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GET LIFE RIGHT

Solvency and Financial Condition Report (SFCR)

December 2021

Statement of Directors' responsibilities in respect of the Solvency and Financial Condition Report ("SFCR")

The Directors are responsible for ensuring the SFCR has been properly prepared in all material respects in accordance with the Malta Financial Services Authority ("the MFSA") rules and Solvency II Regulations.

The Directors are required to ensure that the Company has a written policy in place (Reporting and Disclosure Policy) to ensure the ongoing appropriateness of any information disclosed and the MFSA expects that the Directors should be satisfied that:

a. throughout the financial year, the Company has complied in all material respects with the requirements of the MFSA rules and Solvency II Regulations as applicable to the Company; and

b. it is reasonable to believe that, at the date of the publication of the SFCR, the Company has continued so to comply, and will continue to comply in future.

The SFCR was approved by the Board of Directors on 7 April 2022 and was signed on its behalf by:

Marcel Cassar	Julian Mamo
Director	Director

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1 EXECUTIVE SUMMARY

1.1 OVERVIEW

IVALIFE Insurance Company ('IVALIFE', the 'Company') is a limited liability company incorporated in Malta on 24 December 2020.

The Company was authorised by the Malta Financial Services Authority to transact long term business of insurance on 01 February 2021 and commenced its operations 01 March 2021.

The Company offers a range of products both on individual and group basis, including level and decreasing term insurance policies and regular and single premium with-profits policies.

The purpose of the Solvency and Financial Condition Report (SFCR) is to satisfy the public disclosure requirements under the Article 304(1) of the Delegated Regulation. The elements of the disclosure relate to business performance, governance, risk profile, valuation of solvency purposes and capital management. The SFCR has been prepared with reference date 31 December 2021.

1.2 BUSINESS PERFORMACE

The Company was granted regulatory approval to transact long term business of insurance on the 01 February 2021 and commenced operations 01 March 2021. The results of the year reflect an insurance operational activity covering ten months. The Company started its operations in a challenging environment with the restrictions of the pandemic. Nevertheless, the insurance portfolio of IVALIFE showed steady expansion, which is an indicator that IVALIFE has started to gain customers' trust.

The product offerings for the year under review included the IVAsecure level term, IVAprotect decreasing term, IVAsave with profits regular premium savings plan, IVAinvest with profits single premium savings plan and Group protection.

The Company reported a loss after tax for the year ended 31 December 2021 of €0.96m compared to a prior year period loss of 0.6m. This first year's primary focus was creating brand awareness, onboarding distributors as well as recruit the appropriate expertise to enhance further the management structures for an operational setup.

The gross premium written for the financial year amounted to €5.2m, €4.3m of which were single premium and the €0.9m comprised individual and group, protection and regular savings plans. The claims incurred, net of reinsurance amounted to €50k. The reported loss on the technical account amounted to €1.5m.

The total assets increased by €10.5m, from €1.1m at end of year 2020 to €11.7m as at end of current reporting year. The increase includes the call made by the Company's Board of Directors to all the shareholders for the payment of the unpaid 80% subscriptions totalling €6m. The gross technical provisions as at year end, including both insurance contracts and investment contracts with discretionary participation features totalled €4.9m. The Company's shareholder' funds at the close of 2021 amounted to €5.9m compared to €0.9m at the end of the prior period.

1.3 SYSTEM OF GOVERNANCE

The Board of Directors ('BoD'/'Board') of the Company is committed to good governance which is vital to creating trust and engagement between the Company and its stakeholders and contributes towards its long term success. A key objective of the governance framework of the Company is to ensure compliance with the applicable legal and regulatory requirements and based on best practises of corporate governance and corporate administration.

The Company aims to ensure on an ongoing basis that it is technological advanced, transparent and a competitive organisation. By adopting best practises, the Company achieves a dynamic and an effective communication with the Board, management and shareholders leading to a successful implementation of its strategy and an efficient framework of corporate governance.

In order to strengthen its internal control system, the Company has set up the following key functions in accordance with the Solvency II requirements:

- Risk Management Function (RMF)
- Actuarial Function
- Compliance Function
- Internal Audit Function

1.4 RISK PROFILE

The Company's overall risk profile is determined by the characteristics of its asset portfolio and the nature of its insurance business. Life business is more geared towards long term savings products, with protection cover being an important element for parts of the portfolio.

The most predominant quantifiable risks at this point are Market, Underwriting, Operational and Counterparty default risks while the most predominant non-quantifiable risks are Strategic and Reputational.

1.5 VALUATION FOR SOLVENCY PURPOSES

The valuation of assets and liabilities for Solvency II purposes is the same as the IFRS basis except form the differences summarised below:

€'000s	Own Funds
	YE 2021 (€'000)
Total own funds as per Financial Statements	5,898
Deferred Acquisition Costs	(534)
Intangible assets	(1,015)
Reinsurance deferral	(73)
Change in valuation of Technical Provisions (net)	1,998
Deferred Tax Movement	(157)
Total basic own funds	**6,117**

1.6 CAPITAL MANAGEMENT

The Company's Solvency Capital Requirement based on the Solvency II standard formula methodology for the financial year end 2021 is shown below:

€'000s	YE 2021 (€'000)
Total eligible own funds to meet the SCR	6,117
Solvency capital requirement	2,586
Ratio of Eligible own funds to SCR	**2.35%**
Total eligible own funds to meet the MCR	5,701
Minimum capital requirement	3,700
Ratio of Eligible own funds to MCR	**1.54%**

1.7 BUSINESS PROFILE

1.7.1 Name and legal form of undertakings

IVALIFE Insurance Limited is authorised and regulated by the Malta Financial Services Authority to carry out long term business of insurance under the Insurance Business Act (Chapter 403 of the Laws of Malta with company registration number C 94404.

IVALIFE is equally owned by four leading companies in the financial services industry, namely APS Bank p.l.c., Atlas Insurance PCC Limited, GasanMamo Insurance Ltd. and MaltaPost p.l.c.

Its registered address is IVALIFE Insurance Limited, Gaba Building, Level 2, Naxxar Road, Iklin IKL 9026.

1.7.2 Supervisory authority

IVALIFE is authorised and regulated by the Malta Financial Services Authority (MFSA) of Triq L-Imdina, Zone 1, Central Business District, Birkirkara CBD1010 Malta.

1.7.3 Name and contact details of the external auditor

The Company's external auditors for the financial year ended 31 December 2021 are PricewaterhouseCoopers with registered address 78 Mill Street, Zone 5, Central Business District, Qormi CBD 5090. Malta

1.7.4 Material lines of business and material geographical areas where the company carries out business

IVALIFE is authorised to carry on long-term business of insurance under the Insurance Business Act (Chapter 403 of the Laws of Malta) in respect of commitments where Malta is the country of commitment.

The Company provides a range of products both on individual and group basis, including level and decreasing term insurance policies and regular and single premium with-profits policies.

1.7.5 Underwriting Performance

	Investment Contracts With Profits Participation		Insurance Contracts		Total	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Premiums						
Gross	4,364	-	850	-	5,214	-
Reinsurers' share	-	-	(163)	-	(163)	-
Net	**4,364**	-	**687**		**5,051**	
Claims Incurred						
Gross	-	-	222	-	222	-
Reinsurers' share	-	-	(172)	-	(172)	-
Net	-	-	**50**	-	**50**	-
Changes in Technical Provisions						
Gross	4,470	-	395	-	4,865	-
Reinsurers' share	-	-	(70)	-	(70)	-
Net	**4,470**	**-**	**325**	**-**	**4,795**	-

1.7.6 Investment Performance

The Company has recognised the following net investment income for the year ended 31 December 2021.

	Investment Performance
	YE 2021 (€'000)
Investment income	56
Investment charges	(31)
Net fair value gain / (loss) on financial assets at fair value through profit and loss	31
Net realised gain / (loss) on disposal on financial assets at fair value through profit and loss	(16)

1.7.7 Income and expenses arising from investments by asset classes

The assets invested by the Company (own funds and policyholder funds) fall in the following asset classes:

	Market Value	Net Investment Return
	YE 2021 (€'000)	YE 2021 (€'000)
Equities	496	27
Debt Securities	1,990	(23)
Collective Investment Schemes	5,596	36

1.7.8 Other information

1.7.8.1 External environment – Covid 19

In light of the global outbreak of COVID-19, the Company is closely monitoring developments and the potential impact on the Company's ability to meet its insurance liabilities. It is important to note that the developments surrounding COVID-19 are constantly evolving. The Company is actively monitoring developments, identifying potential risks, designing and implementing risk mitigation actions to ensure business continuity, limit damages and safeguard its solvency.

