Swiss Re

Swiss Re Europe S.A.
Solvency and Financial Condition Report

For the year ended 31 December 2019

Swiss Re Europe S.A.
2A, rue Albert Borschette
L-1246 Luxembourg

R.C.S. Luxembourg B25 242

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Executive summary

Business and performance

- Swiss Re Europe S.A. ("the Company") is authorised by the Luxembourg Finance Minister to conduct all types of reinsurance business and operates through a number of branches in the European Union (EU) and the United Kingdom (UK). The main classes of business are property, liability, life and health reinsurance. Main geographical areas by location of the ceding undertakings are the UK, Germany, France, Canada and Spain.
- The underwriting performance for 2019 was a profit of EUR 206 million (2018: EUR 287 million). The property and casualty net technical result was positive, driven by reserve releases, partly offset by higher losses from hurricane Dorian in 2019. The life and health net technical result was also positive, primarily due to profits from new business and positive impacts from assumption changes and experience.
- Investment income in 2019 amounted to EUR 392 million (2018: EUR 386 million) and the investment charges to EUR 108 million (2018: EUR 179 million). Increase in investment income is primarily from higher income from dividends and fixed income securities, offset by lower realised gains. The decrease in investment charges was due to decreases in value adjustments on equities (following price recovery) and partnerships.

System of governance

- The governance and organisational structure of the Company is set out in the Company's Articles of Association, Terms of Reference and Charters of Duties. These define the responsibilities and authority of the members of the Board and Committees.
- There were no significant changes to the system of governance in 2019.
- The Company uses an internal model for the purposes of calculating the Solvency Capital Requirement (SCR). The Commissariat aux Assurances (CAA) approved the internal model and its associated governance framework for use in calculating the Company's SCR under Solvency II on 17 December 2015. The Company's internal model governance framework sets out the requirements for model development standards, the governance around changes to the internal model, validation of the internal model and data quality standards.
- The Board carries out an annual evaluation of its system of governance against relevant best practice standards. During the reviews performed in 2019, the Board concluded that the system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

Risk profile

- The SCR of the Company has decreased compared to 2018. This is driven by increased diversification from growth in life and health (L&H) risk and an extension of the Company's Intra-group retrocession (IGR) programme which significantly reduces the net retention of Canadian property and casualty (P&C) risks. For P&C, the main exposures of the Company are to non-life claims inflation, European windstorm, and costing and reserving risk. For L&H, the main exposures are to mortality, longevity and lethal pandemic risk factors. Financial market risk is driven by equity, real estate and credit spread exposures.
- The Company has a significant risk concentration derived from IGR arrangements with Swiss Reinsurance Company Ltd (SRZ), which maintains a strong capital position.
- The Company's exposure to the liquidity risk is driven by the potential impact of extreme losses, collateral requirements and investments into illiquid assets. This risk has decreased due to the new IGR on Canadian P&C risk. The Company's liquidity position is sufficient to meet expected liquidity requirements after a large loss event according to the Company's liquidity stress that is performed on a regular basis.

Valuation for solvency purposes

Invested assets
Investments are valued at market value, which is determined to the extent possible by reference to observable market prices. Where observable market prices are not available, the Company follows the fair value measurement methodology. The difference between Solvency II and Company Statutory is mainly due to unrealised gains/losses, which are taken into account under Solvency II, but generally not for Company Statutory purposes. In addition, the accrued interest on investments is classified as receivables under Company Statutory but as investments under Solvency II.

Life technical provisions
The total life net technical provision of EUR -131 million (2018: EUR -64 million) is an asset under Solvency II valuation and is compared to the Company Statutory amount of EUR 2 232 million (2018: EUR 1 685 million). The main differences between the valuations are the following:
- Statutory margins are included in the statutory reserves, whereas Solvency II technical provisions are based on the best estimate (excluding risk margin).
- Client balances and risk margin are included in Solvency II technical provisions and not in Statutory reserves.

Non-life technical provisions
The total non-life net technical provision of EUR 4 162 million (2018: EUR 3 804 million) under Solvency II valuation is compared to the Company Statutory amount of EUR 4 977 million (2018: EUR 4 529 million). Solvency II being an economic valuation framework, and the Company Statutory valuation being an accounting valuation framework, the key differences are the following:
- In the Company Statutory figures, future cash flows are not discounted, there is no concept of risk margin and the counterparty risk is not included in the valuation.
- For Solvency II purposes, an estimate of the cash flows ultimately received for the contracts in scope is recognised. For Company Statutory, only the portion of cash flows written by the cedent and earned during the reporting period is recognised.
- In the Company Statutory figures there is no provision for future losses, whereas the Solvency II technical provisions contain best estimates of future losses not yet incurred at the date of valuation.

Other assets and liabilities
The differences in valuation of other assets and liabilities are mainly related to different recognition under Solvency II and Company Statutory valuation: deferred tax assets and liabilities are specific to Solvency II, whereas deferred acquisition costs and provision for currency risk are specific statutory items.

Capital management
- The eligible amount of own funds to cover the Company's SCR as at 31 December 2019 was EUR 3 108 million (2018: EUR 2 345 million).
- As at 31 December 2019, the Company's SCR was EUR 640 million (2018: EUR 745 million) and the Minimum Capital Requirement (MCR) was EUR 288 million (2018: EUR 335 million). The decrease in SCR is driven by increased diversification from growth in L&H risk and an extension of the Company's IGR programme which significantly reduces the net retention of Canadian P&C risks.
- The solvency ratio expressed as eligible own funds as a percentage of the SCR as at 31 December 2019 was equal to 485% (2018: 315%).

Section A: Business and performance

A1: Business

Full name and legal form

Swiss Re Europe S.A. ("the Company") was incorporated on 5 December 1986 as a limited liability company *(société anonyme)* under the laws of the Grand-Duchy of Luxembourg, with registered office at 2A, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B25242. The Company's legal entity identifier (LEI) is 549300CJ7LW6QSGIL444.

Supervisory authority

The Company is authorised by the Luxembourg Finance Minister to conduct all types of reinsurance business and operates through a number of branches in the European Union (EU) and the United Kingdom (UK). The Company is supervised by the Commissariat aux Assurances (CAA).

Commissariat aux Assurances
7 Boulevard Joseph II
L - 1840 Luxembourg
Grand-Duchy of Luxembourg
Telephone: +352 22 69 11 1
Fax: +352 22 69 10
www.caa.lu

Ultimate parent company and group supervisor

The ultimate parent company is Swiss Re Ltd, a joint stock company, listed in accordance with the International Reporting Standard on the SIX Swiss Exchange, domiciled at Mythenquai 50/60 in 8022 Zurich, Switzerland, and organised under the laws of Switzerland. For the purposes of this report, the ultimate parent company and all its subsidiaries are referred to as Swiss Re or the Swiss Re Group. The Group supervisor is the Swiss Financial Market Supervisory Authority FINMA.

Swiss Financial Market Supervisory Authority FINMA
Laupenstrasse 27
CH – 3003 Bern
Switzerland
Telephone: +41 (0)31 327 91 00
Fax: +41 (0)31 327 91 01
www.finma.ch

External auditor

The external auditor appointed by the shareholder of the Company is PricewaterhouseCoopers.

PricewaterhouseCoopers Société coopérative
2 rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg
Grand-Duchy of Luxembourg
Telephone: +352 49 48 48 1
Fax: +352 49 48 48 29 00
www.pwc.lu

Holding company

The parent company of the Company is Swiss Re Europe Holdings S.A., a limited liability company *(société anonyme)* incorporated and existing under the laws of the Grand-Duchy of Luxembourg, with registered office at 2A, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B72575. Swiss Re Europe Holdings S.A. owns 100% of the shares of the Company.

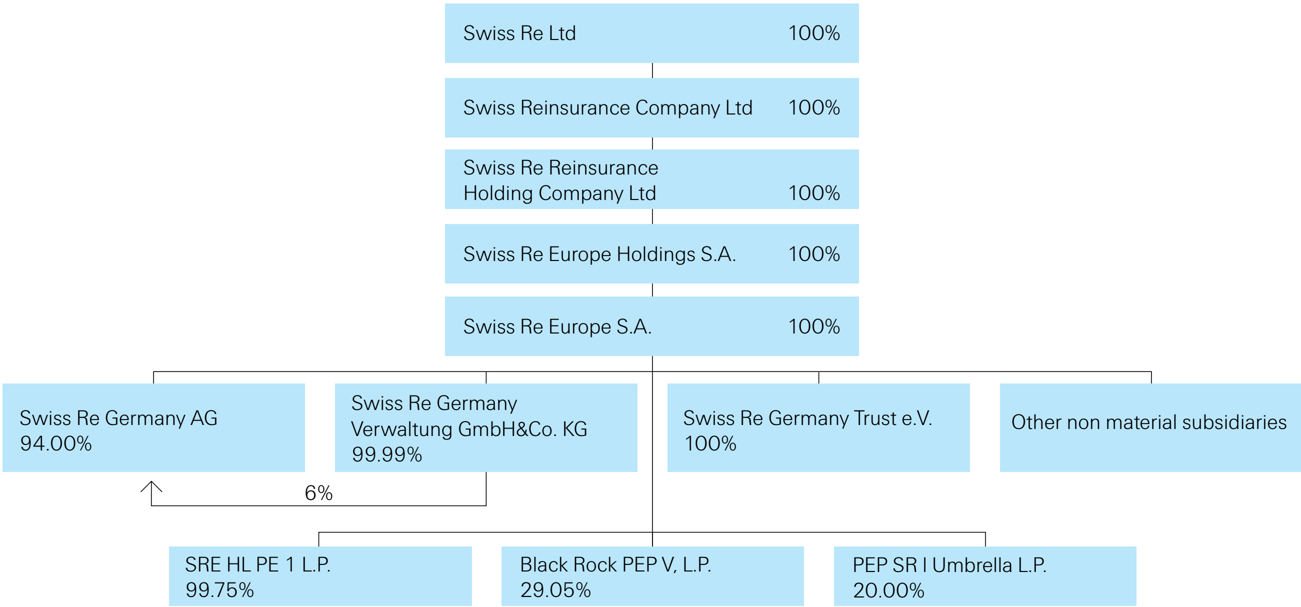
Material related undertakings

As of 31 December 2019, the investments by the Company in material related undertakings were as follows (by decreasing absolute amount of investment):

Subsidiary	Country	Proportion of ownership interest %
Swiss Re Germany GmbH	Germany	94
SRE HL PE 1 L.P.	Cayman Islands	99.75
BlackRock PEP V, L.P.	Cayman Islands	29.05
Swiss Re Germany Trust e.V.	Germany	100
Swiss Re Germany Verwaltung GmbH & Co. KG	Germany	99.99
PEP SR I Umbrella L.P.	Cayman Islands	20

Simplified group structure

The Company's parent and ultimate parent company, and material related undertakings as at 31 December 2019 were as follows:



Material lines of business and geographical areas

Material countries by gross written premium

The material geographic areas for the year ended 31 December 2019 were as follows (by location of the ceding undertaking, as defined in the Quantitative Reporting Template (QRT) S.05.02.01 for reinsurance business):

- United Kingdom*
- Germany
- France
- Canada
- Spain

** including Gibraltar*

Material lines of business by gross written premium

The material Solvency II lines of business for the year ended 31 December 2019 were as follows:

Property and casualty (P&C):

- Motor vehicle liability proportional reinsurance
- Fire and other damage to property proportional reinsurance
- Property non-proportional reinsurance

Life and health (L&H):

- Life reinsurance
- Health reinsurance

Significant business or other events

There were no significant business or other events that have had material impact on the Company during 2019.

A2: Underwriting performance

Underwriting performance

The underwriting performance by material Solvency II lines of business, calculated on the same basis as used in the Company's statutory financial statements, for the reporting periods ended 31 December, was as follows:

EUR millions	2018	2019
Non-life reinsurance		
Motor vehicle liability - proportional	–19	–46
Fire and other damage to property - proportional	69	–49
Non-proportional property	172	48
Other non-life	46	67
Total non-life reinsurance	**268**	**20**
Life and health reinsurance		
Life	–26	135
Health	45	51
Total life reinsurance	**19**	**186**
Total all lines	**287**	**206**

The underwriting performance by material countries, for the reporting periods ended 31 December, was as follows:

EUR millions	2018	2019
United Kingdom*	–78	117
Germany	47	53
France	40	30
Canada	194	–79
Spain	–9	11
Other	93	74
Total	**287**	**206**

* including Gibraltar

The underwriting performance for 2019 was a profit of EUR 206 million (2018: EUR 287 million). Net earned premiums increased to EUR 2 841 million (2018: EUR 2 343 million). Incurred claims, including change in other technical provisions and claims management expenses, amounted to EUR 2 280 million (2018: EUR 1 573 million). Net operating expenses in 2019 remained stable at EUR 484 million (2018: EUR 487 million).

The property and casualty net technical result was positive, driven by reserve releases, partly offset by losses from hurricane Dorian in 2019.

The life and health net technical result for the year was also positive, primarily due to profit from new business and positive impacts from assumption changes and experience.

A3: Investment performance

Investment results
Investment income and expenses by investments assets category, for the reporting periods ended 31 December, were as follows:

EUR millions	2018	2019
Deposits with ceding undertakings	44	40
Income from related undertakings	13	15
Shares and private equity	98	33
Debt securities and other variables	112	235
Value re-adjustments on investments	3	17
Gains on realisation of investments	110	43
Other	6	9
Total investment income	**386**	**392**
Investment management charges, including interest	–62	–68
Value adjustments on investments	–104	–36
Losses on realisation of investments	–13	–4
Total investment charges	**–179**	**–108**

Investment income in 2019 amounted to EUR 392 million (2018: EUR 386 million) and the investment charges to EUR 108 million (2018: EUR 179 million). Increase in investment income is primarily from higher income from dividends and fixed income securities, offset by lower realised gains. Meanwhile, the decrease in investment charges was due to decreases in value adjustments on equities (following price recovery) and partnerships.

Gains and losses recognised directly in equity
The Company does not recognise any gains or losses directly in equity.

Investments in securitisation
The Company holds EUR 65 million of market value of collateralised investments, mainly residential mortgage-backed securities in Europe. The investment income shown above includes EUR 1 million interest income from these investments.

A4: Performance of other activities

Material leasing arrangements
The Company has various agreements for the lease of office space. The expenses for the lease of office space in 2019 amounted to EUR 5 million. The Company does not have any other material financial and operating leasing arrangements.

Other material income and expenses incurred during the reporting period
Other charges in 2019 amounted to EUR 33 million (2018: EUR 42 million) and mainly consisted of trademark licence fees and transactions with Group companies.

