Quantum Leben AG
Solvency and Financial Condition Report 2022

Version submitted 11.04.2023

Executive summary

This Solvency and Financial Condition Report (hereinafter "SFCR") (hereinafter "SFCR") has been prepared in order to assist the regulator to understand the capital position (under Pillar 1 of Solvency II) and the risk management and governance system of Quantum Leben AG (hereinafter "Quantum") in line with the Solvency II requirements.

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

In line with legal and regulatory requirements, the Solvency II balance sheet was audited by Ernst & Young AG, Zürich (hereinafter "EY").

Quantum is regulated by the Financial Market Authority Liechtenstein (hereinafter "FMA"). The FMA is located at Landstrasse 109, in 9490 Vaduz, Liechtenstein (see https://www.fma-li.li/).

A. Business and performance

Quantum Leben AG was incorporated on 28th of December 2004. Quantum Leben AG, Städtle 18, 9490 Vaduz, Liechtenstein is an insurance undertaking organised as a company limited by shares. The shares are not listed on any stock exchange and are privately owned.

Quantum is licensed to offer the following classes of life and non-life insurance:

- Life insurance (Lebensversicherung)
- Unit- and asset-linked life insurance (Anteil- beziehungsweise fondsgebundene Lebensversicherung)
- Capital redemption operations (Kapitalisationsgeschäfte)
- Accident and Sickness (Unfall und Krankheit)

Under the EU/EEA freedom of services, Quantum is passported to various EU countries. It operates under the Temporary Permissions Regime (TPR) in the United Kingdom, and in Switzerland. In the United Kingdom, the underwriting of new business had to be discontinued at the end of 2022 with the expiry of the TPR related to Brexit. The current contracts will be fulfilled in accordance with the contract terms until their expiry within the framework of a "supervised run-off".

In 2022, Gross Written Premium of EUR 169.6m was booked (+11.4% compared to the previous year ("PY") of EUR 152.2m), with single premiums decreasing by -24.8% (PY +148.3%) and regular premiums growing by +29.6% (PY +62.5%).

B. System of Governance

Quantum observes an effective system of governance that is adequate for the nature, scale and complexity of the risks inherent in its business. Quantum has a Risk Management Function ("RMF"), which along with meetings and other instruments ensure an efficient risk management system. The key elements of risk management are embedded within our systems, with the roles, tasks and reporting channels being clearly defined and documented using the "3 lines of defence" approach. 2022 saw continued time, effort and resource focused on further improving the system of governance and the Risk Management Framework (hereinafter "RMFW") for Quantum. The further development of risk management and corporate governance, combined with ongoing improvements to systems and workflows, remains a top priority. This has created a solid basis for the further expansion.

The Product Oversight and Governance Committee (hereinafter "POGC") was implemented in 2018. This POGC enables management to review all new products and distribution partners and ensure Quantum is in a position to adequately control and optimize new activities.

The System of Governance is explained in more detail in Section B.

C. Risk Profile

Quantum operates a business model that is supported by an evolving RMFW that ensures business risks are well understood and controlled. These risks are deliberately accepted, governed and monitored. They specifically concern underwriting risks pertaining to the biometric risk portfolio, as well as financial and third-party default risks. Strategic, operational and legal and compliance risks also arise in the course of the business operations. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management. Integral to this is a thorough understanding and articulation of the company's risk exposures and its utilization of reinsurance.

D. Valuation for Solvency Purposes

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

By end of 2022, the total assets of the Solvency II balance sheet amount to EUR 472.0m. The gross best-estimate liability for risk business corresponds to EUR -61.5m and the risk margin amounts to EUR 17.6m. The gross best-estimate liability for unit-linked business corresponds to EUR 341.4m and the risk margin amounts to EUR 3.1m. The gross best-estimate liability for the non-life business amounts to EUR 0.9m, the corresponding risk margin amounts to EUR 1.2m, and the gross best-estimate liability for the Dutch income protection business (modelled SLT) amounts to EUR 29.3m with a risk margin of EUR 0.5m. Its amount is small as it is short term and does therefore not contribute significantly to the total risk margin.

E. Capital Management

Quantum targets to maintain a solvency ratio of at least 130%, in order to have a buffer above the solvency requirement. The solvency ratio is monitored on a quarterly basis and also assessed as part of the annual planning process and in the event of any significant change in circumstances. In the Solvency II balance sheet, the excess of assets over liabilities (EUR 95.2m, PY EUR 88.8m) consists of EUR 16.2m ordinary share capital, EUR 22.3m (PY EUR 22.3m) share premium account and a reconciliation reserve of EUR 56.7m (PY EUR 50.3m). All own funds are classified as Tier 1.

The Minimum Capital Requirement (hereinafter "MCR") is EUR 12.5m (PY EUR 12.5m) and the MCR ratio is 763.5% (PY 709.6%), whereas the Solvency Capital Requirement (herein after "SCR") is EUR 49.9m(PY EUR 50.1m) and the SCR ratio 190.9% (PY 177.4%). This means that the SCR is fulfilled with a secure margin above the minimum level of 100% and Quantum's own minimum target of 130%.

A. Contents

A. Business and Performance

A.1. Business

A.1.1. Business Overview

Quantum is a small-sized, niche insurance provider. In 2021, the company recorded significant growth in business volume.

- The term life and disability products distributed by our long-standing business partner TAF in the Netherlands are enjoying strong and growing market demand.
- In addition, the new business partners, who were contractually bound in 2020, distributed accident and sickness insurance, mainly in the Netherlands.
- Unit-linked single premiums, which are mainly generated in Sweden, have almost doubled in the previous year and declined sharply in 2022 due to the environment characterised by uncertainties in the financial market.

Overall, the business development is in line with our deliberate focus on insuring biometric risks in both life insurance and accident/sickness insurance. The strategy of diversification in terms of products, distribution and business partners and target markets was also continued in 2022.

A.1.2. Ownership

Quantum is independent and privately owned.

A.2. Underwriting Performance

Quantum has had a satisfactory business year in 2022 with Gross Written Premium of EUR 169.6m, increasing the premium volume by 11.4% as compared to 2021. Regular premiums grew by 29.6% and single premiums decreased by 24.8% compared to the previous year.

A.3. Investment Performance

The income from the investments was in line with the expectations. For the biometric risk products, the company holds mathematical reserves. The funds backing these reserves are invested conservatively and on a diversified basis.

The income from the investments was in line with the expectations. The investment assets where Quantum bears the investment risk increased in 2022 from EUR 143.9m to EUR 163.5m, the corresponding investment result amounts to approximately EUR 1.0m. The investment result 2022 in relation to the average investments results in a net book value return of around 0.90% including realized losses of about EUR 1.9m. The technical interest expense in 2022 in relation to the average investments amounts to a required interest rate of 0.71%. Thus, this results in an excess return of 0.19% for 2022.

