CNP Europe Life DAC

Solvency and Financial Condition Report ("SFCR")
For the financial year ended 31 December 2020

Summary

This document is the *Solvency and Financial Condition Report* ("**SFCR**") undertaken by **CNP Europe Life DAC,** referred to hereafter as "**the Company**" or **"CEL"**. The report is intended to provide essential information about the solvency and financial position of the Company as at 31st December 2020, including information on the governance of the Company and the management and mitigation of associated risks over the reporting period.

As at 31st December 2020, the Company is rated *low* under the Probability Risk and Impact SysteM ("**PRISM**") risk rating of the Central Bank of Ireland ("**CBI**").

Regulatory background
This report is required by the regulatory regime for European (re)insurance companies, known as Solvency II Directive (**"the Directive"**), and is prepared in accordance with all of the requirements of the Delegated Regulations and the European Insurance and Occupational Pensions Authority ("**EIOPA**") Guidelines. Article 51 of the Directive 2009/138/EC sets out the requirement for undertakings to publicly disclose a "*report on their solvency and financial condition*" on an annual basis – the Solvency and Financial Condition Report.

Submission and Disclosure
This report is disclosed to the public in accordance with Article 301 of the Delegated Regulation which sets out the requirements regarding the publication of the SFCR. Accordingly, the Company will publish a copy of the latest report on its corporate website (*www.cnplife.ie*) not later than April, 8th 2021 and will keep the SFCRs available to any party who requests them for up to 5 years following the disclosure date. A copy of the SFCR will also be submitted to the CBI within the timeline specified above.

Structure of the report
This document is prepared in accordance with the proposed structure of the SFCR as outlined in Annex 10 of the Delegated Regulation. This document is structured as follows:

- *Section A* provides details on the business of the Company and an assessment of the Company's performance over the reporting period;
- *Section B* provides a description of the system of governance of the Company;
- *Section C* provides details on the risk profile of the Company and the management of risk exposures;
- *Section D* describes the valuation of the assets and liabilities of the Company for solvency purposes;
- *Section E* provides details on the calculation of capital requirements, and outlines the Company's approach to capital management; and
- *Appendix A* contains the required Quantitative Reporting Templates ("**QRTs**") for the Year End 2020 for information purposes.

The Company:
CNP Europe Life Designated Activity Company ("CEL" or "The Company") is a 100% owned subsidiary of CNP Assurances SA ("CNP").

The Company is formally in runoff. The exact nature and time scale of this run off is dependent on the operational constraints of exiting the existing business obligations of the Company but it is expected that this run off should be completed within the current 5 year 2021 – 2025 Business Plan.

The Board and Management of the Company are cognisant of policyholder reasonable expectations and any final run off plans will ensure that policyholder interests will be fully protected in any transfer of the business.

The main risks and uncertainties faced by the Company relate primarily to the run off of the existing business. It is the overall objective of the Shareholder, Directors and the Management to accomplish an orderly run off of the Company. It is the Shareholders stated commitment to ensure that all obligations of the Company are fully met throughout the run-off process.

At 31.12.20120, CEL's Eligible Own Funds were determined to be €10.223m and its SCR was determined to be €3.317m resulting in solvency coverage of 308%. The Company is well capitalised and expects to maintain a high solvency coverage into the future.

The Company has obtained the CBI's approval regarding the derogation of the requirement for a separate Risk Committee. This approval is to be reviewed in December 2021 in light of the run off progress. Where this report refers to the Risk Committee, it should be noted that this function is now performed by the Board.

A. Business and Performance

A.1 Business

A.1.1 Name and legal form of the undertaking;
The name of the Company is CNP Europe Life Designated Activity Company.
The Company is a designated activity company limited by shares, that is to say a private company limited by shares registered under Part 16 of the Companies Act 2014.
Registered in Ireland No. 305512
Registered Office: 33 Sir John Rogerson's Quay, Dublin 2, Ireland.
Operating address: Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland.
The Legal Identifier Code of the Company is: 635400VBRWZ7L36SLG55

A.1.2 Name and contact details of the supervisory authority responsible for financial supervision of the undertaking and, the name and contact details of the group supervisor of the group to which the undertaking belongs:
The Company is regulated by the Central Bank of Ireland ("CBI").
The CBI's address is:
New Wapping Street,
North Wall Quay,
Dublin 1.

The Directors regard CNP Assurances S.A. (4 Place Raoul Dautry, 75015 Paris, France), a Company incorporated in France, as the Parent Company of CNP Europe Life DAC. CNP Assurances S.A. is the sole group into which the results of CNP Europe Life DAC are consolidated. CNP Assurances SA is regulated by the Autorité de contrôle prudentiel et de resolution (the independent administrative authority which monitors the activities of banks and insurance companies in France).

A.1.3 Name and contact details of the external auditor of the undertaking:
Mazars.
Block 3 Harcourt Centre,
Harcourt Road,
Dublin 2.

A.1.4 Description of the holders of qualifying holdings in the undertaking:
The Company is wholly owned by CNP Assurances S.A.

A.1.5 Details of the undertaking's position within the legal structure of the group:
The Company is a 100% owned subsidiary of CNP Assurances S.A, a Company incorporated in France.

A.1.6 Material lines of business and material geographical areas where it carries out business:
During 2020, the Company had material lines of business in the UK and Italy including UK pensions business – insurance of deferred and immediate annuities and Unit Linked Portfolio Bond policies written in Italy.

The Unit Linked Portfolio Bond portfolio was transferred to CNP Partners Spain during 2020 by order of the High Court.

A.1.7 Significant business or other events that have occurred over the reporting period that have had a material impact on the undertaking.
In September 2020, the Company transferred its portfolio of Italian Unit Linked policies to CNP Partners Spain by order of the High Court.

In December 2020 the Board of Directors resolved to extend the current Business Plan Duration to 5 years and to approve in principle to outsource a large proportion of the company administration to CNP Santander Insurance Services Ireland Limited. This outsourcing arrangement is scheduled to be effective from 1 April 2021.

A.2 Underwriting Performance

The Company is closed to new business and received no new premiums in the year.

A.3 Investment Performance

Shareholder funds continue to be held predominantly in Euro and in cash in the period under review. In the prevailing low interest environment it continues to grow more challenging to achieve any degree of yield on these funds held.

