iptiQ Life S.A.

Solvency and Financial Condition Report

For the period ended 31 December 2016

iptiQ Life S.A.
2A, rue Albert Borschette
L-1246 Luxembourg

R.C.S. Luxembourg B184281

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Executive summary

Business and performance

- iptiQ Life S.A. (the "Company") is authorised by the Luxembourg Finance Minister to conduct classes I, III and IV life insurance business and operates through four branches in the European Union. After the reporting period, the Company has also been granted an authorisation to conduct class 1 and class 2 non-life insurance business.
- During 2016, the Company has written business in Germany, Ireland, the Netherlands and the United Kingdom. There was significant business activity in the Netherlands branch with the onboarding of a new distribution partner, TAF Verzekeringen B.V.; and the acquisition of a portfolio of policies from a Swiss Re Group company, Algemene Levensherverzekering Maatschappij N.V. ("ALHM"), with economic effect from 1 January 2016. The ALHM business consists of approximately 25 000 endowment policies written in the Netherlands. The portfolio is closed to new business and is in run-off.
- The underwriting performance for 2016 resulted in a loss of EUR 19 120 thousand. Net earned premiums amounted to EUR 31 422 thousand. Incurred claims amounted to EUR 878 216 thousand. These include the impact from the accumulated balances from the transferred portfolio. The technical result was mainly driven by high administrative expenses of EUR 17 190 thousand.

System of governance

- The governance and organisational structure of the Company is set out in the Company's Terms of Reference and charters. These define the responsibilities and authority of the Board and its Committees.
- The Company adopted all written policies required under Solvency II.
- The Company carries out an annual evaluation of its system of governance against relevant best practice standards. During the reviews performed in 2016, 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 Company's underwriting risk is dominated by life risk and has significantly increased over the reporting period with the acquisition of the ALHM portfolio. The dominating factor remains lapse risk according to the calculation of the mass lapse capital requirement. The Company's underwriting risk is largely mitigated by a reinsurance programme.
- The Company's financial market risk exposure is low due to the nature of the Company's invested assets.
- The Company's credit risk exposure is limited due to solid credit ratings of its reinsurance counterparties.
- The Company's liquidity requirements increased over the year, mainly driven by growth in business and the build of the operating model. However, given the high liquidity of the Company's invested assets, the risk to its solvency due to not being able to fund claims payments and other expenditures is very remote.
- The exposure to operational risk has increased over the reporting period, mainly driven by business growth. Operational risks can be quantified by means of the Solvency II standard formula. In addition, operational risks are assessed and monitored qualitatively based on the Company's integrated assurance framework.
- The Company is in its third year of operations and is still developing, therefore the Company's risk profile is expected to continue to change. Risk concentration is assessed on an ongoing basis and risk mitigation depends on the type of risks the Company assumes.

Valuation for solvency purposes

Life technical provisions

The total life net technical provision of EUR 1 182 945 thousand under Solvency II valuation basis is compared to a statutory amount of EUR 965 201 thousand. The major differences between the two accounting standards are as follows:

- The ALHM portfolio includes savings reserves that are calculated retrospectively on a statutory basis without consideration of biometric assumptions, while the economic calculation is done prospectively using biometric assumptions. This difference in methodology triggers a difference in reserves of more than EUR 200 million.
- Statutory reserving includes prudence margins whereas Solvency II technical provisions consist of the best estimate and the risk margin.

Other assets and liabilities

Following the acquisition of the ALHM portfolio, the Company is using a mark-to-model approach to value the assets backing the saving reserves of that portfolio. Expected cashflows are projected and discounted using the guaranteed interest rate and the best estimate lapse and mortality rates as per the technical provisions.

Capital management

- Own funds amounted to EUR 37 217 thousand as at 31 December 2016.
- The Solvency Capital Requirement (SCR) was EUR 18 205 thousand as at 31 December 2016. The Minimum Capital Requirement (MCR) was EUR 8 192 thousand.
- The solvency ratio expressed as eligible own funds as a percentage of the SCR as at 31 December 2016 was equal to 204%. The solvency ratio expressed as eligible own funds as a percentage of the MCR as at 31 December 2016 was equal to 454%.

Section A: Business and performance

A1: Business

Full name and legal form
iptiQ Life S.A. (the "Company") is a life insurance company incorporated in the Grand Duchy of Luxembourg, with registered office at 2A, rue Albert Borschette, L-1246 Luxembourg, as a limited liability company under Luxembourg law (société anonyme) registered with the Luxembourg Trade and Companies Register under number B184281 on 27 January 2014. The Company's legal entity identifier (LEI) is 2221004JZS1OVTAB1650.

Supervisory authority
The Company is authorised by the Luxembourg Finance Minister to conduct classes I, III and IV life insurance business and operates through four branches in the European Union. After the reporting period, the Company has also been granted an authorisation to conduct class 1 and class 2 non-life insurance business.

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7 Boulevard Joseph II
L - 1840 Luxembourg
Grand-Duché de Luxembourg
Telephone: +352 22 69 11 1
Fax: +352 22 69 10
www.commassu.lu

Ultimate parent company and group superviser
The ultimate parent company is Swiss Re Ltd, which is incorporated in 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
27 Laupenstrasse
CH – 3003 Bern
Switzerland
Telephone: +41 31 327 91 00
Fax: +41 31 327 91 01
www.finma.ch

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

PricewaterhouseCoopers Société coopérative
2 rue Gerhard Mercator
L-2182 Luxembourg
Grand-Duché de Luxembourg
Telephone: +352 49 48 48 1
Fax: +352 49 48 48 29 00
www.pwc.lu

Holding company
As at 31 December 2016, the Company's immediate parent company was Swiss Re Europe Holdings S.A. The direct and indirect shareholding structure of the Company changed on 26 January 2017. On this date, iptiQ Holdings Ltd became the sole direct shareholder of the Company. The new shareholding structure of the Company is shown in the paragraph "Simplified group structure" on page 6.

iptiQ Holdings Ltd is a private limited liability company under the laws of England and Wales, with registered office at Windsor House, Telford Centre, Telford, Shropshire, TF3 4NB, registered with the Registrar of Companies for England and Wales under number 9051056.