1.7.8.2 Post Valuation – Russian – Ukrainian War

The Russian – Ukraine conflict that started on the 24 of February 2022 has magnified uncertainty in all economic sectors including financial services and insurance.

The Company is actively monitoring the developments and assessing the impact of the sanctions currently being imposed. IVALIFE has an insignificant level of exposure to Russian policyholders or asset exposures to Russia/Ukraine and thus we don't expect any direct impact on our business performance. Nonetheless, the conflict itself created instability within the international financial market which could have an indirect impact on the value of the Company's underlying investments. Furthermore, the Maltese economy has limited dependency on Russian investors and we therefore we do not anticipate any material deterioration in the broader business environment in which IVALIFE operates.

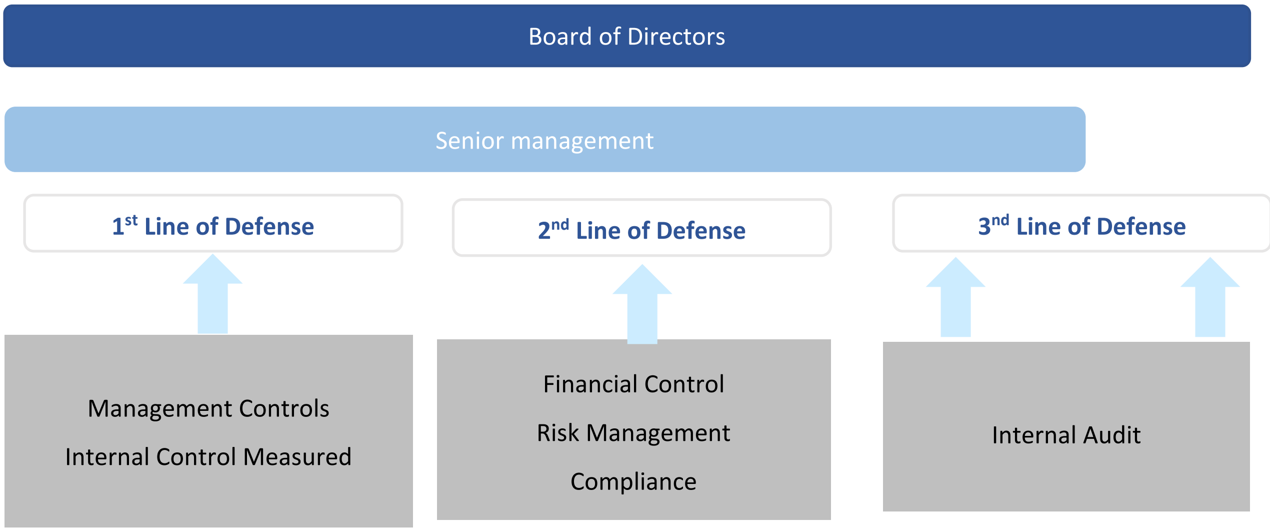
2 SYSTEM OF GOVERNANCE

2.1 INTRODUCTION

The Company has in place a system of governance which aims to provide sound and prudent management of the business. The Company's governance includes a transparent organisational structure with a clear allocation of responsibilities and appropriate segregation of duties.

2.2 GENERAL INFOMRATION ON THE SYSTEM OF GOVERNNACE

The corporate governance framework for the management of risks within the Company is based on the "Three lines of defence model". The three lines of defence model supports the implementation of a robust internal control system and is aligned with the 'four-eye principle'. In practice, there is sufficient control and challenge at all levels of the organisation.



The First Line of Defence relates to the management of risks at the points where they arise. These activities are carried out by persons who take on risks on behalf of the Company. Risk management at this level consists of appropriate checks and controls, incorporated in the relevant procedures and the guidelines that are set by the Senior Management with the assistance of the RMF.

The Second Line of Defence concerns the risk management activities that are carried out by the RMF and the important supporting operations. Specifically, the RMF is responsible for the preparation, maintenance and periodic review of this Policy, as well as for the continuous monitoring of compliance with its policies and procedures. It also refers to the risk management activities performed by the Board committee and includes the approval and oversight of the implementation of risk policies and the establishment of systems and controls so that the overall level of risks and the relationship between risk and reward remain within acceptable levels. The Actuarial Function in its advisory capacity provides technical expertise to both the 1st and 2nd Line of defence.

The Third line of Defence concerns the activities of Internal Audit that through its work provides an independent assurance to the BoD, on the performance and effectiveness of the risk management systems within the Company. The Internal Audit conducts regular internal audits of the procedures applied for managing all types of risks and their effectiveness, the results of these audits are summarised in reports submitted to the BoD, through the Audit and Risk Committee, and to the Senior Management.

The overall oversight of the risk management activities is performed at BoD level (i.e., the approval of the strategic management of risk and capital), by which the risk definitions, risk profile and risk appetite are ratified. The BoD is responsible for ensuring that the implemented risk management framework is suitable, effective and proportionate to the nature, scale and complexity of the risks inherent in the business. The BoD is also responsible for the approval of any periodic revision of the main strategies and business policies of the Company in terms of risk management.

2.2.1 Roles and responsibilities of the Board, Senior Management and key functions

2.2.1.1 Board of Directors (BoD)

The Company's ultimate supervisory body is the Board of Directors. The Board maintains overall responsibility for the management of the Company, including ultimate oversight of the Company's operations. The composition and resourcing of the BoD reflects the range of skills, knowledge and experience necessary for the BoD to be effective.

The Board is comprised of 6 members, 2 of which are Independent Non-Executive Directors.

The Company's BoD monitors the performance of Senior Management and gives guidance and advice, where appropriate. As part of performing its oversight function, the BoD reviews and discusses reports submitted by Senior Management and internal control functions regularly and it maintains active and open communication with the Chief Executive Officer and Senior Management.

In general, the BoD is responsible for the following:

- Setting the strategy, tone, culture and values of the Company,
- Establishing the Company's internal control and risk management systems and monitoring their implementation and effectiveness,
- Overseeing Senior Management and establishing sound business practices and strategic planning,
- Setting the Company's risk appetite and risk tolerance limits at a level which is proportionate with the strategic goals of the Company and the nature, scope and complexity of its activities,
- Defining and approving the Company's policies and procedures to ensure its sound operation and compliance with regulatory requirements, taking appropriate measures to address any deficiencies.

Board Committees

In order to assist it in discharging its obligations, and taking into account the principle of proportionality, the Board has set up the Audit Committee for the more effective organisation of the Company and for the best oversight of its internal control system. The Board has also set up a Risk Management Committee composed of 3 members, with an effective date of 01.01.2022. The Risk Management Committee has the responsibility for the supervision of the Company's risk management framework.

Matters not reserved to the BoD are delegated to the aforesaid Board Committee. However, delegation does not release the BoD from collectively discharging its duties and responsibilities. The Board Committees are fully operational and meet at least four times a year. The terms of reference of the Committees set out the composition, meeting requirements, responsibilities and authority delegated from the Board.

2.2.1.2 Executive Committee

The Company has established an Executive Committee which is responsible for the implementation of the business plan and risk management strategy set by the Board. It holds monthly meetings for the purpose of coordination, review, discussion and approval on key issues relating to its responsibilities.

The Executive Committee is comprised of 3 members forming part of the Company and is chaired by the Chief Executive Officer.

The Chief Executive Officer has the overall responsibility and oversight for all the business operations of the Company and is supported in his role by the aforesaid executive committee members. Committee members have a clear mandate and responsibilities which are clearly communicated to all management and staff within the company.

The Company's Chief Executive Officer reports to the Board of Directors.

2.2.1.3 Key functions

In order to strengthen its internal control system, the Company has set up the following control functions, in accordance with the Solvency II requirements:

- Risk Management Function
- Actuarial Function
- Compliance Function
- Internal Audit Function

Risk Management Function

The purpose of the RMF is to facilitate the effective implementation of the risk management system of the Company and to design the risk management processes and reporting procedures required to identify, assess, manage, monitor and report every type of risk inherent in the Company's operations. It is also responsible for monitoring the risk appetite and tolerance limits set by the Board.

In order to facilitate the most effective operation and the objectivity of the risk management system, the RMF is operationally independent from risk-taking functions. The RMF reports directly to the Chief Executive Officer and has direct access to the Risk Management Committee and the Board, in order to ensure its operational independence and safeguard its ability to escalate important issues.

Actuarial Function

The Actuarial Function is responsible for the calculation of the technical provisions, including the assessment of the data quality and the comparison of best estimates against experience. It provides its opinion in relation to the overall underwriting policy and the reinsurance arrangements of the Company and contributes to the effective implementation of the risk management system, particularly, in respect of the ORSA and MCR/SCR calculations.