The Company's Shareholder continues to be of a mind that the higher credit risk that would be required to achieve increase yield is not desired.

Given the above scenario, investment return in 2020 remains negligible as was the case in the corresponding period through 2019.

A.4 Performance of other activities

The Company had no other material income or expense incurred over the reporting period or in the corresponding previous reporting period.

A.5 Any other information

The Company has no other material information to report.

B. System of Governance

B.1 General information on the system of governance

B.1.1 Structure of the Company's Board of Directors.
The Company is classified as a Low Risk firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact SysteM and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The Company's Board of Directors is made up of one executive director (the CEO) and four non-executive directors, two of whom are employees of the Group and two of whom are independent. The Chairman of the Board is a Group appointed non-executive director.
Board of Directors at 31st December 2020:

S Cariou Hellec (French) (Chairman)
T Chardonnel (French)
G Haughton (CEO)
C McGettrick (Independent)
G Murphy (Independent)

Company Secretary:

Tudor Trust Limited.

During 2020, Mr G Kuch resigned as a director and Chairman and was replaced by Ms S Cariou Hellec. During 2020, Mr H Murphy resigned as a director and was replaced by Mr C McGettrick.

The role of the Board is to carry out its duties and obligations as set out in statute and common law and has the ultimate responsibility for the compliance, by the undertaking, with the law. It is thus incumbent on the Board to ensure that an adequate system of governance is in place given the nature, scale and complexity of the operations. In performing this role the Board is obliged to provide strategic guidance for the Company and effective oversight of management. The Board shall always retain ultimate authority over management of the Company.

The Board has approved the establishment of an Audit Committee and a Risk Committee. In 2016, the Company obtained the CBI's approval regarding the derogation of the requirement for a separate Risk Committee. This approval is to be reviewed in December 2021 in light of the run off progress. Where this report refers to the Risk Committee, it should be noted that this function is now performed by the Board.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 - Risk Management, Compliance, Actuarial and Internal Audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

B.1.2 Risk Function
The Risk Function and role of Chief Risk Officer is outsourced to CNP Assurances S.A. The responsibilities of the CRO include, but are not limited to the following matters:

- Provide CEO and Board with the strategic risk management vision.
- Defining and documenting the risk management strategy.
- Assisting the effective operation of an overall risk management system.
- Monitoring the risk management system.
- Maintaining a firm-wide and aggregated view of the risk profile.
- On-going assessment of the Company's solvency requirement.
- Identify, assess and mitigate risks in the business.

B.1.3 Compliance Function
The Compliance Officer reports to the Board and raises issues as they arise, to the Company's CEO. The responsibilities of the Compliance Officer include, but are not limited to the following matters:

- Obtaining the approval of the Board for a policy statement on compliance with the Insurance Acts and Regulations, with guidelines issued by the insurance supervisory authority and with other applicable legislation.
- Monitoring the implementation of compliance and reporting periodically to the Chief Executive and to the Board thereon.
- Reviewing products, procedures and systems on a planned basis from the viewpoint of effective compliance and advising as to steps necessary to ensure compliance
- Reviewing staff training processes so as to ensure appropriate compliance competencies
- To report on significant instances of non-compliance to the Board.
- To monitor Compliance within the Company and its service providers, making recommendations where change is required.
- To monitor regulatory change and to inform the Company and its service providers where such changes have implications for the Company's processes.

B.1.4 Actuarial Function
The responsibilities of the Head of Actuarial Function ("HoAF") and the Actuarial Function, in line with guidance from the Central Bank of Ireland, include, but are not limited to the following matters:

- Coordinating the calculation of the firm's technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company.
- The provision of advice, support and recommendations to the Company on the ORSA (Own Risk and Solvency Assessment) process.

B.1.5 Internal Audit
The Internal Audit Function is an independent, objective, assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
The responsibilities of Internal Audit include, but are not limited to, the following:

- Developing an annual risk based Internal Audit Plan;
- Independently and critically evaluating and reporting on the effectiveness and efficiency of internal control;
- Evaluating the organisation's compliance with policies, procedures, best practice, legislation and regulations;
- Preparing an Internal Audit Report following each audit; and
- Putting in place a follow up procedure to keep track of remedial actions taken by management to address control deficiencies noted.

Internal Audit carry out their responsibilities through the development and execution of a risk based Internal Audit Plan. Reviewed findings, along with recommendations for improvement, are documented and reported to the Board and the Audit Committee in line with this Internal Audit Policy. Recommendations shall include the envisaged period of time to remedy the shortcomings and the persons responsible for doing so.

B.1.6 Material changes in the system of governance that have taken place over the reporting period
In 2016, the Company obtained the CBI's approval regarding the derogation of the requirement for a separate Risk Committee. This approval is to be reviewed in December 2021 in light of the run off progress. Where this report refers to the Risk Committee, it should be noted that this function is now performed by the Board.

B.1.7 Information on the remuneration policy and practices regarding administrative, management or supervisory body and employees
The Company is 100% owned by CNP Assurances and thus the Company does not maintain a separate remuneration policy to that of the CNP Group.

The Company provides a range of benefits to employees, including contractual salary, life cover, permanent health insurance and paid holiday arrangements.

The Company pays contributions based on a percentage of salary into a Group Retirement Scheme on behalf of its permanent employees (defined contribution). Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the Company in independently administered funds. Employees may contribute additional voluntary contributions to suit their circumstances.

The Company operates an annual bonus plan, paid at the discretion of the Company's management and does so within the confines of ensuring that its remuneration practices promote sound and effective risk management.

B.1.8 Information about material transactions during the reporting period with Shareholders
The Company did not have any material transactions during the reporting period with Shareholders, with persons who exercise a significant influence on the undertaking, with members of the administrative, management or the supervisory body.

B.2 Fit and proper requirements.
The Company, as a regulated insurance undertaking authorised by the Central Bank of Ireland ("the CBI") is subject to the provisions of the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011 (herein "the Regulations") and the CBI Fitness and Probity Standards, as issued pursuant to Section 50 of the Central Bank Reform Act 2010 (together with the Regulations referred to herein as "the Standards").

