

Octium Holding S.A.

Group Solvency and Financial Condition Report ("Group SFCR")

For the financial year ended 31 December 2019

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Summary

Octium Holding S.A. (“Octium Holding”) is the ultimate parent entity of the insurance group to which Octium Life DAC (“Octium” or “the Company”) belongs (collectively referred to as the “Group”) and which is subject to group supervision under Solvency II Regulations. In accordance with Solvency II, Octium Holding is required to make publicly available an annual report on the solvency and financial condition at the level of the Group (the “Group SFCR”).

On 31 December 2019 the Group simplified the corporate ownership structure of Octium by removing Abbeyview Limited from the ownership structure. This had the effect that Octium Holding S.A. became the ultimate parent undertaking of Octium for the purposes of group supervision. This is further illustrated in Section A.1.2 below. Given the size of Abbeyview Limited, which had less than €100k of gross assets at 31 December 2019, the transaction did not have a material impact on the Group’s own funds, solvency or liquidity. For ease of comparison, Group numbers reported in this report for both current year and comparatives where relevant will be those of the group subject to group supervision at the time.

Octium Life DAC, a unit-linked life assurance company established in Ireland, is the only insurance undertaking within the Group. Octium is registered in Ireland and regulated by the Central Bank of Ireland. The Havilland Group, a financial services group, acquired Octium from UBS in May 2017. Octium provides life products to High Net Worth individuals. Octium distributes its products through banks and other suitable intermediaries seeking wealth planning solutions for their clients.

Below is a summary of the Group’s business and risk profile, key changes and events in 2019.

Business and performance

The Group made an operating profit before tax for the year ended 31 December 2019 of €6.1m (2018: €6.1m), consisting mostly of the profits of Octium. The assets under management increased from €4.1bn to €4.2bn during the period.

System of governance

Octium Holding’s Board of Directors has responsibility for compliance with the regulatory requirements and the governance arrangements applicable at the level of the Group. The Board has established effective governance and control systems to manage business activities and risks. There have been no material changes in the system of governance during the year.

Risk profile

The Group is exposed to risks outlined in section C below. The most significant risks are market and lapse risk. Octium has established a robust risk management and internal control system to monitor and manage these risks. Although these risks may impact on future profitability, they do not have a significant impact on the Group’s ability to meet payments to clients. Policyholder investments are managed on a unit-linked basis where we ensure we are always able to meet policyholder withdrawal requests. The low risk nature of the business means that the Group’s Solvency Ratio remains resilient to changes in the business. There have been no material changes in risk exposures during the year.

Valuation for solvency purposes

Octium continues to manage its balance sheet prudently to ensure its solvency is maintained adequately throughout the business cycle. The company holds sufficient assets to match its policyholder liabilities at all times. Octium is also required to keep a buffer in excess of policyholder liabilities to cover potential losses arising from business risks. The Octium Board ensures that Octium's capital is adequate to cover the expected requirements in the short to medium term.

Capital management

The Group has eligible own funds in excess of the Group's solvency capital requirement (the "Group SCR"). As at 31 December 2019, the Group SCR ratio is 189% (2018: 180%). Octium's solvency ratio at 31 December 2019 was 209% (2018: 217%). The solvency ratio indicates the amount of excess capital relative to regulatory requirements. The main driver for change in the Group Solvency Capital Requirement (SCR) was an increase in funds under management due to positive investment performance as well as accounting profits for the year, both of which increased own funds.

The Group does not plan to make a dividend payment to the shareholder during 2020.

Other information

This report has been prepared in accordance with the requirements of the Solvency II Directive as at 31 December 2019. The Group's and Octium's financial year runs to 31 December each year and both report their results in Euro. Octium's financial statements are prepared on the basis of Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102). For the purposes of the Solvency II Group SCR and Group Own Funds calculation, the Group prepared a consolidated balance sheet in accordance with Luxembourg Generally Accepted Accounting Principles.

A. Business and Performance

A.1. Business

A.1.1. Company information

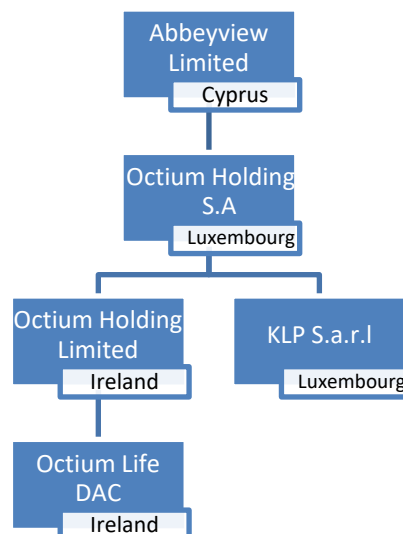
Octium Holding, a holding company incorporated and resident for tax purposes in Luxembourg, is the ultimate parent entity of Octium for the purposes of group supervision in accordance with Regulation 216(3)(b) of S.I. 485 of 2015 (the “Solvency II Regulations”).

Octium is an Irish domiciled and authorised insurance company whose principal activity is the transaction of cross-border life insurance business. The Company was established in 2003 originally as UBS International Life Ltd but its name changed to Octium Life DAC following its acquisition by the Havilland Group in May 2017.

Name of Company	Octium Holding S.A.	Registered Address: 35 Avenue J. F. Kennedy L-1855 Luxembourg Luxembourg
Group Auditors	Deloitte Ireland LLP	Deloitte & Touche House, 29 Earlsfort Terrace Dublin 2 Ireland, D02 AY28
Regulatory Supervisor of the Group & Octium	Central Bank of Ireland (“CBI”)	New Wapping Street, North Wall Quay, Dublin 1. Ireland.

A.1.2. Shareholdings

Octium is the only insurance undertaking in the Group. The group structure below shows the entities within the scope of group supervision up to the 31 December 2019 (100% ownership at each level). From 31 December, following the restructuring of the Group as described above, the Group structure was as below with the exclusion of Abbeyview Limited.

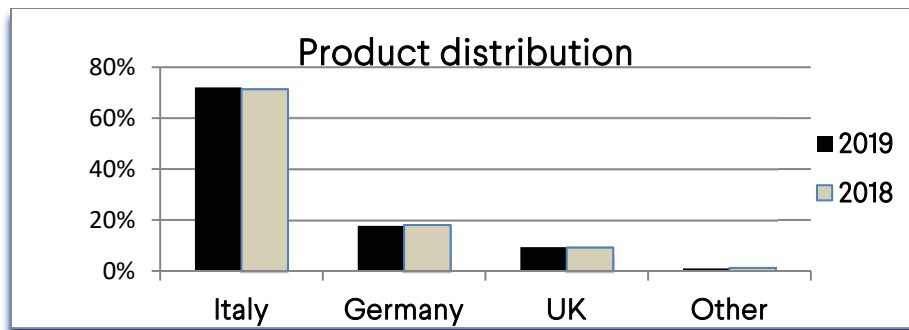


The holding companies above are all based in the EU. They have no assets, other than the investment in Octium and small cash deposits to pay administrative expenses, and have no other risk exposures other than a non-subordinated liability (senior debt) issued in Q2 2017 and used to fund the acquisition of Octium. Part of this senior debt was converted into a Tier 1 subordinated liability (sub debt) in Q4 2017.

The Group's ultimate parent undertaking is Havilland Group (Gue).

A.1.3. Products

Octium is a leading insurer in the offshore bond market offering unit linked life assurance products with an open architecture on a freedom of services basis in Germany, Italy, Spain, Turkey and UK. The main product offering is a portfolio bond, which allows policyholders to link to a fund which is managed by their chosen asset manager or investment advisor. The Company does not offer products with guaranteed investment returns.



A.1.4. Significant events

In December 2018, Octium introduced an additional benefit to its Italian unit linked product range to provide a minimum death benefit of 90% of premiums paid (adjusted for surrenders). This benefit is projected to materially increase Octium's potential exposure to mortality risk over the business planning period. As a result, the Company entered into a new reinsurance treaty with Swiss Re for all life cover benefits. The option to select this benefit may be extended to products offered in other countries in the future.

There were no other significant events in the holding companies within the Group.

A.2. Underwriting performance

Octium's financial statements were prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015. Under this accounting standard, the majority of Octium's unit linked policies are classified as investment contracts whereby premiums and claims are shown as deposits to and payments from investment contracts.

Octium has minimal exposure to mortality risk which is limited by product design and/or reinsurance. Octium's unit linked products offer a standard death benefit which is generally a percentage of the surrender value of the policy. The average death benefit percentage at 31 December 2019 was less than 1% although individual policies can have a death benefit of up to 10%. Octium reduces its underwriting exposure by reinsuring most of this risk in line with its risk appetite. Octium's maximum exposure is €30k per life insured.

Group Solvency and Financial Condition Report 31 Dec 2019

Accounting profits are largely driven by policy administration fees received, net of commissions and other expenses as well as risk fees net of reinsurance and risk claims. Changes in the value of investments underlying unit linked policies are offset by corresponding changes in the value of technical provisions. Octium has defined accounting profits as a measure of its underwriting performance.

A.2.1. Overview of Octium's accounting profits

Overview of accounting profits	2019 €,000	2018 €,000	Change %
Gross accounting profits	7,769	7,670	1%
Tax charge	856	1,026	-17%
Profit attributable to the shareholder	6,913	6,644	4%

Overall, the profit is higher primarily driven by a valuation gain on the Italian substitute tax asset of €1.1m (2018: €0.4m loss). Net fees decreased year-on-year, primarily due to lower asset values.

