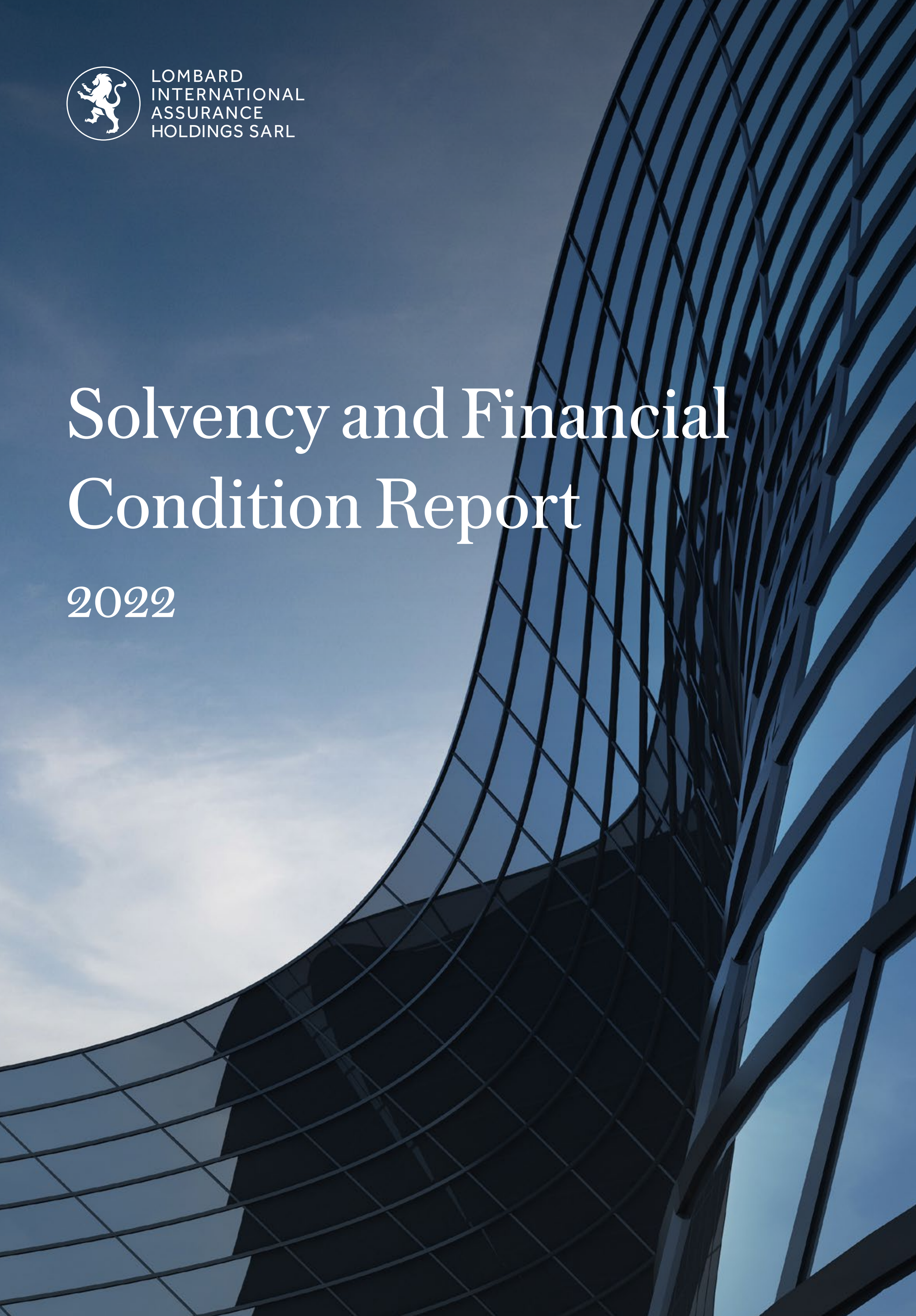
LOMBARD
INTERNATIONAL
ASSURANCE
HOLDINGS SARL

Solvency and Financial Condition Report

2022



Contents

Introduction		4
Summary		6
A.	Business performance	8
A.1	Business	8
A.2	Underwriting performance	9
A.3	Investment performance	10
A.4	Performance of other activities	10
B.	System of Governance	11
B.1	General information on the System of Governance	11
B.2	Fit and proper requirement	12
B.3	Risk management system including Own Risk and Solvency Assessment ("ORSA")	13
B.4	Internal Control System	15
B.5	Internal Audit Function	16
B.6	Actuarial Function	17
B.7	Outsourcing	17
C.	Risk Profile	19
C.1	Underwriting risk	19
C.2	Market risk	19
C.3	Credit risk	19
C.4	Liquidity risk	19
C.5	Operational risk	19
C.6	Other material risks	19
C.7	Any other information	19

D.	Valuation for Solvency Purposes	20
D.1	Assets	20
D.2	Technical Provisions	21
D.3	Other liabilities	23
D.4	Alternative methods for valuation	23
E.	Capital Management	24
E.1	Own funds	24
E.2	Solvency Capital Requirement and Minimum Capital Requirement	24
E.3	Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement	26
E.4	Difference between the standard formula and any internal model used	26
E.5	Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirements	26
F.	Appendix: Quantitative Reporting Templates	27

Introduction

This Solvency and Financial Condition Report has been prepared in line with the requirements of the Solvency II Regulations, to assist clients of "the Company" (as further defined below) and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position.

This Solvency and Financial Condition Report ("SFCR") covers Lombard International Assurance Holdings S.à r.l. ("LIAH"/"the Company"), a company incorporated in Luxembourg under the form of a "Société à responsabilité limitée" and having its registered address at 4, rue Lou Hemmer, L-1748 Luxembourg and its direct or indirect subsidiaries as further described on page 8, together referred to as "the Company".

In particular this report includes full reporting of the Solvency II valuation undertaken at 31 December 2022, and the associated capital position for the Company. Those results are also presented in the Quantitative Reporting Templates ("QRTs") that can be found in the Appendix to this report.

Our business

The Company is the European perimeter of the Lombard International Group, which serves over 25 markets across the United States, Europe, Asia and Latin America. The Lombard International Group administers €57.1 billion of its clients' assets (as of 31 December 2022), of which €46.3 billion is administered by the Company.

The Lombard International Group is a leading independent global wealth solutions provider with deep local market knowledge. It provides superior customised insurance-based solutions to help high net worth individuals and their families ensure their assets are protected, portable and can be passed on.

It has been working with advisors, high net worth individuals, their families and institutions for 30+ years, to give them greater control over their financial futures. The business specialises in addressing the complex needs of high net worth clients, with a highly professional team including technical experts in wealth structuring, tax law and non-traditional assets. This deep-rooted expertise offers clients a proven capability that works across borders, regions and geographies, giving them the choice and flexibility to meet their unique needs.

The Lombard International Group creates and delivers solutions for its clients that protect their legacy, secure their wealth now and for future generations. Its wealth planning experts and sophisticated technology platforms support clients by designing customised solutions that allow them to prepare for the future in a changing world.

Funds managed by Blackstone own Lombard International Group. Blackstone is one of the world's leading investment firms with $975 billion in assets under management as of 31 December 2022.

2022 Business Performance

Following another eventful year, the international economic and geopolitical landscape remains in a state of flux. In this current environment, while the expectations of wealth advisers, their clients and our own workforce continue to evolve at speed, the need for expert advice, to protect, preserve and pass on wealth will only continue to grow. This is where the very essence of the Lombard International Group's core purpose of 'making legacy count' comes to the fore.

Following a strong 2021, last year continued in a similar manner, marking the Company's second-best year on record in terms of new business premium inflows.

The business delivered €4.6 billion of new premium income, with Assets Under Administration (“AuA”) of €46.3 billion as at 31 December 2022. This strong performance was achieved with noteworthy contributions from a number of core markets including France, Italy, Sweden, Portugal and the UK.

Our people are our strongest asset and Lombard International Group is widely, and rightly, recognised as being home to some of the best talent and expertise in the market. Maintaining this, in 2023 and beyond, is a business imperative. As part of our comprehensive people and talent management plans, we continue to invest in training, encouraging and supporting our colleagues to broaden their expertise and skills.

