FIL Life Insurance (Ireland) DAC

Solvency and Financial Condition Report

as at 30 June 2018

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INTRODUCTION

Background

The Solvency II regime has been effective from 1 January 2016 and established a new set of EU-wide capital requirements, risk management and disclosure standards. FIL Life Insurance (Ireland) DAC is subject to this regime. The Solvency II Directive was transposed into Irish Law as the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015). The Solvency II framework sets out requirements around capital, governance and risk management in all EU authorised (re)insurance undertakings. Solvency II also introduced increased regulatory reporting requirements and public disclosure requirements, with these requirements intended to reduce the likelihood of an insurer failing and should also provide policyholders with increased protection.

The requirement for an annual Solvency and Financial Condition report arises under Solvency II. A Regular Supervisory Report (“RSR”) is also required, normally on a 3 year basis. The Solvency and Financial Condition Report (“SFCR”) is a publicly available document.

This SFCR is intended to provide essential information about the solvency and financial position of FIL Life Insurance (Ireland) DAC referred to hereafter as (“FIL Life Ireland”) or (“the Company”) as at 30 June 2018.

The Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplements Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the “Delegated Regulation”). Article 304 of the Delegated Regulation states that the *“information which supervisory authorities require insurance and reinsurance undertakings to submit”* also includes *“the solvency and financial condition report disclosed by the insurance or reinsurance undertaking”.*

Rounding has been applied throughout the SFCR, using the Excel ROUND function to round to thousands.

Structure of this report

The body of the report contains five distinct sections:

- Section A provides details on the business of the Company and an assessment of the company’s performance over the reporting period.
- Section B provides a description of the system of governance of the Company.
- Section C provides details on the risk profile of the company and the management of risk exposures.
- Section D describes the valuation of the assets and liabilities of the Company for solvency purposes.
- Section E provides details on the calculation of capital requirements, and outlines the Company’s approach to capital management.

Appendix 1 is the report of the Independent Auditor.

Appendix 2 is the annual Quantitative Reporting Templates (“QRTs”) at 30 June 2018.

EXECUTIVE SUMMARY

Business Strategy and Performance

FIL Life Ireland is a regulated life insurance provider, based in Ireland and authorised by the Central Bank of Ireland ("CBI"). FIL Life Ireland is part of the wider Fidelity group, with FIL Limited (Bermuda) and MNLC Holdings Limited (Bermuda) being the parents. Each holds 50% of the voting share capital. The Company has a single line of business, linked and unit-linked insurance in the form of regular premium group retirement business through its flagship product, the Multinational Retirement Savings service. This product is designed for multi-national companies that have employees in numerous jurisdictions, who wish to provide a scheme through which their employees may save for their retirement.

The Board do not anticipate any material departures from the current business model over the next year. The Company's strategy is to continue to grow the business through organic growth and the acquisition of new clients. The Company saw a planned step change in assets under management during the year as a number of clients transferred from another Fidelity product to the multinational retirement savings service, which provides a broader range of funds and other benefits for their employees. The rate of client acquisition is expected to return to more modest levels.

The Company has plans in place to address the exit of the UK from the European Union and does not expect this to have a significant impact on the current or future business plans.

FIL Life Ireland does not take on traditional underwriting and due to internal arrangements, pricing underwriting exposure is limited.

The Company continues to have only one line of business, linked and unit linked insurance with policyholders (Trustees) located primarily in the Isle of Man and with other policyholders located in Jersey, Guernsey, Channel Islands and the Cayman Islands.

The Company is expected to remain profitable in line with a Fund Provision Agreement in place with FIL Fund Management Limited ("FFML"), a Fidelity Group Company, whereby the agreement covers costs relating to operational expenses including investment gains and losses relating to FIL Life Ireland's activities.

Results for the year and state of affairs

The Company made a profit after taxation of EUR 236,235 (2017: EUR 254,756) for the year and this amount has been transferred to the retained reserves. The Company did not issue any further share capital during the year. At 30 June 2018, it has 8,700,000 shares in issue at EUR 1 each. All issued shares are fully paid.

Review of key performance indicators

During the year ended 30 June 2018, the Company had accepted premiums on contracts classified as investment contracts amounting to EUR 381,429,860 (2017: EUR 127,877,742) and made claims of EUR 118,916,842 (2017: EUR 108,190,569), there were 27 new schemes on-boarded in the financial year to June 2018 (2017: 3). As at 30 June 2018, the Company has Assets under Management ("AUM") of EUR 939,048,094 (2017: EUR 643,242,063). Fee income received in connection with the management of policyholder assets amounted to EUR 2,565,828 (2017: EUR 2,150,878) while income from FFML amounted to EUR 1,861,214 (2017: EUR 2,606,943).

The Directors do not propose a dividend for the year ended 30 June 2018 (2017: Nil).

Investment performance has no significant direct impact on the Company's performance except for a small amount of seed capital where market risk exists. Investment performance only impacts the Company indirectly through management charges on assets under management as fees due to be received by the Company are based on a percentage of AUM. There has been an increase in the investment performance over the financial reporting period principally as a result of foreign exchange and market movements in the unit-linked assets.

System of Governance

FIL Life Ireland has a system of governance which is led by the Board. The FIL Life Ireland Board has overall responsibility for business decisions and compliance with the regulatory system. The Board is responsible for ensuring that there is an effective governance structure, risk management and general control environment in place for the Company. The Board also has overall responsibility for its strategy and risk management pertaining to the business activities of the Company. The Board is supported by key control functions such as Risk, Compliance, Internal Audit, and the Actuarial Function (externally appointed actuary). In addition, functions such as Finance have a vital role to play in the sound and prudent management of the business. The Company has a fit and proper policy in place to ensure those holding key function positons possess the appropriate qualifications, experience and knowledge. Full details of each key function are noted within the body of this report.

The Company's risk management system encompasses key elements including the Risk Appetite Statement, Risk Register, Key Risk Indicators, Risk Assessment and the Own Risk and Solvency Assessment ("ORSA"), which is integrated into the Company's structure and decision making. The Company uses a "three lines of defence" internal control system which is designed to support the risk management framework. The Board delegates the review of the effectiveness of the risk management system and the internal control framework to the Risk Committee and matters' relating to Internal Audit and other monitoring of controls in place is overseen by the Audit Committee.

The Board have overall responsibility for the ORSA and takes an active role in its production (in line with the Company's ORSA Policy and process) and ensures regulatory compliance. The Company undertakes a full ORSA at least annually and reports on its findings within six months of its accounting year end.

The Company's system of governance is supported by an outsourcing policy. The policy outlines the delegation and outsourcing arrangement within the Company. The Company outsources a number of activities to another Fidelity group company which is regulated by the UK Financial Conduct Authority.

Risk Profile

The Company does not take on traditional underwriting risk and due to internal arrangements, pricing underwriting exposure is limited.

Investment performance does not have a significant direct impact on the Company's performance, except for a small amount of seed capital where market risk exists. Investment performance indirectly impacts the Company through management charges on AUM as fees due to be received by the Company are based on a percentage of AUM.

The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement with FFML. This agreement does lead to a degree of counterparty risk due to the Company's reliance on this agreement. The Board accepts and monitors this exposure and gains comfort that it is familiar with the counterparty's financial stability and in the event of an unlikely default, pre-determined management actions are in place to manage this event.

The Company does not have material exposure to life underwriting risk, operational risk and market risk as the Company is protected both through the intercompany agreement mentioned above and due to policyholder liabilities being unit-linked and not offering life assurance benefits beyond a return of the value of investments.

Following the vote to leave the European Union (EU) on 23 June 2016, the Company and the wider Fidelity Group, have been considering the implications and taking action as necessary. While the ultimate outcome is still uncertain as negotiations continue between the EU and UK government, the Board is considering the key risks to the business and its clients and has formulated response plans as necessary. The impact on the Company is not expected to be material. The Company has assessed the potential impact of a 'hard' or negative Brexit outcome. The Company's ORSA for 2017 considered Brexit and the 2018 ORSA will consider this in further detail, including the impact of a hard Brexit. Given the Company's contingency planning to date, a 'hard' Brexit outcome is not anticipated to have a materially negative impact on FIL Life Ireland.

Risk Strategy

The Company adopts a low risk strategy. In general terms, where a medium or high risk exists, the Company will seek to reduce this risk through internal controls or other methods of risk mitigation. The Board's risk strategy recognises that certain risks are accepted, within limits, as a result of the Company's business model. The Company has a robust process for identifying and managing its risks. Risks are managed and monitored to a risk appetite defined in the Risk Appetite Statement and approved by the Board, normally on an annual basis.

Valuation for Solvency Purposes

FIL Life Ireland's assets are primarily those held to back the unit-linked liabilities, with the surplus held as cash or similarly liquid investments. The value of these assets is stated at either market value or the expected realisable value. Similarly, the main components of the Company's liabilities are the technical provisions. The technical provisions are made up as follows:

- the Unit Liability;
- the Best Estimate Liability ("BEL"); and
- the Risk Margin ("RM").

Where a liability can be replicated using financial instruments, then the value of the technical provisions for that liability is determined as the market value for those instruments. Otherwise (where a market value is not observable for a liability), the value of technical provisions equals the sum of the BEL and the RM.

Own Funds, SCR, MCR & Coverage Ratio (€'000)	30 June 2018	30 June 2017
Solvency Capital Requirement (SCR)	2,590	2,540
Minimum Capital Requirement (MCR)	3,700	3,700
Eligible Own Funds	9,369	9,182
Ratio of Eligible Own Funds to SCR	362%	362%
Ratio of Eligible Own Funds to MCR	253%	248%

- The Company's AUM and policyholder assets and liabilities increased to € 939 million at 30 June 2018 from €643m at 30 June 2017, primarily due to the completion in December 2017, of the previously anticipated transfer of a number of schemes from FIL Pensions Management ("FPM"), a Fidelity Group Company.

- The Company has an Insurance Administration and Services Agreement with FPM, the key outsourcing agreement for operational activities to FIL Life Ireland. Following renegotiation of financial terms with FPM earlier in the year, the level of financial reliance on FFML has been reduced. This reduction in charges is expected to improve the Company's solvency capital coverage over the Company's 5 year business planning period.

Capital Management

The Company maintains an efficient capital structure from equity shareholders' funds, consistent with the company's risk profile and the regulatory and market requirements of its business. In order to ensure that the Company retains a capital surplus, the capital policy is to maintain a buffer over and above the minimum capital requirement of the higher of:

(i) the Solvency Capital Requirement ("SCR");
(ii) the requirements identified in the ORSA, also known as the Pillar 2 requirement.

The capital policy goal is to hold a discretionary buffer over the greater of the SCR and ORSA requirements, as determined by the Board. The discretionary buffer is subject to ongoing monitoring by management and the Board. The Company is regulated by the Central Bank of Ireland to carry out contracts of insurance and is required to maintain adequate financial resources. It must be able to demonstrate that its available capital exceeds the capital requirement at any time. The objectives of the Company's capital management policy are twofold:

(i) it aims to ensure that capital is, and will continue to be adequate to maintain the safety and stability of the Company, assuring a high level of confidence in the Company, and

(ii) it aims to ensure that capital is reasonable and not so high that a reasonable rate of return is difficult to achieve. The Company has adequate capital to meet its capital requirements under Solvency II and currently has no plans to issue, repay or otherwise change its capital management position. Under both the current solvency position and forward looking projections the Company has sufficient capital to cover key identified risks.

The Company has a sufficient capital buffer and this is expected to continue over the 5 year business planning time horizon. There are no plans by the Company to pay a dividend.

The Board continues to be comfortable with FFML's financial stability and that in an event of an unlikely default of FFML, that the level of documented management actions can be enforced.

Integration of risk and capital management

Risk and capital management are embedded within the Company's business and decision-making process as follows:

- Strategic business decisions are risk-assessed by the business and evaluated for their capital impact prior to being finalised. The Risk Function and the Finance Function will evaluate and challenge such assessments.