A.2.2. Octium's risk fees net of reinsurance

Risk fees are the element of policy charges that relate to mortality risk and the payment of death risk benefits. The table below represents the risk fees earned net of reinsurance.

Risk fees	2019 €,000	2018 €,000	Change %
Risk fees earned	887	822	8%
Reinsurer's share net of profit share	382	461	-17%
Net Risk fees	505	361	40%

A.2.3. Premiums written by Octium

The table below represents premiums written during the year as reported in QRT S.05.01.

Index-linked and unit-linked insurance	2019 €,000	2018 €,000	Change %
Gross	145,808	244,576	-40%
Reinsurer's share	0	0	0%
Net Premiums	145,808	244,576	-40%

A.2.4. Octium's death risk benefits net of reinsurance

The table below represents amounts incurred with respect to death risk benefits.

Death benefits	2019 €,000	2018 €,000	Change %
Death risk benefits	124	293	-57%
Reinsurer's share	97	245	-20%
Net Death benefits	27	47	-43%

A.2.5. Octium's claims incurred

The table below represents total claims incurred as reported in QRT S.05.01.

Index-linked and unit-linked insurance	2019 €,000	2018 €,000	Change %
Gross claims	343,329	327,027	5%
Reinsurer's share	0	0	0%
Net claims	343,329	327,027	5%

A.3. Investment Performance

Octium does not provide investment advice. All investments are selected by the policyholder or their intermediary rather than the Company from a pre-approved list of funds or investment managers who are appointed in accordance with a specific investment mandate. The investments selected must be in line with the client's risk profile.

The unit linked nature of the business means that the impact on profit of investment performance is second order. Octium's main source of income is from administration fees charged on the value of unit linked insurance contracts and therefore Octium is exposed to market risk on unit linked investments to the extent that adverse movements in the value of these assets would reduce the future profitability of the Company through a decline in policy administration fees.

Other than some small cash deposits held in the holding companies to cover administration expenses the Group's assets consist of Octium's assets.

A.3.1. Description of Octium's assets

The following investments are held in respect of shareholder and policyholder linked assets.

Asset Type	2019		2018	
	%	€'000	%	€'000
Cash and deposits	6%	251,851	5%	202,524
Collective Investment Schemes	80%	3,389,931	82%	3,376,577
Equities	3%	143,826	3%	129,983
Fixed Income Securities	9%	377,867	9%	364,172
Other	2%	103,878	1%	68,078
Total Assets	100.0%	4,267,351	100.0%	4,141,334

A.3.2. Octium's investment return

Investment income comprises interest, dividends and other income receivable, realised and unrealised gains and losses on investments and is net of related investment management fees and other account-keeping charges.

Investment Return	2019 €'000	2018 €'000
Interest income/expense - shareholders cash	(15)	(52)
Other investment income, gains and losses	317,283	(257,079)
Investment return	317,268	(257,131)

Asset performance during 2019 followed global market trends which saw significant gains, particularly in Q1.

A.4. Performance of Other Activities

Octium's only activity is that of a unit linked life insurance company. Income is mainly in respect of fees charged to the policyholders for policy administration. Fees are charged based on a percentage of the policy value and are therefore affected by the performance of the underlying assets as well as premium and claim levels. The performance of the policies therefore depends on the performance of the assets selected and the expense relating to asset management, custody of assets and policy administration fees. The income for the current and previous years is shown below:

A.4.1. Octium's other technical income net of reinsurance

Other Technical Income	2019 €'000	2018 €'000
Administration fees	16,688	17,533
Reinsurance premiums, profit share and claims	(285)	(215)
Retrocessions received	1	326
Other technical income	16,404	17,644

Administration fee income was down in comparison with 2018 primarily due to lower asset values during 2019 compared to 2018.

A.4.2. Octium's operating expenses

Operating Expenses	2019 €'000	2018 €'000
Acquisition and administration	7,272	6,542
Commission paid	2,357	2,709
Death claims	124	293
Operating expenses	9,753	9,544

Net operating expenses increased marginally during the year reflecting investment in business development activities.

Group expenses mostly consist of Octium's expenses along with the administration expenses of the holding companies within the Group and interest on the senior debt.

A.4.3. Change in value of the Italian substitute tax asset

As a withholding tax agent with respect to the Italian business, Octium makes advance payments to the Italian tax authorities in respect of policyholder exit tax. Recovery is made against exit tax on chargeable gains. The value of the tax asset is determined by discounting the expected future cash flows of these tax recoveries. The change in value of the tax asset each year, as it relates to the impact of discounting, gives rise to a gain or charge in Octium's Income Statement. A gain of €1.1m was recorded in the Company's 2019 Income Statement (2018: €379k charge) due primarily to an expected decrease in the recovery period.

A.5. Any other information

A.5.1. Repayment of non-subordinated debt

During the year Octium Holding S.A. repaid €4.4m of the non-subordinated loan it has with Albany Capital Limited, a related party. The loan balance was €11.1m at 31 December 2019.

A.5.2. Covid 19

The recent outbreak of Covid-19 has been declared a global pandemic by the World Health Organisation and is having a significant adverse impact on global economic activity and financial markets. The expected impact on Octium's business is uncertain and is likely to remain uncertain for a number of months.

The most immediate impact will be on the Company's profitability as a result of falling markets impacting fee revenue and a significant reduction of economic activity reducing new business levels, particularly in Octium's main market Italy. The extent of the impact will depend on how long the outbreak lasts and market developments. The impact on Octium's life insurance risk is not expected to be material due to the low levels of risk in the product design and the reinsurance programme put in place by the Company.

Octium's and the Group's capital positions remain strong and well within targeted ranges. The Group is well capitalised to withstand severe but plausible events and similar stresses and scenarios are tested as part of the annual ORSA process.

The Group and the Company continue to closely monitor the situation to ensure is the are well positioned to respond appropriately as required.

B. System of Governance

B.1. General Information on the system of governance

Octium is the sole operating entity within the Group and is classified as a medium high-risk firm under the Central Bank of Ireland’s risk-based framework known as PRISM and is subject to the Central Bank of Ireland’s Corporate Governance Requirements for Insurance Undertakings 2015.

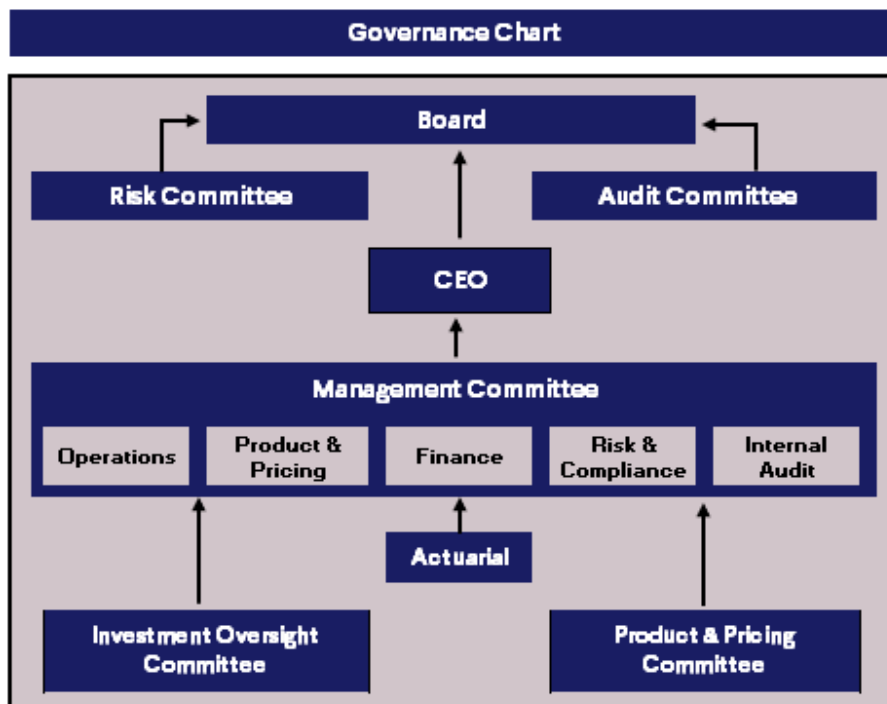
Octium’s Board of Directors is the supervisory body with responsibility for the overall direction, management and for ensuring the Company complies with applicable laws, rules and regulations. It decides on the strategic aims and the necessary financial and human resource requirements based on recommendations of the Management Committee and Chief Executive Officer.

Octium Holding’s Board of Directors is responsible for ensuring that there are adequate mechanisms to monitor, manage and report significant intra-group transactions as well as significant risk concentrations within the Group; that eligible own funds are available in the Group which are always at least equal to the group SCR; that adequate systems and procedures are in place to identify and measure risks at the level of the Group; to ensure that an own risk and solvency assessment is carried out at the level of the Group; and to comply with other group supervision requirements, including regular reporting to the group supervisor.

Octium Holding’s Board has delegated responsibility to individuals within Octium’s Senior Management for the day to day risk management and reporting requirements applicable at group level.

B.1.1. Organisation structure

The Group and Octium are committed to high standards of corporate governance. The Octium governance structure comprising the Board, Board Committees, Management Committee, sub committees of the Management Committee and key functions is outlined below:



B.1.2. Board of Directors:

As at 31 December 2019, the Octium Board comprised: one Executive Director, two Group Non-Executive Directors and two Independent Non-Executive Directors.