A5: Any other information

Other material information
Brexit
The UK left the EU on 31st January 2020 and remains in the EU Single Market and Customs Union until 31st December 2020. The nature of the future trading relationship between the UK and EU remains unclear. The Company's UK branch can continue to operate in the UK while the UK remains in the Single Market and Customs Union. The Company is engaging with the relevant UK and Luxembourg regulators to ensure that current operations are able to continue with minimum disruption under any future relationship between the UK and EU.

Coronavirus
The rapid spread of the coronavirus, which has been declared a pandemic, and the actions being taken to contain it on an increasingly global basis have led to significant volatility in the financial markets and are having an adverse impact on global business and economic activity. There is an increasing likelihood that the coronavirus and containment efforts could have adverse effects on the global economy and could possibly lead to a global recession. The Company is closely monitoring developments and the potential impact of the spread of infection and global responses on asset prices and insurance exposures, as well as on its operations.

Section B: System of governance

B1: General information on the system of governance

Organisational structure and system of governance
The governance and organisational structure of the Company is set out in the Company's Articles of Association, Terms of Reference and Charters of Duties. These define the responsibilities and authority of the members of the Board and Committees.

Board

The Board's duty is to manage the Company in the best possible way to achieve the Company's purpose and within the Company's best interests. The Board is responsible for the sound and prudent management of the Company.

The members of the Board bear ultimate responsibility and liability for meeting applicable legal obligations. They therefore have the right and obligation to take all measures to fulfil their legal duties.

The members of the Board are individuals with the abilities, professional background and personal character (including honesty and financial soundness) necessary and required to ensure an independent decision-making process in a critical exchange of ideas with the executive management.

Composition of the Board

As at 31 December 2019, the Board has eight members, of whom five are independent non-executive members and three are members of the Swiss Re Group Executive Committee. The Chairman of the Board is an independent non-executive member appointed by the Board.

Delegation and retained responsibilities of the Board

The Board has delegated certain responsibilities and authorities to the following Board Committees:
- the Audit Committee
- the Finance and Risk Committee

The Board has further delegated certain responsibilities and authorities to:
- the Management Committee
- the Solvency II Committee
- the General Manager
- the General Manager Committee
- the Branch Managers
- the Key Function Holders
- the Key Functions Committee

The Board retains ultimate responsibility, oversight and control of the delegated responsibilities and authorities.

Board Committees:

Audit Committee
The Audit Committee assists the Board in fulfilling its oversight responsibilities as they relate to the integrity of the Company's financial statements (including its Luxembourg statutory returns), the Company's internal controls, compliance with legal, tax and regulatory requirements, the qualifications and independence of the external auditor, and the performance of both the Internal Audit function and the external auditor.

Finance and Risk Committee
The central task of the Finance and Risk Committee is to assist the Board in fulfilling its oversight responsibilities as they relate to the Company's risk tolerance and capital adequacy, Own Risk and Solvency Assessment (ORSA), risk concentration, threats, etc. from both the Company's statutory and economic perspectives. This includes a forward-looking perspective arising from the Company's business and capital plan and strategic transactions.

Other delegations:

Management Committee

The Management Committee's primary responsibility is to manage the day-to-day business and operations of the Company. The Management Committee as a collective body is fully accountable to the Board.

Solvency II Committee

The purpose of the Solvency II Committee is to assist the Board, the Management Committee and the General Manager of the Company with the Solvency II application. The Solvency II Committee is authorised to take Solvency II-related decisions on operational matters and to submit proposals and recommendations on Solvency II strategic matters to the Board and the Management Committee.

General Manager

The General Manager is in charge of the day-to-day management of the Company and represents the Company to the CAA. In particular, the General Manager has authority to sign in respect of financial and treasury management, including opening and operation of bank accounts, hedging agreements and payments. The General Manager also has authority regarding employment matters and to act in the best interests of the Company's branches. The General Manager must be resident in Luxembourg and approved by the Luxembourg Minister of Finance.

General Manager Committee

The purpose of the General Manager Committee is to assist the General Manager in managing and supervising operational activities of the Company and its branches to the extent that such operational activities relate to the Company, and to provide a cross-functional and cross-location coordination and communication platform for matters relating to the Company.

Branch Managers

For each branch, the Company appoints one person as Branch Manager and legal representative of the Company in the jurisdiction of the branch, who is in charge of the day-to-day management of the branch and of conducting business in the name of the Company in the jurisdiction of the branch.

Key functions

The Board is responsible for adopting appropriate measures to implement Group guidelines or policies relating to the functions referred to as "key functions" under the Solvency II framework (Risk Management, Compliance, Internal Audit and Actuarial) and the Insurance Distribution Directive (IDD), as implemented into Luxembourg law (a Distribution Manager responsible for the distribution of (re)insurance products for the Company).

The roles and implementation of the key functions are as follows:

Risk Management

Please refer to the subsection "B3: Risk management system" and paragraph "Implementation and integration of the Risk Management function" on page 14 for details of the Risk Management function.

Compliance

Please refer to the subsection "B4: Internal control system" and paragraph "Implementation of the Compliance function" on page 15 for details of the Compliance function.

Internal Audit

Please refer to the subsection "B5: Internal audit function" and paragraph "Implementation of the Internal Audit function" on page 16 for details of the Internal Audit function.

Actuarial

Please refer to the subsection "B6: Actuarial function" and paragraph "Implementation of the Actuarial function" on page 16 for details of the Actuarial function.

Key Function Holders

The Board nominates individuals as designated representatives of the respective key functions of the Company (the "Key Function Holder") and monitors the key functions to ensure they are adequately staffed with professionals possessing the requisite professional qualifications, knowledge and experience. Key Function Holders operate under the oversight of and report directly to the Board and Board Committees of the Company.

Key Functions Committee

The central task of the Key Functions Committee is to assist the Board in fulfilling its oversight responsibilities as they relate to the Company's key functions and internal controls.

Reporting and access to information

The Board, the Board Committees and the Management Committee have full authority to investigate any matters within their respective duties. They are authorised to obtain independent professional advice, request external advisors to undertake specific tasks or to obtain any information from any director, officer or employee acting on behalf of the Company and to secure their attendance to the relevant meetings when necessary.

The key functions have operational independence in performing their reporting functions with the exception of Internal Audit, which has complete independence in performing its reporting function. Key Function Holders report directly to the Board, Board Committees, Management Committee or Key Functions Committee any issues that could have an impact on the Company.

Material changes in the system of governance

There were no significant changes to the system of governance in 2019.

Remuneration policy and practices

The Company adopted the Swiss Re Standard on Compensation which captures Swiss Re's compensation framework and governance, outlines the compensation processes across the Group and provides key guidelines for the execution of individual compensation actions.

Swiss Re aims for total compensation that is competitive in local labour markets and also seeks to ensure that total compensation is well-balanced in terms of fixed versus variable compensation and in terms of short-term versus long-term incentives. This encourages sustainable long-term performance and supports shareholder alignment as well as appropriate risk taking in line with the business and risk strategy.

Overview of the compensation components

Fixed compensation

Base salary

Base salary is the fixed compensation paid to employees for carrying out their role and is established based on the following factors:

- Scope and responsibilities of the role, as well as qualifications required to perform the role
- Market value of the role in the location in which Swiss Re competes for talent
- Skills and expertise of the individual in the role

Benefits

Swiss Re aims to provide a competitive package of employee benefits. Benefits are designed and implemented under a global framework, while appropriately reflecting differing local employment market conditions.

Variable compensation

Annual Performance Incentive (API)

The API is a performance-based, variable component of compensation. Combined with the base salary, it provides competitive total cash compensation when both business and individual performance targets are achieved, and desired behaviours are demonstrated. When the total API level for an employee exceeds a predefined amount, the award is split into two components: an immediate cash portion (cash API) and a deferred cash portion (Value Alignment Incentive).

Value Alignment Incentive (VAI)

The VAI is the mandatory deferred portion of the API which introduces a time component to the performance-based, variable compensation. This supports the Group's business model by aligning a portion of variable compensation with sustainable long-term results.

Leadership Performance Plan (LPP)

The purpose of the LPP is to provide an incentive for Swiss Re's senior management to create sustainable company performance over the long term. The vesting period, during which performance is measured, is three years. For LPP awards granted to Group Executive Committee members and other key executives, the duration of the LPP is five years, comprising a three-year vesting and performance measurement period and an additional two-year holding period.

Participation plans

Global Share Participation Plan (GSPP)

The GSPP provides employees with an opportunity to directly participate in the long-term success of the Group by purchasing Swiss Re shares (up to a maximum of CHF 7 000 per year and capped at 10% of base salary). Swiss Re provides a 30% match on the number of shares held by employees at the end of the three-year plan cycle. The match is subject to forfeiture rules in case of termination of employment before the end of the plan cycle. The GSPP has the same core design in all locations.

Compensation framework for the Board

Compensation structure for non-executive directors

The non-executive members of the Board and Board Committees of the Company receive 100% of their fees in cash. The payments are made on a quarterly basis. The fees are determined in advance at the start of the financial year and are approved at the Swiss Re Group level. The formal decision is taken at the General Shareholders' Meeting of the Company. Any compensation paid to non-executive directors who are also members of the Swiss Re Ltd Board of Directors (or Group Executive Committee, if any) is subject to approval by the Annual General Meeting of Swiss Re Ltd and may only be paid after due authorisation. The fee level for each member is reviewed annually and reflects their differing levels of responsibility and time commitment.

Compensation structure for executive directors

Executive directors receive no additional fees for their services as members of the Board.

Performance criteria

Annual Performance Incentive (API)

Swiss Re 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 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. The actual API payout is based on Swiss Re's financial results, on qualitative criteria as well as on the achievement of individual objectives and the demonstration of desired behaviours.

Value Alignment Incentive (VAI)

The performance measurement calculation of the VAI uses the three-year average of the published Economic Value Management (EVM) previous years' business profit margin. EVM is Swiss Re's proprietary integrated economic valuation and steering framework, consistently measuring performance across all businesses.

Leadership Performance Plan (LPP)

At the grant date, the award amount is split equally into two underlying components: Restricted Share Units (RSUs) and Performance Share Units (PSUs). The valuation executed by a third party is used to determine the number of RSUs and PSUs granted.

Restricted Share Units

The performance condition for RSUs is return on equity (ROE) with a linear vesting line. Vesting is at 0% for an ROE at the risk-free rate and at 100% for an ROE at a pre-defined premium above the risk-free rate. The premium is set at the beginning of the plan period and for LPP 2019, this premium has been set at 900 basis points above the annual risk-free rate which is determined as the average of 12 monthly rates for ten-year US Treasury bonds of the corresponding performance year. At the end of each year, the performance against the ROE condition is assessed and one third of the RSUs are locked in within a range of 0% to 100%. At the end of the three-year period, the total number of units locked in at each measurement period will vest (capped at 100%*).

Performance Share Units

The performance condition for PSUs is relative total shareholder return (TSR) measured over three years. The PSUs vest within a range of 0% to 200%. Vesting starts at the 50th percentile of TSR relative to peers with 50% vesting and is capped at 200%* vesting at the 75th percentile relative to peers. In case of a negative TSR over three years, Swiss Re retains the discretion to reduce the level of vesting. Swiss Re's three-year TSR performance is assessed relative to the TSR of a predefined peer group for the same period. This peer group is set at the beginning of the plan period and consists of companies that are similar in scale, have a global footprint or a business mix similar to Swiss Re.

Supplementary pension or early retirement schemes for key individuals

The Company does not have a policy of offering supplementary or enhanced early retirement to key individuals.

Material transactions

During 2019, there were no material transactions with shareholders, with persons who exercise a significant influence on the Company, or with members of the administrative, management and supervisory bodies.

* Maximum vesting percentage excludes share price fluctuation until vesting.

B2: Fit and proper requirements

Policy framework for fit and proper requirements

The Company's compliance with fit and proper requirements is assured through a combination of policies and related procedures. In particular, the Board and Management follow special procedures related to appointments (nominations or changes), performance review and training. A set of tools and templates facilitates the implementation of these policies, which collectively ensure that those who effectively run the undertaking possess the requisite skills, knowledge and expertise for their roles.

Process for assessing fitness and propriety

Compliance with fit and proper requirements of the Board and Board Committees is reviewed at various stages, as shown in the table below.

Stage	Activities
Initial assessment	The Company has adopted a specific policy and standards describing the appointment process and the skill/experience approvals required. The Company screens nominees upfront (e.g. CV, passport, criminal records, check) and uses the Swiss Re Group approval process and fitness and propriety assessment.
Induction	Newly appointed members receive an induction package covering a range of Group/Company topics such as Finance, Legal and Compliance, and Risk Management.
Training	Training sessions are often integrated in the agenda of regular Board meetings, which are scheduled on a quarterly basis.
Collective assessment	A formal performance review of the Board is conducted annually during a private session. Board members individually prepare the review with a self-assessment questionnaire and checklist which specifically refers to fit and proper requirements. Gaps and action items (e.g. training needs, suggested changes to Board Committees) are documented for follow-up.
Ongoing and ad-hoc assessment	All individuals subject to fit and proper requirements have to complete an annual fit and proper declaration, which focuses on validation of the propriety to cover the assigned position. Re-assessments are performed if (a) additional responsibilities are assigned to a concerned individual, (b) if a concerned individual becomes aware that he/she no longer meets the Company's fit and proper criteria, or (c) if the performance or the behaviour of a concerned individual raises serious doubts about this person meeting the fit and proper criteria.

B3: Risk management system including the own risk and solvency assessment

Risk management system

The risk management system of the Company leverages the global framework that governs risk management practices throughout the Swiss Re Group. Risk policies, standards and guidelines established at Group and Business Unit level form a large part of the Company's risk management system; key documents are reviewed for appropriateness by the Management Committee and the Board of the Company and subsequently adopted. Additional risk governance for the Company is established as an addendum to the respective Group or Business Unit governance where needed to address the specific circumstances of the Company.

A key objective of the Risk Management function is to support controlled risk-taking and the efficient, risk-adjusted allocation of capital. The Company's risk management is based on four guiding principles. These apply consistently across all risk categories:

- *Controlled risk-taking* - Financial strength and sustainable value creation are central to Swiss Re's value proposition. The Company thus operates within a clearly defined risk policy and risk control framework.
- *Clear accountability* - Swiss Re's operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risks they take on, and their incentives are aligned with Swiss Re's overall business objectives.
- *Independent risk controlling* - Dedicated units within Risk Management control all risk-taking activities. These are supported by Compliance and Group Internal Audit functions.
- *Transparency* - Risk transparency, knowledge sharing and responsiveness to change are integral to the risk control process. The central goal of risk transparency is to create a culture of mutual trust, and reduce the likelihood of surprises in the source and potential magnitude of losses. Risk transparency is ensured through regular reporting of both quantitative and qualitative risk information to the Company's Management Committee, Finance and Risk and Audit Committees as well as to the Board.