Compliance Function

The Compliance Function is responsible for ensuring that all actions undertaken by the Company are at all times in compliance with the applicable laws and regulations. It is also responsible to identify, assess and manage the compliance risk that the Company might face and to assess the appropriateness of the procedures and policies in place. In addition, it may suggest organisational and procedural changes to ensure that identified compliance risks are appropriately managed.

The Compliance Function is independent of operational activities. It reports directly to the Chief Executive Officer and has also direct access to the Audit Committee and the Board, in order to escalate issues and act independently from the Management team.

Internal Audit Function

The Internal Audit Function is independent from any operational functions and its role is to assess the adequacy and effectiveness of the internal control and risk management systems, as well as, the effectiveness of other elements of the system of governance. The Internal Audit Function undertakes planned reviews of the Company's processes and their implementation and reports its findings as well as material breaches to the Board. It reports directly to the Audit Committee.

2.2.2 Material changes in the system of governance over the reporting period

There have been no changes to the system of governance compared to last year as IVALIFE commenced operations on 1st March 2021.

2.2.3 Remuneration policy and practises for the BoD and employees

The remuneration of all staff employed by the Company complies with the following principles:

- It is in line with the Company's strategy
- It is linked with the Company's structured performance appraisal system
- Ensures fair treatment and provisions of equal opportunities
- It is transparent and adequately disclosed to all members of the staff

The remuneration of the BoD and employees is not based on share options, shares or variable remuneration components and supplementary pension or early retirement schemes.

2.2.4 Fit and Proper requirements

The Company ensures that all persons that effectively run the Company or hold the key functions at all times fulfil the following requirements:

- They have the requisite experience, specialisation and knowledge for the discharge of their duties and responsibilities (fitness test)
- They act with honestly, reliability, integrity and possess characteristics that promote the culture of compliance in the Company

  A person must satisfy the following criteria to be considered fit and proper and to hold a certain position:

- Competence
- Character
- Diligence
- Honesty
- Integrity
- Judgement to perform his/her duties
- Personal reliability
- Good reputation

2.2.4.1 Fit and proper assessment process

In line with the Company's Fit and Proper's policy, the assessment for an assessed person is conducted as follows:

- Fitness

In assessing the fitness of a person, the professional competence and capability will be considered. This assessment is based on the person's previous experience, knowledge, and professional qualifications and should demonstrate due skill, care, diligence and compliance with the relevant standards for the area or sector worked in.

All individuals must maintain their competence on an ongoing basis for the role they fulfil within the Company. Any professional qualifications applicable to each key function must be in line with the MFSA's requirements.

- Propriety

In assessing the propriety of a person, the Company will assess the person's honesty, integrity, reputation and financial soundness.

The criteria include an assessment of reasons to believe from past conduct that the person may not discharge their duties in line with applicable rules, regulations and guidelines. Such reasons may arise from criminal antecedents, financial antecedents, and supervisory experience with that person or past business conduct. This approach does not imply that all previous infringements will automatically result in a failure to meet the requirements, but rather that they will be assessed on a case by case basis by the Company before an appointment and an application to the MFSA is made.

At the application stage, criminal record checks will be performed for proposed persons.

The Company will also consider whether the person has a debt that remains outstanding or was not paid within a reasonable period and / or has been involved in bankruptcy proceedings or other insolvency arrangements.

On an annual basis, Individuals within the scope of the Fitness and Properness requirements are required to self-certify to Compliance their continuing fitness and propriety.

2.2.5 ORSA Methodology

2.2.5.1 ORSA process

In line with the Company's ORSA policy, ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks the Company faces or may face and to determine the own funds necessary to ensure that the Company's overall solvency needs are met at all times. The ORSA policy is the policy which governs the ORSA process. Strategic decisions such as the introduction of new products, utilisation of additional distribution channels etc. are assessed and evaluated in the light of their effect on the Company's risk situation and risk-bearing capacity.

IVALIFE follows the below steps to implement its ORSA:

- Identify and classify risks, including governance - The Company identifies the material risks it faces at a particular point in time. This includes risks considered in the SCR formula, as well as risks not included in the standard formula such as liquidity, strategic and business risks.

- Assessment and measurement of risks through different approaches including stress testing - the Company collects data, quantifies and aggregates risks using different approaches such as Value at Risk and stress testing. The assessment is done using predefined risk metrics.

- Capital Allocation – According to its risk profile, the Company determines the necessary additional capital over and above the regulatory minimum SCR.

- Capital planning – Based on the capital allocation projections, the Company prepares a capital plan for the following 3 years. Such plans depend on the Company's strategic objectives, financial projections and assumptions on future economic conditions.

- Stress testing - The Company applies stress and scenario testing to the forward-looking capital plan and develops actions that can be taken in unforeseen circumstances in the future.

- Communicate and document the results – The Company presents the results of the process to senior management and the Board of Directors and prepares the ORSA report.

2.2.5.2 ORSA Governance

ORSA covers all the operations of the organisation and all business units of the Company. The Board of Directors is the body that bears ultimate responsibility for the ORSA, its application and embedment within the Company's day to day procedures. The roles and responsibilities for the ORSA for each body and function of the company are presented in the table below:

GOVERNACE	
Responsible Body / Function	Responsibility

Board of Directors	- Definition of corporate objectives and risk strategies, definition of IVALIFE's risk profile, which will be used as a significant input to ORSA - Approval of the budget - Establishment of a suitable internal control system, especially with regard to the ORSA - Understanding, review, challenge and approval of the annual ORSA report - Review and approval of the assumptions, including any management actions and parameters used in the ORSA process - Review and challenge of the risk quantification and stress testing performed in the ORSA process - Review and challenge the results of the Pillar 1 capital calculation and the quality of the data used - Review and pre-approve any changes in the ORSA manual making relevant recommendations to the BoD for final approval
Responsible Body / Function	**Responsibility**
Senior Management	- Dissemination of information on risk strategies and procedures to the employees concerned - Ensuring that there is adequate expertise and knowledge amongst the employees and officers of IVALIFE to successfully carry out the different tasks required by ORSA - Understanding of the ORSA of the Company - Recommendation for improvement of systems, procedures and processes, and adaptation as necessary in accordance with ORSA results
Responsible Body / Function	**Responsibility**
Risk Management	- Dissemination of information on risk strategies and procedures to the employees concerned - Ensuring that there is adequate expertise and knowledge amongst the employees and officers of IVALIFE to successfully carry out the different tasks required by ORSA - Understanding of the ORSA of the Company - Recommendation for improvement of systems, procedures and processes, and adaptation as necessary in accordance with ORSA results - Preparation of the Risk Management policies and procedures - Identification and monitoring of key risks faced by the Company - Establishment of methods for risk monitoring and measurement - Coordination of the preparation and implementation of the ORSA - Quantification and run of the stress test scenarios and analysis of the results - Recommendation for capital allocation for Pillar 2 and capital projections

Responsible Body / Function	Responsibility
Actuarial Function / Finance Function	- Provision of technical assistance to the ORSA process owners with regards to key technical areas e.g., valuation issues, reinsurance issues, stress testing, etc. - Preparation of financial projections in accordance with the strategic plan approved by the Board of Directors - Preparation of Pillar 1 capital planning and projection of own funds based on the planning
Responsible Body / Function	**Responsibility**
Internal Audit Function	Independent review of the final ORSA report to: • Confirm that the process followed is according to the Board requirements as set out in the policies and procedures of IVALIFE • Review the risk assessment, stress testing and capital allocation exercises performed and confirm their compliance with the policies and procedures approved by the Board • Review the quality of the data used in the ORSA and its reconciliation with other records
Responsible Body / Function	**Responsibility**
Compliance Function	- Ensure that all actions undertaken by the Company are, at all times, in compliance with all applicable laws and regulations - Take measures to monitor the compliance of the Company with internal strategies, policies, processes and reporting procedures - Identify, assess, monitor and report the compliance risk exposure of the Company - Monitor projected revisions of legislation and plans to introduce new regulation and assess their potential impact on the Company, in addition to monitoring the relevant court decisions - Advise the Senior Management and the BoD of IVALIFE on compliance with the Solvency II Directive
Responsible Body / Function	**Responsibility**
All Departments	- Compliance and cooperation with the request for collection of data for the implementation of the ORSA and preparation of the ORSA report - Participation in the risk assessment exercise and support to the RMF - Provision of information and adoption of all risk management policies and procedures approved by the Board

2.2.5.3 Frequency of the Assessment

The Company currently intends to perform the ORSA annually. Furthermore, the assessment will be performed immediately following any significant changes to the environment that the Company operates. These changes include, but are not limited to:

- Significant changes to the financial and political environment in which the Company operates

- Significant operational losses
- Material changes to the new business volumes
- Planned changes to the operating model of the company
- Significant changes in the Company's risk profile

2.2.6 Internal Control System

2.2.6.1 Description of the Internal Control System

The Company's Internal Control System (ICS) is designed to provide reasonable assurance on the following:

- Effectiveness and efficiency of operations
- Reliability of financial and non-financial information
- An adequate control of risks
- A prudent approach to business
- Compliance with laws and regulations and internal policies and procedures

Effective internal controls help the Company protect and enhance shareholders value and reduce the possibility of unexpected losses or damage to its reputation. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal controls and risk management systems.

