12/04/2019

SEB LIFE INTERNATIONAL ASSURANCE COMPANY DESIGNATED ACTIVITY COMPANY, 635400ATDJAWUVSBWM50

Solvency and Financial Condition Report

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Summary

Following the introduction of the Solvency II EU regulatory regime on 1st January 2016, companies are required to provide a Solvency and Financial Condition Report (SFCR) providing detailed information in a publicly available document covering governance, business performance, solvency and capital management. This document is published on the Company's website.

SEB Life International DAC ('SEBLI') is a life insurance company, regulated and licensed in Ireland. The Company is wholly owned by SEB Life and Pension Holding AB ("SEB L&P") which is a part of the SEB Group; a leading financial services group in the Nordic region.

Business and Performance
The Company offers predominantly single premium unit linked life insurance products whereby customers have the flexibility to manage their own individualised unit linked fund in conjunction with their chosen investment advisor or asset manager. The Company operates cross border into EU markets under the third life directive's freedom to provide services regime

All products are offered subject to the local regulatory and tax requirements and in local language. The key markets for the Company are Sweden and Finland. The Company also has some other life insurance business which is in run-off/closed for new business which comprises a regular premium pension product in Finland and legacy UK branch business which has since been repatriated to Ireland.

The Company has an established branch in Luxembourg which provides similar products but under Luxembourg law. The Company recently closed its UK branch and repatriated its book to head office in Ireland in response to Brexit.

During 2018 the Company increased its focus on distribution through SEB in Sweden and also through SEB Luxembourg which services SEB clients outside of Sweden. The Company continues to operate with a number of tied agents in the Finnish market and also distributes through SEB Bank.

As a result of the Company's strategy to focus on SEB's main markets in the Nordic region the Company announced in October 2018 that it would cease writing new policies through independent distribution channels in non-Nordic markets. The Company will continue to operate as before in Sweden and Finland and will continue to accept Nordic clients (mainly SEB Bank customers) who may be resident across various EU markets. The company will continue to fully service the existing policyholders in the closed markets.

The company achieved new premiums of €832m in 2018; an increase from €746m in 2017. Total assets under management of the company as at 31 December 2018 were down to €6.5 billion from €7.0 billion at the end of 2017. The reduction from 2017 is primarily a result of weak investment markets in Q4 of 2018 despite an overall positive net inflow (difference between premiums and surrenders) during the year.

System of Governance

The Company's Board of Directors (the "Board") is responsible for the oversight of the business and the Company's adherence to applicable rules and regulations. The Board sets its risk appetite based on its business strategy and plan. The Board comprises of five members:

Name	Status on Board	Membership and status on Sub-Committees
Peter Nilsson	Chairman	Risk
Peder Nateus	Managing Director	Investment*
David Teare	Non-Executive Director	Audit, Risk
Lars-Åke Vikberg[1]	Independent Non-Executive Director	Audit, Risk*, Investment
Roger Laker	Independent Non-Executive Director	Audit, Risk, Investment

*Chairman

The managing director of the Company is responsible for its day-to-day operations and manages the company in line with the Company's business plan and other decisions approved by the Board. The Company is organised into departments which reflect their main functions and each department has a manager.

Three committees report to the Board, namely the Audit, Risk and Investment Committee. Each Committee operates under defined terms of reference which are approved by the Board. In addition the Company has the following key control functions: Compliance, Actuarial, Risk, and Internal Audit. The Board satisfies itself that all key control functions are independent of business units, and have adequate resources and authority to operate effectively.

The roles and responsibilities of each control function are described in instructions for that function and approved by the Board. These instructions are also reviewed every year by the Board. To ensure the effectiveness of the organisation's risk management framework, the board and senior management rely on adequate line functions within the organisation. The Company endorses the 'Three Lines of Defence' model:

1. The first line of defence – functions that own and manage risk
2. The second line of defence – functions that oversee or specialise in risk management, compliance
3. The third line of defence – functions that provide independent assurance, above all internal audit.

The Compliance function is managed by a Head of Compliance, who is also the Company's Money Laundering Reporting Officer, the Company's Data Protection Officer (DPO) and the Company Chief Risk Officer (CRO). The Compliance function supports and advises the Company's business and monitors its compliance with applicable laws, regulations, internal rules and good practices and standards.

The Company has an independent Risk function, which is headed by the Chief Risk Officer (CRO) who is also the Company's Head of Compliance. The Internal Audit function is outsourced to Skandinaviska Enskilda Banken AB (publ). The primary purpose of Internal Audit's auditing of the Company's internal controls is to assess the quality of control effectiveness, including efficient use of resources; the reliability and completeness of information and compliance with internal and external rules. The Internal Audit function is positioned independently from the operating business and decides independently which parts of the Company's operations to audit, within the framework of the audit plan approved by the Board.

The Company has an Actuarial function that coordinates and is responsible for the quality of the actuarial calculations and investigations, assists the Board and the managing director on matters relating to actuarial methods and calculations, and to policyholder reasonable expectations and contributes to the Company's risk management system.

[1] Lars-Åke Vikberg resigned from Board 31st August 2018

Key Risks

Counterparty default risk
The Company's exposure to counterparty risk exists where funds are held in selected banks. To limit this risk, counterparties are undergo a due diligence review prior to being selected. The due diligence review takes into account the credit rating, competence, experience, solvency and level of service of the counterparty, in accordance with adopted guidelines.

Market Risk
The company writes mainly unit-linked investment business and as a result, although it has exposure to market related risks, these are largely matched to policy liabilities and are not material risks for the company.

Liquidity risk
Liquidity risk is handled through the ongoing monitoring of future payments, and through limits for maintaining adequate liquidity in the investments set in the investment guidelines. The Company is subject to minimal liquidity risk since it maintains a high level of liquid assets to meet its liabilities.

Mortality Risk
The company writes some small amounts of death benefits on its policies over and above the surrender value and is therefore exposed to mortality risks. The company uses reinsurance to mitigate this risk and overall the company's exposure to mortality and/or health risks is small.

Underwriting risk
Underwriting risk as it relates to biometric risk is not integral to the Company. It exists in small amounts in relation to certain products and/or benefits as opposed to relating to the core products. The Company will only assume underwriting risks where there is sufficient data to enable a reasonable level of predictability. Where this is not the case, these risks will be reinsured or not taken on.

Product charges are set to ensure a sufficient charge to cover any biometric risks and to ensure the company can recoup expenses over the life of the contract. Product margins are monitored on an ongoing basis to ensure this remains the case.

Operational (including Legal, Compliance and Cyber) risk
The company is exposed to the risk of policy processing, investment trading, asset pricing and general administration errors which creates a risk of financial loss or reputational damage to the company.

The company operates on a cross border basis in a number of jurisdictions which leads to increased legal, regulatory and tax requirements for the company.

The basis for the Company's operational risk management is a well-defined and effective risk management framework and internal control system.

Conduct risk
The Company is exposed to conduct risk through indirect market, liquidity and counterparty risks which arise from the open architecture nature of the Company's portfolio bond products, where Policyholder selected /advised assets may experience adverse market conditions, or restricted liquidity or through inadequacies in product design; pre- and post-sales distribution and service processes; poor governance and controls; as well as culture and behaviour of individuals at any level.

Conduct risk is continuously monitored and managed through the Company's system of internal control and risk management frameworks; specifically through regulatory management, governance risk management, key risk indicator reviews and product oversight and governance controls.

Appropriate operational controls and key risk indicators are in place to manage and monitor conduct risk.

Governance risk
The Company manages its Governance risks through annual work plans, and the adoption of instructions by the board and the continuous follow up and monitoring of risks according to the procedures set out in these instructions. There is a specific

System of Governance instruction which includes the requirement for control functions and risk management and internal control systems.

Brexit
The UK is not a core market for the company although it does have some freedom of services sales in the UK that would be impacted by Brexit. The company has repatriated the UK branch to its head office in Ireland in response of the UK leaving the European Union.

Solvency Position
The amount of the Company's Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) at the end of the reporting period are €103.5m and €44.2m respectively.

The Company has adequate available assets to meet the capital requirements calculated for the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR).

The below table outlines the structure of the available assets as at 31/12/2018

MEUR	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary Share Capital	2	-	-	-
Share premiums account related to ordinary share capital	3	-	-	-
Reconciliation Reserve	147	-	-	-
Total	152	-	-	-
Total Basic Own Funds	152	-	-	-

The eligible amount of own funds to cover the SCR is wholly classified as Tier 1. The eligible amount of own funds to cover the MCR is wholly classified as Tier 1. The company's solvency ratio (calculated as Owns Funds before proposed dividend/ SCR) as at the end of 2018 is 147%.

The Company uses EIOPA's Solvency II Standard Formula. It does not use Company specific parameters and does not use simplified calculations in its computation. The company has not availed of transitional measures in calculating its capital requirements.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

A Business and Performance

A.1 Business

SEB Life International Assurance Company Designated Activity Company, trading as SEB Life International (The Company/SEBLI) engages in the cross border distribution of insurance based investment products. The Company is a Designated Activity Company, which is a private company limited by shares.

The Company's registered office is;
Bloodstone Building,
Riverside IV,
Sir John Rogerson's Quay,
Dublin 2

The Company is regulated by the Central Bank of Ireland ("CBI"), who is responsible for the supervision of the Company.

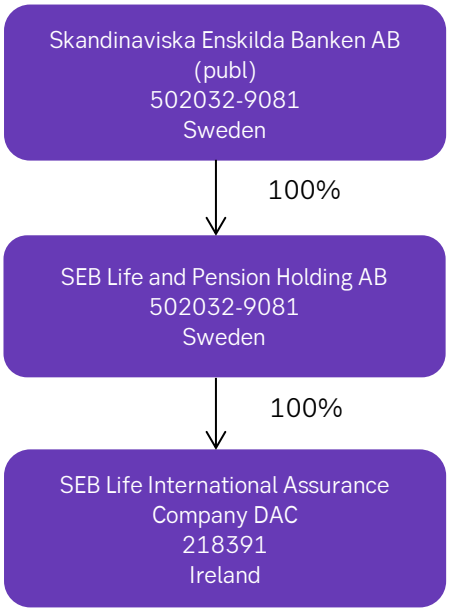
The CBI's address is:
Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1

The Company is audited by PricewaterhouseCoopers (PwC).

PwC's address is:
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

The Company is wholly owned by SEB Life and Pension Holding AB, which is located in Sweden.
The Insurance Group's Supervisory Authority is Finansinspektionen, Box 7821, 103 97 Stockholm, e-mail: finansinspektionen@fi.se. Telephone +46 (0)8 408 980 00

The ownership structure of the Company is illustrated below:



Business Overview

The principal activities of the Company are the marketing and administration of single premium unit-linked life assurance and investment business in the international market. The Company operates cross border from Ireland and has a in Luxembourg. The Company operates under freedom to provide services in a number of European markets, the major markets being Sweden, Finland and Italy.