The table below presents the investments held at the risk of Quantum:

in EUR	2022	2021
Investment Assets	**163'463'338**	**143'939'881**
1. Shares, other non-fixed interest rate securities and investment fund units	16'844'368	49'242'904
2. Bonds and other fixed-interest rate securities	93'456'782	58'096'977
4. Mortgage loans	38'100'000	26'600'000
6. Deposits with banks	5'062'188	0
7 Other investment assets	10'000'000	10'000'000

Despite the continuing sustained low interest rate environment across the European Economic Area, the investment performance of assets covering technical reserves and own funds is still deemed satisfactory.

A.4. Performance of other activities

Quantum had no other material income or expenses from other activities that had an impact on its performance in 2022.

A.5. Any other information

Other than as noted above, no other events occurred in 2022 which had a material impact on the business or performance of Quantum.

B. System of Governance

B.1. General information on the System of Governance

Quantum operates an effective system of governance that ensures solid and prudent management, which is deemed appropriate for the nature, scale and complexity of the risks inherent in its business. The key elements of risk management, along with roles, tasks and reporting channels are clearly defined and documented, using the "3 lines of defence" approach.

The know-how of all employees is continually being improved with internal and external training as well as other measures to increase their overall understanding, knowledge and competence (e.g. regarding General Data Protection Regulation (herein "GDPR" and Anti-Money Laundering (hereinafter "AML").

Considering the countries and territories in which Quantum operates, the relatively low single and recurring premiums and the focus on biometric risk insurance contracts, Quantum considers its AML risk as medium to very low.

B.1.1. Governance Structure

Quantum has three governing Bodies: The Annual General Meeting (hereinafter "AGM"), the Board of Directors ("BoD") and the Management Board ("MB"). Their functions and powers are defined by law, the Articles of Association, and by rules of procedure and internal guidelines. The supervisory requirements for (re)insurance undertakings, especially the Liechtenstein Insurance Supervision Act ("ISA") and the European supervisory regulations (Solvency II implementing measures) emphasise the need for responsible corporate governance. They include specific rules on various issues such as business organisation or the qualifications and remuneration of members of the BoD, MB and other individuals.

Annual General Meeting

The Annual General Meeting decides on the appropriation of profits and on the discharge of the BoD. Besides this, the Annual General Meeting elects the new calendar BoD members and, in particular, votes on changes to the Articles of Association and on issuing new share capital.

The Board of Directors

In compliance with the Company's Articles of Association, the BoD has three members. All are representatives of the shareholders, elected by shareholder vote at the Annual General Meeting.

At the beginning of 2021, the BoD decided that until further notice, it will also act as the company's Audit Committee and assume the duties as defined in Art. 347a PGR.

The BoD appoints the members of the MB, which consists of at least two members, and they are responsible for setting the strategic goals, the governance as well as the risk management principles. The BoD can delegate the implementation of the strategy and the corresponding processes, as well as the preparation of board resolutions to the MB. However, ultimate responsibility remains with the BoD. Near-term strategic expectations are reflected within an annual business operational budget-plan which the MB proposes and the BoD reviews and approves annually.

The Management Board

The MB consists of at least two members; beyond this, the number of members is determined by the BoD as mentioned above. In 2022, the MB of Quantum comprised three members.

The MB is responsible for normal business operations within the limits set by the BoD. Among other things, the MB is responsible for managing the Company, and in particular for implementing the Company's agreed objectives and strategy. The MB is encouraged by the BoD to make any and all recommendations for strategy improvement to the BoD. In doing so, it is obliged to safeguard Company interests and endeavour to achieve a sustainable long-term increase in the Company's value. It does take account of the interests of shareholders, employees, and other stakeholders of the Company. The MB is responsible for effecting adequate risk management and risk control in the Company. It must ensure that statutory requirements and internal Company guidelines are observed, and works to achieve their compliance.

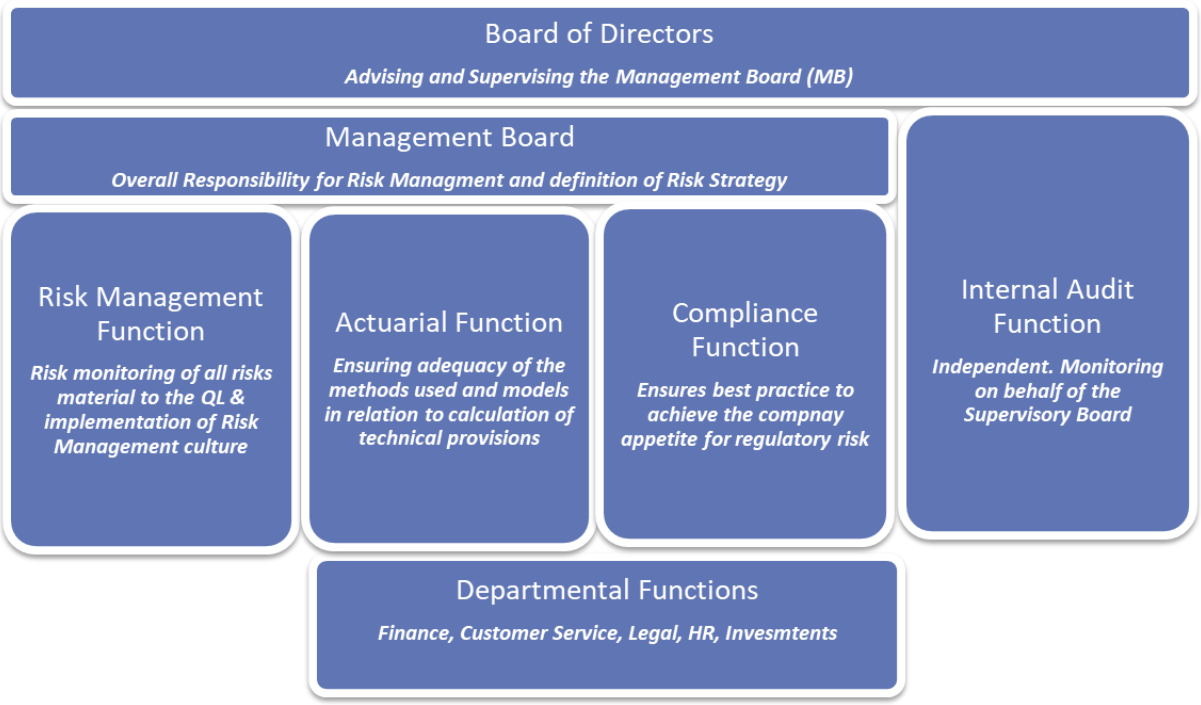
Collaboration between Management Board and Board of Directors

The MB and the BoD together form the Administrative, Supervisory and Management Board (ASMB).

The MB and the BoD cooperate closely for the benefit of the Company. The MB coordinates the Company's strategic approach with the BoD and discusses the current state of strategy implementation with it at regular intervals. The MB reports regularly and as needed to the BoD about all questions relevant to the Company.

The BoD was regularly updated on the work of Committees and given updates on major pending and resolved legal proceedings.

In the following the corporate structure is presented:



The detailed duties of the BoD and the MB are aligned to reflect the above organisational structure.

