: Risk margin</i> | 0.0 | 0.0 | 16.5 | 16.3 |
| Deferred tax liabilities | 0.0 | 1.1 | 13.5 | 18.1 |
| Insurance & intermediaries payables | 20.4 | 12.2 | 20.4 | 12.2 |
| Reinsurance payables | 28.7 | 0.0 | 28.7 | 0.0 |
| Payables (trade, not insurance) | 4.5 | 5.8 | 4.5 | 5.8 |
| Subordinated liabilities | 20.0 | 0.0 | 20.0 | 0.0 |
| Any other liabilities, not elsewhere shown | 32.4 | 19.8 | 32.4 | 19.8 |
| Basic Own Funds | 14.7 | 65.6 | 164.8* | 193.4 |
| Total Liabilities | 1040.5 | 754.6 | 1132.1 | 855.7 |

(values in CHF million)

* The subordinated liability isn't included in the calculation of the own funds.

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

| | 2018 | 2019 |
|---|--------------|--------------|
| Solvency Ratio | 161% | 140% |
| Basic Own Funds | 193.4 | 164.8 |
| Solvency Capital Requirement | 120.4 | 117.9 |
| Diversification | -41.9 | -43.6 |
| Loss absorbing capacity of technical provisions and taxes | -25.2 | -27.4 |
| Life & Health underwriting risk | 87.3 | 94.3 |
| Market risk | 79.6 | 62.5 |
| Counterparty Default Risk | 10.7 | 19.8 |
| Operational Risk | 9.8 | 12.2 |

(values in CHF million)

The MCR amounts to CHF 47.6 million (2018: 43.2 million), the MCR ratio is 346% (448%).

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 2019 Elips Life AG

All monetary amounts are in thousands of Swiss Francs.

S.22.01 is not reported as no long term guarantees measures and transitionals are used.

Annex I
S.02.01.02
Balance sheet
Assets

| |
|--|
| Intangible assets |
| Deferred tax assets |
| Pension benefit surplus |
| Property, plant & equipment held for own use |
| Investments (other than assets held for index-linked and unit-linked contracts) |
| Property (other than for own use) |
| Holdings in related undertakings, including participations |
| Equities |
| Equities - listed |
| Equities - unlisted |
| Bonds |
| Government Bonds |
| Corporate Bonds |
| Structured notes |
| Collateralised securities |
| Collective Investments Undertakings |
| Derivatives |
| Deposits other than cash equivalents |
| Other investments |
| Assets held for index-linked and unit-linked contracts |
| Loans and mortgages |
| Loans on policies |
| Loans and mortgages to individuals |
| Other loans and mortgages |
| Reinsurance recoverables from: |
| Non-life and health similar to non-life |
| Non-life excluding health |
| Health similar to non-life |
| Life and health similar to life, excluding health and index-linked and unit-linked |
| Health similar to life |
| Life excluding health and index-linked and unit-linked |
| Life index-linked and unit-linked |
| Deposits to cedants |
| Insurance and intermediaries receivables |
| Reinsurance receivables |
| Receivables (trade, not insurance) |
| Own shares (held directly) |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in |
| Cash and cash equivalents |
| Any other assets, not elsewhere shown |
| Total assets |

| Solvency II value | |
|-------------------|-----------|
| C0010 | |
| R0030 | |
| R0040 | |
| R0050 | 0 |
| R0060 | 2,060 |
| R0070 | 493,638 |
| R0080 | |
| R0090 | 114,468 |
| R0100 | |
| R0110 | |
| R0120 | |
| R0130 | 379,170 |
| R0140 | 181,088 |
| R0150 | 198,083 |
| R0160 | |
| R0170 | |
| R0180 | 0 |
| R0190 | |
| R0200 | |
| R0210 | |
| R0220 | |
| R0230 | 10,000 |
| R0240 | |
| R0250 | |
| R0260 | 10,000 |
| R0270 | 414,742 |
| R0280 | |
| R0290 | |
| R0300 | |
| R0310 | 414,742 |
| R0320 | 0 |
| R0330 | 414,742 |
| R0340 | |
| R0350 | |
| R0360 | 37,205 |
| R0370 | 0 |
| R0380 | 17,891 |
| R0390 | 0 |
| R0400 | 0 |
| R0410 | 152,270 |
| R0420 | 4,313 |
| R0500 | 1,132,119 |