Board	
Member	Type
Jean- Francois Willems (Chairman)	Non-Executive Director
Ciaran McGettrick (Risk Committee Chair)	Independent Non-Executive Director
Seamus Hughes (Audit Committee Chair)	Independent Non-Executive Director
Massimoluca Mattioli	Non-Executive Director
Dara Hurley (CEO)	Executive Director

At least annually, the Board reviews its own performance, as well as the performance of its Committees to determine whether they are functioning effectively and efficiently.

The Board of Octium Holding is made up of three directors, all resident in Luxembourg.

B.1.3. Board Committees

The Risk Committee and Audit Committee assisted the Octium Board in discharging its obligations and have operated throughout the year. Both committees operate under defined terms of reference and report at each Board meeting.

B.1.3.1. Audit Committee

The Audit Committee oversees the integrity of the Octium’s financial statements and regulatory reports, the effectiveness of its internal and external audit functions, its reporting procedures, its risk management framework, its compliance with legal and regulatory requirements and its system of internal controls. Its membership consists of three non-executive directors.

B.1.3.2. Risk Committee

The Risk Committee oversees Octium’s risk management framework. The Committee provides leadership, direction and oversight of the risk management function and reviews the principle risks and the way they are managed, controlled and mitigated. Its membership consists of three non-executive directors.

B.1.4. Management Committee

The Octium Management Committee consists of the senior management team and includes the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, Head of Compliance and Head of Product Development. The Committee has responsibility for:

- Day to day management of operations
- Implementation of policies and strategy approved by the Board
- Compliance with regulatory and legal obligations and ensuring there is adequate monitoring and reporting of breaches
- Financial management and reporting
- Product development and marketing

Octium's Chief Financial Officer is responsible of monitoring compliance with group capital requirements and group supervisory reporting and is also responsible for group financial management.

B.1.5. Independent control functions

Octium has established four key independent control functions, who are responsible for providing oversight of and challenge to the business and for providing assurance to the Board on matters relating to the risk management framework and system of internal controls.

1. Risk Management
2. Compliance
3. Actuarial
4. Internal Audit

B.1.5.1. Risk management

The Octium Risk Management function, which is under the direct responsibility of the Chief Risk Officer, is charged with the oversight, review and supervision of the identification, measurement, management, reporting and monitoring of the risks to which the business is exposed. The responsibilities of the Chief Risk Officer include:

- To develop and maintain an effective risk management framework that meets the needs of the Company and is aligned with CBI expectations
- To facilitate the setting of Risk Appetites by the Board
- To develop and maintain appropriate risk policies and procedures that are consistent with the Company's Risk Appetite Statement
- To develop and maintain a risk register
- To monitor the impact of emerging issues and how they are managed within the business
- To ensure a comprehensive understanding of how risks affecting the Company are being managed and monitored and to communicate this appropriately
- To liaise with Head of Actuarial Function to review the outputs from the risk management framework and to ensure the universe of risks is adequately reflected within capital models
- To promptly inform the Board and CEO of any material risk limit breach
- To assess the capital model and provide input into the current and projected future solvency position
- To facilitate the production of the ORSA report and maintain the record-keeping file.

The Chief Risk Officer is a member of Octium's Management Committee, reports to the Octium's Chief Executive Officer and has direct access to the Chair of Octium's Board and Risk Committee as required.

B.1.5.2. Compliance

The Octium Compliance function, which is under the direct responsibility of the Head of Compliance, is charged with oversight and implementation of the Company's Compliance Policy which aims to ensure Octium complies with all applicable laws, rules and regulations, and conducts its activities in compliance with those laws, rules and regulations.

The Head of Compliance provides advice and guidance in all compliance related matters, by identifying and evaluating all compliance risks associated with the Company's present and future business activities including new products and new business relationships.

The Head of Compliance responsibilities include:

- The design, implementation and execution of a risk-based compliance monitoring plan including reporting and escalation of issues to the Board, Audit or Management Committee as appropriate.
- Assisting in identifying the legal regulatory and code requirements which Octium is required to comply with and advising on new relevant regulations and standards.
- Maintaining a record of all material compliance obligations, together with details of how, when and by whom these are met and of any breaches that have been notified.
- Acting as Money Laundering Reporting Officer (MLRO) and in that capacity, the filing of Suspicious Activity Reports with the proper authorities in accordance with legislation and Octium Anti Money-Laundering Policies and Procedures (“AML Procedures”).
- Reviewing staff training processes to ensure appropriate compliance competencies; and
- Promoting a culture of compliance across the company.

The Head of Compliance is a member of Octium’s Management Committee, reports to Octium’s Chief Risk Officer and has direct access to the Chair of Octium’s Board and Audit Committee as required.

B.1.5.3. Actuarial

Please refer to section B.6

B.1.5.4. Internal audit

Please refer to section B.5

B.1.6. Changes to the system of governance

The following changes to Octium’s system of governance were made during 2019:

- Investment Oversight Committee, reporting to the Management Committee was established in September 2019
- Product and Pricing Committee, reporting to the Management Committee was established in December 2019.

There were no changes to the Group system of governance other than those highlighted for Octium above.

B.1.7. Remuneration, Employee Benefits and Practices

The Board of Octium have approved a Remuneration Policy to ensure employee remuneration is aligned with the Company’s long-term business strategy, its business objectives, its risk appetite and values. The remuneration structure is designed to promote sound and effective risk management and does not encourage risk-taking beyond risk tolerance limits set out in the Board approved Risk Appetite Statement.

B.1.8. Material transactions (with connected persons)

In May 2017, Octium Holding S.A. issued a non-subordinated loan to fund the acquisition of Octium; in December 2017 part of that loan was converted into a Tier 1 subordinated loan. The holder of both the non-subordinated and subordinated loan is Albany Capital Limited, a connected

undertaking. During the year Octium Holding S.A. repaid €4.4m of the non-subordinated loan. The balances on the non-subordinated loan and the subordinated loan at 31 December 2019 were €11.1m and €40m respectively.

B.2. Fit and proper requirements

Octium is subject to the Central Bank of Ireland's Fitness and Probity regime. The Company has a Fit and Proper policy in place and is committed to ensuring that Directors, key function holders and senior managers behave with integrity, honesty and skill.

Octium has processes in place to ensure appropriate fit and proper standards are met and maintained, both prior to appointment and on an ongoing basis thereafter. The key elements within the fit and proper framework, which apply to individuals undertaking prescribed control functions as well as those subject to pre-approval by the Central Bank of Ireland, are:

- A pre-appointment assessment, including an appraisal of the individual's knowledge; professional experience and qualifications; technical capability; prior business conduct and financial judgement; character, honesty and integrity
- A job description, detailing the significant requirements of the role
- A probationary period and an appropriate induction programme
- An annual attestation confirming their continued ability to meet fitness and probity requirements

Where a regulated function is outsourced, the responsible officer within Octium responsible for managing the arrangement ensures the outsourcing firm carries out and maintains appropriate fit and proper assessments.

Records are maintained, and notifications are made to the regulators, as and when required.

In accordance with CBI guidelines for holding companies in relation to The Fit and Proper Standards, The Board of Octium Holding has regard for the relevant elements of the Octium Fit and Proper Policy.

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

Octium's Risk Management System has been developed to enable the Board and Management to understand, appropriately manage and mitigate the risks associated with Octium's objectives over the short, medium and longer term.

The Risk Committee receives regular reporting from the CRO in relation to the outcome of the periodic risk assessments undertaken by Management.

B.3.1. Risk management framework

Octium's Risk Management Framework seeks to identify, assess, manage and report on the risks arising from the pursuit of business objectives. It comprises the entirety of systems, controls, processes and reports used to manage risk and is based on the classic "three lines of defence model". Risk management seeks not to eliminate risk but to manage it to acceptable levels.

B.3.2. Three lines of defence

Within Octium, the first line is responsible for day-to-day operations and identifying and managing the risks that arise from those operations. The second line acts as a “critical friend” overseeing risk management activities and providing advice on the management of risk. The third line provides independent assurance that the risks are being managed appropriately.

The model’s strength is the clear segregation between “doing”, “overseeing” and “independent review”. This ensures the appropriate level of perspective and challenge is brought to the management and control of risk. It also facilitates consistency in risk assessments and formalises independent review and assessment of risk and control matters.

Where a function is outsourced, first line risk management is carried out by the outsourced provider, with the Company providing oversight.

B.3.3. Risk appetite statement

By its nature the business of the Group involves taking risk. Octium’s Risk Appetite Statement (RAS) is the Board’s articulation of the level of risk it is prepared to tolerate in pursuit of business objectives and provides the context for all risk management activities.

The RAS is owned by the Octium Board and reviewed annually or more frequently if there is a significant change to the business strategy or external business environment.

B.3.4. Risk strategy and policies

Octium’s suite of risk policies set out its approach to risk management and how particular risks are identified, assessed, managed and monitored. The policies clearly state the controls, procedures, limits, tolerances and escalation procedures to ensure risks are managed within risk appetite. Risk policies are reviewed annually by the Octium Risk Committee and any significant changes are approved by the Board.

B.3.5. Monitoring and reporting risks

Individuals who own or are responsible for managing processes, controls, projects or relationships have a responsibility for risk monitoring and reporting, using a variety of tools such as analysis of management information, communication and relationship management meetings to do so.

B.3.6. Key Risk Indicators

A suite of Key Risk Indicators (KRIs) covering the key risks faced by Octium is maintained, with triggers based upon the risk appetite set by the Octium Board and monitors actual risk exposures against stated risk appetite.