CNP Europe Life carry out due diligence of persons performing Control Functions (CF's) and Pre-Approved Control Functions (PCF's) on an annual basis. In addition to the audit of individuals, persons in CF and PCF roles are requested to confirm whether they are aware of any material developments in relation to their compliance with the Fitness and Probity Standards of which the Company ought to be aware

The Company places a high value on appointing persons who are in compliance with the Fitness and Probity Standards. The Standards provide that persons who carry out certain functions for a regulated insurance undertaking must:

1. Be competent and capable.
2. Act honestly, ethically and with integrity; and
3. Be financially sound.

The Board of Directors is committed to ensuring that the Company shall not permit any person to perform a CF/PCF role unless the person has agreed to abide by the Standards and the Company is satisfied on reasonable grounds that the person complies with the Standards.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk Management System

CEL adopts a holistic approach to risk management by analysing risk from both a top-down and bottom-up perspective.

The processes conducted on a top-down basis are:

- Risk Appetite – the Risk Appetite is reviewed on a regular basis.
- Business Strategy – CEL's business strategy is summarised in the Risk Appetite and is the key driver for formulating the risk appetite.
- Strategic Risk Assessments - Strategic Risk Assessments are performed as part of the annual business planning process.

The processes conducted on a bottom-up risk management basis are:

- A review of the current business is performed to identify the key processes. Process risks and controls are identified and documented in the Risk Register.
- A risk assessment review is conducted, including a Risk and Control Self-Assessment (RCSA).
- The CRO performs an independent review and challenge of the RCSA based on their knowledge of the business, internal audit and external audit report findings.
- The CRO reports the findings of the RCSA and a summary assessment of the results (Risk Profile) to the Board and Risk Committee.
- The Corporate Risk Register is assessed at least annually to determine if there are any significant changes to CEL's risk profile which would result in having to re-run the ORSA. Similarly, changes to the Risk Appetite, Business Strategy and Strategic Risk Assessments are considered to determine if the ORSA needs to be run on an exceptional basis.

The main objective of the Risk Management System is to ensure that all significant risks are identified, assessed, monitored and controlled within the agreed risk appetite.

The Risk Management strategy is derived from CEL's business strategy whereby CEL is in the run-off stage of its lifecycle. CEL's strategic risk focus is to monitor and manage the risks associated with its business strategy. CEL uses a number of mechanisms to achieve its Risk Management Strategy as outlined in this Risk Management System including, CEL's Risk Appetite Statement, its Risk Management Framework, risk governance, policies and risk management reporting.

The Risk Appetite Statement formalises the level of risk CEL is willing to accept in pursuit of its strategic objectives. The framework provides a risk-based view of the strategy of the organisation using both quantitative and qualitative statements to define the organisation's desired level of risk.

CEL's ORSA process provides the link between CEL's risk profile, its Risk Appetite, its business strategy and its overall solvency requirements. Stress tests and sensitivity analysis are performed to provide an adequate basis for the assessment of the overall solvency needs and to plan future business changes, ensuring that they are within the Board's pre-determined risk appetite.

A formal ORSA is prepared and approved by the Board on an annual basis. In the event of any material changes to the business during the year a new ORSA is prepared and presented to the Board.

CEL uses a variety of techniques to identify risks within the organisation including Risk and Control Self Assessments (RCSAs). A key component of the Risk Control Cycle is the RCSA process, described below as follows. From time to time, CEL conducts risk and control self-assessments (RCSAs). The RCSA involves identifying the impact and likelihood of risks occurring and using this to grade the risks on a scale of 1-4 with 4 being defined as "Very High". Output from the RCSA is documented in the form of the Risk Register and includes mitigation plans where relevant. Risks without appropriate mitigation plans will represent the Residual Risk.

The top 10 risks from the Risk Register are reported to the Risk Committee at each of its meetings.

The Risk Management system is over-seen by the Risk Management function.

CEL has an independent Risk Function charged with oversight, review and supervision of the identification, measurement, management, reporting and monitoring of risk within the organisation. The function is headed by the CRO, who:

- Is responsible for developing and maintaining CEL's Risk Management System, framework and policies;
- Has independent oversight of all risk management activities;
- Provides independent reporting to the RC on risk issues, including the risk profile of CEL;
- Provides independent reporting to CNP's Group's Risk function;
- Provides independent assurance to the Chief Executive Officer and the RC that key risks are identified and managed by the executive management.

The Risk Management function is out-sourced to CNP Assurances SA. The Company's CRO is an employee of CNP Assurances SA. Regular meetings are held between the Company's management and the CRO. Any key business decisions are reviewed and approved by the CRO before they are presented to the Board.

B.3.2 Own Risk and Solvency Assessment

B.3.2.1 ORSA Process

The key activities in the ORSA process can be categorised as follows:

- Strategy and planning;
- Risk identification and assessment; and
- Technical calculations and analysis.

The key components of the ORSA have been set out chronologically below, i.e. we can observe the various steps in the transition from the ORSA Policy to the ORSA Report.

An indicative overview of the ORSA process is provided below:

1. Setting Risk Appetite
2. Corporate strategy
3. Risk Assessment – Strategic Risk Assessment and Corporate Risk Register
4. Balance sheet projection
5. Capital model results and analysis
6. Stress and scenario analysis
7. Assessment of own funds

8. Production of draft "ORSA Report"
9. Discussion of ORSA results with CEO
10. Production of final "ORSA Report"
11. Submission to Risk Committee/ Board

The results of the ORSA form an important input into CEL's decision making process, particularly around the strategic and capital aspects.

Possible recommendations arising from the ORSA process might include enhancements to the process itself or changes to the risk appetite, capital management, business strategy, product development, investment strategy or reinsurance programme. The risk profile of the Company is impacted by its Run-off status and any recommendations are made within this context.

B.3.2.2 Frequency of ORSA

The ORSA is run on at least an annual basis ahead of the year end or on the occurrence of events which may result in a material change to CEL's risk profile and result in triggering a non-routine ORSA. The ORSA is prepared to coincide with the business planning cycle, thereby allowing CEL to review its strategy and amend future business plans due to changes such as underwriting, price of reinsurance etc.