- The Company's annual planning and strategy cycle involves the following:
  - The business submits its plan based on the evaluation of macroeconomic scenarios, internal risk assessments, and in consideration of stress conditions and capital implications.
  - The Risk Function and Finance function will assess and challenge the business submission.
  - The Board reviews the proposed business plan outlook, considering risk appetite thresholds and limits for appropriateness.

- The risk profile is monitored by the Risk Function, including assessment of changes in the internal and external risk environments and consideration of risk events, including near misses.

- Consideration of risk and capital implications of the Company's strategy, any new products and other material business initiatives will be undertaken prior to launch.

- The Company's pricing policy documents minimum payback periods and profitability assessment.

- Proactive liaison to ensure the Company's capital implications and ORSA requirements are considered for any developments.

BUSINESS AND PEFORMANCE

A.1 Business

Legal Name

The name of the undertaking is FIL Life Insurance (Ireland) DAC, a Designated Activity Company.

Name and contact details of supervisor and external auditor

The Company is regulated by the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland

The Company's external auditor is PricewaterhouseCoopers, Chartered Accountants & Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

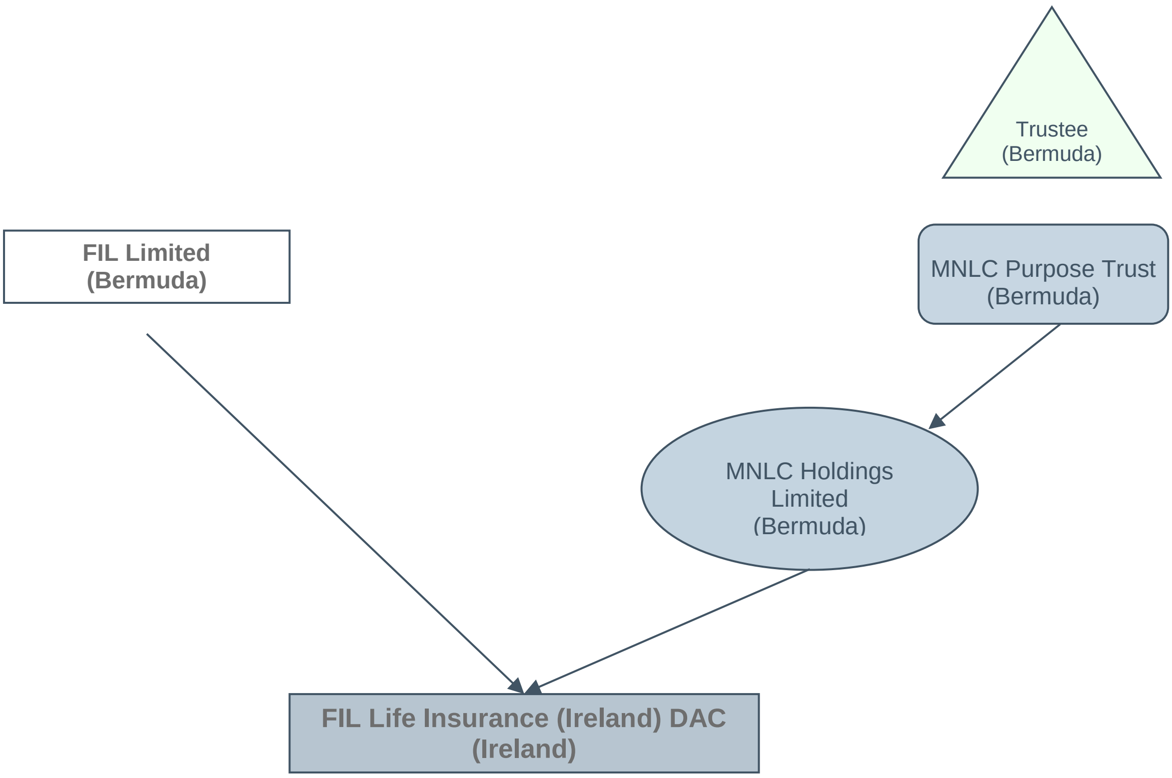
Description of holders of qualifying holdings

The holders of qualifying holdings in the Company are as follows:

- FIL Limited (Bermuda), the ultimate holding company in the Fidelity group.
- MNLC Holdings Limited (Bermuda), which is wholly owned by MNLC Purpose Trust (Bermuda).

If part of a group, details of the position within the legal structure of the group

The positioning of the Company within the Fidelity group is as follows, with FIL Limited (Bermuda) being the ultimate holding company within the group.



Material lines of business and geographical areas

The Company writes a single line of business (index linked and unit-linked insurance in the form of regular premium retirement business) through its flagship product, the Multinational Retirement Savings Service. Policies are generally issued to Trustees (the policyholders) located primarily in the Isle of Man, with individual scheme members being located throughout the world.

Significant business or external events over reporting period

There were no significant internal or external events, occurring in the period since the previous valuation, which had a material impact on the solvency or financial condition of the Company.

Proportion of ownership and voting rights

The register of holdings of qualifying holdings is as follows:

€1.00 A Ordinary

Shareholder	Shares Held	% of Class	Voting %	Capital %
FIL Limited	1,240,000	16.1	Non-Voting	14.3
MNLC Holdings Limited	6,460,000	83.9	Non-Voting	74.3

€1.00 B Ordinary

Shareholder	Shares Held	% of Class	Voting %	Capital %
FIL Limited	500,000	50.0	50.0	5.7
MNLC Holdings Limited	500,000	50.0	50.0	5.7

A.2 Underwriting Performance

Underwriting performance by material business line and geographical area

The Company has limited exposure to pricing underwriting risk due to an intercompany agreement. The Company's pricing model aims to develop a framework to support flexible pricing options required to meet the needs of the business. Pricing is bespoke to each client and is dependent upon the metrics of the plan at take on and projected into the future.

There is an underwriting and pricing policy that includes the terms on which new business is written.

The Company's business does not involve accepting any insurance risk and therefore no traditional underwriting is required. Given that FIL Life Ireland does not undertake any traditional underwriting, there is no quantitative information on the performance to report.

The Company only has one line of business. The Company's product offering is a retirement savings service designed for multi-national companies that have employees in numerous jurisdictions, who wish to provide a scheme through which their employees may save for their retirement ("Multinational Retirement Savings").

(€'000)	30 June 2018	30 June 2017
Gross Premium	381,430	127,878

Underwriting performance compared to prior year as per financial statements

(€'000)	30 June 2018	30 June 2017
Total Fee Income	4,597	4,913

The increase in gross premium year on year was a result of an increase in single premium received EUR 332,239,442 in the financial year to June 2018 versus 2017 EUR 88,002,971 plus an increase in regular premium 2018 EUR 49,190,418 versus 2017 EUR 39,874,771.

The overall decrease in fee income arises from a combination of an increase in insurance fee income due to an increase in average AUM, which was offset by a decrease in rebate fee income arising under the fund provision agreement in place with another Fidelity Group Company.

A.3 Investment Performance

The Company's unit-linked assets are fully invested in funds managed by third party fund providers as well as funds managed by other Fidelity group companies.

The investment performance has no direct impact on the Company's performance, other than through the small amount of seed capital that the Company places into new funds (seed capital). Market risk exists on this capital as the units seeded are owned by the shareholders. The Company also has a holding in a Fidelity UCITS Liquidity Fund where gains and losses are reported through the statement of comprehensive income.

Investment performance indirectly impacts the business through the effect it has on annual management charges ("AMCs"). The Company's funds are all unit-linked and so the rewards and costs of investing are directly attributable to the policyholders. The performance of the funds only impacts FIL Life Ireland in so far as it earns a management charge on the assets under management. Performance information on underlying funds is reviewed by the Board on a quarterly basis.

Investment performance compared to prior year as per financial statements

(€'000)	30 June 2018	30 June 2017
Investment Performance	35,859	49,361

The decrease in the investment performance was principally a result of market movements and foreign exchange movements in the unit-linked assets. This decrease is reported in the Statement of comprehensive income in fair value gains/losses on financial assets at fair value through profit and loss and change in investment contract liabilities.

As stated above FIL Life Ireland does not bear significant direct risk related to the unit-linked assets; the risks related to these are borne by the policyholders as the value of their policy is in direct correlation with the value of the unit-linked assets. The Company will hold some assets in a range of mutual funds for the purpose of facilitating business operations (seed capital).

The Company does bear secondary market risk which results from fees due to be received by the Company being based on a percentage of assets under management. As markets move, the valuation of the AUM and consequently the fees due to the Company may be impacted.

Income and expenses by asset class

Income and expenses by asset class is not applicable as the Company is a unit-linked business only.

Gains/losses recognised directly in equity

There are no gains/losses recognised directly in equity.

Any investments in securitisation

There are no investments in securitisations.

A.4 Performance of other activities

Description of other material income or expenses

Material Income

In view of the nature of FIL Life Ireland's activities, FIL Life Ireland shall be entitled to rebate income from FFML.

(€'000)	30 June 2018	30 June 2017
Rebate Fee Income	1,861	2,607

Material Expenses

FIL Life Ireland's material expense relates to administrative charges for FIL Life Ireland's administration services.

(€'000)	30 June 2018	30 June 2017
Administration Expenses	2,324	2,181

Administration expenses have increased as a result of an increase in the number of schemes under administration.

The Company has an Insurance Administration and Services Agreement with FPM, the key outsourcing agreement for operational activities to FIL Life Ireland.

Performance compared to prior year as per financial statements

See tables above.

A.5 Any other information

There is no other relevant information of note relating to business or performance.

SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

Structure of administration, management or supervisory bodies including description of main roles and responsibilities and description of segregation of responsibilities and committees

The Company's Board of Directors is comprised of five Directors as at 30 June 2018, two independent, non-executive Directors, two non-executive Directors and one executive Director. The Board of Directors has the overall responsibility for business decisions and for compliance with the regulatory system.

The main roles and responsibilities of the Board include the following:

- The Board is responsible for the effective, prudent and ethical oversight of the Company, setting its business strategy and ensuring that risk and compliance are properly managed.
- The Board shall have the necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties. It should have a full understanding of the nature of the Company's business, activities, financial statements and related risks along with a full understanding of each director's individual responsibilities and collective responsibilities.
- The Board may delegate authority to sub-committees or management to act on behalf of the Board in respect of certain matters but, where the Board does so, it shall have mechanisms in place for documenting the delegation and monitoring the exercise of delegated functions. The Board cannot abrogate its responsibility for functions delegated.
- The Board should satisfy itself as to the appropriateness all policies and functions for the Company and in particular that these policies and functions take full account of Irish laws and regulations and the supervisory requirements of the CBI, when appropriate.
- The Board shall establish a documented risk appetite, and shall ensure that the risk management framework and internal controls reflect the risk appetite.
- The Board shall satisfy itself that all key Control Functions such as internal audit, compliance and risk management are independent of business units, and have adequate resources and authority to operate effectively.
- The Board shall ensure that the Company's remuneration practices do not promote excessive risk taking. The board shall design and implement a remuneration policy to meet that objective and evaluate compliance with this policy.

Further details on the governance structures can be found in the sections below.

Material changes in governance structures

During the year ended 30 June 2018, while there were no material system of governance changes, there were changes in a number of Directors and Management during the period. During the year ended 30 June 2018, the Company established a Nominations Committee, to manage the Board composition.

Information on remuneration policy and practices including: Principles of remuneration policy including any fixed or variable proportions; Information on performance criteria on which entitlements to share options or variable remuneration is based; Description of the main characteristics of any supplementary pension or early retirement scheme

The Company has no employees with staff being secondees of a group company with operational services also being provided by a group company. Executive salaries for Directors are set outside of the Company. For these reasons the Company does not have a separate Remuneration Committee. No individual is incentivised to put the capital of FIL Life Ireland at risk.

Except for Non-Executive Directors, the Company does not remunerate any member of the Board for their service. Fees for the Non-Executive Directors are set at an appropriate level to reflect the time commitment required to fulfil the role, the responsibilities and duties of the positions, and typical practice amongst other financial institutions.