The KRIs are reported quarterly to Octium’s Management Committee, Risk Committee and the Board with a narrative providing detail in relation to any changing risks particularly those nearing risk appetite or which have breached appetite.

B.3.7. Loss event reporting

Data relating to loss events and near misses (events where no loss actually occurred but there was the potential for a loss) is recorded in the risk event log. The nature and root cause of each event is determined, and appropriate action is taken.

B.3.8. Internal audit reviews

The Octium Internal Audit performs reviews on areas of key risk within the business, providing reports on the design adequacy and operational effectiveness of controls and compliance with internal policies and external regulation/legislation. The Internal Audit function is outsourced to KPMG and is independent of business operations and decisions. Internal Audit reviews are planned on a prioritised basis, ensuring that all key areas of risk are covered on a rolling basis.

B.3.9. Implementation of the risk function

Octium's Risk Management Policy sets out the roles, responsibilities, tasks and reporting requirements in respect of all risk matters. The principles underlying the Company's approach to risk management are:

- Business risks and the controls used to manage them are owned by the business
- Risk management is responsible for risk strategy, oversight and the governance of risk
- Risks are managed in a proportionate manner
- A "risk aware" culture is fostered at all levels of the Company

B.3.10. Independent assurance

Octium's Risk, Compliance and Internal Audit provide independent assessment of the risk management system and report directly to the Board through the relevant committees.

B.3.11. Own Risk Solvency Assessment

The Own Risk Solvency Assessment ("ORSA") process is a core part of the Group's Risk Management Framework, as it combines the key processes of risk management, business planning and capital management.

Individual ORSA reports are produced, at least annually, by the Group and Octium. These reports summarise the processes that make up the ORSA, including descriptions of key risks, how they are managed, and how those risks might change in the context of the business plan. They include both qualitative and quantitative assessments of risk profiles and solvency needs on a forward-looking basis. Results arising from stress and scenario testing undertaken on a range of reasonably foreseeable scenarios and other risk assessment activities are documented within the reports along with potential management actions.

The respective Boards direct the ORSA and challenge its outcomes at various stages of the process. The production of the ORSA report is co-ordinated by the Chief Risk Officer, with significant input from the Head of Actuarial Function and approved by the relevant Board prior to submission to the Central Bank of Ireland.

B.4. Internal control system

The internal control system encompasses the policies, processes and activities that contribute to integrity of financial reporting, the effectiveness of operations and compliance with laws and regulations. The Internal Control Framework for Octium has the following attributes:

B.4.1. Roles and responsibilities

Octium has set out clear roles and responsibilities for each function and the requirement for reporting activities to the Octium Board. The Octium Board directs and controls the Company, through policies it approves and monitors performance against those policies. The Octium Management Committee has clear accountability for the implementation of the policies and strategies. The policy-owners and CEO are responsible for effective communication of the policies.

B.4.2. Management integrity

Management integrity and the moral character of persons of authority, sets the overall tone for the organisation. Management integrity is communicated to Octium employees through employee handbooks, policies, procedural manuals and meetings. In communicating the strategy and risk management objectives through statements and policies it facilitates training of employees. Management's effective implementation of policies is the most significant indicator of Octium's commitment to a successful internal control system.

B.4.3. Competent personnel

Octium's ability to recruit and retain competent personnel indicates Management's intent to create a stable and reliable environment. In addition, the retention of employees increases the understanding of the strategy, risks and financial information. The retention of experienced and skilled staff enhances the quality, reliability and timeliness of data records from year to year. Competent personnel reduce the risk of a material misstatement in the entity's financial statements.

B.4.4. Segregation of duties

Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. An effective system of internal control separates authoritative, accounting and custodial functions. For instance, the processing, payment and reporting of claims are segregated.

B.4.5. Supervision and review

Octium employs several levels of supervision and review:

- The Risk and Audit Committees and the Board itself offer supervision and review
- Management Committee meetings where the monitoring of internal controls is a key focus
- The CEO has bi-weekly meetings with the Heads of each function
- The Head of each function delegates tasks, reviews checklists and reports and has frequent meetings with their staff to identify and report on their responsibilities
- Compliance advises the Board on legislative requirements and conducts assessments of the possible impact of any changes to laws applicable to the Company.

Annually, the CRO reviews the entire risk framework taking into consideration changes in Octium's strategy, its operating environment and any emerging risks. Brainstorming sessions are held with the Management Committee to ensure that risks that are identified, managed and aligned with strategy and consider all relevant laws and regulations.

A common risk-rating system is used across the business to evaluate the impact and probability of risks as part of the quarterly risk self-assessment process.

B.4.6. Records maintenance

Maintaining appropriate records ensures that proper documentation exists for each business transaction. Records management involves storing, safeguarding and eventually destroying tangible and/or electronic records. There are also procedures that deter employees or Management from creating erroneous transactions in the underlying accounting records. A good records management program reduces operating costs, improves efficiency and minimizes the risk of litigation.

B.4.7. Physical and cyber security

Safeguards prevent unauthorised personnel from accessing valuable Company assets. Safeguards are physical, such as locks on cabinet doors and office doors; Clean Desk procedure (no documents containing personal client data can be left on the employee's desk or can be accessible after working hours); or intangible, such as computer software passwords. In addition, there is an IT strategy that includes the security and protection of Company data and systems from unauthorised access. There are also protocols relating to passing information in and out of Octium system by email.

B.4.8. Controls over outsourced activities

Octium requires that outsourced activities are managed to the same standard as internal activities and employ fit and proper people in its control functions. Octium has established an Outsourcing Policy which is intended to manage the outsourcing arrangements in a prudent manner. For all critically important service providers that are appointed, there is a due diligence and approval process prior to appointment, agreements are entered into which clearly set out the responsibilities of each party and the monitoring of the services to be provided. There is various monitoring of outsourced services which include daily control checks on data received from outsourced activities and reports on business transacted online.

Service providers are also required to certify the Fitness and Probity of their Control Functions, where applicable. Agreements require the outsource provider to immediately report any material incident or exposure. Further details of the controls over outsourced activities can be found in "B.7. Outsourcing/ Key Third Party Arrangements".

B.5. Internal audit function

The Octium Internal Audit function and Head of Internal Audit have been outsourced to KPMG (Ireland) who operate in accordance with the International Standards for the Professional Practice of Internal Auditing and other relevant codes of conduct. The function provides independent and objective assurance services, in respect of Octium's processes, whether carried out by its service providers or by employees of Octium, with due regard to the adequacy of the governance, risk management and internal control framework.

Audits are conducted within a Board approved Internal Audit Policy framework. The Head of Internal Audit reports to the Chair of the Audit Committee. The Audit Committee oversees the 'risk based' Audit Plan and reports and monitors implementation of recommendations.

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Internal Audit reports highlight any significant control failings or weaknesses identified and the impact they have had or may have and the actions and timings which Management have agreed to take to rectify them.

The effectiveness of the Internal Audit Function as an assurance service depends upon its independence from the day-to-day operations of the business. The Head of Internal Audit provides an annual confirmation of the organisational independence of the Internal Audit function. This confirmation is undertaken through reporting to Octium's Audit Committee.

B.6. Actuarial function

Within the Group and Octium the Actuarial Function and Head of Actuarial Function ("HoAF") are outsourced to KPMG (Ireland). The requirements of the HoAF are in line with guidance from the Central Bank of Ireland and the Society of Actuaries, and include, but are not limited to, the following matters:

- Coordinating the work of the actuarial function and advising the Board accordingly.
- Coordinating the calculation of the firm's technical provisions.
- Providing an opinion on the Underwriting Policy and reinsurance arrangements.
- The provision of advice and support to Octium on its solvency requirements.
- Contributing to the effective implementation of the risk management process
- Modelling of the SCR and Minimum Capital requirement (MCR); and
- Contributing to the ORSA process.

In addition to the above, the HoAF attends Octium's Board, Risk Committee and Investment Oversight Committee meetings and interacts with the CEO, Finance and the CRO to provide advice and support to the business, consistent with the above requirements.

B.7. Outsourcing / Key Third Party Agreements

Octium proactively manages all outsourcing relationships to ensure they meet the needs of the business and comply with all regulatory obligations. The Octium Board has approved an Outsourcing Policy that requires:

- Prior to entering a new outsourcing arrangement an assessment is completed which considers the materiality of the arrangement and the potential for regulatory, financial, reputational or operational impact.
- A responsible person is appointed for managing/oversight of the outsourced activity.
- An appropriate selection and due diligence process is followed which is documented;
- A suitable management and oversight governance framework is implemented for all material outsourcing arrangements;
- A written contract is in place that contains adequate commercial protection and provides for a termination mechanism.
- Central Bank of Ireland is notified in advance of new appointments or changes to a material outsourcing agreement.

Octium's outsourcing arrangements are subjected to an annual review and risk assessment, and the findings of this report are presented to the Board.

The following is a list of the critical or important operational functions Octium has outsourced together with the jurisdiction in which the third-party service providers of such functions or activities are located.

Key Third Party Agreements 2019			
Service Provided	Supplier	Responsible	Supplier's Country
Asset Management	UBS	CFO	Germany, Italy, Switzerland
	Non-UBS Asset Managers		Italy, Luxembourg, Switzerland, Malta and UK
IT- Life Admin System	Lifeware	COO	Switzerland
IT -Network and BCP	Ergo	COO	Ireland
Actuarial	KPMG	CFO	Ireland
Internal Audit			

B.8. Any other information

All material information regarding the System of Governance of the Group and Octium has been disclosed above.