Material related undertakings
As at 31 December 2016, the Company does not have any investments in related undertakings.

Simplified group structure
The Company's shareholding structure has changed as from 26 January 2017 and is currently as follows:

Swiss Re Ltd	100%
Swiss Re Life Capital Ltd	100%
iptiQ Holdings Ltd	100%
iptiQ Life S.A.	

Please refer to the paragraph "Holding company" on page 5 for the details of the changes in shareholding structure.

Material lines of business and geographical split
Material countries by gross written premium

The Company operates through four branches in the European Union. The material geographic zone for the reporting period ended 31 December 2016 was the Netherlands.

Material lines of business
During the period ended 31 December 2016 the Company has predominantly written Life insurance business.

Significant business or other events
During 2016, the Company has written business in Germany, Ireland, the Netherlands and the United Kingdom. There was significant business activity in the Netherlands branch with the onboarding of a new distribution partner, TAF Verzekeringen B.V., and the acquisition of a portfolio of policies from a Swiss Re Group company, ALHM, with economic effect from 1 January 2016. The ALHM business consists of approximately 25 000 endwoment policies written in the Netherlands. The portfolio is closed to new business, and is in run-off.

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 finacial statements, for the reporting period ended 31 December 2016, was as follows:

	Underwriting performance
EUR thousand	2016
Other life insurance	-19 206
Health insurance	85
Total	**-19 120**

The underwriting performance by material countries for the reporting period ended 31 December 2016, was as follows:

EUR thousand	2016
The Netherlands	-968
United Kingdom	-13 264
Ireland	-3 195
Germany	-1 693
Total	**-19 120**

The underwriting performance for 2016 resulted in a loss of EUR 19 120 thousand. Net earned premiums amounted to EUR 31 423 thousand. Incurred claims amounted to EUR 878 216 thousand. These include the impact from the accumulated balances from the transferred portfolio. The technical result was mainly driven by administrative expenses of EUR 17 190 thousand.

A3: Investment performance

Investment results

Investment income and expenses by investments assets category, for the reporting period ended 31 December 2016, were as follows:

EUR thousand	2016
Income from other investments	50 222
Gains on realisation of investments	1
Total investment income	**50 223**
Investment management charges, including interest	-1 247
Losses on realisation of investments	-4
Total investments charges	**-1 251**

For the year ended 31 December 2016, investment result is a net gain amounting to EUR 48 972 thousand. This result stems mainly from the income from mortgage loans and other loans (EUR 49 013 thousand) and losses from negative yield on government bonds.

Gains and losses recognised directly in equity

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

Investments in securitisation

The Company does not have any investments in securitisation positions.

A4: Performance of other activities

Material leasing arrangements

The Company does not have any material financial or operating leasing arrangements.

Other material income and expenses incurred during 2016

No other material income and expenses were incurred during the period ended 31 December 2016.

A5: Any other information

Other material information

There is no other material information to report for the period ended 31 December 2016.

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 Terms of Reference and charters. These define the responsibilities and authority of the Board and its Committees.

Board

The Board's duty is to manage the Company in a way to achieve the Company's purpose and in 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 2016, the Board had nine members, of whom three are non-executive members and six are Swiss Re Group employees. The Board appoints the Chairman of the Board.

Delegation and retained responsibilities of the Board

The Board has delegated certain responsibilities and authorities to:
- the Solvency II Committee of the Company;
- the Transactions Committee of the Company;
- the General Manager of the Company;
- the General Manager Committee of the Company;
- the Branch Managers of the Company; and
- the Key Function Holders of the Company.

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

Delegations:

Solvency II Committee

The purpose of the Solvency II Committee is to assist the Board and the General Manager of the Company in fulfilling oligations under Solvency II. The Solvency II Committee is in particular authorised to take Solvency II related decisions on operational matters and to submit proposals and recommendations on Solvency II strategic matters to the Board.

Transactions Committee

The purpose of the Transactions Committee is to approve transactions, as well as outsourcing arrangements associated with transactions, falling within certain thresholds, as determined by its charter and the Company's Terms of Reference.

General Manager

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

General Manager Committee

The purpose of the General Manager Committee is to assist the General Manager of the Company is managing and supervising operational activities of the Company and its Branches to the extent that such operational activities relate to the Company. The General Manager Committee ensures, in particular, that any material matters relating to the legal entity are effectively communicated to the central administration and the branches. The General Manager Committee assists the outsourcing manager(s) in management and oversight of the outsourced Critical or Important functions of the Company and ensures that any material matters relating to the Company are effectively communicated to the outsourcing manager(s).

Branch Managers

For each branch, the Board has appointed 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 conducting business in the name of the Company in the jurisdiction of the branch. Each Branch Manager is a member of the General Manager Committee.

Key functions
The Board is responsible for adopting appropriate measures to implement Group guidelines or policies relating to the functions defined as key or critical under the Solvency II framework, i.e. Risk Management, Compliance, Internal Audit and Actuarial (referred to as "key functions"). The role of the key functions are as follows:

Risk Management
Please refer to the paragraph "Implementation and integration of the Risk Management function" on page 12 for details of the Risk Management function.

Compliance
Please refer to the paragraph "Implementation of the Compliance function" on page 14 for details of the Compliance function.

Internal Audit
Please refer to the paragraph "Internal Audit function implementation" on page 14 for details of the Internal Audit function. There was a change to the person carrying out the internal audit function for the Company in 2016.

Actuarial
Please refer to the paragraph "Implementation of the Actuarial function" on page 14 for details of the Actuarial function.

Key Function Holders
The Board nominates individuals as designated representatives of the respective key functions of the Company 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 the Board. Each Key Function Holder is a member of General Manager Committee.