B.3.3 Determination of Own Solvency Needs

CEL's Risk Appetite defines the solvency levels which the Company must keep in order to manage its risks within the tolerance levels of the Company. The Risk Appetite is considered over a 5 year projection period, with a minimum level of solvency cover required at each future year under adverse stress scenarios in an ORSA environment. The Risk Appetite is key in defining the interaction between the Company's capital management activities and its risk management system.

B.4 Internal control system

Internal Control is a continuous set of processes carried out by the Board of Directors, management and all personnel, designed to provide reasonable assurance of:

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

Risk, Actuarial, Internal Audit, Compliance and Finance Functions are the key Control Functions in CEL. These Control Functions are tasked with overseeing the effectiveness and efficiency of CEL's internal control systems, the reliability of CEL's financial reporting and compliance with applicable laws, regulations and administrative provisions.

CEL's Internal Audit function provides independent assurance to the Audit Committee, Risk Committee and the Board of Directors on the adequacy and effectiveness of CEL's internal control systems.

The Compliance Officer as Head of Compliance of CEL is responsible for the management of the Compliance Function. The Compliance Function shall be authorised to obtain the necessary assistance of employees in all departments of CEL as required.

The Compliance Function is granted full, free and unrestricted access to any and all of CEL's records (manual or electronic), physical properties and employees relevant to any function under review. Such access being in accordance with all relevant legislative requirements including data protection.

The Compliance Function is authorised to communicate directly, and on its own initiative, to the Board and the members of both the Audit & the Risk Committees.

The Compliance Function shall deliver its annual Compliance Report without impairment in all areas of CEL. It shall be free to express its opinion and to disclose its findings to the Chief Executive Officer, the Audit and Risk Committees and the Board as it sees fit.

B.5 Internal audit function

Without prejudice to the responsibility of the Board of CEL, the Audit Committee assumes responsibility for monitoring the effectiveness of the Internal Audit Function.

The Head of Internal Audit (HIA) of CEL is responsible for the management of the Internal Audit Function. The HIA shall be authorised to obtain the necessary assistance of employees in all departments of CEL as required.

The HIA shall be authorised to communicate directly, and on its own initiative, to the Board and the members of both the Audit & the Risk Committees. The Internal Audit Function, led by the HIA, shall report administratively to the Chief Executive Officer (CEO) and functionally to the Board.
The Internal Audit Function shall have operational independence, and shall have no direct responsibility, authority or involvement in the activities it reviews with the exception of its legal and compliance obligations.

The Board of CEL has elected to avail of the services of the Internal Audit services of the CNP Group and/or the services of third party providers.

B.6 Actuarial function

The Actuarial Function of the Company reports to the Board and works closely with the CNP Group Actuarial and Risk Functions.

The HoAF is performed by Mr. Ian McMurtry, who is an employee of the Company. Mr. McMurtry is a Fellow of the Society of Actuaries in Ireland and a Fellow of the Faculty of Actuaries.

As HoAF, Mr McMurtry is responsible for, but not limited to:

- Providing the Actuarial Opinion on Technical Provisions (AOTP)to the CBI annually which addresses the Technical Provisions of CEL as reported in any annual supervisory report to the CBI dated on or after June 30th 2016,
- Providing the Board with an Actuarial Opinion regarding the risks and the adequacy of the scenarios, including financial projections, considered as part of each ORSA process of CEL. This report shall be submitted to the CBI on request,
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions,
- Expressing an opinion on the adequacy of reinsurance arrangements,
- Comparing best estimates against experience,
- Advising the Board on appropriateness of allocation of surplus of assets over liabilities to policyholders,
- Monitoring CEL’s compliance with requirements relating to disclosure of information to policyholders.
- Preparing an Actuarial Function report for the Board.

Mr McMurtry oversees the tasks of the Actuarial Function as per Article 48 of the Solvency II Directive. Specific tasks may, on occasion, involve the use of a calculation agent and/ or use of CNP Group resources.

B.7 Outsourcing

The Company only enters into material outsourcing arrangements where there is a sound operational and commercial basis for doing so.

The Material Activities which are currently outsourced by the Company are:

- Policy administration is outsourced to IPSI (Ireland) and Capita (UK).
- The Risk Function and Chief Risk Officer role is outsourced to CNP Assurances S.A.

The Company's Board approved outsourcing policy states that the Company must ensure that any outsourcing:

- Does not unduly increase operational risk; and
- Does not negatively affect service to customer.

This policy further states that the Company must determine for each outsource arrangement whether the arrangement is material or not. Material activities are defined as:

- activities of such importance that any weakness or failure in the provision of these activities could have a significant effect on CELs ability to meet its regulatory responsibilities, deliver services to policyholders and/or to continue in business;
- any other activities requiring a licence from the relevant supervisory authority;
- any activities having a significant impact on its risk management; and
- the management of risks related to these activities.

Typically an outsourcing arrangement will be material if it involves any of the following activities:

- the investment of assets or portfolio management;
- claims handling;
- the provision of regular or constant compliance, internal audit, accounting, risk management or actuarial support;
- the provision of material data storage;
- the provision of on-going, day-to-day systems maintenance or support; and
- the ORSA process.

Outsourcing arrangements which would not be classified as material includes the following:

- the provision of advisory services to the undertaking , and other services which do not form part of the undertaking's insurance or reinsurance activities, such as legal advice, the training of personnel and the security of premises and personnel;
- the purchase of standardised services, including market information services and the provision of price feeds;
- the provision of facilities support, such as cleaning or catering; and
- the provision of elements of human resources support, such as recruiting temporary employees and processing the payroll.

The Board of Directors retain full responsibility for all Outsourced Activities. The Board has delegated ownership of this outsourcing policy to CEL's Chief Executive Officer. The Board is ultimately responsible for ensuring that:

- There is adequate oversight and governance within CEL in relation to outsourcing;
- The Outsourcing policies and the procedures set out are appropriate to the Company and the Board shall review this Policy at least annually and ensure that recommendations for improvements are adequately incorporated.

- The Board approve proposals to outsource activities.
- If an outsourced activity is material, the Board along with the Board Risk Committee must approve the outsourcing arrangement.

B.8 Any other information

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

C. Company Risk Profile

The Company is categorised as "Low" risk by the CBI, using its PRISM methodology.

