SOLVENCY AND FINANCIAL CONDITION REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

ONE LIFE

THE ONELIFE COMPANY S.A.

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EXECUTIVE PRESENTATION

The OneLife Group is composed of The OneLife Holding S.à r.l. and its subsidiaries (the Group). It is an insurance Group whose sole and only insurance entity as of 31 December 2017 is The OneLife Company S.A. (the Company), an insurance company licenced in Luxembourg.

This is the second Solvency and Financial Condition Report (SFCR) provided by the Company under the Delegated Regulation (UE) 2015/35 from the European Commission dated 10 October 2014, completing the European Parliament and Council Directive on the business of Insurance and Reinsurance (Solvency II). Comparative figures for 2017 and 2016 are incorporated in the report. A summary of material changes from one year to another is presented for explanation purposes, when applicable.

The purpose of the SFCR is to satisfy the reporting and disclosure requirement to be made public and published on the Company's public website under the EU wide regulatory regime for insurance companies, known as Solvency II, which came into force from 1 January 2016. This regime requires new reporting and disclosure arrangements to be put in place by insurers and some of that is required and issued to the Commissariat Aux Assurances (CAA or Regulator) (referring to a specific apart confidential report – Regular Supervisor Report - RSR). The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management. The ultimate Administrative Body that has the responsibility for all these matters is the Company's Board of Directors with the support of various governance and control functions that it has put in place to monitor and manage the business. The SFCR is a public document.

The Regulator has exempted the Group from Group reporting for Solvency purposes. Accordingly, the sole Group's entity having to produce RSR and SFCR report is The OneLife Company S.A. and our SFCR is produced considering that entity on a stand-alone basis. In accordance with the Circular Letter 17/11 issued by the CAA, the Company will not issue a RSR for the year ended 31 December 2017.

With regards to the business and performance, profits have been generated by the core insurance activities in conjunction with strict cost controls and with exceptional item limited in amounts. It resulted in a profit of 5.9 M EUR (2016: 4.4 M EUR).

With regards to the system of governance, the Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business. The different elements of the risk profile are assessed with a solid risk management methodology that requires intervention of all parties of the company in order to ensure a complete picture including under simulated stress scenarios.

The Company exclusively applies the Standard Formula to determine its Solvency Capital Requirements, without using simplified calculations and without using undertaking-specific parameters and has described the valuation methods used in section 5. As at 31 December 2017, the Group's sole reporting entity, The OneLife Company S.A. solvency II ratio was 163 % (2016: 164%).

The tiering of basic own funds allows for the following repartition: 90.8% in Tier 1 unrestricted (2016: 90.4%), 8.3 % in Tier 1 restricted (2016: 8.7%) and 0.9 % in Tier 2 (2016: 0.9%). Solvency capital requirements of the Company are concentrated on Market risk (equity risk and spread risk) and on life underwriting risk (lapse risk and expense risk).

Finally, the Company complied with its Solvency Capital Requirement and Minimum Capital Requirement throughout the reporting period and the Company does not foresee a risk of non-compliance with its Solvency Capital Requirement or Minimum Capital Requirement during its 3 years business planning horizon.

There are no subsequent events that occurred during the period until reporting that had a material impact on the Company or reported figures or comments. It is nevertheless worth noting that, Antonio Corpas has been appointed on 18 April 2018 by the Board of Managers to replace Marc Stevens as a Member of the Board of Managers for The OneLife Holding S.à r.l and as a Member of the Board of Directors for The OneLife Company S.A. Antonio Corpas' appointment as Chief Executive Officer of these two entities and as Authorized Manager has been submitted to the Commissariat Aux Assurances for approval.

Luxembourg, 2 May 2018

Antonio Corpas
Member of the Board of Directors

Thierry Porté
Member of the Board of Directors

1

INTRODUCTION

1.1 - List of abbreviations & used terms

ACA	Association des Compagnies d'Assurance
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
ARCC	Audit, Risk and Compliance Committee
BEL	Best Estimate Liability
BRCC	Business Risk & Compliance Committee
BSCR	Basic Solvency Capital Requirement
Board or BoD	Refers to The OneLife Company S.A. Board of Directors unless specified otherwise
Company	The OneLife Company S.A.
CAA or Regulator	Commissariat aux Assurances
CAC	Client Acceptance Committee
CEO	Chief Executive Officer - Company's Managing Director
CF	Control Function
DF or Dedicated Funds	Unit-linked life insurance policies, capital redemption bonds and/or pension plans linked to an individual investment fund whose assets are managed according to the investment strategy selected by the Policyholder(s).
ERM	Enterprise Risk Management
GEC or Exco	Group Executive Committee
Group	Refers to The OneLife Group composed of The OneLife Holding S.à r.l. and its subsidiaries
HNWI	High Net Wealth Individuals
HR	Human Resource department
HRRC	Human Resources and Remuneration Committee
IC	Investment Committee
ICA	In Collective Bargaining Agreement
MCR	Minimum Capital Requirement
NGC	Nomination & Governance Committee
MLRO	Money Laundering Reporting Officer
OLC	The OneLife Company
OSN	Overall Solvency Needs
ORSA	Own Risk and Solvency Assessment
PVFP	Present Value of Future Profits
QRT	Quantitative Reporting Template
RCC	Risk & Control Committee

RED	Risk Event Data
REM	Risk Exposure Monitoring
RM	Risk Margin
RMC	Risk Management Committee
RSR	Regular Supervisory Report (addressed to the Regulator and confidential)
RST	Reverse Stress Test
Saphir	Saphir II Holding S.à.r.l. , a subsidiary of the Group (liquidated in 2017)
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report (for publication on the Company's website)
SLA	Service Level Agreement
SMP	Senior Management Position
T&L	Tax & Legal Department
ToR	Terms of Reference
UK	United Kingdom

1.2 - Scope

This Solvency and Financial Condition Report is prepared in accordance with requirements derived from the Regulation (EU) No 1094/2010 of the European Parliament and of the Council (hereafter EIOPA Regulation) in connection with reporting on Solvency & Conditions Reports to the Commissariat Aux Assurances of Luxembourg (hereafter referred to as "the Regulator" or "CAA") for the regulated Company The OneLife Company S.A.

In accordance with the requirement of the Directive 2009/138/EC "Solvency II Directive", all the insurance and reinsurance undertakings should provide some information to the supervisory authorities in the confidential regular supervisory report (RSR) and should publicly disclose some information in the Solvency and Financial Condition Report (SFCR).

All undertakings have to disclose on an annual basis, a report on their solvency and financial condition in which qualitative and quantitative information on business, performance, system of governance, risk profile, valuation for solvency purposes and capital management should be provided or described. In accordance with the Circular Letter 17/11 issued by the CAA, the Company is not required and will not issue a RSR for the year ended 31 December 2017.

The OneLife Company S.A. (the Company) is a life insurance company incorporated in the Grand Duchy of Luxembourg under Luxembourg law as a Société Anonyme on 26 June 1990 under Luxembourg Commerce Register Number: B 34 402. This report is based on the Company's audited financial statements for the year ended 31 December 2017.

The Company is authorised by the Commissariat aux Assurances to provide life insurances, annuities, pensions and retirement benefits, and reinsurance operations of business of similar nature, and to conduct investment and real estate activity relating to the principal objective. The Company sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU or non-EU countries.

The 100% shareholder and parent of the Company is The OneLife Holding S.à r.l. (the Parent) which is incorporated in Luxembourg. For the purposes of this report, The OneLife Holding S.à.r.l. and all its subsidiaries are referred to as the "Group".

In June 2016, the Group completed a rebranding of all its business under one single name, OneLife. At the same time, NPG Wealth Management S.à r.l. was renamed The OneLife Holding S.à r.l. and Private Estate Life S.A. was renamed The OneLife Company S.A.

In terms of the Group's structure, The Group is a Luxembourg-based group active in the life insurance sector managed and controlled by The OneLife Holding S.à r.l.

J.C. Flowers & Co., a leading private equity investor in the global financial services industry has been assembling the Group since late 2006 through a series of acquisitions of companies with a much longer trading history. J.C. Flowers & Co manages several private equity funds.

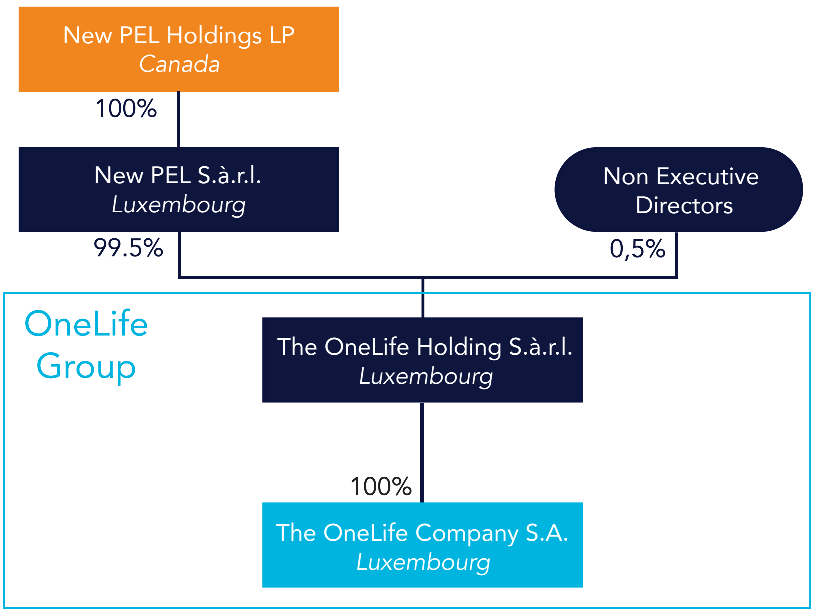
In 2016, a liquidation process was launched for two of the subsidiaries of the Group acting as intermediary holding entities previously owning regulated life insurance companies:

- Saphir II Holding S.à r.l., a Luxembourg holding company which owned the investment into The OneLife Company S.A.;
- New Pel Bermuda Holding Limited is a Bermuda-based company that owned the investment into Altraplan Bermuda Limited (sold in 2015).

It was also resolved to close the Irish Branch of The OneLife Holding S.à r.l., which owned the investment in New Pel Bermuda Holding Limited.

The liquidation and closing processes of Saphir II Holding S.à r.l., New Pel Bermuda Holding Limited and the Irish Branch of The OneLife Holding S.à r.l. were all concluded in 2017 respectively on 30 January 2017, 16 January 2017 and 1 March 2017.

Accordingly, as of 31 December 2017, the Group's structure was as shown below:



In 2016, the Regulator has exempted the Group from Group reporting for Solvency purposes with effective date on 1 October 2016. Accordingly, the sole Group entity having to produce these reports is The OneLife Company S.A. and our SFCR is produced considering that entity on a stand-alone basis. Nevertheless, some references to the Group's bodies or processes or functions are made in the System of Governance part of this report as they were constituted when there were several active entities within the Group. They are still in existence but currently only apply to The OneLife Company S.A.

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BUSINESS AND PERFORMANCE

2.1 - Business - Identification and appointments

This report relates to The OneLife Company S.A., an insurance company located and licenced in Luxembourg.

The Company is regulated by:

Commissariat aux Assurances
7, boulevard Joseph II,
L - 1840 Luxembourg

Telephone: (+352) 22 69 11 - 1
Fax: (+352) 22 69 10
Website: www.caa.lu

The **Company's address** is at

OneLife
38 Parc d'Activités de Capellen
BP 110
L-8308 Capellen

Telephone: +352 45 67 301
Website: www.onelife.eu.com

The Company offers unit-linked life assurance policies whose benefits are linked to the value of an investment portfolio. The Company offers a wide range of asset classes and investment strategies and calibrates each solution precisely using an array of fund types, financial products and investment vehicles – providing the flexibility and diversification that allow its clients to optimise risk / return profiles. Upon condition, the client can change asset allocation, custodian bank and investment manager during the life of a contract.

More particularly, the Company proposes the following assets in its products

- External investment funds managed by experienced asset managers
- Internal collective funds offering mandated collective management in line with different policyholders' risk profiles
- Internal dedicated funds that allow discretionary management, in line with the policyholder's personal objectives
- Specialised funds that allow holding specific class of assets without discretionary management.

The **external auditors** of the Company are:

Deloitte Audit, Société à Responsabilité Limitée
560 Rue de Neudorf
L-2220 Luxembourg

Telephone: +352 45 14 51
Website: www.deloitte.lu

As at 31 December 2017 and 2016, The Company's ultimate shareholder is New PEL S.à.r.l. (owned by JCF AIV PLP), a limited partnership established in the Province of Alberta (Canada)) which owns 99.5% of The OneLife Holding S.àr.l Two independent directors own the remaining 0.5%.

As of 31 December 2017, the Board of Directors is composed of seven Directors:

Mr. Michel Wolter	Director (Independent) and Chairman of the Board
Mr. Paul Wolff	Director (Independent)
Mr. Thierry Porté	Director (Group Executive Chairman)
Mr. Marc Stevens	Director / Managing Director (Group Chief Executive Officer)
Mr. Christopher Baker	Director (Independent)
Mr. Jean-Luc Jancel	Director (Independent)
Mr. Peter Yordan	Director (Non-executive)

Whenever applicable, the figures presented in this report are derived from Audited Financial Statements for the year ended 31 December 2017 which have been prepared in accordance with the Luxembourg law on the accounts of insurance and reinsurance undertakings (the Law) of 8 December 1994, as amended, and in compliance with the generally accepted accounting policies for the insurance and reinsurance industry in the Grand-Duchy of Luxembourg. The accounting policies and the valuation rules are determined and applied by the Board of Directors.

The following significant general rules have been applied:

- the Company is on a going concern basis;
- the valuation methods are consistent from one financial year to the other, except where otherwise stated in the Annual Accounts;
- the prudence principle is followed;
- only realised profits are recognised, with the exception of life insurance business where the risk is borne by the policyholder;
- all foreseeable risks and potential losses which arise during the course of the financial year are taken into account;
- assets and liabilities are valued item by item.

The Annual Accounts cover yearly period from 1 January until 31 December.

All amounts in this report are labelled in Euro (EUR), if not otherwise stated.

2.2 - Business – Key figures

In terms of financial performance, the Company reported a profit of EUR 5.9 million in 2017 (compared to a profit of EUR 4.4 million in 2016).

The earned premium net of reinsurance amounted to EUR 504.8 million for the year ended 31 December 2017 (2016: EUR 352.5 million) and Belgium continues to be the Company's primary market with additional core markets being France, Luxembourg, UK, and Sweden. The Iberia and Latin American regions were areas where activity was launched in 2017.

2017 Claims incurred, net of reinsurance amounted to EUR 548.1 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business (2016: 548.5 million).

Change in Other technical provisions, net of reinsurance stands at EUR 170.9 million (charge) versus an income of EUR 130.2 million in 2016.

Unrealised gains on investments stands at EUR 429.5 million (2016: EUR 513.4 million) and unrealised losses on investments decreased from EUR 423.3 million in 2016 to EUR 229.7 million in 2017. These developments reflect the volatility of markets and exchange rates, notably the USD and the GBP. The increase in investment income to EUR 95.8 million in 2017 in comparison to EUR 90.6 million in 2016 is subject to the same driving factors.

Net operating expenses decreased to EUR 47.9 million from EUR 56.0 million in 2016 due to strict cost controls and the positive impact of restructuration starting in 2015 as well as an in depth review of the structure and processes across all entities and operations of the Group.

Representative assets backing up technical provisions when the investment risk is borne by the policyholders amount to 5.2bn EUR (2016: 5.1bn EUR)

Key balance sheet figures for the year ended 31 December 2017 and 2016 are:

Assets

EUR	2017	2016
Intangible assets	7,192,751	7,966,861
Investments	104,509,475	117,979,181
Investments for the benefit of life insurance policyholders who bear the investment risk	5,193,903,898	5,014,782,744
Reinsurers' share of technical provisions	-	42,137
Debtors	28,501,675	23,429,906
Other assets	60,071,221	60,941,499
Prepayments and accrued income	22,601,297	25,540,594
Total assets	**5,416,780,317**	**5,250,682,922**

Liabilities

EUR	2017	2016
Capital and reserves	59,839,194	56,917,570
Subscribed capital	32,230,000	32,230,000
Share premium account	3,613,792	3,613,792
Reserves	8,188,350	8,188,350
Profit brought forward	9,885,428	8,453,152
Profit (Loss) for the financial year	5,921,624	4,432,276
Subordinated liabilities	14,041,019	14,041,019
Technical provisions	94,881,656	111,249,997
Technical provisions for life insurance policies where the investment risk is borne by the policyholders	5,193,903,898	5,014,782,744
Provisions for other risks and charges	9,627,688	9,440,937
Creditors	43,148,122	43,102,910
Accruals and deferred income	1,338,740	1,147,745
Total liabilities	**5,416,780,317**	**5,250,682.922**

Key Profit & Loss figures for the year ended 31 December 2017 and 2016 are:

EUR	2017	2016
Earned premiums, net of reinsurance	504,767,306	352,547,572
Investment income	95,814,430	90,608,532
Unrealised gains on investments	429,547,557	513,362,924
Other technical income, net of reinsurance	3,616,214	782,820
Claims incurred, net of reinsurance	-548,065,985	-548,477,285
Change in other technical provisions, net of reinsurance	-170,891,073	130,191,609
Bonuses and rebates, net of reinsurance	8,148,116	1,752,350
Net operating expenses	-47,901,210	-56,007,307
Investment charges	-38,809,657	-56,956,798
Unrealised losses on investments	-229,716,247	-423,307,552
Other technical charges, net of reinsurance	-938,640	-
Balance on the technical account - life insurance business	**5,570,811**	**4,496,865**
Other income	1,348,067	489,462
Tax on profit or loss on ordinary activities	-	-6,420
Other charges, including value adjustments	-690,790	-286,846
Profit (Loss) on ordinary activities after tax	6,228,088	4,693,061
Other taxes not shown under the preceding items	-306,464	-260,785
Profit (Loss) for the financial year	**5,921,624**	**4,432,276**

2.3 - Underwriting performance

Products, markets and distribution

As a life assurance specialist, the Company develops cross-border financial planning solutions for wealthy clients across Europe, more specifically in Belgium, Denmark, Finland, France, Luxembourg, Sweden and the UK and increasingly for clients in Iberia and Latin America.

OneLife's customised solutions are based on clients' financial, fiscal, legal and family circumstances. Its open architecture approach provides clients with unit-linked contracts that offer a large choice and great investment flexibility across a wide variety of funds: from external funds managed by prestigious asset managers to internal collective and dedicated funds.

A key feature of the service offering to business partners is the secure online portal 'Youroffice', accessed via the Company's website that provides partners a one-stop source to view clients' portfolios and a history of all interactions with the Company such as a detailed history of commission payments.

A related system, 'Yourassets', gives clients access to information specific to their own individual portfolio

Using these systems, intermediaries and clients can monitor their investments and download documents. The system includes a variety of charting tools that enable the broker or client to create performance comparisons.

In the year under review, the Company launched an improved and enriched digital customer experience through its new Application ('App') accessible via smartphones for its business partners. This allows 24/7 access to clients' portfolios providing real time consultation of portfolio valuations, tracking of operations and transactions and access to annual policy statements, all in just a few clicks. The same App for clients will be made available in early 2018.

A solution to facilitate the client on-boarding process was also successfully launched in 2017 through a Proof of Concept model aimed at the ultimate automation of the AML and KYC checks required for new customers.

The Company also successfully completed the next phase in the consolidation of its IT systems in 2017 – migrating to a single policy administration platform, the final stages of which will be completed in early 2018. In addition, there was the introduction for the French and Belgian markets of B2B data exchange – or aggregation services – enabling the consultation of client portfolios, including life assurance policies, in a single view.

New business remains consistently targeted at two broad groups.

The majority of sales are achieved through brokers with affluent clients willing to invest a minimum of €10k into a unit-linked solution. The average size of a policy for this segment is around € 160k. Broker relationships are today concentrated in Belgium, France and the UK.

In addition, the Company provides policies based on dedicated funds for wealthier individuals. These structures are generally created for investors with a minimum of €125k (internal minimum premium for dedicated funds). The last type of partners are private banks, family offices and other specialised intermediaries.

Enhancing its existing product range, the Company also launched a series of new products to cater to the needs of its partners and their clients. These included: Capitalisation Finland, a Belgian Pension Product (IPT), Wealth Spain & Wealth Portugal, Capitalisation Denmark and Capitalisation Luxembourg. products were developed in 2017.

