Quantum Leben
in good hands

Solvency and Financial Condition Report

14 July 2017

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Executive summary

This Solvency and Financial Condition Report (SFCR) has been prepared in order to assist insurance clients to understand the capital position (under Pillar 1 of Solvency II) and the risk management & governance system of Quantum Leben AG following the implementation of Solvency II on 1st of January 2016.

Quantum's internal capital target is to hold more than 130% of its Pillar 1 requirement.

According to legal and regulatory requirements, the Solvency II balance sheet was audited by Ernst & Young, Zürich.

Business and performance

Quantum Leben AG was incorporated on 28th of December 2004 (formerly known as Momentum Leben AG). Quantum Leben AG, Städtle 18, 9490 Vaduz, Liechtenstein (hereinafter "**Quantum**") is an insurance undertaking organised as a company limited by shares. Quantum shares are all held by private investors as its shares are not offered to the public.

Quantum is supervised by the Finanzmarktaufsicht Liechtenstein (hereinafter "**FMA"**), the financial market supervisory authority of Liechtenstein. FMA is located at Landstrasse 109, in 9490 Vaduz, Liechtenstein (see also www.fma-li.li).

Quantum is authorised to offer the following classes of life insurance business:

- Life insurance
- Capital redemption operations
- Unit- and fund-linked life insurance

Furthermore, its policies are passported in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia Spain, Sweden, and United Kingdom. Quantum also provides insurance services in Switzerland under the treaty regarding direct insurance between the two countries.

In the financial year 2016 the insurance business continued to develop moderately and principally satisfactorily. At the same time, Quantum was strongly affected by the implementation of the new Solvency II requirements.

Details on business and performance can be found in Section A.

System of governance

Quantum has currently in place an adequate system of governance. However, with the implementation of Solvency II, if was felt by the Board of Directors (hereinafter "**BoD"**) a full review of the existing Risk Management Framework was needed. This is due for fully implementation in Q3 2017.

Following consultation with the FMA in 2016, it was agreed to separate supervisory and executive functions, this resulted in the appointments of Mr. Martin Kampik and Mr. Christopher Hurford-Green as members of the Board of Executive, effective as of 1 January 2017. Mr. Kampik acts as

Chief Executive Officer (hereinafter **"CEO"**) and Mr. Hurford-Green as the Chief Risk Officer (hereinafter **"CRO"**).

The **BoD** is responsible for setting the strategic goals, the governance as well as risk management principles and appointing the Board of Executives (hereinafter "**BoE"**).

The BoE and the Risk Management Function (hereinafter "**RMF"**) are responsible for the day-to-day assessment of the system of governance. The BoE have reached the conclusion that the system of governance for Quantum, in terms of type, scope and complexity, shall be appropriate for the inherent risk of its business activities.

The details element of the System of Governance is explained in Section B.

Risk profile

Quantum operates a low-risk business model that is supported by an evolving risk management framework that ensures risks are well understood and controlled. These risks are deliberately accepted, governed and monitored. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management. Integral to this is a thorough understanding and articulation of the company's risk exposures.

Valuation for solvency purposes

Due to the size of the business and the type of products sold, Quantum uses the standard formula in order to calculate the solvency capital requirements for Pillar I of Solvency II. Overall, the models used by Quantum are a reasonable implementation of the Solvency II standard formula, where the obtained capital adequately reflects the risks of Quantum.

By end of 2016, the total Solvency II assets amount to EUR 391.6m. The net best-estimate liability for risk business corresponds to EUR -1.2m and the risk margin amounts to EUR 10.1m, whereas the net best-estimate for unit-linked business corresponds to EUR 315.9m and the risk margin amounts to EUR 1.2m.

Capital management

In the Solvency II balance sheet, the excess of assets over liabilities (EUR 37.0m) consists of EUR 21.5m ordinary share capital, EUR 2.8m share premium account and a reconciliation reserve of EUR 12.7m. All own funds are classified as Tier 1.

The Minimum Capital Requirement (hereinafter **"MCR"**) is EUR 6.4m and the MCR-ratio is 582.5%, whereas the Solvency Capital Requirement (herein after **"SCR"**) is EUR 25.5m and the SCR ratio 145.6%. This means that the SCR is fulfilled with a secure margin above the minimum level of 100%.

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Contents

A. Business and Performance

A.1 Business

Business Overview

With Gross Premiums of EUR 40.7m for the Risk business and EUR 51.5m for the Unit-Linked business, Quantum is a small-sized, niche insurance provider. Quantum currently sells two main life insurance products, being, traditional life risk policies and unit-linked risk policies. The two traditional life insurance products are mainly sold in the Netherlands. The "Term Assurance" is a life insurance payable at death and the "FIBAS", a death and disability income insurance. Additionally, there are two smaller products distributed in Germany.

The Unit-Linked life insurance business consists of single and regular premium products where the insured bears the investment risk, i.e. no capital guarantee is given by Quantum. Those policies are distributed in several countries.

In 2016, results show a loss due to two exceptional factors: a large number of legal claims were filed against the company towards the end of 2016 and the beginning of 2017. Although the outcome of the proceedings is still open, a provision for legal risks and litigation costs had to be set aside. On the other hand, it emerged during the course of the preparation of the annual financial statement that due to new rules applicable since 1st of January 2016 the Zillmer reserve needed to be calculated differently from previous years. Following the change in methodology, an additional reserve of approximately EUR 8.7m, had to be set aside. Despite this, Quantum's own funds are sufficient in accordance with Solvency II.

Ownership

As to the shareholder situation per 31st of December 2016, Cantera Beheer BV held 33.13% and Borex BV held 31.92% of the shares and voting rights of Quantum. Both shareholders are located in Netherlands. Nineteen other minority shareholders owned the remaining 33.19% of the shares and voting rights.

On 10 March 2017 the share capital was increased within the scope of the authorized capital. The capital increase was taken up entirely by the shareholder Cantera Beheer BV. At the same time, Cantera Beheer BV acquired the shares previously held by Borex BV which bring the shareholding of Cantera Beheer BV in Quantum Leben AG to 71.07% of the capital and the voting rights.

A.2 Underwriting Performance

The company operates in a competitive market environment due to the cross-border nature of the business, which faces rapid transformations and increasing competition and intensification of regulations.

A.2.1 Term Assurance

In November 2016, a market analysis and re-pricing feasibility study was performed. The goal of the study was to analyse the current pricing system of the Term Assurance of Quantum and to compare it with the competitors for a test portfolio with respect to pricing and profitability. Based on this

background information, the main goal was to suggest new rates for the future Term Assurance business.

Result of the market analysis

The market rates of Quantum and most of the competitors were steadily lowered during the last six years. Based on other indications, this could be a sign of a run to the bottom; requiring prudence not to incur losses.