Risk identification

For its risk identification process, the Company applies the Swiss Re Group's framework for identifying, assessing, managing and controlling risks. In addition, the emerging risk process provides a platform for raising emerging risks and reporting early warning signals. This information is complemented with external expertise, and reported to internal stakeholders.

Risk appetite framework and limits

The Company's risk appetite framework establishes the overall approach through which the Company practises controlled risk-taking and leverages the Group's risk appetite framework as provided in the Group Risk Policy. The Company practises controlled risk-taking based on its risk appetite statement, risk tolerance according to its Legal Entity Capitalisation Policy, which defines the target capital as the minimum available capital that the Company needs to hold in relation to the risks that it assumes, as well as other controls.

Implementation and integration of the Risk Management function

Under the Company's Terms of Reference, the Board assumes the oversight role for risk and capital steering supported by the Chief Financial Officer and the Chief Risk Officer. The Board has delegated certain responsibilities and authorities to the Audit Committee, the Finance and Risk Committee as well as to other committees (including the Management Committee and Solvency II Committee).

The governance bodies for the Company are described in section "B1: General information on the system of governance", paragraph "Organisational structure and system of governance" on page 9. The Company's Risk Management is supported by global and Business Unit Risk Management functions that provide specialised risk category expertise and accumulation control, risk modelling and reporting services, regulatory relations management, central risk governance framework development and specialised risk category expertise and accumulation control.

Internal model

The Company uses an internal model for the purposes of calculating the SCR under Solvency II. The CAA approved the internal model and its associated governance framework for use in calculating the SCR under Solvency II on 17 December 2015. The Company's internal model governance framework sets out the requirements for model development standards, the governance around changes to the internal model, validation of the internal model and data quality standards. The internal model governance framework leverages the Swiss Re model governance framework.

The Chief Risk Officer reports the results from the internal model to the Company's Management Committee, the Finance and Risk Committee, the Audit Committee and the Board as well as to the regulatory authorities.

Process for accepting changes to the internal model

The Company has defined an approval process for all model changes that leverages the process and definitions in the Group Risk Model Change Standards adopted by the Company. This includes a qualitative and quantitative assessment of the impact of model changes on the Company. The Board is required to approve any major changes to the model prior to implementation. Subsequently, major changes are submitted to the CAA for approval prior to use for external reporting purposes. Minor changes can be adopted by the Company's Chief Risk Officer and notified to the CAA.

Material changes to the internal model governance

The Company's internal model governance framework has not been changed during the reporting period.

Internal model validation tools and processes

The Risk Model Validation Standards adopted by the Company require independent validation of the internal models. This is carried out by an internal model validation team. The appropriateness of the model is subject to regular review with a broad range of validation tools, including profit and loss attribution, stress tests, scenario analyses, reverse stress tests, sensitivity and stability analysis.

The Prudent Person Principle

In accordance with the Prudent Person Principle under Solvency II, the management of the Company's investments is governed by the general principle of the creation of economic value. This is done on the basis of returns relative to the liability benchmark and its replicating portfolio, the asset management policy adopted by the Company and a set of strategic asset allocation limits that are established by the Board.

Own Risk and Solvency Assessment (ORSA) process

The ORSA is an ongoing process, with critical risk control and reporting activities being carried out on a regular basis. It is used to assess the risks inherent in the business plan and the resilience of the Company's solvency and balance sheet over a three-year horizon. Anticipated significant changes in the risk profile are included in assessing the future solvency position. Scenarios are used to provide insights into the strength of the balance sheet and to assess future potential solvency positions. Where exceptionally adverse scenarios are identified, mitigating actions and control measures are contemplated but would require Board approval prior to action being taken.

The Chief Risk Officer maintains operational responsibility for carrying out the ORSA process and reporting the ORSA results to the Board.

Review of ORSA
The ultimate responsibility for the ORSA rests with the Board, which reviews and approves the results of the ORSA process at least annually.

Solvency assessment
Based on the planned risk profile, the internal model is used to determine capital requirements. The Company sets aside capital to cover its quantifiable risks in accordance with its capitalisation policy (see section "E1: Own funds" for more information). The risk-based capitalisation position of the Company is monitored on a frequent basis by the Company's Chief Risk Officer and Chief Financial Officer against target capital with a number of options if risk and capital develop out of predefined control ranges. The ORSA process uses scenarios to stress the plan and assess the resilience of the solvency through the plan period, including identifying relevant actions that may be considered to mitigate the potential downsides.

B4: Internal control system

Internal control system
Coordinated assurance framework
Swiss Re's coordinated assurance framework is used by the Company to identify the principal operational risks to the organisation and the relevant key controls to manage them, as well as to demonstrate that a sufficient level of assurance is gained from the effectiveness of those controls.

Risk-taking activities are typically subject to three lines of control. The first line comprises the day-to-day risk control activities performed by risk takers in the business as well as in other functions of the Company. Independent oversight performed by such functions as Risk Management and Compliance represents the second line of control. The third line consists of independent audits of processes and procedures carried out by Group Internal Audit or by external auditors.

Assurance function interactions
While all functions retain their specific mandates and areas of expertise, by working together and relying where possible on each other's work, a holistic approach is assured under the Coordinated Assurance Framework. Information, planning and execution of assurance work are coordinated and results are shared, reducing overlap between assurance units, increasing mutual reliance and providing an increased focus on pre-emptive assurance. The integrated approach is deployed within the following activities:
- Risk scoping and assurance planning
- Coordination between assurance functions in business interactions
- Issue and action management interactions
- Monitoring across assurance functions
- Reporting

Implementation of the Compliance function
The Compliance Charter of the Company sets out the objective and purpose of the Company's Compliance function, as well as the overall roles and responsibilities for compliance with all applicable legal and regulatory requirements, the highest professional and ethical standards and its stated corporate values.

To ensure that the compliance objectives are met consistently within the expectations of regulatory authorities, shareholders, clients and other stakeholders, the Board supports best compliance practices and an appropriately resourced Compliance function.

The Compliance function is responsible for:
- Providing primary assurance oversight and assisting Management in the design of remedial actions and overseeing their implementation
- Overseeing compliance-related policies, standards and the Code of Conduct, and ensuring that these are regularly reviewed and up to date
- Overseeing as well as providing appropriate compliance training to the Company's directors, officers and employees covering the Code of Conduct and certain related legal and regulatory compliance obligations

The Compliance function is authorised to review all areas and to have full, unrestricted access to all activities, records, property, and personnel, including, without limitation, access to employee e-mail records, subject in all cases to applicable law. In addition, the Compliance function is operationally independent with regular interaction with the independent non-executive director who chairs the Audit Committee of the Company.

B5: Internal Audit function

Implementation of the Internal Audit function
Group Internal Audit (GIA) assists the Board in protecting the assets, reputation and sustainability of the Company. GIA performs audit activities designed to assess the adequacy and effectiveness of the Company's internal control systems, and to add value through improving the Company's operations.

GIA provides written audit reports, identifying issues and management actions to the Audit Committee, senior management and external auditor on a regular basis. GIA monitors and verifies that management's actions have been effectively implemented. Significant issues, and issues that have not been effectively corrected, are highlighted to the Audit Committee.

Independence of the Internal Audit function
GIA performs its internal audit activities with independence and objectivity. Activities are coordinated with the other assurance 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.

GIA staff govern themselves by adherence to The Institute of Internal Auditors' "Code of Ethics". The Institute of Internal Auditors' "International Standards for the Professional Practice of Internal Auditing" constitutes the operating guidance for the department. In addition, GIA adheres to the Group's guidelines and procedures, and to GIA's organisation and processes, manuals and guidelines.

B6: Actuarial function

Implementation of the Actuarial function
The tasks of the Actuarial function under the Solvency II framework are allocated across various functions of the Company:
- Technical provisions calculations are overseen and signed off by qualified actuaries within the Company.
- Opinions on the underwriting policy and reinsurance adequacy are performed within Risk Management.
- Input and feedback into the risk modelling framework are provided by the Risk Management team.

B7: Outsourcing

Outsourcing policy
The Company has adopted Swiss Re's comprehensive global outsourcing policy and has further specified the roles and responsibilities within the Company in separate addendum.

The framework covers two types of outsourcing arrangements:
- External outsourcing, where the mandate is given to an external service provider
- Intra-group outsourcing between Swiss Re entities

The addendum clarifies the processes, roles and responsibilities of the Company in relation to outsourcing arrangements where it is acting as a service recipient. It also outlines the approval process for critical or important outsourcing arrangements (including outsourcing in relation to Key Functions).

The Board approves the appointment of Outsourcing Managers for outsourcing arrangements related to Key Functions and other critical or important functions.

The critical or important services related to Risk Management, the Actuarial function, Compliance and Internal Audit are provided to the Company by other entities in the Swiss Re Group under intra-group outsourcing arrangements.

B8: Any other information

Assessment of adequacy of the system of governance
The Board carries out an annual evaluation of its system of governance against relevant best practice standards. During the reviews performed in 2019, the Board concluded that the system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

Additional disclosures as required by the Shareholders Rights Directive 2017/828

Equity investments are generally held against surplus in order to generate excess returns through dividends and appreciation, and are not used to back long-term liabilities. To the extent certain liabilities reflect equity market performance, equity securities will be held as a hedge against this exposure.

The investment management agreement between the Asset Manager (Swiss Reinsurance Company Ltd) and the Company requires the Asset Manager to manage with appropriate devotion of time and with such skill, diligence, care and attention as the Company may reasonably expect of a professional investment manager. The Asset Manager must comply with the Prudent Person Principle as well as all legal and regulatory requirements applicable to the Company. In addition, there is an obligation to manage the portfolio in line with any investment decision taken at and limits imposed by the Board of Directors. Through these arrangements, the Asset Manager is incentivized to enhance the long-term value of the Company's portfolios. The Asset Manager is leader in the sustainable investment space, and the benefit of its long-term oriented Environmental, Social and Governance (ESG) policies (including a comprehensive voting and engagement policy) and procedures extends to the Company's portfolios.

The performance of the Asset Manager is measured across various dimensions and time horizons including a comparison versus selected benchmarks which reflect ESG criteria and thus incentivise investment with a long-term sustainable view. The Asset Manager's remuneration is based solely on net asset exposure under management with no performance-based component. There are however quantitative and qualitative measures to evaluate the manager's overall performance and the relationship can be terminated in case of continuous dissatisfaction ensuring that the manager meets return expectations and fulfils terms of the agreement including engagement requirements. For listed equities the manager generally follows relatively low turnover strategies. To ensure that there is no excessive turnover the trading volume is steadily monitored by the Asset Manager. The Company has the right to terminate the relationship with the Asset Manager at any time subject to a 90-day notice period, or immediately in certain cases including any material or persistent breach of obligations under the investment agreement.

Other material information

There is no other material information to report for 2019.

Section C: Risk profile

Overview of risk exposure

The Company is exposed to a broad landscape of risks. These include core risks that are taken as part of insurance or asset management operations and are quantified in the Company's internal model. As required under Solvency II, the model also quantifies operational risk. In addition to these modelled risks, the Company is exposed to further risks that arise from undertaking business, including liquidity, strategic, regulatory, political and reputational risk.

<table>
<tr><th colspan="2">Modelled risks</th><th colspan="2">Other risks</th></tr>
<tr><td rowspan="2">Underwriting: Property and Casualty, Life and Health, and Credit</td><td rowspan="4">Operational risk</td><td rowspan="4">Liquidity risk</td><td>Strategic risk</td></tr>
<tr><td>Regulatory risk</td></tr>
<tr><td>Financial Market risk</td><td>Political risk</td></tr>
<tr><td>Credit risk excluding Credit underwriting</td><td>Reputational risk</td></tr>
<tr><td colspan="4">Emerging risks</td></tr>
</table>

Measures used to assess risks and material changes

The Company uses a CAA-approved integrated internal model to assess all modelled risk categories. Separate risk modules are used to model the individual risk factors. Risks not covered by the SCR (liquidity risks, strategic risks, regulatory, political risks and others) are regularly considered and assessed on a qualitative basis with various monitoring and reviews in place.

In line with the definition of Solvency II, the SCR of the Company measures the capital requirement at a 99.5% value at risk, which measures the annual loss with a recurring period of once in two hundred years.

Quantification of modelled risks by risk category

The table below sets out the quantification as at 31 December 2019 for the Company's modelled risk categories over the next twelve months. It also shows the changes compared to the SCR as at 31 December 2018. The figures represent the loss for each risk category* that is likely to be exceeded only once in two hundred years. Due to diversification, the total risk of the Company is lower than the sum of the individual categories.

EUR millions	2018	2019
Life and health risk	1 091	1 434
Property and casualty risk	2 137	2 369
Financial market risk	569	580
Credit risk	172	198
Operational risk	112	76
Diversification	–1 627	–1 925
Other impacts**	–1 600	–1 958
Pre-tax Solvency Capital Requirement	**854**	**774**
Deferred tax impact	–109	–134
SCR	**745**	**640**

* Risk categories are gross of retrocession.
** Other impacts: mainly driven by retrocession.

The SCR of the Company as at 31 december 2019 has decreased compared to 2018. This is driven by increased diversification from growth in L&H risk and an extension of the Company's IGR programme which significantly reduces the net retention of Canadian P&C risks.

Please refer to the paragraph "Solvency Capital Requirement split by risk category" on page 35 for further details.

Risk concentration

The most significant risk concentration for the Company derives from the IGR arrangements with SRZ, which is well capitalised. For details of the solvency position of SRZ, please refer to the Swiss Re Group website: https://www.swissre.com/investors/solvency-ratings/financial-strength-ratings.html

The underwriting risk of the Company is dominated by natural catastrophe risks (in particular European windstorm), non-life claims inflation, and lethal pandemic risk.

The following sections (C1 to C6) provide further details on specific risk categories.

C1: Underwriting risk

Risk exposure

Underwriting risk comprises exposures taken on by the Company when it writes life and health, property and casualty, and credit insurance business.

Life and Health risk

Life and Health (L&H) risk arises from the business the Company takes on when providing mortality (death), longevity (annuity), and morbidity (illness and disability) coverage. In addition to potential shock events, such as a severe pandemic, the Company monitors and manages underlying risks inherent in L&H contracts (such as pricing and reserving risks) that arise when mortality, morbidity, or lapse experience deviates from expectations. The investment risk that is part of some L&H business is modelled, monitored and managed as financial market risk. L&H risk of the Company is mainly driven by lethal pandemic, mortality and longevity risks.

Property and Casualty risk

Property and Casualty (P&C) risk arises from coverage that the Company provides for property, liability, motor and accident risks, as well as for specialty risks such as engineering, aviation and marine. It includes underlying risks inherent in the business underwritten, such as inflation or uncertainty in pricing and reserving. Major P&C risks of the Company comprise claims inflation, costing and reserving risk as well as natural catastrophe risk, e.g. related to European windstorm and German flood.