Our robust, cross-border wealth, estate, and succession planning solutions for Upper Affluent, High Net Worth (“HNW”) and Ultra High Net Worth (“UHNW”) families remain best in class, delivered by our expert team of leaders and innovators across geographies. Last year we continued to be recognised by the industry for our market leading solutions. We secured “Most Effective Investment Service Offering” at the 2022 edition of the Private Banker International Global Wealth Awards. Most recently we have been awarded “Best Financial Services Group Europe” for the third consecutive year at the 2023 Global Banking & Finance Review awards, along with winning “Decade of Excellence Financial Services Group Europe”.

Our approach to ESG

Like the wider industry, the business has been working to determine its Environmental, Social, and Governance (“ESG”) targets, how it gets there, and how far along we are on that journey. In 2022 the Company, and the Lombard International Group, published its approach to ESG, an inaugural paper outlining the Company’s ESG journey, as well as its pathway to sustainability.

As we look ahead, UHNW/HNW individuals and families’ expectations continue to evolve when it comes to ESG and sustainability. Legislation and regulatory requirements are also progressing at pace, with the Sustainable Finance Disclosure Regulation (“SFDR”) Regulatory Technical Standards finally coming into force in January 2023. Our role is to support our partners and facilitate the increased appetite from clients for more sustainable investment options. We will be publishing an update to our “Approach to ESG” later this year.

Priorities for the year ahead

The Lombard International Group’s strong new business performance further highlights the success and importance of its long-term strategy of continuing to invest in building a sustainable business and forging strong partnerships that supports its current and future clients across the geographies it serves.

In 2023, the Lombard International Group remains laser-focused on continuing to develop and grow its business. It will also continue to invest in upgrading processes and systems, enhancing digital infrastructure and related offerings, as well as boosting operational delivery.

In these times of uncertainty, more than ever, the Lombard International Group’s in-depth local expertise, combined with our leading cross-border solutions, are in demand. The Lombard International Group is in robust health and financially strong as it continues to build excellent momentum and presence in its specialised sector.

Summary

This report covers the Business and Performance of the Company, its system of Governance, Risk Profile, Valuation for Solvency II Purposes and Capital Management. The ultimate administrative body with responsibility for all of these matters is LIAH's Board of Managers ("BoM"), with the help of various governance and control functions that it has put in place to monitor and manage the business.

Business performance

The following table shows the growth in the AuA during 2022:

Insurance Business AUA €m	31 Dec. 2022
Opening as at 01 Jan. 2022	50,137.6
Gross Inflow	4,585.2
Outflow	(3,112.1)
Investment Return	(5,288.3)
Closing	46,322.4

The following table shows the solvency position as at 31 December 2022:

Solvency €m	31 Dec. 2022	31 Dec. 2021
Solvency Own Fund (A)	683.8	684.7
Solvency Capital Requirement (B)	492.1	537.3
Solvency II Free Assets (A-B)	191.7	147.4
Solvency Ratio (A/B)	139.0%	127.4%

LIAH's Board members: Florent Albert and Norbert Becker confirm that, to the best of their knowledge:

(a) Throughout the financial year in question, the Company has complied in all material respects with the requirements of Solvency II Regulations as applicable; and

(b) It is reasonable to believe that, at the date of the publication of the SFCR, the Company continues to comply, and will continue to comply in future.

Florent Albert
Member of the
Board of Managers
19 May 2023

Norbert Becker
Member of the
Board of Managers
19 May 2023

A.
Business Performance

The business of the Company is predominantly the provision of unit-linked insurance contracts to HNW and UHNW clients.

A.1 Business

A.1.1 Name and legal form of the undertaking

Lombard International Assurance Holdings S.à r.l. is incorporated in Luxembourg in the form of a "Société à responsabilité limitée". LIAH's registered address is 4, rue Lou Hemmer, L-1748 Luxembourg.

A.1.2 Supervision

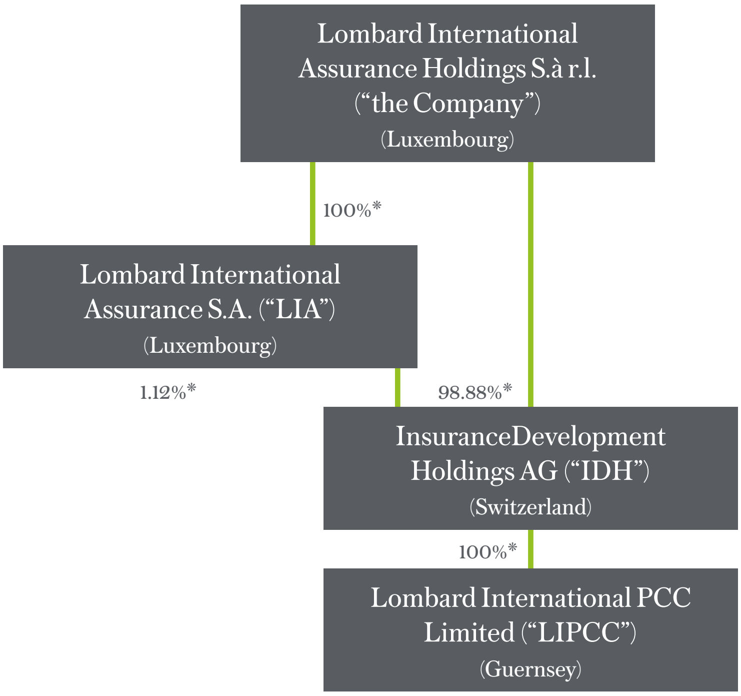
Under Solvency II, LIAH is supervised by the Commissariat aux Assurances ("CAA") in Luxembourg. The CAA may be contacted at 11, rue Robert Stumper, L-2557 Luxembourg.

A.1.3 Position within the legal structure of the Group

LIAH is the ultimate insurance holding company which has its head office in an EEA State, Luxembourg. LIAH owns, directly and indirectly, two business activities and commercial entities:

- Lombard International Assurance S.A. ("LIA"), a life insurance company incorporated in Luxembourg and with branches in Milan and Brussels;
- Lombard International PCC Limited ("LIPCC"), a cell company incorporated in Guernsey, whose main activity is the writing of unit-linked life insurance policies. LIPCC is held by the Company through Insurance Development Holdings A.G. ("IDH"), a holding company incorporated in Switzerland.

Company structure – Reporting scope



* Expressed as % of voting rights

A.1.4 Holders of qualifying holdings in the undertaking

As at the reporting date, LIA Holdings Limited owned 100% of the shares of LIAH and was able to exercise 100% of the voting power.

A.1.5 External auditor of the undertaking

The independent auditor of the Company is Ernst & Young, Société Anonyme, 35E, Avenue John F. Kennedy, L-1855 Luxembourg.

A.1.6 Material Lines of Business and Material Geographical Areas

The Company's primary business is unit-linked insurance.

The Company offers wealth structuring solutions in a number of key markets including Italy, France, the UK, Sweden and Belgium as well as a number of other jurisdictions.

A.1.7 Full Time Equivalent Employees

The number** of Full Time Equivalent ("FTE") employees is 406.

A.2 Underwriting performance

The Company does not directly write insurance however the constituent companies write unit-linked insurance and life protection policies, having two lines of business under Solvency II, that is index-linked and unit-linked insurance and life insurance. Only unit linked life insurance is a material line of business.

This business has in general, very low levels of insurance risk. In addition the Company utilises reinsurance to limit its overall risk exposure as well as to reduce the volatility of its claims and hence underwriting performance. The life

** Average number of FTE during 2022.

protection product is fully reinsured. The table below shows the Company's premiums and claims for the year ended 31 December 2022:

Premiums and claims* €m	31 Dec. 2022	31 Dec. 2021
Gross Premiums Written	4,585.2	5,270.8
Reinsurers' Share	3.1	1.9
Net	4,582.1	5,268.9
Gross Claims Incurred	3,110.6	2,256.2
Reinsurers' Share	0.0	0.0
Net	3,110.6	2,256.2

A.3 Investment performance

The Company conducts the business of writing unit-linked life insurance policies. In general, the investment performance of assets is passed on to clients through an equivalent variation in client benefits. Any change in benefits results in a proportionate variation in the administration fees, but the Company's matching policy ensures that at all times assets are in place to meet client liabilities.