Result of the experience analysis

Due to the strict health underwriting, the mortality experience was low the first six years and at year seven it sits around the best estimate mortality rates. There is a risk that the mortality keeps increasing and that the best estimate mortality is not sufficient in the future.

The lapse experience over the last seven years indicated to lapse rates of 3.5% the first two and 2.5% all the following years. The expense analysis yielded initial costs per policy of EUR 52 and EUR 7 p.a.

Result of the profitability analysis

Having performed an experience analysis, two profitability measures were defined, which have been used in order to derive the suggested rates. As profitability measures, a ratio was applied between the present value of future profits divided by the present value of future premiums as well as the cost-of-capital rate.

The profitability of Quantum's current rates with a given test portfolio (new business at TAF in year 2016 until September) was examined and this yielded an average overall profitability of 10.49% resp. a cost-of-capital rate of return of approximately 15%.

New rates

As a result of the additional analysis undertaken on this portfolio, it was agreed by the **BoD**, following the recommendation of the management in February 2017, new rates for the Term Assurance should be implemented, in order for Quantum to maintain in existing market position, whilst maintaining sustainable profitable return.

As of 2017, all relevant processes are being audited and a supervision mechanism will be put in place in order to observe the future development of the business. If profitability of the product drops to unacceptable level, Quantum is able to stop the further distribution of the Term Assurance products.

A.2.2 FIBAS

The FIBAS product displayed mixed results over the last years. In order to mitigate the downside risks, reinsurance coverage was purchased.

Similar to the Term Assurance, a detailed pricing review is planned, scheduled for Q3 2017. It is aimed to better position the product in the market and to enhance the profitability.

A.2.3 Unit-linked pricing

The administration expenses ratio in the Unit-Linked business (in particular Portfolio Bond) have increased considerably, in 2016, as less new policies were written than in in the previous year, which results in higher initial expenses per policy.

In the course of a profit testing that was performed for new unit-linked products in October 2016, new product guidelines have been defined that describe how the costs (expenses) should be considered in future pricing process. The management is informed, that the profitability of the unit-linked needs to be increased and that the fee level of new policies needs to be sufficient to cover costs.

A.3 Investment Performance

For the products Term Assurance, FIBAS and Annuity an actuarial reserve has to be built in the statutory balance sheet. The funds backing these reserves are invested conservatively and on a diversified basis.

The table below presents the invested assets of Quantum:

	Shares, non-interest bearing securities, investment fund units		Bonds and other fixed income securities	
	2016	2015	2016	2015
Balance sheet value	0	354'115	384'565	23'060'498
Acquisition value	0	354'115	420'413	23'542'795
Value adjustments	0	0	-14'920	-251'477
Positive valuation reserves	0	0	0	29'336
Current value	0	354'115	386'199	25'588'360

Shares are valued at market value and bonds are valued at amortized cost. The management decided in Q4 2017 to sell the bonds, in order to achieve the unrealised gain from the amortised cost method. This resulted in a profit and loss income of EUR 3.4m. As a result, the cash at bank increased to EUR 56.9m at the year-end 2016.

During the meeting in March 2017, the Investment Committee agreed on a new investment strategy. During April, the amount of EUR 41.0m has been invested in assets backing the Term Assurance, FIBAS and annuity business according to the following table:

Category	Amount to be invested EUR	Gross expected return*	Asset management fee	Credit default deduction	Net expected return
Bonds	34'865'138	2.11%	0.40%	0.38%	1.33%
Liquidity	1'716'495	0.00%	0.40%	0.00%	-0.40%
Accrued Interest	318'367	0.00%	0.40%	0.00%	-0.40%
Equity fund	4'100'000	7.25%	0.65%	0.00%	6.60%
Total	**41'000'000**	**2.52%**		**Total**	**1.77%**
				Total excluding equity fund	**1.23%**

The expected return lies by a secure margin higher than the technical interest rate of 1.5%. In total, the net expected return amounts to 1.77%.

There is no securitisation within Quantum's investments.

A.4 Performance of other activities

Quantum had no other material income or expenses from other activities that had an impact on its performance in 2016.

A.5 Any other information

In the financial year 2016 the insurance business continued to develop moderately. At the same time, Quantum was strongly affected by the legacy issues in the Unit-Linked business.

The annual result shows a massive loss due to two exceptional factors:

- An exceptionally large number of legal claims were filed against the company towards the end of 2016 and the beginning of 2017. Most of the claims relate to existing life insurance policies where the policyholder bears the investment risk. Therefore, Quantum increased the reserve for legal risks to EUR 6.5m (previous year EUR 1m).
- New rules applicable as of 1st January 2016 require the Zillmer adjustment to be calculated differently from previous years. Resulting from the change in methodology, a significant additional reserve of approximately EUR 8.7m had to be set aside. However, the Zillmerisation does not have any effect on the Solvency II balance sheet.

Despite this, overall Quantum's own funds are sufficient in accordance with Solvency II.

B. System of Governance

B.1 General information on the system of governance

Quantum is currently undertaking a full review of its existing Corporate Governance, Risk Management Framework, Internal Controls and Policies. These will be approved by the BoD in Q3 2017.