The Internal Control System of the Company is comprised of the following principles:

- Control Environment and Culture: the Board is responsible for promoting a high level of integrity and for establishing a culture within a Company that emphasises and demonstrates to all levels of personnel the importance of Internal Control. Management is responsible for the implementation of the Internal Control culture and principles. All staff members need to understand their role in the ICS and be fully engaged in the process.
- Risk Assessment: The Company must regularly assess both the internal and external risks that it faces. Assessment should include the identification and analysis of all the significant risks that an insurance company is exposed to.
- Control Activities and Segregation of Duties: An adequate ICS requires the implementation of effective and efficient control activities at all levels of the entity which should be implemented in line with the goals and strategies set out by the Board and should involve all staff. As an integrated part of the daily business, these activities should be reviewed and recorded on an ongoing basis.
- Information and Communication Security: Security controls for the risks inherent in information and communication dissemination and technology must be established, allowing for the effective management of such risks.

- Monitoring: Appropriate monitoring systems must be applied on an ongoing basis, complemented with separate evaluations.

2.2.6.2 Implementation of the Compliance function

The Compliance Function is an integral part of the ICS of the Company. The role of the Compliance Function throughout the Company is to pro-actively facilitate the management of compliance risk by identifying, assessing, monitoring and reporting the compliance risk of the Company. This serves to assist the Company to carry on its business successfully and in conformity with regulatory and ethical standards.

In particular, the Compliance Function establishes, implements and maintains the appropriate processes and activities to:

- Promote and facilitate a corporate culture of integrity and ethical values within the Company
- Monitor the adherence of the Company to all applicable compliance policies and procedures
- Identify and assess on an ongoing basis, significant changes in the legal and regulatory environment in which the Company operates and identify the compliance risk that could arise from such changes
- Formulate proposals for organisational and procedural changes to ensure that identified reputational and compliance risks are appropriately managed
- Oversee the complaints process and utilising customer complaints as a source of relevant information in the context of its general monitoring responsibilities.

The Compliance Function maintains a fully updated compliance register of the existing regulatory framework and identifies in cooperation with the relevant departments the compliance obligations emanating from each regulatory framework.

2.2.6.3 Implementation of the Internal Audit

The Company outsources its Internal Audit Function to Mazars thus ensuring the independence and objectivity from any functions which have operational responsibilities. The Internal Audit Function reports to the Board through the Audit Committee. The Company confirms that the Internal Audit Function is independent from all other functions and audited activities of the Company to ensure impartiality.

The Company's Internal Audit Policy establishes and maintains an Internal Audit Function, the objectives of which are:

- to independently examine and evaluate the adequacy and effectiveness of the Company's risk management, internal controls and all other elements of the system of governance.
- to issue recommendations based on the results of the internal audit carried out and follow up on them;
- to assess compliance with internal strategies, policies, processes and reporting procedures.

In order to effectively and efficiently fulfil its responsibilities, the Internal Audit Function has an unrestricted right to obtain the relevant information. This includes provision of all necessary information, the availability of all necessary documentation and access to all activities and processes of the Company.

2.2.6.3.1 Internal Audit in 2021

During the last quarter of 2021, Internal Audit was conducted on Data Quality and Cyber Security. The process continued during the first weeks of 2022 and the Internal Audit reports will be presented to the BoD in April 2022. Internal Audit reports including management's feedback will be discussed together with a plan of action to rectify any reported deficiencies.

2.2.6.4 Actuarial Function (AF)

The primary role of the Actuarial function is to ensure that technical provisions are established with respect to all insurance obligations towards policyholders and beneficiaries of the Insurance contracts. In particular the AF ensures that the methodologies and assumptions used in the calculation of the technical provisions are appropriate for the specific lines of business of the Company and for the way the business is managed. It assesses uncertainty associated with the estimates made in the calculation of technical provisions and it examines sufficiency, quality and relevant data to be considered in the reserving process.

When comparing best estimates against experience, it reviews the quality of past best estimates and use the insights gained form this assessment to improve the quality of current calculations. The comparison of best estimates against experience includes comparisons between observed values and the estimates underlying the calculation of the best estimate, in order to draw conclusions on the appropriateness, accuracy and completeness of the data and assumptions used as well as on the methodologies applied in their calculation.

The activities of the Actuarial Function during 2021 were as follows:

- Carried out the calculation of technical provisions on a quarterly basis in accordance with all relevant regulatory requirements
- Submitted reports in relation to the above calculations to the BoD
- Provided modelling assistance for the calculation of Solvency Capital Requirements on a quarterly basis
- Assessment of data quality
- Profit testing of new products
- Expressed opinion on the company's underwriting policy
- Worked closely with the management and addressed areas of its expertise in relation to the Company's ongoing operations
- Contributed all financial modelling in relation to risk management activities and the ORSA in particular.

2.2.6.5 Outsourcing

Outsourcing is the use of a third party or intra-group service provider to perform an activity or activities on a continuing basis that would normally be undertaken by the Company itself, now or in the future. Outsourcing will enable the Company to:

- acquire the specialised service of any established service providers in the market;

- help decrease the risk of defection and ensure business continuity especially if there are dependencies / reliance on one internal resource as opposed to outsourcing to an established company with a number of resources that are available;
- be more cost effective; and
- reduce operational dependencies.

The purpose of the Outsourcing Policy is to establish the requirements for identifying, justifying and implementing any outsourcing agreements thus addressing:

- the tasks to be performed and the persons responsible;
- the obligation of the relevant organisational units to inform the risk management, internal audit, compliance and other functions of facts relevant for the discharge of their duties;
- to determine whether a function or activity is key, critical or important;
- the procedure to select a service provider of suitable quality and assess its performance and results;
- the procedure to ensure the written agreement with the service provider includes the necessary details; and
- the procedure to establish business contingency plans, including exit strategies for outsourced key, critical or important functions or activities.

The following is a list of outsourced agreements:

Function	Service Provider	Person Responsible
Risk Management Function	Deloitte	Ms. Tania Kyprianidou
Actuarial Function	Deloitte	Mr. Aristos Kyriakides
Appointed Actuary	Deloitte	Mr. Marios Schizas
Internal Audit	Mazars	Mr. Alan Craig
Investment Management Function	Jesmond Mizzi Financial Advisors	Dr. Mark Azzopardi
Investment Management Function	ReAPS	Mr Michael Tabone

2.2.7 Adequacy of the system of governance

The Board of Directors of the Company is committed to good governance which is vital to creating trust and engagement between the Company and its stakeholders and contributes towards it long term success. A key objective of its governance framework of the Company is to ensure compliance with applicable legal and regulatory requirements however proportionate to the size and complexity of the Company's operations. It also applies best practises of corporate governance and corporate administration.

The Company aims to ensure on an ongoing basis that it is a modern, transparent and competitive organisation. By adopting best practises, the Company achieves a dynamic and effective communication with the Board, management and shareholders leading to a successful implementation of its strategy and a more than adequate framework of corporate governance.

2.2.8 Other information

There is no other material information regarding the system of governance of the undertaking.

3 RISK PROFILE

3.1 INTRODUCTION

Solvency II is a risk-based solvency requirement framework which requires the Company to hold capital against underwriting, market credit and operation risks. The Company aims to maintain sufficient available capital to cover all risks it faces and to satisfy the regulatory requirements at all times.

The Solvency Capital Requirement is the economic capital that should be held to ensure that the Company can meets its obligations to policyholders and beneficiaries with certain probability and should be set to a confidence level of 99.5% over a 12-month period. That requirement limits the chance of financial loss for the following year to 1 in 200-year event. There is a Minimum Capital Requirement, which represents an 85% confidence level and should not be less than 25% of the SCR. The Company uses the standard formula to calculate the SCR, as provided by the European Insurance and Occupational Pensions Authority (EIOPA).

For several sub-modules the calculation of the capital requirement is scenario based.

The capital requirement is determined as the impact of a specific scenario on the level of Basic Own Funds.

3.2 OWN RISKS

The Company's overall risk profile is determined by the characteristics of its asset portfolio and the nature of its insurance business. Life business is more geared towards long term savings products, with protection cover being an important element for parts of the portfolio.

The most predominant quantifiable risks at this point are Market, Underwriting, Operational and Counterparty default risks while the most predominant non-quantifiable risks are Strategic and Reputational.