Annex I
S.02.01.02
Balance sheet
Liabilities

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities
Excess of assets over liabilities

| | Solvency II value |
|--------------|-------------------|
| | C0010 |
| R0510 | 13,254 |
| R0520 | 0 |
| R0530 | 0 |
| R0540 | |
| R0550 | |
| R0560 | 13,254 |
| R0570 | 13,254 |
| R0580 | |
| R0590 | |
| R0600 | 854,555 |
| R0610 | |
| R0620 | |
| R0630 | |
| R0640 | |
| R0650 | 854,555 |
| R0660 | |
| R0670 | 838,006 |
| R0680 | 16,549 |
| R0690 | |
| R0700 | |
| R0710 | |
| R0720 | |
| R0740 | |
| R0750 | 0 |
| R0760 | |
| R0770 | |
| R0780 | 13,484 |
| R0790 | |
| R0800 | |
| R0810 | |
| R0820 | 20,420 |
| R0830 | 28,744 |
| R0840 | 4,521 |
| R0850 | 20,000 |
| R0860 | 0 |
| R0870 | 20,000 |
| R0880 | 32,351 |
| R0900 | 987,329 |
| R1000 | 144,790 |

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

| | | Line of Business for: non-life insurance and reinsurance obligations (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 |
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 |
| Premiums written | | | | | | | | | | |
| Gross - Direct Business | R0110 | | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0120 | | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | | | |
| Reinsurers' share | R0140 | | | | | | | | | |
| Net | R0200 | | | | | | | | | |
| Premiums earned | | | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0220 | | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | | | |
| Reinsurers' share | R0240 | | | | | | | | | |
| Net | R0300 | | | | | | | | | |
| Claims incurred | | | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0320 | | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | | | |
| Reinsurers' share | R0340 | | | | | | | | | |
| Net | R0400 | | | | | | | | | |
| Changes in other technical provisions | | | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | | | |
| Gross - Non- proportional reinsurance accepted | R0430 | | | | | | | | | |
| Reinsurers' share | R0440 | | | | | | | | | |
| Net | R0500 | | | | | | | | | |
| Expenses incurred | | | | | | | | | | |
| Other expenses | R1200 | | | | | | | | | |
| Total expenses | R1300 | | | | | | | | | |

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

| | | Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | Line of business for: accepted non-proportional reinsurance | | | Total | |
|---|--------------|---|------------|------------------------------|--|----------|-----------------------------|-------|----------|
| | | Legal expenses insurance | Assistance | Miscellaneous financial loss | Health | Casualty | Marine, aviation, transport | | Property |
| | | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | | C0160 |
| Premiums written | | | | | | | | | |
| Gross - Direct Business | R0110 | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0120 | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | | |
| Reinsurers' share | R0140 | | | | | | | | |
| Net | R0200 | | | | | | | | |
| Premiums earned | | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0220 | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | | |
| Reinsurers' share | R0240 | | | | | | | | |
| Net | R0300 | | | | | | | | |
| Claims incurred | | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0320 | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | | |
| Reinsurers' share | R0340 | | | | | | | | |
| Net | R0400 | | | | | | | | |
| Changes in other technical provisions | | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | | |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0430 | | | | | | | | |
| Reinsurers' share | R0440 | | | | | | | | |
| Net | R0500 | | | | | | | | |
| Expenses incurred | | | | | | | | | |
| Other expenses | R1200 | | | | | | | | |
| Total expenses | R1300 | | | | | | | | |

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

| | Line of Business for: life insurance obligations | | | | | | Life reinsurance obligations | | 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 | |
| | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | |
| Premiums written | | | | | | | | | |
| Gross | R1410 | | | 312,375 | | | | | 312,375 |
| Reinsurers' share | R1420 | | | 159,482 | | | | | 159,482 |
| Net | R1500 | | | 152,893 | | | | | 152,893 |
| Premiums earned | | | | | | | | | |
| Gross | R1510 | | | 309,478 | | | | | 309,478 |
| Reinsurers' share | R1520 | | | 158,019 | | | | | 158,019 |
| Net | R1600 | | | 151,459 | | | | | 151,459 |
| Claims incurred | | | | | | | | | |
| Gross | R1610 | | | 293,699 | | | | | 293,699 |
| Reinsurers' share | R1620 | | | 133,245 | | | | | 133,245 |
| Net | R1700 | | | 160,455 | | | | | 160,455 |
| Changes in other technical provisions | | | | | | | | | |
| Gross - Direct business and reinsurance accepted | R1710 | | | 0 | | | | | 0 |
| Reinsurers' share | R1720 | | | 0 | | | | | 0 |
| Net | R1800 | | | 0 | | | | | |
| Expenses incurred | R1900 | | | 44,145 | | | | | 44,145 |
| Other expenses | R2500 | | | | | | | | |
| Total expenses | R2600 | | | | | | | | 44,145 |