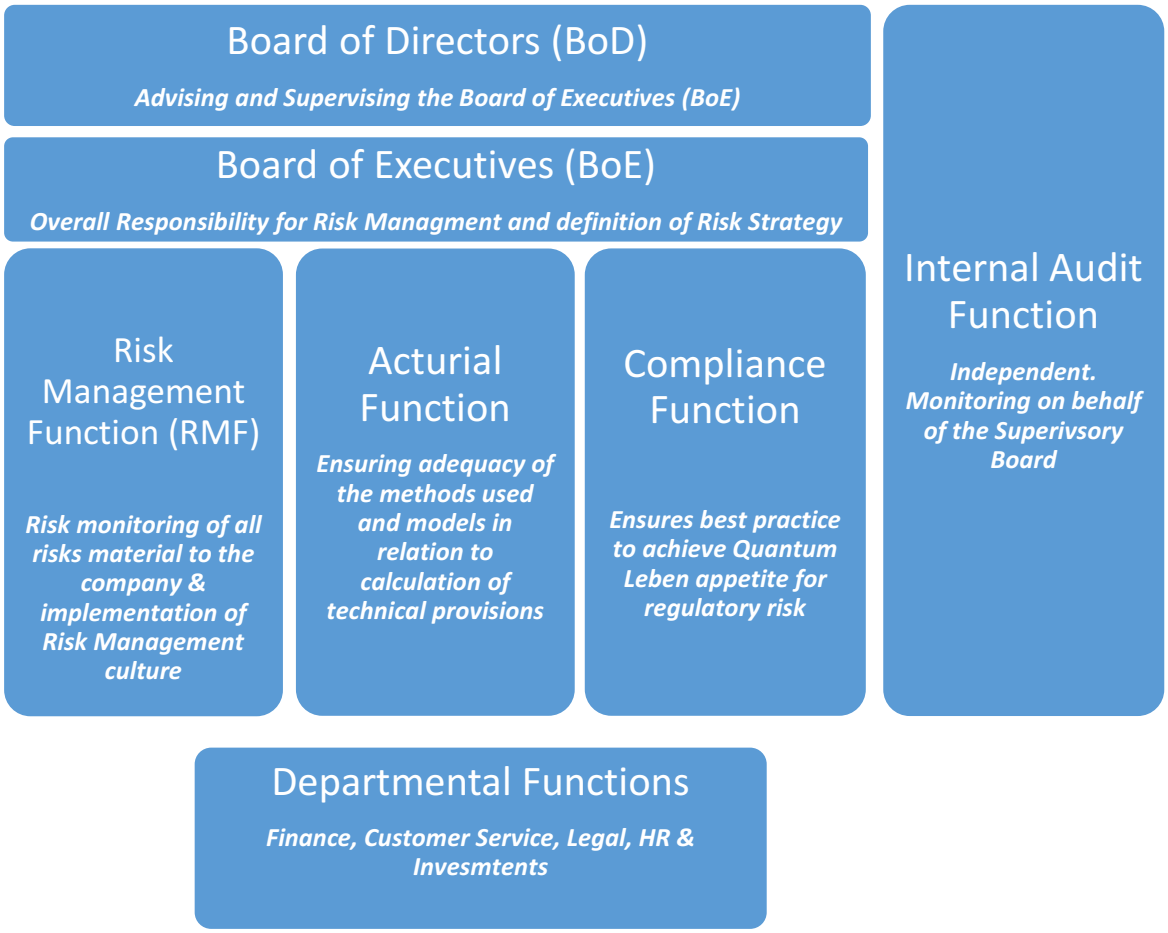
Training will also be provided to the **BoD** and employees of Quantum before implementation.

The **BoE** and the **BoD** together constitute the Administrative, Supervisory and Management Board (Herein after **"ASMB"**).

The **BoE** consists of no less than two persons. It is the responsibility of the **BoD** to determine the number of members of the **BoE**. The members of the **BoE** are appointed by the **BoD**.

The **BoD** is responsible for setting the strategic goals, the governance as well as risk management principles and appointing the **BoE**. The **BoD** can delegate the implementation of appropriate processes and the preparation of decisions to the BoE. Nonetheless, the **BoD** retains the ultimate responsibility.

In the following the organisational structure is presented:



The detailed duties of the **BoD** and the **BoE** will be updated and aligned in Q3 2017 to reflect the above organisational structure. Respective guidelines for each function are currently a work in progress and will be due for completion in Q3 2017. As of today, Quantum has several policies in place which define the different governance aspects in more detail: the Quantum Governance System Rules & Responsibility Guideline, the Quantum Investment Guideline and the Quantum Underwriting Risk Policy.

The **BoD** has established three specialized committees: the Investment Committee, the Product Governance and Conduct Committee and there is also the **BoE**. Each committee issues opinions, proposals or recommendations to the **BoD** on matters within the scope of its responsibilities with each Committee Chairman reporting to the **BoD** at the following **BoD** meeting.

Key Functions and Governance Structure

Four key functions within Quantum are defined as Actuarial, Risk Management (hereinafter "**RM**"), Compliance and Internal Audit. Both the Internal Audit and Actuarial functions are outsourced and maintain autonomy from other inter-connected function. The Internal Audit function reports directly to the **BoD**. **RM** reports to the **BoE** and to the **BoD**. Compliance reports directly to the **CEO**. Although all committees may report to the **BoD** directly on any matters deemed relevant.

Remuneration System

Salaries and remunerations are consistent with market practice and in line with applicable laws and regulations. There are no bonus plan or share options available to employees or **BoE**. The pension and retirement schemes correspond to market standard for all employees.

There is currently no written remuneration policy in place at Quantum.

Quantum offers a fully funded pension plan to its employees, which fulfils the Liechtenstein regulatory and social security requirements.

B.2 Fit and proper requirements

The members of the **BoD** and the **BoE** are subject to the **FMA** "Fit and Proper" test prior to their appointment, i.e. **FMA** must approve the member of the aforementioned boards. All staff are carefully recruited based on skills and knowledge for the applicable role within the company. All key functions are in line with the applicable regulations and approved by **FMA**.

Individuals with key functional responsibility must, as part of the "Fit and Proper" test, act responsibly with integrity, and carry out activities both dutifully with utmost prudence. Conflicts of interest must be avoided and individuals must not demonstrate a lack of responsibility in the form of criminal actions prior to their respective appointment or nomination.

As a minimum, individuals are required to provide evidence of their professional qualifications in the specified function or role. The information includes but is not limited to:

- Education
- Management experience
- Language skills
- Practical knowledge

- Specialist knowledge in the respective function

The general requirements apply to outsourced functions, with the outsourced service provider being responsible to ensure that the suitable qualifications.

As part of the supervisory requirements, Quantum maintains fully oversight of its outsourcing.

Quantum is in the process of implementing a revised process for Third Party Outsourcing, which is due for completion in Q3 2017.

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

Risk Management System: Organisation and task of Risk Management Function

Quantum adopts a risk management process that is practical, sustainable, and easy to understand. The process proceeds in a structured and disciplined fashion and reflects our size, complexity, geographic reach and regulatory requirements.

The risk management process includes following components;

Cycle 1

- **Strategy:** setting up appropriate risk strategy
- **Identification:** recognition and identification of risks
- **Analysis:** qualitative and quantitative evaluation and ranking of risks
- **Mitigation:** decide about respond to significant risks based on which risk and to which extend will tolerated or treated; which risks need to be transferred or terminated; which treatments already exist and which should be developed
- **Monitoring & Controlling**: perform monitoring of the risks and functionality of controls
- **Testing & Planning improvements**: perform independent tests of integrated controls for their design and specification, efficiency, possible control gaps or overlapping controls
- **Reporting:** report top risks, control efficiency/ deficiency and proposal for improvements

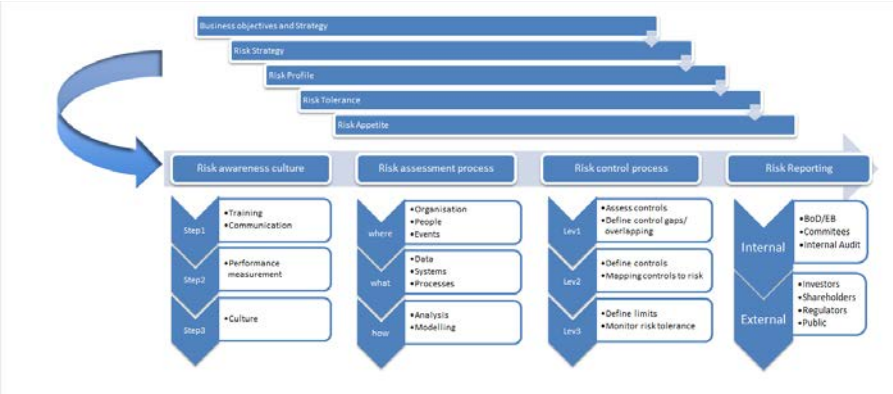
Cycle 2-n:

- Review and improve previous cycle and proceed with the steps

The risk strategy at Quantum is derived from corporate strategy set by the **BoD**.