The main products currently marketed are listed in the table below:

Client segment	(Ultra) High Net Worth (1M-10M) and Affluent
Product type	Life assurance Capitalisation bond Individual pension
Underlying structure	External funds Internal collective funds Internal dedicated funds Specialised Investment Funds
Main Products names	Camelea/Serenity Adiameris Pension Belgium (IPT) Wealth France / Capitalisation France Wealth Finland / Capitalisation Finland Wealth Sweden Wealth UK / Capitalisation UK Personal Pension Denmark – Capitalisation Denmark Wealth Luxembourg / Capitalisation Luxembourg Wealth Portugal & Spain

During the year ended 31 December 2017 and 2016, the gross premiums written are broken down as follows:

EUR	2017	2016
Individual premiums	505,625,764	353,451,193
of which inwards reinsurance premium	-	67,434
Total	**505,625,764**	**353,451,193**

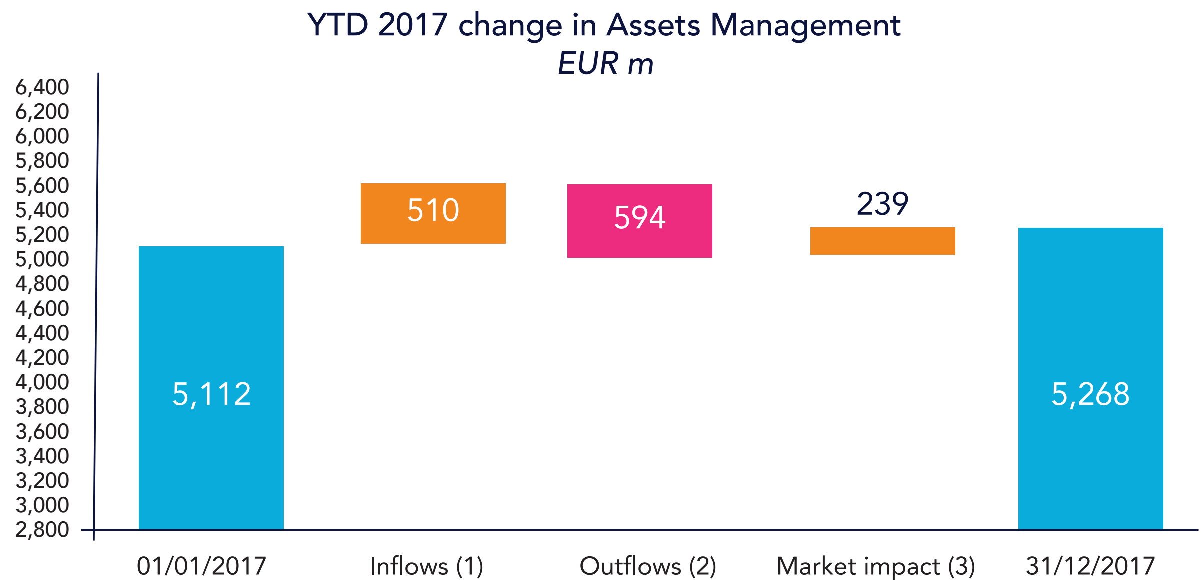
EUR	2017	2016
Periodic premiums	1,487,612	3,073,044
Single premiums	504,138,152	350,378,149
of which inwards reinsurance premium	-	67,434
Total	**505,625,764**	**353,451,193**

EUR	2017	2016
Premiums from non-bonus policies	16,732	25,225
Premiums from bonus policies	135,123	196,209
Premiums from policies where the investment risk is borne by policyholders	505,473,909	353,229,759
of which inwards reinsurance premium	-	67,434
Total	**505,625,764**	**353,451,193**

The geographical distribution of gross premiums written is as follows:

EUR	2017	2016
Luxembourg	48,187,947	12,507,391
Other EU countries	457,338,135	340,479,511
Non EU countries	99,682	464,291
Total	**505,625,764**	**353,451,193**

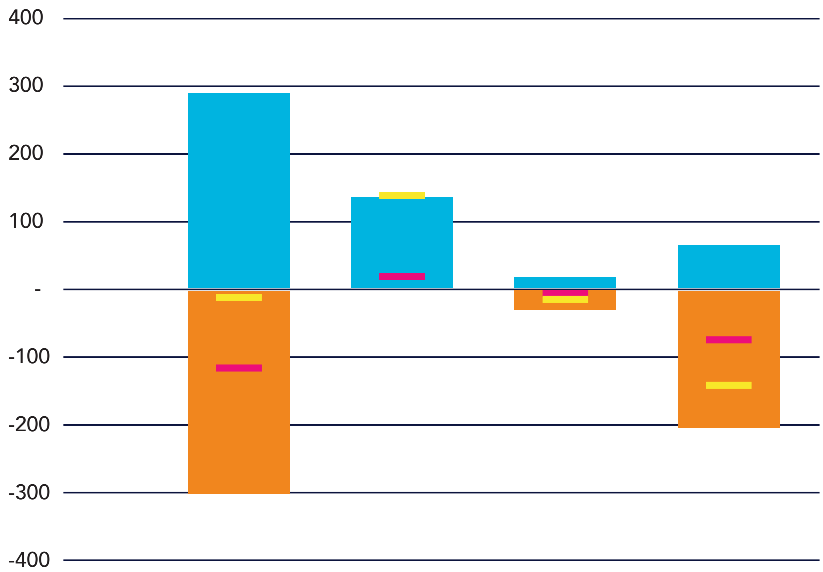
In terms of AuM, the evolution over 2017 has been as follows:



In more detail, the evolution and changes in client assets for the company over 2017 was as follows:

EUR Mio	Unit Linked	Wealth	Pension	Dedicated funds	Total
Opening balance	**2,801**	**18**	**178**	**2,115**	**5,112**
Premiums	286	137	18	65	506
Extra-allocation	4	0	-	-	4
Surrenders	-239	-1	-33	-205	-537
Fees (taken from the PH's contracts)	-35	-1	-3	-18	-57
Market movements	92	-	19	129	239
Closing balance	**2,850**	**153**	**179**	**2,086**	**5,268**

YTD premiums, surrenders and net result by product category
EUR m



	UL	W	P	DF
Premiums YTD 2017	286	137	18	65
Surrenders YTD 2017	-299	-1	-33	-205
Net Result YTD 2017	-16	136	-15	-140
Net Result YTD 2016	-116	18	-8	-76

2.4 - Investment performance

As of 31 December 2017 and 2016, the Financial Investments were as follows:

	2017	2016
Other financial investments	**104,509,475**	**117,979,181**
Shares and other variable yield transferable securities and units in unit trusts	15,037,159	3,865,431
Debt securities and other fixed income transferable securities	83,846,226	109,939,469
Other loans	126,090	174,280
Deposits with credit institutions	5,500,000	4,000,000

The Company had also the following cash at banks and in hand:

	2017	2016
Cash at bank and in hand	59,770,866	60,616,082

These Financial Investments have generated a net income of EUR 1,114,749 over 2017 (2016: EUR 521,175).

2.5 - Performance of other activities

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

2.6 - Any other information

None.

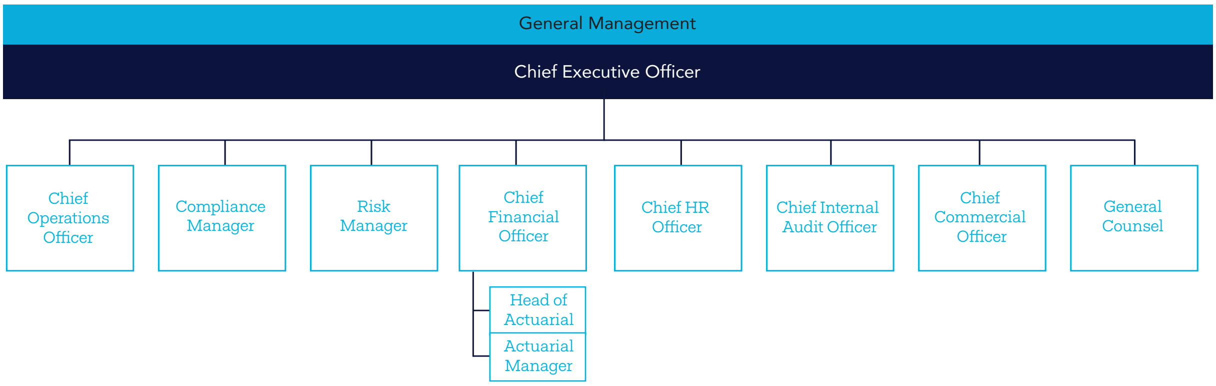
3

SYSTEM OF GOVERNANCE

3.1 - General information on the system of governance

3.1.1 - Organisation chart

The following graph illustrates the situation as of December 2017 including the department heads, and the key function owners:



Decisions engaging the Company may be taken at different levels: the General Meeting of Shareholders, the Board of Directors, the Managing Director and the different Committees.

It is worth noting that the Chief Internal Auditor reports also to the ARCC to ensure organisational independence (reference is made to point 3.1.5.1)

3.1.2 - General Meeting of Shareholders

The General Meeting of Shareholders is not involved in the day-to-day operations of the Company. Its role is to review and approve the strategy proposed by the Board of Directors and to control its implementation. To do so, the General Meeting of Shareholders is principally given the authority to appoint the Directors and the Managing Director and to approve the Annual Accounts.

3.1.3 - Board of Directors

The Board of Directors of the Company and of the group is currently composed of the same seven Directors and is principally in charge of determining the Company's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, and monitors and evaluates the performance against the strategic plans and budgets.

To do so, it is given all the powers not expressly reserved to the General Meeting of Shareholders by law or by the Articles of Association.

The Members of the Board have extensive knowledge and experience in the areas of life-insurance business, private banking, financial markets, securities, brokerage, finance, risk management, operating management, business development, strategic direction of the Companies and Group as a whole.

The Board should meet as often as is appropriate to fulfill its responsibilities effectively and prudently and sufficiently regularly to discharge its duties. The Board shall meet with such frequency and at such times as it may determine. It is expected that the Board shall meet at least on a quarterly basis.

Additional Board Meetings may be convened with appropriate notice at any time to address specific needs of the business. Any Manager may call for a meeting of the Board of Managers. The convening notice includes an agenda of all the business to be discussed and resolved at the meeting. The agenda, proxy form and related information must be provided to each Manager prior to the meeting, within the timeframe indicated in the Articles of Association (Article 10.3). Resolutions may also be adopted by the Board of Managers (in writing, or via electronic mail). Any Board Member may request the inclusion of a matter on the agenda.

The Board appoints and removes the Chief Executive Officer ("CEO"), or other party responsible for the day-to-day oversight of the Company's business. Any changes in the Board composition is recommended by the Nomination and Governance Committee and submitted to the Board for approval (appointment or removal).

The Board Secretary also assists and advises the Board, the Chairman, the CEO and all Board Members in exercising their duties. The Board Secretary ensures that the Board procedures are complied with and that the Board acts in accordance with its obligations under the law, the Articles of Association, the internal rules and regulations.

Access to information and management:

The Board of Managers have access to all corporate and business information needed to fulfil their duties:

A pack of documents is prepared and provided to each Manager prior to each meeting. Members of the Executive Management are invited to attend meetings to expose the matters and answer questions. The Board of Managers may contact Members of the Executive Management, outside experts and advisors in order to be provided with relevant information and supporting material.

The Board proceeds to an annual self-assessment of its own performance and of its Group's Committees (Audit, Risk and Compliance Committee, Nomination and Governance Committee, Human Resources and Remuneration Committee).

The Board has adopted Terms of Reference to promote strong and effective governance.

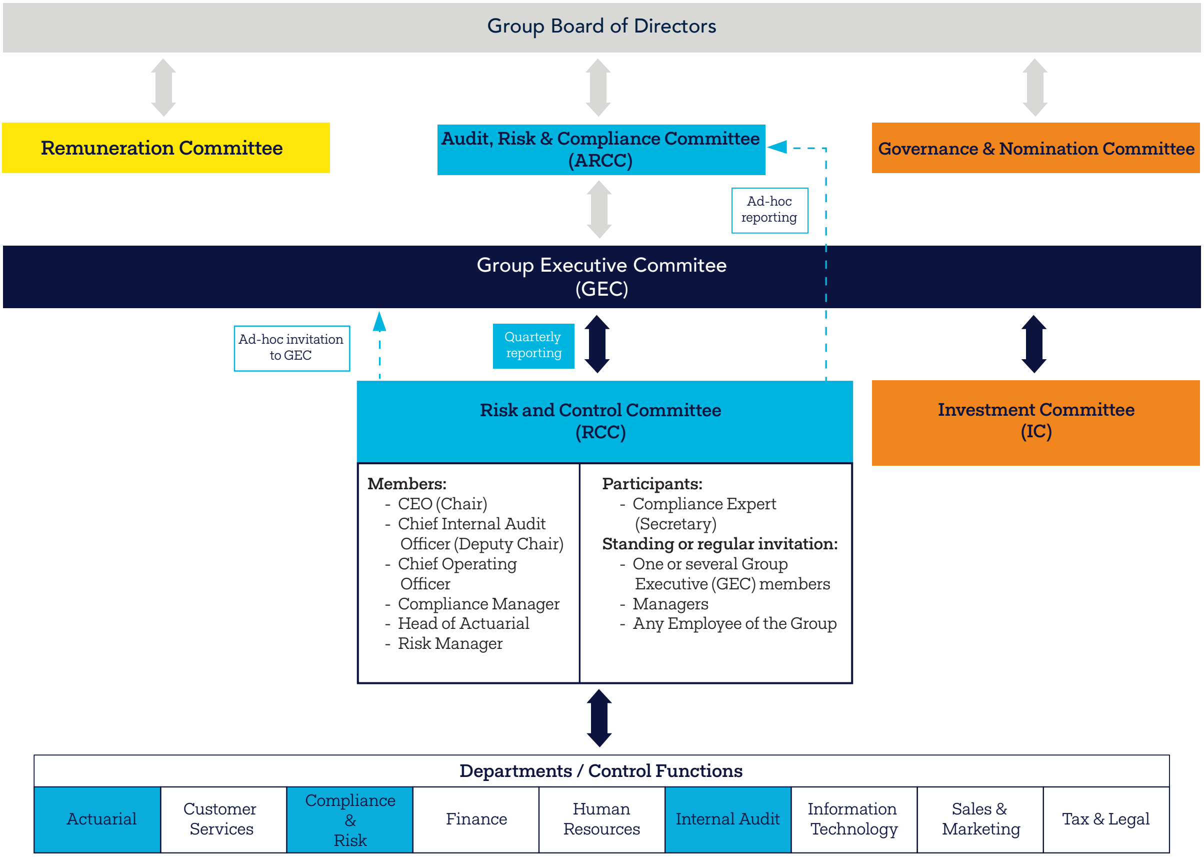
3.1.4 - Managing Director

The Managing Director is in charge of day-to-day management and has all the powers required to fulfil this role. The Managing Director is the preferred, if not exclusive, point of contact between the Company and the Commissariat aux Assurances.

3.1.5 - Committees

3.1.5.1 - Committees reporting to the Board of Managers

- Audit, Risk and Compliance Committee (ARCC);
- Nomination and Governance Committee (NGC);
- Human Resources and Remuneration Committee (HRRC).



These are Committees of the Board of Managers (the "Board") of The OneLife Company S.A., from which they derive their authority; they report to the Board, they assist the Board in fulfilling their duties.

Other sub-Committees have been set-up within The OneLife Holding Sàrl and The OneLife Company S.A. in order to conduct proper governance in different areas of activities.

The committees' responsibilities are set-forth in the related Terms of Reference (TOR).

The ARCC comprises three Members (at least) of the Board. Its current composition gathers competencies such as senior management experience, risk management, strategic and operating management, knowledge of financial markets, private banking. The Chairman of the ARCC is an independent Director. The ARCC meets separately, as needed, with the Group Chief Executive Officer, the Chief Financial Officer, the Head of Actuarial, the Risk Manager, the Chief Internal Audit Officer, the Compliance Manager, the Group General Counsel, the representatives of Independent Auditor, or other persons and may require the same to attend any meeting(s) of the ARCC.

The ARCC meetings are held on a quarterly basis, any additional meetings may be convened.

The ARCC has the sole authority to select, evaluate, appoint, and replace the Independent Auditor and approves in advance all audit engagement fees and terms and all audit-related, tax compliance and other non-audit engagements with the Independent Auditor. The ARCC consults with Management, but shall not delegate these responsibilities.

The ARCC has the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the ARCC. The Company provides funding, as determined by the ARCC, for payment of compensation to the Independent Auditor, any advisors employed by the ARCC and ordinary administrative expenses of the Committee.

The ARCC regularly reports to the Board on its activities.

These main activities cover the financial statements and disclosure matters, the internal controls over financial reporting, oversight of the Groups' relationship with the Independent Auditors, oversight of Risk Management, oversight of Internal Audit, oversight of Compliance Responsibilities, oversight of Legal/Regulatory Responsibilities, oversight of General Management Responsibilities.

The NGC is currently composed of three Members.

The NGG is a committee of the Board from which it derives its authority and to which it regularly reports.

The NGC takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board of Managers; the Corporate Governance Guidelines applicable to the Company and monitoring the Company's compliance with said policies and Guidelines.

The NGC is responsible for identifying individuals qualified to become Board members and recommending to the Board the Managers nominees for the next annual shareholders' meeting. It leads the Board in its annual review of the Board's performance and recommends to the Board director candidates for each committee for appointment by the Board.

The NGC shall comprise at least three members of the Board, and the members shall meet the independence, experience, and expertise requirements of the Luxembourg Stock Exchange and other applicable laws and regulations.

The HRRC is currently composed of four members.

The HRRC is a committee of the Board.

It is responsible for

- determining the compensation for the CEO,
- approving the compensation structure for members of senior management and certain highly compensated employees, in accordance with guidelines established by the HRCC from time to time, and
- approving broad-based and special compensation and benefits policies across the Group. Compensation decision of the committee includes fixed salary discretionary bonus, pensions schemes and when applicable any distinction of stock options

Additionally, the Committee will regularly review the Company's management resources, succession planning and development activities, as well as the performance of senior management. The Committee is charged with monitoring OneLife's performance toward meeting its goals on employee diversity.

A remuneration policy is adopted and there are two different status of employees in the company:

- Non-ICA Employees
- ICA Employees

Non-ICA employees are Experts, Managers, Department Managers. Department Head (including executive committee members) are not subject to the ICA, for the financial side of their compensation.

ICA employees are employees below the Manager level.

Emoluments granted to members of the Board of Directors by reason of their responsibilities with respect to the financial year 2016 amounted to EUR 200,000 (2016: EUR 150,000) and are included in Administrative expenses in the Profit and Loss Account. No commitments have been entered into with respect to retirement pensions for former members of the Board of the Company.

3.1.5.2 - Committee with Chairman reporting to the Board of Managers

The Group Executive Committee (GEC).

The GEC is in-charge of implementing the strategy as defined by the Board.

The Group CEO, who reports directly to the Board of Managers, directs it.

As of 31 December 2017, the GEC is composed as follows:

- Group CEO;
- Group Chief Financial Officer;
- Group Chief Operations Officer
- Group Chief Commercial Officer
- General Counsel, Group Head Tax & Legal
- Group Chief Human Resources Officer.

Members of Executive Committee

Mr. Marc STEVENS	Director / Managing Director (Group Chief Executive Officer)
M. Antonio CORPAS	General Counsel, Group Head Tax & Legal
M. Wim DIERYCK	Group Chiel Commercial Officer
M. Eric LIPPERT	Group Chief Operations Officer
M. Cedric LOOTVOET	Group Chief Financial Officer
Ms Laurence PARISON	Group Chief Human Resources Officer

It is worth reporting that Antonio Corpas has been appointed on 18 April 2018 by the Board of Managers to replace Marc Stevens as a Member of the Board of Managers for The OneLife Holding S.à r.l and as a Member of the Board of Directors for The OneLife Company S.A. Antonio Corpas' appointment as Chief Executive Officer of these two entities and as Authorized Manager has been submitted to the Commissariat Aux Assurances for approval.

3.1.5.3 - Committees reporting to the GEC

Risk & Control Committee (RCC));

Investment Committee (IC).

The former committees Business, Risk and Compliance Committee (BRCC) and the Risk Management Committee (RMC) were merged to create a new committee: the Risk and Control Committee was implemented in 2017 (RCC Terms of Reference approved by the Board of Managers on 20 December 2017).

The IC Committee shall approve and monitor the investment strategy, consider and monitor risk, monitor compliance with relevant law and regulation

The RCC ensure action plans to mitigate risks exposures are adequate and are effectively implemented, by escalating to GEC, where necessary, with respect to identified risks:
- to support the implementation of the Group Risk Management Framework
- to request any Compliance, Risk Assessment, Actuarial, or Audit deeper analysis on any specific topic which is deemed necessary
- to monitor compliance wFith Group Policies (including the Outsourcing Policy)

3.1.5.4 - Committees implemented at the level of the life insurance company
A Client Acceptance Committee (CAC) has the authority to review and accept or refuse applications from prospective and existing clients relating to cases that qualify as atypical.