Excess assets held by the Company are invested in short-term money market funds, which provide access to a diversified pool of high credit-quality assets. The investment performance of these assets is low, because focus is on security rather than yield.

The tables below show the Company's investment income and investment charges for the year ended 31 December 2022:

Investment Income €m	31 Dec. 2022	31 Dec. 2021
Income From Participating Interests	0.0	0.0
Income From Affiliated Undertakings	0.0	0.0
Income From Other Investments	567.4	495.1
Realised Gains On Investments	2,183.9	2,826.9
Unrealised Gains On Investments	818.5	5,635.1
Total Investment Income	3,569.8	8,957.1

Investment Charges €m	31 Dec. 2022	31 Dec. 2021
Investment Management Charges	167.3	172.4
Realised Losses On The Sale Of Investments	2,336.2	1,168.7
Unrealised Losses On Investments	6,354.6	1,762.8
Total Investment Charges	8,858.1	3,103.9

The main driver of the negative performance during 2022 was the global decline of financial markets.

A.4 Performance of other activities

The Company does not perform any other activity.

B.
System of Governance

B.1 General information on the System of Governance

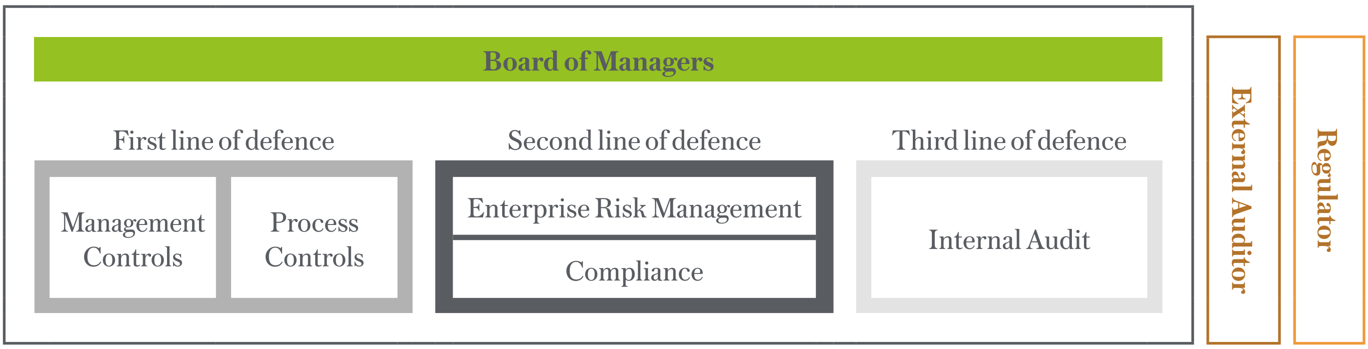
B.1.1 Introduction

LIAH is a holding company with a formalized governance system, which relies on the:

- LIAH BoM;
- Formally approved and confirmed key function holders for the following functions: (i) Chief Risk Officer; (ii) Chief Compliance Officer; (iii) Chief Actuary; (iv) Head of Internal Audit; and
- Regular business reports from the governing bodies of each of LIAH's operational entities: (i) LIA and (ii) LIPCC.

Furthermore,

- LIA is managed by the: (i) Board of Directors and its sub-committees and (ii) Executive Committee ("ExCo") and its sub-committees, in accordance with applicable regulations. Please refer to the SFCR of LIA for more information. https://eu.lombardinternational.com/LombardEUROPE/media/SFCR/SFCR_LIA_2022.pdf
- LIPCC is managed by its Board of Directors in accordance with applicable regulations.



The operational entities of the Group operate a "three-lines-of-defence" model, in line with prudent market practices:

- The first line of defence is made of the departmental management. Business unit managers and directors are accountable for the risks they run, and for the compliance and control environment in their units. They are supported by appointed risk-matter experts.
- The second line of defence is composed of Risk and Compliance Functions.
- The third line of defence is assumed by Internal Audit.

The BoM composition during 2022 was as follows: Norbert Becker, Florent Albert, Jan Carendi, Virginie Lagrange, Sharon Ludlow, and Stuart Parkinson.

B.1.2 Remuneration policy

The remuneration policy, in compliance with applicable regulatory requirements and best market practice, discourages risk taking beyond defined risk appetite, prevents non-sustainable decision making and avoids situations of conflict of interest.

Compensation schemes are designed to take account of competences required, evaluations, skills and performance.

The Company ensures equal, controlled and compliant remuneration practices that result in preventing non-sustainable business decisions, decisions in conflict with its clients' interests, risk taking outside of the risk appetite, fines from the Regulator(s), loss and/or demotivation of staff members. The Company is risk-averse to these risks, including sustainability risk such as such as environmental, social or governance events or conditions that, if occur, could cause an actual or a potential impact on the Company.

This policy applies to all staff members, with specific provisions for material risk takers.

The remuneration framework:
- Ensures that remuneration is adequate and linked to the mandate of the individual;
- Rewards the overall delivery of the business strategy, the achievement of financial results and long-term growth and sustainability;
- Aims at paying fair base pay, based on market practice, and at recognising and rewarding collective and individual performance via variable remuneration;
- Encourages sound corporate governance and a strict compliance with internal rules and procedures;
- Does not reward excessive risk taking outside of confirmed risk appetite;
- Considers the principle of proportionality in defining the remuneration principles in such a way as to take into account the internal organisation and the nature, the scale and the complexity of the risks inherent to the business.

The remuneration includes:
- A fixed remuneration;
- The annual bonus which complements the base salary and is the annual incentive plan designed to motivate and compensate employees based on performance measurements.

The individual performance assessment is subject to calibration sessions pursuing the following objectives:
- A consistent approach throughout the Company;
- Relevance of the criteria used to evaluate performance;
- Application of a fair process;
- A dedicated conversation around low and high performers.

B.1.3 Material transactions

During 2022, the Company distributed dividends, totalling €25m (no dividend was distributed in 2021).

B.2 Fit and proper requirement

B.2.1 Specific requirements

The Fit & Proper Policy specifies the principles by which the Company, its subsidiaries, branches and related entities ensure that all Board Members, all Key Function Holders and all Authorized signatories are expected to demonstrate their fitness and propriety ("Fit and Proper") for performing their role pursuant to the regulations and the principles for what is deemed Fit and Proper therein.

The Regulator must be notified the of any changes to the identity of any Individuals in Scope with all the information needed to confirm these persons are Fit and Proper for the roles they will be fulfilling.

Any temporary replacement (termination or prolonged absence) shall be notified to the Regulator with a foreseeable date of actual replacement, which should not be longer than 12 months after the termination.

B.2.2 Process of assessing fit and proper requirements

Key Function Holders[*] (the "Individuals in scope") are subject to a Fit and Proper assessment based on the fitness and propriety criteria outlined below and that is performed by the Human Resources team with support from the Compliance

* Individuals in scope are as follows: Board Members, Chief Risk Officer, Chief Compliance Officer, Money Laundering Reporting Officer, Chief Internal Auditor, Chief Actuary.

department, as needed (in case any conflicts of interest or independence issues arise). For key role holders, the assessment is performed in writing and includes the following three criteria:

a) **Experience and qualifications**: taking into account the nature, scale and complexity of the business and the responsibilities of the position concerned.

b) **Good reputation**: assessing reputation regardless of the nature, scale and complexity of the business and/or role.

c) **Governance and Independence**: when performing the assessment on the suitability of the Individuals in Scope, the overall functioning of the role within the corporate governance has to be assessed.

Assessments must be performed prior to the recruitment and/or in case of appointment at Board level, periodically (every 3 years) to ensure that Individuals in Scope are and remain Fit and Proper. It is the responsibility of each Individual in Scope to inform Human Resources of any event which may affect their suitability and declare any conflict of interest to the Compliance function as per the Conflict of Interest Policy. These events and/or conflict of interest may trigger a new Fit and Proper assessment.