C. Risk Profile

This section sets out the key risks to which the Group is exposed, how they are measured, the risk mitigation techniques employed and any material changes over the reporting period.

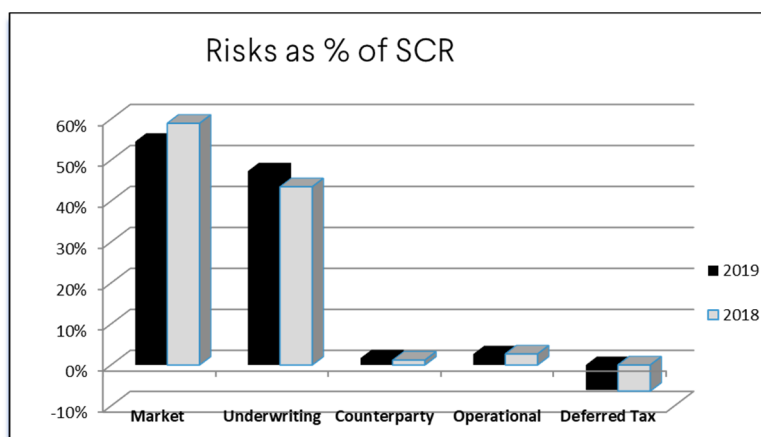
The Group's risk exposures relate primarily to uncertainty over the future revenues and expenses of Octium, the sole operating entity within the Group. Octium manufactures unit linked insurance products with no investment guarantees, for High Net Worth individuals. Its products are distributed through banks and other suitable intermediaries seeking wealth planning solutions for their clients.

The Group Board of Directors has adopted the Standard Formula, as specified in the Solvency II regulation to assess the risks the Group is exposed to and determine the level of Solvency Capital Requirement ("SCR").

The table below provides a breakdown of the key components of the Group's Standard Formula calculation. Risks to capital and profits are assessed through the Group Own Risk and Solvency Assessment (ORSA).

Solvency Capital Requirement	2019 €'000	2018 €'000
Market risk	35,606	35,580
Counterparty risk	1,113	800
Underwriting risk	30,900	26,238
Diversification effects	(14,601)	(13,156)
Basic SCR	53,019	49,463
Operational risk	1,822	1,651
Loss-absorbing capacity of Deferred Taxes	(3,998)	(3,836)
Solvency Capital requirement	50,843	47,278

The table below shows the main risks having adjusted for the diversification effect on a proportional basis.



C.1. Underwriting risk

Underwriting risk is the risk of loss or adverse change in the values of insurance and reinsurance liabilities, resulting from inadequate pricing and provisioning assumptions.

C.1.1. Risk exposure

The Group's underwriting risk profile is derived from the Standard Formula allowing for the impact of diversification. As at 31 December 2019 the SCR for this module is €30.9m with intra-module diversification of 14.8% (i.e. allowance for diversification between underwriting risks). The key underwriting risks to which the Group is exposed are set out below:

C.1.1.1. Lapse risk

The primary risk is the risk of lapse rates being higher than expected leading to a loss of future income and potential increase in per policy expenses.

C.1.1.2. Expense risk

Expense risk is the risk that future maintenance expenses are higher than levels assumed in the Group's Solvency II balance sheet. Expense risk can arise through mis-estimation, higher than expected inflation, lower volumes of business than expected, expense overruns, regulatory change and changes in the business mix.

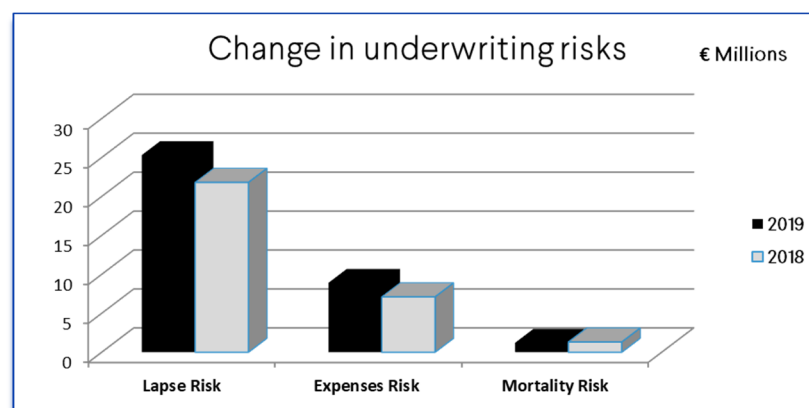
Expenses are managed in line with the Octium's business plan and significant deviations to budget are monitored on a monthly basis by Finance. The Octium Board reviews management accounts quarterly including an assessment of the level of expenses.

C.1.1.3. Mortality risk

Mortality risk is the risk of loss due to an increase in mortality rates. The Group's exposure to mortality risk may result in an increase in death cover payments and a reduction in expected future revenues.

C.1.2. Changes in underwriting risk during 2019

The change in the significant intra-module components of the Group underwriting risk capital requirement is provided in the table below:



In December 2018, Octium introduced an additional benefit to its Italian unit linked product range to provide a minimum death benefit of 90% of premiums paid (adjusted for surrenders). This benefit is projected to materially increase Octium's potential exposure to mortality risk over the business planning period.

C.1.3. Mitigating actions and controls

The Group, through Octium, assesses, monitors and controls underwriting risk through a number of methods:

- Product design minimises mortality risk
- Extensive use of reinsurance limits the Group's mortality exposure to €30,000 per life
- Lapse risk is mitigated by high quality customer care at commencement and throughout the term of the policy
- Expenses are tightly controlled and managed in line with the business plan
- Quarterly monitoring of experience against stated risk tolerances
- The Own Risk and Solvency Assessment assesses risks under stressed conditions through a range of stress and scenario testing.

C.1.4. Sensitivity and stress testing

Stress and scenario testing conducted as part of the Octium ORSA demonstrate the Group's resilience to a range of adverse underwriting stresses. The estimated impact of these sensitivities is shown in the table below:

Sensitivity	Impact on SCR	Impact on Own Funds	% Reduction in SCR Ratio
Mass Lapse shock +50%	-26.3%	-34.0%	-26%
Expenses +20%	+1.3%	-4.8%	-15%
Mortality -50%	+8.8%	+2.8%	-14%

C.1.5. Risk concentration

There are no material underwriting risk concentrations.

C.2. Market risk

Market risk is the risk of lower returns or losses arising from adverse movements in market prices.

C.2.1. Risk exposure

The Group's market risk profile is derived from the standard formula allowing for the impact of diversification. As at 31 December 2019 the SCR for this module is €35.6m with intra-module diversification of 25.6% (i.e. allowance for diversification between market risks).

The Group has minimal direct exposure to market risk but retains significant indirect exposure as adverse movements in the value of policyholder assets reduces future policy administration fees. The Group accepts this risk as an inherent element of its business model. The key market risks to which the Group is exposed are set out below:

C.2.1.1. Equity risk

Equity risk relating to unit-linked assets is borne by the policyholder as any change in the value of the assets underlying the policies are offset by corresponding changes in the value of technical provisions. The Group remains exposed to the change in policy administration fee income which is charged as a percentage of asset values.

C.2.1.2. Spread risk

Spread risk relating to unit-linked assets is borne by the policyholder as any change in the value of the assets underlying the policies are offset by corresponding changes in the value of technical provisions. Similar to Equity Risk, the Group’s exposure is limited to the extent that policy administration fees which are charged as a percentage of unit linked asset values, are reduced.

C.2.1.3. Currency risk

Currency risk is the risk of loss resulting from adverse movements in currency exchange rates. The Group’s capital requirement for currency risk reflect the sensitivity of the values of assets, liabilities and in particular future revenues to changes in the level or in the volatility of currency exchange rates.

- The Group has an indirect exposure to currency risk to the extent that unit linked assets are denominated in currencies other than EUR – Approximately 52% of assets backing policyholder liabilities are denominated in non-EUR currencies of this an immaterial amount of assets are denominated in currencies pegged to the EUR;
- The Group has some direct exposure as a result of policy administration fees or expenses being denominated in currencies other than EUR.
- Some expenses are incurred in non-EUR currencies, in particular CHF as Octium’s main IT supplier (policy administration system) is a Swiss-based company

C.2.1.4. Interest rate risk

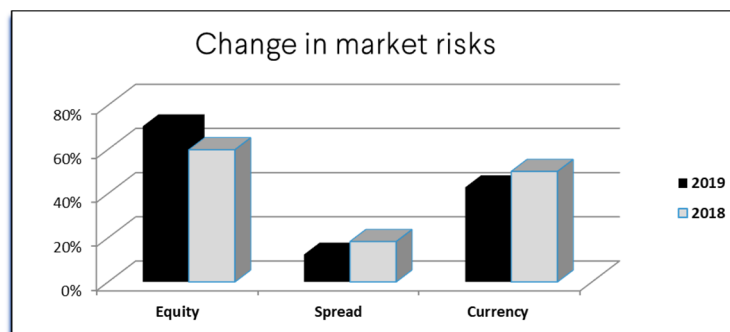
The Group’s senior and sub debt is valued on an accruals basis and therefore their values are unaffected by changes in interest rates. The senior loan is on demand subject to 90 days’ notice and the lender may increase interest rates which would increase the future cost of the debt. The sub debt, which is undated, is referenced to the EUR 5Y swap rate.

Octium’s on-demand cash deposits are valued at par and are therefore unaffected by movements in interest rates. A change in interest rates however does change the interest income generated from these deposits.