3.1.6 - Group structure and shareholders

As at 31 December 2017, New PEL S.à r.l. owns 99,5% of The OneLife Holding S.à r.l.

(New Pel Holdings LP is the sole shareholder of New Pel S.à r. l. New Pel Holdings LP is ultimately held by JCF AIV P LP (a limited partnership established in the Province of Alberta (Canada).)

Two independent directors own the remaining 0.5%.

3.2 - Fit and proper requirement

The Company has a policy to observe the obligations included in Solvency II Directive and detailed in the EIOPA Guidelines.

The Fit & Proper policy includes the minimum requirements pursuant to the Solvency II Directive requirements.

The functions subject to Fit & Proper assessment are:
- Members of the Boards of Directors,
- Members of the Boards of the ExCo,
- Key functions, as defined by the Solvency II guidelines,

Specific senior management or key positions as identified by HR.

Persons proposed for Senior Management Positions (SMPs) must be honest, diligent and of good reputation and must act and have acted ethically and with integrity.

In determining a person's honesty, integrity and reputation, the Company will have regard to matters, which may have arisen in either Luxembourg or elsewhere.

3.2.1 - Documents to support Fitness Assessment Procedure

Persons proposed for Control Functions, or Senior Management Positions must be adequately trained, qualified and experienced regarding the nature of the functions and the required qualifications of the functions.

Accordingly, the SMP have to provide at least:

- A Curriculum Vitae , summarizing the person's past experiences, qualifications and certifications, and professional memberships if relevant;
- A cover letter from the candidates summarizing the experiences, their relevant degrees/ diplomas, certifications, qualifications and motivations.

Whenever deemed necessary, as supplementary information the Human Resource and the Tax & Legal departments will seek the following documents:

- Suitable Proofs of relevant diplomas/degrees, both undergraduate and postgraduate (preferably originals or certified copies);
- Any proof of professional membership/registration/statute. Any proof of past experience including work certificates, references of past employment;
- Depending on the function proposed to the person and in line with the requirement for this function, any proof of relevant qualifications such as certifications, suitable proofs of training, learning or attending to relevant conferences.

3.2.2 - Documents to support Probity Assessment

Persons proposed for Control Functions, or Senior Management Positions must be honest, diligent and must act ethically and with integrity.

In connection to the above criteria, for assessing one's honesty, integrity and good reputation, the Company shall seek for each applicant to a SMP at least the following documentation:

- An original extract of criminal records, which shall have been issued not less than 3 months ago; or any overseas equivalent;
- A self-certification or written confirmation that the individual complies with all laws and regulations, is of good reputation, has always acted with integrity and honesty shall be fulfilled.

Whenever deemed necessary, as supplementary information the Human Resource and the Tax & Legal departments will seek the following documents when available:

- A credit certificate through a public financial database (if available, for instance in Germany and the UK);
- A Solvency Certificate from a Bank / Credit institution;
- A certificate of good reputation issued by any company, regulator, public or governmental authority;
- A work certificate from any Company the person has worked for;
- A residence certificate confirming the person effectively lived at a given address.

3.3 - Risk management system including the own risk and solvency assessment

3.3.1 - Risk Governance

The Board assumes final responsibility for the implementation of an appropriate risk system within the Company and to satisfy itself that an appropriate level of governance is exercised to ensure that risk is integrated into decision-making and control within the Company. The Board also assumes the final responsibility for the Risk Strategy and Risk Appetite definition.

The Board in turn delegates to a sub-committee, i.e. the ARCC the responsibility to undertake review of the corporate risk system, and the risk exposures to ensure that management continue to manage the business within the Board's prescribed Risk Appetite, and that key risk exposures do not exceed Board approved limits.

Having established the risk exposure constraints for Management to operate within, the ARCC delegates to the Group Executive Committee the authority to continue operations such that the limits are not exceeded.

The Group Executive Committee in turn has established a dedicated oversight committee for managing the Group's risk exposures, namely the RCC.

In 2017, the RMC and BRCC committees merged into one sole committee, the Risk and Control Committee (RCC), which reports to the GEC. The RCC globally took over the responsibilities of the RMC & BRCC committees.

3.3.2 - Corporate Three lines of Defence Model

The Group Corporate Governance is structured following the "Three Lines of Defence" model:

- First Line of Defence – Day-to-day Risk Management, performed by the various departments under the supervision of department heads.

  In each department, employees, managers and department heads have a deep understanding of their daily operations and the related risks, as such:
  - They own and manage risks (i.e. "risk owners");
  - They are responsible for identifying, assessing, controlling and mitigating risks;
  - They maintain effective internal controls and execute risk and control procedures;
  - They implement corrective actions to address process and control deficiencies;
  - They design and implement "internal rules" in coordination with other departments;
  - They guide the design of controls into systems and processes.

- Second Line of Defence – Risk Oversight, performed by the Actuarial function, Risk Management function, Compliance function;

  The responsibilities of these functions include:
  - Supporting management policies
  - Providing risk management frameworks identifying known and emerging issues.
  - Identifying changes in the organisation's risk appetite.
  - Assisting management in developing processes and controls to manage risks and issues.
  - Providing guidance and training on risk management processes.
  - Monitoring implementation of effective risk management practices and adequacy and effectiveness of internal control
  - Alerting to emerging issues and changing regulatory and risk scenarios.

- Third Line of Defence – Independent Assurance, performed by Internal Audit department. Additional information on how Internal Audit provide the governing body and senior management with comprehensive assurance, based on the highest level of independence and objectivity within the organisation, is described in the Internal Audit section of this report.

3.3.3 - Group Risk Management Team - Compliance & Risk Department

The Risk Management team, belonging to the Compliance & Risk Department, report directly to the CEO and, as an independent function, has directly access to the Audit Risk and Compliance Committee (ARCC - sub-committee of the Board of Directors) by reporting on risks identified.

The Risk Management function is responsible for implementing the Risk Management System, setting the risk appetite, the overall risk tolerance limits, as well as the main risk management strategies and policies: this is an integral part of the top management and Board of Directors processes.

The Board of Directors is the ultimate responsible for ensuring the effectiveness of the Risk Management System.

More precisely the Risk Management function is responsible to:

- Implement a risk system for the Company to identify, assess, respond, monitor, control and report risks which arise during operating as a life insurance company
- Monitor that the overall level of risk the company operates within is consistent with the business strategy and risk appetite of the Company
- Provide internal reporting to various committees (Audit Risk & Compliance Committee and to sub ExCo committees)
- Develop Risk Management Policies and provide support and guidelines to departments
- Developing a comprehensive risk event reporting system and maintain information on losses or adverse events when risks crystallise;
- Increase Risk culture and awareness within OneLife

3.3.4 - Risk Correspondents

Within Group operating departments there are a number of individuals identified to fulfil the role of Risk Correspondent.

Their objective is to enhance the three lines of defence model and to support the Risk Owners (usually the Department Head) in the management of the risks within their area of responsibility. Depending on the internal organisation, at least one Risk Correspondent is appointed within each Department.

Formal Terms of Reference for the role are agreed by the RCC.

3.3.5 - Risk Map

OneLife uses a pre-defined risk map, which is structured as follows (high level):

OneLife Group Risk Map
High Level

Financial Risk	Operational Risk	Strategic Risk	Governance Risk
Life Insurance Risk	Internal Fraud Risk	Strategic Project Risk	Corporate Governance Risk
Market Risk	External Fraud Risk	Strategic Business Risk	
Credit Risk	Employment Practices and Workplace Safety Risk	Risk Exposure Aggregation	
Liquidity Risk	Clients, Products and Business Practices Risk	Reputational Damage Risk	
Concentration Risk	Damage to Physical Assets Risk	Human Resource Risk	
	Business Disruption and Systems Failures Risk		
	Execution, Delivery & Process Management Risk		

3.3.6 - The Business' Review of Risk

A Global Risk Assessments Profile and Evaluation (GRAPE) is performed at least twice a year where the objective is to focus on all risk types shown in the Risk Map above.

The GRAPE is a structured and systematic process to:

- Create comprehensive risk scenarios by identifying vulnerabilities, triggers and consequences
- Quantify financial and/or reputational impact
- Define, plan, monitor and implement effective risk mitigations strategies: improvement actions and controls
- A quick way to capture the collective knowledge and wisdom of in-house experts, and apply it effectively to risk control and improvement

Risk Indicators given by the Risk Events Data Collection and the Risk Exposure Monitoring (REM) are used as real events showing how risks could materialise. They are considered as input for Risk Assessment helping in the identification of:

- The efficiency of Controls in place or need of new controls implementation
- Vulnerability to risks
- Triggers for the materialization of potential risks
- Consequences that the risks could bring

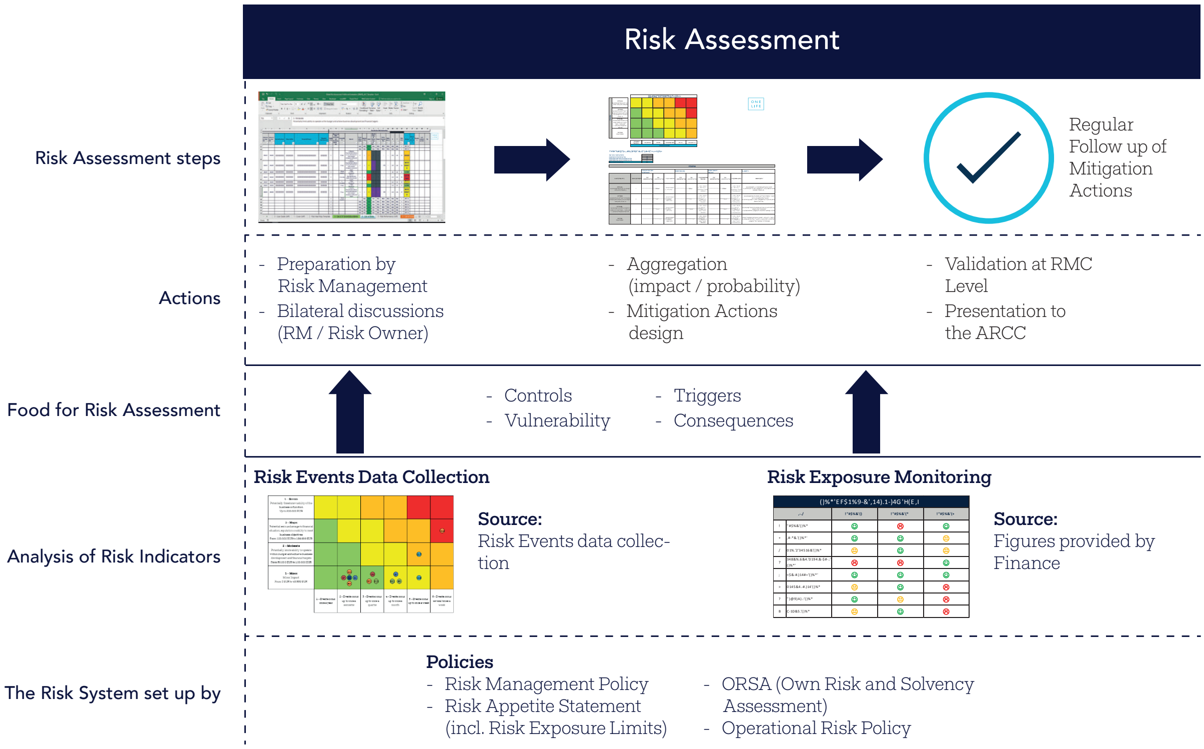
Risks are discussed in bilateral meetings between Risk Management and Risks Owner(s) (and/or Business Expert(s)) and based on measurements criteria (scoring grid) defined in the Risk Management System, risks are then measured in terms of Impact and Likelihood/Probability. These two measures allow giving a rating representing The OneLife Company S.A.'s exposure to the identified risks.

Each risk can have an impact on the Solvency Capital Requirement (SCR), Total Operating Surplus, Operational Expenses and/or Reputation of the Company. In addition, a Strategy for each risk is also selected by the Risk Owner.

The full picture on Risks Exposure (including the risk ratings, defined strategy, risk owner, mitigation actions, etc.) is presented to the Committees in order to validate the Risk Assessment: a regular follow-up on mitigation actions is done.

The GRAPE report is then presented to the Audit Risk and Compliance Committee (ARCC) and it used then by the Board of Directors as a decision maker tool.

The full GRAPE process and underlying steps are presented in the following graph



Risk Management department performs two types of Risk Assessment:

- Global Risk Assessment Profile and Evaluation (GRAPE) at Company Level performed twice a year as described above.
- Issue Based Risk Assessment (IBRA), which is mainly a risk assessment, based on events occurred with a high frequency and impact on a specific process (ad-hoc basis). The approach is the same as per GRAPE process, but the scope is a specific issue or process.

For the IBRA specific scoring grid and evaluation method are adapted to the process and validated by the Risk Assessment participants and the whole process is mentioned in the final report for a global overview.

3.3.7 - Risk Exposure Reporting Process

The OneLife Company's Risk Exposure is estimated through risk assessments, the collection of operational incidents (Risk Event Data collection – or “RED”) and the quarterly monitoring of key risks, which are reported in the Risk Exposure Monitoring (“REM”) report.

The RED collection process consists of the systematic collection and recording of operational risk events across the Company. Risk Events are communicated to Risk Management via an internal tool; a report is presented to the committees on a regular basis.

Deriving from the Risk Appetite Statement a number of risk limits are set to ensure that the aggregate risk exposure (Lapse risk, Market risk, Expense risk, etc.) is contained within. Those limits are monitored via the REM report, which provides clear indicators and is based on metrics used in the day-to-day management of the Company.

The REM is produced by the Risk Management team on a quarterly basis, with financial and non-financial data collected across various departments of the Company. It includes breaches where applicable and an assessment of the exposures. The REM report is presented to RCC and to the ARCC.

3.3.8 - ORSA process

The ORSA policy is adopted and states that the "ORSA is a process that seeks to link the ERM framework to the Corporate Strategy and to the Solvency/Capital requirements of the enterprise. The business strategy will imply a number of risks that the business will face, but at the same time, a number of risk factors may change over time, such as the external economic environment, internal business practices and the competitive landscape. The ORSA needs to demonstrate that, over all reasonable expectations of such impacts, the business can continue to remain solvent.

The Board needs to be assured that the ERM is robust with good governance, supports their expressed appetite for risk and of the business's ability to identify all of the types and levels of own risk (quantitative and qualitative) to which they are exposed as well as management actions through mitigation or adequate capital resources to survive the impact of such risks crystallising. Such analyses will have broader reach than just the risks specified for calculating the SCR, as well as having different calibrations of the impacts and likelihoods of the SCR risks, along with a different period.

There is a need using stress and scenario analysis to project over the horizon of the business plan – three years in OneLife's case - the outcomes in respect of capital positions arising from the impacts of own risks under range of scenarios.

The outcome of the ORSA is an ability to support the statements that, OneLife's plans are consistent with the Risk Appetite, that the Group is adequately capitalised on the basis chosen for the own risk assessment as well as on a regulatory basis, and that the Group will continue to be so over the planning horizon."

The ORSA is completed at a point in time during the year and provided to the regulators according to the requirements.

The ORSA exercise is undertaken on a yearly basis; OneLife aims to deliver an ORSA based on the latest available three-year budget. However, if a significant exceptional event affecting the structure of the Group occurs then the ORSA process would be triggered and an ad-hoc assessment (in part or in full as appropriate) would be conducted.

The Board, the ARCC and the CEO are also entitled to request an ORSA to be produced at any point in time.

- Concerning the ORSA report structure, which is not fixed and can evolve according to report needs, the information included must cover at least (not exhaustive):
- Information on the Structure of the Group
- Information on the Business, Markets and Performance
- Information on the System of Governance
- Information on the Risk Profile
- Assessment of the overall solvency needs
- Forward-looking perspective of the overall solvency needs assessment
- Valuation and recognition bases of the overall solvency needs
- Continuous Compliance with Regulatory Capital Requirements
- Continuous Compliance with Technical Provisions
- Assessment on the potential Deviations from assumptions underlying the SCR calculation

The conclusion will include at least:

- The qualitative and quantitative results of the forward looking assessment and the conclusions drawn by the undertaking from those results
- The summary of the methods and main assumptions used

During the year Risk Management will ensure a process of risk reporting (in agreement with the results of the annual ORSA report) and continuous monitoring of the ORSA results (actuals vs. projected). In practice, whenever the Actuarial Team will report Solvency II coverage (which under Solvency II is at least on a quarterly basis), Risk Management will be informed of report any breach of the Risk Appetite Solvency coverage limit and it will be reported to the relevant stakeholders.

The ORSA assumptions and results are reported to the RCC for comments, then to the ExCo for approval before presentation to the ARCC and the ORSA assumptions and results have to be approved by the Board.

ORSA results are interpreted into budget adhesion.

The ORSA process and modelisation takes also into account risk as assessed as high and identifies if they are covered in the SCR calculated by the standard formula and for in stressed scenarios.

3.4 - Internal control system

3.4.1 - Compliance Team - Compliance & Risk Department

Group Compliance team's role within OneLife is the support of the Group and its key stakeholders against business practices that would not be in line with legal, regulatory and in some aspects ethical requirements.

This includes also the protection against reputation risk which is one of the key assets for development success.

The Compliance function includes the following main activities:

Category	Tasks
AML / CTF – Anti-money laundering / Counter Terrorist Financing	Review of Know-You-Customer files and a-typical transactions. Perform regular controls on a "risk-based" approach. Name filtering of clients, brokers and third parties against official lists and exposed persons lists. Compliance performs the reporting of suspicious transactions to authorities and the Compliance Manager is the MLRO (Money Laundering Reporting Officer).
Compliance training	Following the compliance training plan, annual training is provided on AML / CTF, complaint handling, intermediary acceptance and other related topics to employees.
Complaints handling	Centralisation and analysis of complaints. Periodic reporting to Audit, Risk and Compliance Committee and to the Board of Directors.

Category	Tasks
Data protection and record retention	Set up data protection policies. Support other departments by performing reviews, setup of record retention schedules, etc.
Distribution network review	Review the distribution network of the Group in order to assess if the brokers are licensed and do not present reputation risk for the Group.
Fraud prevention / investigation	Promote a fraud awareness culture. Investigate potential cases of fraud. Propose procedures / controls / remediation actions based on findings.
Internal code of conduct / ethics	Develop policies and procedures that foster an ethical behaviour of all employees.
Internal procedures review	Review internal procedures in order to identify if those procedures take into consideration compliance risk.
Product review / product acceptance	Review new products and their development in order to raise and address on time potential compliance issues. Suggest modifications if needed.
Project support	Support ongoing project which may have a compliance impact.
Rules of conduct / Information to clients	Review proper mechanisms for information to clients (complete / accurate / timely).
Whistle Blowing	The Compliance manager is the contact person «GPM - Good Practice Manager» and is responsible for centralising and handling alerts of unethical behaviour raised by employees.

The function documents its controls and issues recommendation when appropriate.

It is an independent function and reports to the Group CEO and to the Audit, Risk and Compliance Committee where it has direct access to Board members.

Compliance related policies and procedures are reviewed at least on an annual basis.

In addition, the function disposes of own resources and budgets to seek external support in case of need.