During 2018 the Company continued to focus on existing markets and products, but shifted business development efforts to Nordic clients and markets only and to that end it announced in October 2018 that it was ceasing to write new business with non-Nordic clients and distributors in markets where it had previously been active (Italy, Spain, France and UK mainly). Assets under management fell to over €6.5bn predominantly due to weak investment markets although the company did achieve a positive net flow (premiums less claims) of €99m for the year. The company continued to focus on the high net worth client segment via private banking distribution in line with its strategy.

A.2 Underwriting Performance

The Company sells single premium unit linked life assurance products. The benefits are linked to the performance of the unit-linked investment funds. The main product offering is a portfolio bond, which allows the policyholders to link to an individualised fund which they manage together with their asset manager or investment advisor.

The Company transacts it business across Europe, with a specific emphasis of Nordic clients and markets. Its main markets are therefore Sweden and Finland.

Underwriting performance	2018	2017
	€ 000's	**€ 000's**
Investment return	(387,544)	473,464
Fees from investment contracts and fund management	61,201	56,878
Total operating income / (expense)	**(326,343)**	**530,342**
Change in investment contract liabilities	382,975	(464,651)
Acquisition Costs	(21,984)	(26,357)
Administrative expenses	(17,941)	(16,157)
Total operating (expenses) / income	**343,050**	**(507,165)**
Profit before taxation	**16,707**	**23,177**
Taxation	551	(5,219)
Profit for the year	**17,258**	**17,958**

A.3 Investment Performance

The assets of the unit-linked funds managed by the Company are selected by policyholders or their chosen asset manager or investment advisor. The Company does not offer investment guarantees on its products, the performance of the investments are directly passed on to the unit linked funds and borne by the policyholder. The Company maintains a close match between the unit-linked liabilities and the assets backing the unit linked policies. The following table summarises the assets of the Company:

The following table summarises the assets of the Company:

Assets (000's)	**2018**	**2,017**
	€'000	€'000
Debt securities	552,717	658,295
Equity shares and units in unit trusts	5,350,846	5,836,565
Derivative assets	131	1
Deposits	603,689	507,341
Derivative liabilities	(189)	(94)
Asset backing liabilities	**6,507,194**	6,756,752

The performance of the above assets is set out in the table below; the drop in the markets in the final quarter of 2018 had a significant impact on the return:

Investment return from financial assets at fair value through profit or loss	**2018**	**2017**
Equity shares	**€'000**	€'000
Dividends and interest	37,442	36,715
Exchange gains and losses	(1,085)	(1,436)
Fair value gains and losses	(339,745)	343,864
	(303,388)	379,144
Debt securities		
Dividends and interest	6,582	6,610
Exchange gains and losses	(274)	(369)
Fair value gains and losses	(85,404)	88,079
	(79,095)	94,320
Total		
Dividends and interest	44,025	43,325
Exchange gains and losses	(1,359)	(1,805)
Fair value gains and losses	(425,149)	431,944
	(382,484)	473,464

A.4 Performance of other activities

The Company performance is based on its sole activity as a provider of unit-linked insurance products and the income related to the management and administration of those policies.

The only material lease arrangement that company has entered into is an operating lease on its office. The lease runs until 2021.

The Company paid an interim dividend in May 2018 of €15m.

The Company continues to look at broadening its product offering and the markets it operates in order to grow the business.

A.5 Any other information

There is no other material information to report.

B System of Governance

The 'System of Governance' section of the report sets out information regarding the system of governance in place within SEB Group. Details of the structure of the undertaking's administrative, management or supervisory body (AMSB, defined by the Group as the SEB Life International DAC Board and Board Committees) are provided, in addition to the roles, responsibilities and governance of SEB's key control functions (defined as the Risk, Compliance, Internal Audit and Actuarial functions). Other components of the Group's system of governance are also outlined, including, but not limited to, the risk management system and internal control system implemented by the Group.

B.1 General information on the system of governance

The Central Bank of Ireland classifies the Company as a Medium High Risk firm under PRISM or Probability Risk and Impact SysteM, which is its risk-based framework for the supervision of regulated firms.

Under the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015, the Company's Board of Directors (the "Board") is responsible for the oversight of the business and the Company's adherence to applicable rules and regulations and that it has an effective system of governance that provides for a sound and prudent management of the business. The Board sets its risk appetite based on its business strategy and plan. The Board's responsibility includes taking account of other stakeholders including employees and customers. This includes ensuring an appropriate system of risk governance is in place throughout the Group. To discharge this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' model and reserves for itself the setting of the Group's risk appetite. In-depth monitoring of the establishment and operation of prudent and effective controls in order to assess and manage risks associated with the Group's operations is delegated to Risk, Governance and Audit Committees.

The Board comprises a minimum of five members, as permitted under the Corporate Governance Requirements for Insurance Undertakings 2015. The names and Roles of the Board and Committee Members are as follows:

Name	Status on Board	Membership and status on Sub-Committees
Peter Nilsson *	Chairman	Risk
Peder Nateus	Managing Director	Investment*
David Teare	Non-Executive Director	Audit, Risk
Lars-Åke Vikberg[2]	Independent Non-Executive Director	Audit, Risk*, Investment
Roger Laker	Independent Non-Executive Director	Audit, Risk, Investment

*Chairman

The Company Secretary is Caoimhe Mullins.

The board has annual work plans which outline the activities to be considered and accounted for at each board meeting; and has met on 4 occasions during the financial year to 31 December 2018.

The Company's organisational and operational structure is designed to be transparent, with a clear allocation and segregation of duties. The managing director of the Company is responsible for its day to day operations in compliance with Irish, EU and other applicable regulations, and according to the Company's business plan and other decisions approved by the Board. The Company is organised into departments which reflect their main functions and each department has a manager.

Three committees report to the Board, namely the Audit, Risk and Investment Committee. Each Committee operates under defined terms of reference which are approved by the Board. The Audit Committee met on four occasions during the financial year. The Risk Committee met on four occasions with the Investment Committee meeting on four occasions. The Audit and Risk

[2] Lars-Åke Vikberg resigned from Board 31st August 2018

Committees are each chaired by an Independent Non-Executive Director with the Investment Committee being chaired by the managing director.

The **Audit Committee** assists the Board in fulfilling its corporate governance responsibilities in relation to the following:

- Monitoring the integrity of the financial statements of the Company, including its annual reports and management accounts;
- Assessing external auditor independence and the effectiveness of the audit process;
- Monitoring the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system,
- Reviewing the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- Reviewing the effectiveness of the Company's internal financial controls, internal controls and IT systems, including the Company's procedures for detecting fraud, and preventing bribery.

The **Risk committee** assists the Board to strengthen risk awareness culture within the Company, and to fulfil its corporate governance responsibilities in relation to the following:

- Advising the Board on the Company's appetite and tolerance for the risks it is willing to accept to achieve the Company's overall financial objectives, taking shareholder and policyholders' perspectives into consideration
- Monitoring the Company's risk profile and liaising regularly with the Chief Risk Officer to ensure the effective operation of risk management within the Company, including assessing exposure to emerging risks,
- Timely review of any material deviations of risk limits and the adequacy of proposed action.
- Approving the remit of the risk management function including its independence and access to information

The **Investment Committee** is responsible for the on-going review of the investment policy for the shareholder and the unit-linked policyholder funds. The Investment Committee duties include:

- Ensuring that investments are in compliance with asset admissibility requirements and regulations, including the holding of any derivative instruments,

- Overseeing the operational management of internal funds,

- Agreeing due diligence criteria for the acceptance of external funds as investments; as well as third party fund managers, deposit takers and custodians,

- Reviewing operational policies and procedures from time to time to ensure that they comply with the overall strategic investment policy and applicable regulations;

The Company has the following **key control functions**: Compliance, Actuarial, Risk, and Internal Audit.

In line with the Corporate Governance Requirements for Insurance Undertakings 2015 and the requirements under Solvency II, the Board satisfies itself that all key control functions are independent of business units, and have adequate resources and authority to operate effectively.

The roles and responsibilities of each control function are described in instructions for that function and approved by the Board. These instructions are also reviewed every year by the Board.

The **Compliance function** is managed by a Head of Compliance, who is also the Company's Money Laundering Reporting Officer, Data Protection Officer and the Company Chief Risk Officer (CRO). The Compliance function supports and advises the Company's business and monitors its compliance with applicable laws, regulations, internal rules and good practices and standards.

The Compliance function's risk management responsibilities cover primarily the following areas:

- Regulatory systems and controls

- Consumer protection
- Market conduct
- Prevention of money laundering and terrorism financing

The Head of Compliance reports to the Board, and regularly attends board meetings when compliance matters are addressed and is a member of the senior management team. Other employees within the Compliance team carry support activities for the Head of Compliance.

The Compliance function coordinates its annual risk assessment with the Internal Audit and the Risk management function, to efficiently allocate control function resources and activities to key risk areas of the Company, and to avoid duplication. The board oversees the risk based compliance plan.

The Company has an independent Risk function, which is headed by the Chief Risk Officer (CRO) who is also the Company's Head of Compliance and the role reports to the Board. The roles and responsibilities of the Risk function are laid down in an instruction adopted by the Board, and include:

- Assisting the Risk Committee, the Board and the Managing Director in the effective operation of the Company's risk management system;
- Monitoring the risk management system and the Company's risk profile;
- Timely reporting on the Company's material risks, including emerging risks, which enables the Risk Committee and the Board to understand the overall risk profile of the Company,
- Co-ordinating the Company's Own Risk and Solvency Assessment process and in so doing cooperate closely with the Actuarial function.

The Risk function is independent from the Company's risk taking activities to ensure that risks are monitored by a function that is separated from the units that expose the Company to risk. The CRO has direct access to the Chairman of the Board and reports regularly to the Risk Committee who oversee the outcome of the annual plan approved by the Board.

The **Internal Audit function** is outsourced to Skandinaviska Enskilda Banken AB (publ) and reports to the Audit Committee of the Board. The roles and responsibilities of the Internal Audit function are laid down in an instruction adopted by the Board and include responsibility for:

- Evaluating the Company's risk management, internal control procedures and other aspects of governance requirements,
- Assisting the Board with ad hoc investigations that needs specific internal audit knowledge.