The **RMF** is responsible for identification, measuring, monitoring and reporting risk both within and outside of the company's risk appetite statement. The **CRO** is responsible for Risk Monitoring, co-ordinating and execution of the own risk and solvency assessment process (hereinafter "**ORSA**") process and ensuring the risk management framework operates in an effective manner.

An overview of the risk management framework within Quantum:



Everyone within the business has the responsibility for managing risks and all employees are involved in the risk management process. Reporting by key functions is made to the **RMF** on a quarterly basis, through quantitative and qualitative reporting, through agreed dashboard templates. Risk Control, Risk Dashboard and Heat-maps outlined the identified risk and are reported to the **BoE** and **BoD**.

Own Risk Solvency Assessment

As risks are changing constantly and are due to internal and external factors, a review of the risk management system is done annually during the **ORSA** process to assure that the risks are captured correctly.

The **ORSA** is the process by which the **BoD** considers the strategy of the company, the risks faced in pursuing that strategy and the appropriate mitigation of those risks (one possible outcome of which may be to hold capital) to ensure the residual risk remains within the **BoD** risk appetite.

The **BoD** owns the **ORSA** process and has provided direction to the BoE team to ensure that it meets the requirements of the **BoD**.

B.4 Internal control system

Quantum's internal controls (herein after "**ICS")** are part of its compliance framework, being the first line of defence in a 'three lines of defence' model the Company has implemented.

ICS are the measures that are incorporated into systems and processes to control day-to-day activities within Quantum. There shall be adequate controls implemented to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process. The controls exist to ensure that assets are secured and protected, to prevent and reveal errors and irregularities and to ensure adherence to laws and regulation.

The **ICS** guidelines define the concepts, responsibilities and provide a guide for the description of the control. The functioning of the ICS requires the engagement of the **ASMB** and employees on all levels.

The **ICS** also acts to ensure that all financial and regulatory reporting comply with international and regional requirements.

Quantum has implemented policies which describe the **BoD** approach to key areas of the business, and procedures, where appropriate, which describe how the BoE fulfills its policies. The **BoD** is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the compliance key function holder and the Compliance function.

As part of the Solvency II requirements Quantum is implementing and developing internal controls for its key functions – Compliance, Finance, Actuarial and Internal Audit which is due for completion and implementation in Q3 2017.

Compliance Function

The Compliance function forms part of the second line of defence, and its function to ensure best practice and to achieve Quantum's appetite for regulatory risk which is 'very low'. Compliance ensures the awareness of laws and regulations, responding appropriately to legislative changes, litigation and disputes and regulatory proceedings.

The Compliance function is responsible for ensuring that all company policies are reviewed at least annually to make certain that they are still fit for purpose, in liaison with the **BoD** as appropriate. The relevant area of the business is responsible for ensuring that their procedure(s) are up to date and reflect how the business operates. All reviews are recorded and versions controlled. All amendments are submitted to the **BoD** or relevant Committee for approval.

The business is responsible for implementing first line controls to manage and mitigate regulatory risk whilst the role of Compliance is to:

- Train and advise the business so there is a good understanding of the regulatory requirements and the regulatory environment in which it operates;
- Identification and evaluation of risk, which are associated with the non-compliance of statutory requirements.
- Responsible for tracking, assessing the impact of and communicating new regulatory developments. Also ensuring there is a central point of contact with a clear understanding of the regulator's approach and the standards to which the Company is held to account.
- Evaluate regulatory risk and assist in the identification of regulatory risk and advise on ways to manage and mitigate risk to protect the firm and its clients;
- Advise the business on the design and implementation of controls;
- Monitor and challenge the behaviours and controls in the business to promote the compliance culture;
- Ensure best compliance practice in all countries of operation.

Compliance seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met.

B.5 Internal Audit function

The Internal Audit function is outsourced and maintains autonomy from other inter-connected functions.

The internal guideline is being currently prepared.

B.6 Actuarial function

The Actuarial function is outsourced and this function is carried out by the appointed actuary, Dr. Thomas Gisler, Valucor (Liechtenstein) AG.

The actuarial team further consists of Quantum's corporate actuary, Dr. Andreas Würth, as well as the external actuarial consultants, Sascha Parad and Marc Rohrer, Valucor (Liechtenstein) AG.

The Actuarial Function reports to the **RMF** of Quantum, but operates independently and objectively to fulfil its functional requirements.

With regards to the actuarial function, the actuarial control system consists of the following processes and controls:

- Statutory liability valuation process including the key checks of the statutory valuation process
- Process description for TAF Term Reinsurance Accounts including the key checks of the reinsurance accounts
- Solvency II calculation process together with the corresponding key controls

Furthermore, the mathematical descriptions with respect to the valuation principle as well as the Solvency II calculation have been updated for the year-ending 2016.

B.7 Outsourcing

Solvency II requires the companies to establish standards to assure the quality of service as well for outsourced activities. The goal of these standards should be to avoid that the service level quality to the policyholder decreases due to an outsourcing arrangement.

Quantum established its outsourcing rules in 2014, which forms part of the risk management guidelines, however this is being updated as part of the update of existing policies and guidelines. The outsourcing policy will consist of the following processes:

- Planning and classification
- Risk Analysis and due diligence
- Contractual management
- MonitoringRenewal and termination

All outsourcing agreements are concluded in line with the outsourcing rules and are reviewed regularly.

The first agreement was defined as the administration of the Term Assurance and FIBAS business is outsourced. The confirmation of the current outsource agreement with TAF by the **FMA** is still pending.

The second agreement has been signed due to the transfer of all Scandinavian policies in 2015 to Policy Manager (i.e. the JOOL system). Currently, a new additional agreement is being put in place for sales and marketing. The current commission structure will remain the same, but will be clarified in the new agreement.

The last agreement has been implemented for the administration of the retail unit-linked policies. The German unit-linked product line makes up most of the unit-linked policy book.

C. Risk Profile

Quantum operates a low-risk and niche business model that is supported by an evolving risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management. Integral to this is a thorough understanding and articulation of Quantum's risk exposures.