Any Appointment of an Individual in Scope is done by the Board based on a written Fit and Proper report or may be granted conditionally, pending completion of a Fit and Proper assessment at the discretion of the Board.

Individuals in Scope and authorized signatories no longer fulfilling the Fit and Proper requirements as from a particular point in time can no longer remain in such roles or keep their signature power unless the requirements can and will be met again within one month.

B.3 Risk management system including Own Risk and Solvency Assessment ("ORSA")

B.3.1 Risk Management

The roles, responsibilities, authorities, objectives and scope of the Risk Function in relation to the risk and control activities performed within the Company are outlined in the Risk & Control Charter.

The Company has developed the processes and procedures that are used to identify, assess, monitor, manage and report the short and long term risks that the Company faces, and to determine the capital required to ensure that its overall solvency needs are met at all times.

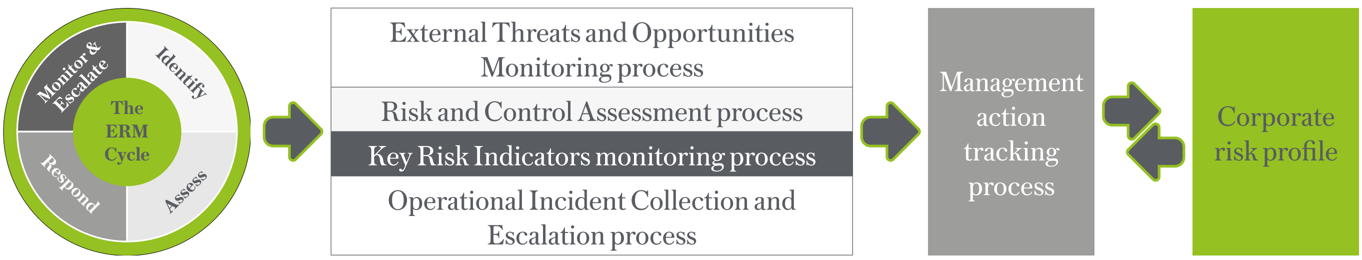
Enterprise Risk Management Framework

The Enterprise Risk Management ("ERM") Framework describes the processes in which all departments are involved within the scope of their tasks and the support the Risk Function provides in its global risk management activities.

As with all insurance undertakings, the Company faces different risks which are spread across the organisation. These risks are internally classified in three main categories: strategic risks, financial risks and operational risks. The latter also include sustainability risks, such as environmental, social or governance events or conditions that, if they occur, could have an actual or potential impact on the Company. To manage these risks, the Company has defined a risk strategy which is formalised through its Risk Appetite Statement.

This Risk Appetite is further translated and articulated in a number of corporate policies and procedures compliant with all regulations in force, which document the risk governance, mitigation and controls in place to address its major risks.

The Company's risk management processes are built, as below illustrated, to meet the risk identification, assessment, response, monitoring and escalation requirements.



External Threats and Opportunities Monitoring process: This process is designed to ensure Company-wide early awareness of external threats and opportunities, including legal or regulatory changes. It allows for both expert and business input in the assessment of these threats and opportunities and on the appropriateness of associated mitigation steps. Finally, the process ensures an audit trail of the agreed risk strategy and mitigating actions.

Risk and Control Assessment process: Objective of this process is to provide a regular assessment of individual risks taking into account the existing risk exposure and effectiveness of controls and mitigating actions in place. For risk assessed as being beyond the risk appetite, mitigating actions are identified and implemented.

Key Risk Indicators Monitoring process: Key Risk Indicators are identified and measured to monitor, on an ongoing basis, risk exposure versus risk appetite. These can either be internal or external indicators. Targets have been defined, and when breached, rationale is investigated and mitigating actions are identified and implemented, where relevant.

Operational Incident Collection process: There is a logging and escalation process, available for every employee of the Company, to report any operational incident including control failures. Material operational incidents are investigated for root-cause analysis and lessons learnt. Corrective and preventive actions are established when necessary. Trend analysis is also performed based on incident data to surface and prevent non-material but recurrent issues.

Management Action Tracking process: All risk management actions coming from any ERM processes or risk governance meetings are centralised in a dedicated tool. Deadline rebasing is subject to restrictive rules managed by the Risk Function. Objective being to ensure that risks are appropriately and timely mitigated.

Outputs of all the above-mentioned processes contribute to the production of the “Corporate Risk Profile” report which is provided on a quarterly basis to support the Non-Executive Audit Committee (“AC”) and Risk and Compliance committee (“RCC”) in their risk oversight duty.

This integrated ERM framework is embedded at the heart of the key decision making process. All key decisions made in the Company such as product initiatives, new projects, capital management, reinsurance arrangement review, investment strategy, marketing strategy and distribution strategy follow internal governance processes, which include an assessment of the risk exposure, mitigation strategies and a need for an ad hoc ORSA.

B.3.2 Own Risk and Solvency Assessment

In compliance with the applicable local law and European Solvency II requirements, overall performance of the ORSA requires the combination of multiple pieces of information coming from existing processes in the organisation. Overall ORSA process is coordinated by the Risk Function throughout the year.

The ORSA process and report include all operational entities of the Company including LIPCC (as a non-European third-party entity).

Outcomes of the ORSA process are summarised in the Company ORSA Report and the Company ORSA Supervisory Report, both reviewed and approved by the LIAH BoM. The Company ORSA Supervisory Report is submitted to the CAA.

- In validating the Company ORSA report, the LIAH BoM confirms that: A suitable assessment of the risk profile and overall on-going solvency needs has been conducted;
- Appropriate processes are in place to properly identify, assess, manage and monitor the risks and solvency position, including appropriate risk governance and risk awareness;
- The entity is projecting to have sufficient internal capital and liquidity to meet its solvency needs and obligations to policyholders over the business planning period, including stressed situations.

The ORSA is an integral part of the business strategy and is taken into account, on an on-going basis, in the making of strategic decisions and in planning processes. Since 2022, the ORSA also includes a detailed analysis of climate change risks and the potential implications for the Company.

Comprehensive management reporting ensures that the significant parameters of the ORSA are consistently monitored and reported regularly to the executive management of the operational entities and the BoM of LIAH. This includes performance against regulatory and internal capital and liquidity requirements and performance against the risk strategy under the ORSA planning horizon.

As per the ORSA procedure and due to its evolving nature (based on business mix, environment factors, etc.), the Company has identified the material events that might trigger a re-evaluation and new iteration of the ORSA. This encompasses both internal and external triggers. Material risk profile changes captured through product initiatives, new projects, capital management changes, reinsurance arrangement reviews, investment strategy changes, marketing and distribution strategy changes already foresee in their operational processing an assessment for potential ORSA impacts where significant.

B.4 Internal Control System

The Company's Internal Control System aims at ensuring:

- That the Company adheres to applicable laws and regulations;
- That the instructions (including corporate policies and guidelines) issued by executive management are adequately implemented;
- That the Company's internal processes are in line with professional and ethical standards;
- The reliability of reporting, information and communication.

B.4.1 Internal Control

The Company has established an Internal Control Framework which is owned by the Risk Function as part of the second line of defence. The aim of the framework is to enhance and protect organisational value by providing the executive management with risk-based, independent and objective assurance on the design and effectiveness of the controls.

Regular reports are provided to the executive management contributing to the strengthening of the implemented control system.

Overall the Internal Control Framework brings ongoing assurance to the Company by monitoring on a regular basis its business activities and their effectiveness.

B.4.2 Compliance

Similarly to the Risk Function, the Compliance Function forms an integral part of the Internal Control System and operates on the second line of defence.

The roles, responsibilities, authorities, objectives and scope of the Compliance Function in relation to the compliance activities performed within the Company are outlined in the Compliance Charter.