Similarly, cash deposits held in unit linked assets are held at par value.

C.2.2. Changes in market risk during 2019

The change in the significant intra-module components of the market risk capital requirement is provided in the table below:



C.2.3. Mitigating actions and controls

The Group, through Octium, assesses, monitors and controls market risk through a number of methods:

- Complies with the Solvency II requirements relating to Prudent Person Principle
- Investment Oversight Committee oversees the investment of unit linked funds to ensure they are invested prudently and in a manner to ensure their security, quality and liquidity.
- Investment policy imposes close matching of assets to insurance liabilities
- The Own Risk and Solvency Assessment aims to assess risks under stressed conditions through a range of stress and scenario testing.

C.2.4. Sensitivities and stress testing

Stress and scenario testing conducted as part of the Octium ORSA demonstrate Octium's resilience to a significant market stress. The estimated impact on the of the sensitivity explored is detailed in the table below:

Sensitivity	Impact on SCR	Impact on Own Funds	% Reduction in SCR Ratio
Equity price shock -30%	-23.1%	-10.7%	+41%

C.2.5. Investment of assets in accordance with the prudent person principle

The 'prudent person principle' requires insurance companies to only invest in assets and instruments whose risks they can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs. Octium considers these requirements before any investment in new assets or instruments.

The majority of the assets on the Group SII balance sheet are held in respect of Octium unit linked contracts where the policyholder bears the market risks of the investments associated with their policy. In fact, assets are selected:

- directly by the policyholder (in policies where this option is available and the policyholder chooses to do so) or
- by the Asset Manager of the mandate(s) underlying the policy (mandate(s) underlying Octium policies are also chosen by the policyholder at the moment of subscription of a policy contract).

In order to mitigate as much as possible risks associated with investments, Octium implements investment monitoring processes in accordance with Solvency II prudent person principle and prudently selects asset managers and external funds suitable for policyholders.

Each external fund, before on-boarding is analysed to verify its compliance with Octium investment rules. Asset Managers are also subject to rigorous due diligence prior to business being placed with them. Asset Managers are issued with a fully documented set of rules and parameters specifying how assets are to be invested within each mandate and what assets are allowed in Octium's portfolios in order to support the policyholder benefits.

The Octium Investment Oversight Committee monitors external funds and Assets Managers. Any investment mandates or limit breaches are escalated for resolution to ensure investments always

lie within the parameters set. Additional controls are in place to monitor assets liquidity and quality of their valuation processes.

The Finance team must be comfortable that well defined and appropriate valuation methods have been developed for those instruments where external pricing information is not readily available.

C.2.6. Risk concentrations

There are no material market risk concentrations.

C.3. Credit risk

Credit risk is the risk of lower returns or loss if another party fails to perform its financial obligations.

C.3.1. Risk exposure

The Group's credit risk profile is derived from the Standard Formula allowing for the impact of diversification. As at 31 December 2019 the SCR for this module is €1.1m.

Similar to market risk, credit risk on unit linked assets is borne by the policyholder. In addition, the Company has an exposure to credit risk in relation to its deposits with credit institutions, the Italian Tax Authorities and amounts receivable under reinsurance arrangements.

C.3.2. Changes in credit risk during 2019

There has been no material change in credit risk exposures during 2019.

C.3.3. Mitigating actions and controls

The Group, through Octium, monitors and controls credit risk using the following methods:

- Credit risk policy imposing principles and requirements for credit risk management and Investment Policy imposing credit ratings limits for investment counterparties and concentration limits to avoid overexposure to any investment counterparty
- Regular monitoring of exposures relative to credit risk limits
- Quarterly settlement of outstanding reinsurance balances

C.3.4. Sensitivities and stress testing

The 2019 ORSA considered the impact of a reinsurer failure documenting potential circumstances surrounding such an event and included an assessment of the adequacy of actions and plans to identify how we could improve our resilience to an extreme event.

C.3.5. Risk concentrations

The Group transfers its mortality risk to a single reinsurance company. In certain extreme circumstances this may result in a significant exposure.

C.4. Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient liquidity to meet their obligations when they fall due or would have to incur excessive costs or trading losses to do so.

C.4.1. Risk exposure

The most significant liquidity risk for the Group is a demand for the immediate repayment of its senior debt, which was €11.1m at 31 December 2019 (2018: €15.5m). However, the holder of the senior debt is a connected undertaking and whose strategy is the long-term support of the Group.

The Group has sufficient liquid reserves at 31 December 2019 to meet a demand for repayment should it arise, although it would subsequently be less resilient to a liquidity stress event.

The Group also has to pay interest on the debt arrangements as they fall due; given the levels of interest rates on the debt arrangements with annual interest of c. €1.5m., this is not a material exposure at this stage. The dividend in 2020, will meet with liquidity needs to service interest payments.

The liquidity risk associated with unit linked assets is borne by the policyholder as policy contracts are linked to the liquidity of the underlying assets as well as the value.

Historically the requirements of the Italian substitute tax have been one of the most significant strains on Octium's liquidity. However, given a reducing cap and the 5-year roll-over relief which became effective in 2016, there is a significant reduction in the annual requirements going forward and consequently liquidity is projected to improve from this source over the next number of years.

C.4.2. Changes in liquidity risk exposure during 2019

There has been no material change in liquidity risk exposures during 2019.

C.4.3. Mitigating actions and controls

The Group's objective is to ensure that it has sufficient liquidity to meet the short- and medium-term requirements of the business. As such, Octium maintains a prudent liquidity position to meet these requirements. Octium held €33.7m in on-demand cash deposits at 31 December 2019 (2018: €25.3m).

Liquidity risk is principally managed in the following ways:

- Assets of a suitable marketability are held to meet liabilities as they fall due.
- Forecasts are prepared regularly to predict required liquidity levels over both the short and medium term.
- A liquidity buffer is maintained to cover unforeseen events
- Ongoing monitoring allows mitigating actions to be taken at an early stage if required.

C.4.4. Sensitivities and stress testing

Octium's projected cash position is expected to improve significantly over the next five years. Octium is expecting to have sufficient cash inflows to meet its liquidity needs even in the event of tax recoveries being substantially lower than expected.

Octium's tax asset is expected to reduce by €16m over the next four years. This is primarily due to expected recoveries and restricted tax prepayments due to the tax cap which reduces due to the reducing percentage threshold.

C.4.5. Expected profit included in future premiums

As of 31 December 2019, the Group's expected profit in future premiums was Nil (2018: Nil).

C.4.6. Risk concentrations

There are no material liquidity risk concentrations.

C.5. Operational risk

Operational risk is the the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external causes (deliberate, accidental or natural).

C.5.1. Risk exposure

The Group's operational risk profile is derived from the standard formula allowing for the impact of diversification. As at 31 December 2019 the SCR for this module is €1.8m.

The primary operational risk exposures identified within the business include: Key person risk, system failure including business continuity risk, fraud risk, IT and cyber security, legal and compliance risk, governance failure, outsourcing and adequacy of resourcing.

C.5.2. Changes in operational risk during 2019

There has been no material change in operational risk exposures during 2019.

C.5.3. Mitigating actions and controls

The Group, through Octium, monitors and reports operational risks using the following methods:

- A robust framework for the oversight and management of operational processes and material outsourcing arrangements
- Regular Risk and Control Self-Assessment process
- Incident management process, root cause analysis and learning from adverse experience
- Oversight exercised by Internal Audit, Compliance and Risk functions
- Emerging risk workshops are held as required

C.5.4. Sensitivity and stress testing

The operational scenarios considered as part of Octium's 2019 ORSA were (i) the impact of a significant cyber security incident; and (ii) a major fraud event. In both cases, event drivers and likely responses were documented, and an assessment of the adequacy of actions and plans was completed.

C.5.5. Risk concentration

There are no material operational risk concentrations.

C.6. Other material risks

C.6.1. Strategic risk

The risk of loss or other adverse impact on the Group arising from failing to identify and react appropriately to opportunities and/or threats arising from changes in the market, some of which may emerge over a number of years.

Octium prepares and approves an annual plan and budget and performance is monitored against this plan throughout the year. Octium is significantly dependent on UBS for distribution of its products, bringing concentration risk. Octium accepts these risks as part of the strategy but is actively seeking new distributors to reduce this reliance on UBS. The financial impact of these risks materialising is lower profit and reduced solvency. Octium monitors key metrics such as lapses, claims and new business.

C.6.2. Emerging risks

Octium holds workshops with business units as and when new risks arise to analyse these risks and their potential impact on the business.

C.7. Any other information

All material information regarding Group's risk profile has been set out above.

D. Valuation for Solvency Purposes

D.1. Assets

The valuation of assets for solvency purposes is required to be on a market consistent fair value basis. In general, this is determined in accordance with the financial statements. The Group's consolidated financial statements have been prepared in accordance with Luxembourg Generally Accepted Accounting Principles.

Certain assets are measured and presented to comply with Solvency II principles and differ from the measurement and presentation in the financial statements.

Reconciliation of assets in F/S to Solvency II	2019 €'000	2018 €'000	Valuation Approach	Notes
POLICYHOLDER ASSETS				
Assets held to cover linked liabilities	4,233,604	4,116,062	Fair Value	D1.1
SHAREHOLDER ASSETS				
Cash at bank and in hand	33,994	25,571	Cost	
Italian substitute tax asset	49,727	55,130	Fair Value	
Other debtors and receivables	1,763	3,027	Fair Value	
Tangible assets	425	509	Amortised Cost	
Other financial investments	6	5		
Total assets per F/S	4,319,519	4,200,304		
Adjustments for Solvency II:				
Reinsurance recoverables	(489)	(382)	Fair Value	D1.2
Tax asset discounting	-	1,133	Fair Value	D1.3
Total assets per Solvency II	4,319,030	4,201,055		

D.1.1. Assets held for index-linked and unit-linked contracts

Unit linked assets are measured at fair value for Solvency II purposes as well as in Octium's financial statements.