Reporting and access to information
The Board has 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 any issues that could have an impact on the Company.

Material changes in the system of governance
There were no material changes in 2016. The Board of Directors established a Transactions Committee and the remit of the General Management Committee was expanded to include all Key Function Holders and Outsourcing Managers. Please refer to the paragraph 'Organisation structure and system of governance' on page 8.

Remuneration policy and practices
The Company adopted the Swiss Re Group Compensation Policy which captures Swiss Re's compensation framework and governance. Furthermore the policy governs the compensation processes and provides key guidelines for the execution of individual compensation actions. The aim is to reward sustained performance as well as providing for closer alignment of the interests of shareholders and employees.

Swiss Re's compensation framework comprises core components such as base salary, pensions and benefits and short-term and long-term incentives. These incentive programmes reflect the long-term nature of the business: both the Value Alignment Incentive (VAI) as the deferred part of the Annual Performance Incentive (API) and the Leadership Performance Plan (LPP) aim to reward sustained performance rather than short-term results.

Overview of the compensation components

Fixed compensation

Base salary

The base salary is the fixed compensation that is 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; and
- skills and expertise of the individual in the role.

Variable compensation

Annual Performance Incentive

The API is a discretionary, variable component of compensation. Combined with the base salary, it provides competitive total cash compensation when both business and individual performance targets are achieved. When the variable annual compensation level for an employee exceeds a pre-defined amount, the variable pay is delivered in two components: an immediate cash incentive payments (cash API) and a deferred API (VAI).

Value Alignement Incentive

The VAI is a mandatory deferral of a portion of the API and introduces a time component to this discretionary, variable compensation. This supports the Group's business model by aligning a portion of variable compensation with sustained long-term results.

Leadership Performance Plan

The purpose of the LPP is to provide an incentive for Swiss Re's senior management to create successful and sustainable company performance over the long-term. For 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 requirement. For all other participants, the vesting and performance measurement period is three years with no additional holding requirement.

Participation plans

Incentive Share Plan

The Incentive Share Plan (ISP) provides employees with an opportunity to purchase with some or all of their immediate cash API Swiss Re Ltd shares. Shares are offered with a 10% discount on the Fair Market Value and are subject to a one-year blocking period. Full shareholder rights apply during this blocking period. The ISP encourages alignment with shareholder interests. At the end of one-year period, the employee assumes full ownership of the shares.

Global Share Participation Plan

The Global Share Participation Plan (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 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 boards at the subsidiaries of Swiss Re Limited.

Performance criteria

Annual Performance Incentive

A Target API (TAPI) is set for each eligible employee based on multiple factors, but primarily on the role being performed and market benchmarks. The actual API payout is based on Swiss Re's financial results and other qualitative criteria as well as the achievement of individual objectives and the demonstration of desired behaviours.

Value Alignment Incentive (Deferred Annual Performance Incentive)

The payout factor of the VAI is calculated based on the three-year average EVM previous years' business profit margin for all prior underwriting years. EVM is Swiss Re's proprietary integrated economic valuation and accounting framework for planning, pricing, reserving and steering the business.

Leadership Performance Plan

At grant date, the LPP award is split equally into two underlying components:

Restricted Share Units

The performance condition for Restricted Share Units (RSUs) is return on equity (RoE) with a linear vesting line. Vesting is at 0% for a RoE at the risk free rate and at 100% for a RoE at a pre-defined premium above the risk free rate. The premium is set at the beginning of the plan period and for the Leadership Performance Plan 2016 this premium was set at 900 basis points above the risk free rate (annual risk free rate is defined as the average of 12 monthly rates for 5-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 from 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 Performance Share Units (PSUs) is relative total shareholder return (TSR) measured over three years. Swiss Re's TSR performance is assessed relative to the TSR of the pre-defined peer group. The pre-defined peer group consists of companies that are similar in scale, have a global footprint or have a similar business mix as 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 2016, there were no material transactions with shareholders, with persons who exercise a significant influence on the Company, or with members of the Board of Directors.

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 individuals in scope is reviewed at various stages, as shown in 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 up-front (e.g. CV, passport, criminal records check, etc.) and uses the Swiss Re Group approval process and fitness and propriety assessment.
Induction	Newly appointed Board members and branch managers receive an induction package covering a range of Group/Company topics.
Training	Training sessions are offered during the year.
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 etc.) 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 the 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.

* Maximum vesting percentage excludes share price fluctuation until vesting.

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 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 enable controlled risk-taking and the efficient, risk-adjusted allocation of capital. Risk Management is based on four guiding principles:

- controlled risk-taking;
- open risk culture;
- clear accountability; and
- independent risk controlling.

Swiss Re fosters and maintains a strong and sustainable risk culture across the Group to promote risk awareness and support appropriate attitudes and behaviours towards risk taking and risk management. A key element of risk culture is risk transparency. 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 Board. These reports cover all aspects of the Company's risk landscape, including quantitative views of risk, solvency and liquidity, key risk issues with mitigating actions and recommendations. Dialogue between the Company's key functions using these reports and other identification processes support the Company in monitoring and managing the risks to which it is exposed.

For its risk identification process, the Company applies 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.

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 governance bodies for the Company are described in Section "B1: General information on the system of governance" on page 8. The Company's Risk Management is supported by Global Risk Management units that provide specialised risk category expertise and accumulation control, risk modelling and reporting services, regulatory relations management and central risk governance framework development, as well as by the Business Unit Risk Management function, which provides specialised risk category expertise and accumulation control.

Internal model

The Company does not currently use an internal risk model for Solvency II purposes. Rather, the Company uses the standard formula.

Process for accepting change to the internal model

The Company does not currently use an internal model.

Material changes to the internal model governance

The Company does not currently use an internal model.

Validation tools and processes

The Company does not currently use an internal model.

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 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 of the Company.

