



SOLVENCY AND FINANCIAL CONDITION REPORT

March 2021
(2020 year end)

CONTENTS

EXECUTIVE SUMMARY	3
A. Business and Performance.....	5
A. 1 Business	5
A.2 Underwriting Performance.....	6
A.3 Investment Performance.....	9
A.4 Performance of other activities	10
A.5 Other information	11
B. System of Governance	13
General information on the system of governance	13
B.2 Fit and Proper Requirements.....	19
B.3 Risk-Management System.....	20
B.4 Internal Control System	24
B.5 Internal Audit Function	25
B.6 Actuarial Function.	26
B.7 Outsourcing.....	26
C. Risk profile.....	28
C.1 Underwriting risk.....	29
C.2 Market risk	32
C.3 Credit risk.....	35
C.4 Liquidity risk.....	43
C.5 Operational risk.....	44
C.6 Other material risks	45
D. Valuation for solvency purposes.....	46
D.1 Assets	46
D.2 Technical provisions	49
D.3 Other liabilities	54
D.4. Alternative methods for valuation	55
E. Capital management	56
E.1 Shareholders' Equity.....	56
E.2 Solvency Capital Requirement and Minimum Capital Requirement.....	62
E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.....	65
E.4 Differences between the standard formula and any internal model used	65
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement.....	65
Appendix.....	66

EXECUTIVE SUMMARY

The corporate purpose of Mediterráneo Vida, S.A. de Seguros y Reaseguros (Sole Shareholder Company), ("Mediterráneo Vida", "the "Company" or "MV") is to provide all manner of life insurance and reinsurance, including managing collective retirement and pension funds with or without insurance guarantees, and in general, all other forms and practises envisaged in the legislation on insurance and pension funds.

The Company's main lines of business in Financial year 2020 were:

Savings: Insurance with/without profit participation.

Unit-linked: Index-linked and unit-linked insurance.

Risk: Other life risk insurance.

Annuities: Other life insurance.

The Company develops its activity in the modalities of life insurance and deferred benefit savings insurance (capital-income) with share in profits, insurance in which the policyr assumes the risk of investment, accident insurance, as well as immediate annuity insurance throughout the national level mainly through the banking-insurance operator of the BancSabadell Group.

The Company has signed quota share reinsurance contracts with SCOR Global Life Reinsurance Ireland, Designated Activity Company, pursuant to which Mediterráneo Vida has ceded 99% of its individual life risk insurance business.

The English limited liability company Ember Alpha Limited (99% held by "Elliot Funds" International, L.P. and Elliott Associates, L.P., the "Elliot Funds") is the sole shareholder of Mediterráneo Vida.

After its acquisition by Ember Alpha Limited, the purpose of Mediterráneo Vida's business plan is to effectively manage the coverage of the obligations under the insurance policies by investing in assets that are efficient from a capital perspective. The investment structure is designed to reasonably generate the returns necessary for the Company to meet its future obligations (both in the short and long term) and to minimise reinvestment risks.

In June 2017, Mediterráneo Vida transferred most of its financial assets to the Luxembourgian limited liability companies Water International Finance, s.à r.l. ("WIF") and Water Associates Finance, s.à r.l. ("WAF"). This transfer of assets was carried out under the Framework Agreements signed for this purpose known as the Global Master Agreement ("GMA") and the Global Master Future Agreement ("GMFA" and jointly the "Master Agreements"). The sole shareholders of WIF and WAF are the Elliott Funds.

The 2020 annual financial statements were drawn up on 30 March 2021. As of the date of this report, the external auditor's has not yet been issued. PWC's opinion is not expected to have reservations or qualifications.

Below, a summary is provided of the Company's quantitative data at the close of 2020. The solvency ratio the Company achieved at the end of the year places its solvency at 240%, well above its capital required by regulations, even after the 28-million distribution of profits. 2020 is the first year that dividends were paid out after the acquisition by Ember Alpha Limited.

2020 RESULTS

(Amounts in thousands of €)	2020
TOTAL ASSETS	2,677,284
TOTAL LIABILITIES	2,465,189
ASSETS IN EXCESS OF LIABILITIES	212,095
Equity subject to the management activity	
Available own funds	212,095
Eligible own funds	212,095
Tier 1:	212,095
Global SCR	88,524
MCR	39,836
Surplus/Capital Needs	123,571
Solvency Ratio (SCR Coverage %)	240%
MCR Coverage %	532%

With regard to the quality of the Company's own funds, all of its own funds have the top rating (Tier 1).

Status of the inspection proceedings (Inspection Order 41/2017)

On 14 August 2019, the Directorate-General for Insurance and Pension Funds issued a Resolution on the inspection that was conducted pursuant to Inspection Order 41/2017 on the Company's situation at 31 December 2017 and the accounting and solvency information submitted by the Company up to 31 July 2018.

By virtue of this Resolution, the Company was required to submit a Plan approved by its Board of Directors that included the actions to be taken with regard to various aspects of the Framework Agreements, and other additional matters.

The Company submitted this Plan of Action to the Directorate-General for Insurance and Pension Funds (as this is defined below) on 14 November 2019 and on 22 June 2020 it submitted an addendum to the Plan.

The Company is carrying out the actions envisaged in the Plan as detailed in Point A.5, and it has put controls in place to monitor its fulfilment of the Plan of Action.

A. Business and Performance

A. 1 Business

The Company's corporate purpose is to provide all manner of life insurance and reinsurance, including managing collective retirement and pension funds with or without insurance guarantees, and in general, all other forms and practises envisaged in the legislation on insurance and pension funds. Its main facilities are located in Alicante at Edificio Hispania, calle Ausó y Monzó, 16, 8ª Planta, and in Madrid at Paseo de la Castellana 110, 2a planta.

In 2014, the Company assigned the exclusive rights it had over the Banco Sabadell network for marketing pension plans and life insurance, with the exception of collective savings and occupational pension plans. Therefore, it no longer sells new individual insurance products. Mediterráneo Vida continues to receive new entries of premiums, contractual periodic premiums and, in certain portfolios, extraordinary premiums requested by customers, in addition to premiums for renewing its life/risk business (these are renewable annual premiums).

The Company develops its activity in the modalities of life insurance and deferred benefit savings insurance (capital-income) with share in profits, insurance in which the policyr assumes the risk of investment, accident insurance, as well as immediate annuity insurance throughout the national level mainly through the banking-insurance operator of the BancSabadell Group.

The Company's main lines of business are:

Savings: Insurance with/without profit participation.

Unit-linked: Index-linked and unit-linked insurance.

Risk: Other life risk insurance.

Annuities: Other life insurance.

The authority responsible for the financial supervision of the Company is the Directorate-General of Insurance and Pension Funds that reports to the Spanish Ministry of Economic Affairs and Digital Transformation, the contact information for which is:

Address: Paseo de la Castellana 44 - 28046 Madrid Telephone number: 902 021 111

Email: dirseguros@mineco.es

The Company's external auditor is PricewaterhouseCoopers Auditores, S.L, and its contact information is:

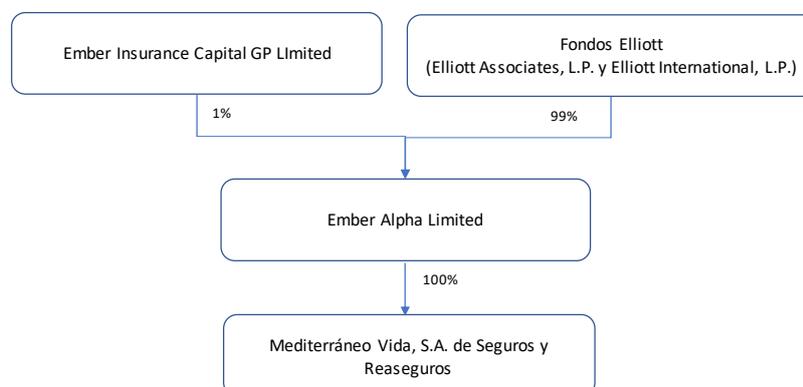
Address: Paseo de la Castellana, 259 B. Edificio Torre PwC – 28046 Madrid

Telephone: 902,021,111

The Company has signed quota share reinsurance contracts with SCOR Global Life Reinsurance Ireland, Designated Activity Company, pursuant to which Mediterráneo Vida has ceded 99% of its individual life risk insurance business.

The English limited liability company Ember Alpha Limited (99% owned by the Elliott International, L.P. and Elliott Associates, L.P. funds; "the Elliott Funds") is the sole shareholder of Mediterráneo Vida after acquiring all the Company's shares from Banco de Sabadell, S.A. in June 2017.

The simplified structure of the Group to which Mediterráneo Vida belongs is as follows:



(1) Mediterráneo Vida holds 100% of the share capital of four Luxembourgian mortgage holders.

Mediterráneo Vida's business plan seeks to effectively manage cover of the obligations arising from the insurance contracts through the investment in efficient assets, without changing the operations for policyholders or in the day-to-day interactions with policyholders and insured persons with the Banco Sabadell network (through which the Banco Sabadell Group's bancassurance operator works—the broker for all of Mediterráneo Vida's insurance contracts), their relationship with Mediterráneo Vida or the terms of their policies. The investment structure is designed to reasonably generate the returns necessary for the Company to meet its future obligations (both in the short and long term) and to minimise reinvestment risks.

A.2 Underwriting Performance

The Company's results compared to the previous year were as follows (in thousands of euros):

I. Technical account	2020	2019
I.1 Earned premiums, net of reinsurance	96,783	109,655
a) Accrued premiums	113,351	127,893
a1) Direct insurance	113,351	127,893
a3) Changes in impairment losses on uncollected premiums (+/-)	0	0
b) Reinsurance premiums ceded (-)	-16,574	-18,244
c) Change in the provision for unearned premiums and for unexpired risks (+/-)	99	106
c1) Direct insurance	99	106
d) Change in the provision for unearned premiums, reinsurance ceded (+/-)	-93	-100
I.2. Income from property, plant and equipment and from investments	93,635	76,430
b) Income from financial investments	71,453	75,943
b1) Group companies	0	0
b2) Income from financial investments	70,207	75,943
b3) Other finance income	1,246	0
c) Valuation adjustments for impairment losses on property, plant and equipment and on investments	572	0
c1) Property, plant and equipment and investment property	0	0
c2) Financial investments	572	0
d) Profit from property, plant and equipment and from investments	21,610	487
d2) Financial investments	21,610	487
I.3. Income from investments tied to insurance in which the policyholder bears the investment risk	2,404	1,534
I.4. Other technical income	0	0
I.5. Claims incurred in the year, net of reinsurance	197,794	176,346
a) Benefits and expenses paid	196,260	179,080

a1) Direct insurance	201,402	183,532
a3) Reinsurance ceded (-)	-5,142	-4,452
b) Changes in the provision for claims outstanding (+/-)	1,178	-3,014
b1) Direct insurance	359	-2,067
b3) Reinsurance ceded (-)	819	-947
c) Expenses attributable to claims	356	280
I.6. Changes in other technical provisions, net of reinsurance (+/-)	-60,673	-21,281
a) Life insurance provisions	-59,585	-20,790
a1) Direct insurance	-59,738	-21,091
a3) Reinsurance ceded (-)	153	301
b) Provisions for life insurance policies in which the insurance policyholders bear the investment risk	-996	-436
c) Other technical provisions	-92	-55
I.7. Profit sharing and return of premiums.	4,781	5,064
a) Claims and expenses for profit commission and return of premiums	4,928	5,614
b) Changes in the provision for profit sharing and return of premiums (+/-)	-147	-550
I.8. Net operating expenses	4,446	4,999
a) Acquisition costs	5,626	6,508
b) Changes in deferred acquisition costs	0	0
c) Administrative expenses	1,516	1,393
d) Fees and share in reinsurance ceded and retroceded	-2,696	-2,902
I.9. Other technical expenses	2,731	2,156
c) Other	2,731	2,156
I. 10. Expenses from property, plant and equipment and from investments	15,257	11,599
a) Management expenses from property, plant and equipment and from investments	11,633	11,232
a2) Expenses from investments and financial accounts	11,633	11,232
b) Impairment losses on property, plant and equipment and on investments	2,572	18
b1) Amortisation of property, plant and equipment and investment property	14	0
b3) Impairment loss on financial investments	2,558	18
c) Losses from property, plant and equipment and from investments	1,052	349
c2) Financial investments	1,052	349
I.11. Expenses from investments tied to insurance in which the policyholder bears the investment risk	2,403	1,151
I.12. Subtotal. (Balance of the Technical Account)	26,083	7,585

II. Non-technical account	2020	2019
II.1. Income from property, plant and equipment and from investments	27,071	16,925
b) Income from financial investments	5,745	4,877
b1) Group companies	0	0
b2) Income from financial investments	5,551	4,868
b3) Other finance income	194	9
c) Valuation adjustments for impairment losses on property, plant and equipment and on investments	0	0
d) Profit from property, plant and equipment and from investments	21,326	12,048
d2) Financial investments	21,326	12,048
II.2. Expenses from property, plant and equipment and from investments	4,244	2,380
a) Investment management expenses	3,867	2,376
a1) Expenses from investments and financial accounts	3,867	2,376
b) Impairment losses on property, plant and equipment and on investments	0	0
b3) Impairment loss on financial investments	0	0
c) Losses from property, plant and equipment and from investments	377	4
c2) Financial investments	377	4
II.3. Other income	512	343
a) Income from pension fund administration	0	77
b) Other income	512	266
II.4. Other expenses	10,360	7,352
a) Expenses for pension fund administration	0	197
b) Other expenses	10,360	7,155

II.5 Subtotal. (Balance of the non-technical account) (II.1 - II.2 + II.3 - II.4)	12,979	7,536
II.6 Profit before tax (I.12 + II.5)	39,062	15,121
II.7 Income tax	-9,766	-3,780
II.8. Profit from continuing operations (II.6 - II.7)	29,296	11,341
II.9. Profit/(Loss) from discontinued operations net of tax (+/-)	0	0
II.10. Profit for the year (II.8 + II.9)	29,296	11,341

The real profits earned by the Temporary Portfolio's assets in 2020 were not sufficient to satisfy both the guaranteed interest rate and the future administration expenses for the commitments. Therefore, there a supplemental provision has been set aside that had a balance of EUR 21,961 thousand at 31 December 2020 (EUR 25,438 thousand at 31 December 2019).

Other Income from the non-technical account is explained in section A.4. of this document.

In accordance with the Spanish National Chart of Accounts for Insurance Entities, but using the Solvency II lines of business defined in Annex I of Delegated Regulation (EU) 2015/35, the premiums, claims and expenses by line of business for 2020 and 2019 are:

2020 (data in thousands of €)	Life/non-life insurance obligations			Total
	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	
Earned premiums				
Gross amount	96,053		17,298	113,351
Reinsurance granted (Share of the reinsurance)			16,574	16,574
Net amount	96,053		724	96,777
Earned premiums				
Gross amount	96,053		17,397	113,450
Reinsurance granted (Share of the reinsurance)			16,667	16,667
Net amount	96,053		730	96,783
Claims (claims incurred)				
Gross amount	167,769	957	33,013	201,739
Reinsurance granted (Share of the reinsurance)			4,323	4,323
Net amount	167,769	957	28,690	197,416
Variation of other technical provisions				
Gross amount				
Reinsurance ceded (Share of the reinsurance)				
Net amount				
Technical expenses	6,692	17	1,425	8,134
Other expenses				
Total expenses	6,692	17	1,425	8,134

2019 (data in thousands of €)	Life/non-life insurance obligations			Total
	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	
Earned premiums				
Gross amount	108,812	2	19,079	127,893
Reinsurance ceded (Share of the reinsurance)			18,244	18,244
Net amount	108,812	2	835	109,649
Earned premiums				
Gross amount	108,812	2	19,185	127,999
Reinsurance ceded (Share of the reinsurance)			18,344	18,344

Net amount	108,812	2	841	109,655
Claims (claims incurred)				
Gross amount	148,732	799	31,940	181,471
Reinsurance ceded (Share of the reinsurance)			5,399	5,399
Net amount	148,732	799	26,541	176,072
Variation of other technical provisions				
Gross amount				
Reinsurance ceded (Share of the reinsurance)				
Net amount				
Technical expenses	6,497	12	1,378	7,887
Other expenses				
Total expenses	6,497	12	1,378	7,887

A.3 Investment Performance

The net gains and losses on financial assets recognised in the Income Statement and in Equity, by category for 2020 and 2019 is as follows:

Thousands of euros						
2020	Assets at fair value through profit or loss	Assets held for trading	Loans and receivables	Available-for-sale financial assets	Hedging derivatives	Total
Finance income using the amortised cost method	-	-	2,719	57,891	-15	60,595
Change in fair value	-7	-1,015	-	-	-	-1,022
Reversal of impairment	-	-	571	-	-	571
Impairment losses	-	-	-2,558	-	-	-2,558
Gains on disposal	6	-	-	42,936	-	42,942
Losses on disposal	-3	-	-	-413	-	-416
Net gains/(losses) recognised in profit or loss	-4	-1,015	732	100,414	-15	100,112
Change in fair value	-	-	-	78,450	1,582	80,032
Reclassification from equity to gains and losses on disposal	-	-	-	-40,994	-	-40,994
Net gains/(losses) recognised in equity	-	-	-	37,456	1,582	39,038
Adjustments due to accounting mismatches	-	-	-	-9,790	-	-9,790
Net gains/(losses) recognised in equity	-	-	-	27,666	1,582	29,248
Total	-4	-1,015	732	128,080	1,567	129,360

Thousands of euros

2019

Assets at fair value through profit or loss	Assets held for trading	Loans and receivables	Available-for-sale financial assets	Total
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Finance income using the amortised cost method	-	-	-18	67,798	67,780
Change in fair value	328	-	-	-	328
Reversal of impairment	-	-	-	-	-
Impairment losses	-	-	-	-	-
Gains on disposal	48	-	-	12,535	12,583
Losses on disposal	-	-	-	-353	-353
Net gains/(losses) recognised in profit or loss	376	-	-18	79,980	80,338
Change in fair value	-	-	-	112,777	112,777
Reclassification from equity to gains and losses on disposal	-	-	-	-12,060	-12,060
Net gains/(losses) recognised in equity	-	-	-	100,717	100,717
Adjustments due to accounting mismatches	-	-	-	-45,610	-45,610
Net gains/(losses) recognised in equity	-	-	-	55,107	55,107
Total	376	-	-18	135,087	135,445

After the change in control of the Company, Mediterráneo Vida transferred most of its financial assets to the Luxembourgian limited liability companies WIF and WAF. The sole shareholders of WIF and WAF are the “Elliott Funds”.

The companies WIF and WAF guarantee obligations to Mediterráneo Vida through the assignment of their own assets and the pledge of shares in WIF and WAF and on the “TPECS” bonds, with contribution of sufficient collateral for Mediterráneo Vida to substantially retain the risks and benefits of the transferred portfolio, which means that the transferred assets are not written off of Mediterráneo Vida's balance sheet.

The Company does not have investments in securitised assets.

The results obtained by the Company in the income statement is mainly from financial assets classified as available-for-sale. Available-for-sale financial assets gave rise to finance income of EUR 57,891 thousand.

The change in the fair value of the assets recognised under the Company's Equity was an increase of EUR 39,038 thousand, which was recognised under “available-for-sale financial assets” and “hedging derivatives”, the value of which increased as a result of the overall drop in interest rates in the year. Additionally, the correction of accounting mismatches reflects a decrease in the Company's equity of EUR 9,790 thousand. In sum, the net increase in equity amounted to EUR 29,248 thousand, once the accounting mismatches were corrected.

A.4 Performance of other activities

On 31 March 2017, the Company signed an operating lease agreement with EDHISPANIA ALACANT, S.L. to lease the premises in the office building located at Edificio Hispania, calle Ausó y Monzó, 16, 03006 Alicante. The term of the lease is four years starting from 1 April 2017. Once the initially agreed term has elapsed, the agreement shall have a mandatory one-year extension.

The Company has had an operational lease with Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija since 25 June 2018, for the lease of the office building in Madrid at Paseo de la Castellana número 110. The term of the lease is three years starting from 16 July 2018. Once the initially agreed term has elapsed, the lease may be extended for two years. The agreed-upon price will be reviewed based on the changes in the Consumer Price Index.

Moreover, since 1 April 2020 the Company has had an operational lease with The Argyll Club LTD to rent the office space in London at Park House, 116 Park Street. The term of the lease is twelve years starting from 1 April 2020.

The income statement includes operating lease expenses corresponding to the lease of premises and parking garages amounting to EUR 487 thousand (EUR 288 thousand in 2019).

A.5 Other information

The Directorate General for Insurance and Pension Funds (DGSFP) issued an inspection certificate for the Company on 28 August 2018 pursuant to Inspection Order 41/2017 based on the verifications of its situation on 31 December 2017 on the basis of the contractual agreements in force at the time, and of the accounting and solvency information that the Company reported up to 31 July 2018.

After taking the Company's submissions into account, the Directorate-General for Insurance and Pension Funds handed down a Resolution on 14 August 2019.

By virtue of this Resolution, the Company was required to submit a Plan of Action approved by its Board of Directors that included the actions to be taken with regard to various aspects of the Master Agreements, and other additional matters.

The Company submitted that Plan of Action on 14 November 2019, and it was later expanded and submitted to the Directorate-General for Insurance and Pension Funds on 22 June 2020.

The main aspects of the Action Plan were:

1. A repayment plan for the Master Agreements signed with WIF/WAF of between 5 and 10 years, depending on interest rate fluctuations, starting in 2019 with the transferred financial assets corresponding to share capital and reserves. At the end of 2020, and since the beginning of this depreciation plan, Framework Contracts amounting to EUR 573 million under the Framework Agreements have been amortized. Governance system. Strengthening of tracking and control systems and increased oversight of agreements by the Company's governance bodies, related with the Action Plan.
2. Disclosures to third parties. More detailed information on different aspects related to the Framework Agreements, their management and collateral in both the notes to the annual financial statements and the SFCR report. Action taken and reflected in this report, and in the Notes to the Annual Financial Statements.
3. Modification of guarantees. Restructuring the Master Agreements and the guarantees provided so that the guarantees can be used to mitigate the counterparty risk in the Company's Mandatory Solvency Capital, until the asset recovery plan is completed. The Elliot Funds, WIF and WAF will grant rights of pledge so that, in the event of enforcement, the Company may directly and separately access the pledged assets, thus improving the flexibility and speed of enforcement in the case of a breach. All of the security interests were granted in compliance with this purpose.
4. The inclusion of remuneration for Mediterráneo Vida by WIF and WAF for the signed Master Agreements. The Company has been receiving this remuneration since the start of 2020.