3.4.2 - Internal rules

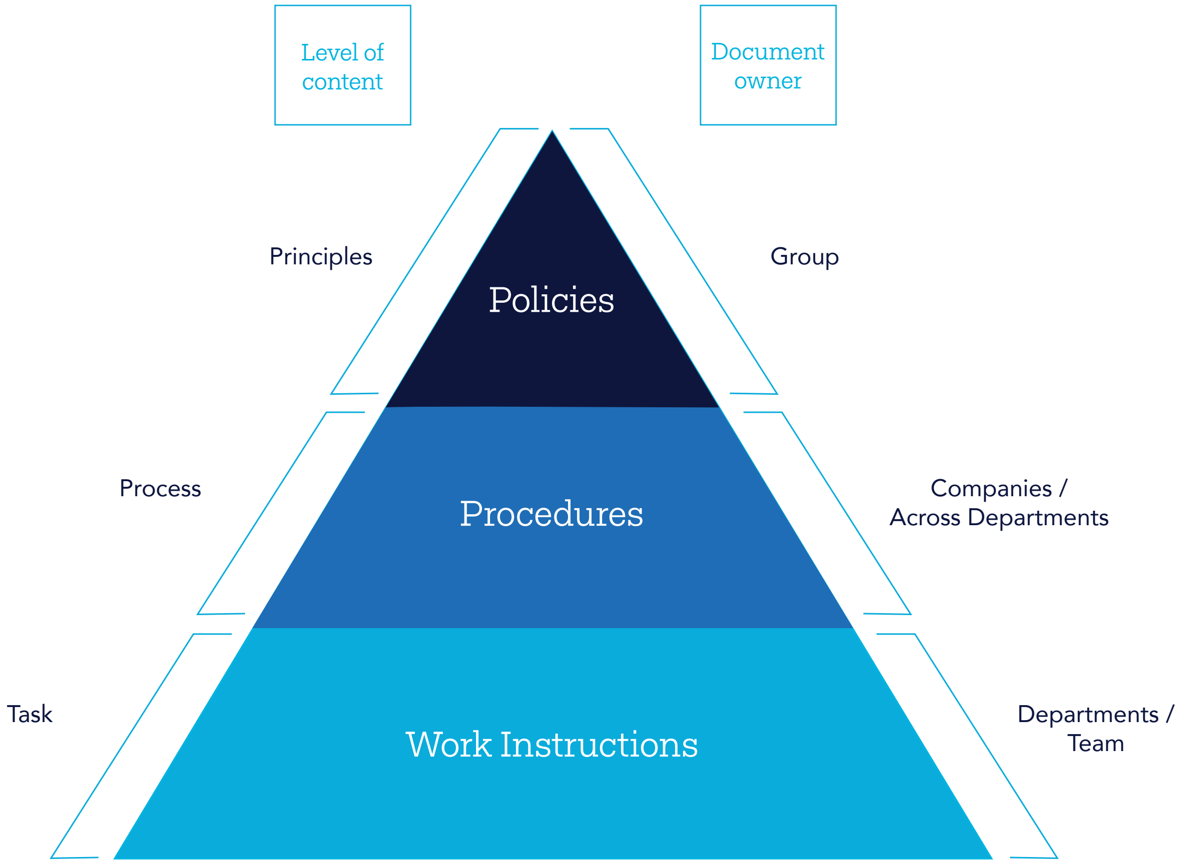
The Group has implemented Internal Rules covering all its activities, including its life insurance activities meeting the Commissariat aux Assurances requirements. The Group's Internal Rules manual is updated on a yearly basis or when deemed necessary.

Internal Rules are centralised by Group Compliance and Risk department and made available for all employees on the Group Intranet. They are structured under Policies, Procedures and Work Instructions).

- Policies set overall principles for activities of OneLife;
- Procedures document one process within and across departments;

– Work instructions provide more detailed guidance how to carry out a single task. Work instructions depend on the details requested to perform a specific task. In some cases, detailed work instructions may be optional if a detailed procedure is in place.

The graph below explains the level of details of each category of Internal Rules:



Trainings on some of these procedures are organised including but not limited to Compliance topics (AML, Professional Secrecy, data protection,...).

3.5 - Internal audit function

3.5.1 - Internal Audit Department

The Internal Audit department is responsible for:

– evaluating the internal controls system through reviews of the various activities of OneLife and all its affiliates (whether located in Luxembourg or abroad),
– ensuring that OneLife is adequately protected by the internal rules in place, and
– making recommendations for improvement.

Scope, responsibilities, organisation and reporting lines of the Group Internal Audit function are defined in the Audit Charter which has been approved by the ARCC.

The key principles and standards ruling the Group Internal Audit function have been made available to all staff members through the publication on the intranet of the Internal Audit Manual.

To ensure objectivity and in particular to avoid conflict of interest, a system of rotation of audit tasks is instituted within the limits of practicality, and arrangements made to avoid new recruits from within the organisation performing audit work on activities where they exercised their duties in the recent past.

3.5.2 - Reporting Line

To provide for the independence of the Internal Audit activity, the Head of Group Internal Audit reports functionally to the ARCC and administratively to the Group Chief Executive Officer.

3.5.3 - Risk Assessment and Internal Audit Plan

The internal audit activity of OneLife follows a risk-based approach, meaning that internal audit resources are deployed with efficiency to cover the audit universe, draw up the internal audit plan, plan audit engagements and communicate results. The risk assessment is aligned to the Risk Management's methodology.

Once per year, the Group Internal Audit department performs a risk identification and assessment, aiming at determining the key risks to which the OneLife is exposed to and their magnitude. Inherent business risks, mitigating controls and residual risks are evaluated.

For efficiency reasons, the Group Internal Audit department relies to some extent on the work of others (e.g. Risk Register compiled by Risk Management team), but expresses its opinion independently.

The Group Internal Audit department:

- conducts interviews with members of the Group Executive Committee, with Group Risk Management and reviews documents made available by all departments, and
- produces some high-level risk matrix representing the audit universe, a Heat Map summarising high levels risks and finally the risk based internal audit plan.

The internal audit plan is:

- foreseen as a dynamic tool to be adapted in function of the evolution of the business and of its related risk. Quarterly reviews of the internal audit plan are performed to take this into account;
- drawn up for at least 3 years so as to cover all activities and functions according to their risk exposure;
- approved by the Group Chief Executive Officer and the Group Audit, Risk and Compliance Committee.

Special investigations may be carried out by the Group Internal Audit department at the request of the Group Chief Executive Officer and / or the Group Executive Chairman and / or the Group Audit, Risk and Compliance Committee.

3.5.4 - Audit Reports

Standard reports include observation, risk and recommendation. Observations are classified between Extreme, High, Moderate or Low in function of their residual risk. The level of residual risk attached to each internal audit finding is determined as a result of the internal audit engagement, following the risk topology approved by the former Group Risk Management Committee.

Management responses, with precise action plan and deadline for implementation, are included in the final report, which is graded according to the magnitude of the reported observations.

Management responses, with action plan and deadline for implementation are included in the final report, which is graded A, B, C or D, according to the magnitude of the reported findings.

3.5.5 - Follow-up Process and Reporting

Recommendations raised by the Group Internal Audit department for the purpose of improving the organisational and internal control quality are subject to regular follow-up whose frequency is depending on the "Recommendation Priority" as described in a procedure.

3.6 - Actuarial function

The duties of the Actuarial Function are carried out by the Company's Actuarial Team, which is part of the Company's Finance Department.

The Head of Actuarial reports to the CFO, with a dual reporting line to the CEO and access to the Board of Directors through regular attendance at ARCC meetings.

The Actuarial Function carries out the following tasks, which are summarised in an annual Actuarial Function Report to the Board of Directors:

- coordinates the calculation of technical provisions;
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares best estimates against experience;
- informs the Board of the reliability and adequacy of the calculation of technical provisions;
- oversees the calculation of technical provisions where approximations have been used due to insufficient data of appropriate quality;
- expresses an opinion on the overall underwriting policy;
- expresses an opinion on the adequacy of reinsurance arrangements; and
- contributes to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the SCR, MCR and to the ORSA.

3.7 - Outsourcing

The Company shall ensure that the terms and conditions of the outsourcing agreement are consistent with the Company's obligations as provided for in the Solvency II Directive In this respect, an Outsourcing policy has been set-up.

The GEC , is in charge of validating the outsourcing arrangements.

In order to ensure that the outsourcing of critical or important functions or activities does not impair the ability of the supervisory authorities to monitor the compliance of the Company with its obligations, the GEC (assisted by the RCC) ensures that:

- the service providers cooperate with the supervisory authorities of OneLife in connection with the outsourced functions or activities
- OneLife, its external and internal auditors have effective access to data related to the outsourced functions or activities.

Each department is responsible for maintaining the list of all outsourced functions or activities.

3.8 - Adequacy of the system of governance

The Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business.

3.9 - Any other information

None.

4 RISK PROFILE

4.1 - Underwriting risk

Underwriting risk is the risk of loss arising from insurance contracts underwritten by the Company. It arises from the following sources:

Lapse Risk

Lapse Risk comprises the risk of loss arising through higher levels of policyholder lapses than expected on contracts underwritten by the Company. It may be concentrated where a large number of policyholders are serviced by a small number of distributors, and where the focus on HNWI leads to fewer but larger premium receipts and corresponding surrenders. The Company accepts that in the short to medium term it will be significantly exposed to lapse risk and in particular as it implements its strategy to build relationships with a wider range of product distributors. In designing its products and processes the Company will take steps to limit direct exposure to lapses. The Company has a low appetite for lapse risk.

Mortality Risk

Mortality Risk is the risk of loss arising through higher levels of policyholder deaths than expected on contracts underwritten by the Company.

The scale of life cover in the Group's policies is relatively low, and is mitigated with reinsurance to achieve low levels of risk retention, in line with the Group's low appetite for mortality risk.

Longevity Risk

Longevity Risk is the risk of loss arising to the Company through policyholders surviving for longer periods than expected. It is a risk most typically associated with annuity business, but can be present in other types of business. The Company currently has no appetite for writing further longevity risk beyond that represented in its closed books.

Expense Risk

Expense risk is the risk of loss arising through increases in the Company's expense levels, or inflation over time. Expense risk is a significant risk for the Company, and one which it must accept in order to write business. The Company will monitor expense experience on an on-going basis and has set limits for actual expenses relative to budgeted expenses The Company has a low appetite for expense risk.

Life Catastrophe Risk

This relates to the risk of losses arising due to mortality risk exposure from extreme or irregular events whose effects are not sufficiently captured by the Mortality Risk Limits. The Company has a low tolerance for exposure to Life Catastrophe Risk and through product design and reinsurance will ensure that any exposure remains within the limits identified.

4.2 - Market risk

Market Risk is the risk of loss resulting from fluctuations in the level of market prices of assets, liabilities and financial instruments.

OneLife's appetite for Market Risk has two key elements – a policyholders' fund element and a shareholders' fund element:

In respect of policyholder funds, the Company has no appetite for direct Market Risk, and future products will be designed such that no guarantees will be provided which will directly expose the Company to Market Risk. There are no development plans for products with investment guarantees. The existing guaranteed portfolios have some inherent risk that is managed with a robust asset liability matching overseen by the Investment Committee, the appetite for this residual risk is low.

In respect of the shareholder portfolio, the Company has a low appetite for Market Risk. The Company will invest primarily in lower risk assets, such as cash and fixed interest securities. However, the Company is willing to take on some risk, through investments in non-government fixed interest securities and collective investment funds with a view to generating additional returns, subject to specific limits contained in the Investment Policy set by the Company's Investment Committee. These limits are designed to keep the Company's direct market risk within the risk tolerances set out in this document, and will be reviewed as appropriate in light of any changes to this document.

Market risk can take the form of:

Interest Rate Risk

Interest Rate Risk is the risk of loss resulting from adverse changes in interest rates. The Company is exposed to Interest Rate risk through direct holdings of fixed interest securities, through the second order impact of changes in interest rates on policyholder funds and on the Shareholder investment in bonds. The Company has a low tolerance for direct interest rate risk and has determined an investment policy for shareholder funds on that basis.

This risk is included in the Market risk defined in the Risk Limits. It is only monitored for the guaranteed interest portfolios currently only managed in one activity of the Company

Control on Shareholder investment in bond funds is done at Investment Committee level.

Capital Market Risk

Capital Market Risk primarily for OneLife relates to the risk of loss resulting from fluctuations in the market prices of equities and other market priced assets. The Company has no tolerance for direct equity or asset exposure other than where an exposure is required for operational reasons through a temporary shareholder holding in unit funds, either as a box position or for seeding funds, for which the appetite is low.

The Company has low tolerance for Capital Market Risk through the second order exposure to policyholder unit funds (through fee income).

Risk Limits for Capital Market Risk are set out in the Risk Appetite.

Foreign Exchange Risk

Foreign Exchange Risk is the risk of loss resulting from adverse movements in currency exchange rates.

The Company has a low tolerance for Foreign Exchange Risk. The Company has a strategic objective to develop portfolio bond product opportunities in a number of European markets. The risk appetite of the Company is compatible with writing business in territories where the Euro is not the local currency. However, it is likely that policyholder requirements will mean that the Company will earn fee income in non-Euro currencies whilst typically incurring at least some expenses in Euro.

The Company has a tolerance for some level of Foreign Exchange Risk, primarily for operational purposes, but has determined overall limits for aggregate currency exposures within which it must operate.

These Risk Limits are set out in the Risk Appetite.

4.3 - Credit risk

Credit Risk describes the risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and debtors to which the Company is exposed. It can take the form of:

- Investment Counterparty Risk
- Reinsurer Counterparty Risk
- Policyholder Counterparty Risk

Investment Counterparty Risk

Investment Counterparty risk reflects the risk of loss arising from a counterparty defaulting and being unable to fully discharge an obligation to the Company, and/or spread risk. It will typically include counterparties to fixed interest securities, and other parties that the Company is exposed to, consideration is also given to inter-Company exposures.

The Company has a medium-low appetite for investment counterparty risk and has set specific limits in the Investment Guidelines Policy, which must be adhered to in relation to investments held directly in shareholder funds.

The Company will monitor exposures to relevant third parties. The Company has determined Risk Limits for Investment Counterparty Risk exposures, and will actively monitor these exposures to ensure that they remain within these limits.

Spread risk is treated as a sub-risk of Investment Counterparty Default Risk and relates to the risk of loss arising from changes in the value of market securities driven by changes in the credit standing of counterparties. For OneLife, the risk manifests itself primarily through the shareholder portfolio of fixed interest investments and the guaranteed portfolio. Changes in the credit spreads of fixed interest counterparties (whether corporate or sovereign) will affect the value of those assets.

The Company has a low tolerance for spread risk and has set out a defined Investment Policy to limit exposure by credit rating and concentration limits of counterparties.

Risk limits for the Company's exposure to spread risk are set out in the Company's Investment Policy reviewed at least annually in the context of these risk limits.

Reinsurance Counterparty Risk

Exposures to re-insurers will be monitored as appropriate, and the Company will apply defined limits reporting to the Board. The Boards tolerance to Reinsurance Counterparty Risk is low.

The majority of reinsurance is placed with one counterparty (over 90%). This does not generate a significant concentration of reinsurer credit risk due to the risk premium structure of the reinsurance, which does not cause significant reserves to build up on the reinsurer's balance sheet. Credit risk is therefore limited to claims incurred but not yet reimbursed by the reinsurer, and to accrued profit share not yet received.

Policyholder Counterparty Risk

On occasions, some policyholder funds have issues to liquidate part of the holding to meet fees due, and this creates an exposure for OneLife. The Board expects these exposures to be minimised and action for recovery taken at the earliest opportunity, hence their tolerance for this risk is low.

4.4 - Liquidity risk

Liquidity Risk is the risk of losses in the event that insufficient liquid assets are available to meet the cash flow requirements of the obligations to any counterparties, such as employees, service providers and policyholders in respect of surrenders when they fall due.

The Company has a low tolerance for liquidity risk. Robust modelling of medium term liquidity needs is completed as part of the annual planning exercise and a safety margin is maintained for short-term liquidity based on recent experience of cash demands. The investment of shareholder funds backing the guarantee funds must be in line with the Asset and Liability Matching Policy which takes account of the Company's projected liability profile, including the projected duration of liabilities, with assets backing policyholder liabilities suitably matched by duration.

The Company's Investment Policy Guidelines for shareholder funds requires investment in liquid assets which are listed on recognised markets. Where unlisted assets, or other assets which may have less liquidity than typical listed assets, are held within unit funds, the Company will clearly set out the basis for transferring those assets back to policyholders if claims are made on a policy at a time when the assets cannot readily be realised.

The Company's Investment Committee will determine the eligibility of assets or types of asset into unit funds on a case-by-case basis, where the automatic criteria for inclusion in the fund, determined by the Investment Committee, have not been met.

OneLife also monitors the ratio of shareholders' cash at bank, in hand, unused facilities and cash deposits divided by Expenses (monthly average).

The Company writes only a small amount of regular premium business and those future recurring premiums have been considered outside the contract boundaries for the valuation of technical provisions. The Company does not take credit for any material expected profit included in future premiums.

4.5 - Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events.

The Company has a medium-low appetite for Operational Risk, but sees it as an inevitable corollary of writing insurance business. The Company will seek to minimise operational risk through a robust operational risk management process.

The Company has an operational risk policy and uses a three-level categorisation of Operational Risk Events:

- **Level I:** Seven different event types are defined, in line with the Basel II definitions.
- **Level II:** For each Level I event type, Level II event types are developed to provide more detail on the type of the event to answer the question "what has happened?". The Level II event types are closely related to the Basel event types, but some adjustments were made for the application to the insurance industry.
- **Level III:** Facilitates the categorisation by giving more concrete examples that add to level II and I. Supports the analysis of reported losses by various stakeholders.

The operating model is described in the Operational Risk policy and the events types on the three levels are listed in Appendix I of the same policy.

The collection of Risk Event Data (RED) enables the Company to supplement the risk information provided by the risk assessment process undertaken by business areas.

4.6 - Stress Testing

In its 2017 ORSA, the Company modelled stress testing based on 6 stresses and 2 scenarios:

Stresses were applied against the main risks OneLife is exposed to, namely:

1. Sales risk

A sales volume stress of 40% across all portfolios is applied on budget figures in 2018, 2019 and 2020.

2. Lapse risk

A lapse rate stress of 30% across portfolios is applied on budget figures in 2018.

3. Market and Credit risk (inclusive of currency risk)

A market fall of 25% on assets under management is applied across all portfolios' 2018 opening values.

Market and credit risks are projected as an immediate single shock representing the combined effect of market price falls, credit defaults, adverse movements in exchange rates and increases in bond yields.

4. Expense risk

This stress assumes an increase of 10% in 2018, and 5% in both 2019 and in 2020 of expenses compared to those allowed in the Business Plan.

5. Operational risk

Operational risk was estimated as an additional expense arising from crystallising risk events of €4.0M in 2018, and €2M in 2019 and 2020.

6. Erosion of Fees

This stress reflects an erosion of our fee rates of 10% in 2018, 2019 and 2020.

Fee margins in the budget are experienced fee rates. This stress reflects our strategy to move to higher net worth clients with a corresponding reduction in margins, as well as competitive pressures and commercial gestures.

Summary of stresses:

Stress	2018	2019	2020
Sales	-40%	-40%	-40%
Lapses	30%	0%	0%
Market risk	-25%	0%	0%
Expenses	10%	5%	5%
Operational risk	4M	2M	2M
Erosion Fees	-10%	-10%	-10%

In addition, two opposite scenarios were considered; one anticipates recession and the other an improving economy. Scenarios have been built as an aggregated set of stresses. While the stresses set out above are meant to be extreme limits, values have been set at more reasonable levels for the two scenarios.

When modelling the value of the in-force portfolio in the stressed conditions, we anticipated that management would be able to take some corrective action to reduce future expense levels following a fall in assets under management.

4.7 - Other material risks

Product Design and Pricing

New business pricing risk is the risk of losses arising from accepting new business premiums at unprofitable rates. It is an important risk for the Company to monitor. Whilst it may be important for the Company to write business on competitive terms, and there may be occasions where it is appropriate to apply special terms, the Company has no appetite for writing unprofitable business more generally.

The process for minimising new business pricing risk requires the profitability of new product developments to be assessed by the Head of Actuarial. Exception requests in respect of individual cases or sub-products are coordinated by Sales & Marketing and must be reviewed by the Actuarial Team. Periodic reviews of the current pricing of existing products are undertaken at a portfolio level.

Risk Concentration

Within OneLife, risk concentration is monitored and controlled at Shareholders cash balance level: any excessive exposure due to high concentration of shareholder investments in a single entity or Company of related entities, or in a single geographic location or industry are all prescribed with Investment Policy Limits and reported monthly to the Investment Committee.

Consolidated shareholders cash balance per Bank on a Company level is reported by Treasury. Concentration limits for exposures to individual banking companies, are set to minimise the outcome of counterparty defaults.

In addition, the Risk concentration is monitored and controlled at partner level: OneLife developed Key Risk Indicator in order to monitor Broker, Sales person and Custodian concentration.

Sales Risk

Sales risk, is the risk of not reaching the budgeted sales figures or having a surrender rate higher than expected.

Risk Management monitors the actual premiums against budget every quarter (by market and by product) as well as monitoring actual surrenders against budget.

Legal, Regulatory & Compliance Risk

Legal/regulatory (compliance) risk is the impact arising from failure to comply with statutory or regulatory obligations. OneLife considers legal risk as the outcome of other risks crystallising, in particular operational risk. The Company has no appetite for material legal / regulatory risk and will invest in people, systems and governance controls to minimise the possibility of failing to meet legal and regulatory obligations.

Strategic Risk (including Reputational Risk)

The Company is subject to Strategic Risks which are beyond its control, the impact of which may be to render the Business Model unviable. An annual exercise of Reverse Stress Testing has been undertaken by the Executive Committee and presented to the Board for their consideration of events which could have such an impact. A key output from the process is to ensure appropriate early warning measures are in place and that Management actions have been considered and documented should such events arise.

The Company has a low appetite for unprofitable classes of business arising from strategic positioning, or resulting from adverse pricing experience.

Reputational risk is the current and prospective impact on earnings and solvency capital arising from negative opinions exhibited by the public, regulators or tax authorities. Reputational risk can be seen as arising from other risks, in particular operational risk ("cascading effect"). It is considered one of the effects of operational risk events.