ORSA (Own Risk and Solvency Assessment) Process

The ORSA is an ongoing process, with critical risk control and reporting activities being carried out on a regular basis as outlined in Section B3. Within the annual business planning exercise it is used to assess the risks inherent in the plan and resilience of the Company solvency and balance sheet over a 3 year horizon. Anticipated significant changes in risk profiles are included in assessing the future solvency position. Scenarios are used to provide insights into the strength of the balance sheet and assess future potential solvency positions. Where exceptionally adverse scenarios are identified, mitigating actions and control measures are proposed which would require the Board's approval prior to actions being taken.

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

Review of ORSA

The ultimate responsibility for the ORSA rests with the Board, who review and approve the results of the ORSA process at least annually.

Solvency assessment

Based on the planned risk profile, the standard formula 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 for more information). The Company's risk-based capital position is monitored on a regular 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 pre-defined control ranges. Additionally, within the ORSA process, the plan is stressed by scenarios and mitigating actions considered to ensure that the capital requirements can still be met under those scenarios.

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.

The framework comprises three lines of defence:

First line of defence

The first line of defence refers to those who carry out risk management at or close to the source of the risk and comprises the risk owners and risk takers in the Company.

Second line of defence

The second line of defence refers to a layer of independent risk controlling and oversight. This is principally provided by Risk Management, although oversight and control tasks are also performed in Compliance, Group Underwriting, Business Unit Underwriting Centres, Finance, Legal and Operations.

Third line of defence

The third line of defence comprises the independent review of processes and procedures by Group Internal Audit.

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; and
- 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 Assurance function is responsible for:
- providing primary assurance oversight and assisting management in the design of remedial actions and oversees their implementation;
- overseeing compliance-related policies, guidelines and the Code of Conduct, and ensuring that these are regularly reviewed and up to date; and
- 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.

B5: Internal Audit function

Internal Audit function implementation
Group Internal Audit ("GIA") assists the Board to protect 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 Board, 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 Board.

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 GIA's organisation and processes, manuals and guidelines.

B6: Actuarial function

Implementation of the Actuarial function
The Actuarial function is a key function under the Solvency II framework. It includes the following areas:
- coordination and review of technical provisions;
- opinion on the underwriting policy and reinsurance policy; and
- contribution to risk management system.

B7: Outsourcing

Outsourcing policy
The Company has adopted Swiss Re's comprehensive global outsourcing policy and has further specified the oversight framework which is approved by the Board in a separate addendum to Swiss Re's outsourcing policy.

The policy covers two types of outsourcing arrangements:
- external outsourcing, where the mandate is given to an external service provider; and
- intra-group outsourcing between Swiss Re entities.

The Company's outsourcing policy describes the approval process for critical or important outsourcing arrangements based on a pre-defined due diligence selection process and requires a set of standard terms to be included in the outsourcing agreement. Requirements for post-approval control and monitoring, documentation and reporting are described.

The Board approves the appointment of Outsourcing Managers for critical or important functions as well as the outsourcing of critical or important outsourcing arrangements. Additionally, the Transactions Committee can approve outsourcing arrangements associated with transactions, falling within certain thresholds, as determined by its charter.

The critical or important services related to Risk Management, Actuarial function, Compliance and Internal Audit are provided to the Company by other entities in the Swiss Re Group (all located in Europe) 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 2016, the Board concluded that the system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

Other material information

There is no other material information to report for 2016.

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 activities and are quantified with the Solvency II standard formula (please refer to Section B3: Risk management system including the own risk and solvency assessment on page 12). In addition to these modelled risks, the Company is exposed to further risks that arise from undertaking business, including strategic, regulatory, political, reputational and liquidity risk. The following sections (C1 to C5) provide quantitative and qualitative information on these specific risk categories.

<table>
<tr><th colspan="2">Modelled risks</th><th colspan="2">Other risks</th></tr>
<tr><td rowspan="2">Underwriting risk</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</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 the Solvency II standard formula to assess all modelled risk categories. Separate risk modules are used to model the individual risk categories. Risks not covered by the SCR (strategic risks, regulatory risks, political risks, reputational risks, liquidity risks and others) are considered and assessed on a qualitative basis with various monitoring and reviews in place. These qualitative assessments are conducted on a regular basis.

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 one in two hundred years.

Quantification of modelled risks by risk category

The table below quantifies the Company's modelled risks as at 31 December 2016. For each risk category the risk is measured by the value at risk at 99.5%. Due to diversification, the total risk of the Company is lower than the sum of the individual categories.

EUR thousand	2016
Underwriting risk	
■ Life risk	12 857
■ Health risk	55
Financial market risk	1 770
Counterparty default risk	1 747
Diversification	-2 425
Operational risk	4 201
Total risk after intra-group transactions (net)	**18 205**

Risk concentration

The most significant risk concentration for the Company derives from intra-group reinsurance with other entities of the Group. These entities are well capitalised under Solvency II or the Swiss Solvency Test (SST) framework, which is broadly similar to Solvency II. The SST capital requirements for these entities are determined by means of Swiss Re's internal risk model.

The underwriting risk of the Company is dominated by lapse risk, which are by nature risk accumulations but deliberately taken as part of the Company's business plan.

C1: Underwriting risk

Risk exposure
Underwriting risk comprises exposures taken on by the Company when it writes life and health insurance business.

Life risk
Life risk arises from the business the Company takes on when providing mortality (death) and morbidity (disability and health) coverage, as well as from expenses and lapses that differ from the expected values. In addition to potential shock events, the Company monitors and manages underlying risks inherent in life contracts that arise when mortality or lapse experience deviate from expectations. The investment risk that is part of some life business is calculated, monitored and managed as financial market risk.

Life risk of the Company is driven by mass lapse risk and expense risk.

Risk mitigation
The Company's underwriting risk is largely mitigated by the reinsurance programme.