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 |
| R0010 | | | | | | | | |
| | | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |
| Premiums written | | | | | | | | |
| Gross - Direct Business | R0110 | | | | | | | |
| Gross - Proportional reinsurance accepted | R0120 | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | |
| Reinsurers' share | R0140 | | | | | | | |
| Net | R0200 | | | | | | | |
| Premiums earned | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | |
| Gross - Proportional reinsurance accepted | R0220 | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | |
| Reinsurers' share | R0240 | | | | | | | |
| Net | R0300 | | | | | | | |
| Claims incurred | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | |
| Gross - Proportional reinsurance accepted | R0320 | | | | | | | |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | |
| Reinsurers' share | R0340 | | | | | | | |
| Net | R0400 | | | | | | | |
| Changes in other technical provisions | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | |
| Gross - Non- proportional reinsurance accepted | R0430 | | | | | | | |
| Reinsurers'share | R0440 | | | | | | | |
| Net | R0500 | | | | | | | |
| Expenses incurred | R0550 | | | | | | | |
| Other expenses | R1200 | | | | | | | |
| Total expenses | R1300 | | | | | | | |

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 | |
| | R1400 | SWITZERLAND | NETHERLAND | BELGIUM | ITALY | GERMANY | | |
| | | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 |
| Premiums written | | | | | | | | |
| Gross | R1410 | 4,891 | 46,530 | 239,130 | 5,053 | 15,201 | 698 | 311,502 |
| Reinsurers' share | R1420 | 2,498 | 23,764 | 122,052 | 2,579 | 7,785 | 355 | 159,032 |
| Net | R1500 | 2,393 | 22,766 | 117,078 | 2,474 | 7,416 | 343 | 152,470 |
| Premiums earned | | | | | | | | |
| Gross | R1510 | 4,891 | 46,530 | 238,016 | 5,053 | 13,671 | 577 | 308,738 |
| Reinsurers' share | R1520 | 2,498 | 23,764 | 122,609 | 2,579 | 8,564 | 415 | 160,429 |
| Net | R1600 | 2,393 | 22,766 | 115,407 | 2,474 | 5,107 | 162 | 148,309 |
| Claims incurred | | | | | | | | |
| Gross | R1610 | 3,903 | 74,580 | 194,675 | 6,745 | 6,725 | 388 | 287,016 |
| Reinsurers' share | R1620 | 1,599 | 30,548 | 97,038 | 3,362 | 3,279 | 194 | 136,020 |
| Net | R1700 | 2,304 | 44,031 | 97,636 | 3,383 | 3,446 | 194 | 150,995 |
| Changes in other technical provisions | | | | | | | | |
| Gross | R1710 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurers' share | R1720 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net | R1800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses incurred | R1900 | -354 | -3,367 | 31,655 | 669 | 5,232 | 3,572 | 37,407 |
| Other expenses | R2500 | | | | | | | |
| Total expenses | R2600 | | | | | | | 37,407 |

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) |
|--|--|--------------------------------------|-------|---|---|--|
| | Contracts without options and guarantees | Contracts with options or guarantees | | | | |
| | C0160 | C0170 | C0180 | C0190 | C0200 | 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 as a whole | | | | | | |
| Technical provisions calculated as a sum of BE and RM | | | | | | |
| Best Estimate | | | | | | |
| Gross Best Estimate | R0030 | | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | | | | | | |
| Best estimate minus recoverables from reinsurance/SPV and Finite Re - total | R0080 | | | | | |
| Risk Margin | R0090 | | | | | |
| Amount of the transitional on Technical Provisions | R0100 | | | | | |
| Technical Provisions calculated as a whole | | | | | | |
| Best estimate | R0110 | | | | | |
| Risk margin | R0120 | | | | | |
| Technical provisions - total | R0130 | | | | | |
| | R0200 | | | | | |

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 |
| Technical provisions calculated as a whole | | | | | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole | R0010 | 13,254 | | | | | | |
| | R0050 | | | | | | | |
| Technical provisions calculated as a sum of BE and RM | | | | | | | | |
| Best estimate | | | | | | | | |
| Premium provisions | | | | | | | | |
| Gross | R0060 | | | | | | | |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | | | | | | |
| Net Best Estimate of Premium Provisions | R0150 | | | | | | | |
| Claims provisions | | | | | | | | |
| Gross | R0160 | | | | | | | |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | | | | | | |
| Net Best Estimate of Claims Provisions | R0250 | | | | | | | |
| Total Best estimate - gross | R0260 | | | | | | | |
| Total Best estimate - net | R0270 | | | | | | | |
| Risk margin | R0280 | | | | | | | |
| Amount of the transitional on Technical Provisions | | | | | | | | |
| Technical Provisions calculated as a whole | R0290 | | | | | | | |
| Best estimate | R0300 | | | | | | | |
| Risk margin | R0310 | | | | | | | |