The objectives of the Compliance Function are to:

- Act as an adviser in compliance matters within the organisation;
- Assess the possible impact of any change in the legal environment on the operations of the Company;
- Identify and assess the compliance risks of the Company;
- Organise, coordinate and structure compliance-related controls;
- Report accordingly to the BoM and to the other governing bodies of LIAH's operational entities, as appropriate.

The Compliance Function focuses on Compliance risks which are defined as a failure to conduct its business in accordance with the regulatory rules in force and having potential regulatory, commercial and reputational impacts which can result in:

- Legal and regulatory risk;
- Sanctions risk;
- Reputational risk;
- Risk of breach of ethical rules;
- Risk of breach of the Company's policies and requirements.

Matters that fall under the Compliance Function's competence and/or scope are the following:

- Prevention of money laundering and terrorism financing;
- Market abuse and insider dealing prevention;

- Clients' interest protection;
- Monitoring of complaints management;
- Data protection and respect of professional secrecy;
- Prevention and management of conflicts of interest;
- Prevention of bribery, fraud, tax fraud and corruption;
- Inducements;
- Information security;
- Distribution network and activities;
- Policy assets and money;
- Policy assets compliance management;
- Non-Traditional Assets;
- Product Oversight and Governance;
- Record keeping;
- Swiss visits notification;
- Corporate tax reporting;
- Policy tax reporting;
- Remuneration policy and Fit and Proper;
- Outsourcing;
- Pre-contractual documentation ("PRIIPs");
- Respect of ethics and deontology rules;
- Regulatory reporting – adherence to deadlines and completeness of reports submitted to the regulators;
- Any change in the legal environment on the operations of the Company.

The Compliance Function brings ongoing assurance to the Company by monitoring on a regular basis its key regulatory requirements as defined in the Compliance Risk Assessment and Compliance Monitoring Plan. The Compliance Function also supervises the adherence to the regulatory reporting deadlines, by the relevant departments, of the regulatory reporting identified and scoped, with the support of Legal and Wealth Structuring Solutions. Regulatory reporting governance oversight excludes corporate tax & VAT as well as policyholder tax reporting that falls under the direct oversight of Finance.

The External Threats & Opportunities Monitoring process monitoring cross-border regulatory changes (i.e. Regulatory Watch) is coordinated by the Compliance Function with the support of Regulatory Affairs. In consideration of proportionality and subject matter expertise, the Compliance function may delegate day-to-day management and responsibility to other functions while retaining oversight responsibility.

B.5 Internal Audit Function

B.5.1 Implementation

The position of the Internal Audit Function within the organization and its powers and responsibilities are outlined in the Internal Audit Charter, which sets out the role, authorities, objectives and scope of the Internal Audit Function in relation to the internal audit activity within the Company.

The purpose of the Internal Audit Function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight to the BoM via the AC and executive management.

The Group Head of Internal Audit submits, at least annually, a risk-based 12-month audit plan and a 4-year plan to the AC for approval. The plan can be revised and adjusted as necessary, in response to changes in the Company's business, risks, operations, programs, systems and controls.

Based on the annual plan, the internal audit activity evaluates the adequacy and effectiveness of controls encompassing the governance, operations, and information systems. This includes:

- Adequacy and effectiveness of risk management and control across the entire business;
- Monitoring of compliance with the laws and regulations;
- Adequacy of the administrative, accounting and IT organisation;
- Safeguarding of securities and assets;
- Adequacy of the segregation of duties and of the execution of transactions;
- Accurate and complete registration of the transactions and the provision of accurate, complete, relevant and understandable information available without delay to the Board, specialised committees and, where appropriate, Senior Management and the Regulators;
- Implementation of the decisions taken by the executive management and by the persons acting by delegation and under its responsibility;
- Compliance with the procedures governing the solvency or prudential regime;
- Operation and effectiveness of the second line functions.

B.5.2 Independence from other functions

Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.

The Group Head of Internal Audit reports administratively to the Managing Director of LIA for Europe related matters and functionally to the Chairperson of the AC, with whom direct bilateral meetings take place at least on a quarterly basis. The absence of direct operational responsibility or authority over any of the activities audited, together with this reporting structure ensures independence.

B.6 Actuarial Function

Responsibilities and scope of the activities performed by the Actuarial Function are described in the Company's Actuarial Charter. Key responsibilities and tasks include:

- Coordinate the calculation of the technical provisions, the best estimates and the regulatory capital requirements according to the provisions of prevailing regulation, ensuring appropriateness of methodologies and assumptions used and assessing the sufficiency and quality of related data, models and assumptions.
- Express an opinion on the underwriting policy and the adequacy of reinsurance agreements.
- Inform and advise the governing bodies on the above elements.
- Contribute to the effective implementation of the risk management system.
- Contribute to the monitoring of the profitability of new business.

B.7 Outsourcing

When choosing an outsourcing provider for any critical or important function or activity, the Company carries out all necessary steps to ensure that:

- a detailed examination is performed of the potential service providers' ability and capacity to deliver the required functions or activities satisfactorily, taking into account the objectives and needs;
- the service provider has adopted all means to ensure that no explicit or potential conflict of interest with the entity impairs the needs of the outsourcing provider undertaking;
- the outsourcing provider has the necessary financial resources to perform additional tasks in a proper and reliable way, and that all staff of the service provider who will be involved in providing the outsourced functions or activities are sufficiently qualified and reliable;
- the entity enters into a written agreement with the outsourcing provider which clearly allocates the respective rights and obligations of the entity and the outsourcing provider (even for intragroup outsourcing);

- the general terms and conditions of the outsourcing provider agreement are authorized and understood by the entity's management;
- the Company includes in its risk management systems and controls a process for monitoring and reviewing the quality and performance of the services provided according to the agreement;
- the outsourcing activity does not represent a breach of any data protection regulation or any other laws;
- the outsourcing provider is subject to the same provisions that are applicable to the entity regarding the safety and the confidentiality of the information related to its clients;
- the Company considers in its own contingency planning the possibility of having to face an emergency situation or business disruption arising from a failure or a problem of the outsourcing provided;
- the Company has to notify the supervisory authorities, in a timely manner, prior to the outsourcing of material (critical or important) functions or activities as well as any subsequent material developments with respect to those functions or activities;
- there are rules in place covering cloud outsourcing.

The table below lists the activities outsourced:

Activity	Entity	Jurisdiction	Internal / External
Fund Administration of Internal Collective Funds	LIA S.A.	Luxembourg	External
Creation, maintenance and printing of clients' communication and marketing communication	LIA S.A.	Luxembourg	External
Archiving management	LIA S.A.	Luxembourg	External
Payroll services	LIA S.A.	Luxembourg	External
Software Platform for creation and maintenance of precontractual documentation (Key Information Documents)	LIA S.A.	Italy	External
Tax services (submission of tax forms and tax payments where required)	LIA S.A.	France Italy Cyprus Malta Spain Portugal Greece	External
Tax services – Reporting solution	LIA S.A.	Luxembourg	External
Client Services, Investment administration and Fund Accounting, Investment services, Contracts & Relations, Finance services and Risk Function	LIPCC	Luxembourg	Internal
Insurance Manager, Compliance Function	LIPCC	Guernsey	External
Actuarial Function	LIPCC	Guernsey	External

Client Services, Investment administration and Fund Accounting, Investment services, Contracts & Relations, Finance services and Risk Function of LIPCC concern intragroup outsourcing.

C.
Risk Profile

C.1 Underwriting risk

The level of insurance risk in the Company is immaterial. The death benefit on investment products is generally limited to 1% of invested assets and extensive use is made of reinsurance. The life protection product is fully reinsured.

C.2 Market risk

The unit-linked nature of the Company's products means market risk is borne by the policyholder. Investment procedures for the shareholder assets serve to minimise market risk.

C.3 Credit risk

Credit risk arises principally through exposure to debt security investments, bank deposits, derivative counterparties, and reinsurance counterparties, insurance and investment contracts receivables.

The Company has adopted a risk averse approach to such risks and has a stated policy of not actively pursuing or accepting credit risk.

C.4 Liquidity risk

The Company ensures that it maintains sufficient financial resources to meet its obligations as they fall due through the application of a liquidity risk policy and through the development of its liquidity risk management plan.