The Company has no appetite for reputational risk. OneLife continues to invest heavily in building in its chosen markets and in developing the necessary systems and controls to minimise reputation risk.

One area where Reputation Risk can arise relates to policyholder expectations which can be driven in part by product literature and the sales process. The Board is responsible for ensuring that the reasonable expectations of policyholders are met.

In addition, the Company will carefully select the distributor companies with which it will enter into distribution agreements and will verify the regulatory status of all agents, and where appropriate, implement a programme of on-going sales monitoring in all jurisdictions, and field visits / audits to ensure proactive monitoring of the activities of agents.

4.8 - Prudent Person Principle

The prudent person principle for investment purposes is covered through the regular monitoring of the Investment Committee that applies for the own portfolio and portfolios with guarantee return.

OneLife believes that prudent management of risk is a central element of the investment function and that diversification among asset classes will maximise the probability of achieving investment goals while minimizing the risk of loss associated with any single security, asset class, industry sector, or geographical region.

The Investment Committee oversees and guides the investment process and its policies subject to the following principles:

- To act solely in the interest of OneLife, its clients, and its shareholders
- To act with care, skill, prudence and diligence under any circumstances
- To prudently manage the costs of implementing this Investment Policy.

This is fully documented in the Company Investment Policy Guidelines

For portfolios where policyholders bear the investment risk, the decision about the asset classes are determined by the policyholders and/or their advisors in accordance with CAA rules as stipulated in the circular letters. The Company ensures that those decisions comply with their investment strategies and with regulatory-determined investment limits.

4.9 - Any other information

As at 31 December 2017, the Company has commitments amounting to EUR 2,518,240 (2016: EUR 2,846,449) in relation to IT hardware, software and IT contractors, commitments amounting to EUR 815,950 (2016: EUR 357,940) in relation to car leasing contractors and commitments amounting to EUR 3,644,597 (VAT included) in relation to building lease (2016: EUR 4,450,789).

5

VALUATION FOR SOLVENCY PURPOSES

5.1 – Assets

As at 31 December 2017, The OneLife Company held the following assets:

Balance sheet: Assets (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Intangible assets	**a**	**7.19**	**0.00**
Investments		**104.38**	**110.08**
Shares, other variable yield transferable securities and units in unit trusts	b	15.04	15.07
Debt securities and other fixed income transferable securities	c	83.85	89.51
Deposits with credit institutions	d	5.50	5.50
Investments for the benefit of life insurance	**e**	**5,193.90**	**5,193.90**
Other loans	**d**	**0.13**	**0.13**
Debtors	**f**	**28.50**	**28.50**
Debtors arising out of direct insurance operations		0.18	0.18
Other debtors		28.32	28.32
Other assets		**60.07**	**60.07**
Cash at bank and in hand	g	59.77	59.77
Tangible assets and stocks		0.30	0.30
Any other assets, not elsewhere shown	**h**	**8.33**	**7.14**
Deferred acquisition costs	**i**	**14.28**	**0.00**
Total assets		**5,416.78**	**5,399.82**

The valuation principles applied to the assets are as follows:

a. For the Statutory Accounts, intangible assets are valued at purchase price including the incidental expenses, less cumulated depreciation amounts. They are composed of goodwill and technical policy management software which are respectively amortized over an eight-year period and over a seven-year period. For Solvency II, intangible assets are taken at nil value.

b. For the Statutory Accounts, shares and other variable yield transferable securities and units in unit trusts are valued at the lower of historical acquisition cost or market value. For Solvency II, they are valued at market value.

c. For the Statutory Accounts, debt securities and other fixed income transferable securities are valued at amortised cost. For Solvency II they are valued at market value.

d. Deposits with credit institutions and other loans are valued at nominal value.

e. Investments for the benefit of life insurance policyholders who bear the investment risk are valued at market value. The market value of the investments has been determined according to the following methods:
   - Transferable securities admitted to an official stock exchange listing or traded on another regulated market are valued on the basis of the last available market price. If such securities are listed on several markets, the last known price on the principal market is applied;
   - Transferable securities not admitted to an official stock exchange listing or not traded on another regulated market, and transferable securities admitted to an official stock exchange listing or traded on another regulated market, but for which the last available price is not representative, are valued on the basis of their reasonably foreseeable price determined with prudence and good faith by the Board of Directors of the Company, based on available information provided by the custodian banks, other price providers or in the financial statements of these investments.

f. Debtors are valued at the lower of their nominal and their probable realisation value. Value adjustments are made when recoverability is questionable, either in part or entirely. These value adjustments shall no longer be carried when the reasons for which they were made cease to apply;

g. Cash at bank and in hand is valued at nominal value;

h. Any other assets include other expenditure incurred during the financial year which relates to a subsequent financial year and income relating to the current financial year, but which is not receivable until a subsequent financial year;

i. For Statutory Accounts, some acquisition costs relating to life insurance policies are deferred and recognised as an asset. The deferred acquisition costs are amortised over the acquisition charge earning period, on a straight line basis. Additional amortisation is recorded on fully surrendered policies. For Solvency II, deferred acquisition costs are not recognised as an asset and are taken at nil value.

5.2 - Technical provisions

The amounts of technical provisions for the purposes of financial statements and Solvency II are as follows:

Balance sheet: Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Unit Linked Technical Provisions	a	5,193.90	5,193.90
Technical Provisions excluding Unit Linked	b	94.88	94.88
Present Value of Future Profits	c	-	(125.19)
Risk Margin	d	-	24.86
Total Technical Provisions		**5,288.78**	**5,188.46**

a. Unit Linked Technical Provisions

The portfolio mainly comprises single premium (with possible additional premiums) and regular premium unit-linked policies allowing investment into a range of internal or external collective funds which the Company makes available, or to one or more dedicated funds where the policy value is linked to an individual investment fund whose assets are managed according to the investment strategy selected by the policyholder.

Unit Linked Technical Provisions correspond to liabilities for those policies, for which the benefits are determined by reference to the value of the investments and where the investment risk is borne by the policyholders. They were evaluated as the net asset value of units allocated to policies on the valuation date, with assets taken at their market value.

An additional technical provision (EUR 0.68m) has been included in this line of business in respect of loyalty bonus funded from annual management charges.

b. Technical Provision excluding unit-linked

The Company has a number of guaranteed fund portfolios in run-off, namely Taux Minimum Garanti (TMG) and Taux Regulier Garanti (TRG) funds and guaranteed portfolios mainly written on the Danish market (53A & G82 portfolios).

The TMG/TRG technical provisions were calculated as the number of reference points allocated to policies, multiplied by the price at the valuation date.

The 53A and G82 products consist of single and regular premium policies originally issued by Danica Liv and Pension (53A product) and Nordea Life & Pensions S.A (G82 product) for the Danish market. The policies include endowments, whole of life policies, deferred and in-payment annuities, term assurances and waiver of premium and disability benefits.

Guaranteed returns are administered by allocating a number of units to policies, the price of which is increased at the relevant guaranteed rate on a weekly basis.

The technical provisions were calculated as the number of units allocated to policies, multiplied by the price at the valuation date.

The technical provisions also include strengthening reserves in respect of the guarantee funds. These were determined by revaluing liabilities, including allowance for future bonuses, on a market-consistent basis.

A number of additional provisions are also included, relating to a small number of traditional annuities and to mortality and disability.

c. Present Value of Future Profits (PVFP)

The value of technical provisions under Solvency II requirements equals the sum of the Best Estimate Liability (BEL) and the Risk Margin (RM). The BEL is the expected present value of the probability-weighted average of future cash-flows, using the relevant risk-free interest rate term structure.

For ease of comparison to the Company's Annual Report & Accounts, the BEL has been presented as the sum of technical provisions described above and evaluated under the Solvency I requirements using methodologies communicated to the CAA, and the Present Value of Future Profits (PVFP) calculated by projecting forward the cashflows expected to arise from policies in-force at the valuation date on a best-estimate basis and discounting these cashflows using the risk-free rates provided by EIOPA.

The positive PVFP of the portfolios is shown as a negative amount in the table above as it reduces the amount of overall technical provisions.

Cashflows were modelled on a policy-by-policy basis for 96% of the portfolio, with the remainder being modelled using a model point approach for groups of contracts possessing similar technical characteristics. Cash flows included in the projections were:

- management fees, rebates and other fees and charges;
- claims (mortality, surrender and maturity);
- maintenance expenses;
- trail and renewal commissions.

The Company did not apply the matching adjustment, volatility adjustment, transitional risk-free interest term structure or transitional deduction referred to in, respectively, Articles 77b, 77d, 308c and 308d of the Solvency II Directive.

The PVFP was calculated net of reinsurance with adjustment for the expected net profit from reinsurance profit share arrangements.

At the valuation date, amounts recoverable from reinsurance contracts were limited to recoveries due in respect of claims paid and reimbursements due under reinsurance profit share arrangements.

The assumptions about incomes and expenses were determined on the basis of internal observations and analysis, made separately for each part of the modelled portfolio. The probabilities of lapse were determined based on the observations made over the previous three years.

The principal assumptions were as follows:

Economic assumptions	
Risk free rate	EUR Risk free zero coupon curve as at 31/12/2017 provided by EIOPA
Risk discount rate	Equal to the risk free rate
Fund growth rates	Equal to the risk free rate
Currency rates	All cash flows were converted to EUR using rates published by the ECB as at 31/12/2017

Demographic assumptions	
Surrender Rates	Surrender rates were based on an average of the last 3 years' experience, derived on an amounts basis per product grouping.
Mortality	As there is insufficient Company experience to derive the mortality assumptions on a standalone basis, industry standard tables have been used in the valuation for all products.
Expense Assumptions	
Maintenance Expenses	Expenses were modelled on a per-policy basis, which implicitly assumes a going concern approach. Per-policy costs were derived from a regular analysis of Group expenditure in order to allocate them by type (acquisition, maintenance and custody) and by type of business.
Expense Inflation	was set at 2.4% p.a.
Fund Management Assumptions	
External Fund Management Charges	Based on fund data applicable at the valuation date.
Trail Commissions	Based on trail commission arrangements in place at the valuation date.
Investment Fund Rebates	Based on retrocession arrangements in place at the valuation date.
Product Specific Assumptions	
Charges	Management charge rates were taken from policy data extracts from the administration systems.

d. Risk Margin

The Risk Margin (RM) represents the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insurance obligations. It is calculated with a "cost of capital" approach by applying the cost of capital rate to the discounted value of the projected SCR.

The market risk component of the SCR was excluded from the calculation, by assuming that the assets are selected in such a way that they minimise the SCR for market risk, in accordance with Article 38 (1) (h) of the Delegated Regulation.

Guideline 62 of the EIOPA guidelines on the valuation of technical provisions sets out a hierarchy of simplifications for the risk margin. The Company uses method 2 (the second most precise method) where the SCR for each future year is proportional to the ratio of the best estimate for the relevant year to the best estimate at the valuation date. For that purpose, the best-estimate was assumed to evolve in proportion to the projected assets under management of the in-force portfolio.

The projected SCR at each future time period was then discounted back to the valuation date using risk free rates.

The result of the calculation was then multiplied by the cost of capital rate of 6% to give the Risk Margin.

Uncertainty associated with the value of the technical provisions

The value of the technical provisions at the valuation date is highly sensitive to the assumptions underlying the calculation of the Present Value of Future Profits (PVFP) and, in particular, to the assumptions of future lapse experience, maintenance expenses, investment fund rebates, trail commissions and investment performance and discount rates.

The evolution of technical provisions is also highly sensitive to the development of assets under management, which is itself sensitive to market performance, levels of new business written and lapse experience.

Differences from the Statutory Account valuation & Other Information

A comparison of the technical provisions for the purposes of the financial statements and Solvency II has been shown in the table above.

The differences arise from the inclusion of the PVFP and the Risk Margin in the Solvency II technical provisions.

No securitisation arrangements were in place.

5.3 - Other Liabilities

The amounts of other liabilities for the purposes of the financial statements and Solvency II are as follows:

Balance sheet: Other Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Subordinated Liabilities	a	**14.04**	**14.54**
Provisions for other risks and charges	b	**9.63**	**9.63**
Provisions for taxation		1.22	1.22
Other provisions		8.41	8.41
Creditors	c	**43.15**	**43.15**
Creditors arising out of direct insurance operations		35.91	35.91
Creditors arising out of direct reinsurance operations		0.17	0.17
Other creditors		7.06	7.06
Accrual and defered income	d	**1.34**	**1.34**
Total of other liabilities		**68.16**	**68.66**

The bases of valuation for Solvency II are as follows:

a. Subordinated loans were valued by discounting payments of interest and capital at risk-free interest rates. The basis differs from that used in the statutory accounts, which valued subordinated liabilities at nominal value.

b. Provisions for other risks and charges include the provisions for taxation and the other provisions.

   The provisions for taxation include the Company's best estimate of income tax liabilities for financial years for which a definitive taxation assessment has not yet been received from the fiscal authorities and final unpaid tax liabilities. Advance tax payments are recognised under the category "Any other assets".

   The other provisions are intended to cover losses or liabilities the nature of which is clearly defined and which, at the balance sheet date, are either likely to be incurred or certain to be incurred, but uncertain as to the amount or as to the date on which they will arise.

   For the purposes of Solvency II, an amount of nil was shown for the value of Deferred Tax Liabilities as the liability was shown net of relief from carried forward tax losses. The amount was calculated by applying the relevant tax rate for the company (29.76%) to the result of:

   - (i) Capital & Reserves on the Solvency II basis
   - less (ii) Capital & Reserves on the Financial Statements Basis
   - less (iii) Amount of tax losses carried forward

   subject to a floor of zero.

c. Creditors are valued at settlement value for both the Statutory Accounts and Solvency II.

d. Accruals and deferred income consist of both income received before the balance sheet date, but relating to a subsequent financial year, and charges relating to the current financial year, but payable in a subsequent financial year. They are valued at settlement value for both the Statutory Accounts and Solvency II.

5.4 - Alternative methods for valuation

The Company has not used alternative methods of valuation under Article 10(5) of the Delegated Regulations.

5.5 - Any other information

The Company has no further material information to disclose regarding the valuation of assets and liabilities for solvency purposes.

6

CAPITAL MANAGEMENT

6.1 - Own Funds

6.1.1 - Capital Management Process

The objective of the capital management process is to ensure that the nature and amount of Own Funds are sufficient to meet regulatory capital requirements (i.e. the Solvency Capital Requirement "SCR" and Minimum Capital Requirement "MCR") at all times.

The capital management process is summarised in the Capital Management Policy and includes the following key items:

- An annual Budget and Medium Term Capital Management Plan, carried out annually in the 4th quarter with a three-year time horizon and which takes into account different scenario hypotheses and any planned dividends or capital restructuring. A reforecast exercise is also run annually in the 2nd quarter, taking into account expected year-to-date performance.
- Stress and scenario analysis conducted within the ORSA process and summarised in the ORSA Report, which is used as an input to the Medium Term Capital Management Plan.
- The process for approval of any dividends or distributions of capital.
- Processes for simulating the solvency impact of planned new activities.
- Roles and responsibilities of the Actuarial Function, Group Executive Committee, ARCC and Board of Directors in the monitoring of capital adequacy on at least a quarterly basis.
- Processes to allow the Company to effectively manage a crisis situation that might lead to a capital shortfall against regulatory requirements or risk appetite.
- The roles of the CFO and the Investment Committee in managing and monitoring the investment of Own Funds.

6.1.2 - Tiering and Quality of Own Funds

The following table shows the eligible amount of own funds to cover the SCR and the MCR classified by tiers and the corresponding solvency ratios:

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2017					
Subscribed capital	32.23	32.23	-	-	-
Share premium account	3.61	3.61	-	-	-
Reconciliation reserve	106.87	106.87	-	-	-
Subordination Liabilities	14.54	-	13.08	1.46	-
Basic Own Funds	**157.25**	**142.71**	**13.08**	**1.46**	**-**
SCR	**96.22**				
MCR	**39.01**				
Ratio of Eligible own funds to SCR	**163.4%**				
Ratio of Eligible own funds to MCR	**403.2%**				

For comparison, the Own Funds at the end of the previous reporting period were as follows:

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2017					
Subscribed capital	32.23	32.23	-	-	-
Share premium account	3.61	3.61	-	-	-
Reconciliation reserve	97.02	97.02	-	-	-
Subordination Liabilities	14.04	-	12.74	1.30	-
Basic Own Funds	**146.90**	**132.86**	**12.74**	**1.30**	**-**

All Own Funds items have been categorised as Tier 1, with the exception of one tranche of subordinated liabilities, which have been categorised as Tier 2.

The increase in unrestricted Tier 1 Own Funds over the year was mainly due to operating profits, a reduced stock of deferred acquisition costs (inadmissible under Solvency II), an increase in market value adjustments, and an increase in the value of the in-force portfolio. These factors were partially offset by the payment of a EUR 3m dividend to The OneLife Holding.

The increases in restricted Tier 1 and Tier 2 Own Funds were due to a change to the valuation method for subordinated loans from nominal value to a discounted cashflow approach

a. Subscribed Capital and Share Premium Account

The subscribed capital amounts to EUR 32.23 million and is represented by 1,300,000 fully paid and called-up ordinary shares. The share premium account corresponds to an amount of EUR 3.61m.

b. Reconciliation Reserve

The reconciliation reserve, classified as Unrestricted Tier 1, comprises the following items:

	EURm
Reserves	8.19
Profit brought forward	9.89
Profit for the financial year	5.92
Variation in the valuation of assets	(16.96)
Variation in the valuation of liabilities	99.83
Reconciliation reserve	**106.87**

The reconciliation reserve does not take into account the EUR 2.5 m dividend to be paid in 2018 for the exercise 2017.

The reserves amounting to EUR 8.19m are composed of the legal reserve of EUR 3.22m and a free reserve of EUR 4.97m. In accordance with Luxembourg law, the Company allocates 5% of its net profit for each financial year until the legal reserve balance reaches 10% of the issued share capital. This level being reached since 2008, no allocation was made to the legal reserve.

c. Subordinated Liabilities

The Company's Own Funds include EUR 14.04m of subordinated loans (EUR 14.54 valued on a Solvency II basis), which comprise the following:

- Loan 1: Subordinated loan issued by the Company to Dekania Europe CDO III Plc on 20/03/2008 for an amount of EUR 4.80m. The loan is fixed rate until the reset date (15/03/2018) and floating rate thereafter. The Company has an option to redeem some or all of the loan on the reset date That Loan 1 has been reimbursed during 1st quarter of 2018.
- Loan 2: Subordinated loan issued by the Company to Dekania Europe CDO III Plc on 19/08/2008 for an amount of EUR 1.00m. The loan is fixed rate until the reset date (15/09/2018) and floating rate thereafter. The Company has an option to redeem some or all of the loan on the reset date
- Loan 3: Subordinated floating rate loan originally issued on 01/03/1995 with unlimited term, now owed to The OneLife Holding S.à.r.l. for an amount of EUR 6.94m.
- Loan 4: Subordinated and unsecured bearer notes originally issued by Altraplan Luxembourg S.A. to Altraplan Bermuda Limited on 18/12/2014 with unlimited term, now owed to The OneLife Holding S.à.r.l. for an amount of EUR 1.30m. That Loan 4 has been reimbursed during 1st quarter of 2018.

The loans are subject to the transitional measures set out in Articles 308b(9) and 308b(10) of the Solvency II Directive (consolidated version), which can be applied for a 10-year period for subordinated loans issued before 1st of January 2016. Loans 1, 2 and 3 are classified as "Tier 1 – Restricted" and Loan 4 classified as "Tier 2".

The Company has sufficient "Tier 1 – Unrestricted" Own Funds to fully cover its SCR and MCR, without recourse to subordinated liabilities.

d. Ancillary Own Funds, Deductions and Restrictions

The Company has no Ancillary Own Funds, applies no deductions to Own Funds and there are no material restrictions affecting their availability and transferability.

6.1.3 - Comparison of Own Funds to Financial Statements

The following table reconciles the Capital & Reserves in the Company's financial statements at 31 December 2017 to the excess of the assets over liabilities as calculated for Solvency II purposes. The excess of the assets over liabilities corresponds to the Own Funds amount of EUR 157.25m (2016: 146.90m).

Basic Own Funds: Reconciliation of Net Equity with Own Funds (mio EUR)	
Total Equity in financial statements	**59.84**
Subscribed capital	32.23
Share premium account	3.61
Reserves	8.19
Profit / (loss) brought forward	9.89
Profit / (loss) for the financial year	5.92
Reconciliation reserve excluding Reserves and Retained Earning	**82.87**
Assets items	
Intangible assets	(5.94)
Goodwill	(1.25)
Deferred acquisition costs	(14.28)
Difference of valuation on the assets	4.51
Liabilities items	
Difference of valuation of the technical provisions	125.19
Risk Margin	(24.86)
Subordinated liabilities	**14.54**
Difference of variation on Subordinated liabilities	(0.50)
Basic Own Funds	**157.25**

The difference between the Own Funds and the financial statements net equity arises from the differences between the valuations of assets, liabilities and technical provisions described in the sections above.