Internal Audit's areas of responsibility also include outsourced parts of the Company's operations. The primary purpose of Internal Audit's auditing of the Company's internal controls is to assess the quality of control effectiveness, including efficient use of resources; the reliability and completeness of information and compliance with internal and external rules.

The Internal Audit function is positioned independently from the operating business and decides independently which parts of the Company's operations to audit, within the framework of the audit plan approved by the Board.

The Board assesses Internal Audit's work once a year; and an independent party assesses the quality of Internal Audit's work once every five years on the basis of international internal auditing standards.

The Company has an **Actuarial function** that coordinates and is responsible for the quality of the actuarial calculations and investigations, assists the Board and the managing director on matters relating to actuarial methods and calculations, and to policyholder reasonable expectations and contributes to the Company's risk management system. These responsibilities are described in a Board approved instruction. The Actuarial function reports to the **Head of Actuarial Function** who reports to the Board.

The Head of Actuarial Function must satisfy all applicable professional requirements as prescribed by law or regulation.

B.1.1 Material Changes in the System of Governance

World Class Service

The Company continuously strives to provide the highest standard of quality services to its customers. In order to achieve this the Company created one, dedicated, European operations team with a focus on the smaller markets. This team runs alongside the Swedish and Finnish operation teams that are servicing our biggest markets. The Company offers a benefits package to help attract and retain the best employees. External benchmarking and salary surveys are used to ensure the Company remains competitive and relevant within the local market.

The Company has a strong performance culture in place to promote performance and achieve long-term success. This is in line with the Companies core values which are:

- Customers First
- Commitment
- Collaboration
- Simplicity

The Company has an annual performance review framework in place for all employees, in line with Group guidelines, to ensure employees are motivated, focused and to allow them to reach their full potential with clear and achievable goals. Education support and a training program provide employees with the opportunity to stay up to date with relevant training.

The Company is an equal opportunities employer which promotes fairness, diversity and equality without discrimination in the workplace.

Governance

The Company has enhanced its governance structure by strengthening the 'three lines of defence' model. This resulted in transferring Compliance- and Risk specialists to the first line of defence to enhance ownership and oversight of business risks and controls, and business compliance, particularly operational risk and consumer protection risks in tied agent distribution. This is in addition to the established Regulatory Operations team which is responsible for supporting regulatory obligations such as Anti-Money Laundering (AML), the General Data Protection Regulation (GDPR), Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standard (CRS).

The Regulatory Operations function provides support and advice within the Company and in particular to the Operations Department and exercises robust controls to ensure the accuracy of related reporting obligations.

Sustainability

The company has initiated a number of round table discussions among employees to facilitate discussion around sustainability, training and communication and has encouraged and supported the resulting social responsibility projects. The company is seeking to work with institutions that have signed up to the Principles of Responsible Investments (PRI) and has implemented a process of asking counterparties if they have signed up to the initiative.

Behaviour and ethics

Focus is increasing on culture risk throughout the industry and indeed by regulators across Europe. The Company has made increasing efforts to embed a culture throughout the firm that sees the customer as the most important aspect of what we do. The SEB Group vision is 'To deliver work-class service to our customers'. One of the four SEB values is 'customer first', and the SEB Code of Ethics is mandatory e-learning and included in induction training. Any employee who observes contraventions of relevant external or internal rules related to the Company's business is encouraged to report his or her observations to designated company officers and can also report anonymously via the Company's secure external whistle-blowing digital service WhistleB.

The Company operates an All Employee Programme (AEP), subject to the performance of annual financial targets and customer satisfaction for the Group, a fixed amount may be paid to all Group employees. 50% of this will be paid upfront and the remaining 50% will be deferred for three years and linked to the SEB share price.

Where certain employees receive variable remuneration, for example sales employees, any payment of the variable remuneration must be aligned with the risk horizon and portions of the variable remuneration may be deferred for at least three years and subjected to risk adjusters.

The Company pays contributions based on a percentage of salary into an occupational pension scheme on behalf of its employees (defined contribution plan). Employees contribute 5% of their salary and additional voluntary contributions to suit their circumstances.

All pension plans within SEB Life International are in line with SEB's Pension Policy and Instruction of the SEB Group.

B.1.2 Material Transaction with interested parties
Other than payment for services for those outsourced functions set out in 'B.7' of this report, the dividend paid to the shareholder annually, and contracted employee salaries and benefits mentioned above, there were no material transactions with the Shareholder, with persons who exercise a significant influence on the undertaking and with members of the administrative, management or supervisory body.

B.2 Fit and proper requirements

The persons who 'effectively run' the Company are the members of the Board and the Managing Director. The names of the Board members and the Managing Director can be found in section B1.1.

The Company has adopted an Instruction regarding fit and proper requirements, according to which the Board members, key function holders and other employees are required to be competent, capable, honest, ethical, act with integrity and be financially sound.

Controlled Functions (CFs) are specified by relevant regulatory requirements; and may include Pre-Approval Controlled Functions (PCFs) who are required to be approved by the regulatory authority prior to their being appointed.

CFs and PCFs must have appropriate qualifications (including professional qualifications), knowledge and experience ("fitness") in relation to their duties in the Company to be considered competent and capable. Detailed fitness requirements for employee CFs are adopted in the form of job descriptions on a position level; and for Board members, including in relation to relevant Board sub-committee roles, are adopted in applicable terms of reference.

CFs must act with the appropriate level of probity, which requires an assessment of the person's honesty, diligence, and integrity based on personal behaviour and business conduct. Additional due diligence by the Company may include, but is not limited to, professional body checks, verifying references, obtaining confirmation of compliance with applicable minimum competency requirements, obtaining individual's self-certifications in respect of conflicts of interest and criminal convictions, Company Registration Office or equivalent restriction checks, judgment debt checks and regulatory actions.

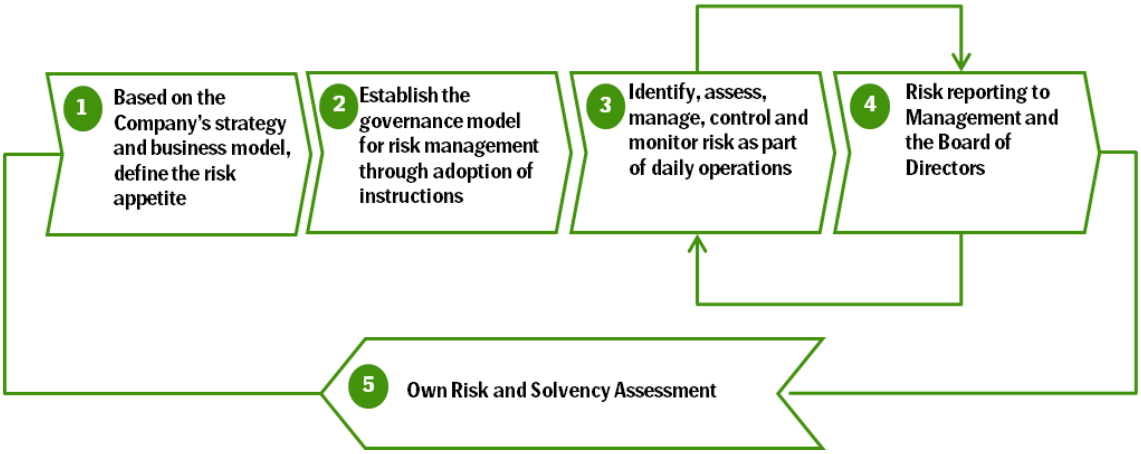
B.2.1 Fit and Proper assessment process
As part of ongoing performance monitoring, the Company requires CFs to certify their continued compliance with applicable fitness and probity standards on an annual basis.

In addition the Company will designate a person within the Company with overall responsibility for the outsourced CF who is considered to possess sufficient fitness and probity regarding the out-sourced CF to be able to challenge the performance and results of the service provider.

B.3 Risk Management System including the Own Risk and Solvency Assessment

Risk-taking and risk management are an integral part of the business. The Company's profitability is directly dependent upon its ability to identify, evaluate, monitor, manage, mitigate, control and price risks. Thus, risks are a natural and essential part of the Company's business and a critical component of its business plan, in terms of financial targets, solvency targets and risk appetite levels.

Proper handling of risks involves risk assessment, mitigation of risks and control of risks. This diagram provides an overview of the Company's risk management system, which is built around five main activities that are further described in the sections below.



The Risk Management system covers all risk categories defined in the Company's risk categorization model:

Risk Appetite

The Company's risk appetite is set by the Board through adoption of a risk appetite statement, which defines the risk types and risk levels the Company is willing to accept to achieve the overall business and financial objectives, taking into consideration both the shareholder and policyholders' perspective.

Ongoing monitoring of the risk appetite

The risk appetite statement sets qualitative risk tolerance statements for each risk category. In order to monitor the Company's business operating within its set risk spectrum, the qualitative statements are supported by quantitative indicators using a traffic light system according to the following definitions:

Green – The Company is operating safely within its defined risk appetite

Amber – The Company is operating within the higher end of its defined risk appetite, which indicates a need for increased awareness from Management.

Red – The Company is operating outside its defined risk appetite, and the Board of Directors needs to decide whether risk mitigating actions are needed or if the risk level is accepted for a specified time period.

If the Company is operating outside its defined risk appetite this is reported to the CRO, the Managing Director, and the Chairman of the Board.

The risk indicators are regularly reported to Management and the Board of Directors.

Risk reporting

At each Board meeting, a Risk report is presented and discussed at the Risk Committee, before presentation to the Board meeting. The report includes the limit measures set by the Board in the Risk Appetite statement, and various analyses of risk categories and deep-dives into specific topics including emerging risks, which are presented and discussed in each Risk Committee meeting.

In addition to the formal risk reporting which is described below, risks are regularly evaluated, discussed and managed by respective business units.

B.3.1 Implementation of Risk Management

The Board having defined the overall objectives and principles for risk management and control within the Company through a set of instructions and guidelines, and having decided upon the overall risk appetite, ensures that the risk management system includes necessary tools to regularly monitor risk levels and ensure compliance with internal instructions and external regulations.

The managing director of the Company (the "MD") has implemented appropriate organisation, procedures and support systems to ensure that a sufficient system of internal controls is established. Respective Business Unit managers are responsible for identifying, managing, monitoring and following up of risks within his or her sphere of responsibility.

The Chief Risk Officer of the Company (the "CRO") is responsible for the risk function and for maintaining and monitoring the effectiveness of the Company's risk management system, in line with the Solvency II and Corporate Governance Requirements for Insurance Undertakings. The CRO presents any essential risk information regarding the Company to the Board. As described previously there is a Risk Committee, which acts in an advisory capacity to the Board in the areas of risk management, capital management and financing issues, and is governed by terms of reference.