5. Dispelling all doubts about the existence of an alleged relation of control between Mediterráneo Vida and WIF/WAF (in the sense specified in section 42 of the Spanish Commercial Code [*Código de Comercio*] and section 84 of the Spanish Insurance and Reinsurance Company Regulation, Supervision and Solvency Act, and therefore about the non-existence of an obligation for Mediterráneo Vida to prepare consolidated financial statements with WIF and WAF for the next year. Once the Master Agreements were modified, including the possibility for WIF/WAF to unilaterally request the termination of these agreements and return the original financial assets (or equivalent financial assets) to Mediterráneo Vida, the doubts regarding the existence of an alleged controlling relationship was dispelled.

On 3 July 2020, the Directorate-General for Insurance and Pension Funds issued its Resolution indicating that the Board must apply the submitted Plan of Action to comply with it, thus resolving the uncertainty existing at the close of 2019. The Company is implementing the Plan of Action by the agreed deadlines, substantiating the corresponding proof to the Directorate-General for Insurance and Pension Funds.

It should be noted that, due to the exceptional circumstances that arose as a result of the health crisis being experienced due to the coronavirus (Covid-19), the Company has taken the necessary measures and monitored business variables so that the application of the going concern principle is not affected.

Thus, the contingency plans envisaged in view of these circumstances have been activated, allowing the business to continue, to a large extent, close to normal, and the Company has not suffered breaches of contractual obligations. Surrenders by clients are also being monitored closely, and during the year no significant changes in trends were noted, and the Company is tracking the evolution of the Master Agreements, their collateral, and the retention of risks and benefits, which can be said to have been maintained at all times.

B. System of Governance

General information on the system of governance

The Company's system of governance includes the following key functions, supported by its various policies that are subject to at least an annual review and approval by the Board of Directors.

- Risk Management Function.
- Compliance Function
- Actuarial Function.
- Internal Audit Function.

These key functions report directly to the Company's Board of Directors.

The Company has a specific unit related to the Internal Control System, which reports to the Risks and Technology Department. The Board of Directors has approved this unit's policy, which is in adherence to the new Solvency II system. This unit is in charge of ensuring compliance with the outsourcing policy and for compliance with the requirements of fitness, accuracy and continuity.

Functions of the Administrative Bodies, Executive Committees, other Committees and Key Functions of the Company.

Governance and Administration of the Company

Pursuant to the Company's Articles of Association, its governing bodies are: the General Shareholders Meeting and the Board of Directors.

The Board has delegated the ordinary management of the Company to a CEO, whose work focuses on exercising the functions of strategy, tracking and control.

As the Company's chief executive officer reporting to the Board of Directors, the CEO has been delegated all of the Board of Directors' powers that may be delegated by law. The CEO's actions are always governed by these limitations, by the regulatory framework, and by the guidelines laid down by the Board of Directors.

As of the date of this Report, the Board of Directors is made up of seven directors: a Chair, a Chief Executive Officer, three Independent Directors and two External Directors. The position of director is unremunerated, except for the Chief Executive Officer and the Independent Directors. The secretary and assistant secretary of the Board are not directors.

In any event, directors must be persons with recognised honour and experience in the finance and insurance industries, meeting the qualifications of professional experience and the other conditions required under the Spanish Insurance and Reinsurance Regulation, Supervision and Solvency Act [*Ley de Ordenación, Supervisión y Solvencia de las Entidades Aseguradoras y Reaseguradoras*], and the other applicable legislation. The Board of Directors is supported by the Audit, Remunerations, Business Development and Regulation Committees. In 2020, the committees met with the sufficient and necessary frequency to properly perform their duties.

These committees have the following duties:

Audit Committee

The Audit Committee is made up of three members: The Chair of the Board and two Directors (two of which are independent directors and one of which is the committee chair). The secretary and assistant secretary of the Committee are not directors.

The main functions of the Audit Committee are the following:

- a) To report to the shareholders at the General Meeting regarding issues raised in relation to matters for which the committee is responsible and, in particular, regarding the results of the external audit.
- b) To monitor the effectiveness of the Company's internal control and compliance, internal audit and risk management systems, and to track any significant weaknesses in the internal control system identified by the auditor.
- c) To supervise the process of preparing financial information and submitting it to the Board of Directors, and for proposing any recommendations the committee may deem appropriate in this field.
- d) Sending the Board of Directors proposals for selecting, appointing, re-electing and replacing the auditor. The Committee shall also have authority over any issues that might affect the auditor's independence, and over any other matters related to how the audit is performed
- e) To review the retention of risks and benefits from asset assignments.

Remunerations Committee

The Remunerations Committee is made up of three members: the Chair of the Board, a Proprietary Director (who is the chair) and an Independent Director.

This committee has the following duties:

- Submitting proposals to the Board of Directors for any modifications to the remuneration policy and the bonus system applicable to the Company's employees.
- Assessing the skills, expertise and experience necessary for being a member of the Board of Directors, Chief Executive Officer, a senior manager, or a key functions manager.
- Reporting on proposals for appointment or removal, and on the contracts of new senior managers.

Business Development Committee

There are six members of the Business Development Committee: the Chair of the Board of Directors, the CEO, two Non-Executive Directors (one of whom is the chair of the committee) and two Independent Directors.

This committee's main duties and responsibilities are:

- Analysing any business opportunities for the Company.
- Analysing the terms of business offers submitted to or offered by the Company.

Regulation Committee

The Regulation Committee is comprised of four members: two independent directors (one of which is the Chair of the Committee), and two non-executive directors.

This committee's main duties and responsibilities are:

- Analysing any changes in Spanish, European or international legislation that might affect the Company, and submitting recommendations to the Board of Directors on measures and changes in the Company's internal policies and procedures.
- Receiving information from the Company's Regulatory Compliance Department on any changes that are expected or that occurred recently in Spanish, European and international legislation.

To attain the Company's objectives and to help the CEO in day-to-day decision making, or when it is the responsibility of the Board, the Company has a structure of committees that allow it to manage operations better and more efficiently. It thus has the committees discussed below.

Asset, Liability and Risk Committee (ALCO&R)

The Asset-Liability Committee is comprised seven members: Three directors, including the CEO, and four executives from the Company; the Internal Control and Compliance Manager, the CFO, the Risks and Technology Manager, and the Technical Actuarial and Operations Manager.

The main responsibilities and functions of the Asset-Liability Committee are the following:

- To analyse the composition and performance of the asset and liability portfolios.
- To analyse how changes in the markets affect the assets and liabilities on the balance sheet (ALM), establishing simulations that make it possible to measure the impact on the financial statements, differentiating between: equity and balance sheet risk.
- To take decisions to adequate the Company's situation to the objectives defined in investment and risk matters, analysing the impact of investment and divestment decisions at a corporate level.
- To analyse capital consumption, the solvency ratio, the real return on hedged assets, as well as the assignment of investments of Own Funds.
- To measure and monitor the counterparty risk on a monthly basis, by supervising the WIF/WAF collateral assets, assessing the impact that potential changes in them might have on the counterparty risk, their credit quality, their liquidity, and other characteristics, to substantially retain the risks and rewards and maintain the counterparty SCR (as this is defined below) within the limits established.
- To propose to the Board the relevant decisions regarding the control of collaterals, e.g. the inclusion of a new type of asset in the portfolio of acceptable collaterals.
- To propose to the Board the measures necessary and in particular those that might regard management of the agreements on transferring assets to WIF and WAF, to maintain at all times the risk ratios defined in the Company's risk appetite policy.
- To analyse the evolution of product margins.

- To approve and review, at least annually, the policies of the Risk Management Function, the Actuarial Function, ORSA, Capital Management and the Company's Investment Policy and Risk Appetite.

Claims and Losses Committee

The Claims and Complaints Committee is responsible for periodically assessing claims, both those serviced by the Customer Service Department (currently outsourced to Benedicto y Asociados, Asesores S.L., owned by Antonio Benedicto Martí), and those submitted through the Directorate-General for Insurance and Pension Funds' Complaints Service, and those of a legal nature, in addition to analysing problematic and atypical provisions, and watching the evolution/behaviour of claims in the year and comparing them with earlier years

The Claims and Complaints Committee consists of seven members in charge of different departments in the Company plus the head of the Customer Service Department.

The main responsibilities and functions of the Claims and Losses Committee are the following:

- To analyse the administrative, in- and out-of-court claims filed against the Company and monitor their progress and their ultimate resolutions and to be aware of which come from Customer Service, the Directorate-General of Insurance and Pension Funds and those received from customers, policyholders, beneficiaries, as well as those received through the Brokers network and MedVida's website.
- To control the processing period of open cases and proposing any proactive actions that should be taken.
- To analyse losses that are problematic, atypical, or of dubious legal or contractual validity, for the purpose of providing solutions that are in the interest of the Company and the policyholders/insured persons/beneficiaries.
- To introduce, to the extent applicable in the terms and conditions of the products in the Company's portfolio, improvements in the contractual documents in order to avoid possible claims.
- To control and monitor compensation paid out for claims.
- To analyse the evolution of claims in the year and compare them with previous years.
- To strengthen the internal controls established in the Company to combat fraud.

Internal Control Body (the "OCI")

The Internal Control Body is made up of eight members who are heads of various departments in the Company.

This Body is responsible for applying the policies and procedures related to anti-money laundering and terrorist financing.

Its most relevant functions are:

- To prepare and periodically review the Risk Exposure Analysis Report
- To prepare and update the Anti-Money Laundering and Terrorist Financing Manual and submit it to the Board of Directors for approval.
- To promote training and work together with the Company to prepare annual training plans on this material.

- To analyse suspicious transactions detected by employees in order to determine whether or not to report them to the Executive Service (SEPBLAC), and decide whether to communicate them to the Executive Service and whether to execute certain transactions.
- To annually prepare an explanatory report that contains all of the actions taken in relation to the prevention of money laundering.

The Company's Internal Audit Director will attend the OCI as a guest. However, the OCI will operate organically and functionally separate from the Internal Audit Director, and under no circumstances will have voting rights.

Any changes to the structure and functioning of the OCI and the internal regulations on anti-money laundering and financing of terrorism must be approved by the Board of Directors.

Fundamental functions

In accordance with regulatory requirements and in compliance with the requirements for fitness and propriety, the Company has managers of its key functions and written policies that define each function's procedures and obligations.

Risk Management Function

Its main duties are:

- Ensuring the comprehensive, integral, homogeneous and consistent management of the risks to which the Company is exposed.
- Coordinating compliance with the Risk Management Policy, as well as the other policies for which it is responsible.
- Coordinating the calculation of the Solvency Capital Requirement ("SCR"), and the Minimum Capital Requirement ("MCR") in each of their modules, as well as the strategic economic and reputation capital.
- Propose the risk indicators it considers necessary to comply with the Risk Appetite approved by the Board.
- Monitor the Tolerance and Risk Appetite Limits.
- Coordinating the Own Risk and Solvency Assessment ("ORSA") report.
- Coordinating preparation of the Solvency and Financial Condition Report ("SFCR") and Regular Supervisory Report ("RSR").

Compliance Function

Its main duties are:

- Advise the Board of Directors on compliance with the legal, regulatory and administrative provisions that affect Mediterráneo Vida and on compliance with the Entity's own internal regulations.
- Prepare and execute a Compliance Plan.
- Perform verification tests to ensure that the Company's policies, documents and processes are in line with regulations. Monitor the areas of improvement detected.
- Working together with the Risk Management Function to ensure that all of the regulatory risks are taken into account in the Internal Control System.

- Periodically inform the Audit Committee of the most relevant compliance aspects.
- Preparing the annual and quarterly Internal Control and Compliance reports, indicating the conclusions and recommendations.
- Working together with the Legal Department to identify regulatory changes that might affect the Company.

Actuarial Function

The Actuarial Function has the authority to perform the following activities, among others:

- Coordinate the calculation of the technical provisions
- Assess the adequacy of the methodologies and base models used, as well as the assumptions used to calculate the technical provisions.
- Assess the sufficiency and quality of the data used in the calculation of the technical provisions with regard to their adequacy, integrity and accuracy.
- Report to the Board of Directors regarding the reliability, adequacy and sufficiency of the calculation of the technical provisions.
- Rule on the general underwriting policy and the adequacy of the reinsurance contracts.
- Contribute to the effective application of the risk management system, in particular with respect to modelling the underwriting risk on which calculation of the minimum capital requirements and the solvency capital requirements are based, as well as the internal assessment of the risks under its responsibility and solvency risk (ORSA process).

Internal Audit Function

Its most significant competences are:

- Develop and implement a multi-year audit activity plan using an appropriate risk-based methodology.
- Implement the Annual Audit Plan, including any special tasks or projects required by the Board of Directors, the Audit Committee and Management.
- Issue periodic reports to the Audit Committee and Management, summarising the results of the audit activities.
- The head of the Audit Function must inform the Audit Committee of:
 - The development and results of the Audit Plan and any other special work that arises.
 - The recommendations proposed and their degree of implementation.

B.2 Fit and Proper Requirements

The persons who effectively Manage the Company or have other key functions have good reputations and integrity and will have the appropriate professional qualifications, skills, experience and comply with the proper requirements to manage the Company properly and prudently.

The following persons must be Fit and Proper:

- Effective management of the Company
- Heads of Key Functions.
- Relevant Personnel.

The members of the Board of Directors collectively have the appropriate qualifications, experience and expertise regarding:

- a) Insurance and financial markets.
- b) Business strategies and models.
- c) The governance system.
- d) Financial and actuarial analysis.
- e) The regulatory framework.

The Company has a procedure for evaluating the fitness and propriety of those who effectively manage the Company and perform key function, and the relevant personnel.

Remuneration policy

The general principles of the remuneration policy are the following:

1. Risk management: Remuneration must be compatible with adequate and effective risk management.
2. Proportionality: The remuneration policies will be established pursuant to the principle of proportionality, based on Mediterráneo Vida's size, complexity and type of business.
3. Balance: The fixed and variable components of the remuneration schemes must have a balanced and efficient relationship in which the fixed components form a sufficiently large portion of the total remuneration.
4. Solid Capital Base: The total variable remuneration will be subject to restrictions when it is incompatible with maintaining a solid capital base.
5. Sustainable Strategy: The objectives for achieving the annual variable remuneration will be in line with the Company's long-term strategy.
6. Appropriate Conduct: The remuneration systems and incentives will not generate conflicts of interest that are detrimental to the Entity's customers and will promote responsible business conduct and the fair treatment of customers.
7. Objectivity: The application of the remuneration policy and the decisions regarding individual remuneration will be governed by internal and market remuneration benchmarks, taking into account the responsibility of the position, the professional experience contributed, the commitment to achieving the objectives established and performance.

8. No gender discrimination: the principle of no gender discrimination will be maintained at all times with regard to remuneration based on gender, so that the same remuneration is guaranteed for the same work and the same objective and personal conditions, without there being any discriminatory differences due to sex.

The remuneration paid in accordance with the above principles will adhere to the criteria of moderation and appropriateness in accordance with the Company's profits, and it must strengthen the Company's strategic objectives, whilst also helping manage its risk effectively and ensuring its future solvency.

The members of the Board of Directors, Management, and those performing Fundamental Functions who do not possess supplemental pension plans or early retirement plans.

In 2020, the members of the Board of Directors did not perform any transactions with the Company or other group companies that were outside the normal course of business or were not on an arm's length basis. There were also no transactions with shareholders or with parties that exercise significant influence on the Company.

According to the Company's articles of association, the position of Director is not remunerated, except for: (i) directors who are independent or non-proprietary external directors; and (ii) those assigned executive functions or tasks other than those inherent to their position as directors, regardless of the nature of their services relation with the Company, which will be remunerated. The maximum amount of the annual remuneration for all of the directors is approved by the General Shareholders Meeting, with the Board empowered to distribute this sum.

B.3 Risk-Management System

Risk Management is the activity that aims at continuously identifying, measuring, controlling, managing and reporting on the risks that the Company is or may be exposed to.

Risk Management will include assessing the risks to which the Company is exposed, thereby enabling the aforementioned function to provide an objective conclusion to the Board in accordance with the risk appetite defined for Mediterráneo Vida.

The main objectives of the Risk Management Policy are the following:

- To guarantee that there is an adequate and sufficient risk management system.
- To monitor the homogeneous and efficient application of the policies and procedures comprising the risk management system.
- To coordinate the identification of the risks to which the Company is exposed.
- To measure the impact, economic and otherwise, that the materialisation of the risks could have.
- To maintain the various risks to which the Company is exposed under control by adequately monitoring them.
- To mitigate the risks, specifying the limits and controls for minimising their impact or frequency.
- To maintain the flow of communication and communicate any event and information related to the risks among the various levels of Mediterráneo Vida.

The risks to which the Company is exposed will be managed by assessing the quantitative risk indicators. These indicators are divided into two blocks, the first block includes indicators that provide

an overarching perspective regarding the Company's exposure to risk and the second block includes the risk indicators in a more specific manner.

The head of the Risk Management Unit calculates, tracks and controls the risk indicators, and the Company has a document titled "Solvency II Risk Appetite" approved by the Board that details the method and procedure for creating and assessing risk indicators, their tolerance limits and the steps for managing them.

Block I: Overarching Risk Indicators

- Solvency Ratio: measures the Company's capacity to handle expected or unexpected losses with its own funds. The solvency ratio is defined as the ratio between Own Funds and the Global SCR calculated in accordance with the standard formula.
- Liquidity Ratio: It measures the capacity to meet payment obligations with liquid assets held by the Company. The liquidity coverage ratio is defined as total liquid assets¹/total technical provisions.

The aforementioned quantitative indicators are used to offer an overview of the Company's overall level of compliance with regard to the target set when establishing the Risk Appetite.

Block II: Specific Risk Indicators

- Market Ratio: is the quotient obtained from dividing Market SCR by Global SCR as an expression of the weight that market risk has with respect to the total risk to which the Company is exposed.
- Life Ratio: is the quotient obtained from dividing Life SCR by Global SCR as an expression of the weight that life underwriting risk has with respect to the total risk to which the Company is exposed.
- Counterparty Ratio: is the quotient obtained from dividing Counterparty SCR by Global SCR as an expression of the weight that counterparty risk has with respect to the total risk to which the Company is exposed.
- Operational Ratio: is the quotient obtained from dividing Operational SCR by Global SCR as an expression of the weight that operational risk has with respect to the total risk to which the Company is exposed.

The Company also identifies its biometric Risk Appetite in its business model, differentiating at least between the risks of longevity, mortality and disability and on the exercise of the policyholder's options:

- Longevity Ratio: is the quotient obtained from dividing the longevity SCR by the Life SCR as an expression of the weight that longevity risk has with regard to the total underwriting risk to which the Company is exposed.
- Mortality Ratio: is the quotient obtained from dividing the mortality SCR by the Life SCR as an expression of the weight that mortality risk has with regard to the total underwriting risk to which the Company is exposed.

¹ The liquid assets category includes the assets that meet, at least, one of these criteria:
 I. Government bonds with a rating equal to or greater than that of the Kingdom of Spain.
 II. Issuances greater than €500 million

- Disability Ratio: is the quotient obtained from dividing the disability SCR by the Life SCR as an expression of the weight that disability risk has with regard to the total underwriting risk to which the Company is exposed.
- Policyholder option exercise ratio: is the quotient obtained from dividing the lapse SCR by the Life SCR as an expression of the weight that lapse risk has with regard to the total underwriting risk to which the Company is exposed.

The risk appetite is dynamic and may change over time, depending on the changes in the strategy based on the results of the ORSA process. When necessary, Risk Management will propose changes to the business strategy or the Company's risk tolerance framework.

In addition to the risk indicators indicated above, the Company also monitors any counterparty risks that may arise due to the asset transfer to WIF and WAF and the framework agreements that have been signed. These framework agreements give rise to counterparty risk that is monitored on a monthly basis to verify that it does not exceed the threshold agreed by both parties.

Monitoring of the risks is recorded and available to all members of the Company through two types of reports. The main purpose of these reports is to keep the Company's Board of Directors informed regarding these types of risks and communicate to the rest of the Company the exposure to the risk profile.

- ORSA Report:
The ORSA report contains the results of the process of prospectively internally assessing the risks.
- Quarterly risk reports and annual reporting to the Board of Directors:
This report compiles, on a quarterly basis, the monitoring of the risk indicators.

These reports are reported directly by the Risk Management Function to the Board of Directors after they have been analysed by the Asset-Liability Committee (ALCO).

The Function's annual reports, as well as any other communication considered important by the head of the Function, are reported directly to the Board, thereby evidencing its independence. These communications may not be modified by other Company Bodies or Units, although they may be analysed by them.

Internal assessment of risks and solvency

The objective of the ORSA process is to inform the Company of its present and future position with respect to its material risks, both from a quantitative and qualitative perspective, and in relation to its Risk Appetite. The Company is thus able to manage its risks and its business, taking decisions based on the results of the prospective risk assessments.

To that end, the Company has equipped itself with a series of instruments that facilitate this work:

- A Risk Appetite framework, specified by a series of indicators and risk tolerance limits that are both quantitative and qualitative.
- A prospective risk assessment system that takes into account not only the risks mentioned in Pillar I of the Directive, but also others that are considered relevant for the Company. These include reputational and liquidity risk.
- A system for reporting the results of the process in which the Risk Appetite is monitored by comparing it to the risk profile, which is by preparing the ORSA Report.

The Company's overall risk profile is obtained from this system. The prospective assessment of risks includes a projection of the capital requirements and the Own Funds eligible to cover these requirements.

The Risk Management Unit is responsible for executing the processes that are approved to carry out the internal assessment of the risks and solvency. The Head of Risk Management reports hierarchically and functionally to the Risk Department.

The Board and the heads of each one of the Business areas are aware, thanks to the results obtained in the ORSA process, of the risks to which the Company is exposed.

Thanks to this knowledge, the Company acts in a dynamic and coordinated manner when faced with an adverse risk event, since the entire Company will act in accordance with the risk appetite established by the Board of Directors. In addition, the results of the risk self-assessments will be taken into account when taking strategic and business monitoring decisions.

The aforementioned structure is considered adequate based on the principle of proportionality, and the nature and complexity of the Company's operations.

The Company's internal risk assessment is performed quantitatively through the standard formula for Pillar I risks, which form the regulatory capital requirement. This requirement includes the risks to which the Company is exposed with sufficient materiality to be considered and that are not sufficiently covered under the standard formula — Pillar II risks.

Since the Company assesses its ongoing compliance with the capital requirements and the requirements regarding technical provisions by applying the volatility adjustment, it also carries out the aforementioned assessment by reducing the volatility adjustment to zero.