The Company's risk profile can be considered qualitatively through its SCR where it uses the Standard Formula to calculate its SCR. (See section E.2). At 31.12.2020, the Company's SCR was €3.317m compared with €3.621m at 31.12.2019. The reduction in the SCR is largely explained by the reduced market and counter-party risk as a result of lower cash-balances.

C.1 Underwriting risk

The Company's underwriting risk is limited to its in force portfolio. Underwriting risk in respect of mortality and longevity is largely managed through use of reinsurance on the pension portfolio.

C.2 Market Risk

The Company remains exposed to market risk on deposit accounts and foreign exchange (FX) risk in respect of its UK pension liabilities, although this is largely mitigated through its reinsurance program.

Assets backing the unit linked portfolio were subject to market risk, including FX risk, spread risk and price risk. Market risk in respect of the Unit Linked portfolio was borne fully by the policyholders.

Risk concentration exists in the form of cash deposits placed with credit institutions. As at 31.12.2020, the Company had €16.9m in deposits and €2.3m in cash and cash equivalents where these amounts in total are invested with three institutions.

Risk concentration also exists in the reinsurance of pension business. However this is mitigated by the collateral held.

The SCR (Market) was €2.0m at 31.12.2020 (€2.2m at 31.12.2019).

C.3 Credit risk

Credit risk exists in respect of the Company's cash and reinsurance assets. The Company spreads its cash among a number of financial institutions to mitigate this risk. High levels of collateral are held in respect of its pension reinsurance program.

Credit risk in respect of the Unit Linked portfolio was borne fully by the policyholders.

As at 31.12.2020 the Company's SCR (Counter-party) was €0.339m (€0.457m at 31.12.2019) where this relates primarily to the cash deposits.

C.4 Liquidity risk

As the bulk of the Company's Own Funds are held in short term cash deposits, the Company has very low exposure to liquidity risk. As the Company is closed to new business and has no regular premium business, no allowance is made in respect of the expected profit on future premiums.

Liquidity risk in respect of the Unit Linked portfolio was borne fully by the policyholders.

C.5 Operational risk

Operational risk is mitigated through the use of Third Party Administrators who, although monitored by the Company, assume responsibility for their operations. The Company considers Operational risks in respect of adherence to its run off plan and exposure to cyber risk to be of significance.

Mitigating actions have been taken in respect of each of these risks and is reviewed on an on-going basis to ensure that the Company continues to be adequately resourced and able to implement its business plan.

The Company's SCR (Operational) was €0.286m at 31.12.2020 (€0.645m at 31.12.2019) as determined by the Standard formula.

C.6 Other material risks

No other material risks are considered in the SCR.

C.7 Any Other Information

C.7.1 Measures Used to Assess Risk Exposure

Risk exposure is reviewed on a regular basis primarily by considering the top 10 risks. These are quantified and ranked according to an assessment of Impact x Probability of occurrence over a one year timeframe.

C.7.2 Material Risks

The top 10 risks are reviewed regularly and include but are not limited to the following:

- Counterparty risk in respect of reinsurers.
  - During 2020, the Company had one active reinsurance treaty covering longevity and market risk in respect of its pensions business.
  - All pension reinsurance arrangements have included provision for the maintenance of high levels of collateral and for the regular assessment of the adequacy of collateral.
- Counterparty risk in respect of deposit accounts.
  - Given the high-level of shareholder funds, this has been a key risk, mitigated through careful selection of counter-parties and through spreading deposits across a range of counterparties.
- Operational risks.
  - Risks such as key man risk have been considered as part of the Company's run off.
- Delays/ changes to the Company's business plan
  - Delays in the run-off timetable will result in higher expenses incurred by the Company.
- FX risk
  - FX risk is largely mitigated through reinsurance.
- Mortality under-estimation in pricing of annuity contracts
  - Largely mitigated through reinsurance.
- Business continuity risks
  - Business continuity & Disaster Recovery plans are in place. No major change to this risk during 2020.
- Brexit
  - The Company continues to actively monitor the position regarding maintaining its contractual commitments in respect of its UK annuity business post Brexit.
- Cyber risks.
  - The company's IT system is overseen by a highly competent third party managed services company utilising the latest security tools. Potential security issues, misconfigurations and required software updates and patches are addressed promptly as required.

C.7.3 Investment of Assets in accordance with Prudent Person Principle

Overall responsibility for the management of the Company's exposure to risk is vested in the Board. The Company is required to apply the Prudent Person principle in respect of its investments and has ensured that its investment policy and asset acceptability framework are aligned with this Principle, for all new asset choices.

C.7.4 Risk Mitigation

The table below shows risk mitigations in place for main risks.

Risk Category	Risk Sub Category	Mitigations
Underwriting	Longevity risk	Reinsurance of longevity risk on pensions business.
Market	Interest rate	Reinsurance of market risk on pensions business.
Counter-party	Default risk	Collateral held on pensions business equal to BEL plus a buffer.
Operational risk	Cyber risk	Migration to MS Azure completed.
	Claims management	Out-sourcing in place for pension claim payments.

C.7.5 Risk sensitivity

The Company's risk appetite involves projecting the Balance Sheet and SCR over a 5 year period on stress scenarios. In order to maintain its risk appetite, the company must have solvency coverage in excess of an agreed level on all projected scenarios, in each future year. These stress scenarios are considered in the ORSA.

When considering the stress scenarios, key risks are identified and stressed accordingly. In particular,

- Counter-party risk is stressed by assuming that all counter-parties are instantaneously downgraded.
- Expense risk is stressed by assuming that all base expenses increase by a defined amount.
- The interest rate stress scenarios are provided to CNP Group by economists within the Caisse Des Depots.

In addition, the Company conducts stress testing at a point in time for a number of stresses, namely considering the TPs and solvency coverage with:

- Discount Rates + 1%
- Discount Rates -1%
- Expenses increase by 25%
- Business plan extended by 2 years
- Longevity stress.

Under the most adverse of these scenarios, the Company's solvency coverage is 135% (expenses increase by 25%).

D. Valuation for Solvency Purposes

D.1 Assets

The valuation of assets on a solvency basis is largely the same as for the Financial Statements, with the same methodology and assumptions used, with the exception of the fact that an Ultimate Forward Rate is not used in the discount rates used for the Financial Statements.