The Company has implemented the following key control functions: Actuarial, Compliance, Risk and Internal audit, for which responsibilities and mandates are regulated in separate instructions adopted by the Board.

B.3.2 Own Risk and Solvency Assessment (ORSA)

The purpose of the Own Risk and Solvency Assessment ("ORSA") is to analyse and evaluate the business plan and the risk strategy of the Company and to conclude whether the identified risks and financial capital available to absorb those risks, are acceptable and manageable given the capital strength of the Company, or if actions are required to balance the risks in relation to the available capital resources.

The ORSA process identifies short as well as long-term risks which the Company faces or may face in the future and analyses the current as well as the future capital needs and capital available to ensure the long-term survival of the Company.

The ORSA is an integral part of the Company's strategy and business planning, to ensure that the Board is aware of the impact that strategic decisions may have on the Company's risk profile, solvency capital requirement and available capital resources.

The ORSA process runs in parallel with the business planning process and shall be seen as an iterative process, as illustrated below, entailing three components: strategy, risk and capital.



Main activities

1. Set the business strategy and identify main risks
2. Prepare board scenario proposal document
3. Evaluate the appropriateness of the standard model
4. Prepare the financial plan based on the business plan
5. Prepare the financial plan based on the stressed scenarios
6. Perform reverse stress testing of the solvency position
7. Analyse the solvency position vs. solvency target
8. Create ORSA report

The main risks affecting the Company's goals and financial objectives embedded in the business plan are identified. This activity covers potential risks within all defined risk categories, i.e. counterparty risk, liquidity risk, underwriting risk, operational (including Conduct) risk, group risk, business risk and strategic risk and other operational risks.

Based on the risks identified during the business planning and potential down-turns in the macroeconomic environment, a set of stressed ORSA scenarios are defined. The scenarios are intended to give senior management and the Board a good sense of the potential financial impact over time of business and economic conditions more adverse than those underlying the business plan.

The Company uses the standard model to calculate the Solvency Capital Requirement ("SCR"). In order to ensure that the model properly reflects the specific risk profile of the Company, an evaluation of the appropriateness is performed annually by the Actuarial function.

A financial plan, based on the business plan, is then prepared for the Company; which covers five years and includes projections of a high level Profit & Loss statement, a high level Balance Sheet statement and the SCR. Based on the review and approval of the Board's Risk Committee, the ORSA model stress tests the plan and projects the financial results. Reverse stress testing with the most significant risk parameters is also completed to challenge the solvency levels of the Company.

The results are analysed in order to understand the Company’s ability to survive in times with more adverse conditions than those underlying the business plan. A contingency plan describing how to manage any capital shortfalls is also defined.

The final ORSA report is created and presented to the Board of Directors for review and approval. This report is used both for internal communication and reporting to the Regulator, the Central Bank of Ireland.

The Company will normally perform the ORSA annually unless there is a material change in the risk profile or capital situation, in which case an additional ORSA may be conducted.

B.4 Internal Control System

The Company's System of Internal Control support effective and efficient operations, helps ensure the reliability of internal and external reporting, and assists compliance with laws and regulations.

The System of Internal Control is based upon the framework issued by the Committee of Sponsoring Organizations (COSO), which is structured around five components; Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring (see the COSO cube below).



How this internal control framework is implemented within the Company is described below.

A description of how the Compliance function is implemented in the Company's system of internal control is described in section B.1.

Control Environment
The control environment is defined by the Company's corporate culture and values, and the overall attitude and awareness of management regarding the System of Internal Control and its importance.

The following building-blocks form the foundation of the control environment within the Company:

Ethical values and Integrity:
In order to emphasise the importance of high integrity and sound ethical values throughout the organization, the Board has adopted an Instruction regarding Ethics, which is based on the SEB Group Code of Business Conduct and its core values of:

- Customers First
- Commitment
- Collaboration
- Simplicity

Structure and assignment of responsibility:
The set of governing documents adopted by the Board and the Managing Director creates a well-defined organizational structure including clear assignment of authority and responsibility.

Performance and Accountability
To support a well-functioning System of Internal Control it is important to have employees with the necessary skills and experience to perform their responsibilities to a high standard. The Company strives to attract, develop and retain competent individuals. Examples of relevant activities to foster this are: Workforce planning, Performance Development Dialogues, Global Talent reviews and short- and long-term incentive programs; with regular evaluation of standards conduct and levels of competence.

Risk Assessment
It is important that all material risks are identified, therefore the Company performs several operational risk assessments to evaluate if the current internal control environment is effective or if there is a need for improvement:

- Internal Controls Catalogue self-assessment
- Operational Risk Self Assessments
- New Product Approval Process
- Analysis of incident data
- Compliance monitoring reviews
- Internal and External audits
- ORMIS

The risk assessments consider all three internal control objectives, i.e. Efficiency of operations; Reliability of internal and external reporting; and Compliance with laws and regulations.

Control Activities
The objective of internal control activities is to mitigate the risks identified efficiently and effectively.

Whilst instructions are adopted by the Board and the Managing Director; the internal control activities are documented in control catalogues by each Business Unit in the Company.

As described in the operational risk assessment types, the Internal Control system is regularly evaluated to determine the most suitable mix of preventive and detective controls; which include both manual and automated activities such as authorizations and approvals, verifications, reconciliations, and reviews.

Information and Communication
It is essential that members of staff are aware of and understand internal controls relevant to their activities; and so the Company and key control functions regularly communicate information, and conduct training; for example, mandatory training regarding the Company's Board and MD instructions, training of business units to assess the efficiency and effectiveness of internal control processes; Operational risk workshops.

Internal communication lines are structured to support the reporting of negative news, and permit escalation beyond reporting lines where required. Communication channels, such as whistle-blower, are in place and enable confidential communication when normal channels are inoperative or ineffective.

Management and the control functions regularly report the performance and development of the System of Internal Control to provide the Board with information to carry out its oversight responsibilities. The Board also provides feedback and direction.

Monitoring activities
To ensure that the System of Internal Control is effective over time, the Company uses different approaches including monitoring of Key Risk Indicators performed by the line organisation, quality self-assessments, as well as testing performed by the control functions and external audit, with relevant results reported to Management, the Committees and the Board.

B.4.1 Compliance Function
The Company has a separate compliance function. The roles and responsibilities of the compliance function are laid down in an instruction regarding the function adopted by the Board. The compliance function is independent from the Company's business operations, which it monitors and advises on compliance with prevailing rules and regularly reports to the Company's Board. Reports on compliance issues can also be addressed to concerned Company staff members. Violation of external or internal regulations or standards is reported to the relevant manager.

The compliance function has full access to material, staff and property relevant to the performance of compliance duties. All staff members are required to cooperate fully with the compliance function. The compliance function attends Board meetings, Management team or existing Committee meetings when compliance matters are addressed.

The compliance function coordinates its activities with the Internal Audit function and Risk Management function, to ensure a suitable distribution of activities and avoid duplicating work.

Once a year, the Compliance function prepares a written report to the Board summarising the efforts undertaken over the past year and the results of these activities. The report includes an evaluation of how well the Company fulfils its legal requirements in the area of compliance. The report is presented to the Company's Board.

B.5 Internal audit function

The Internal audit function is outsourced to Skandinaviska Enskilda Banken AB (publ), and maintains its independence by not participating in the Company's business operations and adhering to its Function's Instruction adopted by the Board and the Institute of Internal Auditors standards set out in the International Professional Practices Framework.

The Internal audit function evaluates the Company's risk management system, internal control system and other aspects of governance requirements to assess primarily, efficient and economical use of resources, reliability and completeness of information, and compliance with internal and external rules. The function's areas of responsibility also include outsourced parts of the Company's operations.

The Internal audit function decides independently which parts of the Company's operations to audit, and reports the results in writing to the Audit Committee and the Board and, if necessary, to other concerned individuals in the Company.

Once a year, the Internal Audit function prepares a written report summarising the efforts undertaken over the past year and the results of these activities. Again, the annual report is presented to the Audit Committee and the Company's Board.

B.6 Actuarial function

The Actuarial function is responsible for coordinating and assuring the quality of the Company's actuarial calculations and investigations. According to its function instruction, this includes, assessing the methodologies used for the calculation of technical provisions including the review of the appropriateness and quality of the data used; certifying that premium rates are adequate for risks undertaken and reviewing limits and other constraints for underwriting risks. The Function also assists the Board and Managing Director in issues regarding actuarial methods and calculations and contributes to the Company's risk management system.

The Actuarial Function reports regularly to the Managing Director and Board.

The Company's Actuarial function comprises the head of the Actuarial unit who is also the Actuarial Function Holder. This means that the Company has both an actuarial function and an actuarial unit. To ensure the Actuarial function's objectivity, the Function's duties will regularly undergo internal and external auditing as well as periodic peer reviews. The results are reported to the Board.

B.7 Outsourcing

Outsourcing is an arrangement where the Company appoints an external party to perform a certain jobs and certain functions that are part of the Company's insurance business. The Company has an outsourcing instruction which specifies the circumstances under which the Company may enter into such arrangements and explains the outsourcing process. Among other things, the Instruction says that the Company may not outsource critical or important operational functions if it leads to:

1. materially impairing the quality of the system of governance of the Company,
2. unduly increasing the operational risk of the Company,
3. impairing the ability of the supervisory authorities to monitor the Company, or
4. undermining continuous and satisfactory service to customers.

The outsourcing instruction sets out the following:

- Definitions (including what constitutes critical or important operational functions)
- Scope and general considerations
- Conditions for outsourcing
- The outsourcing agreement
- Due diligence, approval and follow-up processes
- Annual review of the instruction and the outsourced arrangements and reporting to the Board

The Instruction also specifies what should be regulated in the agreement entered into between the Company and the service provider. In summary, the requirements state that the roles and responsibilities of the Company and the service provider must be described, that the Company is entitled to receive information regarding performance of the services, that the service provider shall collaborate with the supervisory authority and allow the supervisory authority access to the provider's premises, that the service provider shall protect confidential information; establish, implement and maintain a disaster plan; agree to follow applicable laws, rules and instructions from the Company, and that the service provider's staff will meet the Company's fit and proper requirements.

The Company has outsourced the following critical or important operational functions or activities

Counterparty	Description of the agreement	Internal / External	Jurisdiction	Outsourcing Manager
SEB Pension och Försäkring AB	Product & process development services	Internal	Sweden	Head of Finance (PCF - 11)
	Solvency II			
	Internal Audit			
SEB AB	IT Specification			Head of IT
	IT User Services Agreement			
External Supplier	Business recovery & continuity services	External	Ireland	

B.8 Any other information

Assessment of the Governance Framework

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

C Risk Profile

C.1 Underwriting risk

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities, due to in-adequate pricing and provisioning assumptions.