Determining the prevailing risk landscape within Quantum allows the **BoE** to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

The risk management framework is implemented within the company at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to the company.

As a minimum, the company will have a Risk Register which the **BoD** will review and consider regularly. Quantum will also identify any risks specific to company level through the interdependencies between the functions, and considering risk concentration.

Quantum completes the Solvency II calculation and monitors the Solvency II requirements on behalf of **BoD** as necessary to ensure that the **SCR** is met and those risks to Solvency II requirements are monitored and managed.

Risk Appetite and Tolerance

Quantum faces a broad range of risks. These risks include those resulting from its responsibilities in the areas of insurance as well as its day-to-day operational activities.

In terms of insurance risk, Quantum has a high appetite for risk. Quantum makes resources available to control these to acceptable levels. Quantum recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. Acceptance of some risk is often necessary to foster innovation and efficiencies within business practices.

Quantum maintains its conservative risk profile by reducing exposure to the most likely areas of stress:

- Quantum regularly assesses higher areas of insurance risk and adjusts its risk appetite and exposures accordingly;
- In respect of investment, it manages its exposure by ensuring that the overall quality of the portfolio remains strong;
- All Quantum's activities involve, to varying degrees, the analysis, evaluation, acceptance and management of risks or combinations of risks, thus Quantum mitigates risks, for example reputational and operational, when they were forecast to exceed its risk appetite.

This is followed by a separate review undertaken by a number of key functions, including risk Management, Compliance and Finance to determine the appropriateness of risk scenarios to Quantum, including the assessment of additional potential scenarios. The results of this review are provided to the **BoD**, which reviews and agrees the potential risk losses and capital requirement for Quantum.

C.1 Underwriting risk

Business linked to TAF BV

All insurance policies written by the service provider are subject to medical underwriting in collaboration with "Cunningham Lindsey Nederland bv".

Underwriting guidelines are provided by the reinsurance company and accepted by the company.

In 2017, the underwriting principles for the other than TAF business will be defined and a new cooperation agreement is being put in place for sales and marketing between Quantum and JOOL Capital Partner AS. With respect to the underwriting principles in collaboration with TAF and the 'Cunningham Lindsey Nederland bv', an audit is being performed. The underwriting is appropriate to the scale, complexity and nature of the risks at Quantum.

Unit-linked, Portfolio Bond and Deposit-linked business

In terms of the Unit-Linked business, there are currently no (medical) underwriting principles available.

C.2 Market risk

Like all insurance companies, Quantum is faced with a challenging capital market climate.

The investment actions taken are being carefully observed by Quantum. Furthermore, in 2017 Quantum established a process of investing its funds, i.e. the investment strategy has been defined in detail, investment decisions have been taken and Quantum is carefully observing the implementation of the investment strategy.

C.3 Credit risk

Applying its risk policy, Quantum has assessed the following key credit risks:

- Reinsurance counterparty and other recoveries risk.
- Premium and other counterparty credit risk.
- Investment counterparty credit risk.

Quantum does not generally provide credit products as part of its product portfolio and therefore does not take active credit risks. However, a certain amount of credit risk is unavoidable as it can arise as a result of the inability or slow payment by any of Quantum's counterparties.

Quantum seeks to limit exposure to credit risk as far as is practical and has established procedures and monitoring requirements to mitigate credit risk.

C.4 Liquidity risk

Liquidity risk is defined as the risk not being able to sell assets in order to settle claims in the time required.

The management of the liquidity risks is appropriate to the scale, complexity and nature of the risks at Quantum.

C.5 Operational risk

Operational risk arises from the losses occurred due to the inadequacy or failure of an internal process or control, or as a result of an event triggered by employee-related, system induced or external factors. The focus is risk prevention and to minimise risk where possible.

Within our operational risk framework Quantum considers, in particular, Business Process, Business Interruption, Outsourcing, Human Resources, Fraud and Information Technology Security.

Business Process

These are the risk associated with the risk of deficient or flawed internal process. Data quality and management is critical to the decision making process within Quantum, especially within the Actuarial and Risk Management functions. The accuracy of the results of product profitability or solvency of Quantum depends primarily on the data used / provided and the process(s) utilises to complete specified tasks.

Business interruption

An example of an operative risk would be the event of a catastrophic nature, such as a mass loss of life and the impact on the Dutch business. In particular the case of nuclear risks or terroristic attacks and the related question, how such and other risks are covered within the co-operation agreement with Quantum. Not only the extreme example catastrophes, but also the general awareness of duties and constraints within the current contracts as well as the related terms and conditions are important.

Outsourcing

Quantum depends on external service providers to perform certain important functions. The major outsource partners are TAF, JOOL and Lifeware. These partners provide amongst other functions the administration of the risk and investment business, respectively.

For **ORSA** 2016, stress tests have been performed to analyse the impact of the loss of TAF, when for example they become insolvent. A similar stress test for Lifeware and JOOL is planned in 2017. By the means of data dumps and all information available to Quantum, a continuous operation should be possible.

Human Resource

Currently, there are 18 persons actively working for Quantum, resulting in, more than one (key) function being carried out by a single person. For the case of illness or loss of such a person, key tasks cannot be carried out and cascading effects might result that depend from the key task.

Fraud

This refers to the intentional violation of company policies, or laws and regulation by an employee of the company or by an external entity. This risk is reduced and managed through the ICS and audits conducted within the respective business functions.

Information and Information Technology Security (IT)

The risk of inadequate integrity, confidential or availability of systems and information form the basis of this risk. An example would be the losses and damage, resulting from the unauthorised use of confidential information and / or the malicious use of IT systems.

C.6 Other material risks

Other risks deemed material to Quantum are primarily reputational risk, strategic risk and emerging risk.

C.7 Other Information

Consumer Protection

European regulation is aiming to strengthen consumer protection rights. Quantum is conducting business in compliance with applicable laws and regulations. However, the strong consumer protection rights might induce consumers to sue Quantum causing unjustifiably damage to the reputation.

D. Valuation for Solvency Purposes

D.1 Assets

The total Solvency II assets amount to EUR 391.6m by end of 2016, compared to EUR 429.2m by end of 2015. They sum up from the following asset items:

Asset item	Solvency II 2016	Statutory 2016	Solvency II 2015
Bonds and investments	426'854	411'472	26'549'761
Unit-linked funds	320'946'589	320'946'589	362'269'740
Cash	56'503'503	56'503'503	31'705'996
Receivables	13'442'624	30'622'463	8'312'721
Other	313'765	3'714'911	372'805
Total	**391'633'335**	**412'198'938**	**429'211'024**

All Solvency II positions are evaluated by market value. Future uncertainties are a result of the market and counterparty default risk, as considered in the corresponding Solvency II modules.

There are no deferred tax assets in the balance sheet.

There are no changes in the valuation methodology with respect to the previous Solvency II calculations.