The Fidelity Group has a remuneration policy in place, which includes the relevant principles governing how members of staff are remunerated

At an individual level employees are formally assessed at least once a year. The performance assessment of all employees includes both qualitative and quantitative elements where appropriate. The variable pay structure for rewarding high performers is fully discretionary and is determined by individual performance and overall company affordability.

Information about material transactions during the reporting period with shareholders, with persons who exercise a significant influence, and with members of the administrative, management and supervisory bodies.

There have been no material transactions during the reporting period.

Information explaining how risk management, internal audit, compliance and actuarial function are integrated into the organisational structure and decision making processes of the undertaking.

See section B.3 for information about how the risk management function is integrated into the organisational structure and decision making processes of the undertaking.

See section B.4 for information about how the compliance function is integrated into the organisational structure and decision making processes of the undertaking.

See section B.5 for information about how the internal audit function is integrated into the organisational structure and decision making processes of the undertaking.

See section B.6 for information about how the actuarial function is integrated into the organisational structure and decision making processes of the undertaking.

B.2 Fit and proper requirements

Description of minimum requirements for skills, knowledge and experience applicable to persons in key functions

The Company has a Fit and Proper policy in place, to ensure that the persons who run the Company collectively possess appropriate qualifications, experience and knowledge, where relevant to the role in question.

Description of process for assessing fitness and propriety of persons in key functions

Fitness for a role is based on an assessment of management competence and technical competence. This assessment includes a review of previous experience, knowledge and professional qualifications, and demonstration of due skill, care, diligence and compliance with the relevant standards of the sector the person has worked in.

Assessment of propriety of an individual is based on their reputation, reflecting past conduct, criminal record, and financial record and supervisory experience.

All reasonable steps are undertaken to ensure that sufficient information is obtained to enable the Company to properly make informed decisions as to the fitness and propriety of Directors, Senior Managers and key function holders.

B.3 Risk management system including own risk & solvency assessment (ORSA)

A description of the company's risk management system and how it can effectively identify, measure, monitor, manage and report the risks

The robust management of risk plays a central role in the execution of the Company's strategy and is a key focus area for the Board, its directors and all contributing business areas. Risk management activities are designed to protect the Company's policyholders and members assets. The Company aims to identify and manage its risks in line with an agreed risk management framework derived from industry practice.

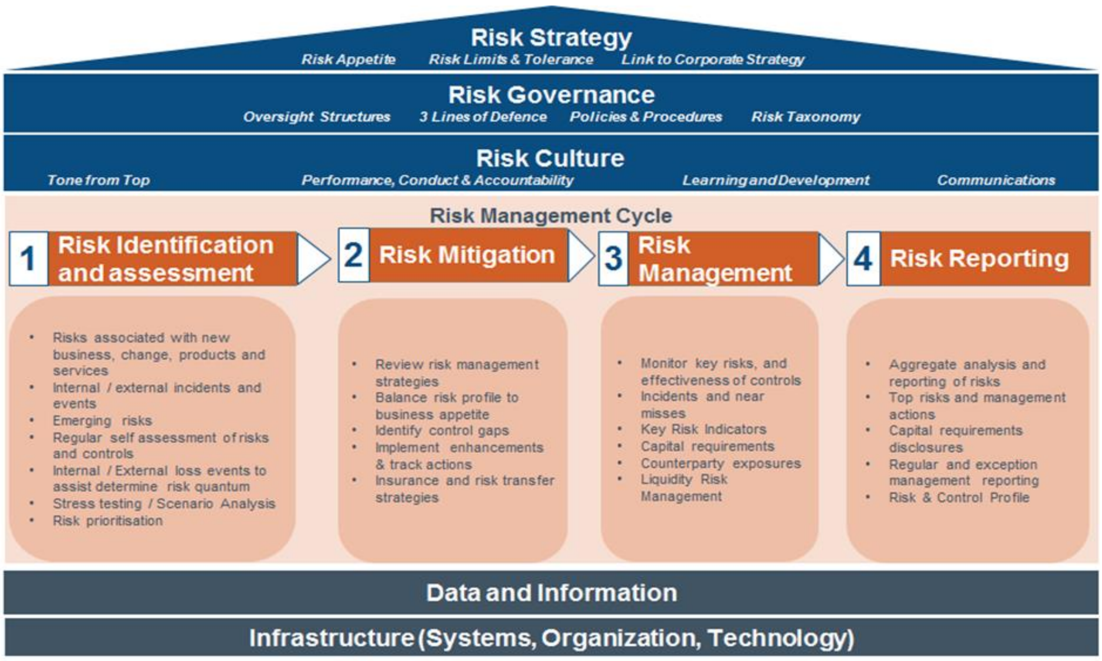
ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company has also adopted the group-wide risk management and policy framework of Fidelity International, supported by individual policies specific to the Company. The holistic management of risk is defined by the Enterprise Risk Management (ERM) Framework, which is designed to support the effective identification of risks, events and trends that may significantly affect the Company's ability to achieve its strategic goals or maintain its operations. The ERM Framework includes the following core foundations:

- application of a common enterprise-wide risk management framework, activities and processes across the organisation
- clear assignment of roles, responsibilities and accountabilities for risk management
- the effective use of appropriate risk identification, mitigating and management strategies
- the integration of relevant, reliable and timely risk management information into reporting and decision- making processes
- the identification and assessment of existing and uncertain future events that may influence the achievement of business plans and strategic objectives.

The diagram below reflects how core elements of the ERM Framework applied across Operational, Strategic, Financial and Investment risks-types align to support the Company's Risk Strategy.

Risk Management Framework



The Company carries out an ORSA to determine its overall solvency and risk needs and ensure that it maintains sufficient financial resources at all times. This is performed in line with the Company's approved ORSA Policy.

Risk Strategy

The Company's risk strategy is to ensure that effective risk management is embedded in all core operating and decision-making processes across the Company, and that existing and emerging risks are identified and managed within acceptable risk limits for financial risk and within agreed risk tolerances for non-financial risks.

The Company's overall approach recognises that risk-taking is an essential part of doing business and, therefore, cannot always be eliminated.

The Company's risk management strategy aims to achieve the following:

- Operate in a legal and ethical manner to safeguard policyholders and members assets, whilst allowing sufficient operating freedom to secure a satisfactory return.
- Risks must be fully understood and adequately measured to ensure that the risk exposure is appropriate for the returns anticipated.
- Operate a governance structure that ensures that risk-taking is controlled in an appropriate manner.
- Take proactive actions to address issues, negative risk trends or control weaknesses, or changes in the external or internal business environment.

The Risk Strategy is supplemented by a risk appetite framework which includes risk appetite statements and related metrics which reflect the aggregated level of risk that the Company is willing to assume or tolerate to achieve its business objectives. It is an essential part of the framework that ensures that the business is carried out safely and within pre-defined boundaries.

COMPONENTS OF THE RISK MANAGEMENT SYSTEM (RMS)

The risk management system encompasses all of the processes, procedures, documentation, controls and actions that contribute towards the management of risk within the Company.

The risk management strategy for the Company is captured in detail in the following documents:

- The Risk Appetite Statement;
- the Risk Register;
- the Risk Management Policy (including risk identification, assessment, mitigation and reporting);
- Monthly and Quarterly Risk reports; Risk Assessments; and
- the ORSA.

The key elements of the Company's risk management system are noted below.

RISK APPETITE STATEMENT

The Board is responsible for establishing the risk appetite of the Company and for ensuring that it falls within acceptable risk appetite levels. The Risk Appetite Statement has been tailored to define the level and nature of risks that the Board considers acceptable to the Company. The Board uses the Risk Appetite Statement on an ongoing basis to shape its strategy. The Board normally reviews and approves the Risk Appetite Statement at least on an annual basis.

The Board delegated authority to the management group of the Company (the "Management Group") to accept certain levels of risk, within pre-agreed limitations as set out in the Risk Appetite Statement, on behalf of the Company.

RISK REGISTER

The Risk Register is a list of key risks to which the Company is deemed exposed. It is the product of the risk identification processes of the Company.

RISK IDENTIFCATION AND ASSESSMENT

IDENTIFICATION

The Risk Taxonomy is reviewed and updated at least annually and is designed to provide a consistent approach for the classification, identification and definition of risk and covers all relevant risks across the organisation.

Risk Owners are responsible for the ongoing and timely risk identification, in alignment with the Risk Taxonomy, considering multiple sources of internal and external emerging risk.

All staff are responsible for identifying and escalating risk events. Each risk event is assessed for its severity according to a pre-defined impact matrix, with significant events escalated to pre-agreed distribution lists within a set time period of becoming apparent.

Internal and external risk events are used to inform risk assessment and scenario analysis activities.

ASSESSSMENT

As part of the risk management cycle, risk self-assessments are conducted to assess risk levels and impacts. Defined processes and principles are followed to establish risk materiality, identify root causes, drivers, themes and impacts of individual and aggregated risks. Mitigation actions are determined for risks outside of appetite. The Head of Risk reviews and challenges aggregated risks identified and assessed by risk owners.

To gain a complete view of the risk profile and a view of idiosyncratic risks, risk assessments are supplemented by scenario analysis activity. Scenario analysis is used to assess the impact of extreme but plausible risks. The scenarios assess the exposures that could significantly affect the Company's financial performance or reputation and are an important component of the risk framework. Scenario analysis and stress testing is carried out annually as part of the ORSA process or on an ad-hoc basis if triggered by a significant change in risk profile.

RISK MITIGATION AND RISK REPORTING

Risk mitigation strategies are crucial for ensuring levels of residual risk are managed within risk appetite and include a defined control environment, action management processes (remediation); strategic de-risking processes; risk transfer (insurance); or reduction of exposure.

A risk profile view is normally obtained on a quarterly basis by assessing available information for each material risk. Risks are compared against risk appetite thresholds and mitigation actions are recommended to the Board, where appropriate.

Risk Management

All risk exposures are aggregated and reported, where appropriate. Key risk concentrations are identified and analysed. Root cause themes are assessed across the population of risk events to drive prioritisation and management action. Top risks are identified and assessed against risk appetite prior to evaluation by the Board. Top risks are also benchmarked against the Risk Taxonomy, internal and external information.

Material risks are underpinned by Key Risk Indicators (KRIs) used to monitor and track changes to risk exposures over time. These indicators have been identified as part of the risk appetite metric work. The Company assigns KRIs to the risk categories where appropriate. These KRIs aim to provide management information as early as possible so that risks can be dealt with effectively but also so that opportunities to the Company can be acted upon.

Actions are identified from various risk management activities, for example risk assessments, risk events, thematic reviews and scenario analysis activity. These are prioritised by management on a regular basis and monitored to completion.

Risk Reporting

Monthly and Quarterly risk reports are produced and discussed with accountable business heads. These detail the relevant risk profile and activity, material operational losses and other key risk matters to enable Management of the businesses to form an ongoing view on the overall effectiveness of the internal control environment and risk management framework.

Quarterly reporting is provided to the Company's Risk Committee and Board. The quarterly risk reports contain information on the risk exposures and risk events for the Company and provide a commentary of the current risk exposure and forward looking risk exposure, and a description against the risk appetite of the Company in respect of the material risk exposures and management actions. This reporting will normally include:

- Risk profile, including top risks;
- Risks against risk appetite ;
- Key risk and control indicators including concentration risks;
- Material risk events or issues;
- Regulatory and solvency capital reporting; and
- Any material risks related to Group interdependencies.

Enhancements to risk reporting have been made during the year to support greater insight for risk decision-making purposes. It is further expected that risk reporting will continue to evolve, as the Company's and Fidelity International's centralised risk and data repository system, BWise, which is used to capture, aggregate and report risk data including risk events, risk assessments, controls and evidence of escalation, review and challenge, is further developed.

OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

The ORSA considers the risks facing the Company, the appropriate mitigation and, where necessary, the amount of capital required to meet the risk. The ORSA is carried out in line with the ORSA process that has been implemented by the Company, in line with Solvency II requirements. Accordingly, the Company's risk profile is subject to appropriate and relevant scenario stress testing, as set out in the ORSA policy, and this is performed normally on an annual basis (and will be undertaken more frequently in the event that the risk profile of the Company changes materially.

CAPITAL

Capital provides the ultimate buffer for a firm to withstand financial shocks arising from severe risk events. As such, the assessment of an appropriate level of capital to hold is both an essential element of the Company's risk management framework and a mandatory requirement of the Central Bank. The Company is required to meet minimum regulatory capital standards at all times. These capital reserves are monitored by Finance function and the Risk Function and form the basis of financial reporting to the CBI.

The Risk function and the Finance function perform stress testing and scenario analysis on the Company's key business risks with any adjustments made to the capital requirements as appropriate in line with the ORSA.

OPERATIONAL RISK AND OUTSOURCING

As the Company has an outsourcing arrangement with another internal group company, the operational risks associated with this arrangement are assessed as part of the determination of capital requirements for operational risk exposure, and discussed with key business subject matter experts.

POLICIES

All staff / employees supporting the business of the Company are expected to be familiar with all Fidelity Group policies and any internal sub-policies or standards which also contribute to the overall risk management and control environment.

The Company reviews and updates its policies, with Board review and approval as required, on an annual basis.

OTHER ASPECTS OF RISK MANAGEMENT

Risk Culture & Risk Management Principles

The Company has a codified Risk Culture & Risk Management Principles statement in its Risk Management Policy and this includes detailed risk culture statements under the following areas:

(i) We understand our customers
(ii) We understand our products
(iii) We understand our markets and geographies
(iv) We understand our processes
(v) Our people understand their roles
(vi) We protect and enhance the business

A description of how the RMS including the risk management function are implemented and integrated into the organisational structure and decision-making processes

THE BOARD

The Board has ultimate responsibility for the Company's risk management policy and risk management framework. The Board is responsible for reviewing the operation and effectiveness of the policy and framework.

The Company operates a governance structure that ensures that risk-taking is controlled in an appropriate manner. The Board is responsible for ensuring robust risk management and governance practices are in place for the Company and for ensuring that the management of the Company is operating the business in accordance with that risk strategy.

The responsibilities of the Board therefore include:

- Approving the risk management strategy to be followed by the Company and ensuring that regular reviews of this strategy take place;
- Receiving regular reports from the Risk Committee and monitoring the overall risk situation of the Company on a regular basis;
- Ensuring a strong risk culture exists within the Company; and
- Maintaining and regularly reviewing the Company's Risk Appetite Statement which articulates the general attitude towards the desired level of risk in the organisation. This includes reviewing and updating risk limits which will be specified for each of the principal risks in order to express the risk tolerance at an individual risk level.

The Board has delegated responsibility for certain risk related tasks to the Risk Committee. The Board is responsible for the oversight of the Risk Committee, its role and operation.

THE RISK COMMITTEE

The Risk Committee is responsible for reviewing the effectiveness of the risk management and internal control framework across the Company. The core roles and responsibilities of the Risk Committee are as follows:

- Providing oversight and advice to the Board on matters including:
  - The risk exposure and appetite of the Company.
  - The future risk strategy, taking account of the Board's overall risk appetite, the current financial position of the Company; and
  - The capacity of the Company to manage and control risks within the agreed strategy.

  The Committee may draw on the work of the Audit Committee and the External Auditor in providing such advice.
- Oversight of the Risk Management Function of the Company;
- Ensuring that the development and on-going maintenance of an effective risk management system within the Company is effective and proportionate to the nature, scale and complexity of the risks inherent in the business; and
- Advising the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, the amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Company.

The Risk Committee is governed by its terms of reference, which evidences the functions delegated to it by the Board, and is operated in line with applicable regulatory requirements and guidance. The terms of reference shall be reviewed annually by the Risk Committee to ensure continuing appropriateness. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

THE RISK MANAGEMENT FUNCTION

The Risk Management Function of the Company is responsible for providing the Board, Risk Committee, and the Management Group with the appropriate risk management, advice and guidance including information on the Company's overall risk profile, proposals for refinements to its risk appetite, improvements to the Company's risk mitigation techniques, and regular updates of a risk event register. The Chief Risk Officer ("CRO") is the Head of the Risk Management Function and is also referred to as the Head of Risk.

THE ACTUARIAL FUNCTION

The Actuarial Function will contribute to the effective implementation of the risk management system and will comment or contribute on other aspects of the risk management system, including, but not necessarily limited to, market risk and asset liability matching. More detail can be found in section B.6.

THE FINANCE FUNCTION

The Finance Function will play a key role in managing risk within the Company such as market and credit risk and in areas such as capital management, asset-liability matching and investments.

THE AUDIT COMMITTEE

The Audit Committee focusses on the oversight control framework for the Company. While its role in relation to risk management is of a more limited nature, it does focus on any matters relating to internal audit and other monitoring of controls in place, which also helps to manage risk. The Audit Committee operates on a similar basis to the Risk Committee and is governed by its own terms of reference in line with regulatory requirements.

FIDELITY GROUP FUNCTIONS AND INTERNAL AUDIT

The Company has the benefit of the support of certain functions of the Fidelity International (FIL) Group, which assist in the management of risk for the Company. These supports include the support of the Internal Audit team, and a Group Risk Function, which are centralised in the Fidelity International group functions.

The Fidelity International group, like the Company, operates risk management on a "three line of defence" basis, as set out in more detail below.

This is designed to ensure that day to day responsibility for risk management originates at a local level as part of the overall business process and a robust framework of risk identification, evaluation monitoring and control exits.

The Framework mirrors and is guided by the Fidelity Group policy and approach, which is informed by the reporting from local entities into group risk reporting. More detail on the Internal Audit Function can be found in Section B.5.

The responsible persons and specific committees (if any), their roles, position and scope of responsibilities

The FIL Life Ireland Oversight Group meets at least on a quarterly basis. The Oversight Group monitors activities outsourced to other entities to ensure services are provided within agreed service standards. The Oversight Group is chaired by the CEO, who reports to the FIL Life Ireland Board. This group comprises representatives from Operations, Investment services & Fund Accounting, Compliance, Finance and Investment Proposition. The duties of the group are to monitor against specific policies and secondly to monitor and review management information on the services provided by outsourced providers.

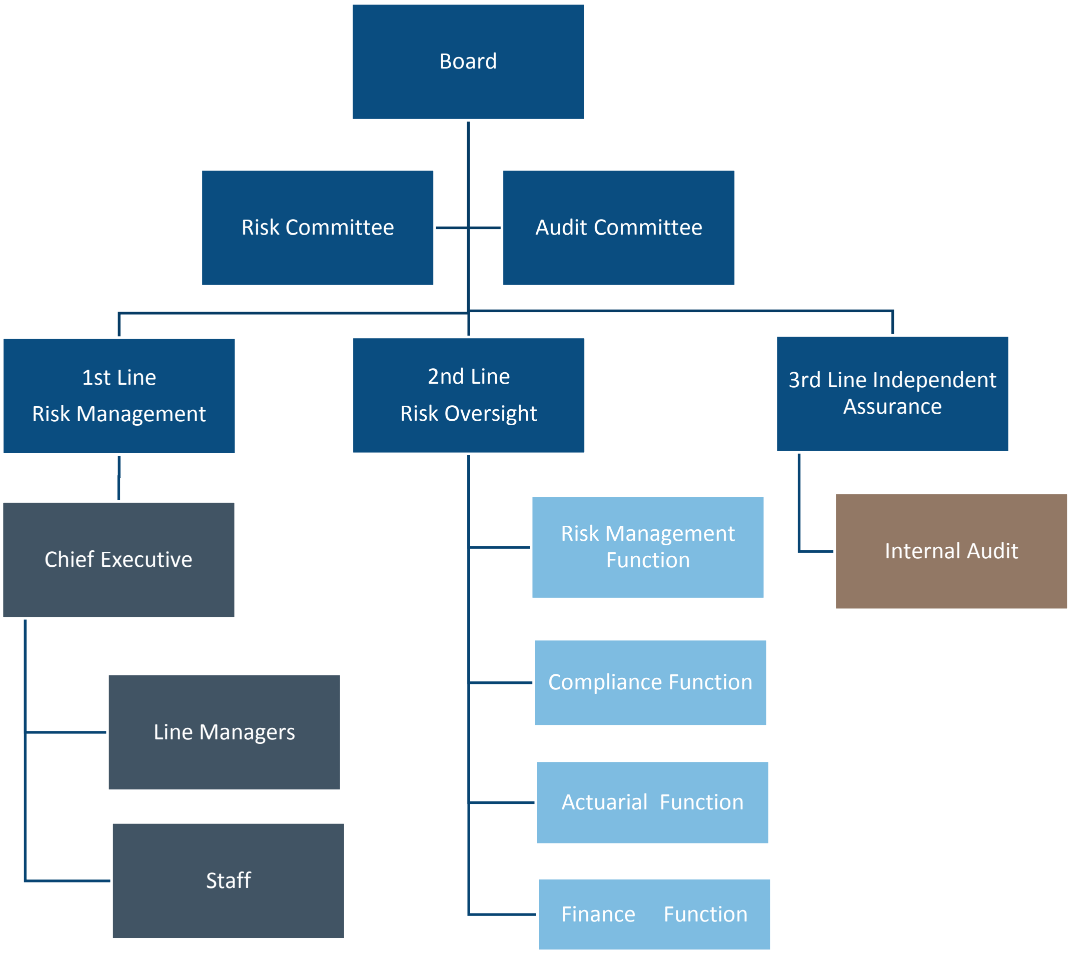
Description of how existing committees interact with the Administrative, Management or Supervisory Body ("AMSB") to ensure the AMSB meets its responsibilities with regard to the internal model

The Company does not use an internal model.

B.4 Internal control system

Description of internal control system

The Company uses a “three-lines-of-defence” internal control system, which is designed to support the effectiveness of the Company’s risk management framework and also support the Company’s Board in ensuring that an effective internal control framework is in place. The following graph shows key components of the three-lines-of-defence model.



The 1st Line of Defence is risk owners, owning the risks emerging from their respective business and/or processes and being accountable for managing, monitoring and mitigating these risks on an ongoing basis in line with established policies, tools and procedures.

The 2nd Line of Defence includes the Risk Function and risk-type controllers, comprises an independent risk and control layer responsible for the design of core enterprise and specific risk-type frameworks, methodologies and tools, and provides risk oversight.

The 3rd Line of Defence is Internal Audit, which provides independent assurance on the adequacy of the design and effectiveness of the 1st and 2nd lines of defence.

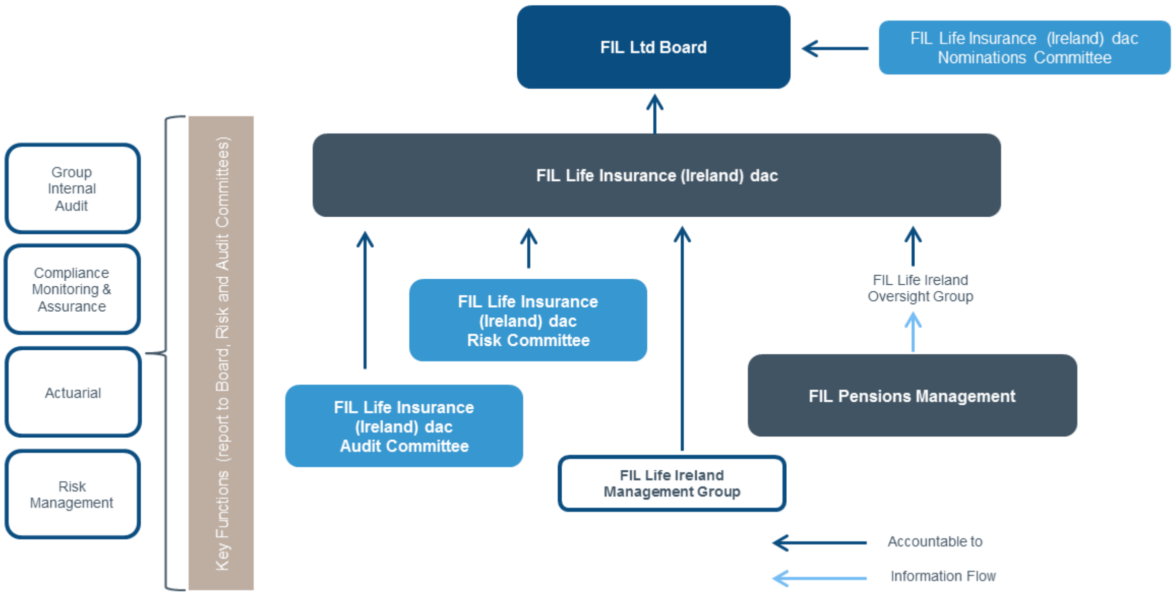
The internal control system includes administrative and accounting procedures, an internal control framework, appropriate reporting arrangements and the Compliance Function, in addition to the risk function. Specific internal controls are in place in relation to the valuation of assets and liabilities.