B.1.2. Key Functions

The four key functions within Quantum are defined as Actuarial ("AF"), Risk Management ("RMF"), Compliance ("CF") and Internal Audit ("IAF"). Both the IAF and AF are outsourced and maintain some autonomy from Quantum's internal functions. The IAF reports directly to the BoD, whereas the RM, CF and AF report to the MB. All key functions may revert to the BoD directly on any matters deemed relevant. The BoD actively seeks interaction with key function holders within its regular BoD meetings.

Quantum has in place a "three lines of defence" model, allowing for different and clearly defined levels of control responsibility:

- 1st line of defence – Business units and functions own and manage risks
- 2nd line of defence – functions that oversee or specialise in risk management and compliance
- 3rd line of defence – functions that provide independent assurance, e.g. internal and external audit

The distinction between the different lines of defence is principle based and determined by control activities. To ensure the effectiveness of our ICS, all functions are obliged to co-operate and exchange necessary information and advice.

B.1.3. Remuneration System

Salaries and remunerations are consistent with market practice and in line with applicable laws and regulations. There are no defined bonus plans nor share options available to employees, BoD or MB. The pension and retirement schemes correspond to market standard for all employees.

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

B.2. Fit and proper requirements

The members of the BoD and the MB, as well as the key function holders, are subject to the FMA "Fit and Proper" test and approval prior to their appointment. All staff are carefully recruited based on skills and knowledge for the applicable role within the company. All key functions are in line with the applicable regulations and approved by FMA.

Individuals with key functional responsibility must act responsibly with integrity, and carry out activities with appropriate diligence and care. Conflicts of interest must be avoided or disclosed.

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

- Education
- Management experience
- Language skills
- Practical knowledge
- Specialist knowledge in the respective function

The general requirements equally apply to outsourced functions, with the outsourced service providers being responsible to ensure their suitable qualifications.

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

B.3.1. Risk Management System: Organisation and task of Risk Management Function

The Risk Management policy, which contains the principles for handling and reducing risks using the three-lines-of-defence concept, frames the Risk Management System. The Risk Management System encompasses various aspects of the Risk Management Function such as the Risk Management Process, the Risk Appetite, and the Risk Register Assessment.

Quantum's risk-based RM process is practical, sustainable, and easy to understand. The process proceeds in a structured and disciplined way, properly considers the nature, scale and complexity of the risks inherent to its existing and or contemplated business, as well as endeavouring to spot emerging and new risks. Risk appetite is calibrated by using capital/solvency that is and or can be put at risk.

The RM process includes the following components:

Cycle 1

- Strategy: setting up appropriate risk strategy
- Identification: recognition and identification of risks
- Analysis: qualitative and quantitative evaluation and ranking of risks
- Mitigation: decide how to respond to significant risks, i.e. decide for each risk whether and to what extent it can be tolerated or should be mitigated; which risks need to be transferred or terminated; which existing treatments are deemed sufficient and which should be developed
- Monitoring & Controlling: perform monitoring of the risks and functionality of controls
- Testing & planning improvements: perform independent tests of integrated controls for their design and specification, efficiency, possible control gaps or overlapping controls
- Reporting: report on main risks, control efficiency and, if necessary, suggestions for improvements, including regular reporting to the BoD
- Developing and utilizing annual and medium-term business plans and related financial forecasts to effectively monitor the capital and solvency plan

Cycle 2-n

- Review and improve previous cycle and proceed with the steps

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

The RMF forms part of the second line of defence, and its purpose and objective is to assist the ASMB and other functions in the effective operation of the risk management system. The RMF follows the regulatory requirements and considers the level of risks to which Quantum is exposed. The RMF is responsible for identifying, measuring, monitoring and reporting risks within and outside of Quantum's risk appetite, as well as for coordinating the implementation of the ORSA process and ensuring the effective functioning of the RM framework.

B.3.2. Strategy and Objectives

Quantum's risk strategy is a core element of our RMFW. Within this strategy we aim to:

- Protect the brand and reputation of Quantum,
- remain solvent even in the event of extreme scenarios or events,

- maintain sufficient liquidity to always meet obligations, and
- provide sustainable profitability and create shareholder value.

Implementation of the risk strategy is supported through our defined risk appetite, which establishes in more concrete terms Quantum's risk tolerance level utilizing the following elements:

- rating/scoring of identified risks,
- allocating capital and defining minimum as well as target capital ratios,
- managing liquidity to maintain flexibility,
- defining quantitative financial limits, and
- defining corporate rules that govern the conduct of the business.

Adherence to Quantum's risk strategy and corresponding risk appetite is achieved by implementing appropriate risk management, monitoring and reporting processes.

B.3.3. Own Risk Solvency Assessment

The Own Risk Solvency Assessment (hereinafter "ORSA") report, which is generated annually in the second half of the year, primarily consists of an analysis of the current and future risks, which could lead the company to becoming insolvent within the next 12 months of Quantum.

As risks are changing constantly and are caused and or impacted by internal and external factors, a review of the RMFW is done annually during the ORSA process to assure that the universe of relevant risks, existing and emerging, is captured correctly.

The ORSA is the process by which the BoD considers the strategy of the company, the risks faced in pursuing and or executing that strategy and the appropriate mitigation of those risks (one possible outcome of which may be to hold additional capital) to ensure the residual risk remains within the BoD risk appetite. The BoD with the MB and RM use the ORSA to validate the capital adequacy of the Company.

The BoD owns the review and validation of the ORSA process and has provided direction to the MB to ensure that it meets the requirements of the BoD, including that the ORSA satisfies all applicable regulatory compliance governing the ORSA process.

In the event of significant change in risk profile or material changes to the business operations, an ad-hoc ORSA may be performed. No ad-hoc ORSA was deemed necessary during 2022.

B.4. Internal Control System

The ICS is part of its compliance framework, being the first line of defence in the 'three lines of defence' model the Company has implemented.

ICS are the measures that are incorporated into systems and processes to control day-to-day activities within Quantum. There shall be adequate controls implemented to ensure compliance with Quantum's corporate policies and any relevant regulations to which Quantum is subject, and to highlight any significant breakdown in control function or inadequacy of process. The internal controls exist to ensure that assets are secured and protected, to prevent and reveal errors and irregularities, ensure accurate decision-making data and financial reporting information, and to ensure adherence to laws and regulation.

Quantum has implemented policies which reflect the BoD approach to key areas of the business, and procedures, where appropriate, which describe how the MB fulfils those policies. The BoD is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of ICS, with, day-to-day oversight provided by the MB and the Risk Management Function.

The ICS guideline defines concepts and individual controls, stipulates ownership responsibilities and provides a guide for the description of controls. These include but are not limited to:

- Segregation of duties and responsibilities,
- Documentation of controls within defined process

The functioning of the ICS requires the involvement of management and employees of the company. Testing of controls and verifying their proper functioning, efficacy, and evidencing is essential to Quantum's ICS.

B.4.1. Compliance Function

The Compliance Function forms part of the second line of defence, and its purpose and objective are to ensure best practice and to help achieve Quantum's appetite for regulatory risk which is 'very low'. Compliance ensures the awareness of laws and regulations, responding appropriately to legislative changes and requirements, litigation and disputes, and regulatory proceedings is embedded with Quantum's BoD, MB and staff.