C.5 Operational risk

The residual risks are operational risks covering regulatory, litigation and taxation. Operational risks can vary based on recent actual experience and are assessed, monitored and minimised through the ERM and Internal Control processes wherever possible. The Company's main risks are stemming from the business activities of the operations, the major part from LIA and for a smaller part, from LIPCC. No specific risk arises from IDH as a holding company for LIPCC.

C.6 Other material risks

No other material risks.

C.7 Any other information

As part of the Company's ongoing risk management approach the Company performs a range of stress and scenario tests, reporting on the output as part of ORSA. The stress and scenario testing comprises two elements:

- sensitivity and stress testing of the financial and capital position to changes in key modelling assumptions;
- exploration of plausible adverse scenarios that may arise in the normal course of business – these are derived from the key drivers of business and the schedule of significant risks to the Company. Where possible the Company undertakes quantitative analysis of solvency and profit and loss impacts, augmented with qualitative analysis if modelling is not appropriate. This scenario testing also includes analysis of new risks emerging in the business and a programme of reverse stress testing.

D.

Valuation for Solvency Purposes

D.1 Assets

Assets €m (31 Dec. 2022)	Luxembourg GAAP*	Adjustments	Solvency II 31 Dec. 2022	Solvency II 31 Dec. 2021
Deferred Acquisition Costs	18.7	(18.7)	0.0	0.0
Intangible Assets	11.1	(11.1)	0.0	0.0
Property, Plant & Equipment Held For Own Use	2.4	0.0	2.4	2.6
Investments (Other Than Assets Held For Index-Linked and Unit-Linked Contracts	104.6	0.1	104.7	85.7
Assets Held For Index-Linked And Unit-Linked Contracts	46,322.4	0.0	46,322.4	50,137.6
Reinsurance Assets	52.3	0.0	52.3	37.3
Insurance And Intermediaries Receivables	302.0	15.0	317.0	299.5
Cash And Cash Equivalents	71.6	0.0	71.6	88.3
Any Other Assets, Not Elsewhere Shown	2.5	0.0	2.5	3.5
Total Assets	**46,887.6**	**(14.7)**	**46,872.9**	**50,654.5**

D.1.1 Investments

Investments were mainly comprised of money market funds and fixed income securities.

a) Money Market Funds and assets received in advance from policyholders

As at 31 December 2022, the Company had €62.8m (2021: €55.5m) invested in money market funds and €17.5m (2021: €4.0m) as assets received in advance from policyholders. These investments were valued at lower of cost and market value in the Statutory Financial Statements and at market value under Solvency II.

Under Solvency II, the money market funds are valued at fair value under Solvency II based on market prices at the reporting date, which are quoted prices in active markets. As these are publicly traded securities, the market prices are readily available and are actively traded. No significant estimates or judgements are used in the valuation of these investments. As at 31 December 2022, their market value is €62.9m (2021: €55.5m).

b) Participations

Participations have been eliminated at the consolidated level.

c) Loans to affiliated undertakings

As at 31 December 2022, there were no loans to affiliated undertakings (2021: €4.0m).

d) Fixed income securities

As at 31 December 2022, fixed income securities amounted to €14.0m (2021: €17.1m).

e) Deposits with credit institutions

As at 31 December 2022, deposits with credit institutions amounted to €10.3m (2021: €5.2m).

* Generally Accepted Accounting Principles.

D.1.2 Receivables

Receivable balances are mainly related to fees receivable and foreign tax advances made in respect of applicable insurance policies. As at 31 December 2022, the Company had a total receivables balance of €317.0m (2021: €299.5m). Receivables are valued at fair value and intangibles are removed under Solvency II.

D.1.3 Cash and cash equivalents

Cash at bank and in hand, as at 31 December 2022, amounted to €71.6m (2021: €88.3m). Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period end to confirm the balances held. The value of cash and cash equivalents in the Company's financial statements is the same as for Solvency II.

D.1.4 Intangible Assets

Deferred acquisition costs balances and goodwill are value at zero under Solvency II regulations and are effectively removed in the preparation of the Solvency II balance sheet. Intangible assets, other than goodwill, are recognised in the Solvency II balance sheet at a value other than zero, only if they can be sold separately, and it can be demonstrated that there is a value for the same or similar assets, that has been derived from quoted market prices in active markets.

D.1.5 Assumptions and judgements

The areas where assumptions and judgment are exercised by management include determining the value of deferred income taxes.

D.1.6 Reconciliation of Statutory valuation of assets to Solvency II valuation

- Accounting policy differences: As noted in D.1.4 above, goodwill, deferred acquisition costs, and other Intangible assets are reassessed at zero value under Solvency II. The associated impact on deferred taxes is reflected in other liabilities;
- Deferred tax: The adjustments listed resulted in an impact in the deferred tax liability.

D.2 Technical Provisions

D.2.1 Introduction

The Company has one material line of business that is unit-linked life insurance. The Technical Provisions were as follows:

Technical Provision in €m	31 Dec. 2022	31 Dec. 2021
Best Estimate (of future) Liabilities	45,427.6	49,220.3
Risk Margin	255.0	251.4
Total Technical Provisions	45,682.6	49,471.7

The Solvency II technical provisions have moved from €49,471.7m at 31 December 2021 to €45,682.6m in line with total assets.

D.2.2 Valuation methodology

Under Solvency II, the Technical Provisions comprise a Best Estimate Liability and a Risk Margin.

D.2.2.1 Best Estimate Liability

The Company's Best Estimate Liability has been calculated at a per-policy level for the policies in-force at the valuation date.

It is the present value of all future expected cash-flows allowing for claims, expenses and lapses. Allowance is made for reinsurance.

D.2.2.2 Risk Margin

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement over the lifetime of the insured portfolio. This cost is determined by applying a prescribed cost of capital rate of 6% p.a. to each year's projected Solvency Capital Requirement, and then discounting these amounts at the risk-free rate.

The projected Solvency Capital Requirement figures have been determined using the Standard Formula approach, consistent with the calculation of the initial Solvency Capital Requirement, but only allowing for risks that are deemed to be non-hedgeable. The Company views the market risk arising from fluctuations in the value of its linked funds as being hedgeable, and therefore no allowance has been made for market risk within the projection of the Solvency Capital Requirement.

D.2.3 Judgements

D.2.3.1 Projection of Solvency II Capital Requirement for Risk Margin

Calculation of the Risk Margin requires projection of the Solvency Capital Requirement. Reflecting the relatively simple nature of the business and risks, a simplified method has been adopted in line with "Method 1" outlined in Guideline 62 of European Insurance & Occupational Pensions Authority ("EIOPA") guidelines on the valuation of Technical Provisions (i.e. the methodology involving the least simplifications). This uses a series of "risk drivers" to project how each component of the initial Solvency Capital Requirement runs off over the lifetime of the portfolio.

D.2.4 Assumptions

D.2.4.1 Mortality

The Company reviews the mortality assumptions on an annual basis, taking into account relevant industry information.

D.2.4.2 Lapses

Lapse assumptions (full and partial surrender rates) are based on analysing the Company's experience from 2018 to 2022. Some additional judgement may be applied where the Company expects the future to be different from past experience.

D.2.4.3 Expenses

The expense assumptions include allowance for administration costs and corporate overhead costs incurred. The corporate costs have been apportioned so that the total maintenance cost represents the anticipated ongoing expenses, including systems development costs, which are expected to arise in future years in meeting the policy servicing requirements of the in-force business.

D.2.4.4 Interest and Inflation Rates

The Solvency II regulations specify the risk-free interest rate term structure to be used. The Company used the Euro rates as provided by the EIOPA. The Company did not use the matching adjustment. Full detail of the Euro interest rate curve prescribed for use at 31 December 2022 can be found at https://www.eiopa.europa.eu/document/download/5119d7b4-79c0-461e-9169-00d62b6bf730_en?filename=December%202022

The assumption for future inflation is derived from Euro denominated inflation swap data.