Asset Class	**Value at 31.12.2020 €**
Deposits other than cash equivalents	16,900,000
Assets held for unit-linked funds	0
Reinsurance recoverables	48,762,400
Reinsurance receivables	6,092,157
Cash and cash equivalents	2,311,674
Other	2,125,129
Total	76,191,360

The Company classifies its financial assets as designated at fair value through profit or loss on initial recognition. The basis of this designation is that the financial assets and liabilities are managed and evaluated together on a fair value basis. The designation eliminates or significantly reduces a measurement inconsistency that would otherwise arise if these financial liabilities were not measured at fair value since the assets held to back the investment contract liabilities are also measured at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Company intends to sell in the near term which the Company upon initial recognition designates as fair value through profit or loss, available for sale or where the Company may not recover substantially all of its initial investment.

Purchases of financial assets are recognised on the trade date, which is when the Company commits to purchase the assets. Financial assets are derecognised when contractual rights to receive cash flows from the investments expire, or where the investments, together with substantially all the risks and rewards of ownership have been transferred.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

D.2 Technical provisions

Technical Provisions are shown below together with the prior year comparative, split by Best Estimate and Risk Margin:

Solvency II Liabilities	31.12.2020 Euro (000's)	31.12.2019 Euro (000's)
Best Estimate	**63,569**	**71,780**
Pensions	63,569	56,674
UL	-	15,106
Risk Margin	**2,093**	**1,589**
Pensions	2,093	1,255
UL	-	334
Technical Provisions	65,661	73,370

The decrease in technical provisions over the reporting period is largely due to the transfer of the Unit Linked portfolio in 2020. In December 2020, following a review of its operations, the Board approved the extension of the timeframe underlying the Company's Business Plan until the end of 2025. Following this, the Company established an Expense Over Run Reserve in the amount of €9.281m.

The Risk Margin also increased year on year.

D2.2.1 Valuation Methodology

Best Estimate

CEL uses a deterministic approach for the calculation of its Best Estimate Liabilities.

For its pensions business, CEL uses per policy model points to project the future benefits of each policy taking account of the best estimate view of the economic and demographic factors which could affect such projected benefits, for example interest rates, inflation, mortality rates, mortality improvement rates, lapses and surrenders etc. Per policy expenses are projected on a best estimate mortality basis with allowance for expense inflation.

The Best Estimate Liability (BEL) is determined for each line of business in respect of benefits by accumulating the individual policy cash-flows at each future time period and discounting these at the appropriate discount rate. A separate expense BEL is held for each line of business by projecting the per policy expenses taking account of inflation and discounting the projected amounts to the valuation date using Euro discount rates.

Pension benefits are projected at each future time period, taking account of the best estimate of inflation in each future year, and the survival rates of each policyholder. The projected amounts are discounted using the GBP discount rates to obtain the BEL.

The Best Estimate Liability is therefore comprised of the Unit Fund and the present value of the non-unit cash-flows. Euro and GBP cash-flows are determined separately and discounted using the respective discount rates. The Best Estimate Liability is calculated gross of any reinsurance. Where it is considered appropriate, margins for uncertainty are included.

Risk Margin
The Solvency II requirements outline a hierarchy of five approaches to the calculation ranging from full projection of all future SCRs (with no simplifications) to a very simplistic approach which approximated the risk margin by calculating it as a percentage of the BEL.

CEL's approach is to project the future SCRs by projecting the run-off of the SCR calculation in line with the run-off of the BEL (i.e. the third of the five possible approaches. CEL has assumed that unavoidable market risk is nil.

CEL assumes that market risks can be hedged and so these are not included in the risk margin calculation. Credit risk for reinsurance contracts is included in the projected SCR for the risk margin calculation.

D2.2.2 Main Assumptions

Discount rates
The Euro and GBP risk free spot rates as published by EIOPA are used to build the discount rates for the Euro and GBP liabilities where these are net of the Credit Risk Adjustment specified by EIOPA. The Volatility Adjustment or Matching Adjustment are not used.
Euro discount rates are used for determining the Euro related liabilities including the BEL in respect of all per policy expenses. UK discount rates are used when determining UK related liabilities, i.e. the BEL in respect of the pension benefits and UK related admin costs.

Credit Risk Adjustment – Discount rates
The credit risk adjustments as specified by EIOPA are included in the Euro and GBP discount rates. As at 31.12.2020 the CRA was 10 bps for Euro and 11 bps for GBP liabilities.

Benefit Inflation
Inflation rates are derived by observing Euro and GBP break-even swap rates at 31/12/2020 at available durations and interpolating for interim durations using a spline methodology. The observed rates are 'BPSWIT CMPL Currency' break even rates at 31/12/2020.

Pension benefits are inflated at rates set out in the benefit specification using UK RPI.

Expense Inflation
Expenses are inflated using the inflation rates derived for Benefit Inflation. UK related expenses (e.g. TPA costs) are inflated using UK rates whilst Euro related expenses (e.g. per policy expenses) are inflated using Euro rates. An additional inflation margin applies in respect of the UK TPA costs to reflect the difference between wage inflation and RPI.

Investment Returns
The risk free rates, as used for the discount rates are used for the growth rates on policyholder and shareholder funds.

Counterparty Default in respect of Reinsurance
Further to Article 81 of the Solvency II Directive, counterparty default risk is considered in the context of reinsurance recoverables. Article 42 of the Delegated Acts specifies that collateral may be used as a risk mitigating technique when assessing the loss given default.

In view of the collateral held, CEL does not make any deductions to reinsurance recoverables for counterparty default (see below). Deduction is however made to the projected reinsurance commission to reflect the credit risk of its pension reinsurance counterparty.

CEL holds collateral in respect of its reinsurance arrangements with its pension reinsurance counterparty. The collateral is in the form of a floating charge over a custodial account. The reinsurer may invest the collateral in accordance with the agreed investment policy. A buffer is held over and above the best estimate liability to absorb the effects of any fall in the market value of the collateral held.

Mortality – UK Pension Portfolio

Males:	115% S1PMA with 1.5% longevity improvement rate within the CMI 2012 projection model
Females:	110% S1PFA with 1.25% longevity improvement rate within the CMI 2012 projection model

Annual Per Policy Expenses Assumed:
A market consistent amount is determined by business line.