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 |
| Technical provisions - total | | | | | | | | |
| Technical provisions - total | | | | | | | | |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | | | | | | | | |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | | | | | | | | |
| R0320 | 13,254 | | | | | | | |
| R0330 | 0 | | | | | | | |
| R0340 | 13,254 | | | | | | | |

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 | |
| Technical provisions calculated as a whole | | | | | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole | | | | | | | | 13,254 |
| Technical provisions calculated as a sum of BE and RM | | | | | | | | |
| Best estimate | | | | | | | | |
| 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 | | | | | | | | |
| Claims provisions | | | | | | | | |
| Gross | | | | | | | | |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | | | | | | | | |
| Net Best Estimate of Claims Provisions | | | | | | | | |
| Total Best estimate - gross | | | | | | | | |
| Total Best estimate - net | | | | | | | | |
| Risk margin | | | | | | | | |
| Amount of the transitional on Technical Provisions | | | | | | | | |
| Technical Provisions calculated as a whole | | | | | | | | |
| Best estimate | | | | | | | | |
| Risk margin | | | | | | | | |

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions - total
 Technical provisions - total
 Recoverable from reinsurance contract/SPV and Finite Re after
 the adjustment for expected losses due to counterparty default -
 total
 Technical provisions minus recoverables from reinsurance/SPV
 and Finite Re - total

| 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 | C0180 |
| | | | | | | | |
| | | | | | | | 13,254 |
| | | | | | | | |
| | | | | | | | 13,254 |

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 | 40,300 | 40,300 | | | |
| R0040 | 10,100 | 10,100 | | | |
| R0050 | | | | | |
| R0070 | | | | | |
| R0090 | | | | | |
| R0110 | | | | | |
| R0130 | 81,990 | 81,990 | | | |
| R0140 | 20,000 | | 20,000 | 0 | 0 |
| R0160 | | | | | |
| R0180 | | | | | |
| | | | | | |
| R0220 | 0 | | | | |
| | | | | | |
| R0230 | | | | | |
| R0290 | 164,790 | 144,790 | 20,000 | 0 | 0 |
| | | | | | |
| R0300 | | | | | |
| | | | | | |
| R0310 | | | | | |
| | | | | | |
| R0320 | | | | | |
| R0330 | | | | | |
| R0340 | | | | | |
| R0350 | | | | | |
| R0360 | | | | | |
| R0370 | | | | | |
| R0390 | | | | | |
| R0400 | | | | | |

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

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)

| | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|--------------|---------|--------------------------|------------------------|--------|--------|
| R0500 | 164,790 | 144,790 | 20,000 | 0 | 0 |
| R0510 | 164,790 | 144,790 | 20,000 | 0 | |
| R0540 | 164,790 | 144,790 | 20,000 | 0 | 0 |
| R0550 | 164,790 | 144,790 | 20,000 | 0 | |
| R0580 | 117,914 | | | | |
| R0600 | 47,629 | | | | |
| R0620 | 1,3975 | | | | |
| R0640 | 3,4599 | | | | |

| | C0060 |
|--------------|---------|
| R0700 | 144,790 |
| R0710 | |
| R0720 | |
| R0730 | 62,800 |
| R0740 | |
| R0760 | 81,990 |
| R0770 | 43,655 |
| R0780 | 0 |
| R0790 | 43,655 |

Annex I
S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk
Basic Solvency Capital Requirement

| | Gross solvency capital requirement | USP | Simplifications |
|-------|------------------------------------|-------|-----------------|
| | C0110 | C0090 | C0120 |
| R0010 | 62,465 | | - |
| R0020 | 19,824 | | |
| R0030 | 94,318 | - | - |
| R0040 | 146 | - | - |
| R0050 | 0 | - | - |
| R0060 | -43,698 | | |
| R0070 | 0 | | |
| R0100 | 133,054 | | |

Calculation of Solvency Capital Requirement

Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
Total amount of Notional Solvency Capital Requirement for remaining part
Total amount of Notional Solvency Capital Requirements for ring fenced funds
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
Diversification effects due to RFF nSCR aggregation for article 304

| | C0100 |
|-------|---------|
| R0130 | 12,229 |
| R0140 | 0 |
| R0150 | -27,369 |
| R0160 | 0 |
| R0200 | 117,914 |
| R0210 | 0 |
| R0220 | 117,914 |
| R0400 | 0 |
| R0410 | 0 |
| R0420 | 0 |
| R0430 | 0 |
| R0440 | 0 |