Sensitivity analysis and stress testing
The following underwriting risk scenario has been explored as part of the 2016 ORSA:

Not meeting the business growth plan
The scenario considers the potential impact of a change in the primary Life and Health market conditions compared to the business plan. The Company continues to meet all Solvency II requirements under this scenario.

Special purpose vehicles
The Company does not use any 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 interest rates and foreign exchange rates. The Company is exposed to such financial market risk from three main sources: through its investment activities, through the sensitivity of the economic value of liabilities to financial market fluctuations and expenses denominated in other currencies than Euro.

Due to the nature of the Company's assets, the financial market risk exposure is fairly low and dominated by foreign exchange rate risk.

List of assets
The Company invests in government bonds, cash, and cash equivalents. These assets have been invested in accordance with the prudent person principle as outlined in point "The prudent person principle " on page 12.

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

Sensitivity analysis and stress testing
Given that the Company is in its third year of operations and considering the size of the risk exposure, no Company specific stress testing was performed during 2016.

C3: Credit risk

Risk exposure
Credit risk primarily reflects the risk of incurring a financial loss from the default of counterparties or of third parties. In addition, it takes account of the increase in risk represented by any deterioration in credit ratings. This risk arises directly from investment activities as well as from counterparty risk related to external credit risk and to intra-group counterparties which is reflected in default-related effects. The Company's credit risk exposure is limited due to solid credit ratings of its reinsurance counterparties.

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
The Company's exposure to liquidity risk stems from the fact that the Company is in its third year of operations where there is the potential risk that the fixed costs cannot be covered through the premium income.

However, given the high liquidity of the Company's invested assets, the risk to its solvency due to not being able to fund claims payments and other expenditures is very remote.

Risk mitigation
The Company controls liquidity risk to ensure that it can satisfy claims payments and expenses. To manage liquidity risk, the Company has a framework in place including regular reporting of key liquidity ratios to the Board.

Sensitivity analysis and stress testing
Given that the Company is in its third years of operations, no specific scenario is considered for liquidity risk.

Amount of expected profit in future premiums
The amount by Solvency II lines of business of expected profit in future premiums as at 31 December 2016 is nil.

C5: Operational risk

Risk exposure
Operational risk represents the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses.

The Company's business model relies on cooperation with distribution partners and third party administrators. Life insurance products are offered to consumers through distribution partners, with nearly all employees and services outsourced and provided to the Company by other companies within the Swiss Re Group or by third party administrators.

- The Company operates in the consumer and retail insurance domain. Hence, compliance risk exposure - particularly in the areas of conduct, data protection and outsourcing – is prevalent.
- Given the start-up nature of the Company, the operational capabilities to enable the target operations model are still in the process of being established. Where target capabilities are not yet available, tactical or manual solutions have been put in place and contribute to the operational risk exposure.
- The Company's business model with the high reliance on external third party providers increased operational risk exposure particularly related to outsourcing risk.

Hence, compliance, operational and outsourcing risks are the dominating risk in the Company's risk landscape.

Operational risks can be quantified by means of the Solvency II standard formula. In addition, operational risks are assessed and monitored qualitatively based on the Company's integrated assurance framework.

Risk mitigation
The Company's coordinated assurance framework outlined in Section B4 is used to manage and mitigate operational risk. With the establishment of the conduct risk guidelines, which contribute to the Company's risk framework, the Company ensures that

all customers are treated fairly. Outsourcing risk associated with the use of third party providers is mitigated through a specifically developed third party administrator oversight framework.

Sensitivity analysis and stress testing
The Company relies on a regular exercise undertaken by the Company's Risk Management to re-evaluate its exposure to operational risk. The following risk scenario has been explored as part of the 2016 ORSA:

Permament failure of the distribution and administration platform
The scenario considers the potential impact of an extreme operational event. The Company continues to meet all Solvency II requirements under this scenario.

C6: Other material risks

No other material risks have been identified. However, a process is in place to track the development of emerging risks.

C7: Other 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 2016 based on QRT Balance Sheet S.02.01.02 were as follows:

EUR thousand	Solvency II	Company statutory	Difference
Loans and mortgages	1 115 355	897 173	218 182
Total of all other assets not listed above	156 226	163 345	-7 119
Total assets	**1 271 582**	**1 060 519**	**211 063**

The following valuation method was used to value material assets for Solvency II purposes:

Material assets	Alternative valuation
Loans and mortgages	X

Loans and mortgages

Solvency II:

As of 31 December 2016, following the acquisition of the ALHM portfolio, the Company is using a mark-to-model approach to value the assets backing the saving reserves of that portfolio. So expected cashflows are projected and discounted using the guaranteed interest rate and the best estimate lapse and mortality rates as per the technical provisions.

Company statutory:

For the statutory accounts, a retrospective approach is used for valuing the mortgage loan assets, consisting of the accumulation of cashflows from inception of the policy up to the valuation closing date.

The difference between Solvency II and Company statutory figures is due to the different valuation methods as described above.

Other assets not listed above

Other assets consist mainly of investments, deferred tax assets and reinsurance recoverables. The difference in valuation is due to the adjustment to market value, deferred tax assets not considered under Company statutory and different assumptions and methodologies for reinsurance recoverables. Please also refer to the paragraph “Other material liabilities” on page 24 for the details of other liabilities.

Assumptions and judgements applied for valuation of material assets

As at 31 December 2016, the Company investments include mortgage loans that are valued using the mark-to-model approach based on valuation of liabilities.

Other assets mainly include government bonds which are valued at market value, determined by reference to observable market prices. Since Solvency II follows the market valuation approach, the securities are not carried at more than recoverable amounts.

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

Following the acquisition of the mortgage endowment portfolio, loans and mortgages are new assets in 2016 and therefore no changes to the recognition and valuation basis have been made.

Drivers of difference between Solvency II and Company statutory accounts

The difference between Solvency II balance sheet and the Company statutory balance sheet are explained by the different valuation methodologies used as described in the paragraph “Methods applied for valuation of material assets” above.