D.2.5 Uncertainty associated with the value of the Technical Provisions

The value of the Technical Provisions includes uncertainty in that they are based on the expected value of future cash-flows. The assumption-setting processes described above are designed to reduce uncertainty by using past experience with adjustments where there are appropriate reasons to expect that future expectations may differ from past performance.

D.2.6 Differences between Solvency II valuations and valuations for Financial Statements

The following table shows the differences between Solvency II valuations and valuations for Financial Statements:

€m	31 Dec. 2022	31 Dec. 2021
Luxembourg GAAP Insurance Contract Liabilities	46,374.8	50,175.1
Best Estimate of Future Liabilities under Solvency II	45,427.6	49,220.3
Risk Margin	255.0	251.4
Solvency II Technical Provisions	45,682.6	49,471.7

D.2.7 Matching Adjustments

No matching adjustments have been applied.

D.2.8 Volatility adjustments

The volatility adjustment, referred to in Article 77d of Directive 2009/138/EC has not been applied.

D.2.9 Transitional Risk Free Interest Rate

The transitional risk-free interest rate term structure referred to in Article 308c of Directive 2009/138/EC has not been applied.

D.2.10 Transitional Deduction

The transitional deduction referred to in Article 308d of Directive 2009/138/EC has not been applied.

D.2.11 Reinsurance Recoverable

At 31 December 2022, the reinsurance recoverables were valued at €52.3m (€37.3m in 2021). There were no special purpose vehicles.

D.2.12 Material Changes

There have been no material changes made in the calculation of the Technical Provisions compared to the previous reporting period.

D.3 Other liabilities

The table below shows the other liabilities:

€m	31 Dec. 2022	31 Dec. 2021
Provisions Other Than Technical Provisions	8.3	26.1
Deferred Tax Liabilities	184.0	205.1
Insurance & Intermediaries Payables	149.7	37.6
Payables (Trade, Not Insurance)	147.8	209.6
Any Other Liabilities, Not Elsewhere Shown	16.7	19.8

D.4 Alternative methods for valuation

There are no other valuation methods used.

E.

Capital Management

E.1 Own funds

The Company, in line with its Capital Management Policy, maintains capital at a level that enables it to carry out its current business plan within its risk appetite. The BoM of the Company sets an appropriate target level of solvency cover given the risks to which the business is currently exposed and those implicit in the Company's medium term business plan.

The composition of the Company's Own Funds is as follows:

€m	31 Dec. 2022	31 Dec. 2021
Ordinary Share Capital	0.0	0.0
Share Premium Accounts	423.4	423.4
Reconciliation Reserve	260.4	261.3
Total Basic Own Funds After Deductions	683.8	684.7
Adjustments For Ineligible Assets	0.0	0.0
Solvency II Excess Of Assets Over Liabilities	683.8	684.7

The reconciliation reserve at 31 December 2022 is mostly comprised of the value of future profits expected from the in-force business.

The table below reconciles the equity in the Financial Statements and the Solvency II excess over liabilities:

€m	31 Dec. 2022	31 Dec. 2021
Statutory Accounts Excess Of Assets Over Liabilities	175.0	169.8
Accounting Policy Differences	508.8	514.9
Solvency II Excess Of Assets Over Liabilities	683.8	684.7

The Own Funds of the Company were impacted by the profit generated during the year.

The whole amount of the Own Funds is eligible to cover the Solvency Capital Requirement and the Minimum Capital Requirement.

There are no amounts within the Own Funds that arise from transitional arrangements, and no ancillary Own Funds.

€m	31 Dec. 2022	31 Dec. 2021
Deferred Tax Asset	0.0	0.0

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Introduction

The Solvency Capital Requirement and Minimum Capital Requirements have been determined using the Standard Formula approach set out in Commission Delegated Regulation (EU) 2015/35. No material simplified methods or undertaking specific parameters have been used in this assessment.

The amounts of Solvency Capital Requirement and Minimum Capital Requirement as at 31 December 2022 were as follows:

€m	31 Dec. 2022	31 Dec. 2021
Solvency Capital Requirement	492.1	537.3
Minimum Capital Requirement	221.5	241.8

E.2.2 Risk Modules

The table below shows the Solvency Capital Requirement of the Company by Risk Module:

€m	Solvency Capital Requirements 31 Dec. 2022	Solvency Capital Requirements 31 Dec. 2021
Mortality Risk	13.2	12.9
Longevity	1.0	1.1
Disability-Morbidity Risk	0.0	0.0
Lapse Risk	382.0	390.7
Expenses Risk	75.3	78.5
Catastrophe Risk	1.6	1.6
Revision	0.0	0.0
Diversification	(46.8)	(48.0)
Life Underwriting	**426.3**	**436.8**
Interest Rate Risk	4.0	7.6
Spread Risk	60.1	46.0
Equity Risk	254.1	337.0
Property Risk	0.0	0.0
Concentration Risk	11.9	4.0
Currency Risk	163.2	172.0
Diversification	(114.1)	(117.0)
Market Risk	**379.2**	**449.6**
Counterparty Default Risk (type 1)	3.1	4.8
Counterparty Default Risk (type 2)	1.6	2.0
Diversification	(0.3)	(0.3)
Counterparty Default Risk	**4.4**	**6.5**
Basic Solvency Capital Requirement (pre-diversification)	**809.9**	**892.9**
Diversification benefit	**(171.1)**	**(190.0)**
Basic Solvency Capital Requirement	**638.8**	**702.9**
Operational Risk	**13.6**	**8.6**
Adjustment for Deferred Tax Liability	**(160.3)**	**(174.2)**
Final Solvency Capital Requirements	**492.1**	**537.3**

The Company is not subject to any level of capital add-on.

E.2.3 Material changes

The movement in the Company's Solvency Capital Requirement during 2022 was mainly due to investment performance, which impacts Market risk and Lapse risk in particular, but with some offsetting as a result of new business. The capital requirement generally moves in line with AuA. The final amount of the Solvency Capital Requirement is subject to supervisory assessment.

E.2.4 Adjustment for the loss-absorbing capacity of deferred taxes

€m	31 Dec. 2022	31 Dec. 2021
Adjustment for the loss-absorbing capacity of deferred taxes	(160.3)	(174.2)

The adjustment for the loss-absorbing capacity of deferred taxes is equal to the change in the value of deferred taxes of insurance and reinsurance undertakings that would result from an instantaneous loss of an amount that is equal to the sum of the following:

(a) the Basic Solvency Capital Requirement;

(b) the adjustment for the loss-absorbing capacity of technical provisions;

(c) the capital requirement for operational risk.

The adjustment for the loss-absorbing capacity of deferred taxes is tested for recoverability against future taxes on the value of expected future profits.

E.3 Use of the duration-based equity risk submodule in the calculation

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

E.4 Difference 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 Minimum Capital Requirement and noncompliance with the Solvency Capital Requirements

The Company has maintained Own Funds in excess of the Minimum Capital Requirement and Solvency Capital Requirement throughout the period.

F.

Appendix: Quantitative Reporting Templates

In € as at 31 December 2022

QRT ref	QRT Template name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.23.01.22	Own funds
S.25.01.22	Solvency Capital Requirement – for undertakings on Standard Formula
S.32.01.22	Undertakings in the scope of the Group

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	2,354,546
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	104,759,053
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	13,989,200
Government Bonds	R0140	13,989,200
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	80,460,087
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	10,309,766
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	46,322,366,591
Loans and mortgages	R0230	–
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	R0270	52,328,651
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	52,328,651
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	52,328,651
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	317,027,027
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	71,561,784
Any other assets, not elsewhere shown	R0420	2,523,396
Total assets	**R0500**	**46,872,921,047**

Liabilities		C0010
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	52,637,637
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	52,637,637
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	52,370,003
Risk margin	R0680	267,634
Technical provisions – index-linked and unit-linked	R0690	45,629,992,064
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	45,375,303,253
Risk margin	R0720	254,688,811
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	8,328,532
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	183,978,721
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	149,738,423
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	147,799,285
Subordinated liabilities	R0850	–
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	16,629,102
Total liabilities	**R0900**	**46,189,103,765**
Excess of assets over liabilities	**R1000**	**683,817,282**