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

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

- Train and advise the business so there is a good understanding of the regulatory requirements and the regulatory environment in which Quantum operates;
- Identify and evaluate risks in conjunction with RM that are associated with the non-compliance of legal and regulatory requirements; propose remedies for any deficiencies and or non-compliance situations.
- Be responsible for tracking, assessing the impact of, and communicating and training staff about new regulatory developments. Also ensuring there is a central point of contact with a clear understanding of the regulator's approach and the standards to which the Company is held to account.
- Evaluate regulatory risk and assist in the identification of regulatory risk and advise on ways to manage and mitigate risk to protect the firm and its clients in coordination with RM;
- Advise the business on the design and implementation of controls and or seek out the proper expertise to do so;
- Monitor and challenge the behaviours and controls in the business to promote a culture of compliance;
- Ensure best compliance practice in all countries of operation, sometimes verifying outsourced parties are adhering to any rules and regulations to which Quantum is subject.

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

B.5. Internal Audit Function

The company's Internal Audit Function is outsourced and maintains autonomy from other business functions. The key mandate of Internal Audit is to review the existence and the effectiveness of the ICS. In addition, it is responsible for controls evaluations, testing, evidenciary review and recommendations, and plays a pivotal role in verifying the overall efficacy of Quantum's ICS.

The Internal Auditor reports its auditing results and recommendations to the BoD in the form of written audit reports, and/or immediately in the event of identifying serious deficiencies; of which none were found for the reporting period. The internal auditor works with the BoD to establish and annually revalidate and update a three-year audit plan designed to ensure all material areas of Quantum's ICS and operations are reviewed periodically as required.

B.6. Actuarial Function

The Actuarial Function is partly outsourced and operating independently and objectively to fulfil its functional requirements.

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

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

B.7. Outsourcing

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

Outsourcing is explicitly addressed in Quantum's risk management function. In the course of 2020, Quantum concluded a number of new outsourcing agreements with business partners in the Netherlands to prepare for new Accident and Sickness products offered starting 2021. As Quantum's distribution strategy is to work through Managing General Agents (MGAs), it will continue to establish several outside arrangements annually. Quantum also seeks to utilize legal and compliance advisor in each territory as well as other local service providers with local expertise (e.g. claims handlers, actuaries, etc.) to ensure quality client service and proper conduct of business.

The Company employs an operational auditor who visits on a rotational basis the Company's outsourced MGA producers to ensure their adherence of our outsourcing arrangement terms and condition.

The outsourcing policy covers the following processes:

- Planning and classification
- Risk Analysis and due diligence
- Contract management
- Monitoring
- Renewal and termination

All outsourcing agreements are concluded in line with the outsourcing rules, received regulatory approval and are reviewed regularly.

B.8. Any other information

There is no other material information regarding the system of governance.

C. Risk Profile

Quantum operates a low-risk, niche business model that is supported by a dynamic RMFW that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management. The BoD and MB understand and emphasize a risk and controls 'tone-at-the-top'. Integral to this is a thorough understanding and articulation of Quantum's risk exposure.

Assessing the prevailing risk landscape within Quantum allows the MB to evaluate the appetite for each emerging risk and to ensure that all identified risks are quantified and managed in line with Quantum's risk appetite as agreed with the BoD.

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

The company has a Risk Register in place which the MB reviews, considers regularly and reports on to the BoD as appropriate. Quantum also identifies any risks specific to the interdependencies between the functions, sometimes called hand-off risk and or because staff is small and some duties are concentrated. Special consideration is given to risk concentration(s) and or risk which are interdependent.

Quantum completes the Solvency II calculation and monitors the Solvency II requirements on behalf of BoD regularly, usually at least quarterly, to ensure that the SCR is met and risks to Solvency II requirements are monitored and managed.

Risk Appetite and Tolerance

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

In terms of mortality and morbidity insurance risk, Quantum has a medium to high risk appetite. Quantum makes resources available and takes appropriate action to control and mitigate these to acceptable levels. Quantum recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities, commensurate with its capital appropriations to cover those risks. Acceptance of some risk is often necessary to foster innovation within business practices and to grow our business in order to serve market needs and to generate profits and capital for further expanded risk acceptance and management.

This is reviewed as part of the Risk Management Meetings among the key functions, including RM, Compliance, Actuarial and Finance to determine the appropriateness of risk scenarios to Quantum, including the assessment of additional potential scenarios. The results of any such reviews are provided to the BoD, which reviews and establishes the acceptable level of potential risk losses and any related capital requirement for Quantum. They are also used in formulating our ORSA stress scenarios.

C.1. Underwriting risk

All of Quantum's insurance risks directly connected with the life of an insured person are referred to as biometric risks. They include in particular miscalculation risk of: the mortality, life expectancy, morbidity and occupational disability of the insured. These risks are material within Quantum's business model and strategy.

In addition, we are exposed to the lapse risk because the cash-flows are dependent upon the behaviour of the insured person.

Catastrophe risk is kept to a minimum via the reinsurance treaties in place.

Details of the Solvency Capital Requirements relating to Life Risk can be found in section E.2.

Business linked to TAF BV

All insurance policies written by the service provider are subject to medical underwriting.

Underwriting guidelines are provided by and established in coordination with the reinsurance company and accepted by the company.

The Company's operational auditor conducts on-site reviews to assess and ensure a proper level of adherence to Quantum's prescribed underwriting guidelines. These annual reviews are done in collaboration with reinsurers on-site at TAF. The underwriting requirements and processes are deemed appropriate to the scale, complexity and nature of the risks at Quantum. The underwriting guidelines provided by Hannover Re are included in the outsourcing agreements to which TAF and Sedgwick adhere.

Business linked to PULSE

In 2020, an individual and group life risk insurance product was introduced in the United Kingdom via Pulse Insurance Ltd. ("PULSE").

Unit-linked, Portfolio Bond and Deposit-linked business

In terms of the Unit-Linked business, there is currently no need for medical underwriting.

C.2. Market risk

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

The investment process follows strict investment guidelines and it is monitored by the company's Investment Committee, who reports to the full Board of Directors on a regular basis. The BoD also meets periodically and receives reports and outlooks from its investment advisors. Quantum's insurance products are not heavily interest-rate sensitive further enabling a cautious and diversified investment portfolio supporting technical and policyholder reserves.

C.3. Credit risk

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

- Reinsurance counterparty and other recoveries risk.
- Premium and other counterparty credit risk.
- Investment counterparty credit risk, including a low level of custodial risk.

Quantum seeks to limit exposure to credit risk as far as is practical and has established procedures and monitoring requirements to mitigate credit risk. Amounts receivable are actively monitored and reconciled monthly.

C.4. Liquidity risk

The liquidity risk refers to the risk of Quantum being unable to meets its financial obligations when they become due.

Core elements of the liquidity management of our investments are the management of the maturity structure of our investments on the basis of the planned payments projections arising out of our technical liabilities and

regular liquidity planning. As of 31.12.2022, Quantum had a cash balance of approximately 4.6m EUR (cash and cash equivalents).