During the process of internally assessing all risks, projections are made both regarding the Economic Balance Sheet and capital consumption in keeping with the Company's budgets, in order to analyse the risks prospectively.

The amount of eligible Own Funds is also determined, in order to assess through ratios, the Company's solvency at short and medium term.

The methodologies used to shape the risk profile and the Risk Appetite scheme are documented in the various policies that are integrated into the Company's Governance System, particularly the policies referring to Risk Management.

The periodic ORSA process has the following characteristics:

- Both the Board of Directors and Management play an active role in the prospective internal assessment of risks, guiding and verifying that the assessment has been carried out.
- It complies with the overall solvency requirements taking into account the specific risk profile, the approved risk tolerance limits and the Company's commercial strategy.
- As a complement to the preceding point, the process assesses the ongoing and perspective compliance with the capital requirements envisaged.
- It is capable of detecting the extent to which its risk profile deviates from the solvency capital requirement calculated using the standard formula.
- It uses methods proportionate to the nature, volume and complexity of the risks inherent to its activity and that make it possible to determine and adequately assess the risks facing it at short and medium term and those to which it is or could be exposed.

- The Company's ORSA process forms an integral part of its Strategic Plan and considers all of the relevant risks that threaten the achievement of the objectives in relation to the present and future capital requirements established in accordance with the aforementioned plan.

Once the ORSA process is over and the corresponding report is drawn up, the report is submitted to the Board once the Asset, Liability and Risk Committee has assessed it.

It is also be sent to the key functions and the Company's other relevant personnel (Managers and Unit Heads).

The ORSA process is annual, however, there are circumstances that would require the Company to perform an extraordinary internal risk assessment. Extraordinary assessments will be performed if a special event occurs that could significantly affect the Company's risk profile.

Specifically, a new assessment is carried out when the following events occur:

1. Start-up of business in new branches, if it has a significant impact on the Company's business as a whole.
2. Completion of business in a certain branch, if it has a significant impact on the Company's business as a whole.
3. A regulatory change that impacts the Company.
4. A significant change in the economic environment.
5. A new positioning of the Company in the market through mergers and/or acquisitions.

B.4 Internal Control System

The Internal Control System includes administrative and accounting procedures, adequate information mechanisms at all levels of the Company, and a compliance verification function.

The Company has put two policies in place in this area, both of which have been approved by the Board of Directors:

- **Internal Control Policy:** with the goal of establishing the basic principles and the general framework for action for controlling and managing all types of risks that the Company faces to maintain an effective Internal Control System.
- **Compliance Verification Policy:** with the goal of performing verification tasks to ensure compliance with laws, regulations, administrative provisions and the Company's own internal regulations. This will also entail the evolution of the impact of any changes in the legal environment on the Company's operations and determining and assessing the risk of a breach. (This compliance function's competences are described in section B1 of this report)

We define 'internal controls' as processes that are continuous over time to obtain reasonable assurance of:

- The efficacy and efficiency of operations.
- The protection of assets.
- The reliability and completeness of the financial and non-financial information.

- Adequate risk management in accordance with the Company's strategic objectives.
- Compliance with the applicable laws and internal policies and procedures.

The Company's Internal Control System is based on the integration of the following five components:

- Control environment
- Risk assessment
- Risk control
- Information and communication
- Supervision

The Company carries out internal controls in keeping with the risks arising from its activity and the operating processes, ensuring that all personnel is responsible for their function in the Internal Control System and to that end, it has the following lines of defence:

- The operating areas and their heads are responsible for identifying the risks to which the Company is or could be exposed and managing them in everyday operations, and for establishing the necessary controls to mitigate the risks.
- The Compliance, Actuarial and Risk Management Functions monitor and control risk management to ensure that it is carried out properly.
- Internal Control must assess whether the processes carried out comply with the policies and procedures established by the various units of the Company, guaranteeing that the Internal Control System is effective, measuring the indicators and reporting on them.
- Lastly, the Internal Audit Function is in charge of verifying the suitability and effectiveness of the internal control system and other elements of the Company's governance system, which will be implemented in accordance with the regulations governing the organisation, supervision and solvency of insurance companies and the auditing of accounts. The conclusions and recommendations from the Internal Audit are reported to Management, the Audit Committee and the Board of Directors. The Board of Directors will determine what actions must be adopted with respect to each one and will guarantee that the aforementioned actions are carried out.

B.5 Internal Audit Function

The Company has an Internal Auditing Policy that develops and specifies the competences and responsibilities of the Internal Audit Function.

The mission of the Internal Audit Function is to advise and offer assurance to the Board of Directors and Management regarding the governance, identification, assessment and risk management processes and that the controls established in all of the Company's activities are effective and adequate to achieve its business objectives efficiently, as well as to protect the Organisation's assets, reputation and sustainability.

The Internal Audit Function must work together with supervisory bodies if certain circumstances envisaged under the legislation in force occur.

The scope of the Internal Audit work is focused on determining whether the processes in the systems of governance, identification, risk management and control are properly designed and executed by Management.

Internal Audit provides support to the Audit Committee and supervision of the proper design, implementation and effective functioning of the governance, risk management and control systems.

The head of the Internal Audit Function is functionally dependent on the Company's Audit Committee that grants the head thereof independence from the rest of the Company's management and positions the function at an appropriate level within the Company, providing it with the necessary support (communication, resource management, etc.) for its activity. Its reports, and any other communications that the Function head considers important, are reported directly to the Company's Audit Committee, without prejudice to the fact that the aforementioned function may report to the Board of Directors if its head considers it appropriate, and at the request of the Board's Audit Committee.

At least once a year, the Internal Audit Function must prepare an Activities Report with the results of the activities envisaged in the Internal Audit Plan, which is reported to the Audit Committee and the Board of Directors.

B.6 Actuarial Function.

The Actuarial Function provides the necessary support to the Company's effective management: members of the Board of Directors and its CEO to manage the risks of Mediterráneo Vida, in particular underwriting risk and reinsurance risk, i.e., risk of loss or adverse change in the value of the insurance liabilities due to the inadequacy of the pricing and provisioning assumptions.

To carry out its activity, the Actuarial Function is authorised to request the information it considers relevant.

The Actuarial Function communicates to the Company's other Key Functions the events that are relevant for meeting their objectives.

In order to promote joint risk management, the Actuarial Function is represented on the Losses and Claims Committee and the Assets, Liabilities and Risks Committee.

Each year the Actuarial Function issues a report that is sent directly to the Company's Board of Directors, together with any other communications relevant to its function.

B.7 Outsourcing

The Company has an Outsourcing Policy approved by its Board of Directors that takes into account the incidence of outsourcing of its activities and the information and tracking systems put in place in the event of outsourcing.

The objectives of the Outsourcing Policy are:

- a) To establish the framework for action that the Company should take into account whenever an insurance activity or function is proposed for outsourcing.
- b) To guarantee that when critical or important operational functions and activities are outsourced, this is not be carried out a manner that:
 - i. Clearly endangers the quality of the system of governance.
 - ii. Unnecessarily increases operational risk.

- iii. Diminishes the supervisory capacity of authorities to verify that the company complies with its obligations.
- iv. Affects the provision of an ongoing and satisfactory service to insurance policyholders.

If the need to outsource any functions or activities of a function or activity is raised in the Company, the head of the unit proposing the initiative will be required to analyse and document whether the activity in question is essential to the Company's operations and that it would not be able to provide policyholders its services without that function or activity

That analysis will be submitted to the Risk Committee, which, in view of the submitted documents, will decide on whether it should be outsourced, in the case that it is considered critical, and it will designate the person in charge of initiating the pre-outsourcing process based on this policy, and the person in the Company in charge of the outsourcing, with general responsibility for the outsourced function/activity, who has sufficient expertise and experience in the activity in question to verify the performance of the services provider.

C. Risk profile

Each risk profile section includes the quantitative results for each risk category.

During the ORSA process, the quantitative use of capital is planned in accordance with two processes, the prospective process (projections) and the stress test process (adverse scenarios).

Projections process

Mediterráneo Vida projects the capital needs for each risk module, except for the Pillar II risks, which are not included in this capital forecast.

The method followed for projecting the various SCR sub-modules, within the context of what is presumed to be the most likely scenario — is consistent with the Company's economic terms and current situation — and in accordance with the expected performance of the business in the coming three years.

The assessment of the control environment will be monitored for Pillar II risks or those classified as non-quantifiable. The capital plan projections can only be credible if they assume that the control environment of the business is solid enough to prevent significant operating losses or other specific material risks.

The Mediterráneo Vida's Equity is also forecasted by forecasting its Economic Balance Sheet as the difference between assets and liabilities and the Risk Appetite for its total risk.

The sensitivity process

As part of its ORSA process, the Company performs sensitivities to movements in the interest rate curve, and expansions in market differentials for both the public and private sectors. In addition to these sensitivities, as part of its ORSA process, the Company conducts an analysis of sufficient sensitivity in the event of unfavourable deviations from any of the components of the biometric hypotheses.

The purpose of these sensitivity tests is to track any potential solvency needs that the Company may face.

The results observed in 2020 did not point to any solvency needs in any of them, and they also showed that there is a margin above the solvency ratio set as the Company's Risk Appetite, at the 200% level that the Company has committed to maintain as envisaged in the Plan of Action so long as the asset transfer plan is in force in relation to a certain significant level.

Stress test process

The vision for the future must contemplate, not only the possibility that the most probable scenario will occur, but also the alternative situations that may give rise to critical situations that put the Company's solvency at risk. To carry out this exercise, various scenarios are analysed, stressing certain of the variables that compose them.

The scenarios were defined in an internal discussion process, after analysing various sensitivities and with the participation of all divisions of the Company and its Board. The variables that have been subjected to stress affect the behaviour of the asset, as well as the liability.

Given the current international crisis situation resulting from the pandemic triggered by the SARS-COV-2 virus, during the ORSA process, in the various meetings of the working group on the definition

of adverse scenarios, the implementation of a pandemic scenario was raised and discussed. Since most of the risk portfolio is reinsured and the underwriting risk is mainly driven by downside risk, the working group considered that the greatest impacts resulting from a pandemic would come from the financial impact and, therefore, already included in the shocks applied to the asset portfolio. The evolution during 2020 of the COVID-19 crisis has validated the working group's interpretation.

The results of these adverse scenarios lead to the conclusion that the Company would cover its capital requirements, since it has sufficient equity with no need for a capital increase.

After assessing the risks arising from new technological tools, such as the Internet and telecommunications networks, the Company considered in one working group to mitigate this risk with a cyber insurance policy, initiative that was approved by the ALCO&R committee and by the Board of Directors Committee and materialized during 2020.

C.1 Underwriting risk

Underwriting risk refers to the potential negative impact on the Technical Provisions that could come from a variation in the non-financial hypotheses that were used to calculate them.

Underwriting risk includes the biometric and operational risks to which life insurance is exposed. Biometric risks are risks that derive from uncertainty in hypotheses in relation to mortality, longevity and disability rates that are taken into account when pricing products and calculating the Company's obligations to the parties it insures. Operational risks come from potential deviations in the sum of expenses used for pricing, and from the possibility that policyholders may call in their contractual options.

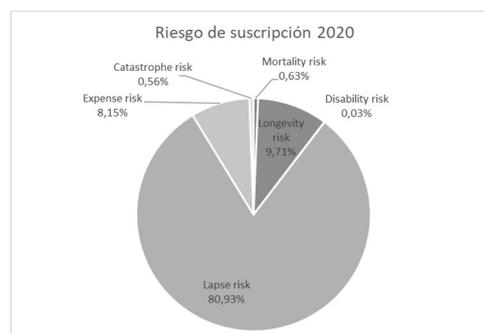
The Company uses the measurement of life underwriting risks established in Directive (EC) 2009/138 of the European Parliament and of the Council. Therefore, the underwriting sub-modules or sub-risks are taken into account, specifically: mortality, longevity, disability and catastrophe, plus the business risk sub-modules: expenses and decreases or surrenders.

The sub-modules into which underwriting risk is divided are:

- Mortality risk: this sub-module affects all liabilities the net value of which is sensitive to an increase in mortality rates.
- Longevity risk: this sub-module affects all liabilities the net value of which is sensitive to a decrease in mortality rates.
- Disability risk: this sub-module affects all liabilities the net value of which is sensitive to an increase in disability, health and morbidity rates.
- Catastrophe risk: this sub-module affects all liabilities the net value of which is sensitive to a notable uncertainty regarding the assumptions corresponding to extraordinary events.
- Lapse or surrender risk: this sub-module affects all liabilities the net value of which is sensitive to variations in the level or volatility of the policy discontinuation, cancellation, renewal and surrender rates.
- Expense risk: this sub-module affects all liabilities the net value of which is sensitive to an increase in expenses.

The quantification in terms of regulatory capital for the underwriting risk sub-modules to which the company is exposed is:

In thousand of €	2019	2020
Underwriting risk	56.873	81.078
Mortality risk	763	576
Longevity risk	5.695	8.897
Disability risk	34	27
Lapse risk	51.695	74.166
Expense risk	6.013	7.467
Catastrophe risk	586	509
Underwriting risk divesification	-7.912	-10.563



In relation to the concentration of underwriting risk, the significant concentration of risk to which the Company is exposed is the sub-module lapse risk.

Management of underwriting risk is monitored by the Company's Risk Management Unit through indicators that measure compliance with the risk appetite target established for the life ratio approved by the Board.

Underwriting risk is measured based on the following indicator:

- **Underwriting ratio:** is the quotient obtained from dividing Life SCR by Global SCR as an expression of the weight that life underwriting risk has with respect to the total risk to which the Company is exposed.

Where:

- Underwriting SCR: solvency capital requirement for life risk in accordance with the standard formula.
- Global SCR: global solvency capital requirement in accordance with the standard formula.

At 31 December 2020, the target risk appetite established for the life ratio is:

Indicators	Indicators	Definition	Risk Appetite	Does not fulfil	Fulfil	Exceeds	2020 DECEMBER
Underwriting	Underwriting Ratio	UR = Underwriting SCR / Overall SCR	≤ 120%	> 130%	[110%, 130%]	< 110%	92%

Ratio: 92% → **Exceeds**

On a quarterly basis, the Technical/Actuarial and Operations Department reports the life SCR calculation and its sub-modules to the Head of Risk Management.

Mediterráneo Vida keeps the business processes related to underwriting and claims appropriately up-to-date in order to verify the suitability of the management procedures and to ensure the sufficiency and quality of the data related to underwriting and provisioning, as well as their consistency with the Company's strategy.

The Technical/Actuarial and Operations Department works to monitor this risk by: (i) analysing the mortality/claims and the suitability of the tables considered in the pricing of products and the provisioning of the obligations undertaken; (ii) tracking the sufficiency of the technical management surcharges defined in the product's pricing to cover the real management expenses incurred; (iii) monthly tracking of the total and partial surrender rates in the most significant products, updating the total and partial surrender hypotheses in the calculation of the life insurance SCR in the regular quarterly reports.

Each product is sold pursuant to the underwriting rules that govern the Company, including the maximum quantitative limits for accepting risk and the general risk exclusions, to thus guarantee suitable control of the risks accepted.

For certain products, the Company grants surrenders, guaranteed returns and profit participation. They are all measured in accordance with the product's contractual documentation.

It is worth noting that Mediterráneo Vida does not sell new products to individuals and, therefore, the management of underwriting risk is focused on the existing portfolio.

With regard to reinsurance, as a risk mitigation technique, when calculating the premium, the Company reinsures 94% of the accident business with Scor Global Life SE Ibérica and 6% with General Reinsurance AG, Cologne, Germany assuming between 80% and 90% of the claims based on the product. With regard to the life business, the Company has reinsured the life risk business aimed at individuals with Scor Global Life Reinsurance Ireland Designated Activity Company, which assumes 99% of the claims.

In addition, the Company has an excess of loss reinsurance contract (XL Catastrophic) with the reinsurer General Reinsurance AG, in Cologne, Germany to cover the risks retained by the Company (both for life and accident products) in relation to the occurrence of a catastrophic event.

The mortality and disability risk assumed by the Company with the plan currently being applied to its reinsurance is entirely immaterial and not significant.

2020-2019 Table with maximum capital per insured person in case of death

Amounts in thousands of euros

Maximum insured capital		
Year	2019	2020
Life	600 (*)	600 (*)
Accidents	500	500

(*) At 31 December 2020, there was 1 insured person that exceed this limit (standing at EUR 832 thousand).

Table with number of contracts based on the capital ranges insured for the individual life risk business:

No. of Contracts			
Capital ranges	2019	2020	Variation
Less than 50,000	35,730	31,396	-12%
50,000 to 100,000	17,845	15,367	-14%
100,000 to 150,000	4,754	3,989	-16%
150,000 to 200,000	904	713	-21%
200,000 to 250,000	137	101	-26%
250,000 to 300,000	20	18	-10%
More than 300,000	27	19	-30%
	59,417	51,603	-13%

Data at 31 December 2020

As part of its annual actuarial report, the Company carries out a premium adequacy test, using an adverse scenario that combines an increase in claims and an increase in actual expenses, in order to verify the adequacy of the premiums.

The Technical/Actuarial and Operations Department handles other tasks that are also related to:

- Monitoring claim files opened for individual life risk and accident products.
- Monitoring of the terms of the insurance liabilities and the extraordinary contributions for the Company's products that include them.
- Annual analysis of adverse scenarios for the ORSA report.
- Analysing new mergers and acquisitions

C.2 Market risk

The exposure to market risk is measured by the impact of the fluctuations in the level of financial variables such as share prices, interest rates, real estate prices and exchange rates. Market risk arises from the level or volatility of the market prices of financial instruments.

Market risk is measured based on the following indicator:

- Market Ratio: is the quotient obtained from dividing market SCR by global SCR as an expression of the weight that market risk has with respect to the total risk to which the Company is exposed.

The Company improved its market ratio in 2020. The market ratio reflects a decrease in market risk from 77% to 66% of total risk.

Indicator	2019	2020
Market Ratio	77%	66%

The sub-modules or sub-risks into which market risk is divided are measured in terms of capital in accordance with Directive 2009/138/EC of Solvency II and its technical specifications for the calculation of solvency capital requirements.

The aforementioned sub-modules into which market risk is divided are:

- Interest rate risk: this sub-module affects all assets and liabilities the net value of which is sensitive to variations in the temporary structure of interest rates or their volatility.
- Equity risk: this sub-module affects all assets and liabilities the net value of which is sensitive to changes in the prices of equity securities.
- Real-estate risk: this sub-module affects all assets and liabilities the net value of which is sensitive to variations in real estate values.
- Foreign exchange risk: this sub-module affects all assets and liabilities the net value of which is sensitive to variations in foreign currency exchange rates. The capital requirement is calculated separately for each currency and they are subsequently aggregated.
- Spread risk: this sub-module affects all assets and liabilities the net value of which is sensitive to changes in the level or in the volatility of credit spreads in relation to the risk-free interest rate structure.

The limits indicated in the investment policy, the main strategies adopted to mitigate these risks of the Company are as follows:

- Interest rate risk:

The Company's interest rate risk arises from fluctuations in the prices of assets and liabilities as a result of changes to the yield curve. This risk is measured aggregately and not product by product, unless required under the regulations in force. During 2020, it was approved that in order to measure the exposure of the Company's Equity to interest rate movements, the net DV01 of its assets and liabilities (a measure used to measure the changes in value due to a 1bp parallel movement in interest rates) will be calculated, which must be within the limits set by the Company at any given time as established in its investment policy.

DV01	2020
Assets	1,795,052.65
Liabilities	2,162,552.64
<i>Net DV01</i>	-367,499.99

The net DV01 at the close of 2020 was EUR -367,499.99.

- Differential risk

The limits for mitigating this risk will be determined based on the issue's credit rating. When the investment has a credit rating from an external Credit Rating Agency (ECAI), the rating will be selected in accordance with Solvency II criteria:

1. When the issue has only one rating from an Agency, the rating of that Credit Rating Agency will be used.
2. When the issue has been rated by two agencies, the worst should be used.
3. When the issue has been rated by three agencies, the two best ratings will be used, and if the two best ratings are not the same, the worst of these two best ratings should be chosen.

If there is no explicit rating for an asset, the Company may estimate the credit rating using methodologies accepted in the market using an alternative method.

The credit rating shall be established in accordance with the grade scale referred to in Article 109.a, Section 1 of Directive 2009/138/EC, the credit rating of which is expressed from 0 to 6:

Rating	Rating Score (CQS)
AAA	0
AA	1
A	2
BBB	3
BB	4
B	5
C	6

The following limits are established to mitigate credit risk:

1. The portfolio's average rating will be at least 3.
2. The portfolio's exposure to issuers with a rating lower than 3 will not exceed 25%.
3. Maximum exposure to an issuer other than government issuers will depend on its rating:

Credit Rating (CQS)	Maximum Exposure
0-1	10%
2	7%
3	4%

If the exposure includes current accounts or fixed-term deposits, this limit will extend to 25%.

4. The minimum rating in the purchase will be 3. Thus, purchases with a lower credit rating, and ensuing breaches due to later drops in the rating are subject to prior approval by the Asset, Liability and Risk Committee.
- Equity risk: Equity investments are limited to 5%.
 - Liquidity risk: Liquidity risk is managed by maintaining sufficient liquid and marketable assets to settle liabilities as they mature.
 - Counterparty risk: The exposure to counterparty risk is measured as the difference between the exposure to net exposure to the market of the collateral received as security interests. At no point may the exposure to counterparty risk exceed 5%.
 - Foreign exchange risk:

Investments may be made in EUR, USD and GBP. In the case of investments not in EUR, hedge instruments may be used to hedge these positions. The net exposure (after taking the effect of the hedges into account) to investments not in EUR must be less than or equal to 5% of the portfolio.

Derivatives for investment purposes: will not exceed 5% of the portfolio.

The basis for calculating the above limits will be the market value.

The market risk sub-modules to which the Company is exposed are:

Importes en Miles de €	2019	2020
Riesgo de mercado	56.738	58.556
Riesgo de tipo de interés	10.567	10.006
Riesgo de renta variable	0	11
Riesgo inmobiliario	37	10
Riesgo de spread	50.650	52.781
Riesgo de concentración	1.877	3.463
Riesgo de divisa	37	38

Diversificación riesgo mercado	-6.429	-7.742
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In 2020, the global risk requirement increased its exposure slightly. Observing the evolution of the sub-risks of the market module, the increase in spread risk and concentration risk stands out, mainly due to the rotation of assets in the portfolio.