Underwriting risk is not integral to the Company, and exists in small amounts in relation to certain products and benefits as opposed to relating to the Company's core products. The main types of underwriting risk for the Company are Lapse, Expense and Biometric risks.

In Q4 2016 the Company began to offer additional Life Cover as a rider benefit and has expanded it's offering in 2017. This has the potential to materially increase the volume of additional life cover which the Company is exposed to. As a result the Company has entered into a new reinsurance treaty with Hannover Re for life-cover benefits.

During the financial year there has not been a material increase in the volume of additional life cover which the company is exposed to.

Lapse and expense risks are managed through appropriate product design, frequent monitoring of expense levels and prudent premium levels. The insurance agreement's premiums are set to cover the insurance agreement's future expected claims and expenses.

Biometric risks are managed through the Reinsurance policy, reinsurance limits and other constraints. The limits must fit within the overall risk appetite of the Company and in any event exist in small amounts in the Company.

Governance model for Underwriting risk management
The following governance structure is in place to manage underwriting risk:

- The Board has established a Risk Committee to review the capital implications of product pricing principles.
- It is the Managing Director's responsibility to ensure that the Company's underwriting activities operates within the set risk appetite, and in compliance with internal instructions and external regulations.
- The Company's Actuarial department is responsible for monitoring changes to the Company's underwriting risk profile and reporting on any product developments or business changes that may materially change the risk. In addition where individual policies carry significant underwriting risks the actuarial department will advise on the appropriate price to be charged for the risk and/or whether any change to reinsurance is required or additional reserves should be held.
- The Actuarial function provides an opinion on the adequacy of the premium rates and advises the Company on the modifications necessary to protect the position of the policyholders.
- Management are responsible for maintaining an up-to-date version of reinsurer details and will notify the Board of any significant changes, especially any changes to the ratings of the various reinsurers or in relation to the reinsurance arrangements.
- Management monitor on an on-going basis the total sum at risk, total amount at risk after reinsurance and also total recoveries due from each reinsurer.

Sensitivity analysis to Underwriting risk
The insurance risks of a material nature are lapses and expenses. The Company tests the impact on the Best Estimate Liability of the stresses below for these key risks:

Risk	Stress	TP Impact (€m)
Lapse	50% increase in assumed lapse rates	34.4
Expense	10% increase & 1% increase in Expense Inflation	20.0

C.2 Market risk (RAS/ORSA)

The Company has a modest appetite for market risk which is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the market prices of assets, liabilities and financial instruments. The Company's market risk is focused on Equity risk, Interest rate risk, Spread risk, and Currency risk.

Investment of Shareholders' funds is governed mainly by solvency and liquidity considerations and the need to comply with the regulations and guidelines specified by the Central Bank of Ireland. The strategic asset allocation of shareholders' funds is regularly reviewed by management in consultation with the Actuarial Function holder. Any recommendations by management are presented to the Investment Committee of the Board.

As the Company's business is unit-linked the direct associated market risk is borne by the Policyholder. The Company however, is also exposed to this Policyholder market risk from fluctuations in the market value of policyholders' linked investments, through the effect on its earnings, and it manages this exposure primarily through product design, investment guidelines, and it strives to implement look-through of linked funds to the extent possible.

The design of the Company's portfolio bond products leads to the creation of a negative cash reserve, which creates an interest rate risk. The Company manages the impact of interest rate risk through product design and on-going monitoring. The Company has limited spread/concentration risk due to the number of territories in which the Company distributes its products and the considerable diversification of assets linked to policies and the number of counterparties the Company contracts.

The Company writes policies in multiple EU countries and in multiple currencies. As a result, the Company has some tolerance for accepting this risk. The Company rebalances its balance sheet on a monthly basis to reduce exposure to exchange rate fluctuations. The purpose of the Currency Hedging Process is to ensure that the Shareholder is not exposed to currency loss as a result of movement in foreign exchange rates.
As described above, in relation to Unit-Linked Funds and Portfolio Bonds, risk tolerance and risk-return requirements are determined by policyholders based on their choice of funds or investments.

Asset-Liability Matching
The Company aims to maintain a matched unit position in respect of all of its policyholder funds. The Company strives to hold sufficient assets of appropriate nature, term and liquidity to enable it to meet its liabilities to policyholders as they become due.

Unit-Linked Funds
The Company offers a choice of Unit-Linked funds. The management of the funds is sub-delegated to a range of external asset managers. The addition of new Fund Managers is subject to due diligence and subsequent approval by the Board following consideration of management's recommendations.

All Unit-Linked funds are subject to the investment objectives of the underlying fund and these are determined by the Fund Manager and are specified in the associated fund prospectus.

Portfolio Bonds
Portfolio Bonds are managed on a personalised basis for individual policyholders and invested according to mandates or specific instructions set by the policyholders or their advisors. The strategic asset allocation for each personalised portfolio bond is based on the risk profile and investment preferences of the policyholder as agreed with their independent adviser. The selection of individual securities is determined taking into account individual requests of policyholders and their advisers. However the assets selected must meet the requirements of the Company as documented in its investment guidelines. All assets should be capable of being administered by the Company's processes and systems, including valuation of assets, risk measurement, calculation of solvency capital requirement and internal and external reporting. The Company's board has approved criteria that apply to derivatives which may be used to contribute to a reduction of investment risks or facilitate efficient portfolio management.

Sensitivity analysis to Market risk

As all business is unit-linked the direct associated market risk is therefore borne by the policyholder (although there is a secondary impact as company income from unit charges is dependent upon the markets). Financial assets net of liabilities to support company capital resources held outside unitised funds primarily consist of a UK government bond, cash and cash equivalents, and other assets and liabilities. Cash held is valued at par and is unaffected by movement in interest rates. Other assets and liabilities are similarly unaffected by market movements. There is company cash held in non-Euro accounts which may be impacted by currency fluctuations but the company have a hedging program in place to minimise this risk.

As a result of these combined factors, the Company's financial assets net of liabilities held outside unitised funds are not materially subject to market risk. Future revenues from annual management charges may be affected by movements in interest rates, foreign currencies and equity values.

The market risks of a material nature are equity and currency. The Company tests the impact on the Technical Provisions of the stresses below for these key risks:

Risk	Stress	TP Impact (€m)
Equity	26% fall in unit values	51.0
Currency	25% increase in €	35.6

C.3 Credit risk (RAS/ORSA)

The Company has a modest risk appetite for counterparty default risk. The Company is exposed to counterparty risk where the shareholder funds are held in credit institutions. To limit this risk, counterparties are subject to a due diligence and approval process and the selection takes into account the credit rating, competence, experience, solvency and level of service of the counterparty, in accordance with adopted guidelines. Furthermore, the counterparty default risk is managed with limits for maximum credit exposure to different counterparties, determined by their credit rating.

In relation to unit linked cash and other assets held in counterparties selected by Policyholders, the risk of failure of a selected counterparty is borne by the policyholder.

Nevertheless, the counterparties selected by the Policyholder are subject to a diligence and approval process by the Company together with ongoing monitoring of their custodian authorisations and cash holdings.

C.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to realise investments and other assets in order to settle its financial obligations when they fall due, or can do so only at excessive cost. The Company is subject to minimal liquidity risk since it maintains a high level of liquid assets to meet its liabilities. The Company regularly monitors liquidity levels and asset matching particularly in conjunction with dividend payment policy to ensure sufficient liquidity is available at all times. The Company has a number of contingency options available if liquidity were to become a problem including reducing the dividend, accessing other non-cash but cash like assets and if necessary securing loan funding from its parent.

Due to the unit linked nature of the portfolio bond product, policyholders have the flexibility to select a wide range of investments, which may lead to some experiencing restricted liquidity due to market conditions. Accordingly, for complex assets the Company has investment guidelines which also aim to manage liquidity risks.

Where this risk may also impact on the collection of fees the Company has a diligent monitoring process in place, and the product design allows fee collection on policy surrender.

C.5 Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.

The Company should not expect any return as compensation for operational risk. Therefore, it should look to minimise operational risk as much as possible. However, achieving zero operational risk is not possible and the Company acknowledges that operations will result in a certain level of operational risk. The Company has, however, zero appetite for any systems failure risk which might impact upon any policyholder transactions. This risk does not change dependant on time horizons. Other Operational risk categories are Legal, Compliance and Regulatory risk. SEBLI has no tolerance for these breaches and will co-operate fully with all regulatory requirements. The Company accepts that legal and compliance risk cannot be fully eliminated.

The basis for the Company's operational risk management is a well-defined and effective internal control system. On a high level, roles and responsibilities are defined in the instructions adopted by the Board and the MD, and on lower level, internal control responsibilities are defined and documented in control catalogues per unit within the Company.

The following tools / processes are implemented to manage and mitigate operational risks:

SEB Operational Risk Self-Assessment
The Company completes an operational risk self-assessment, based on the Company's consolidated operations every second year and reviews the assessment for relevance at least every 12 months. The self-assessment and its related action plans are registered in the Operational Risk Management Information System "ORMIS".

Operational risk identification in connection with the Business Planning
As part of the Business Planning process, significant operational risks that could threaten the Company's ability to reach the goals and financial objectives embedded in the business plan are identified and analysed.

Registration and analysis of operational incidents
All operational incidents are registered in an SEB core incident system and analysed to understand the root cause, and if there is a need to strengthen the internal control structure or initiate other activities in order to mitigate the risk for recurrence.

New Product Approval Process ("NPAP")
The purpose of the NPAP is to ensure that the Company does not enter into activities containing unintended forms of risks or risks that are not immediately managed and controlled by the organisation in a professional and sustainable manner. The Company's NPA committee decides on matters that have impact solely on the Company, as opposed to also affecting other organisations within the group. The committee consists of a chairman, a vice-chairman, a secretary and committee members representing company functions such as: actuarial, legal, IT, operations, compliance, finance, risk, information security and security.

Business Continuity Planning
The Company has plans and procedures in place to provide continuity of critical processes and systems in case of large scale disturbances due to systems failures or various disasters (natural disasters, sabotage, settlement break downs etc.). The objective of the continuity plan shall be to restore business as quickly and seamlessly as possible.

These plans are registered in a web-based application used for all units within the Group. All managers have printed copies of their plan, both at home and in the office, which contains information about: employees, call lists, alternative locations, critical processes / deliverables / systems, work-around procedures and critical documentation. Plans are tested and updated at least on an annual basis.