Description of how the compliance function is implemented

The Compliance Function is part of the second line of defence. The Compliance Function provides advice and guidance, in relation to regulatory obligations, to the business functions and Board of Directors. It monitors and provides regular assessment of the effectiveness of policies, processes, controls and procedures designed to ensure that the Company meets its obligations at all times. It also participates in the Company's strategic and change agendas to ensure that existing and/or forthcoming obligations are factored in to all projects and initiatives. The Compliance function reports on relevant compliance items to the Board, including regulatory issues, breaches and errors as well as compliance monitoring, review findings and regulatory publications/papers impacting the Company's business.

Description of governance committees

The governance arrangements including how the risk management system is integrated into the Organisational structure and decision-making processes of the Company is outlined below:



B.5 Internal Audit function

Description of how the internal audit function is implemented

The Company's third line of defence against risk is comprised of the Internal Audit function and the Audit Committee. Internal Audit, reporting to the Audit Committee, provide independent assurance on the effectiveness of the systems and controls in place in the Company, including operational, compliance and risk management.

The Internal Audit function reports on the relevant audit items to the Board and Audit Committee, including audit findings from completed reviews, audits in progress and any notable issues including overdue actions. It examines and evaluates the functioning of the Company's internal controls and other elements of the Company's system of governance, as well as the adequacy of and compliance with regulatory obligations, internal strategies, policies, processes and reporting procedures.

Post year end, the Internal Audit policy was reviewed and the Fidelity Group Internal Audit Charter was adopted by the Company, as the framework for the provision of internal audit services.

Description of how its independence and objectivity is maintained

As the Internal Audit function is centralised within the Fidelity International Group, it is completely independent and as a result, may perform its functions and report its findings to the Audit Committee without impairment.

B.6 Actuarial function

Description of how actuarial function is implemented

The Actuarial Function is part of the second line of defence in the Company's risk management framework. The Actuarial Function role has been outsourced to Milliman, the global insurance consultancy firm. The Head of Finance oversees the work performed by Milliman.

The Head of Actuarial Function ("HoAF") is a PCF role as prescribed by the CBI. The HoAF signs off on all of the relevant key tasks and deliverables as listed in the terms of reference for the Actuarial Function, agreed between the Company and Milliman, and which is in accordance with Solvency II requirements.

B.7 Outsourcing

Description of outsourcing policy including outsourcing of critical or important operational functions or activities, Jurisdiction of service providers

The Board has adopted a delegation and outsourcing policy to support the operation of the Company's effective system of governance. The policy describes the process used to determine whether to delegate or outsource functions to other providers. This policy aligns to the other policies so adopted by the Board and the business strategy of the Company, in line with the requirements of the CBI.

The Company is aware of the requirements of the CBI prior to delegation to third parties and the Company's compliance with these requirements is addressed in the policy. The policy outlines the delegation and outsourcing arrangements in an appendix of the policy, together with the rationale for the arrangement and whether each outsourced function is a critical or important function for the purposes of Solvency II. The policy also contains summary details of the agreements.

The Company recognises that delegation arrangements do not alter its relationship and obligations to its policyholders and do not affect the Company's legal or regulatory responsibilities for its authorised activities. The Company also notes that delegations or outsourcing arrangements must not impair the ability of the Central Bank to supervise the Company. The Board has ensured that the contractual arrangements in place to effect the delegation or outsourcing are consistent with this obligation.

The Company outsources to another group company, which is regulated by the United Kingdom Financial Conduct Authority, the administration services under an Insurance Administration Services Agreement.

The Actuarial Function is outsourced to a firm of Actuaries.

The key agreements include:

Name of Agreement	The Company and Delegation / Outsourced Party	Delegation / Outsourced Function
Insurance Administration Services Agreement	Fidelity Group Entity	Insurance Administration Services, Promotion and Distribution services, Investment Management Services
Internal Audit Agreement	Fidelity Group Entity	Internal Audit Services
Terms of Reference for the Head of Actuarial Function under Solvency II	External Actuarial Services Firm	Actuarial Services

The Company outsources its operational administration activities to another Fidelity group entity and also distributes its product via this entity, which is a UK regulated entity, and forms part of FIL Holdings (UK) Limited ('FHL') and assesses its risks and capital requirements as part of the Fidelity Group Internal Capital Adequacy Assessment Process ("ICAAP").

The Company's Board deems it appropriate to consider and monitor these risks (as appropriate), with these risks assessed within the Company's ORSA.

B.8 Any other information

There is no other information relevant to systems of governance.

C. Risk Profile

The Company employs a robust process for identifying and managing its risks. Risks are managed and monitored to a risk appetite defined in the risk appetite statement and approved by the Board on an annual basis. As at 30th June 2018, the below risks are noted:

Underwriting Risk / Insurance Risk	The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. Due to the existence of this intercompany agreement, the Company's risk exposure is effectively concentrated with the contracting company (in the form of counterparty risk, including the risk that the counterparty will decide to terminate the agreement). The Company does not have any material underwriting risk concentrations. The Company engages in unit linked business only and as the Company neither offers guarantees nor writes any annuities, Insurance risk is not deemed to be a major risk facing the business.
Market Risk	The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. The Company writes a single line of business in Linked Long Term Business with policy holders selecting investments, with the unit-linked funds invested in funds managed by third party fund providers as well as funds managed by other Fidelity group companies. All of the benefits from policyholder investments for the Company are directly linked to the value of units in funds subject to the provisions of the EU Directive relating to the undertakings for collective investment in transferable securities (UCITS). There is no direct investment, other than the Company having a limited amount of seed capital investment for new fund set ups, with market risk arising on these seed capital investments, with this exposure managed within a Board agreed limit. Neither policy holders nor the Company directly hold complex instruments such as derivatives, securitisations, and "non-routine" investments and there are currently no plans to do so.
Counterparty Credit Risk **(including Concentration Risk & Group Risk)**	The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. The only material residual credit risk is counterparty exposure to the Fidelity Group, particularly in the event of a loss arising such that there is a material recovery amount due from the Fidelity Group. The material risk concentration to which the Company is exposed is within the Fidelity Group through the intercompany agreement where the Company places reliance on this agreement to provide support in running the business. The Company also has counterparty default risk exposures arising from the placement of its funds and working capital, with bank counterparties and also with the Fidelity Institutional Liquidity Fund plc.
Liquidity Risk	The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. However, this intercompany agreement does not explicitly address liquidity risk. The Company faces liquidity risk, which is managed through ongoing cashflow management and forecasting, liquidity scenario stress testing, together with maintaining appropriate working capital balances and the availability of a contingency funding line with a Fidelity Group entity.
Operational Risk	The Company does not face material operational risk exposure due to the existence of an intercompany agreement, but the Company does consider the possibility of operational risk exposure events elsewhere in the Fidelity Group, leading to a possible impact on the support agreement for the Company from the other Fidelity Group entity. The Company outsources administration operations to a Fidelity Group company. The operations undertaken include carrying out the insurance administration services and investment management services such as devising and implementing investment policy and managing allocation of investments of the Company's funds where those funds comprise more than one underlying collective investment scheme.

C.1 Underwriting risk

C.1.1 Risk exposure

Description of measures used to assess risks, including any material changes over the year

Risk assessments are undertaken looking at the likelihood of a given risk event materialising and the possible impact as a consequence. There have been no material changes over the course of the year. The risk exposure is compared to the Risk Appetite which the Board set.

Description of material risks, including any material changes over the year

The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. There are no material residual underwriting risks.

C.1.2 Risk concentration

Description of the material risk concentrations

Due to the existence of the intercompany agreement, the Company's risk exposure is effectively concentrated with the contracting company (in the form of counterparty risk, including the risk that the counterparty will decide to terminate the agreement). It does not have any material underwriting risk concentrations.

C.1.3 Risk mitigation

Description of method for mitigating risk and process for monitoring effectiveness of these strategies

The Company considers a number of methods for mitigating risk including putting in controls or a measure in place, transferring the risk to a third party or considers use of insurance as a measure to reduce the likelihood or impact of a risk. The Company will also consider whether to avoid a risk where it is deemed outside of the Company's appetite.

Risk monitoring is achieved through the completion of specific elements of the risk management framework, as follows:

- On-going review and update of the Risk Appetite Statement by the Head of Risk, along with an annual review by the Risk Committee.
- On-going review and update of the Risk Register by the Head of Risk, along with an annual review by the Risk Committee.
- On-going reporting and discussion of appropriate risk information to the Risk Committee.

C.1.4 Risk sensitivity

Description of assumptions, methodology and results of stress-testing and sensitivity analysis for each material risk

The Company does not face any material underwriting risk exposure due to the existence of an intercompany agreement. However, in the absence of the intercompany agreement, it is exposed both to an increase in expenses and an increase in surrenders. These exposures are examined on an annual basis through the ORSA process, and quarterly through the calculation of the SCR on a Standard Formula basis.

In relation to the sensitivity to expenses, the Company undertakes an expense shock stress.

The Company is similarly exposed to an increase in surrender rates. The Company undertakes a lapse stress.

C.1.5 Any other disclosure

The Company does not have any further disclosure to make in relation to its underwriting risk profile.

C.2 Market risk

C.2.1 Risk exposure

Description of measures used to assess risks, including any material changes over the year

See Section C.1.1 for details.

Description of material risks, including any material changes over the year

The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. There are no material residual market-related risks.

Description of how assets have been invested in accordance with the 'prudent person principle'

The Company writes a single line of business in Linked Long Term Business with policy holders selecting their own investments, The unit-linked funds are invested in funds managed by third party fund providers as well as funds managed by other Fidelity group companies. All of the benefits from policyholder investments for the Company are directly linked to the value of units in funds subject to the provisions of the EU Directive relating to the undertakings for collective investment in transferable securities (UCITS). There is no direct investment. The Company has seed capital in new funds. Neither policy holders nor the Company directly hold complex instruments such as derivatives, securitisations, and "non-routine" investments and there are no plans to do so.

C.2.2 Risk concentration

Description of the material risk concentrations

Due to the existence of an intercompany agreement, the Company's risk exposure is effectively concentrated within the Fidelity Group (in the form of counterparty risk, including the risk that the counterparty will decide to terminate the agreement). It does not have any material market risk concentrations.

Market risks arises from seed capital investment, used to support new fund set-up, although this exposure is limited with this exposure managed within a Board agreed limit, which is monitored regularly and discussed at Board meetings.

C.2.3 Risk mitigation

Description of method for mitigating risk and process for monitoring effectiveness of these strategies

See Section C.1.3 for details.

C.2.4 Risk sensitivity

Description of assumptions, methodology and results of stress-testing and sensitivity analysis for each material risk

The Company does not face any material market risk exposure due to the existence of an intercompany agreement. However, in the absence of this agreement, it is exposed to a shock reduction in underlying policyholder fund values (as margins are largely determined as a percentage of underlying fund values). This exposure is examined on an annual basis through the ORSA process, and quarterly through the calculation of the SCR on a Standard Formula basis.