Credit underwriting risk

Credit underwriting risk arises from liabilities taken on by the Company in the course of its Credit and Surety underwriting. The exposure from this line of business is small in comparison to P&C and L&H exposures. Due to the nature of the risk, Credit underwriting risk is quantified in the credit risk model.

Material risk developments over the reporting period

The Company's underwriting risk has decreased compared to 2018. This is driven by increased diversification from growth in L&H risk and an extension of the Company's IGR programme which significantly reduces the net retention of Canadian P&C risks.

Risk mitigation

The Company's underwriting risk is largely mitigated by a combination of proportional and non-proportional internal retrocessions.

Sensitivity analysis and stress testing

The following stress scenarios have been explored for their underwriting risk impact as part of the 2019 ORSA:

Negative yield scenario

The scenario considers an alternative adverse macroeconomic and financial market environment with negative yields. This scenario assumes lower ten-year government bonds yields and associated financial market impacts over the three-year business plan horizon.

Extreme loss scenario

This scenario considers a major underwriting event (a severe US earthquake), as well as Financial market losses and severe inflation that happen during an economic downturn. The deterioration of the global economy also impacts the mortality trends and requires significant strengthening of the reserves.

The application of the scenarios provided insights into the resilience of the Company and its ability to meet Solvency II requirements in extreme scenarios.

Special purpose vehicles

The Company does not currently use special purpose vehicles.

C2: Financial market risk

Risk exposure
The value of the Company's assets or liabilities may be affected by movements in financial market prices or rates, such as equity prices, interest rates, credit spreads, foreign exchange rates or real estate prices. The Company is exposed to such financial market risk from two main sources: investment activities and the sensitivity of the economic value of liabilities to financial market fluctuations. Three forms of financial market risk are currently material for the Company: credit spread risk, equity risk and real estate risk.

List of assets
The Company invests in government, corporate and agency bonds, cash and cash equivalents, listed investments, securitised assets, infrastructure loans, and alternative investments (including real estate) and private equities. These investments have been made in accordance with the Prudent Person Principle as outlined in the paragraph "The Prudent Person Principle" on page 14.

Material risk developments over the reporting period
The Company's financial market risk has remained stable.

Risk mitigation
The Company uses a prudent and effective asset and liability matching process to mitigate financial market risks. Regular reporting monitors the effectiveness of the asset liability matching process that is in place. The limits or ranges on asset classes are approved on an annual basis to take into account business planning and the strategic asset allocation plan; usage against approved target ranges is monitored regularly.

Sensitivity analysis and stress testing
A number of financial market scenarios are considered to assess the resilience of the capitalisation of the Company. Two financial market risk scenarios have been explored as part of the 2019 ORSA:
- Persistent lower yields under the negative yield scenario
- Adverse financial market development under the extreme loss scenario, including rising inflation

The Company continues to meet all Solvency II requirements under both scenarios.

Group-wide stress testing framework
Apart from the scenarios considered above, the Company's financial market exposures are also subject to the group-wide stress testing framework. The asset management stress is monitored on a daily basis against an approved target range.

C3: Credit risk

Risk exposure
Credit risk reflects the potential financial loss that may arise due to diminished creditworthiness or default of counterparties of the Company or of third parties. This risk arises directly from investment activities as well as from counterparty risk related to external and intra-group counterparties, investments into corporate bonds, and covers also Credit underwriting risk as described in section C1.

Material risk developments over the reporting period
Credit risk has slightly increased in conjunction with the increase in longevity risk in 2019.

Risk mitigation
Risk Management regularly monitors corporate counterparty credit quality and exposures and compiles watch lists of cases that merit close attention. Risk Management monitors and reports credit exposure and limits on a regular basis in order to maintain exposure within approved limits. A governance framework is in place and appropriate actions will be taken when limits are near to being breached.

Sensitivity analysis and stress testing
No specific scenario is considered for credit risk.

C4: Liquidity risk

Risk exposure
Liquidity risk represents the possibility that the Company will not be able to meet expected and unexpected cash flow and collateral needs without affecting either daily operations or the Company's financial condition. The Company's exposure is driven by potential extreme losses as well as the amount of its investments into liquid assets.

Material risk developments over the reporting period
Liquidity risk has decreased with the reduction of the net retention of the Canadian P&C risks.

Risk mitigation
The Company controls liquidity risk to ensure that it can satisfy claims payments, debt maturities, expenses, and collateral requirements. To manage liquidity risk, the Company has a range of liquidity policies and measures in place, including regular monitoring and reporting of key stress liquidity ratios to the Board.

Sensitivity analysis and stress testing
The Company assesses liquidity risk against extreme losses affecting the relevant liquidity pool using a group-wide liquidity stress scenario. The most recent analysis shows that the Company's liquidity position is sufficient to meet the liquidity requirements resulting from such a large loss event over a one-year period.

Amount of expected profit in future premiums (EPIFP)
The total amount of EPIFP for the Company as at 31 December 2019 is EUR 2 198 million.

C5: Operational risk

Risk exposure
Operational risk represents the potential economic, reputational or compliance impact of inadequate or failed internal processes, people and systems or from external events, including legal risk and the risk of a material misstatement in financial reporting.

Material risk developments over the reporting period
Operational risk remained stable. The number and severity of operational events within the existing period are within acceptable levels. No emerging themes are noticeable with the majority of events relating to processing, human and internal communication errors without any major financial or reputational impact on the Company.

Risk mitigation
The Company's coordinated assurance framework outlined in section B4 is used to manage and mitigate operational risk.

Sensitivity analysis and stress testing
The Company relies on a regular exercise undertaken by Group Operational Risk Management to re-evaluate its exposure to operational risk. The team conducts workshops where business experts (first line risk takers) and second line of defence risk managers exchange views and outlooks of the potential for one in two hundred year operational events and the expected financial impact if these risks should materialise under various scenarios.

The outcome of these discussions enables the recalibration of the Swiss Re Group Risk Model's operational risk module and a calculation of Group Operational Risk Capital. A portion of this is assigned to the Company on a pro rata basis.

The operational risk model is designed to represent the economic loss potential due to events classified as operational risk over a one-year horizon for use in the internal risk model. The focus of interest for this purpose lies entirely in large, unexpected events that potentially jeopardise the capital adequacy of the Company.

C6: Other material risks

No other material risks have been identified, but there is a process by which the Company tracks the development of emerging risks.

C7: Any other information

Other material information
All material information has been disclosed above.

Section D: Valuation for solvency purposes

D1: Assets

Methods applied for valuation of material assets

Material assets on a Solvency II valuation basis as at 31 December 2019 were as follows (based on QRT Balance Sheet S.02.01.02):

EUR millions	Solvency II	Company Statutory	Difference
Investments (other than assets held for index-linked and unit-linked funds)	6855	6232	623
Reinsurance recoverables	7316	11834	–4518
Deposits to cedents	2083	1821	262
Total of all other assets not listed above	2304	5059	–2755
Total assets	**18558**	**24946**	**–6388**

The following valuation bases were used to value material assets for Solvency II purposes:

Material assets	Quoted market price valuation	Adjusted equity valuation	Alternative valuation
Investments (other than assets held for index-linked and unit-linked funds)			
All other investments, excluding the investments listed below	X		
Participations (subsidiaries and associates)		X	
Private equity funds		X	
Property other than for own use			X
Loans and mortgages			X
Reinsurance recoverables			X
Deposits to cedents			X

Investments (other than assets held for index-linked and unit-linked funds)

Solvency II

Quoted market price valuation:

- Investments (excluding the investments listed below) are valued at fair value, determined to the extent possible by reference to observable market prices.

Adjusted equity valuation:

- Participations: valuation of participations (subsidiaries and associates) is estimated based on readily available accounting information.
- Private equity funds: the valuation is based on net asset value.

Alternative valuation:

- Property other than for own use has been valued by an external appraiser using a discounted cash flow method.
- Loans and mortgages are valued using a discounted cash flow method. The values thus determined are considered a reasonable approximation of the market value.

Company Statutory

Amortised cost:

- Debt securities and other fixed income transferable securities are valued at amortised cost (included as bonds or collateralised securities under Solvency II).
- Loans to affiliated undertakings are valued at their amortised cost.

Nominal value:

- Deposits with credit institutions are valued at nominal value.

Lower of acquisition cost or market value:

- Shares and other variable yield transferable securities and units in unit trusts are valued at the lower of acquisition cost or market value except for positions held to hedge liabilities in respect of certain co-reinsurance treaties of unit-linked insurance portfolios, which are carried at fair value (included as equity or investment funds under Solvency II).
- Private equity funds are valued at the lower of acquisition cost or market value (included as investment funds under Solvency II).
- Shares in affiliated undertakings and participating interests, including investments in unit trusts solely used as investment vehicles by Swiss Re Group entities, are valued at the lower of acquisition cost or market value. Acquisition cost includes expenses related to the purchase.

Depreciated acquisition cost:

- Land and buildings are valued at historical acquisition or construction cost. Buildings are depreciated over their useful economic lives. The acquisition cost includes expenses related to the purchase.

The difference between Solvency II and Company Statutory is mainly due to unrealised gains and losses, which are taken into account under Solvency II but not accounted for Company Statutory purposes. In addition, the accrued interest on investments is classified as receivables under Company Statutory but as investments under Solvency II. Furthermore, in the Solvency II balance sheet, pension liabilities and pension assets are netted, consistent with IAS 19. For more details on pension assets and liabilities, refer to the paragraph "Employee benefits" on page 30.

Reinsurance recoverables

Solvency II

The share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross Solvency II best estimate liability per treaty. Furthermore, the reinsurance recoverables include the allowance for the counterparty credit risk.

Company Statutory

The share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross business data per treaty.

The difference in life between Solvency II and Company Statutory is attributable to the margins included within the statutory reserving basis. The difference in non-life is attributable to the discounting approach under Solvency II where the future cash flows are discounted using the Solvency II discount rates.

Refer to section "D2: Technical provisions" for further details on reinsurance recoverables.

Deposits to cedents

For L&H business, the value of deposits with ceding undertakings is calculated by discounting the deposit reserve cashflows (mainly change in deposits and interest on deposits) using the official risk-free discount rates published by the European Insurance and Occupational Pensions Authority (EIOPA). The difference between Solvency II and Company Statutory is due to the different discounting treatment for the deposits.

For P&C business, deposits with ceding undertakings are stated mostly at face value under Solvency II and the Company Statutory valuation. The difference between Solvency II and Company Statutory is due to discounting of the deposits under Solvency II whereas under Company Statutory no discounting is applied to the cash deposits.

Other assets not listed above:

The difference between Solvency II and the Company Statutory amounts of other assets not listed above is mainly driven by deferred acquisition costs, only recognised in Company Statutory, and debtors arising out of reinsurance operations. A part of the latter item contains future cash flows recognised under Solvency II as a part of technical provisions.

Assumptions and judgements applied for valuation of material assets

Investments are valued at market value, which is determined to the extent possible by reference to observable market prices. Where observable market prices are not available, the Company follows the fair value measurement methodology. There are no major sources of estimation of uncertainty when using judgements to determine valuations. Since Solvency II follows fair value methodology, the securities are not carried at more than the recoverable amounts.

Changes made to recognition and valuation basis of material assets during the year

No changes were made to the recognition and valuation basis or to estimation assumptions during 2019.

Drivers of difference between Solvency II and Company Statutory accounts

The difference between the Solvency II balance sheet and the Company Statutory balance sheet is explained by the different valuation methodologies used as described in the paragraph "Methods applied for valuation of material assets" on page 22.

Property (held for own use)

The Company does not hold any property for own use as at 31 December 2019.

Inventories

The Company does not hold any inventories as at 31 December 2019.

Intangible assets
The Company does not show any intangible assets on the Solvency II balance sheet as at 31 December 2019.

Financial assets
Methods and assumptions applied in determining the economic value
Quoted prices in active markets for identical assets are used to determine the economic value for the majority of securities. Where quoted prices are not available, alternative methods are used. Most financial asset prices are sourced from BlackRock Solutions. The Company holds the list of vendors used by BlackRock Solutions to confirm pricing. In addition, all prices are reviewed by Swiss Re's independent pricing verification team to ensure agreement. When BlackRock Solutions's prices are not available, a market price from an alternative source is selected. These are pre-agreed vendors, brokers or dealers, or calculations depending on the type of financial assets.

As at 31 December 2019, the value of assets in scope of the QRT List of assets S.06.02 valued at quoted market prices in active markets, for the identical assets, was EUR 1 511 million (2018: EUR 1 021 million). The value of assets valued at quoted market prices in active markets, for similar assets, was EUR 2 865 million (2018: EUR 2 714 million). The value of assets using the adjusted equity method was EUR 2 638 million (2018: EUR 2 463 million) and the value of assets using the alternative valuation method was EUR 2 858 million (2018: EUR 2 338 million), of which deposits to cedents EUR 2 083 million (2018: EUR 1 609 million).

Use of non-observable market data
The Company follows the valuation methodology as per Article 10 of the Commission Delegated Regulation (EU) 2015/35 which states that "the use of quoted market prices in active markets for the same assets or liabilities, or, where that is not possible, for similar assets and liabilities, shall be the default valuation approach". This approach ensures that the values are not significantly higher or lower.

Significant changes to the valuation models used
There were no significant changes to the valuation models during the year.

Lease assets
The Company does not have any material financial and operating leasing arrangements other than various agreements for the lease of office space.

Deferred tax assets
Recognition of deferred tax assets
Deferred income tax assets of EUR 643 million (2018: EUR 322 million) have been recognised for all deductible temporary differences and for the carry forward on unused tax losses and unused tax credits, to the extent that the realisation of the related tax benefit through expected future taxable profits is probable.

Deferred tax asset recognition on tax losses is determined by reference to the tax laws enabling such recognition on the same enacted or substantively enacted basis.

Amount for which no deferred tax asset is recognised
The amount of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the Solvency II balance sheet is immaterial.

The expiry date, if any, for tax losses and tax credits, is dependent on the local tax law and hence varies depending on the relevant branch jurisdiction.

Temporary differences and unused tax losses are assumed to relate to the individual branch, and consistent with tax rules, there is no offsetting of deferred tax assets in one branch against deferred tax liabilities in a different branch.

Swiss Re UK Life & Health and Swiss Re UK Property & Casualty are considered as separate entities for deferred taxes computation in this regard.

Projected future taxable profits
Deferred tax assets to be recovered after more than 12 months are EUR 641 million (2018: EUR 322 million).
Deferred tax assets to be recovered within 12 months are zero.

The utilisation of deferred tax assets depends on projected future taxable profits, including those arising from the reversal of existing taxable temporary differences.