Approximately 37% (2018: 35%) of these assets are valued based on quoted prices obtained from an active market (recognised and active exchange). Approximately 60% (2018: 65%) are priced based on inputs other than quoted prices that are market observable. Approximately 3% of assets (2018: 0%) are priced based on inputs which are unobservable in the marketplace.

The objective of the valuation techniques applied is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

D.1.2. Reinsurance recoverables

This amount represents the reinsurers' share of technical provisions net of reinsurance premiums. Recoverables are valued using the Solvency II criteria which take into account the expected cash

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flows from recoveries net of reinsurance premiums, discounted according to the risk-free rate curve. The result is a negative asset representing the present value of reinsurance.

No provision is required in the Group's consolidated financial statements for benefits paid above the value of unit linked assets in the case of death as the amounts, net of reinsurance, are immaterial and there are sufficient profits arising from the policies to cover any costs.

D.1.3. Withholding Tax Asset

Octium, as an Italian Withholding Tax Agent is required to make an annual tax prepayment to the Italian Tax Authorities of 0.45% of the Italian assets under administration at 31 December, subject to relief in the form of a cap on the overall level of the asset and an offset mechanism which compares payments five years prior to current year recoveries. Contributions to the Italian Revenue are recognised as a tax prepayment asset. Recovery of the asset is through future policyholder exit tax on chargeable gains, the amount and timing of which is dependent on the level of unrealised gains or losses that exist at policy level. This asset has been discounted in the statutory financial statements to arrive at a value-in-use valuation. In the Solvency II balance sheet, the asset is held at face value and the discounting is applied using the Solvency II criteria within Best Estimate Liabilities element of technical provisions.

D.2. Technical Provisions

The technical provisions have been calculated as the sum of a best estimate plus a risk margin in accordance with Articles 75 to 86 of the Solvency II Directive. They represent a realistic estimate of the company's future obligations with an allowance for some deviation for plausible changes in estimation in the form of the risk margin.

The table below sets out the components of Octium's technical provisions as at 31 December.

Technical Provisions	2019 €'000	2018 €'000
BEL	4,145,287	4,047,805
Risk Margin	10,595	9,447
Technical provisions	4,155,882	4,057,252

The key sources of uncertainty for Octium are investment performance and policyholder behaviour assumptions. The non-unit BEL (negative liability) has increased during 2019 primarily due to positive investment returns increasing funds under management.

D.2.1. Best Estimate Liabilities (BEL)

The BEL represents unit linked liabilities less the projected future surplus arising from fees from the existing policies. The BEL is calculated as the discounted value of projected monthly cashflows involved in fulfilling the liabilities under the in-force business. Octium matches all liabilities under unit linked policies with the underlying assets and the policies are valued by reference to the market value of those assets.

The main assumption in calculating the future surplus from the unit linked policies is regarding the level and duration of future expenses and policy lapse rates.

The calculations have been performed on a best estimate basis in accordance with the Solvency II Directive. The underlying policyholder behaviour assumptions are based on policyholder

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behaviour experience (e.g. surrenders/lapses, fund choices). Economic assumptions have been set consistent with economic conditions prevailing at 31 December 2019. The calculations do not make any allowance for transitional measures or assumed management actions.

D.2.2. Risk Margin

The Risk Margin is an addition to the BEL to ensure that the technical provisions are equivalent to the amount that an insurance undertaking would be expected to be paid in order to take over the insurance liabilities and administer the payment of these obligations as they fall due. The risk margin is calculated as the amount of capital needed to support the SCR over the lifetime of the business.

In calculating the technical provisions Octium does not apply the following:

1. Matching adjustment referred to in Article 77b of Directive 2009/138/EC.
2. Volatility adjustment referred to in Article 77d of Directive 2009/138/EC.
3. Transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.
4. Transitional deduction referred to in Article 308d of Directive 2009/138/EC.

The difference between financial statements and the Solvency II valuation of technical provisions is set out in the table below.

Reconciliation of Technical Provisions	2019 €'000	2018 €'000
Technical provisions per F/S	4,233,604	4,116,062
<i>Solvency II adjustments</i>		
-Provisions other than Technical Provisions	(45,243)	(29,622)
-BEL	(43,074)	(38,634)
-Risk Margin	10,595	9,447
Solvency II Technical Provisions	4,155,882	4,057,252

D.3. Other Liabilities

D.3.1. Other Liabilities

These comprise of payments due to Octium's policyholders and intermediaries, the senior and subordinated debt issued by Octium Holding S.A., other creditors such as tax and social insurance and accruals for expenses incurred prior to year-end. No adjustment is required to these valuations for solvency purposes as the amounts held under accounting principles are deemed to be approximations of fair value.

Other Liabilities	2019 €'000	2018 €'000
Creditors arising from insurance	45,243	29,622
Senior loan	11,108	15,539
Subordinated loan	40,000	40,000
Other creditors	154	376
Accruals	6,105	5,124
Deferred tax	3,998	3,836
Other Liabilities	106,608	94,497

D.3.2. Contingent liabilities

For the valuation for solvency purposes, material contingent liabilities must be recognised as liabilities, unlike accounting principles under which they are only recognised if the payment of a liability is probable (more likely than not) and can be estimated reliably. Under Solvency II valuation principles, contingent liabilities are valued on the expected present value of future cash flows required to settle the liabilities over their lifetimes.

The Group had no contingent liabilities at 31 December 2019 or 31 December 2018.

D.4. Alternative Methods for Valuation

Neither the Group nor Octium use any alternative methods for valuation other than those discussed above where the accounting basis differs from those prescribed under Solvency II.

D.5. Any Other Information

All material information regarding valuation for solvency purposes is set out above.

E. Capital Management

E.1. Own funds

E.1.1. Policies and Processes

Octium Holding S.A. is a single shareholder entity whose shares are fully paid up. The Group's own fund items (other than the value arising from the existing policies and the Italian tax assets) are invested in bank deposits.

The Group is at all times required to have own funds available at group level equal to at least 100% of the Group SCR. The Group sets internal target capital levels above the level of the Group SCR to ensure timely action can be taken to address a deteriorating capital position.

E.1.2. Analysis of Own Funds

Group own funds are comprised of paid-in ordinary share capital, a paid up subordinated loan and the reconciliation reserve, as detailed in the table below.

Octium Holding S.A. issued a non-subordinated loan to a connected undertaking in May 2017. In December 2017, part of the non-subordinated debt was converted into Tier 1 subordinated debt. However, due to Solvency II limits, not all of available Tier 1 sub-debt is eligible to cover the Group SCR and Minimum Consolidated Group SCR.

Analysis of Own Funds	2019 €'000			2018 €'000		
	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
Share Capital	31		2	2		2
Subordinated Liabilities	40,000		40,000	40,000		40,000
Subordinated Liabilities – SCR tiering restrictions	(25,865)	25,422	(443)	(27,673)	23,639	(4,034)
Reconciliation Reserve	56,508		56,508	49,304		49,304
Own Funds Available to meet SCR	70,674	25,422	96,096	61,633	23,639	85,272
Subordinated Liabilities – MCR tiering restrictions		(20,846)	(20,846)		(19,384)	(19,384)
Own Funds Available to meet MCR	70,674	4,576	75,250	61,633	4,255	65,888

The reconciliation reserve is made up of retained earnings as per the consolidated balance sheet and the projected future surplus arising from fees from the existing policies (i.e. technical provisions excluding unit reserves) net of deferred tax liabilities. A reconciliation between equity as shown in the financial statements and the Solvency II excess of assets over liabilities is shown below.

There are no restrictions to the fungibility and transferability of the related undertaking's own funds within the Group.

Octium's own funds available to cover the Overall Solvency Needs ("OSN"), SCR and MCR at 31 December 2019 was €106.4m (2018: €102.5m). This is comprised entirely of Tier 1 Basic Own Funds and is net of foreseeable dividend of €5m expected to be paid in 2020.

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The increase in Group own funds available to meet SCR from 31 December 2018 to 31 December 2019 is a result of:

- Increase of €5.3m in respect of accounting profits;
- Increase of €3.6m due to change in tiering restrictions on subordinated liabilities;
- €2.2m increase as a result of decreases in the Company's net technical provisions (including movement in reinsurance recoverables, risk margin and tax asset accounting/Solvency II valuation differences); and
- €0.2m decrease as a result of an increase in the level of deferred tax liability;

E.1.3. Reconciliation of equity in the Financial Statements and Own Funds (excluding tiering restrictions)

Reconciliation of Equity to Own Funds	2019 €'000	2018 €'000
Total Equity per F/S	28,548	23,204
Solvency II BEL	43,073	38,634
Solvency II Risk Margin	(10,595)	(9,447)
Deferred Tax Liability	(3,998)	(3,836)
Reinsurance Recoverables	(489)	(382)
Tax Asset Discounting	-	1,133
Excess of Assets over Liabilities	56,539	49,306
Subordinated Liabilities	40,000	40,000
Own Funds (excluding tiering restrictions)	96,539	89,306

The Group's own funds bear the following features:

1. They are not subject to transitional arrangements.
2. No deductions have been applied to own funds
3. There are no ancillary own funds.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

The Group calculates its solvency capital requirement using the consolidation-based method (Method 1). The amount of Group's SCR and MCR at 31 December 2019 are €50.8m and €22.9m respectively (2018: €47.3m and €21.3m).