For the purposes of Solvency II, an amount of nil was shown for the value of Deferred Tax Liabilities as the liability was shown net of relief from carried forward tax losses.

6.1.4 - Expected Development of Own Funds

During 2018, the Company intends to pay a dividend of EUR 2.50m to The OneLife Holding out of its results brought forward as at 31st December 2017. In addition, the Company will redeem EUR 1.30m of subordinated loan with The OneLife Holding (Loan 4 as described above). On a pro-forma basis, this would reduce the 31 December 2017 SCR coverage ratio from 163% to 160%.

The Company also intends to redeem two tranches of subordinated loans (labelled Loans 1 and 2 in section above) on their interest reset dates in 2018. This would lead to a reduction in Own Funds in the short term, but would lead to a longer term strengthening of solvency coverage due to improved profitability as a result of lower financing costs.

Prior to the end of the transitional period, the Company will consider either reimbursing the remaining subordinated loan to The OneLife Holding S.A. (labelled Loan 3 in section 6.1.2 above) as part of its strategy to reduce inter-company balances, or will seek to redraft the terms of the loan agreement so that it meets Tier 1 criteria without recourse to the transitional measures.

The Company's 2017 ORSA Report, considered a central scenario for the projection of Own Funds in line with the 2018-2020 business plan. The projection indicated an underlying stable level of Own Funds and solvency coverage before allowing for the potential impact of subordinated loan redemption.

The ORSA Report also considered the impact on solvency coverage of a number of stresses against the main risks that the Company is exposed to, namely:

- sales risk;
- lapse risk;
- market and credit risk (inclusive of currency risk);
- expense risk;
- operational risk;
- erosion of fees.

In addition, two opposite scenarios were proposed, one anticipating a deep recession and the other an improving economy.

The stress and scenario tests indicated an adequate level of capitalisation

6.2 - Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the amounts of the Company's Solvency Capital Requirement as at 31 December 2017 split by risk modules.

Solvency Capital Requirement et Minimum Capital Requirement (mio EUR)	
Market Risk	**53.15**
Interest Risk	0.98
Equity Risk	45.06
Property Risk	0.00
Spread Risk	6.63
Currency Risk	7.44
Concentration Risk	0.56
Diversification effect	(7.51)
Life Underwriting Risk	**60.98**
Mortality Risk	2.14
Longevity Risk	0.00
Disability - Morbidity Risk	0.00
Lapse Risk	51.22
Expense Risk	15.77
Revision Risk	0.00
Catastrophe Risk	0.50
Diversification effect	(8.65)
Market Risk	**53.15**
Life Underwriting Risk	**60.98**
Counterparty Default Risk	**5.63**
Diversification effect	(27.47)
BSCR	**92.29**
Operational Risk	3.93
Adjustment factor	0.00
SCR	**96.22**
MCR	**39.01**

The Company exclusively applies the Standard Formula to determine its Solvency Capital Requirements, without using simplified calculations and without using undertaking-specific parameters.

Capital requirements moved as follows over the year:

mio EUR	31/12/17	31/12/16
Market Risk	53.15	51.93
Life Underwriting Risk	60.98	54.35
Counterparty Default Risk	5.63	5.13
Diversification effect	(27.47)	(25.61)
Operational Risk	3.93	4.05
SCR	**96.22**	**89.84**
MCR	**39.01**	**37.65**

The market risk component increased over the year due to a higher value of the in-force portfolio, combined with an increase in the equity risk shock due to change in the symmetric adjustment set by EOIPA. This was partly offset by a reduction in the spread risk component due to improved duration data for unit-linked bond exposures.

The life underwriting risk component increased due to a combination of the higher value of the in-force portfolio and due to modelling developments, which allowed the mass lapse shock to be evaluated with greater granularity.

In accordance with Chapter VII of the Delegated Regulation, the MCR calculation is based on the net value of the technical provisions and the total capital at risk on death, evaluated at the reporting date. The result of the calculation is subject to a floor of 25% of the SCR and to a cap of 45% of the SCR.

6.3 - Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module (set out in Article 304 of the Solvency II Directive) in the calculation of the Solvency Capital Requirement.

6.4 - Differences between the standard formula and any internal model used

The Company is not using an internal or partial internal model to determine the Solvency Capital Requirement.

6.5 - Non-compliance with the MCR and non-compliance with the SCR

The Company complied with its Solvency Capital Requirement and Minimum Capital Requirement throughout the reporting period.

6.6 - Any other information

None

APPENDICES

A. Annual Accounts for the year ended 31 December 2017 and report of the Réviseur d'Entreprises Agréé

B. QRT S.02.01 - Balance Sheet

C. QRT S.05.01 - Premiums, Claims & Expenses By Line Of Business

D. QRT S.05.02 - Premiums, Claims & Expenses By Country

E. QRT S.12.01 - Life & Health Slt Technical Provisions

F. QRT S.23.01 - Own Funds

G. QRT S.23.02 - Detailed Information By Tiers On Own Funds

H. QRT S.25.01 - Solvency Capital Requirement – For Undertakings On Standard Formula

I. QRT S.28.01 - Minimum Capital Requirement – Only Life Or Only Non-Life Insurance Or Reinsurance Activity

A ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017 AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

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A1 BOARD OF DIRECTORS, MANAGING DIRECTOR, RÉVISEUR D'ENTREPRISES AGRÉÉ

Board of Directors

Michel Wolter, Chairman of the Board of Directors

Paul Wolff

Thierry Porté

Marc Stevens

Christopher Baker

Jean-Luc Jancel

Peter Yordan

Managing Director

Marc Stevens

Secretary of the Board

Antonio Corpas

Réviseur d'Entreprises Agréé

Deloitte Audit, Société à Responsabilité Limitée

A2 INTRODUCTION BY THE MANAGING DIRECTOR ON THE COMPANY'S ACTIVITIES AND RESULTS IN 2017

2017 marked a year of significant progress at OneLife. The Company celebrated its first anniversary under the "OneLife" brand that is a key catalyst in propelling the Company into new markets and forging lasting relationships with its business partners. Its value proposition which combines wealth planning expertise with extensive cross-border knowledge together with a strong capability in non-traditional assets are all key differentiators for the Company in today's marketplace.

In addition to reaffirming its leadership position in the Belgian market, the Company also grew its reach in other core markets, including France, Denmark, Luxembourg and the Nordics, with development well underway for the UK, as well as for its most recent regions – Iberia and Latin America. The Company recorded a new overall business premium for the year of over 40% compared to 2016, thanks to partners' trust in confiding new business to the Company. This diversification of business across markets and extending distribution network strongly supports the strategic growth of the Company.

Enhancing its existing product range, the Company also launched a series of new products to cater to the needs of its partners and their clients. These included: Capitalisation Finland, a Belgian Pension Product (IPT), Wealth Spain & Wealth Portugal, Capitalisation Denmark and Capitalisation Luxembourg.

The company strengthened its team by recruiting for a number of key positions in Sales, Wealth Structuring and Customer Services to further support business development.

In 2017, OneLife completed the streamlining of its business operations. Today, OneLife operates simply as The OneLife Company S.A., held directly by The OneLife Holding S.à r.l.

The Company successfully completed the next phase in the consolidation of its IT systems in 2017 – migrating to a single policy administration platform, the final stages of which will be completed in early 2018. As a now recognised leader in digital technologies, the Company also deployed a number of key initiatives in 2017 to improve the customer experience. These include the availability of the OneLife OneApp for all partners and clients across its core markets, giving access to portfolio information 24/7. In addition, the introduction for the French and Belgian markets of B2B data exchange – or aggregation services – enabling the consultation of client portfolios, including life assurance policies, in a single view.

The Company also launched its Digital Days in June 2017 to fully engage employees in the digital transformation process. These two days of discovery and training in digital technologies aimed at raising awareness of its advantages and helping employees to implement digital innovation in their daily jobs to improve the partner-client experience. In recognition of its Digital Days, OneLife was awarded the Luxembourg Employee Experience Award by HROne. A new on-line learning platform for all OneLife employees was introduced in September giving them access to thousands of learning opportunities through Lynda.com by LinkedIn.

In terms of financial performance, the Company delivered a significant increase in new business premiums up over 40% compared to the previous year. In continuity of the initiatives launched in 2015 and 2016, the Company implemented different actions in order to increase profitability through a combination of revenue growth, improved use of capital and strict cost control.

The Company reported a profit of EUR 5.9 million in 2017 (EUR 4.4 million in 2016).

The Company cashed EUR 506 million in new premiums, which brought the overall Company Assets Under Management to EUR 5.2 billon.

Finally, it is noteworthy that the Company is adequately capitalised for the risks inherent to the business written, maintaining its capital level throughout 2017 in accordance with the capital management policy and regulatory requirements. As at 31 December 2017, the Company's quarterly solvency ratio was 253% under Solvency I regime and 167% under Solvency II regime.

This performance was achieved thanks to the trust our partners place in OneLife and to the hard work of all our employees throughout 2017. The high level of collaboration between departments and effective teamwork makes our company particularly agile and responsive to partner and client needs and is a key competitive advantage which drives growth. On behalf of the Board of Directors and the Executive Committee, I would like to thank our staff for their commitment and engagement and look forward to continued strong results in 2018

Luxembourg, 10 April 2018

Marc Stevens
Managing Director

A3 DIRECTORS' REPORT

The Directors present their Annual Report together with the audited Annual Accounts for the year ended 31 December 2017.

Principal activity and changes in 2017

The OneLife Company S.A. (the Company) is a life insurance company incorporated in Luxembourg on 26 June 1990.

The 100% shareholder and parent of the Company is The OneLife Holding S.à r.l. which is incorporated in Luxembourg. For the purposes of these Annual Accounts, The OneLife Holding S.à r.l. and all its subsidiaries are referred to as the "Group".

The Company is authorised by the *Commissariat aux Assurances* to provide:

- life insurances, annuities, pensions and retirement benefits, and reinsurance operations on business of a similar nature;
- and to conduct investment and real estate activity relating to the principal objective.

The OneLife Company S.A. sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU countries. The Company does not have and has not had any branches during the year under review.

The Company offers cross-border financial solutions through unit-linked products for financial planning and wealth structuring purposes. These are life insurance products where the premium paid is invested in collective external funds, collective internal funds and dedicated funds and the benefit payable under the policy is linked to the value of these funds at the time of payment.

Financial year 2017

In terms of financial performance, the Company delivered significantly better financial results than initially budgeted. In continuity of the initiative that started in 2015, the Company implemented different actions in order to increase profitability through a combination of revenue growth, improved use of capital and strict cost control.

The Company reported a profit of EUR 5.9 million in 2017 (compared to a profit of EUR 4.4 million in 2016).

The earned premium net of reinsurance amounted to EUR 504.8 million (2016: EUR 352.5 million). Belgium remains the Company's primary market with additional core markets being France, Luxembourg, UK, Iberia, Latin America, Finland and Sweden.

2017 Claims incurred, net of reinsurance, amounted to EUR 548.1 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business. This is a stable figure compared to 2016 when Claims incurred, net of reinsurance amounted to EUR 548.5 million (charge).

Caption "Change in other technical provisions, net of reinsurance" stands at EUR 170.9 million (charge) versus an income of EUR 130.2 million in 2016. The company is exposed to financial impacts from variations in the value of the underlying investments caused by changes in interest rates, liquidity, foreign exchange rates and equity exposure.

Unrealised gains on investments decreased to EUR 429.5 million (2016: EUR 513.4 million) and unrealised losses on investments decreased from EUR 423.3 million in 2016 to EUR 229.7 million in 2017. These developments reflect the volatility of markets and exchange rates, notably the USD and the GBP. The increase in investment income to EUR 95.8 million in 2017 in comparison to EUR 90.6 million in 2016 is subject to the same driving factors.

Net operating expenses decreased to EUR 47.9 million from EUR 56 million in 2016 due to strict cost controls as well as an in depth review of the structure and processes across all entities and operations of the Group.

The Company did not conduct any activities in the field of research and development or repurchase of own shares in 2017.

Assets under management

The Assets under Management remained at EUR 5.2 billion as at the end of December 2017 and 2016.

Outlook and strategy

The Company will maintain its strategic growth by developing relationships with key partners and deploying new solutions to meet the requirements of its international clients, while implementing its ambitious Digital roadmap. Digital innovations in 2018 include the implementation of a fully electronic onboarding process, automated KYC/AML processing through RegTech and further developments in the area of Robot Processing Automation.

The company's value proposition which combines wealth planning expertise with extensive cross-border knowledge together with a strong capability in non-traditional assets are all key differentiators for the Company in today's marketplace.

Finally, the Company will continue to consolidate its financial position in terms of profitability and solvency as well as preparing for new regulation in 2018 such as the Insurance Distribution Directive (IDD) and Global Data Protection Regulation (GDPR).

Risk management

Risk Management is the process of identifying, assessing, responding, monitoring, controlling and reporting risks.

The risk management system forms an integral part of the management and Board processes and the decision- making framework applied across the Company.

The key elements are:

- Risk strategy;
- Risk appetite;
- Risk governance, including risk policies and complete set of business internal rules;
- Risk map;
- Monitoring of the risk exposure;
- Risk oversight committees and defined roles and responsibilities;
- Processes used to identify, assess, report and treat risks.

For the purposes of risk identification and assessment and as aligned with the Risk Management Policy, risks are grouped by risk type.

Financial Risk

Operational Risk

Strategic Risk

Governance Risk

These risks may affect key metrics of Solvency, Earnings and Liquidity and Risk appetite is set relative to the previously mentioned metrics and to operational and reputational criteria.

Roles and responsibilities for risk management in the Company are based around the 'three lines of defence' model:

- **First Line of Defence** – Day-to-day Risk Management, performed by the various departments under the supervision of department heads;
- **Second Line of Defence** – Risk Oversight, performed by the Actuarial function, the Risk Management function, the Compliance function;
- **Third Line of Defence** – Independent Assurance, performed by the Internal Audit department.

The Risk function is accountable for quantitative and qualitative oversight and challenge of the risk management processes and for developing the risk management system. Compliance is responsible for ensuring that business practices stay within legal and regulatory requirements. Internal Audit provides an independent assessment of the risk system and internal control processes.

Within the Group's operating departments, there are a number of individuals identified to fulfil the role of the Risk Correspondent. They are the point of contact for the Company's Risk Management Team to coordinate risk event reporting and to participate in the conducting of the department's risk assessment process.

The Company Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take. The oversight of risk and risk management at the Group level is supported by the Risk & Control Committee that focuses on financial, strategic and governance risks as well as on Operational and Reputational risks.

Capital management

In the reports on the financial strength of the Company, capital and solvency are measured according to the regulations prescribed by the *Commissariat aux Assurances*. These regulatory capital tests are based on required levels of solvency capital and a series of prudent assumptions with respect to the type of business written by the Company.

The Company's objectives in managing its capital are:

- to match its assets and liabilities profiles, taking into account the risks inherent to the business;
- to satisfy its regulatory requirements.

The Company's capital management policy is designed to ensure that the nature and the amount of capital are sufficient to meet regulatory capital requirements and that the Company is adequately capitalised for the risks inherent to the business written.

Throughout 2017, the Company's capital level was maintained in accordance with the capital management policy. As at 31 December 2017, the Company's quarterly solvency ratio was 253% (2016: 232%) under Solvency I regime and 167% under Solvency II regime (2016: 164%).

In 2017, the Company did conduct successfully for the fourth time ORSA (Own Risk Solvency Assessment) that analyses the solvency impact of various stresses and scenarios.

Corporate governance

Decisions engaging the Company may be taken at different levels: the General Meeting of Shareholders, the Board of Directors and the Managing Director.

General Meeting of Shareholders

The General Meeting of Shareholders is not involved in the day-to-day operations of the Company. Its role is to review and approve the strategy proposed by the Board of Directors and to control its implementation. To do so, the General Meeting of Shareholders is principally given the authority to appoint the Directors and the Managing Director and to approve the Annual Accounts.

Board of Directors

The Board of Directors of the Company is currently composed of seven Directors and is principally in charge of determining the Company's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, monitors and evaluates the performance against the strategic plans and budgets.

To do so, it is given all the powers not expressly reserved to the General Meeting of Shareholders by law or by the Articles of Association.

Managing Director

The Managing Director is in charge of day-to-day operations and has all the powers required to fulfil this role. The Managing Director is the preferred, if not exclusive, point of contact between the Company and the *Commissariat aux Assurances*.

Directors, appointments and resignations

Situation as at year-end

As of 31 December 2017, the Board of Directors is composed of seven Directors:

Mr. Michel Wolter	Director (Independent) and Chairman of the Board
Mr. Paul Wolff	Director (Independent)
Mr. Thierry Porté	Director (Group Executive Chairman)
Mr. Marc Stevens	Director / Managing Director (Group Chief Executive Officer)
Mr. Christopher Baker	Director (Independent)
Mr. Jean-Luc Jancel	Director (Independent)
Mr. Peter Yordan	Director (Non-executive)

New appointment and resignations during the year:

None.

Subsequent events

There are no subsequent events requiring a disclosure or that could affect the annual accounts of the Company for the year ended 31 December 2017.

Luxembourg, 10 April 2018

Marc Stevens

Managing Director
Member of the Board of Directors

Deloitte.

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To the Sole Shareholder of

The OneLife Company S.A.

38, Parc d'Activités de Capellen

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the annual accounts

Opinion

We have audited the annual accounts of The OneLife Company S.A. (the "Company"), which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- IT migration:

Risk description:

During the year ended December 31, 2017, the Company implemented an IT migration project whereby the Company has decommissioned policy administration and accounting applications and transferred the administration and bookkeeping of the related insurance policies into a single policy administration and accounting IT platform.

As part of this IT migration project, interfaces and feeds of account balances and classes of transactions arising from the administration of insurance policies into the financial ledger have been upgraded.

In this context, the IT migration in respect of migration procedures to ensure that data transfers between systems impacting the underlying data supporting annual accounts are complete and accurate has been considered as a key audit matter.

Audit responses:

With the assistance of our internal IT audit specialists, our procedures included:

- The assessment of the design and implementation of key controls which management performed on the change management process and governance oversight in implementing the IT migration project and particularly with respect to data migration and reconciliation plans. This included assessing the design and implementation of key controls over reconciliations of data transferred between systems through re-performance or inspection.
- The re-performance of reconciliations between the trial balance from the decommissioned accounting system and the trial balance transferred into the migrated accounting IT platform.
- The performance of substantive testing on significant account balances and classes of transactions affected by the IT migration by agreeing a sample of balances and transactions recorded to third party evidence.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Directors' report but does not include the annual accounts and our report of the *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the Annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Deloitte.

Report on Other Legal and Regulatory Requirements

We have been appointed as *Réviseur d'Entreprises Agréé* by the General Meeting of the Sole Shareholder on April 13, 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

The directors' report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remain independent of the Company in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Jérôme Lecoq, *Réviseur d'Entreprises Agréé*
Partner

April 12, 2018

A5

THE ONELIFE COMPANY S.A. BALANCE SHEET AS AT 31 DECEMBER 2017

Assets

EUR	Note	2017	2016
Intangible assets	**4**	**7,192,751**	**7,966,861**
Investments	**5**	**104,509,475**	**117,979,181**
Other financial investments		104,509,475	117,979,181
Shares and other variable yield transferable securities and units in unit trusts		15,037,159	3,865,431
Debt securities and other fixed income transferable securities		83,846,226	109,939,470
Other loans		126,090	174,280
Deposits with credit institutions		5,500,000	4,000,000
Investments for the benefit of life insurance policyholders who bear the investment risk	**6**	**5,193,903,898**	**5,014,782,744**
Reinsurers' share of technical provisions		**-**	**42,137**
Claims outstanding		-	42,137
Debtors		**28,501,675**	**23,429,906**
Debtors arising out of direct insurance operations		180,128	1,512,208
Other debtors	7	28,321,547	21,917,698
Other assets		**60,071,221**	**60,941,499**
Tangible assets and stocks	8	300,355	325,417
Cash at bank and in hand		59,770,866	60,616,082
Prepayments and accrued income		**22,601,297**	**25,540,594**
Accrued interest and rent		1,178,645	1,430,192
Deferred acquisition costs		14,278,949	16,240,959
Other prepayments and accrued income		7,143,703	7,869,443
Total assets		**5,416,780,317**	**5,250,682,922**

The accompanying notes form an integral part of the Annual Accounts.