Above and beyond the foreseeable payments, unexpected and exceptionally large payments may pose a threat to liquidity. This, however, is in part mitigated by the Reinsurance programme Quantum has in place.

C.5. Operational risk

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

Within our operational risk framework Quantum considers, in particular:

- Business Continuity
- Outsourcing
- Human Resources
- Fraud
- Information Technology Security

Quantum relies on internal resources for certain operational activities, whilst outsourcing certain functions. All outsourced activities are subject to service level agreements in accordance with regulatory requirements and are subject to ongoing monitoring of performance levels. Prior to their appointment, all service providers are assessed for their competence to perform the respective services in accordance with the Outsourcing policy.

The processes and controls over operational risk, together with the measures defining risk appetite are assessed regularly as part of the monitoring undertaken by Management and reported to the Risk Management & Compliance Committee on a quarterly basis.

Cyber risk continues to receive a great deal of regulatory and public attention in recent years. It is usually defined as operational risk that information is lost, inaccessible, stolen or leaked. It is assumed that data corruption is possible due to human failure or potential attacks from the Internet and similar networks on the integrity, availability and confidentiality of the infrastructure, particularly with regard to critical and/or sensitive data and IT systems. As a result, all data will be lost unless there are copies elsewhere.

Due to its evolving nature, along with the legal and regulatory sensitivities of this risk, the management continues to closely monitor the development of the IT / Data Security environment, engaging and using outside advisors as appropriate.

C.6. Other material risks

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

C.7. Other Information

There is no other material information regarding the risk profile.

D. Valuation for Solvency Purposes

D.1. Assets

The total Solvency II assets amount to EUR 472.0m by end of 2022, compared to EUR 489.2m by end of 2021. They sum up from the following asset items:

Asset item	Solvency II 2022	Statutory 2022	Solvency II 2021
Bonds and investments	100'871'779	110'301'150	115'662'952
Loans and mortgages	47'985'185	48'100'000	36'942'095
Unit-linked funds	342'509'289	342'509'289	363'167'749
Cash and cash equivalents	4'634'782	4'634'782	4'211'132
Reinsurance recoverables	-33'246'819	46'788'799	-40'532'433
Receivables	8'973'842	8'973'842	9'447'820
Any other assets	230'362	8'783'206	332'220
Total	**471'958'419**	**570'091'068**	**489'231'536**

All Solvency II positions are valued using market values or alternative valuation methods as appropriate.

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

The main differences between the statutory and the Solvency II valuation are the following:

- With respect to the bonds, the change from amortised cost to market valuation caused an increase of the value.
- The mortgage loans are valued by a cashflow model in Solvency II, whereas in the statutory balance sheet the nominal value is considered.
- The reinsurance recoverables are valued in Solvency II on a best-estimate basis.
- Finally, among other things, several statutory positions were used which are nil in Solvency II. First, the activation of acquisition costs is not applicable for Solvency II, as it represents no available cash-flow in the Solvency II cash-flow model. Secondly, fixed, intangible assets, and software licenses were booked, which are not considered in the Solvency II balance sheet.

The difference in Solvency II assets by end of 2022, compared to 2021, are mainly caused by the reduction of investments and unit-linked funds.

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

D.2. Technical provisions

Liability amounts

The total Solvency II best-estimate liabilities (BEL) including risk margin (RM) amount to EUR 332.5m by end of 2022, compared to EUR 359.9m by end of 2021, mostly due to the increase in fund reserves and the new Dutch income protection business within the Accident and Sickness insurance.

Calculation methods and assumptions

The main products of both lines of business are calculated by a cash-flow model with interest rates defined by the European Insurance and Occupational Pensions Authority (hereinafter "EIOPA").

The mortality and disability rates are based on population tables with adjustments according to the empirical evidence at Quantum. The core actual expenses (Salary) of Quantum are mostly in CHF whereas the other cash-flows are typically in EUR.

For all products, a going-concern approach for the expense assumptions is used, leading to per-policy fixed expenses, which can be different for different products. The per-policy expenses are derived from the annual expense analysis.

For all life products, the policy term has been taken as contract boundary. However, for the new Dutch income products, a one-year time horizon has been applied as contract boundary.

With respect to the new Dutch income products, we considered the statutory reserve as best-estimate, which is based on a general market loss ratio assumption.

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

Level of uncertainty

As quarterly experience analyses are performed for all important parameters and as the main risks are mostly reinsured, the uncertainty of the technical provisions is reduced to an acceptable level. However, special events or macroeconomic trends could lead to variance to the technical reserves.

Differences of methodology to statutory valuation

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

Reinsurance contracts

There are several reinsurance contracts in place to share the insurance risks of Quantum with its reinsurance partners for the risk business, i.e. both the Dutch term life and individual disability portfolios, as well as for the Accident and Sickness insurance, i.e. the Dutch income products.

Furthermore, there are reinsurance covers for smaller business portfolios such as Swiss unit-linked, Annuity and Critical Illness.

Fund look-through

In order to evaluate the risks inherent within the investment funds, Quantum performed a look-through in order to comply with the reporting to the FMA. The fund look-through assumptions used for the year-ending 2022 Pillar I calculations are based on an internal analysis done at the beginning of 2023.

For the Pillar III look-through reporting, all available information was collected from Morningstar. Quantum was able to reach a reporting coverage of more than 80% of all unit-linked investments. It is planned to increase the coverage ratio over the next years; however as most of the assets are invested in small mutual funds, this is a very extensive and manual exercise.

D.3. Other liabilities

The other liabilities of the Solvency II balance sheet amounted to EUR 43.3m (PY EUR 40.5m), of which EUR 7.6m (PY EUR 6.8m) are deferred tax liabilities stemming from the cash-flow model.

D.4. Alternative methods for valuation

In line with Article 9 (4c) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, certain unlisted shares were valued at cost, as in the statutory balance sheet.

D.5. Any other information

There is no other material information regarding the valuation for solvency purposes that has not been already disclosed.

E. Capital Management

E.1. Own funds

In the Solvency II balance sheet, the excess of assets over liabilities of EUR 96.2m (PY EUR 88.8m) consists of EUR 16.2m ordinary share capital, EUR 22.3m share premium account and a reconciliation reserve after deductions of EUR 56.7m (PY EUR 50.3m) as well as the proposed dividend of EUR 1.0m. All own funds are classified as Tier 1.

Reconciliation Reserve

The reconciliation reserve after deductions of EUR 56.7m results as shown in the table below:

Reconciliation Reserve	2022	2021
Asset revaluation	-98'132'649	-82'496'427
Technical provisions revaluation	155'463'535	116'965'929
Deferred tax liabilities	-7'566'052	-4'256'726
Profit and profit carried forward	7'902'257	2'903'386
Proposed dividend	-1'000'000	
Total Reconciliation Reserve	**56'667'091**	**33'116'162**

For further details, we refer to the disclosed QRTs in the Annex.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

The Minimum Capital Requirement (hereinafter "MCR") is EUR 12.5m and the MCR ratio is 763.5%, whereas the Solvency Capital Requirement (hereinafter "SCR") is EUR 49.9m and the SCR ratio 190.9%. This means that the solvency capital requirement is fulfilled with a secure margin above the minimum level of 100% and the own self-imposed target of 130%.