Expense Over Run Reserve
This is calculated by projecting the operating expense net of income over the projection period.

D2.2.3 Level of uncertainty associated with the value of technical provisions.
The Technical Provisions consist of a Best Estimate Liability and a Risk Margin.
The calculation of the Best Estimate Liability is based on a number of assumptions, some of which are more important than others. In particular, the following assumptions are noted:

- Expense assumption – due to the closed nature of the business, per policy expenses are determined on a 'market consistent' basis rather than direct attribution of all the company's costs.
- Mortality and Longevity improvement assumption on UK pensions business. Given the duration of the liabilities, the value of the BEL is sensitive to any changes in the underlying assumption. It should be noted however, that the impact on the Own Funds of the Company is limited due to the equal and offsetting effect of the Reinsurance Asset held in respect of recoverables.

Given the nature of the Company's business and use of reinsurance, any variation in technical provisions is unlikely to have any significant impact on the Company's financial strength.

D2.2.4 Differences Relative to Financial Statements Valuation of Technical Provisions:

The table below shows the difference between the SII and GAAP results at 31.12.2020:

Technical Provisions UK Pensions	SII	GAAP
(31.12.2020)	Euro '000s	Euro '000s
Pension claims and Expenses	54,287	54,480
Expense Over Run Reserve	9,281	9,284
Total ex Risk Margin	**63,569**	**63,764**
Risk Margin	**2,093**	0
Total Technical Provisions	**65,661**	**63,764**

The difference between the Solvency and GAAP valuations can be explained by the fact that the GAAP discount rates allows for a 2.5% margin of prudence and do not include the UFR whereas the Solvency II rates do. When the corresponding reinsurance asset is taken into account and the net position considered, the difference is small.

D2.2.5 Adjustments and Transitional Measures

No use is made of the Matching Adjustment, Volatility Adjustment or any Transitional Measures.

D2.2.6 Recoverables from reinsurance contracts

The table below shows the NPV of projected reinsurance recoverables:

Reinsurance Recoverables	31.12.2020 Euro '000s
Shell recoverables	48,762

Recoverables are valued using the same basis, methodology and assumptions as the Best Estimate Liability in respect of claims.

D2.2.7 Material Changes in Relevant Assumptions during Reporting Period

The Company revised its expense assumptions during the Reporting Period, in particular its approach to the treatment of expenses in a Run Off environment. As a result, an Expense Over Run reserve has been established under Solvency II for the first time.

The Company updated its mortality and longevity assumptions during the reporting period as per the basis shown in Section D2.2.2.

D.3 Other liabilities

Other Liabilities @ 31.12.2020	SII Euro	GAAP Euro
Provisions other than technical provisions	0	0
Deferred tax liabilities	0	0
Insurance & intermediaries payables	13,866	13,866
Reinsurance payables	0	0
Payables (trade, not insurance)	293,370	293,370
Total	**307,235**	**307,235**

D.4 Alternative methods for valuation

The company does not use any alternative methods for valuation.

E. Capital Management

E.1 Own funds

The Company aims to manage its Own Funds both cautiously and prudently in accordance with the CNP Group Watch-list. It is the Company's policy to hold all assets backing Own Funds in Euro and to consider the duration of the capital requirement which they are backing when selecting appropriate assets. The Company conducts its business plan over a 5 year time horizon. This is nevertheless set in the context of the run-off position of the Company.

All Own Funds are Tier 1.

The Own Funds decreased in the Reporting Period by €11.034m from €21.257 at 31.12.2018 to €10.223 at 31.12.2020 largely as a result of the inclusion of the Expense Over Run Reserve together with the operating loss (€2.9m), as shown below:

Own Funds Movement Analysis	31.12.2020 Euro '000s
Opening Position	21,257
Profit/ Loss in 2020 (GAAP)	-2,916
Adjustment in respect of GAAP technical account	39
Change in Pensions VIF	-7,901
Change in UL VIF	-755
Change in Risk Margin	-504
Change in Deferred Tax Liability	942
Other	61
Closing Position	10,223

The Break-Down of Own Funds at 31.12.2020 is shown below:

SII Own Funds	31.12.2019 Euro
Called up share capital	3,809,314
Reconciliation Reserve	6,413,479
Eligible Own Funds	**10,222,793**

As at 31.12.2020, the Eligible amount of funds to cover the SCR was €10.223m.

The Equity shown in the company's financial statements (GAAP Equity) is broken down as follows:

Capital and reserve	**Euro 000s**
Called up share capital	3,809
Profit and loss account brought forward	10,853
Profit and loss account for the financial year	-2,916
Shareholders' funds	11,746

The table below shows a bridge between the shareholders equity under GAAP and the excess of assets over liabilities as calculated for solvency purposes:

Reconciliation from GAAP Equity to SII NAV 31.12.2020	Euro '000s	Balance Euro '000s
GAAP Equity		11,746
Less SII Risk Margin	-2,093	9,652
Plus VIF under SII	567	10,219
Plus Release of prudence in GAAP reserves	3	10,223
SII A-L		10,223

The expense over-run reserve is included in GAAP accounts due to the run-off position of the company and includes the projected run off costs net of the future income. Rather than capitalising such an expense overrun indefinitely in the Best Estimate Liability calculation, the Company's approach allows the calculation of a market consistent Best Estimate Liability, with assessment of the implications of any expense overrun in its ORSA.

The GAAP results include some prudence in the calculation of technical provisions relative to Solvency II basis, principally in the:

- Discount rates where the GAAP valuation does not use the UFR of 3.75%.
- The mortality assumption used in calculating the pension liabilities and corresponding reinsurance asset. (Note: when these two items are taken together and the net position considered there is very little difference).

No basic own funds are subject to transitional arrangements.