3.2.1 Life Underwriting Risk

Underwriting Risk is defined as the risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. The Company is exposed to life underwriting risk. Out of the particular constituents of Life Underwriting Risk, those that affect the Company's business are the mortality risk, the lapse risk, the expense risk and the catastrophe risk.

Mortality Risk

It is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities. Under this risk, the stress scenario concerns an instantaneous permanent increase of 15% in mortality rates used for the calculation of technical provisions.

As a life insurance company, IVALIFE is exposed to the risk of mortality experience being higher than expected which in turn leads to more claims from insurance policies that provide death cover. This has as a result the amount of claim payments to be higher than expected. Higher mortality experience than expected can arise from mis-judgment during assumption setting, inadequate assessment of the risks entailed during underwriting, concentration of risks, etc.

Lapse risk

It is the risk of loss or adverse change in liabilities due to a change in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policy holder rights to fully or partially terminate, surrender, decrease, restrict or suspend insurance cover or permit the policy to lapse.

IVALIFE is exposed to the risk of lapse rates being higher or lower than expected. The risk of higher-than-expected lapses can incur at the early stage of a policy life cycle, when a policy may lapse before expenses are recovered. The risk of lower-than-expected lapses can incur at the late stage of policies life-cycle, when more policies are in-force creating higher claim costs than expected.

The capital requirement under this risk is calculated under three different stress scenarios included in and is taken as the maximum loss arising from them. The three stress scenarios are the following:

- Instantaneous permanent decrease of 50% in the assumed option exercise rates of the relevant options in all future years. However, the decrease in option exercise rates, following the application of the instantaneous permanent decrease of 50%, shall not exceed 20 percentage points. The decrease in option exercise rates shall only apply to those relevant options for which the exercise of the option would result in a decrease of technical provisions without the risk margin.

- Instantaneous permanent increase of 50% in the assumed option exercise rates of the relevant options in all future years. However, the resulting increased option exercise rates, following the application of the instantaneous permanent increase of 50%, shall not exceed 100%. The increase in option exercise rates shall only apply to those relevant options for which the exercise of the option would result in an increase of technical provisions without the risk margin.

- The discontinuance of 40% of the insurance policies for which discontinuance would result in an increase in technical provisions without the risk margin.

Expense risk

It arises from the variation in expenses incurred in servicing insurance. Under this risk, the stress scenario tested is a combination of the following instantaneous permanent changes:

- An increase of 10% in the amount of expenses taken into account in the calculation of technical provisions;

- An increase of 1% to the expense inflation rate (expressed as a percentage) used for the calculation of technical provisions

Catastrophe risk

This risk stems from extreme or irregular events whose effects are not sufficiently captured in the other life underwriting risk sub-modules. IVALIFE is exposed to life-catastrophe risk due to the potential increase in mortality caused by a catastrophic, extreme death event (e.g., pandemic event, plane crash, nuclear explosion, etc.)

The capital requirement for life-catastrophe risk is equal to the loss in the Company's basic own funds that would result from an instantaneous increase of 0,15% to the mortality rates which are used in the calculation of technical provisions to reflect the mortality experience in the following 12 months.

3.2.1.1 Risk mitigation

Portfolio Monitoring:

The Company's management:

- Reviews regular reports on the gross written premium, risks written and incurred claims; and
- Conducts regular detailed profitability analyses and reviews are undertaken both by internal employees and external consultants.

Clear delegation of underwriting and claims

There is a clear delegation of underwriting and claims authorities within the Company and peer review requirements, with the most complex risks and claims requiring review and sign-off by the Chief Executive Officer. This ensures that the risks and claims are assessed by personnel of appropriate experience and expertise and the premium charged reflects the characteristics of each risk and appropriate claim provisions are put in place.

Reinsurance

The Company uses reinsurance to protect against claims volatility. Each class of business has its own reinsurance treaty. A detailed analysis is undertaken regularly to assess the most appropriate reinsurance structure in accordance to the business, capital and risk strategies of the Company. External consultants are at times engaged to review the reinsurance structure of the Company and advice on its optimisation and the Actuarial Function issues an opinion on the reinsurance arrangements on an annual basis. The credit rating and the financial condition of the reinsurance counterpart is reviewed on a quarterly basis, so that corrective action is taken in the event of a deterioration in their financial quality.

Market and emerging risks/trends monitoring

The Company closely monitors the market and emerging risks /trends and participates in the discussion to address common market issues faced.

3.2.1.2 ORSA outcome

Underwriting risk was considered as material risk during the ORSA exercised performed. It was taken into consideration under the scenarios which indicated that there would be a significant impact on the Company's solvency position but it would remain well above the minimum regulatory solvency ratio.

3.2.2 Market risk

Market risk is defined as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market price of assets, liabilities and financial instruments. It is broken down to interest rate, equity, property, currency, spread and concentration risk.

The Company writes predominantly single premium interest with profits business.

Interest Rate risk

This risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility, whether valued by mark-to-model or mark-to-market techniques.

It affects all interest-sensitive assets (such as sovereign and corporate bonds including bond funds using the look-through approach).

Equity risk

This risk arises from the level or volatility of market prices for equities. Exposure to equity risk refers to all assets and liabilities whose value is sensitive to changes in equity prices and any assets not shocked in other risk modules.

Property risk

It arises as a result of sensitivity of assets, liabilities and financial investments to the level or volatility of market prices of property.

The stress under the SCR standard formula is an instantaneous decrease of 25% on the value of property investment.

Currency risk

This risk arises from changes in the level of volatility of currency exchange rates. All investments with exposure to non-euro currencies are stressed under this risk. These include all non-euro denominated investments funds or of funds whose underlying stocks or bonds are non-euro denominated even if the actual Fund is denominated in euro.

Two scenarios are examined. One where there is an instantaneous rise in the value of 25% of the stressed currency against the local currency and one where there is an instantaneous fall in the value of 25% of the stressed currency against the local currency. The maximum value resulting from the above stresses is the capital requirement.

Spread risk

This risk results from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.

In order to estimate the capital required under this risk module, the shock applied to the relevant assets is the immediate effect on the net value of assets and liabilities expected in the event of an instantaneous decrease of values of these assets due to the widening of their credit spreads.

The Company applies this risk to all assets stressed under the interest rate risk.

Concentration risk

It is the risk of accumulating investment exposures with the same counterparty. It does not include other concentration types (such as geographical area, industry sector, etc). It applies to assets considered under equity, property and spread risk modules, but excludes assets covered under the counterparty default risk.

3.2.2.1 Risk mitigation

Market Risk Management Policy and Prudent Person Principle

The policies and procedures for the management of market risk are documented in the Company's risk Management Policy. The main objective is to ensure that all investment activities are consistent with the Company's investment policy and with the Prudent Person Principle.

In order for the Company to safeguard that investment decisions are taken based on the provisions of the Prudent Person Principle it has established an Asset Liability Investment Advisory Committee. Committee meetings are held on a regular basis.

In particular, relevant limits have been set within the Company's risk appetite and tolerance limits statement and are monitored by the Risk Management Function and reported to the Senior Management and relevant Board committees (Risk Committee). These include restrictions on own assets in relation to duration, asset classes, counterparty, country, concentration and currency risk exposures.

The Company collaborates with a reputable external fund manager. The performance and investment process of the chosen Fund Manager is closely and regulatory monitored and the Company ensures that is able to properly assess and report the assets under management and perform the required solvency capital calculations.

3.2.2.2 ORSA outcome

Market risk was not considered as a material risk during the risk assessment exercise performed in 2021, however it was taken into consideration under the scenario of the business risk stress test which indicated that there would be an impact on the Company's solvency position, but it would remain within its risk appetite.

3.2.3 Credit Risk

Credit risk or counterparty default risk refers to the risk of loss due to failure of a counterparty to meet a financial or contractual obligation. This category of risk aims to reflect possible losses due to unexpected default or deterioration in the credit standing of the Company's counterparties and debtors.

The following categorisation is applied:

- **Type 1** exposures are the exposures which may not be diversified and where the counterparty is likely to be rated and these include the Company's exposures to its reinsurance balances, cash at bank (current accounts) and intercompany accounts.

- **Type 2** exposures are the exposures which are usually diversified and where the counterparty is likely to be unrated. These include the Company's exposure to its intermediary balances, as well as premiums due from policyholders.

3.2.3.1 Risk mitigation

The Company applies the following risk mitigation techniques:

- Conducts due diligence on the financial condition of the counterparties before entering into agreement with them;

- Reviews of the credit rating and the financial condition of the key counterparties;

- Monitors the premium debt balances;

Also the Company has established procedures for the management of credit risk. In particular the list of controls for managing credit risk include:

- credit rating restrictions to ensure high credit quality assets

- counterparty limits are set as part of the Company's risk appetite which is frequently monitored by the Risk Management Function.