The portfolio assets have been invested in accordance with the principles of prudence established in article 132 of Directive 2009/138/EC. The investment policy, prepared in accordance with the principle of prudence, establishes requirements with respect to the type of appropriate assets, the composition of the portfolio and the diversification of the investments aimed at guaranteeing their security.

At least every six months, unless there are specific additional requests made by the Board of Directors, the Asset-Liability Committee and the Risk Management Function, the Asset Management Unit will analyse the consistency between its assets and liabilities over a sufficiently long time period, reviewing the adequacy of the assets with respect to the liabilities based on the investment policy:

- Comparing the current value of the assets with the current value of the liabilities.
- Comparing the term of assets with the term of liabilities.
- Assessing the credit risk of the portfolios.
- Lastly, analysing the cover Surplus/Deficit.

The results of this review and, where applicable, of any imbalances identified will be notified, firstly to the head of the Risk Management Function, who will disclose these results in their reports.

The market risks include spread risk, which has the highest weight of all the market risks, because nearly 100% of the Company's exposure to market risk comes from spread risk. An absolute comparison of the spread risk at the close of 2020 to the spread risk at the close of 2019 shows that this risk increased by EUR 2 million from EUR 50.6 million to EUR 52.6 million.

Within the context of the transactions to reduce market risk, the Company did apply risk reduction techniques that transfer risks to third parties in 2020. Specifically, these are two types of derivatives for risk mitigation purposes: a swap contract on floating vs. fixed interest rates, which neutralises the risk of the volatility of interest rates associated with the mortgage portfolios. On the other hand, a USD/EUR cross currency swap has been contracted, the objective of which is to hedge part of the exchange rate risk of one of the bonds in the portfolio, which is denominated in dollars.

C.3 Credit risk

The Company has four types of significant sources of counterparty risk:

- a) Counterparty risk for the temporary transfer of assets to WIF and WAF
- b) Reinsurance contracts
- c) Cash in banks
- d) Mortgage portfolios

a) After the transfer of assets to WIF and WAF due to the formalisation of the corresponding Master Agreements, these companies are obligated to pay Mediterráneo Vida the same cash flows and at the same time as the financial assets would have been transferred.

The counterparty risk is calculated each month in accordance with the calculation and valuation guidelines defined in the Solvency II regulation for the standard formula, as stipulated in Delegated Regulation (EU) 2015/35.

An independent expert conducts an independent assessment of all of the assets provided as collateral on a quarterly basis, including a description of the methodology that was used.

Additionally, under the framework agreements, Mediterráneo Vida has a series of rights and WIF and WAF have a series of obligations that enable the counterparty risk to be mitigated and adequately managed.

The counterparty risk derived from these framework agreements is calculated in accordance with Solvency II regulations. Pursuant to Delegated Regulation EU 2015/35, counterparty risk can be mitigated by providing collateral agreements. In the case of Mediterráneo Vida, these agreements include the pledging of shares and other titles that grant economic rights over assets included in collateral. These collateral agreements provide Mediterráneo Vida access to the collateral and guarantees.

Each quarter the counterparties in these framework agreements provide Mediterráneo Vida an audit report issued by the firm Grant Thornton. This report audits the counterparty risk calculation and methodology, whilst also noting any differences of over 5% in collateral portfolio movements in terms of composition and valuation.

a) Counterparty risk due to temporary asset transfers

The Company tracks the counterparty risk that may derive from the asset transfer and the Master Agreements signed, to assess contingency plans for managing the risks and to keep up the ratios in accordance with the Risk Appetite defined by the Company's Board of Directors in various scenarios, to:

- Calculate the impact on counterparty risk based on Solvency II regulations.
- Ensure the substantial retention of the risks and benefits of the transferred assets.
- Evaluate contingency plans for managing previous risks and to keep up the ratios in accordance with the Risk Appetite defined by the Company's Board of Directors in various scenarios.

Below, a description is given of the controls the Company performs on collateral to monitor counterparty risk:

Description

After the transfer of financial assets to WIF and WAF due to the signing of the corresponding Master Agreements, these companies are obligated to pay Mediterráneo Vida the same cash flows and at the same time as the assets would have been transferred.

When WIF and WAF received the assigned assets from Mediterráneo Vida, they constituted an assets portfolio held exclusively by WIF and WAF called the *transferred collateral or transferred guarantees* portfolio. The Elliot Funds and their subsidiaries also contributed other assets entitled *additional direct collateral*.

The WIF and WAF assets pledged that are considered for the purposes of mitigating counterparty risk as a result of the asset transfer operation are as follows:

Colaterales de activos transferidos

Garantías constituidas	Jurisdicción de la garantía	Activos subyacentes	Principales riesgos	Millones de Euros	
				2020	2019
Deuda cotizada privada				7	0
Prenda de primer rango sobre cuenta de custodia de valores y contratos de control	Nueva York	Bausch Health Inc. 5,75% 15/08/2027(ISIN US071734AC18)	Riesgo de tipo de interés y diferencial		
Activos hipotecarios				603	919
Prenda sobre los instrumentos de deuda (profit participating notes) emitidos por las sociedades tenedoras	Luxemburgo	Residential mortgages	Riesgo de contraparte con garantía inmobiliaria		
Prenda sobre los instrumentos de deuda (profit participating notes) emitidos por las sociedades tenedoras	Luxemburgo	Residential mortgages	Riesgo de contraparte con garantía inmobiliaria		
Tesorería			Riesgo de contraparte	395	0
Prenda de primer rango sobre las cuentas bancarias de efectivo y contratos de control	Nueva York	Cuentas a la vista		395	
Valor de mercado de los colaterales de activos transferidos				1.005	919

Garantías Adicionales

Garantías constituidas	Jurisdicción de la garantía	Activos subyacentes	Principales riesgos	Millones de Euros	
				2020	2019
Renta Variable no cotizada				342	0
Prenda de primer rango sin desplazamiento de la posesión (equitable mortgage) sobre las acciones de las sociedades tenedoras (*)	Islas Caimán	Librerías	Riesgo de renta variable no cotizada		
Préstamos a entidades				31	0
Prenda de primer rango sobre la totalidad de las participaciones de la sociedades tenedoras (Ley de Nueva York) y Prenda de primer rango sin desplazamiento de la posesión (equitable mortgage) sobre las acciones de las sociedades tenedoras (Ley de Islas Caimán) (*)	Nueva York y Islas Caimán	Huertos solares	Riesgo de tipo de interés y diferencial		
Activos inmobiliarios				1.460	1.408
Prenda de primer rango sin desplazamiento de la posesión (equitable mortgage) sobre las acciones de las sociedades tenedoras (*)	Islas Caimán	Locales comerciales, Oficinas y Residencias	Riesgo inmobiliario		
Prenda de primer rango, sobre las participaciones de la sociedad tenedora (*)	Nueva York	Centro de datos	Riesgo inmobiliario		
Deuda cotizada pública				115	0
Prenda de primer rango sobre cuenta de custodia de valores	Nueva York	Letras del Tesoro EEUU	Riesgo de tipo de interés y diferencial		
Tesorería			Riesgo de contraparte	60	0
Prenda de primer rango sobre las cuentas bancarias de efectivo y contratos de control	Nueva York	Cuentas a la vista		60	
Valor de mercado total de los Colaterales adicionales propiedad de WIF/WAF				2.008	1.408

(*) Garantía real de primer rango a favor de Mediterráneo Vida sobre participaciones sociales / acciones de la sociedad holding titular de la inversión (ver columna "activos subyacentes" a los efectos de ver el tipo de inversión de la que es titular la sociedad cuyas participaciones se encuentran pignoradas).

The assets detailed above are subject to the counterparty, liquidity and legal risks of Luxembourg companies WIF and WAF. These risks, as well as those of the assets they own; are covered by the collateral and overcollateral provided by those companies, their subsidiaries and the Elliott Funds respectively, and the right of Mediterráneo Vida to cancel the agreements at any time.

Both at the date of transfer of financial assets and continuously up to the date of formulation of these annual accounts, exposure to the variation in the Company's cash flows before and after the transfer of financial assets has been analysed, resulting in substantial retention of risks and profits.

At 31 December 2020, the market value of all the assets provided as collateral for the obligations assumed by WIF and WAF to Mediterráneo Vida amounted to EUR 4,028 million (EUR 3,823 million in 2019) (according to the audited financial statements of WIF and WAF and the valuation report issued by an independent expert), well above the market value of the financial assets transferred, which was EUR 1,945 million at that same date (EUR 2,192 million in 2019).

Millions of euros

Assets for satisfying Mediterráneo Vida's obligations	2020	2019	Value of obligations to Mediterráneo Vida	2020	2019
Collateral for transferred assets	1,935	2,019			
Additional collateral owned by WIF/WAF	2,093	1,804			
Total market value of WIF/WAF assets (*)	4,028	3,823	Value of transferred financial assets	1,945	2,192

(*) The value of the assets includes both their valuation at market prices and, in the case of certain debt assets, their valuation at amortised cost. These values are in accordance with the audited financial statements of WIF and WAF, which were prepared in accordance with International Financial Reporting Standards, and this fact has no impact on the accounting treatment of the transfer transaction carried out by Mediterráneo Vida.

In 2019 the Company had guarantees of Elliott funds in remote collateral for 911 million, by 2020 and according to the action plan, all remote collateral has been withdrawn.

The valuation of the assets that constitute these guarantees is always carried out at market value following IFRS rules that classify the assets according to the availability of (i) quotes in organized markets (ii) data for price formation directly observable in organized markets (iii) valuations made through other methods such as discounting cash flows. Assets that are part of collateral and non-type (i) are valued by independent valuation experts and reviewed by audit firms.

In addition, an independent expert reviews the valuation of all collateral assets on a quarterly basis including a description of the methodology used.

Counterparty risk tolerance.

The **counterparty risk** derived from these framework agreements is calculated in accordance with Solvency II regulations. Pursuant to Delegated Regulation EU 2015/35, counterparty risk can be mitigated by providing collateral agreements. In the case of Mediterráneo Vida, these agreements include the pledging of shares and other titles that grant economic rights over assets included in the WIF and WAF collateral.

Each month, the counterparty breach risk is checked to make sure it is under 5% (as a percentage of the market value of the transferred assets). This report is included in the document entitled "CPD Model" (calculation of counterparty risk), which WIF and WAF prepare and that Mediterráneo Vida echoes from the data WIF and WAF report to it.

	Maximum limit (risk tolerance)
Capital requirement for counterparty risk (generated by asset transfer contracts)	5% of the market value of the transferred assets

The counterparty risk consumption is calculated separately for WIF and WAF to obtain the SCR of the assets provided as collateral for each market risk module (interest rate, spread, equities, real estate, currency and concentration) and for the counterparty risk module, including the profit from diversification. This calculated SCR is the haircut (or collateral adjustment) that should be deducted from the assets' valuations, thus decreasing the value of the assets accounted for as collateral.

As noted above, the method used in the CPD model is based on Solvency II regulations by applying the corresponding discount to each item of collateral for each type of asset, based on the standard formula, before calculating its value (known as the value adjusted for risk of collateral). The corresponding discounts are similarly applied to the interest rate risk and concentration risk modules and to the counterparty risk module.

The value adjusted for the risks from the real guarantees is used to adjust the market value of the collateral, and it is applied as a discount. This way the total market value of the provided collateral is adjusted for all of the risks to which it may be exposed.

Once the risks of each asset have been calculated, based on the risks to which they are exposed, the global capital consumption is calculated for each company using the standard formula (WIF's and WAF's SCR, also known as their haircut), including these assets' profit from diversification.

The results of the maximum limit of tolerance to the counterparty risk generated by the Master Agreements were as follows at the close of 2020:

Market risk SCR for collateral	WIF		WAF	
Market Risk SCR Summary	% of MV	EUR	% of MV	EUR
Interest rate scenario	Down	Down	Down	Down
Interest Rate risk	0,1%	2.399.837	0,1%	1.007.119
Equity risk	5,5%	113.500.179	5,5%	53.411.849
Property risk	17,0%	349.308.970	17,0%	165.165.794
Spread risk	0,5%	10.708.724	0,5%	5.026.973
Currency risk	16,3%	335.258.023	16,3%	158.890.385
Concentration risk	8,9%	183.096.075	8,9%	86.136.613
Undiversified Market Risk SCR	48,4%	994.271.808	48,3%	469.638.734
Diversified Market Risk SCR	31,8%	653.367.692	31,7%	308.803.804
Counterparty default risk SCR	0,8%	16.711.037	0,7%	6.564.678
Diversified Market + CDP risk	32,0%	657.744.499	31,9%	310.510.037

EUR in millions

WIF/WAF Assets (excl. Elliott Swap)		723.632.819		345.170.136
Elliott Collateral		1.330.178.715		627.647.504
Total collateral		2.053.811.535		972.817.640
Market haircut pre-div.	-48,4% -	994.271.808	-48,3% -	469.638.734
CDP haircut pre-div.	-0,8% -	16.711.037	-0,7% -	6.564.678
Diversification benefits		353.238.346		165.693.375
Collateral post hc & div		1.396.067.036		662.307.603
Total implied haircut	32,0%	657.744.499	31,9%	310.510.037
CPD Risk (overcollateral if negative)	-	65.789.703	-	35.984.202
As a % of MV of the lent securities, %		-4,97%		-5,78%

A significant excess of collateral can be observed for the counterparty risk generated by the Master Agreements.

Each quarter the counterparties to these Master Agreements provide Mediterráneo Vida report on agreed procedures issued by the firm Grant Thornton. The Company performs controls to ensure that the risks before and after the asset transfer are not substantially different, with their **risks and rewards retained**.

These controls are conducted on the economic valuation, the legal situation, the liquidity and the credit quality of the asset portfolios contributed initially and on the subsequent movements proposed by WIF and WAF, subject to approval by the Company, on the collateral that secure their obligations.

These analyses were conducted based on the economic value of the guarantees at the current time and in a stressed setting with the possibility of making them liquid, whilst also reviewing the validity and enforceability of the submitted pledges.

Controls on the liquidity of collateral assets

These controls verify that the portfolio of assets transferred to WIF and WAF is liquid enough to not substantially affect the Company's capacity to satisfy its liabilities just as it had before it transferred the Company assets. Liquidity is therefore be analysed based on Mediterráneo Vida's liability needs.

Based on these liquidity needs, the assets in the WIF and WAF portfolios are grouped by liquidity categories and must meet at least the following requirements as regards the Company's liability needs.

The results of the controls at 31 December 2020 were:

Description of Control 1	Description of Control 2	Description of Control 3
Category 1 (Cash and sight assets): it should be greater than 1.5 % of the value of the current GMA assets at the time of the control. For this calculation, the existing balances in the current accounts in WIF and WAF and their subsidiaries WIH and WAH, as well as in the deposits created with discretionary reimbursement by these companies at any time without penalty, will be taken into account.	Category 2 (Assets that are liquid directly, including liquid bonds and assets that can be converted into cash directly): Their value, added to the value of category 1, should be higher than the sum of the flows for the first 12 months since the date when the control was performed.	Category 3 (Assets liquid in under six months): Their value, added to the value of categories 1 and 2, should be higher than the sum of the flows for the first three months since the date when the report was issued.

Results of Control 1		Results of Control 2		Results of Control 3	
thousand €		thousand €		thousand €	
COLATERAL CATEGORY 1 (i)	454,633	COLLATERAL CATEGORY 2 or lower	1,212,864	COLLATERAL CATEGORY 3 or lower	3,777,539
1.5% · GMA (lent securities)	29,180	LIABILITIES FLOWS OF NEXT 12 MONTHS	356,572	LIABILITIES FLOWS OF NEXT 3 YEARS	873,890
Fulfilment	OK	Fulfilment	OK	Fulfilment	OK

Controls on cash flow transfers with counterparties

The Company performs regular controls to verify that the transfer of the flows undertaken by the WIF and WAF counterparties are being done properly.

On a monthly basis:

1. Extraction of the list of coupons and maturities foreseen for the incoming month from the Mediterráneo Vida database.
2. Internal tallying by the Asset Management Unit with the Accounting and Reporting Unit of the final positions of each of the bonds remaining in the portfolio. In this way, the new Master Agreements entered into with WIF and WAF and the termination of these agreements, due both to the sale and expiry of assets are traceable in each period.

The result of the control at 31 December 2020 was:

	Nominal amount	Call-in value
Difference/Variation	0	0.03%
Compliance	OK	OK

Description	Nominal amount	Call-in value
TOTAL WIF/WAF	1,411,786	1,945,356
TOTAL MV (*)	1,411,786	1,944,776
Difference	0	-580
(Dif/TOTAL MV)	0.00%	-0.03%

(*) Call-in value calculated with D+2 cupon. (In thousands of euros)

On a weekly basis:

1. Each Friday, the WIF/WAF companies send a list so that Mediterráneo Vida states its agreement (if it agrees, otherwise both parties will identify and settle discrepancies) for the following notions:
 - a) Terminations and bonds transferred for new Master Agreements in the last week (Weekly Transaction Schedule).
 - b) Payment of coupons and bond maturities for the two following week (Securities maturing in the coming 2 weeks).

The result of the control at 31 December 2020 was:

WIF											
ISIN	Secsymb	Inc Rate	Dnc class	Net Posn This Loc	Prev Acc Dt	Factor	Factored Rate	Factored Coupon Payment	Next Coupon/Mat Date	Coupon /Maturity Ind	Confirmed by MedVida
ES0312298021	@AYTCED/22SW	3,750000	EUR	- 3.800.000,00	14-dic-2019	1	3,7500	- 142.500,00	14-dic-2020	COUPON	09/12/2020
XS0140608398	@BACA/21SW	5,800000	EUR	- 2.800.000,00	27-dic-2019	1	5,8000	- 162.400,00	28-dic-2020	COUPON	15/12/2020

WAF											
ISIN	Secsymb	Inc Rate	Dnc class	Net Posn This Loc	Prev Acc Dt	Factor	Factored Rate	Factored Coupon Payment	Next Coupon/Mat Date	Coupon/Maturity Ind	Confirmed by MedVida
ES0312298021	@AYTCED/22SW	3,750000	EUR	- 1.800.000,00	14-dic-2019	1	3,7500	- 67.500,00	14-dic-2020	COUPON	09/12/2020
XS0140608398	@BACA/21SW	5,800000	EUR	- 1.300.000,00	27-dic-2019	1	5,8000	- 75.400,00	28-dic-2020	COUPON	15/12/2020

On a daily basis:

1. For payment of coupons, or Terminations, it is verified that the expected incoming flows enter the Company's current accounts. It is recorded both in the current account statements and in the emails to the depository, requesting the transfer of those flows from the sole current account used to receive the WIF and WAF flows (the RRPP account) to each of the corresponding portfolios.
2. The Accounting Unit tallies, two days past due, the current accounts with the accounting. If there is an unpaid coupon or an unpaid maturity (which was not previously detected due to an operational error) the evidence will be examined. This is recorded in the daily bank reconciliations.

The result of the control at 31 December 2020 was:

Clase Flujo	ISIN	Descripción	Fecha cobro	Efectivo total	WIF	WAF	Control 1		Control 2	
							Fecha de Pago	Importe WIF	Importe WAF	
Cupón	ES0312298021	AYTCED 3 3/4 12/14/22	14/12/2020	210.000	142.500	67.500	Ok	Ok	Ok	
Cupón	XS0140608398	BACA 5.8 12/27/21	28/12/2020	237.800	162.400	75.400	Ok	Ok	Ok	

In addition to the controls above, Mediterráneo Vida has also implemented a robust mechanism to regularly monitor and estimate any possible deficit between the economic collateral value (EcV) and the economic value of Mediterráneo Vida's portfolio (IPMV). To do this, it has a collateral control framework. The primary objective of this framework is to monitor and oversee possible deviations in the economic value of the obligations generated by the Master Agreements and the economic value of the collateral by controlling the tolerated levels set by the Board of Directors. Based on this early warning system, this control framework provides the Company key elements to alert possible deficits that might result in corrective actions being taken to anticipate potential problems.

Termination procedures

In addition, in the Addendum to the Plan of Action, the Company established the procedure to be followed in the event that a breach of the Master Agreements by WIF and WAF is detected and it is necessary to request the early termination of the Master Agreements, where the scaling up, the steps to be taken and the minimum content of the plan to be implemented are specified.

If WIF and WAF fail to comply with any of their contractual obligations listed above, the shares of both companies as well as the debt instruments issued by both companies would become the property of Mediterráneo Vida once the corresponding collateral has been called in, so that either the dividends obtained from both instruments or the proceeds from the sale of the instruments, or Mediterráneo Vida's ability to authorise the sale of assets on the balance sheets of WIF and WAF or of any of the entities that form part of its group would be used for the acquisition of a portfolio of securities identical or similar in nature, quality, term and profitability to that existing at the time of execution and subsequent changes that could take place due to the effect of the Framework Agreements. This termination is also backed by a liquidity and solvency guarantees signed by the shareholders, the Elliott International, L.P. and Elliott Associates, L.P. funds.

Therefore, this also ensures that if the above collateral (and the other collateral provided to the Company) is called in neither the substantial retention of risks and rewards nor the Company's operations would be compromised if the resolution plan is implemented.

b) The basic reinsurance risk management principles are based on the best business practices and the regulatory and consultative frameworks in force.

The reinsurance contract is used as a technique for reducing risk, allowing the Company to transfer a portion of its risk to third parties. Reinsurance business arrangements are only made with entities that have a minimum credit rating, greater than or equal to "BBB-" in accordance with a recognised rating agency.

The average credit rating of the reinsurers with which the Company has agreements in 2020 is A on average.

As stated earlier, currently, Mediterráneo Vida has 99% of its individual life risk portfolio with a single reinsurer, SCOR Global Life Reinsurance Ireland, which complies with the requirements defined by the Company.

Another component of risk mitigation is that the Company belongs to the compensation system of the Insurance Compensation Consortium. This system protects the Company against extraordinary risks.

c) The Company's cash at banks is regularly adjusted to liquidity needs to minimise counterparty risk.

The counterparty risk to which the Company is exposed is:

Amounts in thousands of €	2,019	2020
Counterparty risk	3,974	5,019
Type 1	3,773	1,874
Type 2	264	3,459
Diversification of counterparty risk	-62	-313

As far as counterparty concentration risk is concerned, the Company's greatest counterparty exposure comes from its cash position in banks.

d) Mortgage portfolios

During 2020, the Company incorporated a new asset class whose main risk is counterparty risk, namely mortgage portfolios originated by a Spanish credit institution. This type of asset represents approximately 3% of the overall portfolio.

"The Company has applied counterparty risk reduction techniques to this mortgage portfolio during the period 2020, which transfer the risk to a third party during the period 2020, through an option to repay certain loans at a fixed price.