Actual tax losses suffered by the Company

Actual tax losses suffered by the branches of the Company in either the existing or preceding periods, in the tax jurisdiction in which the deferred tax assets are considered as a deferred tax asset, are taken into account to the extent that future tax benefits utilising these tax losses are probable. Local tax loss carry forward restrictions are considered. In certain jurisdictions, it may be possible to either utilise tax losses against prior-year profits or against profits arising in sister subsidiaries or branches in those same jurisdictions. For balance sheet figures, the actual utilisation of tax losses in this manner is taken into account. For the purposes of computing the loss absorbing capacity of deferred taxes, such tax utilisation is assumed not to happen.

Tax rate changes during the year and their effects on deferred tax assets

The tax rate changes during the year do have an effect on deferred tax assets, which are computed based on enacted statutory rates.

For the details of deferred tax liabilities please refer to the paragraph "Deferred tax liabilities" on page 29.

Valuation of related undertakings

Participations are valued using the adjusted equity method.

The adjusted equity method is used to value those participations where there are no observable market prices or where there is no alternative valuation method applied, given that the nature and size of those participations do not justify the application of alternative valuation methods.

D2: Technical provisions

Life business

Material technical provisions by Solvency II line of business

The following table shows the value of life technical provisions*, based on QRT S.12.01.02, by material line of business as at 31 December 2019:

EUR millions	Gross best estimate	Net best estimate	Risk margin	Total net technical provision
Life	–662	–644	312	–332
Health	885	160	41	201
Total	**223**	**–484**	**353**	**–131**

*Liabilities are presented as positive amounts.

Overview of methodology and assumptions

Best estimate

Cash flow projections have been carried out on each relevant risk within the contract, which entails calculating the present value of projected premiums, claims, commission (initial, initial claw-back and renewal), profit commission, management expenses, surrender values and maturities over the lifetime of each policy using best estimate assumptions. The cash flows are discounted using the official risk-free discount rates published by EIOPA. No allowance is made for the matching premium or counter-cyclical premium.

Provisions for options and guarantees

Additionally, whenever the Company's liabilities include provision to cover options or guarantees, then additional liabilities have been established where considered necessary.

Portfolio reinsurances

The Company has a number of portfolio level financing arrangements. The Company is exposed to the risk that the cedents' future profits or surpluses in the defined portfolios supporting these arrangements will be lower than expected. Ongoing monitoring of the performance of the underlying portfolios is conducted and appropriate liabilities established wherever necessary.

Simplifications used in calculation of best estimate or risk margin

There are no relevant simplifications.

Risk margin

The risk margin is calculated under a transfer value approach, assuming that the insurance or reinsurance obligations are transferred to a so-called reference undertaking, which is assumed to be empty prior to the transfer and then funded with assets to cover the technical provisions. Since the calculation is based on the cost of holding required capital, assumptions around the risk margin rely on the calculation of the SCR and are explained and justified in the internal model documentation.

Solvency II additionally requires the allocation of the risk margin to the lines of business or segments as defined by the Solvency II regulation. The allocation is required to adequately reflect the contribution of the lines of business to the SCR of the reference undertaking over the lifetime of the insurance or reinsurance obligations. In the internal model, the allocation is implemented by breaking down the future SCR into non-life and life and model currencies proportionately to the contribution to the Company's SCR.

Uncertainty associated with the technical provisions

Estimating technical provisions involves predicting future cash flow payments (income and outflow) based on historical and existing information and knowledge, as well as judgement about future conditions. However, changes to economic (national or regional) performance, medical advances (different from expected), policyholder attitudes regarding insurance policies, the social or regulatory environment, or the Company's operation and its book of business mean that actual cash flows will most likely be different from the predicted cash flows.

Material differences between Solvency II and statutory technical provisions

Material differences by line of business between Solvency II and statutory net life technical provisions* as at 31 December 2019 were as follows:

EUR millions	Solvency II	Company Statutory	Difference
Life	–332	1 503	–1 835
Health	201	728	–527
Total	**–131**	**2 232**	**–2 362**

*Liabilities are presented as positive amounts.

The actuarial methods and assumptions used for the valuation of the technical provisions for Solvency II purposes are similar to those used for the preparation of the Company's statutory accounts. Nevertheless, there are significant differences between the two accounting standards. The difference of EUR -2 362 million is driven by reasons below. It is worth noting that a negative difference here means that statutory technical provisions are higher than Solvency II technical provisions.

- Statutory margins included in the statutory reserves contribute EUR -2 138 million to the difference (EUR -1 680 million for Life and EUR -457 million for Health). Statutory reserving includes prudent margins whereas Solvency II technical provisions are the best estimate (excluding risk margin).
- Remaining differences relate mainly to client balances and risk margin which are within Solvency II technical provisions and not in statutory reserves.

Recoverables due from reinsurance contracts

Net technical provisions take account of the reinsurance recoverables based on the underlying contracts. The reinsurance ceded is predominantly proportional reinsurance. Therefore, the determination of the reinsurance recoverable is a pure calculative process and does not require estimations, actuarial methods, assumptions, or other judgemental elements. In the valuation of ceded reinsurance, the counterparty risk is considered.

Material changes in assumptions made

During 2019, updates were made to the mortality, morbidity, trend expense and lapse assumptions. These updates were to reflect the more recent experience across the portfolios.

Matching adjustment

Not applicable to the Company.

Volatility adjustment

Not applicable to the Company.

Transitional measures

Not applicable to the Company.

Non-life business

Material technical provisions by Solvency II line of business

The following table shows the value of non-life technical provisions, based on QRT S.17.01, by material line of business* as at 31 December 2019:

EUR millions	Gross best estimate	Net best estimate	Risk margin	Total net technical provision
Casualty non-proportional reinsurance	5 626	2 011	134	2 145
Motor vehicle liability proportional reinsurance	1 563	639	15	654
Property non-proportional reinsurance	1 082	376	5	381
Fire and other damage to property proportional reinsurance	706	342	15	357
General liability proportional reinsurance	781	306	14	320
Total of other not included in above	822	297	8	305
Total	**10 580**	**3 971**	**191**	**4 162**

* By the amount of net technical provisions for non-life business.

Overview of methodology and assumptions

Best estimate

The estimation of the best estimate technical provisions is based on two steps:
- For all contract years, the nominal values of future payments related to premium, claims and commissions (including other contractual costs) are being estimated.
- For all those nominal values, the timing of such future payments is being estimated.

Combining the payment patterns and nominal values provides the expected future cash flow streams. Applicable discount rates can be applied to these future cash flow streams for Solvency II reporting. Those estimates are elaborated by a dedicated team of reserving actuaries as follows:
- For most contracts, they use classical actuarial methods for analysing triangular information concerning the development of past premiums, claims and commissions. For such analysis, the contracts are grouped into segments (large or structured contracts may be analysed on a standalone basis).
- For new contracts, those estimates cannot be derived with the aforementioned actuarial techniques. The values of new contracts are generally based on values estimated during the process of determining the price of each contract. Over time, as new experience emerges, the initial estimates are being revisited using the classical actuarial techniques.

The estimates are reviewed and approved by the reserving committee.

Main assumptions

Estimating technical provisions is not a purely calculative process. Sometimes assumptions must be made in respect of some parameters in the calculations. If the historical development observed in data captured in a triangle does not cover the full possible development, the length and amount of future development beyond the last observed point (the tail) must be quantified based on assumptions. Another area where important assumptions are needed in reserving is judgement as to whether the future will proceed as in the recent past or whether a different future development should be expected compared to the recent past observed in historical data.

Risk margin

Please refer to the paragraph "Overview methodology and assumptions" on page 25 within the subsection "D2: Technical provisions - Life business" for the calculation of the risk margin.

Uncertainty associated with the technical provisions

Estimating technical provisions involves predicting future loss payments based on historical and existing information and knowledge, as well as judgement about future conditions. However, changes to historical patterns and trends, changes due to, among other factors, an evolving legal or social environment, claimants' attitudes regarding insurance claims, changes in the national or regional economic performance, or changes in Company operations and its book of business, make the incidence of claims more or less likely and claims settlement values lower or higher.

The technical provisions contain no provision for the extraordinary future emergence of new classes or types of losses not sufficiently represented in the Company's historical database or that are not yet quantifiable. Contrary to the balance sheet used for Luxembourg statutory, the technical provisions used for Solvency II purposes contain best estimates of future losses not yet incurred at the date of valuation. Such losses can result, for example, from major natural catastrophes. Actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections.

Material differences between Solvency II and statutory technical provisions

Material differences by line of business between Solvency II and statutory net non-life technical provisions as at 31 December 2019 were as follows:

EUR millions	Solvency II	Company Statutory	Difference
Casualty non-proportional reinsurance	2 145	2 205	–60
Motor vehicle liability proportional reinsurance	654	891	–237
Property non-proportional reinsurance	381	469	–88
Fire and other damage to property proportional reinsurance	357	628	–271
General liability proportional reinsurance	320	384	–64
Total of other not included in above	305	400	–95
Total	**4 162**	**4 977**	**–815**

The actuarial methods and assumptions used for the valuation of the technical provisions for Solvency II purposes are identical to those used for the preparation of the Company's statutory accounts. Nevertheless, there are significant differences between the two accounting standards applicable to all lines of business:

- In the Company Statutory figures, future cash flows are not discounted, time value of money is not recognised, there is no concept of risk margin and the counterparty risk is not included in the valuation.
- For Solvency II purposes, an estimate of the cash flows ultimately received for the contracts in scope is being recognised. For Company Statutory, the contracts in scope are the same, but on assumed proportional reinsurance treaties, only the portion of the cash flows written by the cedent during the reporting period is being recognised.
- In the Company Statutory figures, there is no provision for future losses, whereas the Solvency II technical provisions contain best estimates of future losses not yet incurred at the date of valuation.

Recoverables due from reinsurance contracts

Net technical provisions takes account of the reinsurance recoverables based on the underlying contracts. The reinsurance ceded is predominantly proportional reinsurance. Therefore, the determination of the reinsurance recoverable is a pure calculative process and does not require estimations, actuarial methods, assumptions, or other judgemental elements. In the valuation of ceded reinsurance, the counterparty risk is considered.

Material changes in assumptions made

The data, methods, processes and systems used for reserving bodily injury claims implying future regular payments are being permanently adapted and reviewed. No new reserving approaches were introduced during 2019.

Transitional measures

Not applicable to the Company.

D3: Other liabilities

Other material liabilities

Material other liabilities by Solvency II valuation basis, as at 31 December 2019, were as follows (based on QRT Balance Sheet S.02.01.02):

EUR millions	Solvency II	Company Statutory	Difference
Deposits from reinsurers	1 702	1 512	190
Deferred tax liabilities	1 103	-	1 103
Insurance and reinsurance payables	946	2 154	–1 208
Total of all other liabilities not listed above	607	1 498	–891
Total other liabilities	**4 358**	**5 164**	**–806**

Deposits from reinsurers

For P&C business, deposits received from reinsurers contain cash deposits withheld from retrocessionaires and are stated mostly at face value under both Solvency II and the Company Statutory valuation.

For L&H business, the value of deposits from reinsurers is calculated by discounting the deposit reserve cash flows (mainly change in deposits and interest on deposits) using the official risk-free discount rates published by EIOPA. The difference between Solvency II and Company Statuory is due to the different discounting treatment for the deposits.

Deferred tax liabilities
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 the basis of the local branches of the Company and the corresponding jurisdictional tax regulations are taken into account. Deferred tax assets are calculated on all balance sheet differences that are recognised 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 experiences considering expectations about future business. The Company is presumed not to enter into runoff after a shock loss, and credit is only given for deferred tax assets utilised within a three-year timeframe. Adjustments are made for local restrictions on tax loss.

Company Statutory
Deferred income tax assets and liabilities are calculated based on the difference between financial statement carrying amounts and the corresponding income tax bases of assets and liabilities using enacted income tax rates and laws, which are not recognised in the Company's annual accounts under Luxembourg Generally Accepted Accounting Principles. The amount of deferred tax liabilities is disclosed as part of the notes to the accounts.

Insurance and reinsurance payables
Solvency II and Company Statutory
Under Company Statutory, this item corresponds to creditors arising out of reinsurance operations. The difference with Solvency II is mainly explained by the future cash flows included as payables under Company Statutory, but recognised as a part of technical provisions under Solvency II. All payables have a term of less than five years.

Other liabilities not listed above
Other liabilities under both Solvency II and Company Statutory include other creditors and tax provisions, with immaterial differences between the two valuations. In addition, Company Statutory also includes the statutory-specific items, such as deferred acquisition costs and provision for currency risks. Furthermore, in the Solvency II balance sheet, pension liabilities are presented net of the assets set aside to cover these obligations, consistent with IAS 19. For more details on pension assets and liabilities, refer to the paragraph "Employee benefits" on page 30.

Other classes of liabilities
The Company only applies liability classes as prescribed in the Solvency II balance sheet template.

Financial liabilities
The Company does not have financial liabilities as at 31 December 2019.

Lease liabilities
The Company had no material financial or operating lease liabilities as at 31 December 2019, other than various agreements for the lease of office space.

Deferred tax liabilities
Deferred income tax liabilities of EUR 1 103 million (2018: EUR 706 million) have been recognised for all taxable temporary differences, which will result in higher future taxable income positions.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax liabilities to be settled after more than 12 months are EUR 1 103 million (2018: EUR 706 million).
Deferred tax liabilities to be settled within 12 months are zero.

Tax rate changes during the year and their effect on deferred tax liability
Whilst both the United Kingdom and France reduced their tax rates to 17% from 2020, and 32.02% from 2019 respectively, no benefit was recognised for these reductions in the calculations.

Closing procedures
During the closing process, changes in the applicable tax rates, in expectations on future taxable profits, in tax loss carry forward time limitations and in local tax regulations in the applicable tax regimes are reviewed, documented and considered for the calculation of deferred taxes under Solvency II.

For the details of deferred tax assets, please refer to the paragraph "Deferred tax assets" on page 24.

Contingent liabilities
The Company does not carry contingent liabilities on its Solvency II balance sheet as at 31 December 2019.

Employee benefits
Nature of the obligations

Pension liabilities, German branch

The Company has defined benefit pension plans for its employees, mainly in Germany. The Company has assets set aside to cover these obligations which are handled under a Contractual Trust Agreement and liability insurance contracts – refer to the paragraph "Plan assets" below.

Other pension liabilities, German branch

The Company has a long-term obligation regarding a deferred compensation plan, which is a form of company pension in Germany, in which employees waive parts of their future remuneration in return for a commitment by the company to pay a pension of equal value, calculated in accordance with financial and actuarial principles.

Long-term vacation programme (short-term obligation), German branch

The Company has put in place a long-term vacation programme where there is a legal requirement in Germany to secure obligations resulting from this programme. The Company has assets set aside to cover these obligations which are handled under a Contractual Trust Agreement – refer to the paragraph "Plan assets" below.