3.2.3.2 ORSA outcome

During the risk assessment performed in 2021 it was concluded that the Company had no material credit risk exposure.

3.2.4 Operational Risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The operational risk module is designed to address operational risks to the extent that these have not been explicitly covered in other risk modules.

Even though the risk is measured using the Standard Formula (provided by EIOPA), it is widely accepted that in reality Operational Risks are significant risks difficult to measure and identify. The risks within this category are associated with the specific processes associated with the conduct of life insurance business and they include:

- Underwriting process risk – the company might face financial loss related to selection and approval of risks to be insured

- Pricing process risk – the company might face financial losses due to insufficient premium charged for risks undertaken (the outcome of a failed pricing procedure will also impact mortality and expense risk, captured under the life underwriting risk)

- Product design risk – the company might be exposed to events not anticipated in the design and pricing of its life insurance contracts

Furthermore, a series of workshops have been conducted with the Company's responsible function holders. The workshops included:

- A brief overview of the risk management policy with a more detailed reference to the sections that are relevant to the respective department/function

- Walkthrough of the processes of each department and identification of the key risk areas

- Discussion on the measurement and risk mitigation of each identified risk

- Establish a process for collecting, evaluating, monitoring and reporting operational losses

3.2.4.1 Risk mitigation

Operational risk covers a wide range of processes, procedures and systems across the Company, thus appropriate risk mitigation techniques are applied depending on the process or system. These include but are not limited to:

- Regular Internal Audit and external consultants' reviews of the processes, systems and procedures;

- Policies and procedures are documented and available to all employees;

- Regular attendance to trainings and seminars both to further develop the employees' knowledge and capabilities (reducing people's risk) and to ensure the Company keeps abreast of any regulatory or technical developments (reducing regulatory risk);

- Peer review of material work and appropriate underwriting, claims and other authority limits in place;
- Business continuity and disaster scenario planning; and
- Standard templates/policy wordings.

The continued effectiveness of the risk mitigation techniques and controls is monitored through the risk register. The risk register is reviewed and updated continuously as new risks and/or failures in controls are identified.

3.2.4.2 ORSA outcome

As part of the ORSA process a stress test was carried combining multiple factors including the materialisation of an operation event. The solvency ratio remained well above the minimum regulatory requirement.

3.2.5 Other material risks - Strategy Risk

The Company's strategy is defined as the long-term plan which enables it to achieve its business objectives. Strategic risk is the risk that unexpected events result in the Company's objectives not being achieved or materially delayed or that inappropriate objectives lead to missed business opportunities.

The Company pays special attention to strategic risk, which is a sub-category of business risk. In order to mitigate its exposure to strategic risk the Company is diligent in preparing its financial plans which are ambitious but achievable. Careful consideration is given to both new business estimates as well as assumptions on future experience which are approved by the BoD.

The risk is influenced by a number of different factors including:

- Consumer preferences, demand, and sales volumes
- Per-unit price and input costs
- Competition
- The overall economic climate

3.2.5.1 Risk Mitigation Techniques

Monitoring

The Company continuously monitors its plan (by comparing performance results with expected) and take corrective actions where it is considered necessary. Specifically, and with regards to its With Profits business, IVALIFE's is considering changing the product's distribution features which will make the product more marketable and help increase its sales capacity and thus narrow down the variance.

Also, the Company is considering offering other products covering other needs and thus attracting more customers.

3.2.5.2 ORSA outcome

During the risk assessment exercise performed in 2021, it was concluded that the Company had material exposure to strategic risk mainly due to the impact form the external environment (e.g., pandemic impact). As part of the ORSA process, a business risk stress test, combining with other factors, was performed. The results of the stress test showed a drop in solvency ratio during the projected period, remaining well above the minimum regulatory requirements. The Company acknowledged the exposure and as such prepared an action plan.

3.2.6 Other material risks - Reputational Risk

Reputational risk is the risk of potential loss through the deterioration of its reputation or standing due to a negative perception of the Company's image among customers and counterparties. As a new established company, IVALIFE aims to build its reputation, which will also help with business sales and thus company performance.

IVALIFE has started its operations in a challenging environment with the restrictions of the pandemic. Nevertheless, the insurance portfolio of IVALIFE shows steadily expansion, which is an indicator that IVALIFE has started to gain the customers trust and building a good reputation.

Similarly, with the strategic risk, this risk is not captured by the standard formula, hence it is subject to qualitative assessment.

To gain the support of the stakeholders, the Company must continue delivering on the following:

- Products and services that customers both buy and recommend
- An appropriate marketing strategy which engages the media
- Employees who can deliver on its strategy

3.2.7 Liquidity Risk

Liquidity risk is defined as the risk that the Company is unable to realise investments and other assets (or realise them at excessive cost) in order to settle its financial obligations when they fall due.

The liquidity risk of the Company is generally very low as:

- A significant proportion of the assets is invested in short-terms products, including cash and bank deposits.
- Most of the assets held (corporate bonds, government bonds, equities) are highly tradeable securities which enables fast and low cost liquidation of assets.

Sources of cash in and cash out flows such as insurance receivables, claims (deaths, surrenders), expenses etc., are diversified and to a large extent independent. This risk concentration within liquidity risk is limited.

The composition of the asset portfolio is not expected to change over the business planning horizon in a way that would introduce liquidity risk.

The Company's liquidity requirements are continually monitored, and risk appetite limits are assessed and recorded by the RMF on a quarterly basis

3.2.8 Other information

The Company aims to maintain its risk profile within its risk appetite and in accordance with regulatory requirements. The set risk appetite and tolerance limits are monitored by the Risk Management Function with the use of the Risk Appetite dashboard, which is reported on a quarterly basis through the Risk Management report to the Senior Management, Risk Committee and Board, indicating any violations and remedial actions taken or planned to be taken.

4 VALUATION FOR SOLVENCY PURPOSES

4.1 ASSETS

4.1.1 Value of assets

The Company held the following assets as at 31st December of 2021:

ASSETS SII YE2021	
Asset	**€'000**
Deferred acquisition costs	-
Intangible assets	-
Deferred tax assets	416
Property, plant & equipment held for own use	31
Right-of-use-asset	7
Investments (other than assets held for index-linked and unit-linked contracts)	8,755
Reinsurance asset	-51
Insurance and intermediaries receivables	105
Reinsurance receivables	246
Receivables (trade, not insurance)	22
Cash and cash equivalents	196
Total assets	**9,729**

4.1.2 Description of bases, methods and main assumptions used for valuation for solvency purposes

The valuation principles applied to these assets are consistent with those used in the IFRS accounts, notably:

- Deferred Tax Asset ('DTA'): Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Within the Solvency II balance sheet, deferred tax is adjusted to take into account differences in the SII valuation of assets and liabilities as compared to IFRS multiplied by the effective tax rate (see table below). DTAs are recognised to the extent that the Company intends to offset past tax losses already realised against future tax profits. This way, the insurer pays less or no tax on these future profits.

- Property, plant and equipment: Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset.

- Right-of-use asset: The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct and restoration costs incurred less any lease incentive received, if any. Lease arrangements are not material.

- Bonds, Equities and Collective Investment Schemes– The Company's financial assets are classified as financial assets at fair value through profit or loss. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. It should be noted that the Company limits its equity purchases to those instruments that are listed on the most recent MSCI all world index. Furthermore all debt instruments held are actively traded on the exchange.

- Cash and cash equivalents – These are measured at face value.
- Reinsurance Asset represent the difference between Gross and Net provisions. A reduction of reinsurance recoverables has been made to allow for expected losses due to the possible default of a counterparty.

4.1.3 IFRS vs Solvency II

ASSETS: IFRS VS SII YE2021			
Asset	**IFRS €'000**	**Solvency II €'000**	**Major Differences**
Deferred acquisition costs	534	-	DAC are valued at zero on a SII valuation basis
Intangible assets	1,015	-	Intangibles are valued at zero on a SII valuation basis
Deferred tax assets	534	416	Solvency II profits that reduces the Deferred tax assets
Property, plant & equipment held for own use	31	31	-
Investments (other than assets held for index-linked and unit-linked contracts)	8,082	8,755	-
Reinsurance Asset	70	-51	Lower Reinsurance Recoverables are generated under the Solvency II basis as prudence margins are removed from the assumption basis through the shift to a best estimate approach
Insurance and intermediaries' receivables	105	105	-
Reinsurance receivables	246	246	-
Receivables (trade, not insurance)	806	22	-
Cash and cash equivalents	196	196	-
Right-of-use asset	7	7	-
Total assets	**11,628**	**9,729**	

4.2 TECHNICAL PROVISIONS

4.2.1 Value of Technical Provisions (amount of Best estimate and Risk Margin)

The value of the Company's technical provisions is equal to the sum of the best estimate and the risk margin, which are calculated separately. The table below shows the value of technical provisions as at 31 December 2021 both gross and net of reinsurance (RI) recoverables by line of business.