Property (held for own use)

The Company does not hold any property for own use as at 31 December 2016.

Inventories

The Company does not hold any inventories as at 31 December 2016.

Intangible assets

The Company does not show any intangible assets on the Solvency II balance sheet as at 31 December 2016.

Financial assets

Methods and assumptions applied in determining the economic value

As at 31 December 2016, the Company's investments include mortgage loans that are valued using the mark-to-model approach based on the valuation of liabilities.

Quoted prices in active markets for identical assets are used to determine the economic value for the government bonds. 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 prices are not available, a market price from an alternative source is selected. These are pre-agreed vendors, brokers, dealers or calculated prices depending on the type of financial assets.

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

The valuation policy has been approved by the Board during 2015 and no changes have been made so far.

Lease assets

As at 31 December 2016, the Company does not have any financial or operating leasing arrangements.

Deferred tax assets

Recognition of deferred tax assets

Deferred income tax assets of EUR 55 396 thousand 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 zero because of tax loss carry forward restrictions.

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.

Projected future taxable profits

It is assumed that deferred tax assets to be recovered after more than 12 months are EUR 55 396 thousand.
It is assumed that 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

Under general circumstances, actual tax losses suffered by the Company in either the current or preceding periods, in the tax jurisdiction to 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.

Due to materiality, actual tax losses have not been taken into consideration.

Tax rate changes during the period
The tax rate changed in the UK to 19% from 1 April 2017, which is already applicaple for the deferred tax calculation. Furthermore, the tax rate for Luxembourg was adjusted to 26.01% for the deferred tax calculation.

Valuation of related undertakings
As at 31 December 2016, the Company has no investments in related undertakings.

D2: Technical provisions
Life business

Material technical provisions by Solvency II classes of business
The following table shows the value of life technical provisions, based on QRT S.12.01, by material class of business as at 31 December 2016:

EUR thousand	Gross best estimate	Net best estimate	Risk margin	Total net technical provision
Life	1 162 403	1 177 634	5 851	1 183 485
Health	-199	-661	120	-540
Total	**1 162 203**	**1 176 973**	**5 971**	**1 182 945**

Overview of methodology and assumptions
Best estimate
Cash flow projections have been carried out on each separate risk covered, which entails calculating the present value of projected premiums, claims, commission, management expenses and any surrender values and maturities over the lifetime of each policy using best estimate assumptions. The cash flows are discounted using the official EIOPA risk discount rates without an allowance for matching premium or counter-cyclical premium, as this is not required for the business.

Provisions for options and guarantees
Currently not applicable to the Company.

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 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 standard formula technical specification.

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. The allocation is implemented by breaking up the future SCR to life and modelled 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, make the incidence of claims more or less likely and therefore future cash flows may be higher or lower.

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 2016 were as follows:

EUR thousand	Solvency II	Company statutory	Difference
Life	1 183 485	965 000	218 485
Health	-540	201	-741
Total	**1 182 945**	**965 201**	**217 744**

The actuarial methods and assumptions used for the valuation of the technical provisions for Solvency II purposes are not identical to those used for the preparation of the Company's statutory accounts. The major differences between the two accounting standards are as follows:

- The ALHM portfolio acquired by the Company in 2016 includes savings reserves that are calculated retrospectively on a statutory basis without consideration of biometric assumptions, while the economic calculation is done prospectively using biometric assumptions. This difference in methodology triggers a difference in reserves of more than EUR 200 million.
- Statutory reserving includes prudence margins whereas Solvency II technical provisions consist of the best estimate and the risk margin.

Recoverables due from reinsurance contracts

Net technical provisions take account of the reinsurance recoverables based on the underlying contracts. The reinsurance ceded is 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 2016, the Company's business increased due to United Kingdom and Netherlands operational growth and acquisition of an endowment mortgage portfolio in the Netherlands.

Matching premiums

Not applicable to the Company.

Transitional provisions

Not applicable to the Company.

Volatility adjustment

Not applicable to the Company.

Transitional deduction

Not applicable to the Company.

Non-life business

The Company does not write non-life business.

D3: Other liabilities

Other material liabilities

Other material liabilities by Solvency II valuation basis, as at 31 December 2016 based on QRT Balance Sheet S.02.01.02 were as follows:

EUR thousand	Solvency II	Company statutory	Difference
Deferred tax liabilities	57 308	-	57 308
Total of all other liabilities not listed above	8 882	15 208	–6 327
Total other liabilities	**66 190**	**15 208**	**50 981**

Deferred tax liabilities

Solvency II & Company statutory:

Deferred tax liabilities are not recognised under Company statutory. Please refer to the paragraph "Deferred tax liabilities" below for an explanation on deferred tax liabilities.

Total of other liabilities not listed above

The difference in valuation of other liabilities not listed above is mainly due to the deferred acquisition costs not recognized under Solvency II valuation.

Other classes of liabilities

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

Financial liabilities

The Company had no financial liabilities as at 31 December 2016.

Lease liabilities

The Company had no financial or operating lease liabilities as at 31 December 2016.

Deferred tax liabilities

Deferred income tax liabilities of EUR 57 308 thousand 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 57 308 thousand.
Deferred tax liabilities to be settled within 12 months are zero.

Tax rate changes during the period

Please refer to the paragraph "Tax rate changes during the period" on page 22.

Contingent liabilities

The Company does not carry contingent liabilities on its Solvency II balance sheet as at 31 December 2016.

Employee benefits

Nature of the obligation

The Company has a number of employee benefit programmes in place for which it has the obligation to set aside reserves to meet the future obligations. As at 31 December 2016, the following programmes were in place:

Employee benefits	Short-term obligations	Long-term obligations
Annual Performance Incentive	X	
Global Share Participation Plan		X
Vacation accrual	X	
Incentive Share Plan	X	
Leadership Performance Plan		X
Value Alignment Incentive		X

Please refer to the paragraph "Remuneration policy and practices " on page 9 for details of the programmes.