Early retirement programme (long-term obligation), German branch

The Company has put in place an early retirement programme which is designed to create an incentive for German employees within a certain age group to smooth the transition from employment into retirement before the employees' legal retirement age. There is a legal requirement to secure obligations resulting from this programme. The Company has assets set aside to cover these obligations which are handled under a Contractual Trust Agreement – refer to the paragraph "Plan assets" below.

All branches
Other employee benefits

In addition, the Company has other employee benefit programmes in place for which it has the obligation to set aside reserves to meet the future obligations. As at 31 December 2019, the following programmes were in place:

Other employee benefits	Short-term obligations	Long-term obligations	Other post employment	Termination benefits
Annual Performance Incentive	X			
Global Share Participation Plan		X		
Vacation accrual	X			
Italy – Trattamento di Fine Rapporto*		X		
Italy – healthcare and life insurance for retired employees			X	
Leadership Performance Plan		X		
Value Alignment Incentive		X		
German branch				X

*Italy - Trattamento di Fine Rapporto: this is a leaving service benefit paid to employees who leave the Company for any reason at any time.

Other benefit programmes

Please refer to the paragraph "Remuneration policy and practices " on page 11 for details of the other programmes.

Plan assets

The Company has put in place asset concepts to secure pension liabilities, long-term vacation and early retirement programmes in Germany. Two types of concepts are currently in place, namely a Contractual Trust Agreement and liability insurance contracts.

In the Solvency II balance sheet, pension liabilities are presented net of the assets set aside to cover these obligations, consistent with IAS 19.

Pension liabilities

The following assets as at 31 December 2019 are held to secure the pension liabilities:

- EUR 291 million is held under a Contractual Trust Agreement. The assets are held in an investment fund in which units are 100% owned by the Company and invested mainly in corporate and government bonds.
- EUR 31 million is held in liability insurance contracts with Allianz Lebensversicherungs AG.

The values as at 31 December 2019 were as follows:

Assets	EUR millions	%
Corporate debt securities	35	11
Government bonds	252	78
Insurance contracts	31	10
Other	4	1
Total	**322**	**100**

Other pension liabilities

For the deferred compensation plan, separate assets in insurance contracts were set up to cover the future liabilities. These insurance contracts show total assets of EUR 5 million as at 31 December 2019.

Long-term vacation and early retirement programmes

EUR 19 million is used to cover long-term vacation obligations and EUR 16 million to cover early retirement obligations held under a Contractual Trust Agreement. The assets are held in an investment fund in which units are 100% owned by the Company and invested mainly in corporate and government bonds. As at 31 December 2019 the assets were invested as follows:

Assets	EUR millions	%
Corporate debt securities	4	11
Government bonds	31	89
Total	**35**	**100**

Deferred recognition of actuarial gains and losses

Actuarial gains and losses are not deferred under Solvency II or for the Company Statutory accounts prepared under Luxembourg Generally Accepted Accounting Principles.

Methodologies and inputs used to determine the economic value

Pension liabilities

The pension plan provisions are based on the relevant plan regulations. The associated pension provision obligations represent the present value of accrued benefits (projected benefit obligation) which is calculated based on the projected unit credit method at the valuation date and is maintained on the Company's balance sheet. The following actuarial assumptions were used as of 31 December 2019: discount rate 0.79%, increase in salaries 2.3%, inflation rate 2.0%, pension increase rate 2.0%, fluctuation 3% p.a., average age of retirement in line with RVAGAnpG 2007 (German Act Adapting the Standard Retirement Age for the Statutory Pension Insurance System), mortality table based on Heubeck mortality tables 2018 G from 10 October 2018.

Other pension liabilities

For the deferred compensation plan, the obligations are calculated from the insurance company in line with financial and actuarial principles.

Long-term vacation programme

For the long-term vacation obligations, the outstanding portions of the vacation and flexitime are transferred each year to a long-term vacation account and valued with the individual daily rates. The accumulated volumes earn interest.

Early retirement programme

Provisions for the early retirement programme are calculated in accordance with financial and actuarial principles.

Other employee benefits

Other employment benefits are determined according to business principles and are based on estimated needs.

Changes during the reporting period
No changes were made to the recognition and valuation basis or to estimation assumptions during 2019.

Assumptions and judgements
No assumptions or judgements contribute materially to the valuation of other liabilities.

D4: Alternative methods of valuation

Alternative methods of valuation
The Company uses alternative methods of valuation for the real estate and loans and mortgages, as a market value for those investments cannot be readily identified. The property assets are valued by an external appraiser using a discounted cash flow method. Similarly, the loans and mortgages are valued using a discounted cash flows method. The values thus determined are considered a reasonable approximation of the market value. Given the inherent difference in valuation methods applied, the Solvency II and Company Statutory values of these assets are expected and reasonable.

Deposits with cedents and deposits from reinsurers are also valued using alternative valuation methods described in detail in the paragraphs "Methods applied for valuation of material assets" on page 22 and "Other material liabilities" on page 28.

D5: Any other information

Other material information
The Company has collateral arrangements with the ceding companies on accepted reinsurance business. For the purpose of the ceding companies' calculation of their SCR under the standard formula, the Company informs its counterparties that the part of the Company's assets subject to collateral arrangements, based on the Assets template S.06.02, is below 60%.

All other material information regarding the valuation of assets and liabilities for Solvency II purposes has been described in the sections above.

Section E: Capital management

E1: Own funds

Solvency ratio

The solvency ratio expressed as eligible own funds as a percentage of the SCR as at 31 December 2019 is equal to 485% (2018: 315%).

Own funds – objectives, policies and processes

The Company's capitalisation policy ensures that it is appropriately capitalised for the risks that it incurs. The capital structure and the level of capitalisation are determined by regulatory capital requirements, management's assessment of the risks and opportunities arising from business operations and by financial management considerations. Throughout 2019, the Company's capital level was maintained in accordance with the capitalisation policy.

The Company monitors compliance with the capitalisation policy on a regular basis taking into account relevant developments in the risk landscape and in its business portfolio. Surplus capital, which is not required to support expected new business, is made available to the Swiss Re Group.

Own funds – time horizon used for capital planning

The Company considers one-year and three-year time horizons for its capital planning.

Own funds by tier

The value of own funds by tier, based on the QRT S.23.01.01, as at 31 December was as follows:

EUR millions	2018				2019			
	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total
Ordinary share capital (gross of own shares)	350			**350**	350			**350**
Share premium account related to ordinary share capital	37			**37**	4			**4**
Surplus funds	-			**-**	-			**-**
Reconciliation reserve	1 947			**1 947**	2 752			**2 752**
Subordinated liabilities	-	-		**-**	-	-		**-**
Net deferred taxation asset			11	**11**			2	**2**
Total basic own funds after adjustments	**2 334**	**-**	**11**	**2 345**	**3 106**	**-**	**2**	**3 108**

The increase in own funds over the reporting period is primarily driven by an increase of the reconciliation reserve, a Tier I item, as a result of profitable business and positive impacts of economic environment, partly offset by a reduction in the share premium account following the payout of dividends in 2019.

Eligible amount of own funds to cover the Solvency Capital Requirement

The eligible amount of own funds to cover SCR for 2019 is EUR 3 108 million (2018: EUR 2 345 million), of which EUR 3 106 million (2018: EUR 2 334 million) is classified as Tier I and EUR 2 million (2018: EUR 11 million) is classified as Tier III.

Restrictions to available own funds

The Company does not have restricted Tier I own funds. The EUR 2 million (2018: EUR 11 million) of Tier III own funds are fully within the eligibility limits for the coverage of the SCR.

Eligible amount of basic own funds to cover the Minimum Capital Requirement

The eligible amount of basic own funds to cover the MCR for 2019 is EUR 3 106 million (2018: EUR 2 334 million), all classified as Tier I.

Differences between equity in Solvency II and Company Statutory accounts

The material differences in equity as shown in the Company Statutory accounts and Solvency II as at 31 December 2019 were as follows:

EUR millions	Equity reconciliation
Equity per Company Statutory accounts (excluding retained earnings)	354
Reconciliation reserve	**2 752**
Total of reserves and retained earnings from financial statements	385
Difference in the valuation of assets	–1 617
Difference in the valuation of technical provisions	3 178
Difference in the valuation of other liabilities	806
Net deferred taxation asset	2
SII own funds	**3 108**

Reconciliation reserve
The reconciliation reserve represents the differences in the valuation of assets, technical provisions or other liabilities in the adoption of the Solvency II valuation as well as retained earnings, including current year results and the legal reserve.

Basic own funds subject to transitional arrangements
No own funds items are subject to transitional arrangements.

Ancillary own funds
There are no ancillary own funds in the Company.

Items deducted from own funds
There are no deductions from own funds as at 31 December 2019.

Subordinated capital instrument in issue at year-end
The Company does not have subordinated capital instruments as at 31 December 2019.

Capital instruments issued as debts
Not applicable to the Company.

Value of subordinated debt
The Company does not have subordinated capital instruments as at 31 December 2019.

Principal loss absorbency mechanism
The Company does not have a loss absorbency mechanism that qualifies as high-quality own funds instruments.

Key elements of the reconciliation reserve
The reconciliation reserve based on QRT S.23.01.01 as at 31 December 2019 was as follows:

EUR millions	2019
Excess of assets over liabilities	3 108
Equity per the Company Statutory accounts (excluding retained earnings)	–354
Net deferred taxation asset	–2
Reconciliation reserve	**2 752**

The reconciliation reserve includes an amount of the excess of assets over liabilities that corresponds to the expected profit in future premium (EPIFP). Please refer to the paragraph "Amount of expected profit in future premiums" on page 21 for the details of the EPIFP.

The difference between the excess of assets over liabilities under Solvency II and the equity value shown in the Company Statutory accounts is mainly due to different valuations applied under Solvency II for assets, technical provisions and other liabilities. Further details of valuation differencies are provided in the paragraph "Differences between equity in Solvency II and Company Statutory accounts" above.

Total excess of assets over liabilities within ring-fenced funds
The Company does not have any ring-fenced funds.

E2: Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement and Minimum Capital Requirement
As at 31 December 2019, the Company's SCR was EUR 640 million (2018: EUR 745 million) and the MCR was EUR 288 million (2018: EUR 335 million).

Solvency Capital Requirement split by risk category
The Company uses an integrated internal model to measure its capital requirement using 99.5% value at risk as described in section C. The table below quantifies the Company's modelled risk categories* as at 31 December, including a projection for the average exposure over the year as well as changes compared to the previous year.

EUR millions	2018	2019
Life and health risk	1 091	1 434
Property and casualty risk	2 137	2 369
Financial market risk	569	580
Credit risk	172	198
Operational risk	112	76
Diversification	–1 627	–1 925
Other impacts **	–1 600	–1 958
Pre-tax Solvency Capital Requirement	**854**	**774**
Deferred tax impact	–109	–134
SCR	**745**	**640**

* Risk categories before retrocession

** Other impacts: mainly driven by retrocession

Simplification calculation
The Company does not apply the standard formula.

Standard formula parameters
The Company does not apply the standard formula.

Non-disclosure of capital add-on during transitional period ending no later than 31 December 2020
This is not applicable to the Company.

Standard formula capital add-on applied to Solvency Capital Requirement
The Company does not apply the standard formula.

Information on inputs used to calculate Minimum Capital Requirement
Inputs used to calculate the MCR for non-life insurance or reinsurance obligations include premiums written during the last 12 months, split by line of business and best estimate technical provisions without a risk margin, split by line of business.

Input used to calculate the MCR for life insurance or reinsurance obligations includes best estimate technical provisions without a risk margin split by type of contract and capital at risk.

Material changes to Solvency Capital Requirement and Minimum Capital Requirement over the period
Please refer to paragraph "Solvency Capital Requirement split by risk category" above for details of the current year and prior-year SCR. The changes are driven by the change in risk exposure as detailed in section "C: Risk Profile" on page 18.

The SCR decreased from EUR 745 million in 2018 to EUR 640 million in 2019, driven by increased diversification from growth in L&H risk and an extension of the Company's IGR programme which significantly reduces the net retention of Canadian P&C risks.

The MCR is equal to 45% of the SCR (in 2019 as well as 2018). Thus, the MCR decreased in line with the SCR from EUR 335 million in 2018 to EUR 288 million in 2019.

E3: Duration-based equity risk

Indication that the Company is using duration-based equity risk submodule
Not applicable to the Company.

E4: Differences between the standard formula and the internal model

The Company uses its internal model, as approved by the CAA, for the purposes of calculating its capital requirements under Solvency II. This internal model aligns with the Swiss Re Group internal model.

The structure of the internal model
The internal model consists of the following building blocks:
- Risk factors: to model the stochastic change of the state of the world over the one-year time horizon
- Exposure model: to determine the change in basic own funds given a realisation of the risk factors
- Transaction model: to model the intra-group transactions in place as well as external retrocession
- Balance sheet model: to evaluate the impact of defaults of Group companies and follow-up effects

Generally speaking, risk factors are sources of risk external to the Company. Their stochastic evolution is modelled over one year, using approaches such as univariate or multivariate distributions, frequency-severity models, event set-based models and Merton-type threshold models. Dependencies between risk factors are modelled by copulas, causal dependencies and other approaches. In contrast to many models used, dependencies are taken into account at the level of the underlying risk factors and not at the level of major risk categories. This implies that dependencies are independent of the Company's portfolio. The exposure model captures the impact of the risk factors on the economic profit and loss through the Company's portfolio. In the exposure model, the Company's business activities are broken down into different exposures. The change in basic own funds of the entire portfolio resulted from aggregating the effect on the individual exposures. Each exposure is assigned attributes, such as line of business and treaty year, which enable drill-down analyses and an evaluation of the contribution to total risk.

Risk categories concerned and not concerned by internal model
Refer to subsection "C: Overview of risk exposure" on page 18 for details of risk covered and not covered by the internal model.

Aggregation methodologies and diversification effects
Aggregation in the standard formula is prescribed in a hierarchical bottom-up scheme, with explicit standardised, industry-wide diversification benefits between its components at each step of the aggregation. In the Company's internal model, the diversification and interdependencies happen in the joint simulation of risk factors. Combining the realised outcomes of all the risk factors to which a specific portfolio selection is exposed yields an aggregate loss distribution. Such an aggregation takes place in a single step and contains implicit diversification between its risk module components.

Risk not covered in the standard formula but covered by the internal model
The Company's internal model covers the spread risk of EU government bonds which is assumed to be nil in the standard formula and a number of risks that are not explicitly addressed by standard formula including cyber and inflation risks.

Various purposes for which the internal model is being used
The purpose of the Company's internal model is defined by four major areas for which the model is intended to be used:
- Capital adequacy assessment: is the capital base sufficient to support the risk in the book?
- Risk controlling and limit setting: how much risk capacity should be allocated to each risk category?
- Portfolio management: what measures can be taken to improve capital efficiency?
- Costing: what is the cost of capital to carry a specific risk?