Crisis Management

The Company's Crisis Management Team (CMT), headed by the CFO, is the ultimate decision-making group in a time of crisis. The main responsibilities of the team are to:

- Establish what has happened
- Assess the impact
- Resolve any conflict of interest
- Identify and prioritize actions required
- Retain control

Information Security management:

The purpose of the Company's security and information security activities is to protect the Company's staff, business,customers, assets and expertise and to prevent the unauthorised disclosure of information and breaches of integrity. The scope of the Company's security and information security management covers:

- Confidentiality – Information not accessible or revealed to those unauthorized
- Integrity – Information not changed unintentionally
- Accessibility – Information accessible when needed.
- Traceability – It is possible to trace who, when and what has changed the information

Compliance Risk management

The Company has a dedicated compliance function managing and monitoring compliance risks, with full support of the Group compliance function. Compliance risks are regularly analysed, monitored and reported to the MD and the Board.

Legal Risk management

The Company has a dedicated Head of Legal, as well as access to internal legal counsel within the group and thus has a dedicated resource for the management of legal risk. In addition the Company maintains a network of legal firms to which it can refer in each country of its operation.

Regulatory Change Risk management

The Company operates a rigorous regulatory change risk monitoring and management framework in order to make sure the business is aware of all the regulatory changes as they arise.

Follow-up and analysis of audit issues

There is a process for continuous follow-up and analysis of outstanding audit issues in order to mitigate the risks, which have been identified by the Company's internal and / or external auditors.

Key Risk Indicators (KRIs)

Relevant KRIs for operational risk have been defined and are included in the regular risk reporting to Management and the Board.

Governance model for Operational risk management

- The Board defines the overall objectives and principles for the Company's operations, through adoption of the instructions. In order to ensure, the Board has defined reporting responsibilities and follow-up procedures to be included in each Board meeting.
- The Board has established a risk committee to regularly review the internal control environment, material operational risks, and to prepare related items that will be presented to the Board for decision.
- It is the Managing Director's responsibility to ensure that the Company operations are well managed from an internal control perspective, i.e. with low operational risk.
- Each manager is responsible for identification and management of operational risks within his or her sphere of responsibility, which include ensuring that relevant internal controls are defined, implemented, documented and regularly evaluated to identify potential control weaknesses.
- Independent monitoring and reporting of the Company's operational risk exposure is performed by the Risk function. In addition to the KRI's described above, the Risk function monitors key risk limits relating to operational risk; for example, total operating losses as a percentage of operating expenses; ensuring operational events are disclosed in line with escalation criteria.

C.6 Other material risks

Other material risks of concern within the Company at present are:

Cyber Risk:
The Company outsources its IT services to the Group, who reports to the Company's Board on the cybersecurity methodologies in place, overseen by the Local Information Securities Officer (LISO) who is also the Head of IT.

The Company is not a retail operation, however still faces cyber threats which would not only cause financial loss to the Company but could also result in reputational damage in the market place. Accordingly, the SEB Group and the Company take cyber security seriously and many mitigating measures are in place, together with a fully documented and robustly tested Business Recovery Plan.

Cyber and information security risks are regularly considered by the Risk Committee of the Board with increased reporting on the effectiveness of controls by the Local Information Securities Officer, (also the Head of IT), and the Risk function. All of the company's IT servers and applications are maintained under an outsourcing agreement by SEB Group and are protected by a combination of firewalls and encryption software.

Brexit:
The referendum on whether the UK should leave the European Union ("Brexit") was held on 23 June 2016, and the vote concluded in favour of the leave campaign. With the Article 50 exit date on 29 March 2019, Brexit remains a topical item. The UK is not one of the core markets in which the company operates and thus the company does not expect Brexit to have a significant direct impact.

The company's (legacy) UK branch was closed and repatriated to head office in Ireland in response to Brexit.

Given the short time remaining and the lack of clarity on the final Brexit structure the company is monitoring the position closely.

C.7 Any other information

There is no other material information to report.

D Valuation for Solvency Purposes

D.1 Assets

This section defines and describes material differences between the statutory financial reporting and the Solvency II reporting. The table below shows differences between the determined valid categories on the asset side (and debt derivatives) of the balance sheet.

MEUR	Solvency II value	Solvency II valuation Basis	Statutory reporting value	Statutory reporting valuation Basis	Value difference
Deferred acquisition cost	-	Excluded	(71)	Mark to model	(71)
Bonds	13	Market value	13	Market value	-
Investment funds	5	Market value	5	Market value	-
Assets held for unit-linked funds	6,489	Market value	6,489	Market value	-
Insurance receivables	20	Market value	20	Market value	-
Cash and cash equivalents	60	Market value	60	Market value	-
Other	1	Market value	1	Market value	-
Total	**6,588**		**6,517**		**(71)**

The major difference between the reporting standards is the excluded deferred acquisition cost in the Solvency II reporting.

D.2 Technical Provisions

The Technical Provisions ("TP") comprise the Best Estimate of the Liabilities ("BEL") and the Risk Margin ("RM"). All business falls under the "Index and Unit-Linked" category in Solvency II. The table below shows the TP at 31 December 2018 and a comparison with year-end 2017:

MEUR	BEL	RM	TP
31 December 2018	6,321	57	6,378
31 December 2017	6,773	61	6,834
Change	-452	-4	-456

The TP has decreased by €456 million (6.7%). This is mainly due to a decrease in unit-linked liabilities. New business sales in excess of encashments amounted to €99m, with approximately €582m of negative asset growth during 2018. The non-unit BEL increased by €31m, mainly due to a reduction in projected future charges due to the poor asset performance.

A. Best Estimate of Liabilities

The BEL represents unit linked liability less the projected future surplus from the unit-linked policies plus some non-linked reserves.

The calculations have been performed on a best estimate basis in accordance with Articles 75 to 86 of the Solvency II Directive. The calculations do not make any allowance for transitional measures or assumed management actions. The BEL corresponds to the probability weighted average of future cash-flows, taking account of the time value of money. BEL is based on a cash flow projection on a policy-by-policy basis using actual policy data.

The contract boundary for single premium contracts is the whole life of the policy. For our regular premium pension products the future regular premiums due are considered as being within the contract boundary and included in the BEL.

B. Risk Margin

The RM is an addition to the BEL to ensure that the technical provisions as a whole are equivalent to the amount that insurance undertakings would be expected to require to take over and meet the insurance obligations. The risk margin is calculated as

the amount of capital needed to support the Solvency Capital Requirement over the lifetime of the business at a prescribed cost of capital rate of 6% per annum.

To enable the risk margin to be calculated the SCR is projected into the future. This is done by projecting the cash flows for each of the sub-risk modules underlying the SCR, allowing the SCR to be recalculated at each future time period. The EIOPA prescribed rate of 6% is then applied to these projected SCR's to produce the required cost of holding the SCR at each point in the future. The costs-of-capital are discounted back to the valuation date using the prescribed EIOPA risk-free interest rates to produce the final RM.

Assumptions

The key demographic assumptions underlying the BEL are based on company experience (i.e. lapses and expenses). Economic assumptions (including unit growth and discount rate) are pre-specified in the EIOPA Solvency II guidance. Mortality assumptions are set within the Actuarial Function, though the TP are not materially sensitive to these due to the minimal levels of additional mortality risk under SEBLI's products.

The following assumptions have been made in the calculation of best estimate:

Assumption	
Discount/Growth rate	As per EIOPA specified rates: rates vary depending on policy currency
Surrender rate	0%-3% p.a. Full, 5% Partial on Intermediary Portfolio-Bond
	2%-10% p.a. on Bank Portfolio-Bond
	10% p.a. on Unit-Linked, UK
	13% p.a. on International Investor Bond
Expense assumption	€412.50 p.a. on Portfolio-Bond
	€66 – €132 p.a. on Unit-Linked
Expense inflation	2.00 % p.a.
Mortality rate	80% AM/AF80 select

The technical provisions are a best estimate of the Company's liabilities with allowance for the cost of capital to cover those liabilities included. They are not calculated therefore with margins for prudence. In calculating the technical provisions a number of assumptions must be made about the likely future development of the portfolio with the most significant assumptions being policyholder behaviour regarding timing of surrender and the future expenses of the Company.

Another source of uncertainty in the calculation is future investment performance of the assets of the Company; however as the business is almost all unit-linked the effect of this uncertainty on the Company is small.

Comparison to valuation in financial statement

The table below shows differences between the valuation of technical provisions for solvency purposes and those used for their valuation in financial statement (statutory reporting) separately for each line of business.

MEUR	**TP Solvency II**	**TP Statutory Reporting**	**Difference**
Index/unit-linked	6,378	6,555	(177)
Total	6,378	6,555	(177)

The main difference between the TPs for solvency II and the statutory reporting is that in solvency II account is taken of the future expected cash flows arising on the in-force business which is not recognized in the statutory accounts of the Company. This results in lower TPs under solvency II as the Company is writing profitable business and therefore future cash flows are income that the Company expects to earn over the life of the portfolio.

MEUR	**Reconciliation**
TP Statutory reporting	6 555
Solvency II revaluation related to BE	(234)
Solvency II revaluation related to RM	57
TP Solvency II	6 378

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

TP Assumption Changes

A review of the assumptions underlying the TP calculations was carried out during 2018, including detailed Lapse and Expense investigations, to ensure assumptions are best-estimate and reflect company experience.

Expense

The renewal expenses assumed in calculation of TP's are based on the results of analyses of the Company's most recent actual expense experience. These expenses are then allocated across the main lines of business to determine appropriate per policy expense assumptions for the valuation of the liabilities. The table below shows the results of the expense investigation with a 10% increase in expense assumptions compared with the previous year:

Product	2018	2017
Portfolio Bond	€412.50	€375.00
Portfolio Bond - Sweden	€412.50	€375.00
Single Premium unit-linked	€66.00	€60.00
Regular Savings Plan	€132.00	€120.00
UK and run-off policies	€66.00	€60.00

Expense Inflation

The table below shows the expense inflation assumption at year-end 2018:

Product	2018	2017
All	2%	2%

Given that a large proportion of SEBLI's expenses are salary related it would be expected that a large part of the expense base will rise with salary inflation. The expense inflation assumption is to the ECB target for Eurozone inflation of 2% p.a.

Policy Surrender

The following table shows the Solvency II year-end 2017 and year-end 2018 lapse assumptions for the TP calculations:

Product	2018	2017
Portfolio Bond		
- Intermediary Partial	5%	5%
- Intermediary Full	0%-3%	0%-3%
Portfolio Bond - Sweden	2%-10%	2%-10%
Unit-linked single premium	13%	13%
UK and run-off portfolio	10%	10%

Surrender assumptions are based on the findings of the detailed Persistency Investigation carried out during 2018, with no change in the rates compared to the previous year.