The SCR splits into the following modules:

SCR Modules	2022	2021
Market	19'380'827	22'916'496
Life	37'049'095	36'684'296
Health	9'842'065	6'159'893
Non-Life	2'486'029	1'789'471
Default	1'220'371	1'985'552
Diversification	-19'410'957	-18'454'986
BSCR	**50'567'431**	**51'080'723**
Operational risk	6'413'387	5'800'108
Adjustment	-7'122'602	-6'806'549
Total SCR	**49'858'216**	**50'074'281**

No simplifications have been used in the sub modules, nor have undertaking specific parameters been applied. Due to the size of the business and the type of products sold, Quantum uses the standard formula in order to calculate the SCR for Pillar I of Solvency II.

The MCR is composed by the following items:

Linear formula components	2022	2021
TP with profit participation	0	0
TP with future discretionary benefits	0	0
Unit-linked Technical Provisions	341'380'897	367'648'661
Other Life Technical Provisions	482'427	7'211'215
Capital-at-risk	8'443'498'061	6'999'767'781
Absolute minimum MCR Life	3'700'000	3'700'000
Absolute minimum MCR Non-Life	2'500'000	2'500'000
Absolute minimum MCR	6'200'000	6'200'000
MCR Life	**8'320'548**	**7'633'294**
MCR Non-Life	**375'613**	**249'013**
MCR Linear	**8'696'162**	**7'882'306**
MCR	**12'464'554**	**12'518'570**

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

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

This was not applied, as equity is mainly held in investment funds and therefore this was not deemed significant.

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

No internal model was used.

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

The company complies with the MCR and SCR requirement.

E.6. Any other information

There is no other material information regarding capital management.

Annex

This annex contains the quantitative reporting templates (hereinafter "QRTs") as required by the regulator for the reporting date 31st December 2022. The following report sheets contain cell coordinates in the form of row and column location of a data point in a certain table, such as RO010 and C0020. With these cell coordinates in combination with the spreadsheet notation (such as S.02.01.01), the interested reader can learn the exact requirements of the individual contents according to the Commission Implementing Regulation (EU) 2015/2452.

The following QRTs are disclosed: S.02.01.01, S.05.01.01, S.05.02.01, S.12.01.02, S.17.01.02, S.23.01.01, S.25.01.01 and S.28.01.01.

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

- **QRT S.19.01.21:** Description of inflation rate used for Non-life Insurance Claims Information

  This information is not applicable as claims are already considered under QRT S.05.01.01.

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

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

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

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

QRT S.02.01.01 (1st part)

in EUR		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	19'517.90
Investments (other than assets held for index-linked and unit-linked cont	**R0070**	100'871'779.11
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	11'796'684.30
Equities - listed	**R0110**	2'796'684.30
Equities - unlisted	**R0120**	9'000'000.00
Bonds	**R0130**	83'902'625.66
Government Bonds	**R0140**	6'949'900.07
Corporate Bonds	**R0150**	76'952'725.59
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	5'172'469.15
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	-
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	337'470'672.65
Loans and mortgages	**R0230**	47'985'185.00
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	47'985'185.00
Reinsurance recoverables from:	**R0270**	-33'246'819.13
Non-life and health similar to non-life	**R0280**	-
Non-life excluding health	**R0290**	-
Health similar to non-life	**R0300**	-
Life and health similar to life, excluding health and index-linked and unit-	**R0310**	-33'246'819.13
Health similar to life	**R0320**	12'825'409.66
Life excluding health and index-linked and unit-linked	**R0330**	-46'072'228.79
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	7'975'356.95
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	998'484.96
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but no	**R0400**	-
Cash and cash equivalents	**R0410**	9'673'398.02
Any other assets, not elsewhere shown	**R0420**	210'843.74
Total assets	**R0500**	**471'958'419.20**

QRT S.02.01.01 (2nd part)

in EUR		Solvency II value
Liabilities		-
Technical provisions – non-life	R0510	2'156'256.28
Technical provisions – non-life (excluding health)	R0520	2'156'256.28
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	913'241.78
Risk margin	R0550	1'243'014.50
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-14'136'899.92
Technical provisions - health (similar to life)	R0610	29'822'437.65
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	29'320'189.98
Risk margin	R0640	502'247.68
Technical provisions – life (excluding health and index-linked and unit-lin	R0650	-43'959'337.58
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-61'526'038.16
Risk margin	R0680	17'566'700.59
Technical provisions – index-linked and unit-linked	R0690	344'434'027.86
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	341'380'897.14
Risk margin	R0720	3'053'130.72
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	2'309'678.00
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	28'932'432.65
Deferred tax liabilities	R0780	7'566'051.51
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	938'751.74
Reinsurance payables	R0830	223'903.71
Payables (trade, not insurance)	R0840	-
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	3'363'525.37
Total liabilities	R0900	**375'787'727.20**
Excess of assets over liabilities	R1000	**96'170'692.00**

QRT S.05.01.01

in EUR		Income protection insurance C0020	Miscellaneous financial loss C0120	Total C0300
Premiums written				
Gross - Direct Business	R0110	53'185'457.06	857'885.90	54'043'342.96
Reinsurers' share	R0140	24'775'936.17	-	24'775'936.17
Net	R0200	28'409'520.89	857'885.90	29'267'406.79
Premiums earned				
Gross	R0210	53'145'214.23	857'885.90	54'003'100.13
Reinsurers' share	R0240	24'775'936.17	-	24'775'936.17
Net	R0300	28'369'278.06	857'885.90	29'227'163.96
Claims incurred				
Gross	R0310	25'508'864.44	4'898.76	25'513'763.20
Reinsurers' share	R0340	10'045'179.87	-	10'045'179.87
Net	R0400	15'463'684.57	4'898.76	15'468'583.33
Changes in other technical provisions				
Gross	R0410	-17'757'294.28	-285'871.26	-18'043'165.54
Reinsurers' share	R0440	-9'079'471.58	-	-9'079'471.58
Net	R0500	-8'677'822.70	-285'871.26	-8'963'693.96
Expenses incurred	R0550	**9'761'434.97**	**371'441.55**	**10'132'876.52**
Other expenses	R1200			**-**
Total expenses	R1300			**10'132'876.52**

QRT S.05.01.01

in EUR		Index-linked and unit-linked insurance C0230	Other life insurance C0240	Total C0300
Premiums written				
Gross	R1410	44'672'445.34	70'848'824.03	115'521'269.37
Reinsurers' share	R1420	48'191.01	35'563'777.80	35'611'968.81
Net	R1500	44'624'254.33	35'285'046.23	79'909'300.56
Premiums earned				
Gross	R1510	44'672'445.34	70'965'038.70	115'637'484.04
Reinsurers' share	R1520	48'191.01	35'563'777.80	35'611'968.81
Net	R1600	44'624'254.33	35'401'260.90	80'025'515.23
Claims incurred				
Gross	R1610	49'142'266.79	25'863'460.52	75'005'727.31
Reinsurers' share	R1620	-	21'419'657.50	21'419'657.50
Net	R1700	49'142'266.79	4'443'803.02	53'586'069.81
Changes in other technical provisions				
Gross	R1710	15'997'478.18	-7'187'684.64	8'809'793.54
Reinsurers' share	R1720	-	-2'944'453.73	-2'944'453.73
Net	R1800	15'997'478.18	-4'243'230.91	11'754'247.27
Expenses incurred	R1900	**7'058'977.44**	**15'547'149.05**	**22'606'126.49**
Other expenses	R2500			**-**
Total expenses	R2600			**22'606'126.49**