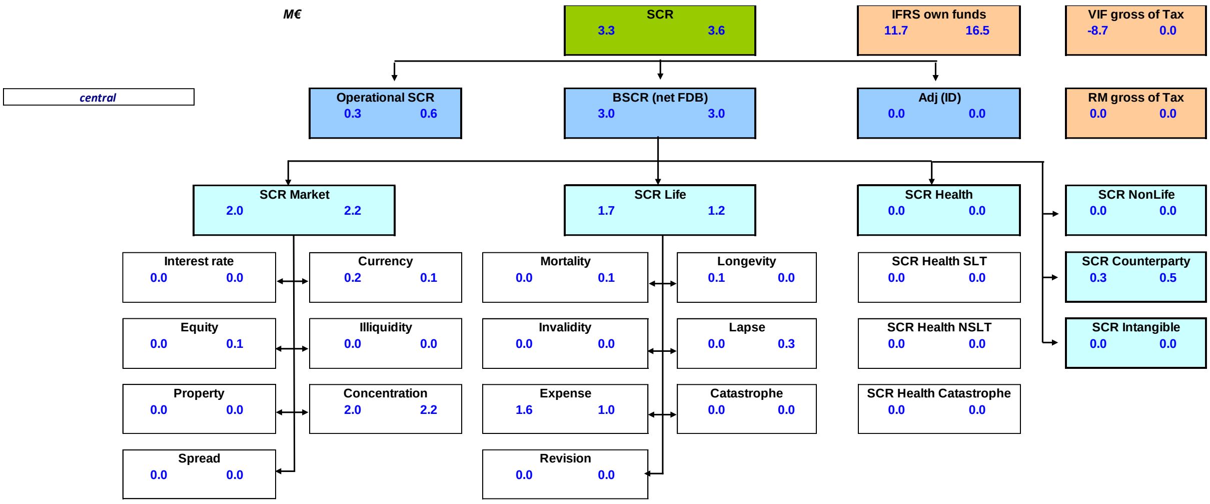
The Company does not hold any Ancillary Own Funds.

Deduction from Own Funds:
None.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

At 31.12.2020, the SCR of the Company was €3.317m and the MCR was €3.7m.

The standard formula is used to calculate the SCR. The following diagram splits the SCR into risk modules where figures in the left hand side of each box are at 31.12.2020 and the equivalent values at 31.12.2019 are shown in the right hand side:



As can be seen the SCR of €3.317m at 31.12.2020 is lower than the amount of €3.621m at 31.12.2019. This is due to the reduction in market concentration and counter-party risk as a result of reduced cash-balances together with the absence of the UL portfolio.

Simplified calculations are not used in calculating the SCR. No USPs are used. The Company is not subject to any Capital Add-Ons. The Company does not use an internal model.

In respect of the MCR, the minimum amount of €3.7m applies.

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

The duration-based equity risk sub-module has not been used in the calculation of the Solvency Capital Requirement.

E.4 Differences between the standard formula and any internal model used

No internal or partial internal model has been used in the calculation of the Solvency Capital Requirement.

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

The Company complied with all requirements in respect of meeting its MCR and SCR during the reporting period.

E.6 Any other information

The Company has no other material information to report.

Appendix 1: Annual Quantitative Reporting Templates:

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	16,900
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	16,900
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	48,762
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	48,762
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	48,762
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	6,092
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	2,312
Any other assets, not elsewhere shown	R0420	2,125
Total assets	R0500	76,191
Liabilities		
Technical provisions - non-life	R0510	
Technical provisions - non-life (excluding health)	R0520	
TP calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	65,661
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	65,661
TP calculated as a whole	R0660	
Best Estimate	R0670	63,569
Risk margin	R0680	2,093
Technical provisions - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	14
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	293
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	65,969
Excess of assets over liabilities	R1000	10,223

S.05.01.02 - 02

Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									
Reinsurers' share	R1420									
Net	R1500									
Premiums earned										
Gross	R1510									
Reinsurers' share	R1520									
Net	R1600									
Claims incurred										
Gross	R1610			853	3,256					4,109
Reinsurers' share	R1620				3,256					3,256
Net	R1700			853	0					853
Changes in other technical provisions										
Gross	R1710			15,861	2,614					18,475
Reinsurers' share	R1720				1,784					1,784
Net	R1800			15,861	830					16,691
Expenses incurred	R1900				1,304					1,304
Other expenses	R2500									1,750
Total expenses	R2600									3,054

S.05.02.01 - 02

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations	Top 5 countries (by amount of gross premiums written) - life obligations	Total Top 5 and home country
		C0220	C0160	C0170	C0280
	R1400		GB	IT	
Premiums written					
Gross	R1410				0
Reinsurers' share	R1420				0
Net	R1500		0	0	0
Premiums earned					
Gross	R1510				0
Reinsurers' share	R1520				0
Net	R1600		0	0	0
Claims incurred					
Gross	R1610		3,256	853	4,109
Reinsurers' share	R1620		3,256		3,256
Net	R1700		0	853	853
Changes in other technical provisions					
Gross	R1710	18,475			18,475
Reinsurers' share	R1720	1,784			1,784
Net	R1800	16,691	0	0	16,691
Expenses incurred	R1900	1,304			1,304
Other expenses	R2500				1,750
Total expenses	R2600				3,054

S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030							63,569			63,569						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080							48,762			48,762						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090							14,806			14,806						
Risk Margin	R0100					2,093					2,093						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110																
Best estimate	R0120																
Risk margin	R0130																
Technical provisions - total	R0200					65,661					65,661						

S.23.01.01 - 01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	3,809	3,809			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	6,413	6,413			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	10,223	10,223			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	10,223	10,223			
Total available own funds to meet the MCR	R0510	10,223	10,223			
Total eligible own funds to meet the SCR	R0540	10,223	10,223	0	0	0
Total eligible own funds to meet the MCR	R0550	10,223	10,223	0	0	
SCR	R0580	3,317				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	3.08				
Ratio of Eligible own funds to MCR	R0640	2.76				

S.23.01.01 - 02

Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	10,223
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	3,809
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	6,413
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S.25.01.21

Solvency Capital Requirement (for undertakings on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	1,993		
Counterparty default risk	R0020	339		
Life underwriting risk	R0030	1,676		Aucun
Health underwriting risk	R0040	0		Aucun
Non-life underwriting risk	R0050	0		Aucun
Diversification	R0060	-977		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	3,031		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	286
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	3,317
Capital add-on already set	R0210	
Solvency capital requirement	R0220	3,317
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		C0109
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	0
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

S.28.01.01 - 01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	311

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	14,806	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	311
SCR	R0310	3,317
MCR cap	R0320	1,493
MCR floor	R0330	829
Combined MCR	R0340	829
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	3,700