D.3 Other liabilities

This section defines and describes material differences between the statutory financial reporting and the Solvency II reporting. The following table shows differences between the determined valid categories on the liability side of the balance sheet.

MEUR	Solvency II value	Solvency II valuation basis	Statutory value	Statutory valuation basis	Value difference
Provisions other than technical provisions	16	Market value	94	Market value	(78)
Deferred tax liabilities	15	Market value	0	Market value	15
Insurance & intermediaries payables	22	Market value	22	Market value	(0)
Reinsurance payables	0	Market value	0	Market value	0
Payables (trade, not insurance)	5	Market value	5	Market value	0
Total	**58**		**121**		**(63)**

The major defined difference between the reporting standards is the excluded deferred front-end fees. There are provisions included in the Solvency II liabilities that are not included in our statutory numbers. These provisions do not meet the level of probability of payment that would require a provision under the relevant IFRS accounting standard, but they are included in the solvency liabilities to further stress the Company's ability to meet in minimum capital requirement. The deferred tax liability is added as required under the solvency reporting regulations.

D.4 Alternative methods for valuation

There are no alternative methods for valuation used by the Company.

D.5 Any other information

There is no other material information to report.

E Capital Management

E.1 Own funds

The Company has adequate available assets to meet the capital requirements calculated for the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR). The Company has set an internal target to maintain 115% of the calculated SCR.

- The Company capital management plan as approved by the Board
- Maintain available own funds at a minimum of 115% of SCR
- The Company has no debt, and does not intend to raise debt
- The Company does not intend to issue any capital

Available assets will be invested is cash or highly liquid assets in accordance with the Company's investment policy. The below table outlines the structure of the total basic own funds, with a comparison to the 31/12/2017 position

31/12/2018

MEUR	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Ordinary Share Capital	2	-	-	-
Share premiums account related to ordinary share capital	3	-	-	-
Reconciliation Reserve	147	-	-	-
Total	**152**	-	-	-
Total Basic Own Funds	**152**	**-**	**-**	**-**

31/12/2017

MEUR	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Ordinary Share Capital	2	-	-	-
Share premiums account related to ordinary share capital	3	-	-	-
Reconciliation Reserve	151	-	-	-
Total	**156**	-	-	-
Total Basic Own Funds	**156**	**-**	**-**	**-**

The decrease in Basic Own Funds includes a payment of a dividend paid to the shareholders (€15m in 2018). The Company comfortably exceeds its SCR requirement and its internal instruction to maintain 115% of SCR.

The eligible amount of own funds to cover the SCR is wholly classified as Tier 1. The eligible amount of own funds to cover the MCR is wholly classified as Tier 1.

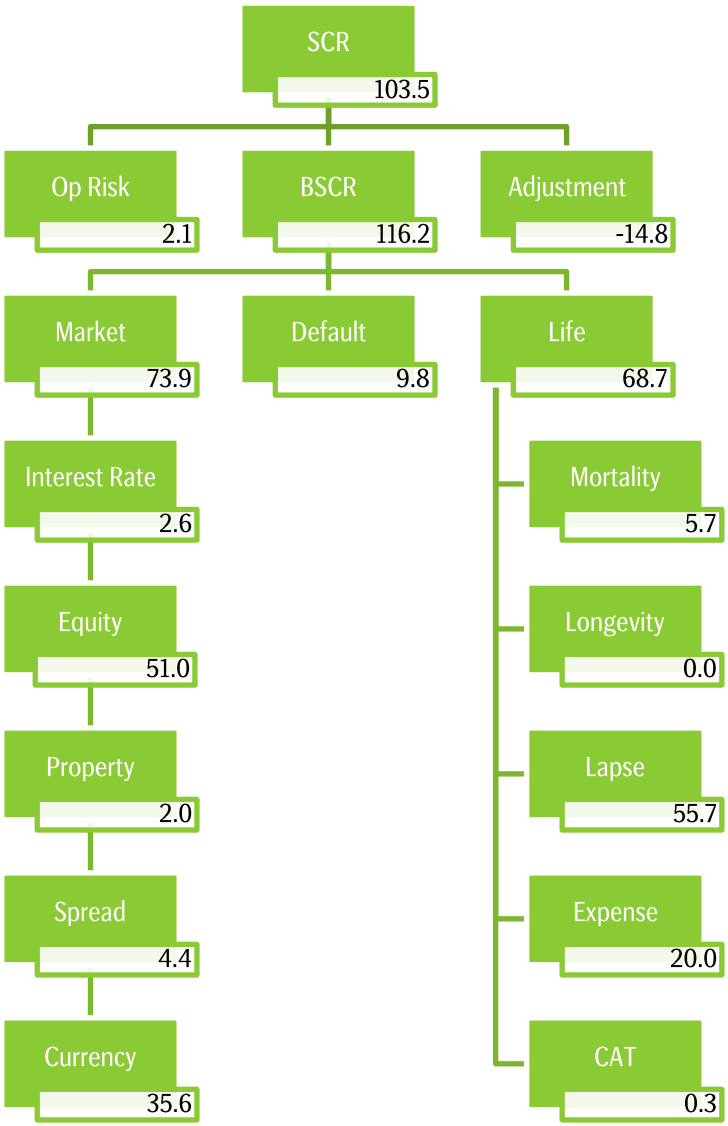
The below table is a reconciliation of the equity as per the Company's statutory financial statements, to the available assets as per the Solvency II return.

Difference in Own funds compared to Equity	**MEUR**
Equity as per Financial Statements	47
Reassessed technical provision	113
Asset adjustments	(71)
Liability adjustments	78
Deferred Tax Liability	(15)
Excess Asset over Liabilities	**152**
Proposed Interim Dividend	(15)
Total Basic own Funds	**137**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) at the end of the reporting period are €103.5m and €44.3m respectively.

The table below shows the components of the SCR (using the Standard Formula) at 31 December 2018:



The Company uses EIOPA's Solvency II Standard Formula. It does not use Company specific parameters and does not use simplified calculations in its computation.

The SCR has decreased from €111.6m to €103.5m during 2018 mainly due to the reasons below:

- Decreased Market capital due to decrease in EIOPA-prescribed Equity symmetric adjustment of 8.24%
- General shock decreases due to lower VIF

The MCR of €44.3m is calculated using the prescribed standard formula as per the table below:

MCR Calculation	Value MEUR	MCR Contribution
TP (@ 0.7%)	6,321	44.2
Capital-At-Risk (@ 0.07%)	29	0.0
Calculated MCR		**44.3**
MCR Floor (SCR * 25%)	25.9	
MCR Cap (SCR *45%)	46.6	
Final MCR		**44.3**

The MCR has decreased from €47.4m to €44.3m in line with decreases in TP and SCR.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company has not opted to use the duration-based equity risk sub-module of the Solvency II regulations.

E.4 Difference between the standard formula and internal model used

The Company applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

E.6 Any other information

There is no other material information to report.

Appendix

Public Quantitative Reporting Templates. All values are expressed in Euro.

SE.02.01.02		Solvency II value
Balance sheet		**C0010**
Assets		
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	623
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	356,020
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	18,243,982
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	13,255,096
Government Bonds	**R0140**	13,255,096
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	4,988,886
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	6,489,138,699
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	
Non-life and health similar to non-life	**R0280**	
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	19,780,024
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	1,256,328
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**	59,645,113
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	**6,588,420,788**

SE.02.01.02		
Liabilities		
Technical provisions – non-life	**R0510**	
Technical provisions – non-life (excluding health)	**R0520**	
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	6,378,435,950
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	6,321,080,974
Risk margin	**R0720**	57,354,976
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	16,270,274
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	14,924,852
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Debts owed to credit institutions resident domestically	**ER0801**	
Debts owed to credit institutions resident in the euro area other than domestic	**ER0802**	
Debts owed to credit institutions resident in rest of the world	**ER0803**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Debts owed to non-credit institutions	**ER0811**	
Debts owed to non-credit institutions resident domestically	**ER0812**	
Debts owed to non-credit institutions resident in the euro area other than domestic	**ER0813**	
Debts owed to non-credit institutions resident in rest of the world	**ER0814**	
Other financial liabilities (debt securities issued)	**ER0815**	
Insurance & intermediaries payables	**R0820**	22,465,874
Reinsurance payables	**R0830**	7,910
Payables (trade, not insurance)	**R0840**	4,609,405
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**	**6,436,714,265**
Excess of assets over liabilities	**R1000**	**151,706,524**

S.05.01.02

S.05.01.02		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional reinsurance**				Total
Premiums, claims and expenses by line of business		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**													-	-	-	-	
Gross - Proportional reinsurance accepted	**R0120**													-	-	-	-	
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	-	-	-	-	-	-	-	-	-	-					
Reinsurers' share	**R0140**																	
Net	**R0200**																	
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**																	
Net	**R0300**																	
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	-	-	-	-	-	-	-	-	-	-					
Reinsurers' share	**R0340**																	
Net	**R0400**																	
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**																	
Administrative expenses																		
Gross - Direct Business	**R0610**																	
Gross - Proportional reinsurance accepted	**R0620**																	
Gross - Non-proportional reinsurance accepted	**R0630**	-	-	-	-	-	-	-	-	-	-	-	-					
Reinsurers' share	**R0640**																	
Net	**R0700**																	
Investment management expenses																		
Gross - Direct Business	**R0710**																	
Gross - Proportional reinsurance accepted	**R0720**																	
Gross - Non-proportional reinsurance accepted	**R0730**	-	-	-	-	-	-	-	-	-	-	-	-					
Reinsurers' share	**R0740**																	
Net	**R0800**																	
Claims management expenses																		

Gross - Direct Business	**R0810**																				
Gross - Proportional reinsurance accepted	**R0820**																				
Gross - Non-proportional reinsurance accepted	**R0830**	-	-	-	-	-	-	-	-	-	-	-	-	-							
Reinsurers' share	**R0840**																				
Net	**R0900**																				
Acquisition expenses																					
Gross - Direct Business	**R0910**																				
Gross - Proportional reinsurance accepted	**R0920**																				
Gross - Non-proportional reinsurance accepted	**R0930**	-	-	-	-	-	-	-	-	-	-	-	-	-							
Reinsurers' share	**R0940**																				
Net	**R1000**																				
Overhead expenses																					
Gross - Direct Business	**R1010**																				
Gross - Proportional reinsurance accepted	**R1020**																				
Gross - Non-proportional reinsurance accepted	**R1030**	-	-	-	-	-	-	-	-	-	-	-	-	-							
Reinsurers' share	**R1040**																				
Net	**R1100**																				
Other expenses	**R1200**																				
Total expenses	**R1300**																				