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations			
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance
		C0210	C0220	C0230	C0240
Premiums written					
Gross	R1410			4,582,782,479	2,444,176
Reinsurers' share	R1420			1,042,138	2,105,910
Net	R1500	–	–	4,581,740,342	338,265
Premiums earned					
Gross	R1510			4,582,782,479	2,444,176
Reinsurers' share	R1520			1,042,138	2,105,910
Net	R1600	–	–	4,581,740,342	338,265
Claims incurred					
Gross	R1610			3,110,610,388	–
Reinsurers' share	R1620			–	–
Net	R1700	–	–	3,110,610,388	–
Changes in other technical provisions					
Gross	R1710			(3,815,321,223)	15,024,172
Reinsurers' share	R1720			–	15,024,172
Net	R1800	–	–	(3,815,321,223)	–
Expenses incurred	R1900			125,685,164	236,808
Other expenses	R2500				
Total expenses	R2600				

		Life reinsurance obligations		
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
C0250	C0260	C0270	C0280	C0300
–	–	–	–	4,585,226,655
–	–	–	–	3,148,048
–	–	–	–	4,582,078,607
–	–	–	–	4,585,226,655
–	–	–	–	3,148,048
–	–	–	–	4,582,078,607
–	–	–	–	3,110,610,388
–	–	–	–	–
–	–	–	–	3,110,610,388
–	–	–	–	(3,800,297,051)
–	–	–	–	15,024,172
–	–	–	–	(3,815,321,223)
–	–	–	–	125,931,862
				1,242,561
				127,174,423

S.05.02.01

Premiums, claims and expenses by country

		Home country	Top 5 countries (by amount of gross premiums written) – life obligations					Total for top 5 countries and home country
			SE	IT	FR	BE	PT	
		C0220	C0230	C0230	C0230	C0230	C0230	C0280
Premiums written								
Gross	R1410	547,202,904	660,508,977	710,134,227	1,278,988,789	266,997,255	564,377,862	4,028,210,014
Reinsurers' share	R1420	–	–	–	–	–	–	–
Net	R1500	547,202,904	660,508,977	710,134,227	1,278,988,789	266,997,255	564,377,862	4,028,210,014
Premiums earned								
Gross	R1510	547,202,904	660,508,977	710,134,227	1,278,988,789	266,997,255	564,377,862	4,028,210,014
Reinsurers' share	R1520	–	–	–	–	–	–	–
Net	R1600	547,202,904	660,508,977	710,134,227	1,278,988,789	266,997,255	564,377,862	4,028,210,014
Claims incurred								
Gross	R1610	555,139,205	276,376,097	887,784,012	320,347,609	237,679,573	54,707,425	2,332,033,921
Reinsurers' share	R1620	–	–	–	–	–	–	–
Net	R1700	555,139,205	276,376,097	887,784,012	320,347,609	237,679,573	54,707,425	2,332,033,921
Changes in other Technical Provisions								
Gross	R1710	(683,586,940)	(444,371,946)	(1,375,913,349)	369,364,034	(454,565,771)	315,328,255	(2,273,745,717)
Reinsurers' share	R1720	–	–	–	–	–	–	–
Net	R1800	(683,586,940)	(444,371,946)	(1,375,913,349)	369,364,034	(454,565,771)	315,328,255	(2,273,745,717)
Expenses incurred	R1900	14,846,319	7,704,121	35,449,780	23,733,693	12,438,540	6,066,861	100,239,314
Other expenses	R2500							**609,305**
Total expenses	R2600							**100,848,619**

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S.23.01.22

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						
Ordinary share capital (gross of own shares)	R0010	12,500	12,500		–	
Non-available called but not paid in ordinary share capital at group level	R0020	–	–		–	
Share premium account related to ordinary share capital	R0030	423,361,890	423,361,890		–	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Non-available subordinated mutual member accounts at group level	R0060	–		–	–	–
Surplus funds	R0070	–	–			
Non-available surplus funds at group level	R0080	–	–			
Preference shares	R0090	–		–	–	–
Non-available preference shares at group level	R0100	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Non-available share premium account related to preference shares at group level	R0120	–		–	–	–
Reconciliation reserve	R0130	260,442,892	260,442,892			
Subordinated liabilities	R0140	–		–	–	–
Non-available subordinated liabilities at group level	R0150	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
The amount equal to the value of net deferred tax assets not available at the group level	R0170	–				–
Other items approved by supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Non available own funds related to other own funds items approved by supervisory authority	R0190	–	–	–	–	–
Minority interests (if not reported as part of a specific own fund item)	R0200	–	–	–	–	–
Non-available minority interests at group level	R0210	–	–	–	–	–
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 other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	–	–	–	–	–
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	–	–	–	–	
Deductions for participations where there is non-availability of information (Article 229)	R0250	–	–	–	–	–
Deduction for participations included by using D&A when a combination of methods is used	R0260	–	–	–	–	–
Total of non-available own fund items	R0270	–	–	–	–	–
Total deductions	R0280	–	–	–	–	–
Total basic own funds after deductions	R0290	683,817,282	683,817,282	–	–	–

		C0010	C0020	C0030	C0040	C0050
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	–			–	–
Non available ancillary own funds at group level	R0380	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	R0400	–			–	–
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	R0410	–	–	–	–	
Institutions for occupational retirement provision	R0420	–	–	–	–	–
Non regulated entities carrying out financial activities	R0430	–	–	–	–	
Total own funds of other financial sectors	R0440	–	–	–	–	–
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	–	–	–	–	–
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	–	–	–	–	–
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	683,817,282	683,817,282	–	–	–
Total available own funds to meet the minimum consolidated group SCR	R0530	683,817,282	683,817,282	–	–	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	683,817,282	683,817,282	–	–	–
Total eligible own funds to meet the minimum consolidated group SCR	R0570	683,817,282	683,817,282	–	–	
Minimum consolidated Group SCR	R0610	221,454,018				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	308.79%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	683,817,282	683,817,282	–	–	–
Group SCR	R0680	492,120,041				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	138.95%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	683,817,282
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	423,374,390
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Other non available own funds	R0750	–
Reconciliation reserve	R0760	260,442,892
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.25.01.22

Solvency Capital Requirement – for groups on Standard Formula

Basic Solvency Capital Requirement		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	379,226,872	0
Counterparty default risk	R0020	4,414,184	
Life underwriting risk	R0030	426,252,159	0
Health underwriting risk	R0040	–	0
Non-life underwriting risk	R0050	–	0
Diversification	R0060	(171,047,137)	
Intangible asset risk	R0070	–	
Basic Solvency Capital Requirement	R0100	638,846,078	

Calculation of Solvency Capital Requirement		Value
		C0100
Operational risk	R0130	13,554,592
Loss-absorbing capacity of technical provisions	R0140	–
Loss-absorbing capacity of deferred taxes	R0150	(160,280,629)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency Capital Requirement excluding capital add-on	R0200	492,120,041
Capital add-ons already set	R0210	–
Solvency capital requirement for undertakings under consolidated method	R0220	492,120,041
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	–
Minimum consolidated group solvency capital requirement	R0470	221,454,018
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non-regulated entities carrying out financial activities	R0530	–
Capital requirement for non-controlled participation requirements	R0540	–
Capital requirement for residual undertakings	R0550	–
Overall SCR		
SCR for undertakings included via D and A	R0560	–
Solvency capital requirement	R0570	492,120,041

S.32.01.22

Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0020	C0010	C0040	C0050	C0060	C0070	C0080
LEI/222100G9WE14OVDGJW09	LU	Lombard International Assurance Holdings S.à r.l.	5	société à responsabilité limitée	2	Commissariat aux Assurances
LEI/549300TG736IJQBL4N81	LU	Lombard International Assurance S.A.	1	société anonyme	2	Commissariat aux Assurances
LEI/549300GYTKZ6025KQ786	GG	Lombard International PCC Limited	1	company limited by shares	2	Guernsey Financial Services Commission

Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		1	0.0%	1		1
100%	100%	100%		1	97.9%	1		1
100%	100%	100%		1	2.1%	1		1

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