Approach to tax rate

Approach based on average tax rate

| | Yes/No |
|-------|--|
| | C0109 |
| R0590 | Approach not based on average tax rate |

Calculation of loss absorbing capacity of deferred taxes

LAC DT
LAC DT justified by reversion of deferred tax liabilities
LAC DT justified by reference to probable future taxable economic profit
LAC DT justified by carry back, current year
LAC DT justified by carry back, future years
Maximum LAC DT

| | LAC DT |
|-------|---------|
| | C0130 |
| R0640 | -27,369 |
| R0650 | |
| R0660 | -27,369 |
| R0670 | |
| R0680 | |
| R0690 | |

Annex I

S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

| | Non-life activities | Life activities |
|--|------------------------|------------------------|
| | MCR _(NL,NL) | MCR _{(NL,L)R} |
| | Result | Result |
| | C0010 | C0020 |
| Linear formula component for non-life insurance and reinsurance obligations | 0 | 0 |

Medical expense insurance and proportional reinsurance
 Income protection insurance and proportional reinsurance
 Workers' compensation insurance and proportional reinsurance
 Motor vehicle liability insurance and proportional reinsurance
 Other motor insurance and proportional reinsurance
 Marine, aviation and transport insurance and proportional reinsurance
 Fire and other damage to property insurance and proportional reinsurance
 General liability insurance and proportional reinsurance
 Credit and suretyship insurance and proportional reinsurance
 Legal expenses insurance and proportional reinsurance
 Assistance and proportional reinsurance
 Miscellaneous financial loss insurance and proportional reinsurance
 Non-proportional health reinsurance
 Non-proportional casualty reinsurance
 Non-proportional marine, aviation and transport reinsurance
 Non-proportional property reinsurance

Non-life activities

Life activities

| | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|--------------|---|---|---|---|
| | C0030 | C0040 | C0050 | C0060 |
| R0020 | 13,254 | 0 | 0 | 0 |
| R0030 | | | | |
| R0040 | | | | |
| R0050 | | | | |
| R0060 | | | | |
| R0070 | | | | |
| R0080 | | | | |
| R0090 | | | | |
| R0100 | | | | |
| R0110 | | | | |
| R0120 | | | | |
| R0130 | | | | |
| R0140 | | | | |
| R0150 | | | | |
| R0160 | | | | |
| R0170 | | | | |

Annex I

S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

| | Non-life activities | | Life activities | |
|--|-----------------------------|--------------|----------------------------|--|
| | MCR_(L,NL) | | MCR_(L,L) | |
| | Result | | Result | |
| | C0070 | C0080 | | |
| Linear formula component for life insurance and reinsurance obligations | R0200 | 623 | 47,006 | |

Obligations with profit participation - guaranteed benefits
 Obligations with profit participation - future discretionary benefits
 Index-linked and unit-linked insurance obligations
 Other life (re)insurance and health (re)insurance obligations
 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 | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|--------------|---|--|---|--|
| | C0090 | C0100 | C0110 | C0120 |
| R0210 | | | | |
| R0220 | | | | |
| R0230 | | | | |
| R0240 | 0 | | 423,265 | |
| R0250 | | | | 54,452,948 |

Annex I

S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

Overall MCR calculation

| | C0130 |
|------------------------------------|----------------------|
| Linear MCR | R0300 47,629 |
| SCR | R0310 117,914 |
| MCR cap | R0320 53,061 |
| MCR floor | R0330 29,479 |
| Combined MCR | R0340 47,629 |
| Absolute floor of the MCR | R0350 6,739 |
| | C0130 |
| Minimum Capital Requirement | R0400 47,629 |

Notional non-life and life MCR calculation

| | Non-life activities | Life activities |
|--|----------------------------|------------------------|
| | C0140 | C0150 |
| Notional linear MCR | R0500 623 | 47,006 |
| Notional SCR excluding add-on (annual or latest calculation) | R0510 1,542 | 116,372 |
| Notional MCR cap | R0520 694 | 52,367 |
| Notional MCR floor | R0530 386 | 29,093 |
| Notional Combined MCR | R0540 623 | 47,006 |
| Absolute floor of the notional MCR | R0550 2,717 | 4,022 |
| Notional MCR | R0560 2,717 | 47,006 |