TECHNICAL PROVISIONS YE2021			
€'000s	**Insurance with profit participation**	**Other Life Insurance**	**Total**
Gross Best Estimate [A]	4,464	-2,442	2,023
Risk Margin [B]	482	242	724
Gross Technical Provisions [C=A+B]	**4,946**	**-2,200**	**2,746**

RI Recoverable [D]	-	-51	-51
Net Technical Provision [C-D]	**4,946**	**-2,149**	**2,797**

4.2.2 Description of the bases, methods and main assumptions used

4.2.2.1 Investment contracts with profit participation

For the investment contracts with profit participation policies the best estimate liability (BEL) has been derived from the accumulated account value of each policy as at 31.12.2021 and the present value of the expected future cashflows related to these policies. The cash flow projections are performed on a best estimate basis (i.e. without any prudence margins) and discounting is performed using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA

4.2.2.2 Other Life Insurance (excl. Group Life Insurance)

The BEL for Other Life Insurance is calculated as the expected present value of all future cash flows arising in relation to other life insurance policies (premiums, expenses, claims etc.). The cash flow projections are performed on a best estimate basis (i.e., without any prudence margins) and discounting is performed using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

On top of the above, any outstanding claims as at the valuation date are also added to the BEL.

4.2.2.3 Other Life Insurance (Group Insurance)

4.2.2.3.1 Claims provision

The provision for claims outstanding relates to claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not. Thus, the components of the Claims Provision are the Outstanding Case Estimates and the Incurred But Not Reported (IBNR). Under Solvency II, the reserves are discounted to allow for the time value of money using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

4.2.2.3.2 Premium provision

The calculation of the best estimate of the premium provision relates to all future cashflows arising from future events, over the remaining duration of unexpired policies. Such cashflows mostly relate to future claims, administration expenses and reinsurance cost.

4.2.3 Risk Margin

The Risk Margin is designed to ensure that the value of technical provisions is equivalent to the amount that a third undertaking would be expected to require in order to take over and meet the Company's insurance obligations. The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the Company's insurance obligations over their lifetime thereof. This rate, called the Cost-of-Capital, is prescribed at 6%, as published by EIOPA. It should be noted that the Company implemented the suggested methodology by EIOPA without any significant simplifications.

4.2.4 Recoverables

Reinsurance Asset represent the difference between Gross and Net provisions. A reduction of reinsurance recoverables has been made to allow for expected losses due to the possible default of a counterparty.

4.2.5 *Description of the level of uncertainty associated with the value of technical provisions*

Uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are interest rates, lapse rates, mortality rates and expense assumptions. The assumptions will be reviewed at least annually, to ensure continued suitability. The balance sheet is also affected by volatility in the financial markets, for example in the equity and bond markets. Where assets held on the balance sheet are affected, this may increase the value of technical provisions due to the cost of covering guarantees on the with-profits portfolio.

Note 4 to the Audited Financial statements, describes critical accounting estimates further.

Given that the Company is in its first year of operation actual experience to date is very limited. New estimates are made each subsequent year to reflect the current long-term outlook.

4.2.6 *Quantitative and qualitative explanation of any material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and for IFRS.*

The following table compares the net technical provisions under Solvency II and under IFRS.

NET TECHNICAL PROVISIONS YE2021			
€'000s	Insurance with profit participation	Other Life Insurance	Total
Solvency II	4,946	-2,149	2,797
IFRS	4,469	326	4,795
Difference	**477**	**-2,475**	**-1,998**

Lower technical provisions are generated under the Solvency II basis as prudence margins are removed from the assumption basis through the shift to a best estimate approach.

Moreover, the removal of zeroization of negative reserves and allowance of future profits, result in further reduction of the net technical provisions under Solvency II.

The inclusion of the Risk Margin in the Solvency II technical provisions together with the change in economic assumptions given the low yield environment cause an increase in Solvency II technical provisions.

4.2.7 *Statement on whether the matching or volatility adjustment referred to in Article 77d of Directive 2009/138/EC is used*

The Company has not used the matching or volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

4.2.8 *Statement on whether the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC is applied*

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

4.2.9 *Statement on whether the transitional deduction referred to in Article 308d of Directive 2009/138/EC is applied*

The Company has not used any of the following the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

4.2.10 *Material assumption changes*

No changes in assumptions have been occurred compared to last year as IVALIFE commenced operations on 1st March 2021.

4.3 VALUATION OF OTHER LIABILITIES

4.3.1 *Value of other liabilities*

The table below sets out the value of the other liabilities as at 31st December 2021:

OTHER LIABILITIES SII YE2021	
Liabilities	**€'000**
Insurance & intermediaries payables	296
Reinsurance payables	82
Payables (trade, not insurance)	486

4.3.2 *Description of the bases, methods and main assumptions used for their valuation for solvency purposes*

4.3.2.1 *Insurance and intermediaries' payables*

Insurance and intermediaries payables at 31 December 2021 total €296k.

4.3.2.2 *Reinsurance payables*

As at 31 December 2021, the balance owed to reinsurers was €82k. This balance is in respect of reinsurance agreements that were in force at the reporting date.

4.3.2.3 *Payables (trade, not insurance)*

Payables (trade, not insurance) relate to balances owed in respect of other services received by the Company; no estimation methods, adjustments for future value or valuation judgements are required for these balances. The total for payables (trade, not insurance) as at 31 December 2021 was €486k.

Payables (*trade, not insurance*)	**€'000**
Other payables	239
Accrued expenses	247

4.3.3 *Quantitative and qualitative explanation of any material differences with the valuation bases, methods and main assumptions used for the valuation for solvency purposes and for IFRS*

OTHER LIABILITIES: IFRS VS SII YE2021			
Liabilities	IFRS €'000	Solvency II €'000	Major Differences
Insurance & intermediaries payables	296	296	-
Reinsurance payables	82	82	-
Payables (trade, not insurance)	486	486	-

4.3.3.1 Deferred Tax Liability (DTL)

As at 31 December 2021 the Company does not have any Deferred Tax Liabilities.

4.4 ANY OTHER INFORMATION

No other material information regarding the valuation of assets and liabilities for solvency purposes.

5 CAPITAL MANAGEMENT

5.1 OWN FUNDS

The objective of capital management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company holds regular meetings of senior management and BoD, at least quarterly, during which the ratio of eligible own funds over SCR and MCR are reviewed. As part of own funds management, the Company prepares annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the base of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

An analysis of the Company's Own Fund by tier is shown below:

€'000s	YE 2021 (€'000)
1 January 2021	
Share Capital	7,500
Reconciliation reserve	(1,799)
An amount equal to the value of net deferred tax assets	416
Total Basic Own Fund	**6,117**
Tier 1	5,701
Tier 2	
Tier 3	416

The Company's ordinary share capital and reconciliation reserve are all available as trier 1 unrestricted own funds as per Article 69(a) (i) of the Delegated Regulation.

Reconciliation reserve

The reconciliation reserves equal to the excess of assets over liabilities less other basic own funds as at the reporting date. Whilst some of the approaches and techniques applied under Solvency II are similar to those followed under the IFRS basis, there are other areas where there are some differences (in terms of methodologies and assumptions). Some of the most important and challenging requirements are listed below:

- Removal of margins within the best estimates in an effort to provide a "true" best estimate for solvency purposes
- Introduction of the principle of a market consistent basis and calculation of Risk Margin
- Allowance of negative reserves
- Discounting using an EIOPA provided term structure as opposed to discounting using the rate implied by the assets which back the liabilities

Own funds

The Company has also an amount as tier 3 own funds as per Article 76 of the Delegated Regulation.

The Company's total own funds are eligible to cover its Solvency capital requirement whereas only the tier 1 unrestricted and available to cover the Minimum Capital Requirement.

This is the Company's first SFCR and therefore comparative information is not being presented.

5.2 IFRS EQUITY VS OWN FUNDS

The table below shows the difference between own funds as shown in the financial statements and the Solvency II own funds

€'000s	Own Funds
	YE 2021 (€'000)
Total own funds as per Financial Statements	5,898
Deferred Acquisition Costs	(534)
Intangible assets	(1,015)
Reinsurance deferral	(73)
Change in valuation of Technical Provisions (net)	1,998
Deferred Tax Movement	(157)
Total basic own funds	**6,117**

5.3 SOLVENCY CAPITAL REQUIREEMENT AND MINIMUM CAPITAL REQUIREMENT

The Company's Solvency Capital Requirement based on the Solvency II standard formula methodology for the financial year end 2021 is shown below:

€'000s	YE 2021 (€'000)
Total eligible own funds to meet the SCR	6,117
Solvency capital requirement	2,586
Ratio of Eligible own funds to SCR	**2.35%**
Total eligible own funds to meet the MCR	5,701
Minimum capital requirement	3,700
Ratio of Eligible own funds to MCR	**1.54%**

A further analysis of the Company's SCR for the year 2021 is shown below

€'000s	YE 2021 (€'000)
Market risk	1,546
Counterparty risk	194
Life Underwriting risk	1,087

Diversification effect	*(658)*
Basic solvency capital requirement	**2,169**
Operational risk	417
Solvency capital requirement	**2,586**

5.3.1 Simplifications

The Company has not used any simplifications in calculating any of the modules of the SCR.