D.2 Technical provisions

Liability amounts

As of 31 December 2016, the net best-estimate liability for risk business was EUR -1.2m. The risk margin was EUR 10.1m.

The reason why the best-estimate is negative relates to the Term Assurance, where a best-estimate close to the inception of the policy is typically similar to the expected profitability. The risk business has a substantial Risk Margin due to the fact that it comprises higher life and market risks.

The net best-estimate for unit-linked business was EUR 315.9m and the risk margin EUR 1.2m.

A detailed breakdown of the technical provisions and a comparison to the statutory reserves and the previous year is given in the following:

Calculation methods and assumptions

The main products of both lines of business are calculated by a cash flow model with interest rates defined by EIOPA.

The actual expenses of Quantum are mostly in CHF whereas the other cash-flows are typically in EUR. There are some minor unit-linked products defined in other currencies than EUR. In order not to deal with too many currencies, all cash-flows were discounted with the EUR risk-free interest curve, with exception of the expense cash flows which were discounted with the CHF risk-free curve. Quantum did not apply the volatility neither the matching adjustment and therefore used the basic interest rates defined by EIOPA. Furthermore, no transitional measures have been used for the valuation.

For all products, the term of cover as contract boundary has been taken.

No management actions were used in the calculations.

The risk margin has been calculated by choosing one or two reasonable risk drivers for each line of business and project the SCR attributed to this line of business proportional to these risk drivers.

Level of uncertainty

As quarterly experience analyses are performed for all important parameters and as the main risks are mostly reinsured, the uncertainty of the Technical Provisions can be reduced to an acceptable level. However, special events or macroeconomic trends could lead to uncertainty in the Technical Provisions.

Differences of methodology to statutory valuation

All statutory balance sheet items are tested regarding market-consistency before taking them into the Solvency II balance sheet. The technical provisions of the Solvency II balance sheet are calculated based on the best-estimate cash flows with consideration of future lapses and future profits. In addition, the discounting is applied based on the EIOPA interest rate.

Reinsurance contracts

There are several reinsurance contracts in place to share the insurance risks of Quantum with reinsurers.

For the Term Assurance, Quantum has a quota share of 75% reinsurance and a surplus reinsurance from EUR 400'000, both on a pure risk premium basis. All cash-flows are due in arrears, so that in case of a default of the reinsurer the reinsurance claims can be netted with the reinsurance premiums. As a consequence, the expected default of the reinsurer is modelled by multiplying all reinsurance cash-flows with the probability that no default happened up to a certain time.

For the FIBAS business, there is a full quota share of 85% since 2016, on the net earned premium basis.

Furthermore, there are reinsurance covers for smaller business portfolios like Swiss unit-linked, annuity and Critical Illness.

Fund look-through

In order to evaluate the risks inherent within the investment funds, Quantum performed a look-through in order to assess the actual investment risks within the fund and to comply with the reporting to the supervision.

The fund look-through assumptions used for the December 2016 Pillar I calculations are based on an internal analysis done during 2016.

For the Pillar III look-through reporting, all available information was collected from Morningstar. Quantum was able to reach a reporting coverage of 64% of all unit-linked investments. It is planned

to increase the coverage ratio over the next years; however as most of the assets are invested in small mutual funds, this is a very extensive and manual exercise.

Expected Profits included in future Premiums

Expected profits included in future premiums (herein after "**EPIFP**") are profits which result from the inclusion in technical provisions of premiums on existing (in-force) business that will be received in the future, but that have not yet been received. The expected profits arising from future premiums may be a significant component of the excess of assets over liabilities under Solvency II.

As of 31st of December 2016, the **EPIFP** amounts to EUR 15.2m.

D.3 Other liabilities

The other liabilities of the Solvency II balance sheet amounted to EUR 25.1m, of which EUR 4.3m are deferred tax liabilities stemming from the cash flow model.

The other liabilities are listed in the subsequent table:

Liability item	Solvency II 2016	Statutory 2016	Solvency II 2015
Payables	24'167'533	24'167'533	29'640'841
Deferred tax liabilities	4'258'996	0	4'741'988
Other	196'899	196'899	553'566
Total Other Liabilities	**28'623'428**	**20'826'220**	**34'936'396**

The other liabilities are essentially payables, which are evaluated by the amount to be paid, which is considered as market value. There are no valuation differences between statutory and Solvency II valuation. The only differences are the deferred tax liabilities, which are calculated as the taxes on the estimated future earnings, net of the cumulated statutory loss. The future earnings are estimated by Solvency II net asset value (gross of risk margin) minus the statutory own funds.

Furthermore, the company has set aside reserves for financial risks from law suits based on the expected value of future liabilities, which are also put under this payables item. Due to the recent developments, this reserve has been increased from EUR 1m by end of 2015 to EUR 6.5m in year 2016, for both the statutory and the Solvency II balance sheet.

	2016	2015
Tax reserves	125'000	200'000
Other reserves		
Year-end and AML/KYC audit	150'000	91'655
Marketing	0	40'000
Licence fees	10'000	
Litigation and legal expense risks	6'465'000	1'020'000
Total	**6'750'000**	**1'351'655**

It cannot be ruled out that further claims will arise in the future. A reliable estimate as to the probability of actual occurrence, time of occurrence or amounts claimed cannot be provided.

E. Capital Management

E.1 Own funds

The statutory equity (EUR 7.2m) consists of EUR 21.5m ordinary share capital, EUR 2.8m share premium account related to ordinary share capital, EUR -2.2m profits carried forward as well as a net loss amounting to EUR -14.9m.

In the Solvency II balance sheet, the excess of assets over liabilities (EUR 37.0m) consists of EUR 21.5m ordinary share capital, EUR 2.8m share premium account and a reconciliation reserve of EUR 12.7m. All own funds are classified as Tier 1.

The subordinated debt was considered as an other liability. It has been paid back in the first quarter of the current year, because the subordinated debt did not fulfill the Solvency II requirements of Own Funds.

Reconciliation Reserve

The reconciliation reserve of EUR 12.7m results as shown in the table below:

Reconciliation Reserve	2016
Asset revaluation	-20'565'602
TP revaluation	54'637'572
Deferred tax liabilities	-4'258'996
Loss and loss carried forward	-17'098'168
Total Reconciliation Reserve	**12'714'806**

The loss (EUR -14.9 m) and the loss carried forward (EUR -2.2m) are in line with statutory balance sheet and were allocated to the reconciliation reserve as requested by the **FMA**.

