Cell:	**Instant Life L00091**
Date:	**30 June 2019**
Subject:	**Regulatory Capital Requirements: 30 June 2019**

Summary of Own Funds and Regulatory Capital Requirements 30 June 2019

The below summary shows the Balance Sheet on both the Regulatory and IFRS bases. The Total Own Funds available is calculated as the Total Assets less the Total Liabilities.

Summary of Own Funds

	Regulatory Balance Sheet	IFRS Balance Sheet
Invested Assets	10,356,320	1,357
Total Current Assets	0	10,354,963
Reinsurer Share of Technical Provisions [1]	-53,610,321	-3,327,200
Total Assets	**-43,254,000**	**7,029,120**
Total Gross Technical Provisions [2] [3]	-119,222,926	4,358,711
Linked Policies	0	0
Risk Margin [4]	20,456,979	0
Deferred Tax Liability	14,795,631	0
Other Liabilities	-683,819	-683,819
Add: Planned Dividends	0	0
Total Liabilities	**-84,654,135**	**3,674,892**
Basic Own Funds [5]	**41,400,135**	**3,354,228**
Approved Ancillary Own Funds	0	0
Total Own Funds	**41,400,135**	**3,354,228**

1) The Reinsurer Share can be positive or negative depending on whether the amount is recoverable or due which will depend on experience and the reinsurance contract.

2) Best Estimate Liabilities (BEL): the present value of projected future cashflows and resulting liabilities according to a valuation basis that excludes margins i.e. on a best estimate approach. Negative liabilities can thus result as we take account for future profits by capitalising them according to the valuation basis.

3) Technical Provisions are equal to the sum of the BEL and the Risk Margin. These can be likened to Liabilities in the IFRS Balance Sheet.

4) The Risk Margin is a measure of the expected cost of capital required for the portfolio of life insurance business. As the margin is allowed for over and above the best estimate liabilities it incorporates prudence.

5) The Basic Own Funds (BOF) is the retained earnings within the cell and is calculated as the regulatory assets less the regulatory liabilities.

Summary of Solvency Position

Solvency Capital Requirement	26,609,163
Available Management Action	0
Solvency Capital Requirement (Post Management Action)	26,609,163

Solvency Position	
Basic Own Funds	41,400,135
Basic Own Funds in excess / shortfall of the SCR	14,790,972
SCR coverage	**1.56**

The Regulator requires that the Solvency position is calculated according to the Solvency Assessment and Management (SAM) Principles. This requires capturing the main risk categories to which a cell is exposed namely Life Underwriting Risk, Market Risk and Operational Risk. The details of each of these categories are listed below.

Based on the above Solvency position Instant Life L00091 is well capitalised on this basis and we don't expect this to change.

Calculation of Life Underwriting Risk

Mortality Risk	8,543,509
Longevity Risk	0
Disability Morbidity Risk	1,034,479
Lapse Risk	28,834,560
Expense Risk	608,192
Retrenchment Risk	0
Catastrophe Risk	3,793,552
Mortality Catastrophe Risk	3,661,566
Morbidity Catastrophe Risk	434,393
Life Underwriting Risk after diversification	31,653,030

Calculation of Market Risk

Interest Rate Risk	9,145,035
Equity Risk	0
Property Risk	0
Illiquidity Risk	0
Spread and Default Risk	312,015
Currency Risk	0
Concentration Risk	1,908,063
Single Equivalent Scenario adjustment	0
Market Risk Capital Requirement after diversification	9,347,177

Calculation of Basic Solvency Capital Requirement

Non-Life Underwriting Risk	0
Life Underwriting Risk	31,653,030
Market Risk	9,347,177
Basic Solvency Capital Requirement (BSCR)	35,174,100

Calculation of Solvency Capital Requirement

Basic Solvency Capital Requirement	35,174,100
Operational Risk	1,783,071
Less: Loss Absorbing Capacity of Deferred Taxes (LACDT)	-10,348,008
Solvency Capital Requirement before adjustments	26,609,163
Add: Counterparty Default Adjustment	0
Add: Impact of R1m Minimum SCR	0
Solvency Capital Requirement (SCR)	26,609,163