5.3.2 Undertaking – specific parameters

The Company has not used undertaking – specific parameters for any of the parameters.

5.3.3 Any material change to the SCR and MCR over the reporting period and the reasons for any such change

No changes in assumptions have been occurred compared to last year as IVALIFE commenced operations on 1st March 2021.

5.3.4 Minimum capital requirement

The table below shows the inputs into the MCR calculation as at 31 December 2021. It should be noted that the Absolute Floor of the Minimum Capital Requirement (AMCR) is prescribed by EIOPA and stated in Euros

€'000s	YE 2021 (€'000)
AMCR	3,700
Linear AMCR	(42)
SCR	2,586
Combined MCR	646
MCR	**3,700**

5.4 LOSS ABSORBING CAPACITY OF DEFERRED TAX ADJUSTMENT AND DEFERRED TAX ASSET

The Company accounts for a deferred tax asset pertaining to unabsorbed tax losses within the IFRS balance sheet. This is duly adjusted downwards to cater for differences in own funds as per SII versus equity under IFRS, as further described in sections above. The Company expects to utilise these deferred tax assets against future profits in the short to medium term based on the Company's latest business projections of future taxable profits, which are not in any way more favourable than the projections comprising the Company's most recent business plans. There are currently no time limits relating to the carry-forward of unused tax losses. The Company has not taken an allowance for LACDT.

5.5 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR

The Company has maintained capital sufficient to meet its MCR and SCR throughout the year 2021.

5.6 DURATION BASED EQUITY RISK SUB MODULE OPTION

The equity risk sub module is not used by the Company for the calculation of its Solvency capital requirements.

5.7 INTERNAL MODEL

An internal model is not used by the Company for the calculation of its Solvency Capital Requirements and its Minimum Capital Requirements.

5.8 ANY OTHER INFORMATION

There is no other material information regarding the capital management of the undertaking during the year 2021.

Appendix A: TEMPLATES

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	416,326
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	31,074
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	8,754,818
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	496,038
Equities - listed	**R0110**	496,038
Equities - unlisted	**R0120**	-
Bonds	**R0130**	2,011,280
Government Bonds	**R0140**	1,111,489
Corporate Bonds	**R0150**	899,791
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	5,595,721
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	-
Other investments	**R0210**	651,779
Assets held for index-linked and unit-linked contracts	**R0220**	-
Loans and mortgages	**R0230**	-
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	- 50,565
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**	- 50,565
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	- 50,565
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	105,243
Reinsurance receivables	**R0370**	245,785
Receivables (trade, not insurance)	**R0380**	22,252
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**	196,415
Any other assets, not elsewhere shown	**R0420**	7,288
Total assets	**R0500**	**9,728,637**
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**	2,746,340
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**	2,746,340
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	2,022,777
Risk margin	**R0680**	723,563
Technical provisions – index-linked and unit-linked	**R0690**	-
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	-
Risk margin	**R0720**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	-
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	296,388
Reinsurance payables	**R0830**	82,101
Payables (trade, not insurance)	**R0840**	486,239
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**	**3,611,068**
Excess of assets over liabilities	**R1000**	**6,117,569**

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

		Line of Business for: life insurance obligations		Total
		Insurance with profit participation	Index-linked and unit-linked insurance	
		C0220	**C0240**	**C0300**
Premiums written				
Gross	**R1410**	4,363,885	850,426	5,214,311
Reinsurers' share	**R1420**	373	163,057	163,430
Net	**R1500**	4,363,512	687,369	5,050,881
Premiums earned				
Gross	**R1510**	4,363,885	850,426	5,214,311
Reinsurers' share	**R1520**	373	163,057	163,430
Net	**R1600**	4,363,512	687,369	5,050,881
Claims incurred				
Gross	**R1610**	-	-	-
Reinsurers' share	**R1620**	-	-	-
Net	**R1700**	-	-	-
Changes in other technical provisions				
Gross	**R1710**	4,470,376	394,723	4,865,099
Reinsurers' share	**R1720**	-	70,476	70,476
Net	**R1800**	4,470,376	324,247	4,794,623
Expenses incurred	**R1900**	180,070	1,526,844	1,706,914
Other expenses	**R2500**			-
Total expenses	**R2600**			1,706,914
Total amount of surrenders	**R2700**	-	-	-

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Other life insurance		Total (Life other than health insurance, including Unit-Linked)
				Contracts without options and guarantees	
		C0020	C0060	C0070	C0150
Technical provisions calculated as a whole	**R0010**				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**				
Technical provisions calculated as a sum of BE and RM					
Best Estimate					
Gross Best Estimate	**R0030**	4,464,427		- 2,441,650	2,022,777
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		- 50,565	- 50,565
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	4,464,427		- 2,391,085	2,073,342
Risk Margin	**R0100**	481,671	241,892		723,563
Amount of the transitional on Technical Provisions					
Technical Provisions calculated as a whole	**R0110**	-	-		-
Best estimate	**R0120**	-		-	-
Risk margin	**R0130**	-	-		-
Technical provisions - total	**R0200**	4,946,098	- 2,199,758		2,746,340
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	4,946,098	- 2,149,193		2,796,905
Best Estimate of products with a surrender option	**R0220**	-	-		-

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		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**	7,500,000	7,500,000	-	-	-
Share premium account related to ordinary share capital	**R0030**	-	-	-	-	-
Iinitial 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**	- 1,798,757	- 1,798,757	-	-	-
Subordinated liabilities	**R0140**	-		-	-	-
An amount equal to the value of net deferred tax assets	**R0160**	416,326	-	-	-	416,326
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**	6,117,569	5,701,243	-	-	416,326
Ancillary own funds		-	-	-	-	-
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	**R0320**	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	-	-	-	-	-
Other ancillary own funds	**R0390**	-	-	-	-	-
Total ancillary own funds	**R0400**	-	-	-	-	-
Available and eligible own funds		-	-	-	-	-
Total available own funds to meet the SCR	**R0500**	6,117,569	5,701,243	-	-	416,326
Total available own funds to meet the MCR	**R0510**	5,701,243	5,701,243	-	-	-
Total eligible own funds to meet the SCR	**R0540**	6,089,170	5,701,243	-	-	387,928
Total eligible own funds to meet the MCR	**R0550**	5,701,243	5,701,243	-	-	-
SCR	**R0580**	2,586,184	-	-	-	-
MCR	**R0600**	3,700,000	-	-	-	-
Ratio of Eligible own funds to SCR	**R0620**	235%	-	-	-	-
Ratio of Eligible own funds to MCR	**R0640**	154%	-	-	-	-

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	6,117,569	
Own shares (held directly and indirectly)	**R0710**	-	
Foreseeable dividends, distributions and charges	**R0720**	-	
Other basic own fund items	**R0730**	7,916,326	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	-	
Reconciliation reserve	**R0760**	- 1,798,757	
Expected profits		-	
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	2,465,754	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	-	
Total Expected profits included in future premiums (EPIFP)	**R0790**	2,465,754	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	1,545,886		
Counterparty default risk	R0020	194,100		
Life underwriting risk	R0030	1,087,005		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	-		
Diversification	R0060	- 657,951		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	2,169,039		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	417,145
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	2,586,184
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	2,586,184
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

		Yes/No
Approach to tax rate		C0109
Approach based on average tax rate	R0590	2 - No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
DTA	R0600	
DTA carry forward	R0610	
DTA due to deductible temporary differences	R0620	
DTL	R0630	
LAC DT	R0640	-
LAC DT justified by reversion of deferred tax liabilities	R0650	-
LAC DT justified by reference to probable future taxable economic profit	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	-

Annex I
S.28.01.01
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	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	-42,425

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	4,857,115	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		300,207,608

Overall MCR calculation

		C0070
Linear MCR	R0300	- 42,425
SCR	R0310	2,586,184
MCR cap	R0320	1,163,783
MCR floor	R0330	646,546
Combined MCR	R0340	646,546
Absolute floor of the MCR	R0350	3,700,000
		C0070
Minimum Capital Requirement	R0400	3,700,000

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