In summary, the transformation from the statutory balance sheet to the Solvency II balance sheet can be presented as follows:

Simplified statutory balance sheet as of December 31, 2016

Assets		Liabilities	
Unit-Linked Assets	320'946'588.87	Equity	7'201'676.76
		Statutory Technical Provisions	380'632'828.75
		Subordinated Debt	920'336.00
Other Assets	91'252'348.88	Other Liabilities	23'444'096.24
Total Assets	**412'198'937.75**	**Total Liabilities**	**412'198'937.75**

Simplified Solvency II balance sheet as of December 31, 2016

Assets		Liabilities	
Unit-Linked Assets	320'946'588.87	Own Funds	37'014'649.84
		Reconciliation Reserve	12'714'805.57
		Net Asset Value	24'299'844.27
		Net Best-estimate Liabilities	314'668'048.82
		Risk Margin	11'327'208.40
		Other Liabilities	28'623'428.39
		Payables	24'167'533.32
		Deferred tax liabilities	4'258'996.15
Other Assets	70'686'746.58	Other	196'898.92
Total Assets	**391'633'335.45**	**Total Liabilities**	**391'633'335.45**

All own fund items are considered as Tier 1. No ancillary own fund items exist. For further details, we refer to the disclosed QRTs in the Annex.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The MCR is EUR 6.4m and the MCR-ratio is 582.5%, whereas the SCR is EUR 25.4m and the SCR ratio 145.6%. This means that the solvency capital requirement is fulfilled with a secure margin above the minimum level of 100%.

The SCR splits into the following modules:

SCR Modules	2016	2015
Market	4'743'455	9'861'524
Life	21'013'495	24'962'605
Default	7'985'322	4'483'824
Diversification	-7'655'690	-8'621'746
BSCR	**26'086'582**	**30'686'206**
SCROp	2'961'267	2'475'695
Adj	-3'630'981	-4'145'238
Total SCR	**25'416'868**	**29'016'663**

No simplifications have been used in the sub modules, nor have undertaking specific parameters been applied.

The market risk has decreased substantially from EUR 9.9m to EUR 4.7m. The reason for this is a more detailed fund look-through in the unit-linked products (in 2015 all was assumed to be equity type 2).

The life underwriting risk is still the most substantial risk of all, but it decreased from EUR 25.0m to EUR 21.0m. One reason for this is the disability risk which decreased from EUR 11.3m to EUR 8.0m, because a higher share is ceded to the reinsurer. Another reason is the lapse mass risk, which

decreased from EUR 13.5m to EUR 12.0m, as with the current expense assumption the unit-linked products are barely profitable, would no longer have a substantial impact.

The counterparty default risk has increased from EUR 4.5m to EUR 8.0m. The reason for that is the increase of the cash at bank, which in turn increases the exposure of a bank defaulting.

The minimum capital requirement is composed by the following items:

Linear formula components	2016
TP with profit participation	0
TP with future discretionary benefits	0
Unit-linked Technical Provisions	315'900'505
Other Life Technical Provisions	-1'232'456
Capital-at-risk	2'555'836'479
Absolute minimum MCR	3'700'000
MCR linear	**3'974'507**
MCR (with floor 25% SCR)	**6'354'217**

Due to the size of the business and the type of products sold, Quantum uses the standard formula in order to calculate the solvency capital requirements for Pillar I of Solvency II.

Overall, the models used by Quantum are a reasonable implementation of the Solvency II standard formula, where the obtained capital adequately reflects the risks of Quantum.

Annex

This annex contains the quantitative reporting templates (QRTs) as required by the regulator for the reporting date 31.12.2016. The following report sheets contain cell coordinates in the form of row and column location of a data point in a certain table, such as RO010 and C0020. With these cell coordinates in combination with the spreadsheet notation (such as S.02.01.01), the interested reader can learn the exact requirements of the invididual contents according to the Commission Implementing Regulation (EU) 2015/2452.

The following QRTs are disclosed: S.02.01.02, S.05.01.02, S.05.02.01, S.12.01.02, S.23.01.01, S.25.01.01 and S.28.01.01

The following QRTs are not disclosed in the scope of this report:

- **QRT S.25.02.21:** Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

  Quantum uses only the standard formula to calculate the solvency capital requirement. This QRT is only to be disclosed by insurance companies that are also using a partial internal model.

- **QRT S.25.03.21:** Solvency Capital Requirement - for undertakings on Full Internal Models

  Quantum uses only the standard formula to calculate the solvency capital requirement. This QRT is only to be disclosed by insurance companies that are using a full internal model.

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QRT S.02.01.01

in EUR		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	26'906.97
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	399'947.00
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	399'947.00
Government Bonds	**R0140**	-
Corporate Bonds	**R0150**	399'947.00
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	-
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	-
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	320'946'588.87
Loans and mortgages	**R0230**	-
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	-
Non-life and health similar to non-life	**R0280**	-
Non-life excluding health	**R0290**	-
Health similar to non-life	**R0300**	-
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	-
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	4'095'444.25
Reinsurance receivables	**R0370**	50'058.62
Receivables (trade, not insurance)	**R0380**	9'297'120.95
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**	56'503'503.46
Any other assets, not elsewhere shown	**R0420**	313'765.33
Total assets	**R0500**	**391'633'335.45**

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QRT S.02.01.01 (2nd part)

in EUR		Solvency II value
Liabilities		
Technical provisions – non-life	**R0510**	-
Technical provisions – non-life (excluding health)	**R0520**	-
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	-
Risk margin	**R0550**	-
Technical provisions - health (similar to non-life)	**R0560**	-
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	-
Risk margin	**R0590**	-
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	8'892'774.30
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	8'892'774.30
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	-1'232'456.37
Risk margin	**R0680**	10'125'230.67
Technical provisions – index-linked and unit-linked	**R0690**	317'102'482.92
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	315'900'505.19
Risk margin	**R0720**	1'201'977.73
Other technical provisions	**R0730**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	10'288'212.50
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	1'260'393.97
Deferred tax liabilities	**R0780**	4'258'996.15
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	4'116'328.02
Reinsurance payables	**R0830**	7'238'114.70
Payables (trade, not insurance)	**R0840**	-
Subordinated liabilities	**R0850**	920'336.00
Subordinated liabilities not in Basic Own Funds	**R0860**	920'336.00
Subordinated liabilities in Basic Own Funds	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	541'047.05
Total liabilities	**R0900**	**354'618'685.61**
Excess of assets over liabilities	**R1000**	**37'014'649.84**