C.2.5 Any other disclosure

The Company does not have any further disclosure to make in relation to its market risk profile.

C.3 Credit risk

C.3.1 Risk exposure

Description of measures used to assess risks, including any material changes over the year

See Section C.1.1 for details.

Description of material risks, including any material changes over the year

The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. The only material residual credit risk is counterparty exposure to the Fidelity Group, particularly in the event of a loss arising such that there is a material recovery amount due from the Fidelity Group. There was no material change to the credit risk exposure of the Company over the year.

Description of how assets have been invested in accordance with the 'prudent person principle'

See section 2.1 for details.

C.3.2 Risk concentration

Description of the material risk concentrations

The material risk concentration to which the Company is exposed is within the Fidelity Group through the intercompany agreement where the Company places reliance on this agreement to provide support in running the business.

The Company also has material exposure to the default of banks were there are balances held with those banks, and to the default of the Fidelity Institutional Liquidity Fund plc (“the ILF”).

The Company holds deposits with Bank of America Merrill Lynch (BOAML). BOAML is investment grade rated by Standard and Poor’s and the ILF is AAAm rated. These ratings are monitored for any changes.

C.3.3 Risk mitigation

Description of method for mitigating risk and process for monitoring effectiveness of these strategies

See Section C.1.3 for details.

C.3.4 Risk sensitivity

Description of assumptions, methodology and results of stress-testing and sensitivity analysis for each material risk

The Company does not face any material counterparty risk exposure due to the existence of an intercompany agreement, with the exception of exposure to a Fidelity Group entity (which is materially increased due to this agreement). This exposure is assessed in the Company’s ORSA, through an analysis of a scenario in which the agreement is terminated, and also another scenario in which there is also a loss of an element of the Company’s capital due to the failure in a counterparty bank.

C.3.5 Any other disclosure

The Company does not have any further disclosure to make in relation to its credit risk profile.

C.4 Liquidity risk

C.4.1 Risk exposure

Description of measures used to assess risks, including any material changes over the year

See Section C.1.1 for details.

Description of material risks, including any material changes over the year

The range of material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. However, this agreement does not explicitly address liquidity risk. The Company faces liquidity risk, which is managed ongoing cashflow management and forecasting, together with maintaining appropriate working capital balances and the availability of a contingency funding line with a Fidelity Group entity.

Description of how assets have been invested in accordance with the 'prudent person principle'

See Section C.2.1 for details.

C.4.2 Risk concentration

Description of the material risk concentrations

There are no material liquidity risk concentrations to the Company.

C.4.3 Risk mitigation

Description of method for mitigating risk and process for monitoring effectiveness of these strategies

See Section C.1.3 for details.

C.4.4 Risk sensitivity

Description of assumptions methodology and results of stress-testing and sensitivity analysis for each material risk

The Company faces liquidity risk, which is managed through ongoing cashflow management and forecasting, undertaking internal stress-testing for liquidity sensitivity analysis via liquidity scenario stress testing, together with maintaining appropriate working capital balances and the availability of a contingency funding line with a Fidelity Group entity.

C.4.5 Any other disclosure

The Company does not have any further disclosure to make in relation to its liquidity risk profile.

C.5 Operational risk

C.5.1 Risk exposure

Description of measures used to assess risks, including any material changes over the year

See Section C.1.1 for details.

Description of material risks, including any material changes over the year

The range of operational material risks to which the Company is exposed is curtailed due to the existence of an intercompany agreement. There are no material residual operational related risks. There was no material change to the operational risk exposure of the Company over the year.

C.5.2 Risk concentration

Description of the material risk concentrations

The Company's operations are primarily carried out by one provider, a Fidelity Group company. The operations undertaken include carrying out the insurance administration services such as processing and updating details of policyholders' details and investment management services such as devising and implementing investment policy and managing allocation of investments of the Company's funds where those funds comprise more than one underlying collective investment scheme.

C.5.3 Risk mitigation

Description of method for mitigating risk and process for monitoring effectiveness of these strategies

See Section C.1.3 for details.

C.5.4 Risk sensitivity

Description of assumptions, methodology and results of stress-testing and sensitivity analysis for each material risk

The Company does not face any material operational risk exposure due to the existence of an intercompany agreement. Therefore, this risk exposure is not the subject of any formal stress-testing or sensitivity analysis, but is considered through consideration of a possible operational risk exposure event(s) elsewhere in the Fidelity Group, leading to an impact on the support agreement for the Company from the other Fidelity Group entity.

C.5.5 Any other disclosure

The Company does not have any further disclosure to make in relation to its operational risk profile.

C.6 Other material risks

Overview of the use of special purpose vehicles, disclosing at least information on whether the SPV is authorised under Solvency II, what risks are transferred to it and how the fully funded principle is assessed on an on-going basis

The Company does not make use of Special Purpose Vehicles.

Risks which are incidental to doing business, but are not actively pursued, include counterparty & credit risk, investment risk in respect of shareholders' funds and capital & funding risk.

C.7 Any other information

The Company's risk profile is not considered to have materially changed since submission of the Company's previous SFCR (for the year ended 30 June 2017). However, in respect of the United Kingdom's decision to leave the EU in March 2019 ("Brexit"), the Company has assessed the potential impact of a 'hard' or negative Brexit outcome. The Company's ORSA for 2017 considered Brexit and the 2018 ORSA considers this in further detail, including the impact of a hard or negative no-deal Brexit. Given the Company's contingency planning to date, a negative no-deal Brexit outcome (the UK exiting EU membership without transitional arrangements) is not anticipated to have a materially negative impact on the Company.

VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Value of assets for each material class, as well as a description of the basis, methods and assumptions used for valuation

FIL Life Ireland's assets are primarily those held to back the unit-linked liabilities, with the surplus held as cash or similarly liquid investments. These assets are comparatively straightforward, and are stated at either market value or the expected realisable value (in the case of cash deposits). The methodology for valuing and recognising these assets is therefore not expected to change in the foreseeable future.

Asset holding as at 30 June 2018, as per QRT S.02.01 with 2017 comparables

Classes of Material Assets (€'000)	30 June 2018	30 June 2017
Investments (other than assets held for unit-linked funds)	13,362	13,153
Assets held for index-linked and unit-linked contracts	939,841	643,878
Insurance and Intermediaries receivables	1,075	1,809
Receivables (trade not insurance)	-	415
Cash and cash equivalents	1,454	1,131
Any other assets, not elsewhere shown	7,103	9,539
Total assets	**962,835**	**669,926**

The valuation methodology and assumptions for these assets, including reasons for aggregation, are summarised below:

Investments: other than assets held for unit-linked funds

These represent listed investments held with quoted liquidity funds. The assets are stated at market value.

Assets held for index-linked and unit-linked contracts

Assets held for unit-linked funds are all forms of publically available collective investment schemes, primarily UCITS and are stated at the market value provided by the fund managers.

FIL Life Ireland reviews the prices received against agreed tolerances for movements. A service level agreement ("SLA") is agreed with each fund manager for timeliness and accuracy and these are regularly followed up with meetings and questionnaires to assess the quality of the prices and other data received.

In response to adverse events, FIL Life Ireland may take a number of actions to protect the interests of policyholders in a fund, for example, suspend trading or pricing, defer dealing or diverge from the stated investment policy.

Insurance and Intermediate receivables

Insurance and intermediate receivables are included at the expected realisable value.

Cash and cash equivalents;

Cash and cash equivalents represent cash at bank and is valued at the expected realisable value.

Receivables (trade not insurance) and any other assets, not elsewhere shown

Receivables and other assets, such as debtors are included at the expected realisable value.

For each material class, a quantitative and qualitative explanation of any material differences with the valuation basis, method and assumptions used for the financial statements

There are no differences between the solvency valuation basis and financial statements basis for assets, with the exception of:

- The establishment of a rebate asset within the solvency valuation; and
- The establishment of a BEL plus a Risk Margin within the solvency valuation of the technical provisions (in addition to the unit liability). The technical provisions in the financial statements are set equal to the unit liability.

The rebate asset is similar in nature to a reinsurance asset and captures the benefit of the intercompany agreement. The value of the rebate asset for year-end reporting was €7,103m as at 30 June 2018 (€9,539m as at 30 June 2017).

Description of leasing arrangements, separately disclosing information for financial leases and operating leases

The Company does not have any leasing agreements.

Where related undertakings were not valued using quoted market prices in active markets, or the adjusted equity method, an explanation why the use of these methods was not possible or practical

This is not applicable to the Company.

Where intangible assets are valued at an amount greater than zero and the amount is material, at least the following information should be given the nature of the assets and information on the evidence and criteria they used to conclude that an active market exists for those assets

The Company does not have any intangible assets.

Information on material financial assets, disclosing where relevant the criteria used to assess whether markets are active, if they are inactive, a description of the valuation model used, significant changes to valuation models used and to model inputs, including the impact of and reasons for the change

The vast majority of the assets are unit-linked funds that are actively traded. Some of these funds are managed by related Fidelity companies, whereas others are managed by external providers. Prices are updated regularly on these funds, in most cases on a daily basis, which is indicative of an active market.

Information on deferred tax assets and liabilities, disclosing the origin of the recognition of deferred tax assets and liabilities, the amount and expiry date if applicable, of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset and liability is recognised in the balance sheet

Not applicable as the Company has no deferred tax assets.

D.2 Technical Provisions

Value of technical provisions (split by best-estimate and risk margin) for each material line of business as well as a description of the basis, methods and assumptions used for their valuation

There are three components of the technical provisions for a unit-linked company such as FIL Life Ireland. These are: the Unit Liability, the BEL and the RM.

Where a liability can be replicated using financial instruments, for which a reliable market value is observable, then the value of the technical provisions for that liability is determined as the market value for those instruments. An example of this is the unit liability, where the value of the liability is set equal to the value of the units deemed allocated to policyholders.

Otherwise (where a market value is not observable for a liability), the value of technical provisions equals the sum of the BEL and the RM. The BEL is the expected present value of the probability-weighted average of future cash-flows, using relevant risk-free interest rate term structure. The RM is the cost of holding the SCR over the lifetime of the business. The cost of capital rate is set in the Solvency II Delegated Regulation to be 6% p.a.

The table below shows the components of the technical provisions for FIL Life Ireland.

Technical Provisions as at 30 June 2018, as per QRT S.02.01 & S.12.01 with 2017 comparable

Technical Provisions (€'000)	30 June 2018	30 June 2017
Unit Liability	939,048	643,242
Best Estimate Liability	6,206	8,750
Risk Margin	1,162	1,004
Gross Technical Provisions	**946,416**	**652,996**

Each of these items, including the basis, methods and assumptions, are discussed in more detail in the following subsections.

UNIT LIABILITY

The unit liabilities are equal to the value of units allocated to policyholders and are matched by corresponding unit-linked assets held on behalf of policyholders. The value of units is calculated as the price per unit multiplied by the number of units. These are calculated by the policyholder administration system.

The unit liability amounted to €939m at the financial year-end of 30th June 2018 (€643m at the financial year-end of 30th June 2017).

The unit liability has increased by €296m year on year, from €643m at 30 June 2017 to €939m at 30 June 2018. This is driven by a change in assets under management at 30 June 2018 in comparison to the previous year-end as a result of net new business premium over claims of €263m and positive market movement less fees paid, of €33m. This increase was primarily a result of a planned transfer of schemes from another group company.

BEST ESTIMATE LIABILITY ("BEL")

The BEL represents the present value of the expected future cash flows arising from the inforce book of business, discounted using risk-free interest rates. It does not include the unit liability as this has been unbundled and classified as technical provisions calculated as a whole, as outlined above. As the projected future outgoings are expected to exceed the expected future income from the inforce business, the BEL for this business is positive.

The BEL amounted to €6.2m at the financial year-end of 30 June 2018 (€8.7m at the financial year-end of 30 June 2017). The BEL has decreased by €2.5m over the year from €8.7m at 30 June 2017. This is primarily driven by a change in best estimate expense assumptions.