Liabilities

EUR	Note	2017	2016
Capital and reserves	**9, 10**	**59,839,194**	**56,917,570**
Subscribed capital		32,230,000	32,230,000
Share premium account		3,613,792	3,613,792
Reserves		8,188,350	8,188,350
Profit brought forward		9,885,428	8,453,152
Profit (Loss) for the financial year		5,921,624	4,432,276
Subordinated liabilities	**7, 12**	**14,041,019**	**14,041,019**
Technical provisions		**94,881,656**	**111,249,997**
Life insurance provision		94,819,128	103,049,209
Claims outstanding		62,528	52,672
Provision for bonuses and rebates	11	-	8,148,116
Technical provisions for life insurance policies where the investment risk is borne by the policyholders		**5,193,903,898**	**5,014,782,744**
Provisions for other risks and charges		**9,627,688**	**9,440,937**
Provisions for taxation		1,217,965	1,383,000
Other provisions		8,409,723	8,057,937
Creditors	**12**	**43,148,122**	**43,102,910**
Creditors arising out of direct insurance operations		35,912,269	39,851,662
Creditors arising out of reinsurance operations		173,357	210,133
Other creditors, including tax and social security	7	7,062,496	3,041,115
Accruals and deferred income	**7**	**1,338,740**	**1,147,745**
Total liabilities		**5,416,780,317**	**5,250,682,922**

The accompanying notes form an integral part of the Annual Accounts.

A6 THE ONELIFE COMPANY S.A. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

Technical account - life insurance business

EUR	Note	2017	2016
Earned premiums, net of reinsurance	**14**	**504,767,306**	**352,547,572**
Gross premiums written		505,625,764	353,451,193
Outward reinsurance premiums	15	(858,458)	(903,621)
Investment income		**95,814,430**	**90,608,532**
Income from other investments		47,806,314	53,920,958
Gains on realisation of investments		48,008,116	36,687,574
Unrealised gains on investments		**429,547,557**	**513,362,924**
Other technical income, net of reinsurance		**3,616,214**	**782,820**
Claims incurred, net of reinsurance		**(548,065,985)**	**(548,477,285)**
Claims paid		(548,013,992)	(548,480,867)
Claims paid, gross		(548,154,880)	(548,615,094)
Claims paid, reinsurer's share	15	140,888	134,227
Change in the provisions for claims		(51,993)	3,582
Change in the provisions for claims, gross		(9,856)	17,916
Change in the provisions for claims, reinsurer's share	15	(42,137)	(14,334)
Change in other technical provisions, net of reinsurance		**(170,891,073)**	**130,191,609**
Change in life insurance provision, net of reinsurance		(170,891,073)	130,191,609
Change in life insurance provision, gross amount		(170,891,073)	130,191,609
Bonuses and rebates, net of reinsurance		**8,148,116**	**1,752,350**
Net operating expenses		**(47,901,210)**	**(56,007,307)**
Acquisition costs		(22,049,004)	(15,173,868)
Change in deferred acquisition costs		(1,962,010)	(3,464,704)
Administrative expenses	16, 17	(24,203,268)	(37,781,389)
Reinsurance commissions and profit participation	15	313,072	412,654
Investment charges		**(38,809,657)**	**(56,956,798)**
Investment management charges, including interest		(24,476,097)	(21,085,676)
Losses on realisation of investments		(14,333,560)	(35,871,122)
Unrealised losses on investments		**(229,716,247)**	**(423,307,552)**
Other technical charges, net of reinsurance		**(938,640)**	**-**
Balance on the technical account - life insurance business		**5,570,811**	**4,496,865**

The accompanying Notes form an integral part of the Annual Accounts.

Non-technical account

EUR	Note	2017	2016
Balance on the technical account – life insurance business		5,570,811	4,496,865
Other Income		1,348,067	489,462
Tax on profit or loss on ordinary activities	20	-	(6,420)
Other charges, including value adjustments		(690,790)	(286,846)
Profit (Loss) on ordinary activities after tax		6,228,088	4,693,061
Other taxes not shown under the preceding items	20	(306,464)	(260,785)
Profit (Loss) for the financial year		5,921,624	4,432,276

The accompanying Notes form an integral part of the Annual Accounts.

A7 NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1 – General

The OneLife Company S.A. (the "Company") is a life insurance company incorporated in the Grand-Duchy of Luxembourg under Luxembourg law as a Société Anonyme on 26 June 1990 under Luxembourg Commerce Register Number: B 34 402.

The Company is authorised by the *Commissariat aux Assurances* to provide life insurances, annuities, pensions and retirement benefits, and reinsurance operations of business of similar nature, and to conduct investment and real estate activity relating to the principal objective. The Company sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU countries.

The parent company of The OneLife Company S.A. is The OneLife Holding S.à r.l. (the "parent company") which is incorporated in Luxembourg. For the purposes of these Annual Accounts, The OneLife Holding S.à r.l. and all its subsidiaries are referred to as the "Group".

In June 2016, the Group completed a rebranding of all its business under one single name - OneLife. At the same time, following the decision of the Extraordinary General Meeting, dated 7 June 2016, Private Estate Life S.A. was renamed The OneLife Company S.A.

As from 1 July 2016, all the activities carried out by FinAdmin E.I.G. ("FinAdmin") and its employees have been transferred to The OneLife Company S.A.

FinAdmin, an Economic Interest Grouping, was a Professional of the Financial Sector supervised by the *Commission de Surveillance du Secteur Financier,* providing services in support of the activities of Group undertakings, of which the Company was a member, and was dissolved on June 2016.

Note 2 – Presentation of Annual Accounts

The Annual Accounts have been prepared in accordance with Luxembourg law on the accounts of insurance and reinsurance undertakings (the Law) of 8 December 1994 as amended and in compliance with the generally accepted accounting policies for the insurance and reinsurance industry in the Grand-Duchy of Luxembourg. The accounting policies and the valuation rules are determined and applied by the Board of Directors.

The following significant general rules have been applied:

- the Company is on a going concern basis;
- the valuation methods are consistent from one financial year to the other, except where otherwise stated in the Annual Accounts;
- the prudence principle is followed;
- only realised profits are recognised, with the exception of life insurance business where the risk is borne by the policyholder;
- all foreseeable risks and potential losses which arise during the course of the financial year are taken into account;
- assets and liabilities are valued item by item.

All amounts in these Annual Accounts are presented in Euro (EUR).

Note 3 – Accounting policies

3.1 Translation of items expressed in foreign currencies

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates in effect at the balance sheet date.

Income and charges denominated in foreign currencies are converted into EUR at the exchange rate prevailing at the transaction date.

Gains and losses arising from foreign exchange translations are recognised in the Profit and Loss Account.

3.2 Intangible assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts.

In case of durable depreciation in value, value adjustments are made in respect of intangible assets. The value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

Intangible assets are composed of goodwill and technical policy management software.

The amortisation of the goodwill is recognised over an eight-year period, corresponding to the estimated lapse period of the in-force insurance portfolio of the absorbed entity at the date of the merger.

The Custy Policy Administration Software module is amortised over a 7 year period which corresponds to its estimated useful life. The Company has built its strategy on the integration of business operations around this tailor-made software.

Intangible assets are amortised over their estimated useful economic life, using the straight-line method at the following rate:

- Goodwill: 12.5%
- Software (Policy Administration module): 14.3%
- Software (other): 33%

3.3 Investments

Other financial investments

Shares and other variable yield transferable securities and units in unit trusts are valued at the lower of historical acquisition cost or realisable value (lower of cost or market).

Debt securities and other fixed income transferable securities are valued at amortised cost. Premiums paid over the redemption value and discounts received in consideration of the redemption value are amortised through the Profit and Loss Account over the period to maturity.

Deposits with credit institutions and other loans are valued at nominal value.

3.4 Investments for the benefit of life insurance policyholders who bear the investment risk

Investments for the benefit of life insurance policyholders who bear the investment risk are valued at market value. Changes in the value of these investments are recognised in the Profit and Loss Account under Unrealised gains on investments and Unrealised losses on investments.

The market value of the investments has been determined according to the following methods:

- Transferable securities admitted to an official stock exchange listing or traded on another regulated market are valued based on the last available market price. If such securities are listed on several markets, the last known price on the principal market is applied;
- Transferable securities not admitted to an official stock exchange listing or not traded on another regulated market, and transferable securities admitted to an official stock exchange listing or traded on another regulated market, but for which the last available price is not representative, are valued based on their reasonably foreseeable price determined based on available information provided by the custodian banks, other price providers or in the financial statements of these investments.

The value of Technical provisions for life insurance policies where the investment risk is borne by policyholders is set by reference to these investments.

3.5 Debtors

Debtors are valued at the lower of their nominal and their probable realisation value. Value adjustments are made when recoverability is questionable, either in part or entirely. These value adjustments are no longer carried when the reasons for which they were made cease to apply.

3.6 Other assets

3.6.1 Tangible assets and stocks

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost.

Tangible assets are amortised over their estimated useful economic lives, using the straight-line method at the following rates:

- Furniture: 20%,
- Fixture and fittings: over the remaining period of the lease or 20%.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-off is recorded in order to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3.6.2 Cash at bank and in hand

Cash at bank and in hand is valued at nominal value.

3.7 Prepayments and accrued income

3.7.1 Deferred acquisition costs

Acquisition costs relating to the life insurance policies are deferred and recognised as an asset. The deferred acquisition costs are amortised over the acquisition charge earning period, on a straight-line basis. Additional amortisation is recorded on fully surrendered policies and on policy with significant partial surrenders.

3.7.2 Other prepayments and accrued income

Other prepayments and accrued income include other expenditure incurred during the financial year which relates to a subsequent financial year and income relating to the current financial year, but which is not receivable until a subsequent financial year.

3.8 Subordinated liabilities

Subordinated loans are valued at nominal value. The interest expense on the loans is included in the Profit and Loss Account under “Investment management charges, including interest”.

3.9 Technical provisions

3.9.1 Life insurance provision

The Life insurance provision consists of the estimated actuarial value of the Company’s insurance liabilities, less the estimated actuarial value of the policyholders’ commitments. It is calculated individually for each policy.

3.9.2 Claims outstanding

The provision for claims outstanding corresponds to the total estimated cost, including claim settlement costs, for settling all the claims arising from events, which have occurred up to the end of the financial year, less amounts already paid in respect of such claims. The provision for claims outstanding is calculated separately for each claim and does not include any discounts or deductions.

Reinsurers’ share in claims outstanding represents the part of the gross technical provisions that the Company is entitled to recover from reinsurers under contractual reinsurance arrangements.

3.9.3 Provision for bonuses and rebates

The Provision for bonuses and rebates includes all amounts which are allocated to the revaluation of policyholders’ policies for the financial year, or which are set aside in their favour and which represent the allocation of a surplus arising from all financial transactions relating to the segregated funds linked to these policies, after deduction of costs stipulated in the policy.

3.10 Technical provisions for life insurance policies where the investment risk is borne by the policyholders

Technical provisions cover liabilities relating to investments in the context of life insurance policies for which the value or the return is determined by reference to the investments for which the policyholder bears the risk.

The change in technical provisions for life insurance policies where the investment risk is borne by the policyholders is reported in the Profit and Loss Account under the caption “Change in other technical provisions, net of reinsurance”.

3.11 Provisions for other risks and charges

3.11.1 Provisions for taxation

Provisions for taxation include the Company’s best estimate of income tax liabilities for financial years for which a definitive taxation assessment has not yet been received from the fiscal authorities and final unpaid tax liabilities. Advance tax payments are recognised under Prepayments and accrued income.

3.11.2 Other provisions

Other provisions are intended to cover losses or liabilities the nature of which is clearly defined and which, at the balance sheet date, are either likely to be incurred or certain to be incurred, but uncertain as to the amount or as to the date on which they will arise.

3.12 Creditors

Creditors are valued at settlement value.

3.13 Accruals and deferred income

Accruals and deferred income consist of both income received before the balance sheet date, but relating to a subsequent financial year, and charges relating to the current financial year, but payable in a subsequent financial year.

3.14 Earned premiums, net of reinsurance

Earned premiums include business issued during the year.

Net earned premiums comprise outward reinsurance premiums consisting of premiums paid or payable with respect to outward reinsurance contracts entered into by the Company.

3.15 Claims incurred, net of reinsurance

Claims incurred comprise all payments made in respect of the financial year and the movement in the provision for claims outstanding.

3.16 Investment income and charges

Investment income comprises all investment income and realised investment gains. Investment charges include investment expenses, charges and interest expenses as well as realised losses on the disposal of investments.

3.17 Other technical income

Other technical income comprises mainly trailer fees and income related to structured products purchases.

3.18 Acquisition costs

Acquisition costs comprise direct costs arising from the conclusion of insurance policies and indirect costs relating to the sales structure, advertising and administrative costs connected with the issuance of policies.

3.19 Administrative expenses

Administrative expenses include overheads, which cannot be allocated to the recording of premiums, the management of claims or the management of investments and commissions relating to the on-going management of policies.

3.20 Allocated investment return transferred to the non-technical account

This income represents the total net investment return relating to assets that are transferred from the life insurance technical account to the non-technical account in order to better reflect the balance of the technical account relating to life business. Allocated investment return consists of dividends, realised gains and losses, and unrealised gains and losses arising from shareholder's investments.

Note 4 – Intangible assets

As at 31 December 2017 and 2016, intangible assets include a goodwill, which has been recognised as a result of the acquisition in 2015 of 100% of the shares of Altraplan Luxembourg S.A. ("Altraplan") by the Company and the subsequent merger by absorption of Altraplan by the Company. This goodwill amounts to EUR 2,007,610 and corresponds to the difference between the acquisition price of 100% of the shares of Altraplan and the value of its net asset value at the date of the merger. The acquisition price of Altraplan has been determined based on its estimated embedded value.

In accordance with Note 3.2, an amortisation charge of EUR 250,952 has been recognised in the Profit and Loss Account for the year ended 31 December 2017 and 2016, in the caption "administrative expenses".

As at 31 December 2017, the Board of Directors believes that there is no permanent impairment on the net book value of the goodwill amounting to EUR 1,254,756.

Other intangible assets are composed of technical software and developments transferred from FinAdmin when being absorbed by the Company as described in Note 1 and additional investments made after the transfer. As at 31 December 2017, the gross book value of intangible assets related to software amount to EUR 19,558,685 with cumulated depreciation amounting to EUR 13,620,690.

The movements in intangible assets during the financial year are summarised as follows:

EUR	Goodwill	Other	Total
Gross book value as at 31 December 2016	2,007,610	16,946,082	18,953,692
Additions and acquisitions of the year	-	2,612,603	2,612,603
Gross book value as at 31 December 2017	**2,007,610**	**19,558,685**	**21,566,295**
Accumulated amortisation as at 31 December 2016	(501,902)	(10,484,929)	(10,986,831)
Amortisation of the year	(250,952)	(3,135,761)	(3,386,713)
Accumulated amortisation as at 31 December 2017	**(752,854)**	**(13,620,690)**	**(14,373,544)**
Net book value as at 31 December 2016	1,505,708	6,461,153	7,966,861
Net book value as at 31 December 2017	**1,254,756**	**5,937,995**	**7,192,751**

Note 5 – Other financial investments

As at 31 December 2017, the book and market values of other financial investments are as follows:

EUR	Book value at 31.12.2017	Market value at 31.12.2017
Shares and other variable yield transferable securities and units in unit trusts	15,037,159	15,073,480
Debt securities and other fixed income transferable securities	83,846,226	86,274,984
Other loans	126,090	126,090
Deposits with credit institutions	5,500,000	5,500,000
Total	**104,509,475**	**106,974,554**

The amortisation of discounts and premiums on fixed income securities is as follows:

EUR	2017	2016
Amortisation of discounts	23,543	29,010
Amortisation of premiums	1,535,918	2,254,551

The amortisation of discount on fixed income securities is shown under caption "Income from other investments". Discounts represent the negative difference between the purchase prices of these securities compared to the amount repayable at maturity and are written up in instalments over the period remaining until maturity. The amortisation of premium on fixed income securities is shown under caption "Investment management charges, including interest". Premiums represent the positive difference between the purchase prices of securities compared to the amount repayable to maturity and are written down in instalments over the remaining period to maturity.

The remaining unamortised discounts and premiums on fixed income securities are as follows:

EUR	2017	2016
Unamortised discounts	61,909	88,286
Unamortised premiums	3,970,118	5,486,261

Note 6 – Investments for the benefit of life insurance policyholders who bear the investment risk

As at 31 December 2017, investments for the benefit of life insurance policyholders who bear the investment risk amounted to EUR 5,193,903,898 (2016: EUR 5,014,782,744).

Note 7 – Amounts owed by and to affiliated undertakings

Amounts owed by and to affiliated undertakings are as follows:

EUR	2017	2016
Assets	18,336,820	21,496,501
Other debtors	18,336,820	21,496,501
Liabilities	8,554,361	8,376,861
Other creditors, including tax and social security	309,053	-
Accruals and deferred income	4,289	135,842
Subordinated liabilities	8,241,019	8,241,019

The subordinated liabilities are composed of two loans with The OneLife Holding S.à r.l.

Note 8 – Tangible assets

The movements in tangible assets and stocks during the financial year are summarised as follows:

EUR	Furniture	Fixture	Hardware	Total
Gross book value as at 31 December 2016	312,395	1,290,141	22,087	1,624,623
Additions and acquisitions of the year	-	36,936	17,402	54,338
Gross book value as at 31 December 2017	312,395	1,327,077	39,489	1,678,961
Accumulated amortisation as at 31 December 2016	(279,753)	(997,672)	(21,781)	(1,299,206)
Amortisation of the year	(14,368)	(64,298)	(734)	(79,400)
Accumulated amortisation as at 31 December 2017	(294,121)	(1,061,970)	(22,515)	(1,378,606)
Net book value as at 31 December 2016	**32,642**	**292,469**	**306**	**325,417**
Net book value as at 31 December 2017	**18,274**	**265,107**	**16,974**	**300,355**

Note 9 – Capital and reserves

The movements in capital and reserves during the financial year are broken down as follows:

EUR	Subscribed Capital	Share Premium	Reserves	Profit brought forward	Profit of the year	Total
As at 31 December 2016	**32,230,000**	**3,613,792**	**8,188,350**	**8,453,152**	**4,432,276**	**56,917,570**
Allocation of results 2016	-	-	-	-	-	-
Profit brought forward	-	-	-	1,432,276	(1,432,276)	-
Dividend distributed	-	-	-	-	(3,000,000)	(3,000,000)
Profit for the financial year 2017	-	-	-	-	5,921,624	5,921,624
As at 31 December 2017	**32,230,000**	**3,613,792**	**8,188,350**	**9,885,428**	**5,921,624**	**59,839,194**

During the annual general meeting of the Company's shareholder, held on 13 April 2017, it was resolved to distribute a dividend of EUR 3,000,000 to the sole shareholder of the Company.

The subscribed capital amounts to EUR 32,230,000 and is represented by 1,300,000 shares.

Note 10 – Reserves

The reserves amounting to EUR 8,188,350 (2016: EUR 8,188,350) are composed of the legal reserve of EUR 3,223,000 (2016: EUR 3,223,000) and a free reserve of EUR 4,965,350 (2016: EUR 4,965,350).

In accordance with Luxembourg company law, the Company allocates 5% of its net profit for each financial year until the legal reserve balance reaches 10% of the issued share capital. The legal reserve is not available for distribution to shareholders, except upon dissolution of the Company. During 2017, no allocation was made to the legal reserve. The total balance reached 10% of the issued share capital on 27 May 2008.

Note 11 – Provision for bonus and rebates

As at 31 December 2017, a balance of EUR 7,443,887, which was accounted for under provision for bonuses and rebates as at 31 December 2016, has been allocated to life insurance provision.

Note 12 – Classification of creditors according to duration

As of 31 December 2017, the classification of creditors based on their duration is as follows:

EUR	More than 5 years	Less than 5 years
Creditors arising out of direct insurance operations	-	35,912,269
Creditors arising out of reinsurance operations	-	173,357
Other creditors, including tax and social security	-	7,062,496
Subordinated liabilities	6,941,019	7,100,000

As of 31 December 2016, the classification of creditors based on their duration was as follows:

EUR	More than 5 years	Less than 5 years
Creditors arising out of direct insurance operations	-	39,851,662
Creditors arising out of reinsurance operations	-	210,133
Other creditors, including tax and social security	-	3,041,115
Subordinated liabilities	14,041,019	-

Note 13 – Other creditors, including tax and social security

Other creditors, including tax and social security amount to EUR 7,062,496 as at 31 December 2017 (2016: EUR 3,041,115), and include mainly VAT payable for EUR 520,714, general expenses payable of EUR 2,059,800 (2016: EUR 1,409,625) and related taxes amounting to EUR 1,730,500 2016: EUR 906,174). As at 31 December 2017, amounts owed to affiliated undertakings are EUR 309,053 (2016: nil).

Note 14 – Breakdown of gross premiums written

Gross premiums include an amount of EUR 505,625,764 related to life insurance business (2016: EUR 353,451,193).