S.05.01.02 Continued;

S.05.01.02		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations	Health reinsurance	Life reinsurance	
Premiums, claims and expenses by line of business		**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**			832,059,536						832,059,536
Reinsurers' share	**R1420**			100,240						100,240
Net	**R1500**			831,959,296						831,959,296
Premiums earned										
Gross	**R1510**			832,059,536						832,059,536
Reinsurers' share	**R1520**			100,240						100,240
Net	**R1600**			831,959,296						831,959,296

Claims incurred										
Gross	**R1610**			732,607,270						732,607,270
Reinsurers' share	**R1620**									
Net	**R1700**			732,607,270						732,607,270
Changes in other technical provisions										
Gross	**R1710**			(636,611,056)						(636,611,056)
Reinsurers' share	**R1720**									
Net	**R1800**			(636,611,056)						(636,611,056)
Expenses incurred	**R1900**			42,043,610						42,043,610
Administrative expenses										
Gross	**R1910**			3,715,505						3,715,505
Reinsurers' share	**R1920**									
Net	**R2000**			3,715,505						3,715,505
Investment management expenses										
Gross	**R2010**			928,876						928,876
Reinsurers' share	**R2020**									
Net	**R2100**			928,876						928,876
Claims management expenses										
Gross	**R2110**			1,857,752						1,857,752
Reinsurers' share	**R2120**									
Net	**R2200**			1,857,752						1,857,752
Acquisition expenses										
Gross	**R2210**			33,683,724						33,683,724
Reinsurers' share	**R2220**									
Net	**R2300**			33,683,724						33,683,724
Overhead expenses										
Gross	**R2310**			1,857,752						1,857,752
Reinsurers' share	**R2320**									
Net	**R2400**			1,857,752						1,857,752
Other expenses	**R2500**									
Total expenses	**R2600**									42,043,610
Total amount of surrenders	**R2700**			698,963,158						698,963,158

S.05.02.02		Home Country	Country (by amount of gross premiums written) - non-life obligations						Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
Premiums, claims and expenses by country		C0010	C0020	C0020	C0020	C0020	C0020		C0070
	R0010		-	-	-	-	-		
		C0080	C0090	C0090	C0090	C0090	C0090		C0140
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								
Net	R0400								
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers'share	R0440								
Net	R0500								
Expenses incurred	R0550								
Other expenses	R1200								
Total expenses	R1300								

S.05.02.02 Premiums, claims and expenses by country		Home Country	Country (by amount of gross premiums written) - life obligations						Total for top 5 countries and home country (by amount of gross premiums written) - life obligations
		C0150	C0160	C0160	C0160	C0160	C0160		C0210
	R1400		SE	IT	FI	FR	ES		
		C0220	C0230	C0230	C0230	C0230	C0230		C0280
Premiums written									
Gross	**R1410**		563,557,601	104,917,856	88,985,388	34,119,933	16,048,103		807,628,881
Reinsurers' share	**R1420**		0	0	62,040	0	0		62,040
Net	**R1500**		563,557,601	104,917,856	88,923,348	34,119,933	16,048,103		807,566,841
Premiums earned									
Gross	**R1510**		563,557,601	104,917,856	88,985,388	34,119,933	16,048,103		807,628,881
Reinsurers' share	**R1520**		0	0	62,040	0	0		62,040
Net	**R1600**		563,557,601	104,917,856	88,923,348	34,119,933	16,048,103		807,566,841
Claims incurred									
Gross	**R1610**		414,926,309	61,844,018	144,818,119	15,574,202	23,075,626		660,238,273
Reinsurers' share	**R1620**								
Net	**R1700**		414,926,309	61,844,018	144,818,119	15,574,202	23,075,626		660,238,273
Changes in other technical provisions									
Gross	**R1710**		(304,103,967)	(74,524,312)	(149,658,762)	(19,996,710)	(17,623,852)		(565,907,603)
Reinsurers' share	**R1720**								
Net	**R1800**		(304,103,967)	(74,524,312)	(149,658,762)	(19,996,710)	(17,623,852)		(565,907,603)
Expenses incurred	**R1900**		16,974,391	6,610,981	6,799,243	2,687,563	1,897,158		34,969,335
Other expenses	**R2500**								
Total expenses	**R2600**								34,969,335

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Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations
				Contracts without options and guarantees	Contracts with options and guarantees		Contracts without options and guarantees	Contracts with options and guarantees	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Technical provisions calculated as a whole	R0010		0						
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			6,321,080,974					
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040								
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050								
Recoverables from SPV before adjustment for expected losses	R0060								
Recoverables from Finite Re before adjustment for expected losses	R0070								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090			6,321,080,974					
Risk Margin	R0100		57,354,976						
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110								
Best estimate	R0120								

Risk margin	R0130	
Technical provisions - total	R0200	6,378,435,950
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	6,378,435,950
Best Estimate of products with a surrender option	R0220	6,321,080,974
Gross BE for Cash flow		
Cash out-flows		
Future guaranteed and discretionary benefits	R0230	0
Future guaranteed benefits	R0240	
Future discretionary benefits	R0250	
Future expenses and other cash out-flows	R0260	6,321,080,974
Cash in-flows		
Future premiums	R0270	0
Other cash in-flows	R0280	0
Percentage of gross TP calculated using approximations	R0290	
Surrender value	R0300	6,487,540,487
Best estimate subject to transitional of the interest rate	R0310	
Technical provisions without transitional on interest rate	R0320	
Best estimate subject to volatility adjustment	R0330	
Technical provisions without volatility adjustment and without others transitional measures	R0340	
Best estimate subject to matching adjustment	R0350	
Technical provisions without matching adjustment and without all the others	R0360	

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Life and Health SLT Technical Provisions

		Accepted reinsurance					Health insurance (direct business)					
			Insurance with profit participation on Accepted reinsurance (Gross)	Index-linked and unit-linked insurance on Accepted reinsurance (Gross)	Other life insurance on Accepted reinsurance (Gross)	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations (Gross)	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options and guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**						0						
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**						6,321,080,974						
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	**R0040**												
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**												
Recoverables from SPV before adjustment for expected losses	**R0060**												
Recoverables from Finite Re before adjustment for expected losses	**R0070**												

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	6,321,080,974
Risk Margin	R0100	57,354,976
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	R0110	
Best estimate	R0120	
Risk margin	R0130	
Technical provisions - total	R0200	6,378,435,950
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	6,378,435,950
Best Estimate of products with a surrender option	R0220	6,321,080,974
Gross BE for Cash flow		
Cash out-flows		
Future guaranteed and discretionary benefits	R0230	0
Future guaranteed benefits	R0240	
Future discretionary benefits	R0250	
Future expenses and other cash out-flows	R0260	6,321,080,974
Cash in-flows		
Future premiums	R0270	0
Other cash in-flows	R0280	0
Percentage of gross TP calculated using approximations	R0290	
Surrender value	R0300	6,487,540,487
Best estimate subject to transitional of the interest rate	R0310	
Technical provisions without transitional on interest rate	R0320	
Best estimate subject to volatility adjustment	R0330	
Technical provisions without volatility adjustment and without others transitional measures	R0340	
Best estimate subject to matching adjustment	R0350	
Technical provisions without matching adjustment and without all the others	R0360	

S.23.01.21		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Own funds		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	1,635,307.00	1,635,307.00			
Share premium account related to ordinary share capital	R0030	2,964,011.00	2,964,011.00		0.00	
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	132,107,205.63	132,107,205.63			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	0.00				0.00
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	136,706,523.63	136,706,523.63		0.00	0.00
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	Tier 1 -	Tier 1 -	Tier 2	Tier 3

		unrestricted	restricted		
	C0010	C0020	C0030	C0040	C0050
Total ancillary own funds **R0400**					
Available and eligible own funds					
Total available own funds to meet the SCR **R0500**	136,706,523.63	136,706,523.63		0.00	0.00
Total available own funds to meet the MCR **R0510**	136,706,523.63	136,706,523.63		0.00	
Total eligible own funds to meet the SCR **R0540**	136,706,523.63	136,706,523.63	0.00	0.00	0.00
Total eligible own funds to meet the MCR **R0550**	136,706,523.63	136,706,523.63	0.00	0.00	
SCR **R0580**	103,532,608.71				
MCR **R0600**	44,267,787.14				
Ratio of Eligible own funds to SCR **R0620**	1.32				
Ratio of Eligible own funds to MCR **R0640**	3.09				

	C0060	
Reconciliation reserve		
Excess of assets over liabilities **R0700**	151,706,523.63	-
Own shares (held directly and indirectly) **R0710**		-
Foreseeable dividends, distributions and charges **R0720**	15,000,000.00	-
Other basic own fund items **R0730**	4,599,318.00	-
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds **R0740**	0.00	-
Reconciliation reserve **R0760**	132,107,205.63	-
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**		-

	Z0010	No

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Solvency Capital Requirement - for undertakings on Standard Formula

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	**C0040**	**C0050**
Market risk	**R0010**	73,887,227	73,887,227	0
Counterparty default risk	**R0020**	9,772,751	9,772,751	0
Life underwriting risk	**R0030**	68,703,906	68,703,906	0
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**			
Diversification	**R0060**	(36,131,444)	(36,131,444)	
Intangible asset risk	**R0070**	498	498	
Basic Solvency Capital Requirement	**R0100**	116,232,938	116,232,938	

Calculation of Solvency Capital Requirement		**C0100**
Adjustment due to RFF/MAP nSCR aggregation	**R0120**	0.00
Operational risk	**R0130**	2,089,971
Loss-absorbing capacity of technical provisions	**R0140**	0.00
Loss-absorbing capacity of deferred taxes	**R0150**	(14,790,301)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency Capital Requirement excluding capital add-on	**R0200**	103,532,609
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	103,532,609
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 Requirement for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	**R0450**	No adjustment
Net future discretionary benefits	**R0460**	0

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	.

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	44,267,787.14

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0.00	
Obligations with profit participation - future discretionary benefits	R0220	0.00	
Index-linked and unit-linked insurance obligations	R0230	6,321,080,974	
Other life (re)insurance and health (re)insurance obligations	R0240	0.00	
Total capital at risk for all life (re)insurance obligations	R0250		28,886,172

Overall MCR calculation		C0070
Linear MCR	R0300	44,267,787
SCR	R0310	103,532,609
MCR cap	R0320	46,589,674
MCR floor	R0330	25,883,152
Combined MCR	R0340	44,267,787
Absolute floor of the MCR	R0350	3,700,000
-	-	-
Minimum Capital Requirement	R0400	44,267,787