The cash flows projected include the following, where relevant:

- Fund management charges;
- Member record keeping fees;
- Maintenance Expenses; and
- Third-party administration fees, including investment management fees.

For the Company, the definition of contract boundaries determines what premiums and associated cash flows should be included in the calculation of the BEL. Any premiums and associated cash flows that lie beyond the contract boundary are excluded from the calculation of the technical provisions. For the Multinational Retirement Savings Plan business, the contract boundary occurs immediately, due to the fact that the product charges are fully reviewable, and hence no new premiums are included in the calculation of the BEL.

Each key assumption is now described in further detail below:

- Surrender rates;
- Maintenance expenses;
- Maintenance expense inflation;
- Third Party Administration ("TPA") fees;
- TPA fee inflation; and
- Discount rates and investment growth.

Each of the demographic assumptions is derived at a homogeneous risk group level, which for the Company is at an overall book level.

- Surrender Rates

The best estimate lapse rate assumption allows for both full and partial surrenders in respect of scheme members. The actuarial function has carried out an experience investigation on the book of business and the lapse rate assumption is set in line with the results from this investigation.

- Maintenance and TPA Expense

The expense assumptions were set based on sales and expenses from the most recent business plan at the time of setting the technical provision assumptions for the valuation at 30 June 2018. The expense assumptions have been updated for 30 June 2018 to allow for the most recent business plan.

- Expense Inflation

Expense Inflation is modelled separately in respect of EUR and GBP denominated expenses.

The EUR denominated expense inflation is determined based on the European Central Bank target inflation rate. A margin for wage inflation has been added to this rate to allow for the proportion of the underlying cost base which is salary-related. The margin was derived using relevant data from the Economic and Social Research Institute (ESRI). In previous years a margin for wage inflation was not applied in the calculation of the technical provisions.

The GBP expense inflation rate is set in line with observed market yields on UK inflation linked securities of suitable duration. There is no material change in this assumption compared to the previous year.

- Discount Rate and Investment Growth

In calculating the technical provisions, the yield curve is based on the prescribed Solvency II methodology. There is no material change in this assumption compared to the previous year.

RISK MARGIN

The risk margin is calculated as the cost of holding the SCR over the lifetime of the obligations. So the projection of the SCR is the key input to this calculation.

This is calculated based on the cost of holding the SCR in respect of non-hedgeable risks over the projected future lifetime of the inforce contracts. The risk margin is calculated at a total portfolio level rather than at an individual policy level.

The risk margin is calculated using the cost of capital approach set out in the Solvency II Directive.

The risk margin was €1.2m at 30th June 2018. The risk margin has increased by €0.2m over the year, from €1.0m at 30th June 2017. This increase is mainly driven by an increase in counterparty default risk.

The Company uses a simplified approach in calculating the SCR for each future year whereby the future SCR is projected based on the projected future BEL of the inforce business. This corresponds to Method 2 in the hierarchy of methods for the calculation of the risk margin described in the "Guidelines on valuation of technical provisions" published by EIOPA.

The SCR that is projected into the future to calculate the risk margin reflects the existence of the intercompany agreement. The inclusion of this agreement results in a reduction in the projected SCR of the Company, as it acts to mitigate some of the Company's risk exposure under the various stresses of the SCR. This in turn results in a reduction in the risk margin.

As the Company only writes one line of business it does not need to allocate the risk margin by line of business.

Description of the level of uncertainty associated with the amount of the technical provisions

The sensitivity of the BEL to changes in the assumptions used in calculating the technical provisions is described below. The sensitivity of the technical provisions is represented here by the sensitivity of the BEL, although some second order impacts on the RM would also be expected.

BEL SENSITIVITY ANALYSIS (€'000)	30 JUNE 2018
Change due to 49% decrease in unit prices (per SCR equity shock)	+4,997
Change due to 10% increase in expenses and 1% increase in expense inflation	+3,157
Change due to 50% decrease in surrender rates	+6,862
Change due to 15% decrease in mortality rates	+8
Change due to decrease in interest rates (per the SCR interest rate shock)	+294

The sensitivity analysis above shows that the BEL is reasonably sensitive to an adverse movement in equity values, with the BEL increasing by €5.0m in response to a 49% decline in unit values. This is the result of lower margins arising from the funds under management (due to the drop in the value of these funds), partially offset by a reduction in fund related expenses.

The BEL is also quite sensitive to the expense assumptions used. A 10% increase in expense assumptions, combined with a 1% increase in expense inflation rates results in an increase in BEL of €3.2m. Note that the expense assumptions referred to in this scenario include maintenance expenses and TPA expenses.

The BEL is very sensitive to changes in the surrender rates. Since the projected future level of expenses is greater than the projected future income from the inforce business, a decrease in surrender rates results in an increase to the BEL. The 50% decrease in surrender rates described here equates to a decrease in lapse rates from 11.7% p.a. to 5.85% p.a. This decrease in surrender rates has the effect of increasing the liability on the business by €6.9m.

The BEL is not particularly sensitive to changes in mortality rates. The Company is not exposed to significant mortality risk due to the absence of any death benefits in excess of the unit fund on contracts. A decrease in mortality rates has practically no impact on the BEL, and so this is not considered a material risk for the Company.

The BEL is also not very sensitive to changes in interest rates. It can be seen in the table above that a decrease in the yield curve (as per the SCR shock) results in an increase in BEL of €0.3m. The impact of this is quite minor, as the same yield curve is used for investment return and discounting. As most of the cash flows are directly related to the value of the underlying unit-linked liabilities, changes to the yield curve do not have a significant impact on the BEL.

For each material line of business, a quantitative and qualitative explanation of any material differences with the valuation basis, method and assumptions used for the financial statements

For financial statements reporting, the Company classifies all contracts as "Investment Contracts" for the purpose of calculating the Life Assurance Provision under the International Financial Reporting Standard ("IFRS"). Thus, the total liability held in respect of the book of business for financial statement is the unit linked liability. As per Solvency II methodology, the unit liabilities under IFRS are equal to the value of units allocated to members and are matched by corresponding unit-linked assets held on behalf of members. The value of units is calculated as the price per unit multiplied by the number of units. There is no BEL or RM in the financial statements, therefore these items are zero.

Where the matching adjustment is applied, a description of the matching adjustment and of the portfolio of obligations and assigned assets to which it is applied, as well as a quantification of the impact of a change to zero of the matching adjustment on that undertaking's financial position

The matching adjustment is not used within the technical provisions.

A statement on whether the volatility adjustment is used and quantification of the impact of a change to zero of the volatility adjustment on that undertaking's financial position

The volatility adjustment is not used within the Company's technical provisions.

Information on use of the transitional provisions on the risk-free interest rate term structure and, if used, the quantitative impact on the valuation of technical provisions

Transitional provisions are not used within the Company's technical provisions.

A statement on whether the transitional deduction is applied and a quantification of the impact of not applying the deduction measure on the undertaking's financial position

Transitional deduction is not applied to the Company's technical provisions.

A description of recoverables from reinsurance contracts and SPVs and material changes in assumptions made in the calculation of technical provisions compared to the previous year

The Company currently does not have any reinsurance arrangements in place. It does, however, have an alternative risk transfer arrangement in place, this agreement acts in a similar fashion to reinsurance.

This is the third year-end that technical provisions are reported for FIL Life Ireland. Comparisons of results and assumptions against last year are documented above.

D.3 Other liabilities

Value of other liabilities for each material class as well as a description of the basis, methods and assumptions used for their valuation

The value of other liabilities is as follows:

Other Liabilities as at 30 June 2018 with 2017 comparables as per QRT S.02.01

Other Liabilities (€'000)	30 June 2018	30 June 2017
Insurance & intermediaries payables	6,544	7,254
Payables (trade, not insurance)	503	406
Any other liabilities, not elsewhere shown	2	87
Total Other Liabilities	**7,049**	**7,747**

These amounts are based on a market consistent valuation and are consistent with the values included in the financial statements.

A quantitative and qualitative explanation of any material differences with the valuation basis, method and assumptions used for financial statements purposes

The same valuation basis, methods and assumptions (where relevant) are used for the Company's business in its financial statements as are used for solvency reporting purposes.

When aggregating other liabilities than technical provisions into classes, in order to describe the valuation basis that has been applied to them, aggregate these liabilities based on their nature, function, risk and materiality for solvency purposes

Aggregation is not used in the calculation of other liabilities.

Description of material liabilities arising from leasing arrangements, separately disclosing information for financial leases and operating leases

FIL Life Ireland has no lease arrangements.

Disclosure of information regarding material contingent liabilities and provisions other than technical provisions separately, at least including the nature of the obligation and, if known, expected timing of any outflows of economic benefits and an indication of uncertainties surrounding the amount of timing of the outflows of economic benefits and how deviation risk was taken into account in the valuation

There are no contingent liabilities or material provisions in the Financial Statements.

Disclosure of at least the following information regarding employee benefits:

The nature of the obligations with employee benefits and a breakdown of the amounts by nature of obligations

The nature of the defined benefit plan asset, the amount of each class of assets, the percentage of each class of assets of the total defined benefit plan assets, including reimbursement rights

As at June 30, 2018 all staff engaged in the management and administration of the Company are employed by other Fidelity Group Companies. Their services are provided under a secondment agreement or Insurance Administration Services Agreement in place between these companies and FIL Life Insurance (Ireland) DAC. The expenses in relation to these employees are recharged under these agreements on the basis of cost plus 5% basis and are included in Administrative expenses.

With the exception of Independent Non-Executive Directors, the Company does not remunerate any member of the Board for their service. The Independent Non-Executive Directors were paid remuneration of €88,788 in the year to 30 June 2018 (2017: €38,757).

The Company has no defined benefit pension plan.

D.4 Alternative methods for valuation

There is no alternative valuation method used.

D.5 Any other information

There is no other material information regarding the valuation of assets and liabilities.

CAPITAL MANAGEMENT

E.1 Own funds

Information on the objectives, policies and processes for managing own funds including the planning horizon used and any material changes

The objectives of the Company's capital management policy are twofold: firstly, it aims to ensure that capital is, and will continue to be adequate to maintain the safety and stability of the Company, assuring a high level of confidence in the Company, and secondly it aims to ensure that capital is reasonable and not so high that a reasonable rate of return is difficult to achieve.

It is the policy of the Company to maintain sufficient capital to readily absorb its material risks, based on current volumes of business and any new business expected to be written over the next year. Under normal circumstances, the Company will maintain a capital buffer in excess of its calculated SCR, the amount of which is determined in accordance with the Company's Risk Appetite. Current levels of solvency coverage are monitored closely against both 'hard' or set limits and 'soft' or trigger levels which have been determined by the Board. Once these limits are breached a set of agreed actions will be undertaken to address the breach.

The time horizon for business planning is 5 years.

Quality of own funds is continuously monitored to ensure that sufficient eligible own funds are maintained at all times.

The Company has determined a list of actions which it could undertake in order to address any concerns which may arise in respect of the quantity or quality of own funds.

For each tier, information on the structure, amount and quality of own funds, and analysis of significant movements over the year

All the own funds are considered as Tier 1 capital in accordance with the guidelines on loss absorption and repayment of capital and dividends.

The own funds are managed such that they have low liquidity and market risk. The Company manages this objective by keeping its own funds that are not used on a day to day basis in the Fidelity Institutional Liquidity Fund (ILF), which is an AAAm rated credit rated fund. Funds maintained outside of the ILF are placed with investment grade entities, Barclays Bank PLC and BOAML.

Breakdown of Solvency II Own Funds as at 30 June 2018 with 2017 comparables *as per QRT S.23.01*

Solvency II Own Funds (€'000)	June 2018	June 2017
Allocated, called up and fully paid up ordinary shares of €1 each	8,700	8,700
Reconciliation Reserve	669	580
Total Own Funds	**9,369**	**9,182**

Quantitative and qualitative analysis of differences between equity in financial statements and basic own funds

Reconciliation to financial statements

The financial statements are prepared under accounting standards IFRS, whilst the Solvency II balance sheet is prepared in accordance with the Solvency II directive and associated regulations & guidance.