C.4 Liquidity risk

The procedure implemented by Mediterráneo Vida consists of an ALM model that identifies the necessary investments that guarantee the asset-liability relationship in order to obtain the necessary liquidity to meet the Company's obligations. Asset and liability management must take into account the Company's risks, mainly market risk and underwriting and provisioning risk.

The Company performs stress tests under a range of market scenarios, assessing the impact that the aforementioned scenarios would have on the Company's liquidity, and reporting to the Asset-Liability Committee at least once a year.

For each of the most representative products, the evolution of the surplus or deficit is analysed with regard to the current value. Two scenarios are compared in which the sensitivity of this indicator to movements in surrender rates is measured. The current scenario includes the year-on-year surrender rates that the Company detected in the final quarter of 2020, while in the historic scenario the surrender rates are based on the performance observed in the last five years. In general, historic surrender rates are higher than those recorded in the short-term, due to the current extremely low interest rates.

Tasa de rescate		Producto 6%		Producto 4,5%		Producto 0,5%		Producto PPA con PB		Producto PPA sin PB		Rentas Vitalicias	
		Actual	Histórico	Actual	Histórico	Actual	Histórico	Actual	Histórico	Actual	Histórico	Actual	Histórico
Déficit o Superávit	2020	-129	-105	-78	-63	99	104	16	16	44	48	66	64
	2019	-103	-78	-61	-45	173	149	23	23	26	26	56	58
	variación anual	-26	-27	-18	-18	-75	-45	-7	-7	18	22	10	6

On an aggregate level, the portfolios had a EUR 17 million surplus in 2020, showing the Company's capacity to satisfy its commitments in the long term. The products' contribution to the surplus is not homogeneous, and each product must be analysed separately:

- **6% and 4.5% products:**

- Both portfolios have deficits because of their high guaranteed interest rates compared to current market rates.
- On a year-on-year basis, surrender rates remain at record lows and discount curves have fallen from the previous year, causing prevailing market rates to fall further away from the guaranteed rates, increasing the shortfall of both products.
- The current scenario results in deficits that are greater than those in both years of the historic scenario, reflecting the positive effect from surrender rates going up to the historical levels for the products (2% now versus 3.5% in the past).

- **0.5% products:**

- The portfolio has a surplus in both scenarios.
- Year over year, the surpluses in both scenarios have been reduced as a result of prevailing market rates, which are below the guaranteed interest rate for the next 27 years.

- The current scenario shows a lower surplus than the historical scenario, reflecting the positive effect of higher surrender rates if this ultra-low rate scenario is maintained over time.

- **PPA with PB product**

- The portfolio has a surplus in both scenarios.
- The surplus in both scenarios decreased in 2020. The drop in discount curves caused the surplus to decrease. In this portfolio, the surplus in both scenarios is similar, and it moves in the same direction because the effect of surrenders is not as significant as in the previous portfolios.

- **Life- PPA without PB and Contingent Annuities:**

- Both portfolios have a surplus in both scenarios.
- The surplus has improved in both scenarios. The matching of liabilities and profitability has improved with the acquisition of mortgages.
- The products have a positive net DV01 and therefore benefit from lower interest rates. In addition, in order to keep the DV01 neutral, derivatives have been used to mitigate the interest rate risk present in variable rate mortgages.

C.5 Operational risk

Operational risk is the risk of loss arising from the inadequacy or dysfunction of internal processes, staff, systems or external events.

In collaboration with the various operating units, the Internal Control Unit is responsible for ensuring the proper identification and characterisation of the risk factors that could give rise to operational risks. On an annual basis, the Internal Control Unit reports the inputs necessary to calculate the operational economic capital to the head of the Risk Management Unit.

Its management is based on minimising the negative impact and/or frequency of the materialisation of operational events by continuously improving the quality and security of the processes through their design and/or by strengthening operating controls.

Operational risk is measured based on the following indicator:

- **Operational Ratio:** is the quotient obtained from dividing Operational SCR by Global SCR as an expression of the weight that operational risk has with respect to the total risk to which the Company is exposed.

Operational risk is measured in terms of regulatory capital in accordance with Directive 2009/138/EC of Solvency II (standard formula). In addition to measurement by the standard formula, operational risk is measured based on the result of that formula to calculate the modified solvency capital (operational economic capital) based on the frequency and severity of the risks included in the operational risk map obtained from the Company's annual assessment process through questionnaires (internal formula).

The operational risk to which the Company is exposed is:

Amounts in thousands of €	2019	2020
Operational Risk	9,595	9,882

With respect to the reduction in operational risk, in 2020 the Company has not applied risk reduction techniques that transfer risks to third parties.

To control risk and guarantee the rights of policyholders and beneficiaries, the Company has legal opinions from various international law firms that cover the various jurisdictions where the guarantees are located, that confirm their validity, effectiveness and enforceability.

The Company also has a Resolution procedure mentioned above.

Furthermore and in addition to these controls, to continuously verify its retention of the risks and benefits of the transferred assets, the Company has implemented, as indicated in its Plan of Action, tracking of the following indicators in each quarterly and annual closing.

- 1.- Master Agreements that guarantee the equivalent cash flows of the transferred assets. Changes and modifications
- 2.- Analysis of the Investment Risk Policy
- 3.- Legal analysis of collateral
- 4.- Verification of closed structure
- 5.- No substantial transfers of risks and benefits
- 6.- Economic analysis of collateral
- 7.- Control of operational risk
- 8.- Control of foreign exchange rate
- 9.- Analysis of transfer prices.
- 10.- Changes in collateral and cash distributions.

The Company tracks these indicators continuously and they are reported in each Audit Committee meeting and then to the Board of Directors, after the quarterly and annual closings for their information and assessment.

The potential legal risk arising from the various jurisdictions and the nature of these guarantees is mitigated by their quality and the legal opinions that the Company obtains on a regular basis, which confirm their effectiveness.

The Company has an operational risk database managed by Internal Control, where incidents occurring in any of MedVida's processes are recorded and analysed, and corrective measures are proposed.

C.6 Other material risks

The Company has identified the following as other significant and non-quantifiable risks: strategic risk and reputational risk.

Strategic Risk

Strategic risk arises due to a lack of business vision, which may lead to the Company not meeting its economic or social objectives. It is a risk that is not included in Pillar I of the Solvency II regulations. Mediterráneo Vida understands its exposure to strategic risk in its most literal sense as the risk present in the formalisation of mergers and acquisitions. Strategic risk control will be assessed by conducting a new ORSA or by adapting the previous ORSA. This rules out capital contributions for this cost, in this regard with strategic risk understood as described above.

Reputational Risk:

Reputational risk arises from image problems that the company may suffer due to the materialisation of other types of risk, generally of an operational nature. Since this risk is not included under Pillar I, it is added to those of the standard formula to comprise the economic capital.

The measurement of reputational risk is carried out by applying a corrective coefficient to the Company's Global SCR.

In collaboration with the various operating units, Internal Control is responsible for ensuring the proper identification and characterisation of the risk factors that could give rise to reputational risks. The following categories of reputational risk are considered: Business practices, incorrect customer information, internal fraud, external fraud, employment relationships, legal and other. On a quarterly basis, Internal Control reports the inputs necessary to calculate the reputational economic capital to the head of risk management.

The indicator used to measure this risk is the:

- Reputational Ratio: measures the weight that reputational risk has with respect to Global Economic Capital.

D. Valuation for solvency purposes

D.1 Assets

At 31 December 2020, Mediterráneo Vida's most significant assets and their valuation methods are:

ASSETS	Value Solvency II (thousands of euros)	SII Valuation
Deferred tax assets	110,023	They will be recognised when differences arise between the balance sheet valuation for SII purposes and for tax purposes.
Bonds – Government debt	1,814,513	Fair value
Bonds – Private debt	685,304	Fair value
Investment funds	42	Fair value
Derivatives	16,046	Fair value
Deposits other than cash equivalents	34,491	Amortised cost
Assets held for "index-linked" and "unit-linked" plans	6,045	Fair value
Recoverables from reinsurance	-5,991	Best estimate adjusted by the default risk of the reinsurer
Cash and cash equivalents	13,687	Amortised cost

At 31 December 2019, the most significant assets and their valuation methods were:

ASSETS	Value Solvency II (thousands of euros)	SII Valuation
Deferred tax assets	79,003	They will be recognised when differences arise between the balance sheet valuation for SII purposes and for tax purposes.
Bonds – Government debt	1,918,899	Fair value
Bonds – Private debt	483,369	Fair value
Investment funds	147	Fair value
Deposits other than cash equivalents	25,981	Amortised cost
Assets held for "index-linked" and "unit-linked" plans	7,041	Fair value
Recoverables from reinsurance	-6,606	Best estimate adjusted by the default risk of the reinsurer
Cash and cash equivalents	56,233	Amortised cost

The most significant assets correspond to financial assets. The fair values of investments are based on market prices. The main source for obtaining these prices is the Bloomberg financial information system, which in specific cases, when this information is not available, is supplemented with the Reuters financial information system.

The methodology used to obtain the fair value of financial assets by asset class is detailed below:

Debt instruments

The valuation is carried out on a daily basis by means of the source most representative of the market price, using the Bloomberg information system, based on the contributor best suited at any given time to this criterion. The general criterion is based on the capture of the ex-coupon market, spot and sale ("BID") price from the contributor "BGN": *Bloomberg generic price*". The BGN is an agreed market price, calculated based on a wide range of prices of market contributors of renowned prestige. If BGN does not publish a price, another equally prestigious contributor will be selected, taking the price that it provides the Company through the channel established for this purpose.

The realisable value of fixed-income securities must include the accrued interest. This is not captured from any external source but rather is calculated directly by the valuation and accounting system of the portfolios based on the reference market convention.

Shares and units of other collective investment undertakings

The valuation is carried out on a daily basis based on the last net asset value available from the institution. Should more than one net asset value be published for a single day, in general, that identified as the NAV price is captured.

Currencies different than that of the financial statements

The counter-valuation of the base currency of the portfolio of the assets denominated in a currency other than the base currency of the portfolio is carried out at the historic closed rates of the different currencies published on Bloomberg such that the cutoffs in Tokyo (12:00pm), London (7:00pm) and New York (11:00pm) are presented for each of them, based on the geographical area (source: Bloomberg currency composite).

If the market prices available for an asset are not of a sufficiently high quality, the fair value of the aforementioned asset is calculated using alternative valuation techniques (mark-to-model).

Mortgage portfolios

On a general level, the portfolios are valued using the cash flow discount method. Discounting is performed using an updated interest rate curve and a discount spread, based on information available in the capital markets. Flows are projected at the individual mortgage level based on their attributes (outstanding balance, interest rate, time to maturity, etc.). The projected contractual inflows (i.e. the theoretical repayment tables) are adjusted to reflect the effect of defaults, prepayments and recoveries. This adjustment is made on the basis of pre-calibrated parameters.

Hedging derivatives

The valuation is performed daily by using the price published by the calculation agent through the established communication channel (Bloomberg, email) as market price. The valuation is checked daily by modelling the assets according to market standards (mark to model).

Reinsurance contracts

The Company has signed relevant quota share reinsurance contracts with SCOR Global Life Reinsurance Ireland, Designated Activity Company, pursuant to which Mediterráneo Vida has ceded 99% of its individual life risk insurance business.

The amount recoverable from reinsurance recognised in the Economic Balance Sheet has been adjusted taking into account the risk of default of the reinsurer. The method used to make the aforementioned adjustment was the simplified method in accordance with the calculation formula contained in Directive 2009/138/EC.

Significant differences between the bases, methods and main assumptions

The significant differences between the bases, methods and main assumptions that the Company uses for valuation for solvency purposes and those it uses for valuation in the financial statements, by asset class are:

Commissions paid in advance.

In the accounting financial statements "Commissions Paid in Advance and Other Acquisition Costs" includes the commissions and other acquisition costs for the direct insurance that are allocated to that year or following years in accordance with the policy's coverage period and the limits established in the technical note. It amounts to EUR 109 thousand (2019: EUR 121 thousand), which under Solvency II is zero.

Intangible fixed assets.

The "intangible assets" heading in the accounting financial statements includes the sum of the computer applications activated by the Company. It amounts to EUR 65 thousand (2019: EUR 162 thousand) that under Solvency II is zero.

Deferred tax assets.

The deferred tax assets recognised in the Company's financial statements relate to:

- the amount of losses on its financial assets which, if realised, would generate a lower tax payable (25%);
- the anticipated income tax on non-deductible items (e.g., impairments on financial investments);
- the amount corresponding to the lower tax that would be paid as a result of the accounting differences in the Company's liabilities.

Deferred tax assets under Solvency II include the differences between the valuation of the balance sheet for Solvency II purposes and for tax purposes that led to an increase of EUR 58,319 thousand (2019: EUR 29,474 thousand).

As will be evident under "Other Liabilities", the Company has net deferred liabilities, i.e., the deferred liabilities exceed the deferred assets.

Financial assets.

Under the Solvency II regime, in 2020 the only difference existing with regard to the valuation of the financial assets corresponded to the valuation of the mortgages. In this case, the Solvency II value is considered the fair value of each underlying asset for the aforementioned assets. Meanwhile, in the financial statements, they were valued at amortised cost, which gave rise to an increase in value of EUR 4,169 thousand.

There are no valuation differences in the financial assets for 2020.

Recoverables from reinsurance.

They will be addressed in section D.2 of this document.

D.2 Technical provisions

The table in the Technical Provisions section shows The Technical Provisions of Solvency I and the Technical Provisions under Solvency II.

The technical surcharges for the Order 1 tables used by the Entity in the calculation of accounting mathematical provisions at the end of the financial year are those contained in the Resolution of 17 December 2020 of the Directorate-General for Insurance and Pension Funds, concerning the mortality and survival tables to be used by insurers and reinsurers, and approving the technical guide on monitoring criteria for biometric tables, and on certain recommendations to encourage the development of sectoral biometric statistics (DGSFP Resolution 17.12.2020, hereinafter).

It is apparent from the accident studies carried out by the entity that the biometric tables of 1st Order used in the calculation of accounting mathematical provisions are sufficient.

The entity has not changed the mortality scenarios used in the calculation of technical solvency provisions II for the 2020 financial year, compared to those of the 2019 financial year, so there is no impact on technical provisions by variation of biometric mortality hypotheses, with 100% of the Order 2 tables contained in the Resolutions of 17.12.2020 being maintained according to product.

The following table relates the biometric tables applied in the calculation of accounting mathematical provisions as well as in the calculation of technical solvency provisions II.

<i>Mode</i>	<i>Cobertura</i>	<i>Tables used calculation mathematical accounting provisions</i>	<i>Tables used calculation technical provisions Solvency II (**)</i>
<i>Savings insurance</i>	<i>Survival-Death</i>	<i>PER2020_Ind_1er.orden / GK80 (*) / GK95(*) / PASEM 2010 (*)</i>	<i>PER2020_Ind_2ndo.orden</i>
<i>Annuities</i>	<i>Survival-Death</i>	<i>PER2020_Ind_1er.orden/ PER2020_Col_1er.orden</i>	<i>PER2020_Ind_2ndo.orden / PER2020_Col_2ndo.orden</i>
<i>Life insurance risk</i>	<i>Death</i>	<i>GK95 (*) / PASEM 2010(*)</i>	<i>PASEM2020_General_2ndo.orden</i>
<i>Unit link</i>	<i>Death</i>	<i>GK95 (*) / PASEM 2010 (*)</i>	<i>PASEM2020_General_2ndo.orden</i>

(*) They are the biometric tables contained in the technical note of the product and applied for the charging of the product and used in the calculation of the mathematical accounting provision of death coverage, being more prudent than the biometric tables for the risk of death applied for related life insurance or not, contained in the Resolution of 17 December 2020 of the DGSFP.

(**) These are the biometric tables published in DGSFP Resolution of 17 December 2020 for the calculation of solvency II technical provisions, which respond to the realistic assumptions required by the solvency framework, being:

PER2020_Ind_2ndo.order: generational biometric tables for survival risk applicable for the calculation of technical provisions under Solvency II in individual life-savings insurance with payment of the benefit in the form of capital or income. Insurance with significant exposure to the risk of longevity is considered a risk of survival, not by entering this insurance group those in which the survival and mortality benefits (in the form of income, capital or both) make the Company's exposure to biometric deviations not significant for the entire duration of the contract.

PASEM2020_General_2ndo.order: biometric tables for the risk of death applicable for the calculation of technical provisions under Solvency II in individual or collective life-risk insurance with payment of benefit in the form of capital.

The value of the technical provisions at 2020 year end, including the amounts of the best estimate and the risk margin separately for each significant line of business is as follows:

Figures in thousands of euros Line of business	Technical Provisions (SII)		BEL (SII)		Risk margin	
	2019	2020	2019	2020	2019	2020
Insurance with profit participation	1,784,353	1,801,239	1,752,148	1,761,801	32,205	39,439
Index-linked and unit-linked insurance	6,998	6,280	6,989	6,237	9	43
Other life risk insurance	-6,377	-5,697	-6,665	-5,949	287	252
Other life savings insurance	397,529	447,213	393,024	439,215	4,505	7,998
General total	2,182,502	2,249,036	2,145,496	2,201,304	37,006	47,731

The Company's technical provisions were calculated as the best estimate at the present value of all future cash flows based on a deterministic approach for the calculation of the financial guarantees, and on the risk margin calculated using method 2 of the risk margin calculation methods, provided in the guidelines on valuating technical provisions.

The percentage of the Company's business that has been modelled for this calculation is more than 99% of the total provisions. With respect to the business not modelled, although it is immaterial (<0.004% of the total provisions), the Company has approximated it and included its best estimate in simplified form, with no significant impact.

The hypotheses taken into account for calculating best estimate of the obligations assumed were determined realistically and on a going concern basis. They are based on the operating experience of Mediterráneo Vida, as well as market data and taking into account that it is a mature business.

2019→2020 (*) BEL EVOLUTION:

2020 BEL:	2,201
BEL 2019:	2,145
Variation:	55.81
	(2.60%)

(*) Figures in millions of euros
BEL (Best Estimate Liabilities)

The greater impact of the variation comes from the natural evolution of the portfolio one year after, plus market movements: i.e., the change in the discount curve.

Technical provisions

The table shows the variation between the Solvency I and Solvency II technical provisions for 2020 and 2019:

Figures in thousands of euros Line of business	Solvency II technical provisions											
	Solvency I technical provisions		BEL		Risk margin		Total SII Technical Provisions		Difference		% Impact	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Insurance with profit participation	1,513,923	1,465,759	1,752,148	1,761,801	32,205	39,439	1,784,353	1,801,239	270,430	335,480	92%	79%

Index-linked and unit-linked insurance	7,041	6,045	6,989	6,237	9	43	6,998	6,280	-43	235	0%	0%
Other life risk insurance	10,471	8,987	-6,665	-5,949	287	252	-6,377	-5,697	-16,848	-14,684	-6%	-3%
Other life savings insurance	355,882	345,854	393,024	439,215	4,505	7,998	397,529	447,213	41,647	101,359	14%	24%
General total	1,887,316	1,826,646	2,145,496	2,201,304	37,006	47,731	2,182,502	2,249,036	295,186	422,390		

The difference between the value of the technical provisions on the annual financial statements (Solvency I technical provisions) and the Solvency II technical provisions is due to the different methods used to value the Company's liabilities. In general terms:

- Technical provisions under Solvency II include future cash flows projected using the best estimate from the actuarial and financial hypotheses, and probable future payments in terms of profit sharing, *inter alias*, using the risk-free curve rates as the discount rate and assuming a margin of risk.
- The technical provisions on the annual financial statements are calculated taking into account local accounting standards, i.e., using the technical interest rates from the standards, and technical management surcharges, and based on biometric hypotheses defined in the technical bases for the products and on the regulations in force at any given time, and without including sharing in future profits and portfolio decrease rates, *inter alias*.

The main sections with differences in valuation are:

- Interest rate: under Solvency II, the cash flows used for calculating technical provisions are discounted from the risk-free curve (including the adjustment for volatility), whereas under the standards for reserves in financial statements, they are discounted from the product's technical interest rate.
- Contractual options: under Solvency II, the surrender options in contractual documents are calculated as deductions, converted into profits, while under the standards for financial statements, these options are not included in the calculation of technical provisions.
- Expenses: under Solvency II, the best estimate of the Company's future expenses for complying with all of its contractual obligations is used, but when calculating the reserves in financial statements, the surcharges for management expenses included in the products' technical bases are taken into account.
- Risk margin: under Solvency II, an adjustment is included for potential deviations in the underwriting hypotheses used for calculating technical provisions, although this is not taken into account when calculating reserves in financial statements.

Based on the calculation of the "best estimate liabilities", broken down by line of business, and the total increase due to the shift from Solvency I to Solvency II (an increase of EUR 422,390 thousand), the line of business that has the greatest impact is "insurance with profit participation". The remaining impact is from the "other life savings insurance" line of business and practically the entire variation for both lines of business is due to the shift from Solvency I to Solvency II.

Likewise, Mediterráneo Vida uses the adjustment for volatility of the risk-free interest rate term structure, contained in article 77(5) of Directive 2009/138/EC, as the new market interest rate curve.

Of the assumptions used, that which has a significant impact — noteworthy due to its materiality — is the assumption used for the market interest rate curve, in the "insurance with profit participation" line of business and in the "other life savings" line of business.

Of the Company's "Other" lines of business, although they have a scanty material effect on the total observable difference between Solvency I and Solvency II, "Other life risk insurance" stands out due

to its circumstances, where the impact on the total difference is a result of the use of the calculation methodology applied in Solvency II.

In this case, for the products in this line of business, the reality is that the immense majority of insured persons in the risk portfolio have annual renewal premiums during the first days of each year. This leads to a reduction of its provisions under Solvency II in practically all of the premiums for a full year, compared to the Solvency I methodology.

- Principal assumptions:

The hypotheses taken into account for calculating best estimate of the obligations assumed were determined realistically based on the Company's business figures and on a going concern basis (with no new production).

They are based on the operating experience of Mediterráneo Vida S.A., as well as market data and taking into account that it is a mature business.

Derivation of assumption	Actuarial assumptions	Mortality evolution	
		Disability evolution	% over reference table
		Supplementary covers	
		Total surrender rate	% decrease in insured parties per year/policy
		Partial surrender rate	% MP reduction
		Suspension rate	% over premiums
		Extraordinary contributions	average per policy
		Conversion into income	% MP out of total MP
	Financial assumptions	Expenses	euros per policy (investment → %MP)
		Interest rate on loans	Market data
Inflation		Market data	
PP profitability		Estimated curve	
Rates for products without PP		Estimated curve	
Distribution fees		% specified by contract	

The level of uncertainty associated with the calculation of the BEL is due mainly to the degree of robustness of the estimates made regarding the assumptions of the model. To mitigate this uncertainty, the estimates were based on the Company's actual experience, adjusted based on a time horizon and purging atypical data, allowing for the most unbiased estimates possible in view of the expected reality.