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QRT S.05.01.01

in EUR		Index-linked and unit-linked insurance	Other life insurance	Total
		C0230	C0240	C0300
Premiums written				
Gross	R1410	51'485'793.23	40'814'035.02	92'299'828.25
Reinsurers' share	R1420	78'989.03	18'096'170.70	18'175'159.73
Net	R1500	51'406'804.20	22'717'864.32	74'124'668.52
Premiums earned				
Gross	R1510	51'485'793.23	41'221'472.25	92'707'265.48
Reinsurers' share	R1520	78'989.03	18'096'170.70	18'175'159.73
Net	R1600	51'406'804.20	23'125'301.55	74'532'105.75
Claims incurred				
Gross	R1610	50'248'932.25	15'434'273.83	65'683'206.08
Reinsurers' share	R1620	-	7'029'729.12	7'029'729.12
Net	R1700	50'248'932.25	8'404'544.71	58'653'476.96
Changes in other technical provisions				
Gross	R1710	-42'897'037.48	20'163'378.14	-22'733'659.34
Reinsurers' share	R1720	-	-	-
Net	R1800	-42'897'037.48	20'163'378.14	-22'733'659.34
Expenses incurred	R1900	**5'249'630.95**	**1'810'120.19**	**7'059'751.14**
Other expenses	R2500			**-**
Total expenses	R2600			**7'059'751.14**

QRT S.05.02.01

in EUR		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		Netherlands	Sweden	Norway	Germany	Switzerland	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	22'229.30	40'777'209.69	27'417'919.97	15'789'750.49	6'051'463.85	1'173'287.65	91'231'860.95
Reinsurers' share	R1420	-	18'108'594.77	-	-	-12'424.07	78'989.03	18'175'159.73
Net	R1500	22'229.30	22'668'614.92	27'417'919.97	15'789'750.49	6'063'887.92	1'094'298.62	73'056'701.22
Premiums earned								
Gross	R1510	22'229.30	41'184'646.92	27'417'919.97	15'789'750.49	6'051'463.85	1'173'287.65	91'639'298.18
Reinsurers' share	R1520	-	18'108'594.77	-	-	-12'424.07	78'989.03	18'175'159.73
Net	R1600	22'229.30	23'076'052.15	27'417'919.97	15'789'750.49	6'063'887.92	1'094'298.62	73'464'138.45
Claims incurred								
Gross	R1610	27'229'597.19	15'276'947.54	8'081'314.73	5'001'755.63	7'370'046.66	1'481'495.86	64'441'157.61
Reinsurers' share	R1620	-	6'913'827.93	-	-	-	-	6'913'827.93
Net	R1700	27'229'597.19	8'363'119.61	8'081'314.73	5'001'755.63	7'370'046.66	1'481'495.86	57'527'329.68
Changes in other technical provisions								
Gross	R1710	-44'079'449.82	20'163'378.14	19'130'759.12	11'017'243.96	-15'353'708.45	-2'470'731.12	-11'592'508.17
Reinsurers' share	R1720	-	-	-	-	-	-	-
Net	R1800	-44'079'449.82	20'163'378.14	19'130'759.12	11'017'243.96	-15'353'708.45	-2'470'731.12	-11'592'508.17
Expenses incurred	R1900	**2'266.56**	**1'477'605.91**	**852'290.62**	**490'827.03**	**3'098'809.09**	**410'447.57**	**6'332'246.78**
Other expenses	R2500							**-**
Total expenses	R2600							**6'332'246.78**

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QRT S.12.01.02

in EUR		Index-linked and unit-linked insurance			Other life insurance			Total (Life other than health insurance, incl. Unit-Linked)
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	
		C0030	C0040	C0050	C0060	C0070	C0080	C0150
Technical provisions calculated as a whole	R0010	-			-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-			-			-
Technical provisions calculated as a sum of BE and RM								
Gross Best Estimate	R0030		315'900'505.19			-1'232'456.37		314'668'048.82
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 - total	R0090		315'900'505.19			-1'232'456.37		314'668'048.82
Risk Margin	R0100	1'201'977.73			10'125'230.67			11'327'208.40
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0110	-			-			-
Best estimate	R0120		-					-
Risk margin	R0130	-			-			-
Technical provisions - total	R0200	**317'102'482.92**			**8'892'774.30**			**325'995'257.22**

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QRT S.23.01.01

in EUR		Total	Tier 1 - unrestricted
		C0010	C0020
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	21'526'509.14	21'526'509.14
Share premium account related to ordinary share capital	R0030	2'773'335.13	2'773'335.13
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertaki	R0040	-	-
Subordinated mutual member accounts	R0050	-	
Surplus funds	R0070	-	-
Preference shares	R0090	-	
Share premium account related to preference shares	R0110	-	
Reconciliation reserve	R0130	12'714'805.57	12'714'805.57
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 for participations in financial and credit institutions	R0230	-	-
Total basic own funds after deductions	R0290	37'014'649.84	37'014'649.84
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	
Unpaid and uncalled preference shares callable on demand	R0320	-	
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	
Other ancillary own funds	R0390	-	
Total ancillary own funds	R0400	-	
Available and eligible own funds			
Total available own funds to meet the SCR	R0500	37'014'649.84	37'014'649.84
Total available own funds to meet the MCR	R0510	37'014'649.84	37'014'649.84
Total eligible own funds to meet the SCR	R0540	37'014'649.84	37'014'649.84
Total eligible own funds to meet the MCR	R0550	37'014'649.84	37'014'649.84
SCR	R0580	25'416'867.87	
MCR	R0600	6'354'216.97	
Ratio of Eligible own funds to SCR	R0620	1.46	
Ratio of Eligible own funds to MCR	R0640	5.83	

in EUR		
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	37'014'649.84
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	24'299'844.27
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	12'714'805.57
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	15'193'707.83
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	15'193'707.83

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QRT S.25.01.01

in EUR		Net solvency capital requirement	Gross solvency capital requirement
		C0030	C0040
Market risk	R0010	4'743'454.57	4'743'454.57
Counterparty default risk	R0020	7'985'322.27	7'985'322.27
Life underwriting risk	R0030	21'013'495.48	21'013'495.48
Health underwriting risk	R0040	-	-
Non-life underwriting risk	R0050	-	-
Diversification	R0060	-7'655'689.96	-7'655'689.96
Intangible asset risk	R0070	-	-
Basic Solvency Capital Requirement	R0100	26'086'582.36	26'086'582.36

in EUR		
Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	-
Operational risk	R0130	2'961'266.63
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-3'630'981.12
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	25'416'867.87
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	25'416'867.87
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	

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in EUR		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**	315'900'505.19	
Other life (re)insurance and health (re)insurance obligations	**R0240**	-1'232'456.37	
Total capital at risk for all life (re)insurance obligations	**R0250**		2'555'836'479.02

in EUR		
Linear formula component for life insurance and reinsurance obligations		**C0040**
MCR_L Result	**R0200**	3'974'507.49

in EUR		
Overall MCR calculation		**C0070**
Linear MCR	**R0300**	3'974'507.49
SCR	**R0310**	25'416'867.87
MCR cap	**R0320**	11'437'590.54
MCR floor	**R0330**	6'354'216.97
Combined MCR	**R0340**	6'354'216.97
Absolute floor of the MCR	**R0350**	3'700'000.00
Minimum Capital Requirement	**R0400**	6'354'216.97