QRT S.05.02.01

in EUR		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		NETHERLANDS	SWEDEN	GERMANY	ITALY	AUSTRIA	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	2'328'120.00	42'236'569.45	34'055'825.08	2'500'322.34	1'109'133.00	3'949'195.17	86'179'165.04
Reinsurers' share	R1420	-	19'666'016.76	-	-	-	-	19'666'016.76
Net	R1500	2'328'120.00	22'570'552.69	34'055'825.08	2'500'322.34	1'109'133.00	3'949'195.17	66'513'148.28
Premiums earned								
Gross	R1510	2'328'120.00	42'236'569.45	34'055'825.08	2'500'322.34	1'109'133.00	3'949'195.17	86'179'165.04
Reinsurers' share	R1520	-	19'666'016.76	-	-	-	-	19'666'016.76
Net	R1600	2'328'120.00	22'570'552.69	34'055'825.08	2'500'322.34	1'109'133.00	3'949'195.17	66'513'148.28
Claims incurred								
Gross	R1610	5'842'586.19	18'114'006.07	34'343'634.34	3'991'228.34	630'249.07	473'476.52	63'395'180.53
Reinsurers' share	R1620	-	14'551'280.53	-	-	-	-	14'551'280.53
Net	R1700	5'842'586.19	3'562'725.54	34'343'634.34	3'991'228.34	630'249.07	473'476.52	48'843'900.00
Changes in other technical provisions								
Gross	R1710	15'103'629.93	2'051'771.80	-	-2'515'822.87	-249'755.09	2'229'534.01	16'619'357.78
Reinsurers' share	R1720	-	765'051.23	-	-	-	-	765'051.23
Net	R1800	15'103'629.93	1'286'720.57	-	-2'515'822.87	-249'755.09	2'229'534.01	15'854'306.55
Expenses incurred	R1900	**67'683.34**	**5'039'748.86**	**958'556.57**	**155'343.93**	**187'011.96**	**1'175'450.36**	**7'583'795.02**
Other expenses	R2500							**-**
Total expenses	R2600							**7'583'795.02**

in EUR		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0010		NETHERLANDS	LITHUANIA	ITALY	SPAIN	CZECHIA	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross - Direct Business	R0110	-	52'292'587.60	89'835.97	555'811.40	278'830.68	86'575.85	53'303'641.50
Gross - Proportional reinsurance a	R0120	-	-	-	-	-	-	-
Gross - Non-proportional reinsurar	R0130	-	-	-	-	-	-	-
Reinsurers' share	R0140	-	24'391'339.37	-	-	-	-	24'391'339.37
Net	R0200	-	27'901'248.23	89'835.97	555'811.40	278'830.68	86'575.85	28'912'302.13
Premiums earned								
Gross - Direct Business	R0210	-	52'292'587.60	49'593.14	555'811.40	278'830.68	86'575.85	53'263'398.67
Gross - Proportional reinsurance a	R0220	-	-	-	-	-	-	-
Gross - Non-proportional reinsurar	R0230	-	-	-	-	-	-	-
Reinsurers' share	R0240	-	24'391'339.37	-	-	-	-	24'391'339.37
Net	R0300	-	27'901'248.23	49'593.14	555'811.40	278'830.68	86'575.85	28'872'059.30
Claims incurred								
Gross - Direct Business	R0310	-	25'450'503.34	4'945.00	975.00	3'923.76	1'461.60	25'461'808.70
Gross - Proportional reinsurance a	R0320	-	-	-	-	-	-	-
Gross - Non-proportional reinsurar	R0330	-	-	-	-	-	-	-
Reinsurers' share	R0340	-	10'045'179.87	-	-	-	-	10'045'179.87
Net	R0400	-	15'405'323.47	4'945.00	975.00	3'923.76	1'461.60	15'416'628.83
Changes in other technical provisions								
Gross - Direct Business	R0410	-	17'357'543.36	2'621.85	192'275.50	81'973.85	-19.53	17'634'395.03
Gross - Proportional reinsurance a	R0420	-	-	-	-	-	-	-
Gross - Non-proportional reinsurar	R0430	-	-	-	-	-	-	-
Reinsurers' share	R0440	-	8'810'253.82	-	-	-	-	8'810'253.82
Net	R0500	-	8'547'289.54	2'621.85	192'275.50	81'973.85	-19.53	8'824'141.21
Expenses incurred	R0550	**-**	**6'649'220.75**	**31'442.59**	**184'402.14**	**182'390.65**	**67'137.99**	**7'114'594.12**
Other expenses	R1200							**-**
Total expenses	R1300							**7'114'594.12**

QRT S.12.01.02

in EUR		Index-linked and unit-linked insurance		
			Contracts without options and guarantees	Contracts with options or guarantees
		C0030	C0040	C0050
Technical provisions calculated as a whole	R0010	-		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-		
Technical provisions calculated as a sum of BE and RM				
Gross Best Estimate	R0030		330'904'685.02	10'476'212.12
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		-	-
Best estimate minus recoverables from reinsurance/SPV and Finit	R0090		330'904'685.02	10'476'212.12
Risk Margin	R0100	3'053'130.72		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	-		
Best estimate	R0120		-	-
Risk margin	R0130	-		
Technical provisions - total	R0200	**344'434'027.86**		

in EUR		Other life insurance			Total (Life other than health insurance, incl. Unit-Linked)
			Contracts without options and guarantees	Contracts with options or guarantees	
		C0060	C0070	C0080	C0150
Technical provisions calculated as a whole	R0010	-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-			-
Technical provisions calculated as a sum of BE and RM					
Gross Best Estimate	R0030		-61'526'038.16	-	279'854'858.98
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		-46'072'228.79	-	-46'072'228.79
Best estimate minus recoverables from reinsurance/SPV and Finit	R0090		-15'453'809.37	-	325'927'087.77
Risk Margin	R0100	17'566'700.59			20'619'831.31
Amount of the transitional on Technical Provisions					
Technical Provisions calculated as a whole	R0110	-			-
Best estimate	R0120		-	-	-
Risk margin	R0130	-			-
Technical provisions - total	R0200	**-43'959'337.58**			**300'474'690.29**

in EUR		Health insurance (direct business)			Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees	
		C0160	C0170	C0180	C0210
Technical provisions calculated as a whole	R0010	-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-			-
Technical provisions calculated as a sum of BE and RM					
Gross Best Estimate	R0030		29'320'189.98	-	29'320'189.98
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		12'825'409.66		12'825'409.66
Best estimate minus recoverables from reinsurance/SPV and Finit	R0090		16'494'780.31	-	16'494'780.31
Risk Margin	R0100	502'247.68			502'247.68
Amount of the transitional on Technical Provisions					
Technical Provisions calculated as a whole	R0110	-			-
Best estimate	R0120		-	-	-
Risk margin	R0130	-			-
Technical provisions - total	R0200	**29'822'437.65**			**29'822'437.65**