Scope of internal model in terms of Business Units and risk categories
The scope of the internal model includes all material risks that impact the Solvency II balance sheet of the Company. Please refer to section "C: Overview of risk exposure" on page 18 for details of the risk categories used.

Partial internal model
The Company does not use a partial internal model.

Methods used in the internal model for the calculation of the probability distribution forecast and the Solvency Capital Requirement
The stochastic economic balance sheet is obtained by modelling the impact of joint scenarios of risk factor realisations on the economic balance sheet. For this purpose, a model design principle is to separate the modelling of joint risk factor realisations from their impact on the balance sheet positions (exposures). In the Company's internal model, the risk that arises from a balance sheet position is defined as the unexpected change of the economic value of this balance sheet position over a one-year time horizon. A large number of Monte Carlo simulations yield a sufficiently accurate and stable empirical joint distribution of balance sheet changes; the SCR of a risk is calculated as the 99.5 percentile of the corresponding empirical distribution.

Risk measures and time period used in the internal model
The internal model calculates the probability distribution of the change in basic own funds over one year. In particular, it enables the value at risk of this change to be calculated at the 99.5% quantile level.

Nature and appropriateness of the data used in the internal model
Data used in the internal model is provided by different functions and comes in a variety of different formats. This input data is validated at several stages and transferred via the Integrated Risk and Analytics Modelling Platform into the well-defined format of the Risk Management Data Warehouse. The Data Dictionary defines the precise structure and content of each data item that is submitted to the Risk Management Data Warehouse. Validation of the data is the responsibility of the respective data provider at each stage of the process. The process to ensure data quality is governed by the Risk Model Data Quality Standards. Validation of data quality is carried out in five steps:

- Within the responsibility of the respective data provider at collection of data or while downloading it from a source system
- Structural and syntactical validation at the moment a data provider uploads any data delivery to the Integrated Risk and Analytics Modelling Platform
- Asynchronous validation of data consistency between interdependent deliveries, particularly with regard to reference data;
- Validation of data completeness at the beginning of each internal model calculation
- Validation of calculation results and changes over time by the data provider supported by the Risk Management team (plausibility checks)

E5: Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

Any non-compliance with the Solvency Capital Requirement and Minimum Capital Requirement
The Company complied with the SCR and MCR during 2019.

E6: Any other information

Other material information
All material information regarding the capital management has been described in the sections above.

Glossary

Acquisition costs	That portion of an insurance premium that represents the cost of obtaining the insurance business: it includes the intermediaries' commission, the company's sales expense and other related expenses.
Affiliated undertakings	Affiliated undertakings are undertakings over which the Company exercises a direct or indirect dominant influence.
API	Annual Performance Incentive
Board	The Board of Directors of the Company
CAA	Commissariat aux Assurances, Luxembourg
Capacity	Maximum amount of risk that can be accepted in insurance. Capacity also refers to the amount of insurance coverage allocated to a particular policyholder or in the marketplace in general.
Casualty insurance	Branch of insurance – mainly comprising accident and liability business – which is separate from property, engineering and life insurance.
Claim	Demand by an insured for indemnity under an insurance contract.
Committees	The committees of the Company to which the Board has delegated (or another Committee has sub-delegated) certain responsibilities and authorities.
Company	Swiss Re Europe S.A.
Cover	Insurance and reinsurance protection of one or more specific risk exposures based on a contractual agreement.
Credit insurance	Insurance against financial losses sustained through the failure, for commercial reasons, of policyholders' clients to pay for goods or services supplied to them.
Credit spreads	Applies to derivative products. Difference in the value of two options, when the value of the one sold exceeds the value of the one bought.
EVM, Economic Value Management	Swiss Re's integrated economic valuation framework for planning, pricing, reserving and steering the business. It also provides the basis for determining available capital under the Swiss Solvency Test and for Solvency II.
EIOPA	European Insurance and Occupational Pensions Authority
EMEA	Europe, Middle East and Africa
EPIFP	Expected profit in future premiums
ESG	Environmental, Social and Governance
EU	European Union
GIA	Group Internal Audit
Group Risk Model	The internal model developed by the Swiss Re Group and in place since 1994, used for articulating risk tolerance, assessing performance and setting targets. The internal model forms an integral part of steering reality at Swiss Re. As part of Solvency II, the implementation of "Solvency II-specific features" (e.g. illiquidity premium, ultimate forward rate, treatment of deferred taxes) has been carried out. For the purpose of this report, any reference to the Group Risk Model refers to the model including the Solvency II-specific modifications.
GSPP	Global Share Participation Plan
Health insurance	Generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or sickness or for expenses of medical treatment necessitated by sickness or accidental bodily injury.
IBNR	Incurred but not reported - Provision for claims incurred but not reported by the balance sheet date. In other words, it is anticipated that an event will affect a number of policies, although no claims have been made so far, and is therefore likely to result in liability for the insurer.
IDD	Insurance Distribution Directive
IFRS	International Financial Reporting Standards
Intra-group retrocession	Retrocession between subsidiaries of the same parent company or between a subsidiary and its parent. Intra-group retrocession aims to optimise capital allocation and tax efficiency for the Swiss Re Group as well as ensure adherence to regulatory solvency requirements.
Intra-group transaction	This can be either in the form of a proportional (e.g. quota-share) or non-proportional (e.g. stop-loss or Cat XL) agreement.

ISP	Incentive Share Plan
Key functions	Risk Management, Compliance, Internal Audit and Actuarial.
Key Function Holder	The Board nominates individuals as designated representatives of the respective key functions towards the Company.
L&H	Life and Health re/insurance
Liability insurance	Insurance for damages that a policyholder is obliged to pay because of bodily injury or property damage caused to another person or entity based on negligence, strict liability or contractual liability.
Life insurance	Insurance that provides for the payment of a sum of money upon the death of the insured, or upon the insured surviving a given number of years, depending on the terms of the policy. In addition, life insurance can be used as a means of investment or saving.
Longevity risk	The risk to which a pension fund or life insurance company could be exposed as a result of higher-than-expected payout ratios. Increasing life expectancy trends among policyholders and pensioners can result in payout levels that are higher than originally accounted for.
LPP	Leadership Performance Plan
Minimum Capital Requirement, MCR	If, despite supervisory intervention, the available resources of the insurer fall below the Minimum Capital Requirement, then "ultimate supervisory action" will be triggered. In other words, the insurer's liabilities will be transferred to another insurer and the licence of the insurer will be withdrawn or the insurer will be closed to new business and its in-force business will be liquidated.
Nat Cat	Natural catastrophe
Non-life insurance	All classes of insurance business excluding life insurance.
Non-proportional reinsurance	Form of reinsurance in which coverage is not in direct proportion to the original insurer's loss. Instead, the reinsurer is liable for a specified amount which exceeds the insurer's retention; also known as "excess of loss reinsurance".
Operational risk	Risk arising from failure of operational processes, internal procedures and controls leading to financial loss.
ORSA	Own Risk and Solvency Assessment
Own Funds	Excess of assets over liabilities, including any amount that is deemed suitable to provide support for the Solvency Capital Requirement.
P&C	Property and Casualty re/insurance
Participating interests	Participating interests are rights contained in the capital of other undertakings which, when creating a durable link with those undertakings, are intended to contribute to the Company's activities.
Premium	The payment, or one of the periodical payments, a policyholder agrees to make for an insurance policy.
Premiums earned	Premiums an insurance company has recorded as revenues during a specific accounting period.
Premiums written	Premiums for all policies sold during a specific accounting period.
Property insurance	Collective term for fire and business interruption insurance as well as burglary, fidelity guarantee and allied lines.
Proportional reinsurance	Form of reinsurance arrangement in which the premiums earned and the claims incurred of the cedent are shared proportionally by the cedent and the reinsurer.
PSU	Performance Share Unit
QRT	Quantitative Reporting Template
Reinsurance	Insurance that lowers the risk carried by primary insurance companies. Reinsurance includes various forms such as facultative, financial, non-proportional, proportional, quota share, surplus and treaty reinsurance.
Reserves	Amount required to be carried as a liability in the financial statements of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.
Retention	Amount of risk which the policyholder or insurer does not insure or reinsure but keeps for its own account.

Retrocession	Amount of the risk accepted by the reinsurer which is then passed on to other reinsurance companies.
Risk	Condition in which there is a possibility of injury or loss; also used by insurance practitioners to indicate the property insured or the peril insured against.
Return on equity, ROE	Net income as a percentage of time-weighted shareholders' equity.
Risk appetite	An expression of how the Company aims to deploy its risk capacity. It specifies the types of risk that the Company wishes to take and for each type the amount to be taken, while remaining within the boundaries imposed by the Company's stated risk.
Risk management	Management tool for the comprehensive identification and assessment of risks based on knowledge and experience in the fields of natural sciences, technology, economics and statistics.
Risk profile	Threats to which an organisation is exposed. The risk profile will outline the type of risks and potential effect of the risks. This outline allows a business to anticipate additional costs or disruptions to operations.
Risk tolerance	An expression of the extent to which the Board has authorised executive management to assume risk. It represents the amount of risk that the Company is willing to accept within the constraints imposed by its capital resources, its strategy, its risk appetite, and the regulatory and rating agency environment within which it operates.
RSU	Restricted Share Unit
Securitisation	Financial transactions in which future cash flows from assets (or insurable risks) are pooled, converted into tradeable securities and transferred to capital market investors. The assets are commonly sold to a special-purpose entity, which purchases them with cash raised through the issuance of beneficial interests (usually debt instruments) to third-party investors.
SFCR	Solvency and Financial Condition Report
Solvency Capital Requirement, SCR	Solvency Capital Requirement under Solvency II – calculated using the internal model. The Solvency Capital Requirement is based on a value at risk measure calibrated to a 99.5% confidence level over a one-year time horizon.
Stop-loss reinsurance	Form of reinsurance that protects the ceding insurer against an aggregate amount of claims over a period, in excess of either a stated amount or a specified percentage of estimated benefit costs.
Swiss Re or the Swiss Re Group or the Group	For the purposes of this report, the ultimate parent company and all its subsidiaries are referred to as Swiss Re or the Swiss Re Group or the Group.
Swiss Re Zurich, SRZ	Swiss Reinsurance Company Ltd
Swiss Solvency Test, SST	Switzerland has already introduced an economic and risk-based insurance regulation similar to the objectives of the Solvency II project in the EU. Since 2008, all insurance and reinsurance companies writing business in Switzerland have had to implement the Swiss Solvency Test, and since 1 January 2011, the Swiss Solvency Test-based target capital requirement has been in force and companies must achieve economic solvency.
TAPI, Target API	Target Annual Performance Incentive
Target capital	Defined by the Company's Capitalisation Policy.
Technical result	Underwriting defined as nominal premiums less nominal commissions and claims.
TSR	Total Shareholder Return
UK	United Kingdom of Great Britain and Northern Ireland
Underwriting performance	Premiums earned less the sum of claims paid, change in the provision for unpaid claims and claim adjustment expenses and expenses (acquisition costs and other operating costs and expenses).
VAI	Value Alignment Incentive
Value at risk	Maximum possible loss in market value of an asset portfolio within a given time span and at a given confidence level. 99% value at risk measures the level of loss likely to be exceeded in only one year out of a hundred, while 99.5% value at risk measures the loss likely to be exceeded in only one year out of two hundred. 99% tail value at risk estimates the average annual loss likely to occur with a frequency of less than once in one hundred years.

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Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	640,837
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	3,911
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	6,855,158
Property (other than for own use)	**R0080**	225,447
Holdings in related undertakings, including participations	**R0090**	860,962
Equities	**R0100**	336,035
Equities - listed	**R0110**	334,932
Equities - unlisted	**R0120**	1,103
Bonds	**R0130**	3,490,741
Government Bonds	**R0140**	1,929,491
Corporate Bonds	**R0150**	1,496,740
Structured notes	**R0160**	
Collateralised securities	**R0170**	64,510
Collective Investments Undertakings	**R0180**	1,839,223
Derivatives	**R0190**	6,684
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	96,066
Assets held for index-linked and unit-linked contracts	**R0220**	467,043
Loans and mortgages	**R0230**	434,180
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	1,401
Other loans and mortgages	**R0260**	432,779
Reinsurance recoverables from:	**R0270**	7,315,808
Non-life and health similar to non-life	**R0280**	6,609,269
Non-life excluding health	**R0290**	6,542,422
Health similar to non-life	**R0300**	66,847
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	706,539
Health similar to life	**R0320**	725,242
Life excluding health and index-linked and unit-linked	**R0330**	-18,703
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	2,082,983
Insurance and intermediaries receivables	**R0360**	29,581
Reinsurance receivables	**R0370**	459,351
Receivables (trade, not insurance)	**R0380**	481,354
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	35,899
Any other assets, not elsewhere shown	**R0420**	6,668
Total assets	**R0500**	18,812,773

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		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	10,770,886
Technical provisions – non-life (excluding health)	**R0520**	10,662,482
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	10,473,401
Risk margin	**R0550**	189,081
Technical provisions - health (similar to non-life)	**R0560**	108,404
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	106,933
Risk margin	**R0590**	1,471
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	69,329
Technical provisions - health (similar to life)	**R0610**	925,937
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	885,246
Risk margin	**R0640**	40,691
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	-856,608
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	-1,167,911
Risk margin	**R0680**	311,303
Technical provisions – index-linked and unit-linked	**R0690**	506,470
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	505,572
Risk margin	**R0720**	898
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	80,871
Pension benefit obligations	**R0760**	122,923
Deposits from reinsurers	**R0770**	1,701,997
Deferred tax liabilities	**R0780**	1,103,490
Derivatives	**R0790**	6,724
Debts owed to credit institutions	**R0800**	1,773
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	308,775
Reinsurance payables	**R0830**	637,374
Payables (trade, not insurance)	**R0840**	294,086
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	100,556
Total liabilities	**R0900**	15,705,254
Excess of assets over liabilities	**R1000**	3,107,519