Total surrender rate

This encompasses the insured person's option not to renew the policy and the insured person's option to totally terminate the contract (surrenders or withdrawals as they are called in some countries).

The methodology for the derivation of Mediterráneo Vida's lapses is based on the analysis of the number of policies exposed and the number of lapses, classifying both in accordance with the year of issue for each policy, with five-year statistical information and with the best segmentation possible of the policies.

Partial surrender rate

Defined as the insured person's option to partially surrender the fund or provision established.

The methodology for the derivation of Mediterráneo Vida is based on the amounts surrendered, considering the Company's own experience, with at least five-year statistical information and with the best segmentation possible of the policies.

Suspension rate

The periodic contractual contributions of the savings policies that currently form part of the portfolio that will be suspended in the future.

The methodology for the derivation is based on the analysis of the amounts of reinstatement premiums, annualised, that are currently suspended grouped by policy year and issue year compared to the total current reinstatement premiums, annualised, (including those suspended) grouped by policy year and policy issue year.

The reinstatement premium is the amount that the policyholder would pay to reactivate the policy and, therefore, includes possible increases and revaluations.

The suspension rate is adjusted with the reinstatement rate, conducting the analysis with the greatest possible segmentation of the policies.

Extraordinary contributions

The future recurring non-contractual extraordinary contributions of the savings policies that currently form part of the portfolio.

The methodology for the derivation is based on the analysis of the policies grouped by policy year, adding the extraordinary contributions made in the last five years and the certificates in force in each one of those years.

The extraordinary contributions in previous years are updated with the actual CPI for each year.

The assumption is the sum of the extraordinary contributions in each policy year divided by the number of insured persons in each policy year.

The greatest level of uncertainty will be related to the group's performance based on external factors not taken into account in the model (atypical future events, crises of various types, etc.), as well as the volatility of the financial markets themselves.

Conversion into income

For savings products, based on the company's experience, there is a very low propensity to convert sums into actuarial profit; however, for reasons of being as conservative as possible, this conversion has been introduced into the model.

The growth of the fund is evolving according to the assumptions defined for these products. At maturity, a percentage converts into income and the remainder into capital.

Two types of hypotheses are differentiated:

- Conversion into actuarial life annuities.
- Conversion into financial income.

Simplified calculation of the risk margin:

In accordance with article 58 of Delegated Regulation (EU) 2015/35 of the Commission, insurance and reinsurance undertakings may use simplified methods when they calculate the risk margin, therefore, Mediterráneo Vida has decided to use one of the simplifications proposed by EIOPA, specifically, simplification 2 within the hierarchy of simplifications specified in the guidelines on valuating technical provisions.

Quantification of volatility adjustment:

The quantification of the effect that changing the adjustment for volatility to zero would have on the Company's financial condition at 2020 year end is presented below.

figures in thousands of €

	With volatility adjustment	Change with volatility adjustment at zero
Technical Provisions (SII)	2,249,036	2,266,001
SCR	88,524	91,167
MCR	39,836	40,983
Basic own funds	212,095	199,372
Equity eligible for covering SCR	212,095	199,372
Equity eligible for covering MCR	212,095	199,372
Solvency ratio	240%	219%

With respect to recoverables from reinsurance, i.e., the estimated amount that the Company would obtain for the reinsurance contracts signed for the risks that it assumes in the case of a claim and that are recognised on the economic balance sheet, has been adjusted taking into account the risk of default of the reinsurer. The method used to make the aforementioned adjustment was the simplified method in accordance with the calculation formula contained in Directive 2009/138/EC.

Figures in thousands of euros
Article 57 of Delegated Regulation (EU) 2015/35

/Model	MV Direct Insurance (Gross BEL)	After taking into account the unadjusted net BEL	Adjustment for default	Recoverable from Reinsurance
	(a)	(b)	(c)	(a)-(b)+(c)
Periodic Premium Risk	-5,991	111	0	-6,103
One-time Premium Risk	409	80	0	329
Accident	-367	-150	0	-217
			Total	-5,991

D.3 Other liabilities

The other significant elements of the other liabilities and their valuation of 31 December 2020 are the following:

LIABILITIES	Value	
	Solvency II (thousands of euros)	SII Valuation
Deferred tax liabilities	116,366	They will be recognised when differences arise between the balance sheet valuation for SII purposes and for tax purposes.
Payables for insurance and coinsurance transactions	251	Amortised cost
Payables for reinsurance transactions	598	Amortised cost
Other accounts payable	99,436	Amortised cost

At 31 December 2019, the significant items of the other liabilities and the valuation were:

LIABILITIES	Value	
	Solvency II (thousands of euros)	SII Valuation

Deferred tax liabilities	106,334	They will be recognised when differences arise between the balance sheet valuation for SII purposes and for tax purposes.
Payables for insurance and coinsurance transactions	239	Amortised cost
Payables for reinsurance transactions	725	Amortised cost
Other accounts payable	3,322	Amortised cost

The deferred tax liabilities correspond to the Company's gains on its financial assets that, in the event they are realised, would give rise to tax payables (25%).

The main difference between the other liability items with respect to the financial statements is that under Solvency II the amount of the correction of accounting mismatches is not recognised. The best estimate of the technical provisions under Solvency II includes the valuation of all potential future cash flows that could be incurred by the Company in order to meet the obligations acquired with the insured persons during the entire time horizon over which they extend. The liabilities for accounting mismatches under the Spanish National Chart of Accounts for Insurance Entities (EUR 203,238 thousand at 31 December 2020 and EUR 193,448 thousand at 31 December 2019), are zero under Solvency II.

D.4. Alternative methods for valuation

When the market prices available for an asset are not of a sufficiently high quality, the Company uses alternative valuation techniques (mark-to-model) to calculate its fair value. These valuations are calculated by an independent expert.

The Company closed 2020 using mark-to-model techniques to value its mortgage portfolios described above.

E. Capital management

E.1 Shareholders' Equity

The Company's capital management policy has been approved by the Board of Directors and its main objective is to establish a general framework for maintaining the level of capital within the limits established by the Risk Appetite framework, in addition to complying with the SCR and MCR.

The following are also objectives of this policy:

- To contribute to the existence of an effective system of governance that promotes proper and prudent management of the activity
- To ensure the proper classification and quality of the Company's own funds in accordance with the SCR and MCR.

The main procedures associated with this policy are:

1. Classification of own-fund items.

The Financial Department, which is responsible for classifying own funds, will ensure and document, prior to their classification by tiers, that:

- a) The features determining classification of own funds are complied with based on the following articles of the Delegated Regulation:
 - Level 1: Article 71
 - Tier 2: Article 73
 - Tier 2 (ancillary own funds): Article 75
 - Tier 3: Article 77
- b) The items composing them are not encumbered by the existence of any related agreement or transaction or as a result of a group structure that could affect its efficacy as capital.
- c) The contractual terms and conditions are clear and unequivocal with respect to their classification criteria.

2. Supervision on the issue of own funds

When there is a new issue of any own-fund item, the Financial Department will analyse its features so that this own-fund item can be classified by tiers prior to being submitted to the Board.

3. Distribution of dividends

The Company's dividend distribution policy is to distribute dividends to shareholders with a charge to the profit generated each year. The Board may propose that dividends be distributed at any given time, and prior to this distribution or any additional distribution, it will verify that there is sufficient regulatory capital and the capital under its articles of association in the medium term following the distribution, and that it complies with the limits set in the Company's Risk Appetite.

4. Possibility of discretionary cancellation of tier 1 own funds

At the request of the Board, once the own funds are classified by tiers, those cases will be identified and documented in which distributions of tier 1 own-fund items may be cancelled on a discretionary basis in accordance with Article 71 of the Delegated Regulation.

5. Deferral or cancellation of the distribution of own funds represented by share capital and the corresponding share premium, that have been classified as tier 1 or tier 2.

Before adopting any decision to reduce capital or issue premiums, the distribution will be ensured not to result in a breach of mandatory solvency capital.

6. Matters related to the Transitional Measures.

Given that the regulations allow a volatility adjustment to be made to the risk-free curve in order to obtain the best estimate, the Company avails itself of this long term savings measure. The Company, therefore, improves its Own Funds and, consequently, increases its solvency ratio, thus benefiting from improved coverage of the new requirements.

If the Company decides to avail itself of the transitional measure on risk-free interest rates or the transitional measure on technical provisions:

- A financial position and solvency projection plan will be prepared that will cover the transitional period, demonstrating projections of own funds sufficient to cover both the solvency capital requirement and the minimum capital requirement, including the profit distribution policy. It will also include the expected performance of these Transitional Measures in the ORSA in order to guarantee that they fulfil the objective for which they have been adopted, in particular the absorption of losses.
- If the Company does not meet the regulatory capital requirements without applying the transitional measures, a plan will be prepared for introducing progressive measures to establish the tier of eligible own funds to cover the regulatory capital requirements, or a plan to reduce the risk profile in order to comply with the capital requirements at the end of the transitional period.

7. Medium-Term capital management plan.

An annual capital plan will be prepared, which will be included in the three-year ORSA report based on:

- The budget for the coming three years.
- The business plan for the next three years.
- The expected capital requirements for the coming three years.
- The expected capital movements for the coming three years, such as dividends.

The annual business plan and any business decision for which the corresponding impact on capital are taken into account (capital consumption). If a new product is launched or if there is a change to an already existing product, the Company estimates its marginal contribution to capital consumption as a whole.

QRT S.23.01 specifies information on the Company's own funds reported to the Directorate-General of Insurance and Pension Funds:

Clave de la entidad... C0677
 NOMBRE... MEDITERRANEO VIDA, S.A. DE SEGUROS Y REASEGUROS (S.A.U.)

Modelo S.23.01
 Página 1
 A 31/12/2020

FONDOS PROPIOS

Fondos propios básicos		Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
		C0010	C0020	C0030	C0040	C0050
Capital social ordinario (incluidas las acciones propias)	R0010	102.044.180,70	102.044.180,70		0,00	
Prima de emisión correspondientes al capital social ordinario	R0030	1.717,30	1.717,30		0,00	
Fondo mutual inicial	R0040	0,00	0,00		0,00	
Cuentas mutuales subordinadas	R0050	0,00		0,00	0,00	0,00
Fondos excedentarios	R0070	0,00	0,00			
Acciones preferentes	R0090	0,00		0,00	0,00	0,00
Primas de emisión de acciones y participaciones preferentes	R0110	0,00		0,00	0,00	0,00
Reserva de conciliación	R0130	110.049.080,31	110.049.080,31			
Pasivos subordinados	R0140	0,00		0,00	0,00	0,00
Importe equivalente al valor de los activos por impuestos diferidos netos	R0160	0,00				0,00
Otros elementos aprobados por la autoridad supervisora como fondos propios básicos no especificados anteriormente	R0180	0,00	0,00	0,00	0,00	0,00
Fondos propios de los estados financieros que no deban estar representados por la reserva de conciliación y no cumplan los criterios para ser clasificación como fondos propios de Solvencia II						
Fondos propios de los estados financieros que no deban estar representados por la reserva de conciliación y no cumplan los criterios para ser clasificación como fondos propios de Solvencia II						
	R0220	0,00				
Deducciones no incluidas en la reserva de conciliación						
Deducción por participaciones en entidades financieras y de crédito	R0230	0,00	0,00	0,00	0,00	0,00
Total fondos propios básicos después de deducciones	R0290	212.094.978,31	212.094.978,31	0,00	0,00	0,00

Clave de la entidad... C0677
 NOMBRE... MEDITERRANEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.23.01
 Ejercicio 2020
 Página 2

FONDOS PROPIOS

Fondos propios complementarios		Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
		C0010	C0020	C0030	C0040	C0050
Capital social ordinario no desembolsado ni exigido	R0300	0,00			0,00	
Fondo mutual inicial no desembolsado ni exigido	R0310	0,00			0,00	
Capital social de acciones preferentes no desembolsado ni exigido	R0320	0,00			0,00	0,00
Compromiso jurídico para suscribir y pagar los pasivos subordinados a instancia del tenedor	R0330	0,00			0,00	0,00
Cartas de crédito y garantías establecidas en el artículo 96.2 de la Directiva	R0340	0,00			0,00	
Otras cartas de crédito y garantías guardadas en depósito distintas de las establecidas en el artículo 96.2 de la Directiva	R0350	0,00			0,00	0,00
Derramas futuras exigibles a las mutuas y sociedades mutualistas de navieros establecidas en el párrafo primero punto 3 del art. 96 de la Directiva 2009/138/EC	R0360	0,00			0,00	
Derramas futuras exigibles a las mutuas y sociedades mutualistas de navieros distintas a las establecidas en el párrafo primero punto 3 del art. 96 de la Directiva 2009/138/EC	R0370	0,00			0,00	0,00
Otros fondos propios complementarios	R0390	0,00			0,00	0,00
Total de fondos propios complementarios	R0400	0,00			0,00	0,00

Fondos propios disponibles y admisibles		Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
		C0010	C0020	C0030	C0040	C0050
Total de fondos propios disponibles para cubrir el CSO	R0500	212.094.978,31	212.094.978,31	0,00	0,00	0,00
Total de fondos propios disponibles para cubrir el CMO	R0510	212.094.978,31	212.094.978,31	0,00	0,00	
Total de fondos propios admisibles para cubrir el CSO	R0540	212.094.978,31	212.094.978,31	0,00	0,00	0,00
Total de fondos propios admisibles para cubrir el CMO	R0550	212.094.978,31	212.094.978,31	0,00	0,00	
CSO	R0580	88.524.008,05				
CMO	R0600	39.835.803,62				
Ratio Fondos propios admisibles sobre CSO	R0620	2,40				
Ratio Fondos propios admisibles sobre CMO	R0640	5,32				

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.23.01
 Ejercicio 2020
 Página 3

FONDOS PROPIOS

Reserva de conciliación

Reserva de reconciliación		Total
		C0060
Exceso de los activos respecto a los pasivos	R0700	212.094.978,31
Acciones propias (incluidas como activos en el balance)	R0710	0,00
Dividendos, distribuciones y costes previsibles	R0720	0,00
Otros elementos de los fondos propios básicos	R0730	102.045.898,00
Ajuste de elementos de fondos propios restringidos respecto a FDL y CSAC	R0740	0,00
Total reserva de conciliación	R0760	110.049.080,31

Beneficios esperados incluidos en primas futuras

Beneficios esperados		Total
		C0060
Beneficios esperados incluidos en primas futuras - Actividades de seguros de vida	R0770	53.897.456,91
Beneficios esperados incluidos en primas futuras - Actividades de seguros distintos del seguro de vida	R0780	0,00
Total de beneficios esperados incluidos en primas futuras	R0790	53.897.456,91

As observed in the previous models, the Company's own funds are all classified as Tier 1 unrestricted basic own funds. All limits are complied with and, therefore, the unrestricted and eligible own funds to cover SCR and MCR coincide.

The breakdown of the Company's own funds compared to 2019 is as follows:

Basic own funds (figures in thousands of €)	2019	2020
Ordinary share capital	102,044	102,044
Share premium from ordinary share capital	2	2
Reconciliation reserve	170,230	110,049
Total basic own funds	272,275	212,095

The breakdown of the reconciliation reserve is as follows:

Reconciliation reserve (figures in thousands of €)	2019	2020
Surplus assets versus liabilities	272,275	212,095
Dividends, distributions and foreseeable costs	-	-
Other basic own fund items	102,046	102,046
Total reconciliation reserve	170,230	110,049

Within the excess of assets over liabilities, the attribution of the valuation differences, obtained as a difference in the value between the Solvency II figures and the data from the financial statements are:

Surplus assets versus liabilities - allocation of valuation differences	2019	2020
SII value - Financial statements		
Difference in asset valuation	13,368	48,608
Difference in technical provision valuation	295,186	422,340
Difference in other liabilities valuation	-193,667	-202,168

Total undistributed reserves and profits from financial statements	258,381	281,613
Financial statement reserves adjusted for Solvency II valuation differences	170,230	110,049
Surplus assets versus liabilities attributable to basic own fund items (not including reconciliation reserve)	102,046	102,046
Surplus assets versus liabilities (thousands of €)	272,275	212,095

The Company does not have ancillary own funds.

The basic own funds indicated above are entirely available to cover both the minimum capital requirement and the solvency capital requirement.

Under the Spanish National Chart of Accounts for Insurance Entities [*Plan General Contable de Entidades Aseguradoras*], the Equity recognised in the Company's financial statements has the following breakdown:

	2019	2020
B-1) Own funds	190,245	191,541
I. Capital	102,044	102,044
II. Share premium	2	2
III. Reserves	68,834	60,199
V. Accumulated profit/loss from previous years	8,024	-
VII. Profit/(Loss) for the year	11,341	29,296
B-2) Valuation adjustments	170,181	192,117
TOTAL NET EQUITY (figures in thousands of €)	360,426	383,658

Under Solvency II, the excess of assets over liabilities is:

	2019	2020
Surplus assets versus liabilities (figures in thousands of €)	272,275	212,095

The valuation differences under Solvency I and Solvency II are summarised below:

(figures in thousands of €)	2019	2020
Technical Provisions for Direct Insurance	1,887,316	1,826,696
Liabilities for accounting mismatches	193,448	203,238
Solvency I Liabilities	2,080,764	2,029,933
Best estimate	2,145,496	2,201,304
Risk margin	37,006	47,731
Accounts payable	-310	-62
Solvency II Liabilities	2,182,193	2,248,974
Gross equity adjustment for liability valuations	-101,428	-219,041
Reinsurance Provisions Transferred	2,317	2,163
Reinsurance Benefits Provision	6,535	5,716
Solvency I Assets	8,851	7,878
Reinsurance Recoverables	-6,606	-5,991
Asset valuations	-	4,412
Accounts receivable	-487	-189
Intangible assets	-162	-65

Solvency II Assets	-7,255	-1,833
Gross equity adjustment for asset valuations	-16,106	-9,711
Gross effect on own funds	-117,535	-228,751
Deferred tax assets	-29,474	-58,319
Deferred tax liabilities	90	1,131
Net effect on own funds	-88,151	-171,564

The main valuation difference under the Spanish National Chart of Accounts for Insurance Entities and Solvency II arises from the valuation of technical provisions, both from direct insurance and reinsurance ceded. The technical provisions under Solvency II include the best estimate at the present value of all future cash flows plus a risk margin.

Furthermore, under Solvency II both the amount of deferred acquisition costs and liabilities for accounting mismatches and intangible assets are €0.

Deferred tax assets

The amounts of assets and liabilities from deferred taxes arise from the recognition of a difference between the book value or Solvency II value of each balance sheet item and its tax value. The analysis before and after 2019 took into account the provision of Criterion 2/2019 of the Directorate General for Insurance and Pension Funds.

As noted above, the deferred tax assets recognised in the Company's financial statements correspond to the amount of the losses on its financial assets that, in the event they become effective would reduce the tax payable (25%), having deduced the portion of these losses that would correspond to the customer. These deferred tax assets also include both the anticipated income tax for non-deductible items, and the amount corresponding to the lower tax that would be paid as a result of the accounting differences in the Company's liabilities.

The deferred tax liabilities recognised in the financial statements correspond to the Company's gains on its financial assets that, in the event they become effective, would give rise to tax payable (25%).

The assets and liabilities from deferred taxes under Solvency II include the differences between the balance sheet for the purposes of Solvency II and the balance sheet for tax purposes, which resulted in an increase in book tax deferment assets of EUR 58,319 thousand (EUR 29,474 thousand in 2019) and an increase in book tax deferment liabilities of EUR 1,131 thousand (EUR 90 thousand in 2019).

For the years ended 31 December 2020 and 31 December 2019, the Company had EUR 6.3 million in net deferred liabilities on the economic balance sheet: i.e., its deferred liabilities are greater than its deferred assets. There is thus no need to use deferred tax assets with likely future tax benefits. Since the Company has no net deferred tax assets, it has no equity classified as Level 3.

The origin of each deferred tax amount and its calculation is as follows:

Assets / Liabilities	Description	Tax value	VSII	Difference SII vs Tax	Type	SII Tax
Assets	Deferred acquisition costs / Costes de adquisición diferidos	109	0	109	Tax assets	27
Assets	Intangible assets / Inmovilizado inmaterial - Activos intangibles	65	0	65	Tax assets	16
Assets	Property, plant & equipment held for own use / Inmuebles, terrenos y equipos de uso propio	472	472	0	Tax assets	0
Assets	Government Bonds / Bonos públicos - Deuda pública	1,460,247	1,814,513	-354,565	Tax liabilities	-88,641
				299	Tax assets	75
Assets		579,762	685,304	1,987	Tax assets	497

	Corporate Bonds / Bonos de empresas - Renta fija privada			-4,169	Tax liabilities	-1,042
				-104,603	Tax liabilities	-26,151
				1,244	Tax assets	311
Assets	Investment funds / Organismos de inversión colectiva - Fondos de inversión	-96	42	50	Tax assets	12
				-187	Tax liabilities	-47
Assets	Derivatives / Derivados	-198	1,678	-1,876	Tax liabilities	-469
Assets	Assets held for index-linked and unit-linked funds / Activos poseídos para fondos "index-linked" y "unit-linked" (intereses)	6,046	6,045	0	Tax assets	0
Assets	Reinsurance recoverables - Life insurance, excluding health and "index-linked" and "unit-linked"	7,878	-5,991	13,869	Tax assets	3,467
Assets	Cash and cash equivalents / Efectivo y activos equivalentes al efectivo (interest)	13,705	13,687	19	Tax assets	5
Assets	Any other assets, not elsewhere shown / Otros activos, no consignados en otras partidas	112	0	112	Tax assets	28
Liabilities	Technical provisions - Life insurance (excluding health and "index-linked" and "unit-linked" - Best Estimate / Mejor estimación (ME)	1,820,650	2,195,067	374,417	Tax assets	93,604
Liabilities	Technical provisions - Life insurance (excluding health and "index-linked" and "unit-linked" - Risk margin / Margen de riesgo (MR)	0	47,688	47,688	Tax assets	11,922
Liabilities	Technical provisions - "index-linked" and "unit-linked" - Best Estimate / Mejor estimación (ME)	6,045	6,237	192	Tax assets	48
Liabilities	Technical provisions - "index-linked" and "unit-linked" - Risk margin / Margen de riesgo (MR)	0	43	43	Tax assets	11
Liabilities	Any other liabilities, not elsewhere shown / Otros pasivos, no consignados en otras partidas	62	0	-62	Tax liabilities	-15
					Tax assets	110,023
					Tax liabilities	-116,366

E.2 Solvency Capital Requirement and Minimum Capital Requirement

At 2020 year end the Company's solvency capital requirement and minimum capital requirement are:

Amounts in thousands of €	2020
Global SCR	88,524
MCR	39,836

The Company's solvency capital requirement broken down by risk module is:

CSO-SCR breakdown by risk category (in thousands of €)	2020
Market risk	58.556
Interest Rate risk	10.006
Equity risk	11
Property risk	10
Spread risk	52.781
Concentration risk	3.463
Currency risk	38
Market risk diversification	-7.742

Counterparty risk	5.019
Underwriting risk	81.078
Mortality risk	576
Longevity risk	8.897
Disability risk	27
Lapse risk	74.166
Expense risk	7.467
Catastrophe risk	509
Underwriting risk divesification	-10.563
Global risk divesification	-31.729
BSCR	112.925
Operational risk	9.882
Adjustment for the loss-absorbing capacity of deferred taxes (25% tax)	-29.508
Adjustment for the loss-absorbing capacity of technical provisions	-4.775
Global SCR	88.524

The Company did not use simplified calculations or specific company parameters in the standard formula for the solvency capital requirement for the purposes of calculating the underwriting, market and counterparty risk modules.