Plan assets
Not applicable to the Company.

Deferred recognition of actuarial gains and losses
Not applicable to the Company.

Methodologies and inputs used to determine the economic value
Employment benefits are determined according to business principles and are based on estimated needs.

Changes during the reporting period
No changes have been made to the recognition and valuation bases used or on estimations during 2016.

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

D4: Alternative methods of valuation

Please refer to the paragraph "Methods applied for valuation of material assets" on page 20 for the valuation of loans and mortgages.

The receivables (trade, not insurance) are valued using statutory valuation, due to the assumption of a short-term nature of the receivables.

D5: Any other information

All material information regarding the valuation of assets and liabilities for Solvency II purposes have 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 2016 was equal to 204%.

The solvency ratio expressed as eligible own funds as a percentage of the MCR as at 31 December 2016 was equal to 454%.

Own funds – objectives, policies and processes

The Company 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.

The Company monitors the capitalisation level on a regular basis taking into account relevant developments in the risk landscape and in its business portfolio.

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 QRT Own Funds S.23.01.01, as at 31 December 2016 was as follows:

EUR thousand	2016
Ordinary share capital (gross of own shares)	6 000
Share premium account related to ordinary share capital	67 000
Reconciliation reserve	-35 783
Total basic own funds after adjustments	**37 217**

Eligible amount of own funds to cover the Solvency Capital Requirement

The eligible amount of own funds to cover the SCR for 2016 is EUR 37 217 thousand, all of which is classified as tier I.

Restrictions to available own funds

There are no restrictions to available own funds as at 31 December 2016.

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

The eligible amount of basic own funds to cover the MCR for 2016 is EUR 37 217 thousand, all of which is 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 2016 were as follows:

EUR thousand	Equity reconciliation
Equity per Company statutory accounts (excluding retained earnings)	73 000
Reconciliation reserve	-35 783
Equity per Solvency II	**37 217**

Reconciliation reserve

Solvency II: The reconciliation reserve represents the movement in the valuation of assets, technical provisions or other liabilities in the adoption of the Solvency II valuation as well as retained earnings including existing period results.

Company statutory: Equivalent to the retained earnings account, which represents the existing period results.

Basic own funds subjected 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
No items have been deducted from own funds of the Company.

Subordinated capital instrument in issue at period end
There are no subordinated capital instruments in the Company.

Capital instruments issued as debts
Not applicable to the Company.

Value of subordinated debt
There are no subordinated capital instruments in the Company.

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 Own Funds S.23.01.01 as at 31 December 2016 was as follows:

EUR thousand	2016
Excess of assets over liabilities	37 217
Equity per the Company statutory accounts (excluding retained earnings)	-73 000
Reconciliation reserve	**-35 783**

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.

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 2016, the Company's SCR was EUR 18 205 thousand and the MCR was EUR 8 192 thousand.

Solvency Capital Requirement split by risk category
The Company uses the standard formula to measure its capital requirement using 99.5% value at risk as described in Section C. The table below quantifies the Company's modelled risks categories as at 31 December 2016.

EUR thousand	2016
Life underwriting risk	12 857
Health risk	55
Financial market risk	1 770
Counterparty default risk	1 747
	16 429
Diversification	–2 425
Basic SCR	**14 004**
Operational risk	4 201
Shock Solvency II Capital Requirement	**18 205**
Deferred tax impact	–
SCR	**18 205**

Simplification calculation
No simplifications apply in the calculation of the SCR.

Standard formula parameters
No undertaking-specific parameters are applied.

Non-disclosure of capital add-on during transitional period ending no later than 31 October 2017
This is not applicable to the Company.

Standard formula capital add on applied to Solvency Capital Requirement
This is not applicable to the Company.

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

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

E3: Duration-based equity risk

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

E4: Differences between the standard formula and the internal model

The structure of the internal model
The Company does not use an internal model.

Risk categories concerned and not concerned by internal model
The Company does not use an internal model.

Aggregation methodologies and diversification effects
The Company does not use an internal model.

Risk not covered in the standard formula but covered by the internal model
The Company does not use an internal model.

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

Any non-compliance with the Company Solvency Capital Requirement and Minimum Capital Requirement
The Company complied with its SCR and MCR during 2016.

E6: Any other information

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

Glossary

Acquisition costs	That portion of an insurance premium which represents the cost of obtaining the insurance business: it includes the intermediaries' commission, the company's sales expense and other related expenses.
Board	The Board of Directors of the Company.
CAA	Commissariat aux Assurances, Luxembourg.
Claim	Demand by an insured for indemnity under an insurance contract.
Company	iptiQ Life S.A.
Cover	Insurance and reinsurance protection of one or more specific risk exposures based on a contractual agreement.
Economic net worth	Market-consistent value of assets less the market-consistent value of liabilities.
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.
Intra-group reinsurance	Reinsurance between subsidiaries of the same parent company or between a subsidiary and its parent; Intra-group re aims to optimize 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 reinsurance or non-proportional reinsurance agreement.
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.
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.
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 license of the insurer will be withdrawn or the insurer will be closed to new business and its in-force business will be liquidated.
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.
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.
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.
QRT	Quantitative Reporting Template.
Reinsurance	Insurance which 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.
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.
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.