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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				
		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	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**	35,882	0	988	1,302,249	66,032	155,846	933,627	358,032	27,368	11,019		6,756					2,897,799
Gross - Non-proportional reinsurance accepted	**R0130**													9,271	483,677	156,158	672,728	1,321,834
Reinsurers' share	**R0140**	25,154	0	691	656,724	37,893	120,093	515,674	235,212	15,642	5,418		1,015	6,460	347,148	110,268	421,661	2,499,053
Net	**R0200**	10,728	0	297	645,525	28,139	35,753	417,953	122,820	11,726	5,601		5,741	2,811	136,529	45,890	251,067	1,720,580
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**	29,346	0	976	1,230,366	62,516	142,007	805,503	294,217	29,990	16,154		6,812					2,617,887
Gross - Non-proportional reinsurance accepted	**R0230**													10,544	464,377	162,977	675,803	1,313,701
Reinsurers' share	**R0240**	20,231	0	683	600,037	38,367	110,332	438,130	193,001	17,677	9,128		1,056	7,347	333,957	114,969	423,558	2,308,473
Net	**R0300**	9,115	0	293	630,329	24,149	31,675	367,373	101,216	12,313	7,026		5,756	3,197	130,420	48,008	252,245	1,623,115
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**	15,689	-242	1,186	913,073	60,218	110,840	586,032	204,556	8,377	7,699		5,487					1,912,915
Gross - Non-proportional reinsurance accepted	**R0330**													6,437	247,569	117,869	413,903	785,778
Reinsurers' share	**R0340**	11,185	-121	776	432,725	37,886	85,350	283,532	147,328	5,730	4,431		1,013	4,473	179,000	79,451	236,526	1,509,285
Net	**R0400**	4,504	-121	410	480,348	22,332	25,490	302,500	57,228	2,647	3,268		4,474	1,964	68,569	38,418	177,377	1,189,408
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**	326	368		11,404	-178	3,379	10,929	-733	0			-28					25,467
Gross - Non-proportional reinsurance accepted	**R0430**														15,300		-27,304	-12,004
Reinsurers' share	**R0440**	206	184		8,415	-61	3,453	591	-553	0			0		16,626		-19,116	9,745
Net	**R0500**	120	184		2,989	-117	-74	10,338	-180	0			-28		-1,326		-8,188	3,718
Expenses incurred	**R0550**	3,841	0	274	201,443	8,838	8,216	111,731	39,040	6,337	2,855		2,351	250	21,203	6,233	43,263	455,875
Other expenses	**R1200**																	447
Total expenses	**R1300**																	456,322

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Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**							966,657	2,169,065	3,135,722
Reinsurers' share	**R1420**							661,424	1,256,435	1,917,859
Net	**R1500**							305,233	912,630	1,217,863
Premiums earned										
Gross	**R1510**							966,657	2,169,065	3,135,722
Reinsurers' share	**R1520**							661,424	1,256,435	1,917,859
Net	**R1600**							305,233	912,630	1,217,863
Claims incurred										
Gross	**R1610**							699,776	1,324,412	2,024,188
Reinsurers' share	**R1620**							483,896	819,637	1,303,533
Net	**R1700**							215,880	504,775	720,655
Changes in other technical provisions										
Gross	**R1710**							-10,963	559,269	548,306
Reinsurers' share	**R1720**							-4,708	194,239	189,531
Net	**R1800**							-6,255	365,030	358,775
Expenses incurred	**R1900**							58,182	45,971	104,153
Other expenses	**R2500**									2,382
Total expenses	**R2600**									106,535

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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
	R1400			(GB) United Kingdom	(IE) Ireland	(CA) Canada	(FR) France	(DE) Germany
		C0220	**C0280**	**C0230**	**C0230**	**C0230**	**C0230**	**C0230**
Premiums written								
Gross	**R1410**	708	2,814,124	2,098,983	231,119	180,999	153,847	148,468
Reinsurers' share	**R1420**	470	1,694,447	1,322,584	159,477	49	108,000	103,867
Net	**R1500**	238	1,119,677	776,399	71,642	180,950	45,847	44,601
Premiums earned								
Gross	**R1510**	708	2,814,124	2,098,983	231,119	180,999	153,847	148,468
Reinsurers' share	**R1520**	470	1,694,447	1,322,584	159,477	49	108,000	103,867
Net	**R1600**	238	1,119,677	776,399	71,642	180,950	45,847	44,601
Claims incurred								
Gross	**R1610**	271	1,864,142	1,426,814	153,247	100,992	49,647	133,171
Reinsurers' share	**R1620**	191	1,191,163	937,315	123,846	167	34,805	94,839
Net	**R1700**	80	672,979	489,499	29,401	100,825	14,842	38,332
Changes in other technical provisions								
Gross	**R1710**	-25	564,584	594,460	29,544	52,162	-13,471	-98,086
Reinsurers' share	**R1720**	0	227,044	301,433	16,540	6	-9,844	-81,091
Net	**R1800**	-25	337,540	293,027	13,004	52,156	-3,627	-16,995
Expenses incurred	**R1900**	69	120,715	60,015	13,369	36,420	4,914	5,928
Other expenses	**R2500**		2,382					
Total expenses	**R2600**		123,097					

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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(GB) United Kingdom	(DE) Germany	(FR) France	(ES) Spain	(CA) Canada
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	1,179	2,306,192	1,128,745	485,859	317,834	229,958	142,617
Gross - Non-proportional reinsurance accepted	R0130	1,926	1,082,495	434,518	234,585	228,815	47,782	134,869
Reinsurers' share	R0140	1,916	1,971,217	850,360	462,707	400,250	220,690	35,294
Net	R0200	1,189	1,417,470	712,903	257,737	146,399	57,050	242,192
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	1,268	2,022,616	916,736	475,396	287,732	211,362	130,122
Gross - Non-proportional reinsurance accepted	R0230	1,989	1,061,353	413,983	228,753	231,876	49,550	135,202
Reinsurers' share	R0240	2,225	1,766,819	697,137	453,857	382,206	195,589	35,805
Net	R0300	1,032	1,317,150	633,582	250,292	137,402	65,323	229,519
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	842	1,484,884	658,205	291,302	257,655	122,045	154,835
Gross - Non-proportional reinsurance accepted	R0330	2,132	574,803	165,153	95,414	183,159	50,900	78,045
Reinsurers' share	R0340	8,700	1,104,564	382,401	255,426	330,549	127,439	49
Net	R0400	-5,726	955,123	440,957	131,290	110,265	45,506	232,831
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420		21,574	12,281	10,461	2,782	-1,343	-2,607
Gross - Non-proportional reinsurance accepted	R0430		-18,244	7,872	-25,198	-918		
Reinsurers' share	R0440		1,996	16,717	-14,237	701	-1,185	0
Net	R0500		1,334	3,436	-500	1,163	-158	-2,607
Expenses incurred	R0550	61	374,168	160,525	91,372	31,189	15,874	75,147
Other expenses	R1200		447					
Total expenses	R1300		374,615					

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Life and Health SLT Technical Provisions

		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)**	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		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**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 calculated as a whole	**R0020**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**									-662,339	-662,339					885,246	885,246
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									-18,703	-18,703					725,242	725,242
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**									-643,636	-643,636					160,004	160,004
Risk margin	**R0100**									312,201	312,201					40,691	40,691
Amount of the transitional on Technical Provisions																	
Technical provisions calculated as a whole	**R0110**																
Best Estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**									-350,138	-350,138					925,937	925,937

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		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	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	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross	R0060	788		-2	-8,144	1,995	-3,053	-22,194	4,230	-3,147	-2,411		-701	-406	7,343	-2,545	-31,104	-59,351
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-376		-1	7,115	-21	-753	-16,701	-4,579	-1,658	-1,018		-165	-255	7,297	-132	-19,767	-31,014
Net Best Estimate of Premium Provisions	R0150	1,164		-1	-15,259	2,016	-2,300	-5,493	8,809	-1,489	-1,393		-536	-151	46	-2,413	-11,337	-28,337
Claims provisions																		
Gross	R0160	36,321	1,945	10,781	1,571,541	54,916	205,817	728,296	776,568	101,696	5,609		8,336	57,506	5,618,273	348,546	1,113,534	10,639,685
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	24,258	943	6,739	916,938	35,241	140,048	380,502	479,121	42,051	2,575		1,419	35,539	3,607,280	241,146	726,483	6,640,283
Net Best Estimate of Claims Provisions	R0250	12,063	1,002	4,042	654,603	19,675	65,769	347,794	297,447	59,645	3,034		6,917	21,967	2,010,993	107,400	387,051	3,999,402
Total Best estimate - gross	R0260	37,109	1,945	10,779	1,563,397	56,911	202,764	706,102	780,798	98,549	3,198		7,635	57,100	5,625,616	346,001	1,082,430	10,580,334
Total Best estimate - net	R0270	13,227	1,002	4,041	639,344	21,691	63,469	342,301	306,256	58,156	1,641		6,381	21,816	2,011,039	104,987	375,714	3,971,065
Risk margin	R0280	399	1	152	14,532	526	938	14,828	14,161	2,309	125		223	919	133,964	2,085	5,391	190,553
Amount of the transitional on Technical Provisions																		
Technical provisions calculated as a whole	R0290																	
Best Estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320	37,508	1,946	10,931	1,577,929	57,437	203,702	720,930	794,959	100,858	3,323		7,858	58,019	5,759,580	348,086	1,087,821	10,770,887
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	23,882	943	6,738	924,053	35,220	139,295	363,801	474,542	40,393	1,557		1,254	35,284	3,614,577	241,014	706,716	6,609,269
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	13,626	1,003	4,193	653,876	22,217	64,407	357,129	320,417	60,465	1,766		6,604	22,735	2,145,003	107,072	381,105	4,161,618

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Non-life insurance claims information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	(2) Underwriting year

Gross Claims Paid (non-cumulative)

(absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											621,009
N-9	**R0160**	122,495	602,562	256,279	132,015	140,193	123,652	35,365	31,440	15,593	15,171	
N-8	**R0170**	111,038	583,332	279,597	169,166	81,369	44,041	38,846	33,255	20,225		
N-7	**R0180**	337,325	1,125,427	695,646	278,363	149,780	117,822	69,371	46,797			
N-6	**R0190**	179,279	782,441	351,917	130,550	99,199	88,589	47,351				
N-5	**R0200**	89,894	598,614	261,254	114,722	78,248	58,283					
N-4	**R0210**	86,327	565,668	428,248	271,253	132,499						
N-3	**R0220**	150,176	805,451	398,538	190,816							
N-2	**R0230**	271,686	864,048	457,526								
N-1	**R0240**	249,319	839,347									
N	**R0250**	289,613										

		In Current year	Sum of years (cumulative)
		C0170	**C0180**
	R0100	621,009	621,009
	R0160	15,171	1,474,765
	R0170	20,225	1,360,869
	R0180	46,797	2,820,531
	R0190	47,351	1,679,326
	R0200	58,283	1,201,015
	R0210	132,499	1,483,995
	R0220	190,816	1,544,981
	R0230	457,526	1,593,260
	R0240	839,347	1,088,666
	R0250	289,613	289,613
Total	**R0260**	2,718,637	15,158,030

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Gross undiscounted Best Estimate Claims Provisions

		Development year										
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											9,404,566
N-9	**R0160**			685,259	583,870	492,006	353,204	274,972	224,750	207,935	194,461	
N-8	**R0170**		1,117,545	705,046	511,465	372,911	290,576	254,549	219,414	187,961		
N-7	**R0180**	1,147,753	1,482,497	1,075,393	835,629	688,217	541,201	475,325	417,820			
N-6	**R0190**	913,980	881,633	383,066	241,633	441,160	367,254	315,215				
N-5	**R0200**	708,149	699,579	485,159	479,860	436,704	382,986					
N-4	**R0210**	910,358	1,103,371	926,552	658,449	514,864						
N-3	**R0220**	1,043,813	1,164,920	838,406	702,170							
N-2	**R0230**	1,792,439	1,377,121	985,266								
N-1	**R0240**	1,419,640	1,515,256									
N	**R0250**	2,085,839										

		Year end (discounted data)
		C0360
	R0100	8,143,628
	R0160	180,428
	R0170	172,114
	R0180	378,920
	R0190	294,340
	R0200	358,639
	R0210	484,787
	R0220	663,364
	R0230	933,839
	R0240	1,447,850
	R0250	2,015,773
Total	**R0260**	15,073,682

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	350,000	350,000			
Share premium account related to ordinary share capital	R0030	4,094	4,094			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,751,211	2,751,211			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	2,216				2,216
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that shall 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 shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	3,107,521	3,105,305			2,216
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	3,107,521	3,105,305			2,216
Total available own funds to meet the MCR	R0510	3,105,305	3,105,305			
Total eligible own funds to meet the SCR	R0540	3,107,521	3,105,305			2,216
Total eligible own funds to meet the MCR	R0550	3,105,305	3,105,305			
SCR	R0580	640,266				
MCR	R0600	288,130				
Ratio of Eligible own funds to SCR	R0620	485%				
Ratio of Eligible own funds to MCR	R0640	1078%				

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		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	3,107,521
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	356,310
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	2,751,211
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	2,157,303
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	40,370
Total EPIFP	**R0790**	2,197,673

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Solvency Capital Requirement - for undertakings on Full Internal Models

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030
1	Life and Health risk	1,434,243
2	Property and Casualty risk	2,369,337
3	Financial Market risk	579,802
4	Credit risk	198,062
5	Operational risk	76,217
6	Other impacts	-1,957,743

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Solvency Capital Requirement - for undertakings on Full Internal Models

Calculation of Solvency Capital Requirement		**C0100**
Total undiversified components	**R0110**	2,699,918
Diversification	**R0060**	-1,925,716
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement, excluding capital add-on	**R0200**	640,266
Capital add-ons already set	**R0210**	0
Solvency Capital Requirement	**R0220**	640,266
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	**R0300**	0
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	**R0310**	-133,936
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	**R0010**	794,125

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	13,227	10,729
Income protection insurance and proportional reinsurance	**R0030**	1,002	0
Workers' compensation insurance and proportional reinsurance	**R0040**	4,041	296
Motor vehicle liability insurance and proportional reinsurance	**R0050**	639,344	645,525
Other motor insurance and proportional reinsurance	**R0060**	21,691	28,139
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	63,469	35,752
Fire and other damage to property insurance and proportional reinsurance	**R0080**	342,301	417,953
General liability insurance and proportional reinsurance	**R0090**	306,255	122,820
Credit and suretyship insurance and proportional reinsurance	**R0100**	58,156	11,726
Legal expenses insurance and proportional reinsurance	**R0110**	1,641	5,601
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	6,381	5,741
Non-proportional health reinsurance	**R0140**	21,815	2,811
Non-proportional casualty reinsurance	**R0150**	2,011,038	136,529
Non-proportional marine, aviation and transport reinsurance	**R0160**	104,988	45,889
Non-proportional property reinsurance	**R0170**	375,714	251,067

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Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	**R0200**	237,447

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	**C0060**
Obligations with profit participation - guaranteed benefits	**R0210**	53,397	
Obligations with profit participation - future discretionary benefits	**R0220**		
Index-linked and unit-linked insurance obligations	**R0230**	505,572	
Other life (re)insurance and health (re)insurance obligations	**R0240**	0	
Total capital at risk for all life (re)insurance obligations	**R0250**		331,332,347

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Overall MCR calculation		**C0070**
Linear MCR	**R0300**	1,031,573
SCR	**R0310**	640,289
MCR cap	**R0320**	288,130
MCR floor	**R0330**	160,072
Combined MCR	**R0340**	288,130
Absolute floor of the MCR	**R0350**	3,700
Minimum Capital Requirement	**R0400**	288,130