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in EUR		Direct business Miscellaneous financial loss	Total Non-Life obligation
		C0130	C0180
Technical provisions calculated as a whole	R0010	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the ad	R0050	-	-
Technical provisions calculated as a sum of BE and RM			
Best estimate			
Premium provisions			
Gross	R0060	530'971.02	530'971.02
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-
Net Best Estimate of Premium Provisions	R0150	530'971.02	530'971.02
Claims provisions			
Gross	R0160	382'270.76	382'270.76
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-
Net Best Estimate of Claims Provisions	R0250	382'270.76	382'270.76
Total Best estimate - gross	R0260	**913'241.78**	**913'241.78**
Total Best estimate - net	R0270	**913'241.78**	**913'241.78**
Risk margin	R0280	**1'243'014.50**	**1'243'014.50**
Amount of the transitional on Technical Provisions			
Technical Provisions calculated as a whole	R0290	-	-
Best estimate	R0300	-	-
Risk margin	R0310	-	-
Technical provisions - total			
Technical provisions - total	R0320	**2'156'256.28**	**2'156'256.28**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	**2'156'256.28**	**2'156'256.28**

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in EUR		Total	Tier 1 - unrestricted
		C0010	C0020
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35			
Ordinary share capital (gross of own shares)	R0010	16'235'000.00	16'235'000.00
Share premium account related to ordinary share capital	R0030	22'268'601.01	22'268'601.01
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040		
Subordinated mutual member accounts	R0050		
Surplus funds	R0070		
Preference shares	R0090		
Share premium account related to preference shares	R0110		
Reconciliation reserve	R0130	56'667'090.99	56'667'090.99
Subordinated liabilities	R0140		
An amount equal to the value of net deferred tax assets	R0160		
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180		
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220		
Deductions for participations in financial and credit institutions	R0230		
Total basic own funds after deductions	R0290	95'170'692.00	95'170'692.00
Unpaid and uncalled ordinary share capital callable on demand	R0300		
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310		
Unpaid and uncalled preference shares callable on demand	R0320		
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330		
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340		
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350		
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360		
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370		
Other ancillary own funds	R0390		
Total ancillary own funds	R0400		
Available and eligible own funds			
Total available own funds to meet the SCR	R0500	95'170'692.00	95'170'692.00
Total available own funds to meet the MCR	R0510	95'170'692.00	95'170'692.00
Total eligible own funds to meet the SCR	R0540	95'170'692.00	95'170'692.00
Total eligible own funds to meet the MCR	R0550	95'170'692.00	95'170'692.00
SCR	R0580	49'858'216.06	
MCR	R0600	12'464'554.01	
Ratio of Eligible own funds to SCR	R0620	190.88%	
Ratio of Eligible own funds to MCR	R0640	763.53%	

in EUR		
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	96'170'692.00
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	1'000'000.00
Other basic own fund items	R0730	38'503'601.01
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	56'667'090.99
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	53'732'975.36
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	53'732'975.36

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in EUR		Net solvency capital requirement	Gross solvency capital requirement
		C0030	C0040
Market risk	R0010	19'380'826.76	19'380'826.76
Counterparty default risk	R0020	1'220'371.38	1'220'371.38
Life underwriting risk	R0030	37'049'095.28	37'049'095.28
Health underwriting risk	R0040	9'842'065.28	9'842'065.28
Non-life underwriting risk	R0050	2'486'029.00	2'486'029.00
Diversification	R0060	-19'410'956.63	-19'410'956.63
Intangible asset risk	R0070	-	-
Basic Solvency Capital Requirement	R0100	50'567'431.07	50'567'431.07

in EUR		
Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	6'413'387.28
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-7'122'602.29
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	49'858'216.06
Capital add-on already set	R0210	
Solvency capital requirement	R0220	49'858'216.06
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	

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		MCR components	
		Non-life activities	Life activities
in EUR		**$MCR_{(NL, NL)}$ Result**	**$MCR_{(NL, L)}$ Result**
		C0010	**C0020**
Linear formula component for non-life insurance and reinsurance obligations	**R0010**	375'613.22	-

		Background information	
		Non-life activities	
in EUR		**Net (of reinsurance/ SPV) best estimate and TP calculated as a whole**	**Net (of reinsurance) written premiums in the last 12 months**
		C0030	**C0040**
Miscellaneous financial loss insurance and proportional reinsuran	**R0130**	1'471'785.38	834'927.36

		MCR components	
		Non-life activities	Life activities
in EUR		**$MCR_{(L, NL)}$ Result**	**$MCR_{(L, L)}$ Result**
		C0070	**C0080**
Linear formula component for life insurance and reinsurance obli	**R0200**	-	8'320'548.39

		Non-life activities		Life activities	
in EUR		**Net (of reinsurance/SPV) best estimate and TP calculated as a whole**	**Net (of reinsurance/SPV) total capital at risk**	**Net (of reinsurance/SPV) best estimate and TP calculated as a whole**	**Net (of reinsurance/SPV) total capital at risk**
Total capital at risk for all life (re)insurance obligations		**C0090**	**C0100**	**C0110**	**C0120**
Obligations with profit participation - guaranteed benefits	**R0210**	-		-	
Obligations with profit participation - future discretionary benefits	**R0220**	-		-	
Index-linked and unit-linked insurance obligations	**R0230**	-		341'380'897.14	
Other life (re)insurance and health (re)insurance obligations	**R0240**	-		482'427.35	
Total capital at risk for all life (re)insurance obligations	**R0250**		-		8'443'498'060.53

in EUR		
Overall MCR calculation		**C0130**
Linear MCR	**R0300**	8'696'161.61
SCR	**R0310**	49'858'216.06
MCR cap	**R0320**	22'436'197.23
MCR floor	**R0330**	12'464'554.01
Combined MCR	**R0340**	12'464'554.01
Absolute floor of the MCR	**R0350**	6'200'000.00
Minimum Capital Requirement	**R0400**	12'464'554.01

in EUR		**Non-life activities**	**Life activities**
Notional non-life and life MCR calculation		**C0140**	**C0150**
Notional linear MCR	**R0500**	375'613.22	8'320'548.39
Notional SCR excluding add-on (annual or latest calculation)	**R0510**	2'153'525.41	47'704'690.65
Notional MCR cap	**R0520**	969'086.43	21'467'110.79
Notional MCR floor	**R0530**	538'381.35	11'926'172.66
Notional Combined MCR	**R0540**	538'381.35	11'926'172.66
Absolute floor of the notional MCR	**R0550**	2'500'000.00	3'700'000.00
Notional MCR	**R0560**	2'500'000.00	11'926'172.66