Reconciliation of Own Funds as at 30 June 2018 with 2017 comparables, as per QRT S.02.01, S.12.01 and S.23.01

Reconciliation Of Own Funds (€'000)	30 June 2018	30 June 2017
Total of reserves and retained earnings from financial statements	9,634	9,143
Less: Best Estimate Liability	(6,206)	(5,064)
Less: Risk Margin	(1,162)	(855)
Add: Rebate Asset	7,103	6,057
Excess of assets over Liabilities (Solvency II Own Funds)	**9,369**	**9,280**

There are no material differences between the basis, methods and assumptions regarding the valuation of own funds used for the valuation for solvency purposes and those used in the financial statements.

For each basic own fund item that is subject to transitional arrangements, a description of the nature and amount of the item

There are no basic own fund items subject to transitional arrangements.

For each material item of ancillary own funds, a description of the item, the amount and calculation methodology, nature and name of the counterparties

There are no ancillary own funds items.

Description of any item deducted from own funds and information on any significant restriction affecting the availability of own funds

There are currently no deductions from own funds.

Analysis of significant changes to own funds, including the value of own fund items during the year, the value of instruments redeemed during the year, and the extent to which the issuance has been used to fund the redemption

There were no significant changes to own funds during the year.

In relation to subordinate debt, an explanation of the changes arising from movements in the risk free rate and, if relevant, from fluctuations between the currency in which the subordinated debt is issued and the reporting currency

There is no subordinate debt included in the Company's own funds.

When disclosing information on the amount of own funds eligible to cover the Solvency Capital Requirement and the Minimum Capital Requirement classified by tier, an explanation of any restrictions to available own funds and the impact of limits on eligible Tier 2 and 3 capital, and on restricted Tier 1 capital

There are no restrictions to the available own funds.

Details of the principal loss absorbency mechanism used to comply with Article 71 (1)(e) of the Implementing Measures, including the trigger point, and its effects so that all providers of own funds items are aware of the potential impact

There is no loss absorbency mechanism in relation to own funds.

Explanation of the key elements of the reconciliation reserve

The reconciliation reserve is made up of the following components:

Reconciliation Reserve as at 30 June 2018, as per QRT S.02.01, S.12.01 and S.23.01 with 2017 comparables

Reconciliation Reserve (€'000)	30 June 2018	30 June 2017
Total retained earnings from the Financial Statements	934	698
Less: Best Estimate Liability	(6,206)	(8,750)
Less: Risk Margin	(1,162)	(1,004)
Add: Rebate Asset	7,103	9,539
Reconciliation Reserve	**669**	**482**

For each basic own fund item subject to the transitional arrangements, and explanation of the tier into which each item has been classified and why, and the date of the next call and the regularity of any subsequent call dates, or the fact that o call dates fall until after the end of the transitional period

There are no transitional arrangements.

Regarding items deducted from own funds, information on the total excess of assets over liabilities within ring-fenced funds, identifying the amount for which an adjustment is made in determining available own funds, and the extent of the reasons for significant restrictions on, deductions from or encumbrances of own funds

There are no restrictions or ring-fenced funds.

Expected developments in own funds

The Company currently has no plans to issue, repay or otherwise change its own funds position. Under both the current solvency position and forward looking projection the Company has sufficient capital to cover all identified risks.

Under the ORSA process, projections take into account the ways in which own funds may develop and change over time under stress tests and scenarios. The primary purpose of the ORSA is to ensure that the Company engages in the process of assessing all of the material risks inherent in its business and has determined its related capital needs.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Amount of SCR and MCR at year-end

The SCR and MCR figures at year-end 2018 are as follows: *as per QRT S.28.01 with 2017 comparables*

Capital Requirements (€'000)	30 June 2018	30 June 2017
Solvency Capital Requirement	2,590	2,540
Minimum Capital Requirement	1,165	1,143
Absolute Minimum Capital Requirement	3,700	3,700
Capital requirements	**3,700**	**3,700**

Amount of SCR split by risk modules if standard formula used and by risk categories if internal model used

Solvency Capital Requirement (SCR)

The SCR has been calculated in accordance with the methodology specified under the Standard Formula, which involves applying a series of prescribed stress tests. FIL Life Ireland does not use any simplified calculations for the SCR.

Solvency Capital requirements by SCR components as at 30 June 2018 as per QRT S.25.01 with 2017 comparables

SCR Module (€'000)	30 June 2018	30 June 2017
Market Risk	654	686
Counterparty Default Risk	1,273	1,116
Life Underwriting Risk	153	126
Operational Risk	966	1,047
Diversification	(457)	(435)
Solvency Capital Requirement	**2,590**	**2,540**

Information on whether, and for which modules, the company is using simplified calculations and/or company specific parameters

The Company is not currently using simplified calculations or undertaking-specific parameters for the SCR components.

The impact of any undertaking specific parameters and/or the amount of any capital add-on with the justification by the supervisor

There is no regulatory capital add-ons applied and the Solvency Capital Requirement is still subject to CBI supervisory assessment.

Information on the inputs used to calculate the MCR

Minimum Capital Requirement (MCR)

The MCR as at June 30 2018 is € 3.7m (2017: € 3.7m). The calculation of the MCR is purely formula based as dictated by EIOPA Solvency II requirements. The MCR is calculated based on factors applied to sums assured and technical provisions. It is then subject to an upper and lower band based on the SCR. It shall however not go below 25% nor exceed 45% of the Company's SCR. There is an absolute floor of €3.7 million.

FIL Life Ireland's MCR requirement is the defined floor of €3.7 million as detailed in below table:

Minimum Capital requirements as at 30 June 2018 as per QRT S.28.01 with 2017 comparables

Minimum Capital Requirement (€'000)	30 June 2018	30 June 2017
SCR	2,590	2,540
MCR Cap (45% SCR)	1,165	1,143
MCR Floor (25% SCR)	647	635
Combined MCR	1,165	1,143
Absolute Floor of the MCR	3,700	3,700
Minimum Capital Requirement	**3,700**	**3,700**

Material movements in MCR or SCR over the year and the reasons for such changes

There has been an immaterial increase in the SCR year on year from €2.540m to €2.590m as at June 2018.

The Minimum capital requirement remains at €3.7m representing the absolute floor of the MCR.

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

FIL Life Ireland does not use the duration-based equity sub-module, and therefore this section is not relevant.

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

FIL Life Ireland does not use an internal model and therefore this section is not relevant.

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

FIL Life Ireland monitors the compliance with the MCR and SCR on a monthly basis. There have been no periods of non-compliance with either the MCR or SCR and there is no reasonable foreseeable risk of non-compliance with the MCR or SCR in the future.

Ratio of Eligible own funds to SCR / MCR as at 30 June 2018, as per QRT S .23.01 with 2017 comparisons.

SCR & MCR Capital Compliance (€'000)	30 June 2018	30 June 2017
SCR	2,590	2,540
MCR	3,700	3,700
Eligible Own Funds	9,369	9,182
Ratio of Eligible Own Funds to SCR	362%	362%
Ratio of Eligible Own Funds to MCR	253%	248%

E.6 Any other information

There was no breach of the SCR over the reporting period.

There is no other material information regarding the capital management of the insurance and reinsurance undertaking.

Certain regulatory reporting templates are attached to this report as supplementary information.

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Report of the independent auditor of FIL Life Insurance (Ireland) DAC (the "Company") to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company:

- S.02.01.02;
- S.12.01.02;
- S.23.01.01;
- S.25.01.21; and
- S.28.01.01

as at 30 June 2018 (the "relevant elements of the Solvency and Financial Condition Report").

The relevant elements of the Solvency and Financial Condition Report have been prepared by the Company in accordance with Solvency II Regulations, which consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
- European Commission Delegated Regulation (EU) 2015/35; and
- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance Directive 2009/138/EC of the European Parliament and of the Council.

In our opinion, the information in the relevant elements of the Solvency and Financial Condition Report of the Company as at 30 June 2018 is properly prepared, in all material respects, in accordance with the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Ireland, including IAASA's Ethical Standard for Auditors (Ireland) as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to the "Valuation for Solvency Purposes" and "Capital Management" sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or
- the directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Solvency and Financial Condition Report and consists only of:

- D.1. – Assets;
- D.2 – Technical provisions;
- D.3 – Other liabilities;
- D.4 – Alternative methods for valuation;
- D.5 – Any other information;
- E.1 – Own funds;
- E.2 – Solvency Capital Requirement and Minimum Capital Requirement;
- E.3 – Use of the duration-based equity risk submodule in the calculation of the Solvency Capital Requirement; and
- E.6 – Any other information.

The directors are responsible for the other information. Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the other information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report or with our knowledge obtained in the course of the audit of the relevant elements of the Solvency and Financial Condition Report or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of those charged with governance for the Solvency and Financial Condition Report

The directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Solvency and Financial Condition Report and for the approval of the Solvency and Financial Condition Report.

The directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The directors are responsible for overseeing the Company's financial reporting process.

The directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report is located on IAASA's website at:

http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns/Public Disclosures, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the reasonable assurance engagement on the relevant elements of the Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

12 October 2018

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.02.01.02 - Balance Sheet Information

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	13,362
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	13,362
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	939,841
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**	1,075
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet	**R0400**	
Cash and cash equivalents	**R0410**	1,454
Any other assets, not elsewhere shown	**R0420**	7,103
Total assets	**R0500**	962,835

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.02.01.02 - Balance Sheet Information (continued)

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	946,416
TP calculated as a whole	**R0700**	939,048
Best Estimate	**R0710**	6,206
Risk margin	**R0720**	1,162
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	6,544
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	503
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	2
Total liabilities	**R0900**	953,466
Excess of assets over liabilities	**R1000**	9,369

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.05.01.02 - Premiums, claims and expense by line of business

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

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**			381,430						381,430
Reinsurers' share	**R1420**									
Net	**R1500**			381,430						381,430
Premiums earned										
Gross	**R1510**			381,430						381,430
Reinsurers' share	**R1520**									
Net	**R1600**			381,430						381,430
Claims incurred										
Gross	**R1610**			118,917						118,917
Reinsurers' share	**R1620**									
Net	**R1700**			118,917						118,917
Changes in other technical provisions										
Gross	**R1710**			293,420						293,420
Reinsurers' share	**R1720**									
Net	**R1800**			293,420						293,420
Expenses incurred	**R1900**			4,361						4,361
Other expenses	**R2500**									
Total expenses	**R2600**									4,361

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.12.01.02 - Information on Technical Provisions

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)	Health insurance (direct business): Contracts without options and guarantees	Health insurance (direct business): Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**		939,048								939,048						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**			6,206							6,206						
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**			6,206							6,206						
Risk Margin	**R0100**		1,162								1,162						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**		946,416								946,416						

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.23.01.01 - Own Funds

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	8,700	8,700			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	669	669			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	9,369	9,369			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	9,369	9,369			
Total available own funds to meet the MCR	R0510	9,369	9,369			
Total eligible own funds to meet the SCR	R0540	9,369	9,369			
Total eligible own funds to meet the MCR	R0550	9,369	9,369			
SCR	R0580	2,590				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	361.81%				
Ratio of Eligible own funds to MCR	R0640	253.22%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	9,369
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	8,700
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	669
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	

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.25.01.21 - Solvency Capital Requirement (Standard Formula)

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	654		
Counterparty default risk	**R0020**	1,273		
Life underwriting risk	**R0030**	153		
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**			
Diversification	**R0060**	-457		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	1,624		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	966
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	2,590
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	2,590
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

Appendix II - Annual Quantitative Reporting Templates (QRTs)

QRT - S.28.01.01 - Minimum Capital Requirement

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	6,617

		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	945,254	
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	6,617
SCR	R0310	2,590
MCR cap	R0320	1,165
MCR floor	R0330	647
Combined MCR	R0340	1,165
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	3,700