Securitisation	Financial transactions in which future cash flows from assets (or insurable risks) are pooled, converted into tradable 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 standard formula. The Solvency Capital Requirement is based on a value at risk measure calibrated to a 99.5% confidence level over a 1-year time horizon.
Swiss Re or Swiss Re Group or 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 Group.
Swiss Solvency Test	Switzerland 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.
Target capital	Defined by the Capitalisation Policy.
Technical result	Underwriting defined as nominal premiums less nominal commissions and claims.
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).
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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Appendix
SFCR Public Disclosure Templates

Report:	S.02.01.02
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

Balance sheet

Assets		**Solvency II value** **C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	55'396
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	96'629
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	75'903
Government Bonds	**R0140**	75'903
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	20'726
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	1'115'355
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	607'003
Other loans and mortgages	**R0260**	508'352
Reinsurance recoverables from:	**R0270**	-14'770
Non-life and health similar to non-life	**R0280**	
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-14'770
Health similar to life	**R0320**	461
Life excluding health and index-linked and unit-linked	**R0330**	-15'231
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	1'200
Reinsurance receivables	**R0370**	701
Receivables (trade, not insurance)	**R0380**	11'918
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**	5'152
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	1'271'582

Report:	S.02.01.02
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

Liabilities		**Solvency II value**
		C0010
Technical provisions – non-life	**R0510**	
Technical provisions – non-life (excluding health)	**R0520**	
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	1'168'175
Technical provisions - health (similar to life)	**R0610**	-79
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	-199
Risk margin	**R0640**	120
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	1'168'254
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	1'162'403
Risk margin	**R0680**	5'851
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	125
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	57'308
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	726
Reinsurance payables	**R0830**	2'280
Payables (trade, not insurance)	**R0840**	5'751
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**	-
Total liabilities	**R0900**	1'234'365
Excess of assets over liabilities	**R1000**	37'217

Report:	S.05.01.02.life
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

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**	316			38'971					39'287
Reinsurers' share	**R1420**	177			7'687					7'864
Net	**R1500**	138			31'284					31'422
Premiums earned										
Gross	**R1510**	316			38'971					39'287
Reinsurers' share	**R1520**	177			7'687					7'864
Net	**R1600**	138			31'284					31'423
Claims incurred										
Gross	**R1610**	-43			-885'676					-885'719
Reinsurers' share	**R1620**	6			-7'509					-7'503
Net	**R1700**	-49			-878'167					-878'216
Changes in other technical provisions										
Gross	**R1710**	515			991'042					991'557
Reinsurers' share	**R1720**	522			30'198					30'719
Net	**R1800**	-7			960'845					960'838
Expenses incurred	**R1900**	107			17'422					17'529
Other expenses	**R2500**									1
Total expenses	**R2600**									17'530

Report:	S.05.02.01.life
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

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			(NL) Netherlands	(GB) United Kingdom	(IE) Ireland	(DE) Germany	
		C0220	C0280	C0230	C0230	C0230	C0230	C0230
Premiums written								
Gross	R1410		39'287	34'831	3'419	674	363	
Reinsurers' share	R1420		7'864	3'854	3'077	606	326	
Net	R1500		31'422	30'977	342	67	36	
Premiums earned								
Gross	R1510		39'287	34'831	3'419	674	363	
Reinsurers' share	R1520		7'864	3'854	3'077	606	326	
Net	R1600		31'423	30'977	342	67	36	
Claims incurred								
Gross	R1610		-885'719	-886'051	271	61		
Reinsurers' share	R1620		-7'503	-7'799	244	53		
Net	R1700		-878'216	-878'252	27	9		
Changes in other technical provisions								
Gross	R1710		991'557	965'754	13'816	8'041	3'947	
Reinsurers' share	R1720		30'719	7'496	12'434	7'237	3'552	
Net	R1800		960'838	958'257	1'382	804	395	
Expenses incurred	R1900		17'529	1'409	12'303	2'471	1'346	
Other expenses	R2500		2					
Total expenses	R2600		17'531					

Report:	S.12.01.02
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	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)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		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**						1'162'403				1'162'403		-199				-199
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**						-15'231				-15'231		461				461
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**						1'177'634				1'177'634		-661				-661
Risk margin	**R0100**					5'851					5'851	120					120
Amount of the transitional on Technical Provisions																	
Technical provisions calculated as a whole	**R0110**																
Best Estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**					1'168'254					1'168'254	-79					-79

Report:	S.23.01.01
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

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**	6 001	6 001			
Share premium account related to ordinary share capital	**R0030**	67 000	67 000			
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**	-35 783	-35 783			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	37 217	37 217			
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**	37 217	37 217			
Total available own funds to meet the MCR	**R0510**	37 217	37 217			
Total eligible own funds to meet the SCR	**R0540**	37 217	37 217			
Total eligible own funds to meet the MCR	**R0550**	37 217	37 217			
SCR	**R0580**	18 205				
MCR	**R0600**	8 192				
Ratio of Eligible own funds to SCR	**R0620**	204%				
Ratio of Eligible own funds to MCR	**R0640**	454%				

Report:	S.23.01.01
Reporting entity:	iptiQ Life SA
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Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	37 217
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	73 000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	-35 783
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

Report:	S.25.01.21
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0100**
Market risk	**R0010**	1'770		
Counterparty default risk	**R0020**	1'747		
Life underwriting risk	**R0030**	12'857		
Health underwriting risk	**R0040**	55		
Non-life underwriting risk	**R0050**	0		
Diversification	**R0060**	-2'425		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	14'004		

Report:	S.25.01.21
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	4'201
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement, excluding capital add-on	**R0200**	18'205
Capital add-ons already set	**R0210**	0
Solvency Capital Requirement	**R0220**	18'205
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

Report:	S.28.01.01
Reporting entity:	iptiQ Life SA
Due date:	31.12.2016
Reporting currency:	Eur thousand

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**	0

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

Report:	S.28.01.01
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Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	25'673

		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		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	1'176'973	
Total capital at risk for all life (re)insurance obligations	R0250		1'366'092

Report:	S.28.01.01
Reporting entity:	iptiQ Life SA
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Overall MCR calculation		**C0070**
Linear MCR	**R0300**	25'673
SCR	**R0310**	18'205
MCR cap	**R0320**	8'192
MCR floor	**R0330**	4'551
Combined MCR	**R0340**	8'192
Absolute floor of the MCR	**R0350**	3'700
Minimum Capital Requirement	**R0400**	8'192