Gross premiums written are broken down as follows:

EUR	2017	2016
Individual premiums	505,625,764	353,451,193
of which inwards reinsurance premium	-	67,434
Premiums under group policies	-	-
Total	**505,625,764**	**353,451,193**

EUR	2017	2016
Periodic premiums	1,487,612	3,073,044
Single premiums	504,138,152	350,378,149
of which inwards reinsurance premium	-	67,434
Total	**505,625,764**	**353,451,193**

EUR	2017	2016
Premiums from non-bonus policies	16,732	25,225
Premiums from bonus policies	135,123	196,209
Premiums from policies where the investment risk is borne by policyholders	505,473,909	353,229,759
of which inwards reinsurance premium	-	67,434
Total	**505,625,764**	**353,451,193**

The geographical distribution of gross premiums written is as follows:

EUR	2017	2016
Luxembourg	48,187,947	12,507,391
Other EU countries	457,338,135	340,479,511
Non EU countries	99,682	464,291
Total	**505,625,764**	**353,451,193**

Note 15 – Reinsurance balance

For the year ended 31 December 2017, the net reinsurance balance of the technical account amounts to a charge of EUR 446.635 (2016: charge of EUR 371,074).

Note 16 – Acquisition costs and commissions

Acquisition costs include direct commissions and other acquisition expenses, including an allocation of staff costs, which represent the cost of business acquisition activity.

The breakdown of the different commissions is as follows:

EUR	2017	2016
Acquisition commissions	4,168,247	4,510,809
Other commissions	18,936,016	22,484,830
of which "Trail / Renewal"	*18,462,147*	*21,957,017*
and "Switching commissions"	*473,869*	*527,813*

Other commissions are included in the Administrative expenses in the Profit and Loss Account.

Note 17 – Personnel employed during the year

The average number of persons employed by the Company during 2017 amounted to 146 (2016: 160) and is broken down into the following categories:

Number of persons	2017	2016
Management	70	66
Employees	76	94
Total	**146**	**160**

Employee related costs are included in administrative expenses and are broken down as follows:

EUR	2017	2016
Wages and salaries	11,797,773	11,997,003
Non periodical remuneration	1,540,251	249,603
Social security costs	1,799,808	1,776,206
of which pensions	*896,018*	*923,123*
Other costs	1,370,177	1,251,893

Note 18 – Remuneration to members of the Board of Directors

Emoluments granted to the members of the Board of Directors by reason of their responsibilities with respect to the financial year 2017 amounted to EUR 200,000 (2016: EUR 150,000) and are included in Administrative expenses in the Profit and Loss Account.

No commitments have been entered into with respect to retirement pensions for former members of the Board of the Company.

Note 19 – Commitments and advances granted to members of supervisory staff

The Company has no commitments with respect to retirement pension for former senior management. No advances or credits have been granted to senior management during 2017 and 2016. The Company has no commitments with respect to guarantees of any kind entered into on account of senior management.

Note 20 – Taxes

The Company is subject to the general tax regulations applicable to all companies in Luxembourg. The Company entered into a tax consolidation arrangement, together with other Group entities domiciled in Luxembourg.

Note 21 – Fees to the Réviseur d'Entreprises Agréé

The fees to the *Réviseur d'Entreprises Agréé* accounted for the year ended 31 December 2017 are equal to the amount to EUR 175,139 inclusive of VAT (2016: EUR 218,135), of which EUR 166,871 (2016: EUR 204,750) relate to the audit of the statutory annual accounts and the related regulatory report ("rapport distinct" in accordance with the circular letter 09/1 as amended, issued by the *Commissariat aux Assurances*), and EUR 8,268 (2016: EUR 13,385) fees for non-audit related services. The fees to the *Réviseur d'Entreprises Agréé* are included in the Administrative expenses in the Profit and Loss Account.

Note 22 – Information relating to consolidation

The annual accounts of the Company are included in the consolidated financial statements of its parent company, The OneLife Holding S.à r.l., that represents the smallest and the largest undertaking that draws up consolidated accounts. The consolidated financial statements are available at the registered office, located at 38, Parc d'Activités de Capellen, L-8308 Capellen, Luxembourg.

Note 23 – Related party transactions

Until June 2016, the Company was a member of FinAdmin, the purpose of which was to provide, among others, all services directly attributable to the accomplishment of commercial activities of its members, all of which are the members of the Group.

As described in the Note 1, FinAdmin has been liquidated in the course of 2016 and its assets and liabilities have been transferred to the Company.

In virtue of a reinsurance agreement signed between Altraplan and PEL Altraplan Gibraltar PCC Limited on 27 June 2014, for which the rights and obligations were subsequently transferred to the Company and to Augura Life Ireland dac, a reinsurance premium of EUR 67,434 has been accounted for during the year ended 31 December 2016 (2017: nil).

Reference is made to Note 7 regarding the amounts owed by and to affiliated undertakings.

Note 24 – Off-balance sheet commitments and contingencies

As at 31 December 2017, the Company has commitments amounting to EUR 2,518,240 (2016: EUR 2,846,449) in relation to IT hardware, software and IT contractors, commitments amounting to EUR 815,950 (2016: EUR 357,940) in relation to car leasing contractors and commitments amounting to EUR 3,644,597 (VAT included) in relation to building lease (2016: EUR 4,450,789).

Note 25 – Subsequent event

There are no subsequent events requiring a disclosure or that could affect the annual accounts of the Company for the year ended 31 December 2017.

B

QRT S.02.01 BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	**R0010**		**1,255**
Deferred acquisition costs	**R0020**		**14,279**
Intangible assets	**R0030**	**0**	**5,938**
Deferred tax assets	**R0040**	**0**	**0**
Pension benefit surplus	**R0050**	**0**	**0**
Property, plant & equipment held for own use	**R0060**	**300**	**300**
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**110,076**	**104,383**
Property (other than for own use)	R0080	0	0
Holdings in related undertakings, including participations	R0090	0	0
Equities	R0100	1	1
Equities - listed	R0110	1	1
Equities - unlisted	R0120	0	0
Bonds	R0130	93,175	88,103
Government Bonds	R0140	36,726	34,727
Corporate Bonds	R0150	56,434	53,362
Structured notes	R0160	15	14
Collateralised securities	R0170	0	0
Collective Investments Undertakings	R0180	11,401	10,780
Derivatives	R0190	0	0
Deposits other than cash equivalents	R0200	5,500	5,500
Other investments	R0210	0	0
Assets held for index-linked and unit-linked contracts	**R0220**	**5,193,904**	**5,193,904**
Loans and mortgages	**R0230**	**126**	**126**
Loans on policies	R0240	0	0
Loans and mortgages to individuals	R0250	0	0
Other loans and mortgages	R0260	126	126

All amounts are expressed in K EUR

		Solvency II value	Statutory accounts value
		C0010	C0020
Reinsurance recoverables from:	**R0270**	**0**	**0**
Non-life and health similar to non-life	R0280	0	0
Non-life excluding health	R0290	0	0
Health similar to non-life	R0300	0	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0	0
Health similar to life	R0320	0	0
Life excluding health and index-linked and unit-linked	R0330	0	0
Life index-linked and unit-linked	R0340	0	0
Deposits to cedants	**R0350**	**0**	**0**
Insurance and intermediaries receivables	**R0360**	**180**	**180**
Reinsurance receivables	**R0370**	**0**	**0**
Receivables (trade, not insurance)	**R0380**	**28,322**	**28,322**
Own shares (held directly)	**R0390**	**0**	**0**
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	**0**	**0**
Cash and cash equivalents	**R0410**	**59,771**	**59,771**
Any other assets, not elsewhere shown	**R0420**	**7,144**	**8,322**
Total assets	**R0500**	**5,399,823**	**5,416,780**
Liabilities			
Technical provisions – non-life	**R0510**	**0**	**0**
Technical provisions – non-life (excluding health)	R0520	0	0
Technical provisions calculated as a whole	R0530	0	
Best Estimate	R0540	0	
Risk margin	R0550	0	
Technical provisions - health (similar to non-life)	R0560	0	0
Technical provisions calculated as a whole	R0570	0	
Best Estimate	R0580	0	
Risk margin	R0590	0	

All amounts are expressed in K EUR

		Solvency II value	Statutory accounts value
		C0010	C0020
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	**92,829**	**94,882**
Technical provisions - health (similar to life)	R0610	0	0
Technical provisions calculated as a whole	R0620	0	
Best Estimate	R0630	0	
Risk margin	R0640	0	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	92,829	94,882
Technical provisions calculated as a whole	R0660	0	
Best Estimate	R0670	92,384	
Risk margin	R0680	445	
Technical provisions – index-linked and unit-linked	**R0690**	**5,095,629**	**5,193,904**
Technical provisions calculated as a whole	R0700	0	
Best Estimate	R0710	5,071,216	
Risk margin	R0720	24,413	
Other technical provisions	**R0730**		**0**
Contingent liabilities	**R0740**	**0**	**0**
Provisions other than technical provisions	**R0750**	**10,967**	**10,967**
Pension benefit obligations	**R0760**	**0**	**0**
Deposits from reinsurers	**R0770**	**0**	**0**
Deferred tax liabilities	**R0780**	**0**	**0**
Derivatives	**R0790**	**0**	**0**
Debts owed to credit institutions	**R0800**	**0**	**0**
Financial liabilities other than debts owed to credit institutions	**R0810**	**0**	**0**
Insurance & intermediaries payables	**R0820**	**35,912**	**35,912**
Reinsurance payables	**R0830**	**173**	**173**
Payables (trade, not insurance)	**R0840**	**7,062**	**7,062**

All amounts are expressed in K EUR

		Solvency II value	Statutory accounts value
		C0010	C0020
Subordinated liabilities	**R0850**	**14,542**	**14,041**
Subordinated liabilities not in Basic Own Funds	R0860	0	0
Subordinated liabilities in Basic Own Funds	R0870	14,542	14,041
Any other liabilities, not elsewhere shown	**R0880**	**0**	**0**
Total liabilities	**R0900**	**5,257,114**	**5,356,941**
Excess of assets over liabilities	**R1000**	**142,709**	**59,839**

All amounts are expressed in K EUR

C

QRT S.05.01
PREMIUMS, CLAIMS & EXPENSES BY LINE OF BUSINESS

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		152	505,474					0	505,626
Reinsurers' share	R1420		10	536					0	545
Net	R1500		142	504,938					0	505,080
Premiums earned										
Gross	R1510		152	505,474					0	505,626
Reinsurers' share	R1520		10	536					0	545
Net	R1600		142	504,938					0	505,080
Claims incurred										
Gross	R1610		15,160	532,995					0	548,155
Reinsurers' share	R1620		0	141					0	141
Net	R1700		15,160	532,854					0	548,014
Changes in other technical provisions										
Gross	R1710		-16,316	179,059					0	162,743
Reinsurers' share	R1720		0	0					0	0
Net	R1800		-16,316	179,059					0	162,743
Expenses incurred	R1900		1,201	71,368					0	72,569
Administrative expenses										
Gross	R1910		65	24,138					0	24,203
Reinsurers' share	R1920								0	0
Net	R2000		65	24,138					0	24,203

All amounts are expressed in K EUR

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Investment management expenses										
Gross	R2010		142	18,083					0	18,225
Reinsurers' share	R2020								0	0
Net	R2100		142	18,083					0	18,225
Claims management expenses										
Gross	R2110			6,129					0	6,129
Reinsurers' share	R2120								0	0
Net	R2200			6,129					0	6,129
Acquisition expenses										
Gross	R2210		993	23,018					0	24,011
Reinsurers' share	R2220			0					0	0
Net	R2300		993	23,018					0	24,011
Overhead expenses										
Gross	R2310								0	0
Reinsurers' share	R2320								0	0
Net	R2400								0	0
Other expenses	**R2500**									**467**
Total expenses	**R2600**									**73,035**
Total amount of surrenders	**R2700**		**15,160**	**532,995**					**0**	**548,155**

All amounts are expressed in K EUR

D

QRT S.05.02 PREMIUMS, CLAIMS & EXPENSES BY COUNTRY

Total Top 3 and home country - life obligations

		Home country	Belgium	DK	FR	Total
		C0220	C0230	C0230	C0230	C0280
Premiums written						
Gross	R1410	48,188	338,201	24,711	55,936	467,036
Reinsurers' share	R1420	0	545	0	0	545
Net	R1500	48,188	337,655	24,711	55,936	466,491
Premiums earned						
Gross	R1510	48,188	338,201	24,711	55,936	467,036
Reinsurers' share	R1520	0	545	0	0	545
Net	R1600	48,188	337,655	24,711	55,936	466,491
Claims incurred						
Gross	R1610	32,075	303,288	9,515	57,476	402,354
Reinsurers' share	R1620	0	141	0	0	141
Net	R1700	32,075	303,147	9,515	57,476	402,213
Changes in other technical provisions						
Gross	R1710	30,882	111,408	7,731	9,986	160,006
Reinsurers' share	R1720	0	0	0	0	0
Net	R1800	30,882	111,408	7,731	9,986	160,006
Expenses incurred	**R1900**	**3,318**	**29,202**	**5,017**	**4,223**	**41,760**
Other expenses	**R2500**					**0**
Total expenses	**R2600**					**41,760**

All amounts are expressed in K EUR

QRT S.12.01
LIFE & HEALTH SLT TECHNICAL PROVISIONS

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**																				
Technical provisions calculated as a sum of BE and RM																					
Best Estimate																					
Gross Best Estimate	R0030	92,384		5,071,216											5,163,599						
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040																				
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050																				

All amounts are expressed in K EUR

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
Recoverables from SPV before adjustment for expected losses	R0060																				
Recoverables from Finite Re before adjustment for expected losses	R0070																				
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080																				
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	92,384		5,071,216											5,163,599						
Risk Margin	R0100	445	24,413												24,858						
Amount of the transitional on Technical Provisions																					
Technical Provisions calculated as a whole	R0110																				
Best estimate	R0120																				
Risk margin	R0130																				
Technical provisions - total	**R0200**	**92,829**	**5,095,629**												**5,188,457**						
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	**92,829**	**5,095,629**												**5,188,457**						
Best Estimate of products with a surrender option	**R0220**	**89,294**	**5,070,532**												**5,159,826**						
Gross BE for Cash flow																					
Cash out-flows																					

All amounts are expressed in K EUR

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
Future guaranteed and discretionary benefits	R0230																				
Future guaranteed benefits	R0240	94,882																			
Future discretionary benefits	R0250	0																			
Future expenses and other cash out-flows	R0260	4,518	218,450												222,968						
Cash in-flows																					
Future premiums	R0270																				
Other cash in-flows	R0280	7,016	341,138												348,155						
Percentage of gross Best Estimate calculated using approximations	**R0290**	**0**	**0**																		
Surrender value	**R0300**	**94,538**	**5,175,091**												**5,269,629**						
Best estimate subject to transitional of the interest rate	**R0310**																				
Technical provisions without transitional on interest rate	**R0320**																				
Best estimate subject to volatility adjustment	**R0330**																				
Technical provisions without volatility adjustment and without others transitional measures	**R0340**																				
Best estimate subject to matching adjustment	**R0350**																				
Technical provisions without matching adjustment and without all the others	**R0360**																				

All amounts are expressed in K EUR

F

QRT S.23.01 OWN FUNDS

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	32,230	32,230		0	
Share premium account related to ordinary share capital	R0030	3,614	3,614		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	104,365	104,365			
Subordinated liabilities	R0140	14,542		13,083	1,459	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0

All amounts are expressed in K EUR

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	**R0290**	**154,751**	**140,209**	**13,083**	**1,459**	**0**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0

All amounts are expressed in K EUR

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	**R0400**	**0**			**0**	**0**
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	154,751	140,209	13,083	1,459	0
Total available own funds to meet the MCR	R0510	154,751	140,209	13,083	1,459	
Total eligible own funds to meet the SCR	R0540	154,751	140,209	13,083	1,459	0
Total eligible own funds to meet the MCR	R0550	154,751	140,209	13,083	1,459	
SCR	**R0580**	**96,216**				
MCR	**R0600**	**39,006**				
Ratio of Eligible own funds to SCR	**R0620**	**160.84%**				
Ratio of Eligible own funds to MCR	**R0640**	**396.74%**				

All amounts are expressed in K EUR

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	142,709
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	2,500
Other basic own fund items	R0730	35,844
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	**R0760**	**104,365**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	**R0790**	**0**

All amounts are expressed in K EUR

G

QRT S.23.02 DETAILED INFORMATION BY TIERS ON OWN FUNDS

Basic own funds

		Total	Tier 1	Tier 1	Tier 2	Tier 2	Tier 3
				Of which counted under transitionals		Of which counted under transitionals	
		C0010	C0020	C0030	C0040	C0050	C0060
Ordinary share capital							
Paid in	R0010	32,230	32,230				
Called up but not yet paid in	R0020						
Own shares held	R0030						
Total ordinary share capital	**R0100**	**32,230**	**32,230**				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual type undertakings							
Paid in	R0110						
Called up but not yet paid in	R0120						
Total initial fund members' contributions or the equivalent basic own fund item for mutual and mutual type undertakings	R0200						
Subordinated mutual members accounts							
Dated subordinated	R0210						
Undated subordinated with a call option	R0220						

All amounts are expressed in K EUR

		Total	Tier 1		Tier 2		Tier 3
				Of which counted under transitionals		Of which counted under transitionals	
		C0010	C0020	C0030	C0040	C0050	C0060
Undated subordinated with no contractual opportunity to redeem	R0230						
Total subordinated mutual members accounts	R0300						
Preference shares							
Dated preference shares	R0310						
Undated preference shares with a call option	R0320						
Undated preference shares with no contractual opportunity to redeem	R0330						
Total preference shares	**R0400**						
Subordinated liabilities							
Dated subordinated liabilities	R0410						
Undated subordinated liabilities with a contractual opportunity to redeem	R0420	14,542	13,083	13,083	1,459	1,459	
Undated subordinated liabilities with no contractual opportunity to redeem	R0430						
Total subordinated liabilities	**R0500**	**14,542**	**13,083**	**13,083**	**1,459**	**1,459**	

All amounts are expressed in K EUR

Ancillary own funds

		Tier 2		Tier 3	
		Initial amounts approved	Current amounts	Initial amounts approved	Current amounts
		C0070	C0080	C0090	C0100
Ancillary own funds					
Items for which an amount was approved	R0510	0.00	0.00	0.00	0.00
Items for which a method was approved	R0520		0.00		0.00

Excess of assets over liabilities - attribution of valuation differences

		Total
		C0110
Excess of assets over liabilities - attribution of valuation differences		
Difference in the valuation of assets	R0600	-16,957
Difference in the valuation of technical provisions	R0610	100,328
Difference in the valuation of other liabilities	R0620	-501
Total of reserves and retained earnings from financial statements	R0630	23,995
Other, please explain why you need to use this line	R0640	0
Reserves from financial statements adjusted for Solvency II valuation differences	R0650	
Excess of assets over liabilities attributable to basic own fund items (excluding the reconciliation reserve)	R0660	35,844
Excess of assets over liabilities	R0700	142,709

Excess of assets over liabilities - attribution of valuation differences - other

		Explanation
		C0120
Other, please explain why you need to use this line	R0640	0

All amounts are expressed in K EUR

H

QRT S.25.01
SOLVENCY CAPITAL REQUIREMENT – FOR UNDERTAKINGS ON STANDARD FORMULA

Basic Solvency Capital Requirement

Article 112	Z0011	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	53,148	53,148	
Counterparty default risk	R0020	5,627	5,627	
Life underwriting risk	R0030	60,985	60,985	
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-27,471	-27,471	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	92,289	92,289	

All amounts are expressed in K EUR

Calculation of Solvency Capital Requirement

Article 112	**Z0012**	**No**

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	**R0120**	
Operational risk	**R0130**	**3,926**
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**	**96,216**
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	**96,216**
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	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	

All amounts are expressed in K EUR

QRT S.28.01
MINIMUM CAPITAL REQUIREMENT – ONLY LIFE OR ONLY NON-LIFE INSURANCE OR REINSURANCE ACTIVITY

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	

Background information

		Background information	
		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		

All amounts are expressed in K EUR

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
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
MCRL Result	R0200	39,006

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	**R0210**	**92,384**	
Obligations with profit participation - future discretionary benefits	**R0220**	**0**	
Index-linked and unit-linked insurance obligations	**R0230**	**5,071,216**	
Other life (re)insurance and health (re) insurance obligations	**R0240**		
Total capital at risk for all life (re)insurance obligations	**R0250**		**127,396**

All amounts are expressed in K EUR

Overall MCR calculation

		C0070
Linear MCR	R0300	39,006
SCR	R0310	96,216
MCR cap	R0320	43,297
MCR floor	R0330	24,054
Combined MCR	R0340	39,006
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	39,006

All amounts are expressed in K EUR

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