The table below shows the components of the SCR (using the Standard Formula) at 31 December:

Solvency Capital Requirement	2019 €'000	2018 €'000
Market Risk	35,606	35,580
Counterparty Risk	1,113	800
Underwriting Risk	30,900	26,238
Diversification Effects	(14,601)	(13,156)
Basic SCR	53,019	49,463
Operational Risk	1,822	1,651
Loss-absorbing capacity of Deferred Taxes	(3,998)	(3,836)
Solvency Capital Requirement	50,843	47,278

The SCR increased during 2019 due to rising market levels which increases the exposure to future

fee income as well as increased sensitivity of the tax asset to SCR shocks.

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

The Group has not opted to use the duration-based equity risk sub-module, of the Solvency II regulations

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

The Group does not use an internal model.

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

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

E.6. Any Other Information

The Group uses EIOPA's Solvency II Standard Formula. It does not use specific parameters and does not use simplified calculations in its computation of capital requirements.

F. Appendix: Group Quantitative Reporting Templates

F.1. QRT – S.02.01.02 – Balance Sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	425
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	6
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	4
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	4
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	2
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	4,233,604
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	-489
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	0
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	-489
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	239
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	37
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	33,994
R0420	Any other assets, not elsewhere shown	51,214
R0500	Total assets	4,319,030

F.2. QRT – S.02.01.02 – Balance Sheet (continued)

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions – non-life	0
R0520	Technical provisions – non-life (excluding health)	0
R0530	TP calculated as a whole	0
R0540	Best Estimate	0
R0550	Risk margin	0
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	4,155,882
R0700	TP calculated as a whole	0
R0710	Best Estimate	4,145,287
R0720	Risk margin	10,595
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	45,243
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	3,998
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	11,108
R0820	Insurance & intermediaries payables	154
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	6,105
R0850	Subordinated liabilities	40,000
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	40,000
R0880	Any other liabilities, not elsewhere shown	0
R0900	Total liabilities	4,262,491
R1000	Excess of assets over liabilities	56,539

F.3. QRT – S.05.01.02 – Premiums, claims and expenses by line of business

	Line of Business for: life insurance obligations	
	Index-linked and unit-linked insurance	Total
	C0230	C0300
Premiums written		
R1410 Gross	145,808	145,808
R1420 Reinsurers' share	0	0
R1500 Net	145,808	145,808
Premiums earned		
R1510 Gross	145,808	145,808
R1520 Reinsurers' share	0	0
R1600 Net	145,808	145,808
Claims incurred		
R1610 Gross	343,329	343,329
R1620 Reinsurers' share	0	0
R1700 Net	343,329	343,329
Changes in other technical provisions		
R1710 Gross	0	0
R1720 Reinsurers' share	0	0
R1800 Net	0	0
R1900 Expenses incurred	7,839	7,839
R2500 Other expenses		1,914
R2600 Total expenses		9,753

F.4. QRT – S.05.02.01 – Premiums, claims and expenses by country

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations	Total Top 5 and home country
	C0150	C0160	C0210
R1400		IT	
	C0220	C0230	C0280
Premiums written			
R1410 Gross	126,694	19,114	145,808
R1420 Reinsurers' share	0	0	0
R1500 Net	126,694	19,114	145,808
Premiums earned			
R1510 Gross	126,694	19,114	145,808
R1520 Reinsurers' share	0	0	0
R1600 Net	126,694	19,114	145,808
Claims incurred			
R1610 Gross	211,738	125,485	337,223
R1620 Reinsurers' share	0	0	0
R1700 Net	211,738	125,485	337,223
Changes in other technical provisions			
R1710 Gross	0	0	0
R1720 Reinsurers' share	0	0	0
R1800 Net	0	0	0
R1900 Expenses incurred	5,426	1,829	7,255
R2500 Other expenses			1,890
R2600 Total expenses			9,146

F.5. QRT – S.23.01.22 – Own Funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2
	C0010	C0020	C0030	C0040
Basic own funds before deduction for participations in other financial sector				
R0010 Ordinary share capital (gross of own shares)	31	31		0
R0020 Non-available called but not paid in ordinary share capital at group level	0	0		0
R0030 Share premium account related to ordinary share capital	0	0		0
R0040 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0
R0050 Subordinated mutual member accounts	0		0	0
R0060 Non-available subordinated mutual member accounts at group level	0		0	0
R0070 Surplus funds	0	0		
R0080 Non-available surplus funds at group level	0	0		
R0090 Preference shares	0		0	0
R0100 Non-available preference shares at group level	0		0	0
R0110 Share premium account related to preference shares	0		0	0
R0120 Non-available share premium account related to preference shares at group level	0		0	0
R0130 Reconciliation reserve	56,508	56,508		
R0140 Subordinated liabilities	40,000		40,000	0
R0150 Non-available subordinated liabilities at group level	0		0	0
R0160 An amount equal to the value of net deferred tax assets	0			
R0170 The amount equal to the value of net deferred tax assets not available at the group level	0			
R0180 Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0
R0190 Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0
R0200 Minority interests (if not reported as part of a specific own fund item)	0	0	0	0
R0210 Non-available minority interests at group level	0	0	0	0
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 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	0			
Deductions				
R0230 Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial	0	0	0	0
R0240 whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0
R0250 Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0
R0260 Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0
R0270 Total of non-available own fund items	0	0	0	0
R0280 Total deductions	0	0	0	0
R0290 Total basic own funds after deductions	96,539	56,539	40,000	0
Ancillary own funds				
R0300 Unpaid and uncalled ordinary share capital callable on demand	0			0
R0310 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	0			0
R0320 Unpaid and uncalled preference shares callable on demand	0			0
R0330 A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0
R0340 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0
R0350 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0
R0360 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0
R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0
R0380 Non available ancillary own funds at group level	0			0
R0390 Other ancillary own funds	0			0
R0400 Total ancillary own funds	0			0
Own funds of other financial sectors				
R0410 Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	0	0	0	0
R0420 Institutions for occupational retirement provision	0	0	0	0
R0430 Non regulated entities carrying out financial activities	0	0	0	0
R0440 Total own funds of other financial sectors	0	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1				
R0450 Own funds aggregated when using the D&A and combination of method	0	0	0	0
R0460 Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0
R0520 Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	96,539	56,539	40,000	0
R0530 Total available own funds to meet the minimum consolidated group SCR	96,539	56,539	40,000	0
R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and	96,096	56,539	14,135	25,422
R0570 Total eligible own funds to meet the minimum consolidated group SCR	75,250	56,539	14,135	4,576
Consolidated Group SCR				
R0610 Minimum consolidated Group SCR	22,880			
R0630 Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)				
R0650 Ratio of Eligible own funds to Minimum Consolidated Group SCR	3,2890			
R0660 Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	96,096	56,539	14,135	25,422
R0670 SCR for entities included with D&A method				
R0680 Group SCR	50,843			
R0690 Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	1.8900			
Reconciliation reserve				
R0700 Excess of assets over liabilities	56,539			
R0710 Own shares (held directly and indirectly)	0			
R0720 Forseeable dividends, distributions and charges	0			
R0730 Other basic own fund items	31			
R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0			
R0750 Other non available own funds	0			
R0760 Reconciliation reserve before deduction for participations	56,508			
Expected profits				
R0770 Expected profits included in future premiums (EPIFP) - Life business	0			
R0780 Expected profits included in future premiums (EPIFP) - Non- life business	0			
R0790 Total Expected profits included in future premiums (EPIFP)	0			

F.6. QRT – S.25.01.22 – Solvency Capital Requirement – for groups on standard formula

		Gross solvency capital requirement
		C0110
R0010	Market risk	35,606
R0020	Counterparty default risk	1,113
R0030	Life underwriting risk	30,900
R0040	Health underwriting risk	0
R0050	Non-life underwriting risk	0
R0060	Diversification	-14,601
R0070	Intangible asset risk	0
R0100	Basic Solvency Capital Requirement	53,019
Calculation of Solvency Capital Requirement		C0100
R0130	Operational risk	1,822
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-3,998
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	Solvency capital requirement excluding capital add-on	50,843
R0210	Capital add-on already set	0
R0220	Solvency capital requirement	50,843
Other information on SCR		
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	22,880
Information on other entities		
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
Overall SCR		
R0560	SCR for undertakings included via D and A	0
R0570	Solvency capital requirement	50,843

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F.7. QRT – S.32.01.22 – Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence							Inclusion in the scope of			Group solvency
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking		
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260		
LU	54930085M7Z8CXBLRX97LU00001	SC	Octium Holding S.A.	5	Société anonyme	2												
IE	54930085M7Z8CXBLRX97IE00002	SC	Octium Holding Limited	5	Company limited by shares	2		1.0000	0.5100	1.0000		1	1.0000	1		1		
IE	5299002005TKOTGSS9Z42	LEI	Octium Life DAC	1	Company limited by shares	2	Central Bank of Ireland	1.0000	0.5100	1.0000		1	1.0000	1		1		
LU	54930085M7Z8CXBLRX97LU00001LU00001	SC	KLP S.a.r.l.	99	Société à responsabilité limitée	2		1.0000	0.5100	1.0000		1	1.0000	1		1		