As a consequence of the instantaneous loss arising from the SCR, an adjustment for the capacity to absorb losses from deferred taxes of EUR 29.5 million was generated.

Current regulations allow the Company to reduce its Solvency Capital Requirement (SCR) by the loss absorbing capacity of deferred taxes (LACDT). At year-end this loss absorbing capacity of deferred taxes was, as can be seen in the table above, EUR 29.3 million.

In order for the LACDT adjustment to be applied, the recoverability of the deferred tax assets must be demonstrated. For this demonstration, the Company has developed, taking into account the applicable regulations and with advice from a third party, a method in which the instantaneous pre-tax loss is assumed, future taxable profits are projected until maturity of the liabilities (assuming no new business as the Company's portfolios are in Run Off) and taking into account the restrictions reflected in the regulations on the annual use of profits for recovering tax losses.

Based on the results obtained using this method, the applicability of Mediterráneo Vida's loss absorbing capacity of deferred taxes at year-end 2020 was demonstrated.

The data used by the Company to calculate the minimum capital requirement are:

MCR = max (combined MCR; AMCR)

- **Combined MCR** = Combined Minimum Capital Requirement

AMCR = Absolute floor article 129.1d Directive 2009/138/EC and article 253 Regulation = 3,700,000 for life and 2,500,000 for non-life

Combined MCR = min (max (linear MCR; 0.25 x SCR); 0.45 x SCR)

- **Linear MCR** = Linear Minimum Capital Requirement (article 249 to article 251 Regulation)

Linear MCR = (linear MCR for non-life + linear MCR for life) (article 249 Regulation)

Linear MCR for life = $0.037 \times \text{TP life 1} - 0.052 \times \text{TP life 2} + 0.007 \times \text{TP life 3} + 0.021 \times \text{TP life 4} + 0.0007 \times \text{CAR}$ (article 251 Regulation)

- *TP life 1: Technical provisions without a risk margin in relation to guaranteed benefits for life insurance obligations with profit participation, with a floor equal to zero.*
- *TP life 2: Technical provisions without a risk margin in relation to future discretionary benefits for life insurance obligations with profit participation, with a floor equal to zero.*
- *TP life 3: Technical provisions without a risk margin for unit-linked products, with a floor equal to zero.*
- *TP life 4: Technical provisions without a risk margin for all other life insurance and other obligations, with a floor equal to zero.*
- *CAR = Total capital at risk is the sum of the capital at risk of each contract and it is the max(0 value of the Company's obligations in the event of death or disability - best estimate of obligations)*

Amounts in thousands of €	2020
MCR	39,836
Combined MCR	39,836
Linear MCR	73,586
AMCR	3,700
Linear MCR, life	73,586
SCR	88,524
TP (life, 1)	1,749,048
TP (life, 2)	12,753
TP (life, 3)	6,237
TP (life, 4)	439,257
CAR	380,000

The QRT showing the results of the calculations is shown below:

There were significant changes in the solvency capital requirement and the minimum capital requirement in the reference period. The differences with respect to the preceding year are as follows:

Amounts in thousands of €	2,019	2020
Global SCR	73,516	88,524
MCR	33,082	39,836

Clave de la entidad... C0677

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo AS.28.02

Ejercicio 2020

Página 2

CAPITAL MÍNIMO OBLIGATORIO (CMO). Entidades de seguros mixtas						
	Componentes del CMO		Información general			
	Actividades de seguros distintos del seguro de vida	Actividades de seguros de vida	Actividades de seguros distintos del seguro de vida		Actividades de seguros de vida	
	Resultado CMO (L.NL)	Resultado CMO (L.L)	Mejor estimación neta más provisiones calculadas en su conjunto	Capital en riesgo	Mejor estimación neta más provisiones calculadas en su conjunto	Capital en riesgo
	C0070	C0080	C0090	C0100	C0110	C0120
Componente de la fórmula lineal para las obligaciones de seguro y de reaseguro de vida						
R0200	0,00	73.585.685,74				
Obligaciones con participación en beneficios - prestaciones garantizadas	R0210		0,00		1.749.048.002,67	
Obligaciones con participación en beneficios - prestaciones discretionales futuras	R0220		0,00		12.752.826,55	
Obligaciones de "index-linked" y "unit-linked"	R0230		0,00		6.237.064,93	
Otras obligaciones de (rea)seguro de vida y enfermedad	R0240		0,00		439.257.022,09	
Capital en riesgo total por obligaciones de (rea)seguro de vida	R0250			0,00		379.999.577,03

Cálculo global del Capital Mínimo Obligatorio (CMO)		Cálculo global
		C0130
Capital Mínimo Obligatorio lineal	R0300	73.585.685,74
Capital de Solvencia Obligatorio	R0310	88.524.008,05
Límite superior del Capital Mínimo Obligatorio	R0320	39.835.803,62
Límite inferior del Capital Mínimo Obligatorio	R0330	22.131.002,01
Capital Mínimo Obligatorio combinado	R0340	39.835.803,62
Límite mínimo absoluto del Capital Mínimo Obligatorio	R0350	0,00
Capital Mínimo Obligatorio	R0400	39.835.803,62

Cálculo nacional		
Cálculo del Capital Mínimo Obligatorio nacional vida y no vida	Actividades de seguros distintos del seguro de vida	Actividades de seguros de vida
	C0140	C0150
Capital Mínimo Obligatorio lineal nacional	R0500	0,00
Capital de Solvencia Obligatorio nacional, excluida la adición de capital	R0510	0,01
Límite superior del Capital Mínimo Obligatorio nacional	R0520	0,00
Límite inferior del Capital Mínimo Obligatorio nacional	R0530	0,00
Capital Mínimo Obligatorio combinado nacional	R0540	0,00
Mínimo absoluto del Capital Mínimo Obligatorio nacional	R0550	0,00
Capital Mínimo Obligatorio Nacional	R0560	0,00

The main reason for the increase in the capital requirement from 73.5 million in 2019 to 88.5 million at year-end 2020 was the increase in consumption from underwriting risk. This increase was mainly due to the decline in the "RFRVA" rate curve during 2020 and mainly affected the lapse sub-risk. On the other hand, the inclusion of the option to convert into annuities has also resulted in an increase in longevity risk.

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

The Company does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

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

The Company uses the standard formula to calculate the solvency capital requirement to evaluate the economic capital and does not expect to use complete or partial internal models to calculate the aforementioned capital.

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

The Company complies with the minimum capital requirement.

Appendix

Templates for the annual quantitative disclosures for individual undertakings in accordance with article 4 of Implementing Regulation (EU) 2015/2452

Insurance and reinsurance undertakings will publicly disclose as part of their solvency and financial condition report at least the following templates:

Clave de la entidad... C0677

Modelo SE.02.01

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Página 1

Ejercicio 2020

ACTIVO		Valor Solvencia II	Valor contable	Ajustes por reclasificación
		C0010	C0020	EC0021
Fondo de comercio	R0010		0,00	
Comisiones anticipadas y otros costes de adquisición	R0020		109.478,98	
Inmovilizado intangible	R0030	0,00	64.955,72	0,00
Activos por impuesto diferido	R0040	110.023.412,24	51.704.395,36	0,00
Activos y derechos de reembolso por retribuciones a largo plazo al personal	R0050	0,00	0,00	0,00
Inmovilizado material para uso propio	R0060	471.700,86	471.700,86	0,00
Inversiones (distintas de los activos que se posean para contratos "index-linked" y "unit-linked")	R0070	2.550.443.307,55	2.509.945.731,19	0,00
Inmuebles (ajenos a los destinados al uso propio)	R0080	0,00	0,00	0,00
Participaciones	R0090	48.000,00	48.000,00	0,00
Acciones	R0100	0,00	0,00	0,00
Acciones - cotizadas	R0110	0,00	0,00	0,00
Acciones - no cotizadas	R0120	0,00	0,00	0,00
Bonos	R0130	2.499.816.384,15	2.459.580.899,20	0,00
Deuda Pública	R0140	1.814.512.666,63	1.786.948.232,87	0,00
Deuda privada	R0150	685.303.717,52	672.632.666,33	0,00
Activos financieros estructurados	R0160	0,00	0,00	0,00
Titulaciones de activos	R0170	0,00	0,00	0,00
Fondos de inversión	R0180	41.584,81	41.584,81	0,00
Derivados	R0190	16.046.086,55	15.783.995,14	0,00
Depósitos distintos de los activos equivalentes al efectivo	R0200	34.491.252,04	34.491.252,04	0,00
Otras inversiones	R0210	0,00	0,00	0,00
Activos poseídos para contratos "index-linked" y "unit-linked"	R0220	6.045.350,73	6.044.008,54	0,00
Préstamos con y sin garantía hipotecaria	R0230	0,00	0,00	0,00
Anticipos sobre pólizas	R0240	0,00	0,00	0,00
A personas físicas	R0250	0,00	0,00	0,00
Otros	R0260	0,00	0,00	0,00
Importes recuperables del reaseguro	R0270	-5.990.607,29	7.878.170,18	0,00
Seguros distintos del seguro de vida, y de salud similares a los seguros distintos del seguro de vida	R0280	0,00	0,00	
Seguros distintos del seguro de vida, excluidos los de salud	R0290	0,00	0,00	
Seguros de salud similares a los seguros distintos del seguro de vida	R0300	0,00	0,00	
Seguros de vida, y de salud similares a los de vida, excluidos los de salud y los "index-linked" y "unit-linked"	R0310	-5.990.607,29	7.878.170,18	
Seguros de salud similares a los seguros de vida	R0320	0,00	0,00	
Seguros de vida, excluidos los de salud y los "index-linked" y "unit-linked"	R0330	-5.990.607,29	7.878.170,18	
Seguros de vida "index-linked" y "unit-linked"	R0340	0,00	0,00	
Depósitos constituidos por reaseguro aceptado	R0350	0,00	0,00	0,00
Créditos por operaciones de seguro directo y coaseguro	R0360	6.176,33	6.176,33	0,00
Créditos por operaciones de reaseguro	R0370	102.654,60	102.654,60	0,00
Otros créditos	R0380	2.991.714,20	2.991.714,20	0,00
Acciones propias	R0390	0,00	0,00	0,00
Accionistas y mutualistas por desembolsos exigidos	R0400	0,00	0,00	0,00
Efectivo y otros activos líquidos equivalentes	R0410	13.686.750,28	13.705.333,90	0,00
Otros activos, no consignados en otras partidas	R0420	0,00	36.147.917,85	0,00
TOTAL ACTIVO	R0500	2.677.780.459,50	2.629.172.237,71	0,00

Clave de la entidad... C0677

Modelo SE.02.01

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Página 2

Ejercicio 2020

PASIVO		Valor Solvencia II	Valor contable	Ajustes por reclasificación
		C0010	C0020	EC0021
Provisiones técnicas - seguros distintos del seguro de vida	R0510	0,02	0,00	0,00
Provisiones técnicas - seguros distintos del seguro de vida (Excluidos los de enfermedad)	R0520	0,00	0,00	
PT calculadas en su conjunto	R0530	0,00		
Mejor estimación (ME)	R0540	0,00		
Margen de riesgo (MR)	R0550	0,00		
Provisiones técnicas - seguros de salud (similares a los seguros distintos del seguro de vida)	R0560	0,02	0,00	
PT calculadas en su conjunto	R0570	0,00		
Mejor estimación (ME)	R0580	0,01		
Margen de riesgo (MR)	R0590	0,01		
Provisiones técnicas - seguros de vida (excluidos "index-linked" y "unit-linked")	R0600	2.242.755.368,52	1.820.650.343,25	0,00
Provisiones técnicas - seguros de salud (similares a los seguros de vida)	R0610	0,00	0,00	
PT calculadas en su conjunto	R0620	0,00		
Mejor estimación (ME)	R0630	0,00		
Margen de riesgo (MR)	R0640	0,00		
Provisiones técnicas - seguros de vida (excluidos los de salud y los "index-linked" y "unit-linked")	R0650	2.242.755.368,52	1.820.650.343,25	
PT calculadas en su conjunto	R0660	0,00		
Mejor estimación (ME)	R0670	2.195.067.244,03		
Margen de riesgo (MR)	R0680	47.688.124,49		
Provisiones técnicas - "index-linked" y "unit-linked"	R0690	6.280.171,90	6.045.350,73	0,00
PT calculadas en su conjunto	R0700	0,00		
Mejor estimación (ME)	R0710	6.237.064,93		
Margen de riesgo (MR)	R0720	43.106,97		
Otras provisiones técnicas	R0730		0,00	
Pasivo contingente	R0740	0,00	0,00	0,00
Otras provisiones no técnicas	R0750	0,00	0,00	0,00
Provisión para pensiones y obligaciones similares	R0760	0,00	0,00	0,00
Depósitos recibidos por reaseguro cedido	R0770	0,00	0,00	0,00
Pasivos por impuesto diferidos	R0780	116.365.577,80	115.234.396,45	0,00
Derivados	R0790	0,00	0,00	0,00
Deudas con entidades de crédito	R0800	0,00	0,00	0,00
Deudas con entidades de crédito residentes	ER0801	0,00		0,00
Deudas con entidades de crédito residentes en el resto de la zona euro	ER0802	0,00		0,00
Deudas con entidades de crédito residentes en el resto del mundo	ER0803	0,00		0,00
Pasivos financieros distintos de las deudas con entidades de crédito	R0810	0,00	0,00	0,00
Deudas con entidades no de crédito	ER0811	0,00		0,00
Deudas con entidades no de crédito residentes	ER0812	0,00		0,00
Deudas con entidades no de crédito residentes en el resto de la zona euro	ER0813	0,00		0,00
Deudas con entidades de no crédito residentes en el resto del mundo	ER0814	0,00		0,00
Otros pasivos financieros	ER0815	0,00		0,00
Deudas por operaciones de seguro y coaseguro	R0820	250.540,30	250.540,30	0,00
Deudas por operaciones de reaseguro	R0830	598.193,72	598.193,72	0,00
Otras deudas y partidas a pagar	R0840	99.435.628,93	99.435.628,93	0,00
Pasivos subordinados	R0850	0,00	0,00	0,00
Pasivos subordinados no incluidos en los fondos propios básicos	R0860	0,00	0,00	0,00
Pasivos subordinados incluidos en los fondos propios básicos	R0870	0,00	0,00	0,00
Otros pasivos, no consignados en otras partidas	R0880	0,00	203.299.299,41	0,00
TOTAL PASIVO	R0900	2.465.685.481,19	2.245.513.752,79	0,00
EXCESO DE LOS ACTIVOS RESPECTO A LOS PASIVOS	R1000	212.094.978,31	383.658.484,92	0,00

MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS, tax identification number A-03359635, with registered office at Edificio Hispania, calle Ausó y Monzó, 16, 03006, Alicante.

PRIMAS, SINIESTROS Y GASTOS POR LINEA DE NEGOCIO

		Obligaciones de seguro de vida			
		Seguro de enfermedad	Seguro con participación en beneficios	Seguro vinculado a índices y a fondos de inversión	Otro seguro de vida
		C0210	C0220	C0230	C0240
Primas devengadas					
Importe bruto	R1410	0,00	96.052.987,44	0,00	17.297.555,58
Reaseguro cedido (Participación del reaseguro)	R1420	0,00	0,00	0,00	16.573.686,32
Importe neto	R1500	0,00	96.052.987,44	0,00	723.869,26
Primas imputadas					
Importe bruto	R1510	0,00	96.052.987,44	0,00	17.396.318,94
Reaseguro cedido (Participación del reaseguro)	R1520	0,00	0,00	0,00	16.666.614,48
Importe neto	R1600	0,00	96.052.987,44	0,00	729.704,46
Siniestralidad (Siniestros incurridos)					
Importe bruto	R1610	0,00	167.768.813,96	957.024,92	33.012.332,76
Reaseguro cedido (Participación del reaseguro)	R1620	0,00	0,00	0,00	4.322.101,39
Importe neto	R1700	0,00	167.768.813,96	957.024,92	28.690.231,37
Variación de otras provisiones técnicas					
Importe bruto	R1710	0,00	0,00	0,00	0,00
Reaseguro cedido (Participación del reaseguro)	R1720	0,00	0,00	0,00	0,00
Importe neto	R1800	0,00	0,00	0,00	0,00
Gastos técnicos					
Importe bruto	R1900	0,00	6.691.936,34	17.466,80	1.424.918,61
Gastos administrativos					
Importe bruto	R1910	0,00	1.002.042,05	4.021,29	509.965,93
Cuota de los reaseguradores	R1920	0,00	0,00	0,00	403.004,89
Importe neto	R2000	0,00	1.002.042,05	4.021,29	106.961,04
Gastos de gestión de inversiones					
Importe bruto	R2010	0,00	401.571,72	1.793,79	95.610,07
Cuota de los reaseguradores	R2020	0,00	0,00	0,00	0,00
Importe neto	R2100	0,00	401.571,72	1.793,79	95.610,07
Gastos de gestión de siniestros					
Importe bruto	R2110	0,00	209.405,16	3.860,09	143.418,44
Cuota de los reaseguradores	R2120	0,00	0,00	0,00	0,00
Importe neto	R2200	0,00	209.405,16	3.860,09	143.418,44
Gastos de adquisición					
Importe bruto	R2210	0,00	2.973.420,68	529,13	2.651.571,25
Cuota de los reaseguradores	R2220	0,00	0,00	0,00	2.190.572,12
Importe neto	R2300	0,00	2.973.420,68	529,13	460.999,13
Gastos generales					
Importe bruto	R2310	0,00	2.105.496,73	7.262,50	617.929,93
Cuota de los reaseguradores	R2320	0,00	0,00	0,00	0,00
Importe neto	R2400	0,00	2.105.496,73	7.262,50	617.929,93
Otros gastos					
Importe bruto	R2500	0,00	0,00	0,00	0,00
Total gastos					
Importe total de los rescates	R2600	0,00	78.666.507,56	731.636,11	6.865.540,54
Importe total de los rescates					
	R2700	0,00	78.666.507,56	731.636,11	6.865.540,54

Clave de la entidad... C0677

Modelo S.05.01

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Página 8

Ejercicio 2020

PRIMAS, SINIESTROS Y GASTOS POR LINEA DE NEGOCIO

		Obligaciones de seguro y reaseguro de vida
		TOTAL
		C0300
Primas devengadas		
Importe bruto	R1410	113.350.543,02
Reaseguro cedido (Participación del reaseguro)	R1420	16.573.686,32
Importe neto	R1500	96.776.856,70
Primas imputadas		
Importe bruto	R1510	113.449.306,38
Reaseguro cedido (Participación del reaseguro)	R1520	16.666.614,48
Importe neto	R1600	96.782.691,90
Siniestralidad (Siniestros incurridos)		
Importe bruto	R1610	201.738.171,64
Reaseguro cedido (Participación del reaseguro)	R1620	4.322.101,39
Importe neto	R1700	197.416.070,25
Variación de otras provisiones técnicas		
Importe bruto	R1710	0,00
Reaseguro cedido (Participación del reaseguro)	R1720	0,00
Importe neto	R1800	0,00
Gastos técnicos		
Gastos administrativos		
Importe bruto	R1910	1.516.029,27
Cuota de los reaseguradores	R1920	403.004,89
Importe neto	R2000	1.113.024,38
Gastos de gestión de inversiones		
Importe bruto	R2010	498.975,58
Cuota de los reaseguradores	R2020	0,00
Importe neto	R2100	498.975,58
Gastos de gestión de siniestros		
Importe bruto	R2110	356.683,69
Cuota de los reaseguradores	R2120	0,00
Importe neto	R2200	356.683,69
Gastos de adquisición		
Importe bruto	R2210	5.625.521,06
Cuota de los reaseguradores	R2220	2.190.572,12
Importe neto	R2300	3.434.948,94
Gastos generales		
Importe bruto	R2310	2.730.689,16
Cuota de los reaseguradores	R2320	0,00
Importe neto	R2400	2.730.689,16
Otros gastos	R2500	0,00
Total gastos	R2600	8.134.321,75
Importe total de los rescates	R2700	86.263.684,21

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo AS.12.01
 Ejercicio 2020
 Página 1

PROVISIONES TÉCNICAS DE SEGUROS DE VIDA Y ENFERMEDAD CON TÉCNICAS SIMILARES A VIDA

		Seguros con participación en beneficios		Seguros vinculados a índices y a fondos de inversión ("unit-linked e index-linked")	
		C0020	C0030	Contratos sin opciones y garantías C0040	Contratos con opciones y garantías C0050
Provisiones técnicas calculadas en su conjunto	R0010	0,00	0,00		
Total importes recuperables del reaseguro, SPV y reaseguro limitado, después del ajuste por pérdidas esperadas por incumplimiento de la contraparte, correspondiente a las PPTT en su conjunto	R0020	0,00	0,00		
Provisiones técnicas calculadas como la suma de la mejor estimación y el margen de riesgo					
Mejor estimación					
Mejor estimación bruta	R0030	1.761.800.829,22		0,00	6.237.064,93
Total importes recuperables del reaseguro, SPV y reaseguro limitado, antes del ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0040	0,00		0,00	0,00
Importes recuperables de contratos de reaseguro (excepto SPV y reaseguro limitado antes del ajuste por pérdidas esperadas)	R0050	0,00		0,00	0,00
Importes recuperables de SPV antes del ajuste por pérdidas esperadas	R0060	0,00		0,00	0,00
Importes recuperables de contratos de reaseguro limitado antes del ajuste por pérdidas esperadas	R0070	0,00		0,00	0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, tras el ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0080	0,00		0,00	0,00
Mejor estimación menos importes recuperables de reaseguro,SPV y reaseguro limitado	R0090	1.761.800.829,22		0,00	6.237.064,93
Margen de riesgo	R0100	39.438.568,62	43.106,97		
Importe de la medida transitoria sobre provisiones técnicas					
Provisiones técnicas calculadas en su conjunto	R0110	0,00	0,00		
Mejor estimación	R0120	0,00		0,00	0,00
Margen de riesgo	R0130	0,00	0,00		
Total Provisiones técnicas	R0200	1.801.239.397,84	6.280.171,90		
Total Provisiones técnicas menos importes recuperables de reaseguro SPV y reaseguro limitado	R0210	1.801.239.397,84	6.280.171,90		
Mejor estimación de los productos con opción de rescate	R0220	1.761.380.529,71	6.237.064,93		
Mejor estimación neta de los flujos de caja					
Salidas de caja					
Prestaciones garantizadas y discrecionales futuras	R0230		6.118.209,43		
Prestaciones garantizadas futuras	R0240	2.836.779.067,09			
Prestaciones discrecionales futuras	R0250	12.752.826,55			
Gastos y otras salidas de caja futuros	R0260	52.617.682,33	118.855,50		
Entradas de caja					
Primas futuras	R0270	1.140.348.746,75	0,00		
Otras entradas de caja	R0280	0,00	0,00		
Porcentaje de la mejor estimación bruta calculado utilizando aproximaciones	R0290	0,00	0,00		
Valor de rescate	R0300	1.426.461.916,41	5.987.954,48		
Mejor estimación sujeta a la medida transitoria sobre el tipo de interés	R0310	0,00	0,00		
Provisiones técnicas sin medida transitoria sobre el tipo de interés	R0320	0,00	0,00		
Mejor estimación sujeta a ajuste por volatilidad	R0330	1.761.800.829,22	6.237.064,93		
Provisiones técnicas sin ajuste por volatilidad ni otras medidas transitorias	R0340	1.775.593.780,75	6.263.322,68		
Mejor estimación sujeta a ajuste por casamiento	R0350	0,00	0,00		
Provisiones técnicas sin ajuste por casamiento ni todas las demás medidas transitorias	R0360	0,00	0,00		

Clave de la entidad... C0677

Modelo AS.12.01

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Ejercicio 2020

Página 2

PROVISIONES TÉCNICAS DE SEGUROS DE VIDA Y ENFERMEDAD CON TÉCNICAS SIMILARES A VIDA

[(*)Rentas derivadas de contratos de seguro de no vida y correspondientes a obligaciones de seguro distintas de las obligaciones de seguro de enfermedad]		Otro seguro de vida		Rentas... (*)	
		Contratos sin opciones y garantías	Contratos con opciones y garantías		
		C0060	C0070	C0080	C0090
Provisiones técnicas calculadas en su conjunto	R0010	0,00			0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, después del ajuste por pérdidas esperadas por incumplimiento de la contraparte, correspondiente a las PPTT en su conjunto	R0020	0,00			0,00
Provisiones técnicas calculadas como la suma de la mejor estimación y el margen de riesgo					
Mejor estimación					
Mejor estimación bruta	R0030		0,00	433.266.414,80	0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, antes del ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0040		0,00	-5.990.424,21	0,00
Importes recuperables de contratos de reaseguro (excepto SPV y reaseguro limitado antes del ajuste por pérdidas esperadas)	R0050		0,00	-5.990.424,21	0,00
Importes recuperables de SPV antes del ajuste por pérdidas esperadas	R0060		0,00	0,00	0,00
Importes recuperables de contratos de reaseguro limitado antes del ajuste por pérdidas esperadas	R0070		0,00	0,00	0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, tras el ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0080		0,00	-5.990.607,29	0,00
Mejor estimación menos importes recuperables de reaseguro,SPV y reaseguro limitado	R0090		0,00	439.257.022,09	0,00
Margen de riesgo	R0100	8.249.555,87			0,00
Importe de la medida transitoria sobre provisiones técnicas					
Provisiones técnicas calculadas en su conjunto	R0110	0,00			0,00
Mejor estimación	R0120		0,00	0,00	0,00
Margen de riesgo	R0130	0,00			0,00
Total Provisiones técnicas	R0200	441.515.970,67			0,00
Total Provisiones técnicas menos importes recuperables de reaseguro SPV y reaseguro limitado	R0210	447.506.577,96			0,00
Mejor estimación de los productos con opción de rescate	R0220	406.378.052,98			0,00
Mejor estimación neta de los flujos de caja					
Salidas de caja					
Prestaciones garantizadas y discrecionales futuras	R0230	437.562.767,04			0,00
Prestaciones garantizadas futuras	R0240				
Prestaciones discrecionales futuras	R0250				
Gastos y otras salidas de caja futuros	R0260	8.986.765,04			0,00
Entradas de caja					
Primas futuras	R0270	13.283.117,27			0,00
Otras entradas de caja	R0280	0,00			0,00
Porcentaje de la mejor estimación bruta calculado utilizando aproximaciones	R0290	0,00			0,00
Valor de rescate	R0300	280.173.311,84			0,00
Mejor estimación sujeta a la medida transitoria sobre el tipo de interés					
Provisiones técnicas sin medida transitoria sobre el tipo de interés	R0310	0,00			0,00
	R0320	0,00			0,00
Mejor estimación sujeta a ajuste por volatilidad	R0330	433.266.414,80			0,00
Provisiones técnicas sin ajuste por volatilidad ni otras medidas transitorias	R0340	436.412.844,19			0,00
Mejor estimación sujeta a ajuste por casamiento	R0350	0,00			0,00
Provisiones técnicas sin ajuste por casamiento ni todas las demás medidas transitorias	R0360	0,00			0,00

Clave de la entidad... C0677

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo AS.12.01

Ejercicio 2020

Página 4

PROVISIONES TÉCNICAS DE SEGUROS DE VIDA Y ENFERMEDAD CON TÉCNICAS SIMILARES A VIDA

		Reaseguro aceptado	Total (seguros de vida distintos de enfermedad, incl. los vinculados a fondos de inversión)
[(*)Rentas derivadas de contratos de seguro de no vida aceptado y correspondientes a obligaciones de seguro distintas de las obligaciones de seguro de enfermedad]		Rentas... (*)	
		C0140	C0150
Provisiones técnicas calculadas en su conjunto	R0010	0,00	0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, después del ajuste por pérdidas esperadas por incumplimiento de la contraparte, correspondiente a las PPTT en su conjunto	R0020	0,00	0,00
Provisiones técnicas calculadas como la suma de la mejor estimación y el margen de riesgo			
Mejor estimación			
Mejor estimación bruta	R0030		2.201.304.308,95
Total importes recuperables del reaseguro, SPV y reaseguro limitado, antes del ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0040		-5.990.424,21
Importes recuperables de contratos de reaseguro (excepto SPV y reaseguro limitado antes del ajuste por pérdidas esperadas)	R0050		-5.990.424,21
Importes recuperables de SPV antes del ajuste por pérdidas esperadas	R0060		0,00
Importes recuperables de contratos de reaseguro limitado antes del ajuste por pérdidas esperadas	R0070		0,00
Total importes recuperables del reaseguro, SPV y reaseguro limitado, tras el ajuste por pérdidas esperadas por incumplimiento de la contraparte	R0080	0,00	-5.990.607,29
Mejor estimación menos importes recuperables de reaseguro,SPV y reaseguro limitado	R0090		2.207.294.916,24
Margen de riesgo	R0100	0,00	47.731.231,46
Importe de la medida transitoria sobre provisiones técnicas			
Provisiones técnicas calculadas en su conjunto	R0110		0,00
Mejor estimación	R0120		0,00
Margen de riesgo	R0130		0,00
Total Provisiones técnicas	R0200		2.249.035.540,41
Total Provisiones técnicas menos importes recuperables de reaseguro SPV y reaseguro limitado	R0210	0,00	2.255.026.147,70
Mejor estimación de los productos con opción de rescate	R0220		
Mejor estimación neta de los flujos de caja			
Salidas de caja			
Prestaciones garantizadas y discrecionales futuras	R0230		3.293.212.870,11
Prestaciones garantizadas futuras	R0240		2.836.779.067,09
Prestaciones discrecionales futuras	R0250		12.752.826,55
Gastos y otras salidas de caja futuros	R0260		
Entradas de caja			
Primas futuras	R0270		
Otras entradas de caja	R0280		
Porcentaje de la mejor estimación bruta calculado utilizando aproximaciones	R0290		
Valor de rescate	R0300		1.712.623.182,73
Mejor estimación sujeta a la medida transitoria sobre el tipo de interés	R0310		0,00
Provisiones técnicas sin medida transitoria sobre el tipo de interés	R0320		0,00
Mejor estimación sujeta a ajuste por volatilidad	R0330		2.201.304.308,95
Provisiones técnicas sin ajuste por volatilidad ni otras medidas transitorias	R0340		2.218.269.947,62
Mejor estimación sujeta a ajuste por casamiento	R0350		0,00
Provisiones técnicas sin ajuste por casamiento ni todas las demás medidas transitorias	R0360		0,00

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.22.01
 Ejercicio 2020

IMPACTO DE LAS MEDIDAS DE GARANTÍAS A LARGO PLAZO Y LAS MEDIDAS TRANSITORIAS

		Importe con medidas de garantías a largo plazo y medidas transitorias	Impacto de las medidas de garantías a largo plazo y las medidas transitorias (enfoque gradual)								
			Sin medida transitoria sobre las provisiones técnicas	Impacto de la medida transitoria sobre las provisiones técnicas	Sin medida transitoria sobre el tipo de interés	Impacto de la medida transitoria sobre el tipo de interés	Sin ajuste por volatilidad y sin otras medidas transitorias	Impacto del ajuste por volatilidad fijado en cero	Sin ajuste por casamiento ni todas las demás medidas transitorias	Impacto del ajuste por casamiento fijado en cero	Impacto de todas las medidas de garantías a largo plazo y las medidas transitorias
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Provisiones técnicas	R0010	2.249.035.540,44	2.249.035.540,44	0,00	2.249.035.540,44	0,00	2.266.001.179,11	16.965.638,67	2.266.001.179,11	0,00	16.965.638,67
Fondos propios básicos	R0020	212.094.978,31	212.094.978,31	0,00	212.094.978,31	0,00	199.372.264,78	-12.722.713,53	199.372.264,78	0,00	-12.722.713,53
Excedente de los activos respecto a los pasivos	R0030	212.094.978,31	212.094.978,31	0,00	212.094.978,31	0,00	199.372.264,78	-12.722.713,53	199.372.264,78	0,00	-12.722.713,53
Fondos propios restringidos debido a fondos de disponibilidad limitada y carteras sujetas a ajuste por casamiento	R0040	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Fondos propios admisibles para cubrir el capital de solvencia obligatorio	R0050	212.094.978,31	212.094.978,31	0,00	212.094.978,31	0,00	199.372.264,78	-12.722.713,53	199.372.264,78	0,00	-12.722.713,53
Nivel 1	R0060	212.094.978,31	212.094.978,31	0,00	212.094.978,31	0,00	199.372.264,78	-12.722.713,53	199.372.264,78	0,00	-12.722.713,53
Nivel 2	R0070	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Nivel 3	R0080	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital de solvencia obligatorio	R0090	88.524.008,05	88.524.008,05	0,00	88.524.008,05	0,00	91.166.936,92	2.642.928,87	91.166.936,92	0,00	2.642.928,87
Fondos propios admisibles para cubrir el capital mínimo obligatorio	R0100	212.094.978,31	212.094.978,31	0,00	212.094.978,31	0,00	199.372.264,78	-12.722.713,53	199.372.264,78	0,00	-12.722.713,53
Capital mínimo obligatorio	R0110	39.835.803,62	39.835.803,62	0,00	39.835.803,62	0,00	41.025.121,61	1.189.317,99	41.025.121,61	0,00	1.189.317,99

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.23.01
 Ejercicio 2020
 Página 1

FONDOS PROPIOS

Fondos propios básicos	Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
	C0010	C0020	C0030	C0040	C0050
Capital social de acciones ordinarias (incluidas las acciones propias)	R0010	102.044.180,70	102.044.180,70	0,00	0,00
Prima de emisión de las acciones ordinarias	R0030	1.717,30	1.717,30	0,00	0,00
Fondo mutual inicial	R0040	0,00	0,00	0,00	0,00
Cuentas mutuales subordinadas	R0050	0,00	0,00	0,00	0,00
Fondos excedentarios	R0070	0,00	0,00	0,00	0,00
Acciones preferentes	R0090	0,00	0,00	0,00	0,00
Primas de emisión de acciones y participaciones preferentes	R0110	0,00	0,00	0,00	0,00
Reserva de conciliación	R0130	110.049.080,31	110.049.080,31	0,00	0,00
Pasivos subordinados	R0140	0,00	0,00	0,00	0,00
Importe equivalente al valor de los activos por impuestos diferidos netos	R0160	0,00	0,00	0,00	0,00
Otros elementos aprobados por la autoridad supervisora como fondos propios básicos no especificados anteriormente	R0180	0,00	0,00	0,00	0,00
Fondos propios de los estados financieros que no deben representarse mediante la reserva de reconciliación y no satisfacen los criterios para su clasificación como fondos propios de Solvencia II					
Fondos propios de los estados financieros que no deben representarse mediante la reserva de reconciliación y no satisfacen los criterios para su clasificación como fondos propios de Solvencia II	R0220	0,00	0,00	0,00	0,00
Deducciones no incluidas en la reserva de reconciliación					
Deducción por participaciones en entidades financieras y de crédito	R0230	0,00	0,00	0,00	0,00
Total fondos propios básicos después de ajustes	R0290	212.094.978,31	212.094.978,31	0,00	0,00

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.23.01
 Ejercicio 2020
 Página 2

FONDOS PROPIOS

Fondos propios complementarios		Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
		C0010	C0020	C0030	C0040	C0050
Capital social ordinario no desembolsado ni exigido	R0300	0,00			0,00	
Fondo mutual inicial no desembolsado ni exigido	R0310	0,00			0,00	
Capital social de acciones preferentes no desembolsado ni exigido	R0320	0,00			0,00	0,00
Compromiso jurídico para suscribir y pagar los pasivos subordinados a instancia del tenedor	R0330	0,00			0,00	0,00
Cartas de crédito y garantías establecidas en el artículo 96.2 de la Directiva	R0340	0,00			0,00	
Otras cartas de crédito y garantías guardadas en depósito distintas de las establecidas en el artículo 96.2 de la Directiva	R0350	0,00			0,00	0,00
Derramas futuras exigibles a las mutuas y sociedades mutualistas de navieros establecidas en el párrafo primero punto 3 del art. 96 de la Directiva 2009/138/EC	R0360	0,00			0,00	
Derramas futuras exigibles a las mutuas y sociedades mutualistas de navieros distintas a las establecidas en el párrafo primero punto 3 del art. 96 de la Directiva 2009/138/EC	R0370	0,00			0,00	0,00
Otros fondos propios complementarios	R0390	0,00			0,00	0,00
Total de fondos propios complementarios	R0400	0,00			0,00	0,00

Fondos propios disponibles y admisibles		Total	Nivel 1 No restringido	Nivel 1 Restringido	Nivel 2	Nivel 3
		C0010	C0020	C0030	C0040	C0050
Total de fondos propios disponibles para cubrir el CSO	R0500	212.094.978,31	212.094.978,31	0,00	0,00	0,00
Total de fondos propios disponibles para cubrir el CMO	R0510	212.094.978,31	212.094.978,31	0,00	0,00	
Total de fondos propios admisibles para cubrir el CSO	R0540	212.094.978,31	212.094.978,31	0,00	0,00	0,00
Total de fondos propios admisibles para cubrir el CMO	R0550	212.094.978,31	212.094.978,31	0,00	0,00	
CSO	R0580	88.524.008,05				
CMO	R0600	39.835.803,62				
Ratio Fondos propios admisibles sobre CSO	R0620	3,40				
Ratio Fondos propios admisibles sobre CMO	R0640	5,32				

Clave de la entidad... C0677
 NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.23.01
 Ejercicio 2020
 Página 3

FONDOS PROPIOS

Reserva de conciliación

Reserva de reconciliación		Total
		C0060
Exceso de los activos respecto a los pasivos	R0700	212.094.978,31
Acciones propias (incluidas como activos en el balance)	R0710	0,00
Dividendos, distribuciones y costes previsibles	R0720	0,00
Otros elementos de los fondos propios básicos	R0730	102.045.898,00
Ajuste de elementos de fondos propios restringidos respecto a FDL y CSAC	R0740	0,00
Total reserva de conciliación	R0760	110.049.080,31

Beneficios esperados incluidos en primas futuras

Beneficios esperados		Total
		C0060
Beneficios esperados incluidos en primas futuras - Actividades de seguros de vida	R0770	53.897.456,91
Beneficios esperados incluidos en primas futuras - Actividades de seguros distintos del seguro de vida	R0780	0,00
Total de beneficios esperados incluidos en primas futuras	R0790	53.897.456,91

Clave de la entidad... C0677

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.25.01

Ejercicio 2020

CAPITAL DE SOLVENCIA OBLIGATORIO

Para empresas que emplean la fórmula estándar

		Capital de solvencia obligatorio neto	Capital de solvencia obligatorio bruto	Asignación del ajuste por FDL y CSAC
		C0030	C0040	C0050
Riesgo de mercado	R0010	54.926.967,25	58.556.162,74	0,00
Riesgo de incumplimiento de contraparte	R0020	5.019.306,00	5.019.306,00	0,00
Riesgo de suscripción de seguro de vida	R0030	81.078.402,81	81.078.402,81	0,00
Riesgo de suscripción de seguros de salud	R0040	0,00	0,00	0,00
Riesgo de suscripción de seguros distintos del seguro de vida	R0050	0,00	0,00	0,00
Diversificación	R0060	-32.874.834,63	-31.729.209,00	
Riesgo del inmovilizado intangible	R0070	0,00	0,00	
Capital de solvencia obligatorio básico	R0100	108.149.841,43	112.924.662,55	

Cálculo del Capital de Solvencia Obligatorio

Importe

		Importe
		C0100
Ajuste por la agregación del CSO nacional para FDL/CSAC	R0120	0,00
Riesgo operacional	R0130	9.882.169,30
Capacidad de absorción de pérdidas de las PPTT	R0140	-4.774.821,12
Capacidad de absorción de pérdidas de los impuestos diferidos	R0150	-29.508.002,68
Requerimiento de capital para actividades desarrolladas de acuerdo con el Artículo 4 de la Directiva 2003/41/EC	R0160	0,00
Capital de Solvencia Obligatorio excluida la adición de capital	R0200	88.524.008,05
Adición de capital	R0210	0,00
Capital de Solvencia Obligatorio	R0220	88.524.008,05

Otra información sobre el CSO:

Importe

		Importe
		C0100
Requisito de capital para el riesgo del submódulo de renta variable por duraciones	R0400	0,00
Importe total CSO nacional para la parte restante	R0410	0,00
Importe total CSO nacional para los FDL	R0420	0,00
Importe total CSO nacional para las CSAC	R0430	0,00
Diversificación por la agregación de FDL y CSAC bajo el artículo 304	R0440	0,00
Método utilizado para calcular el ajuste por la agregación del CSO nacional para FDL y CSAC	R0450	x38
Beneficios discrecionales futuros netos	R0460	12.752.826,55

Clave de la entidad... C0677

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo S.25.01

Ejercicio 2020

CAPITAL DE SOLVENCIA OBLIGATORIO

Para empresas que emplean la fórmula estándar. Capacidad de absorción de pérdidas de los impuestos diferidos.

Enfoque respecto al tipo impositivo

Sí/No

		Sí/No
		C0109
Enfoque basado en el tipo impositivo medio	R0590	x55

Cálculo del ajuste por la capacidad de absorción de pérdidas de los impuestos diferidos

Antes del shock

Después del shock

Capacidad de absorción de pérdidas de los impuestos diferidos

		Antes del shock	Después del shock	Capacidad de absorción de pérdidas de los impuestos diferidos
		C0110	C0120	C0130
Activos por impuestos diferidos	R0600	110023412,2	0	
Activos por impuestos diferidos, traspaso	R0610	509135,64	0	
Activos por impuestos diferidos debido a diferencias temporales deducibles	R0620	109514276,6	0	
Pasivos por impuestos diferidos	R0630	116365577,8	0	
Capacidad de absorción de pérdidas de los impuestos diferidos	R0640			29508002,68
Capacidad de absorción de pérdidas de los impuestos diferidos justificada por reversión de pasivos por impuestos diferidos	R0650			6342165,56
Capacidad de absorción de pérdidas de los impuestos diferidos justificada por referencia a beneficios imponibles futuros probables	R0660			23165837,12
Capacidad de absorción de pérdidas de los impuestos diferidos justificada por traslado, año en curso	R0670			0
Capacidad de absorción de pérdidas de los impuestos diferidos justificada por traslado, años futuros	R0680			0
Máxima capacidad de absorción de pérdidas de los impuestos diferidos	R0690			29508002,68

Clave de la entidad... C0677

NOMBRE... MEDITERRÁNEO VIDA, S.A. DE SEGUROS Y REASEGUROS (SOCIEDAD UNIPERSONAL)

Modelo AS.28.02

Ejercicio 2020

Página 2

CAPITAL MÍNIMO OBLIGATORIO (CMO). Entidades de seguros mixtas

	Componentes del CMO		Información general			
	Actividades de seguros distintos del seguro de vida	Actividades de seguros de vida	Actividades de seguros distintos del seguro de vida		Actividades de seguros de vida	
	Resultado CMO (LNU)	Resultado CMO (L)	Mejor estimación neta más provisiones calculadas en su conjunto	Capital en riesgo	Mejor estimación neta más provisiones calculadas en su conjunto	Capital en riesgo
	C0070	C0080	C0090	C0100	C0110	C0120
Componente de la fórmula lineal para las obligaciones de seguro y de reaseguro de vida						
Obligaciones con participación en beneficios - prestaciones garantizadas	R0200	0,00	73.585.685,74			
Obligaciones con participación en beneficios - prestaciones discretionales futuras	R0210			0,00	1.749.048.002,67	
Obligaciones de "index-linked" y "unit-linked"	R0220			0,00	12.752.826,55	
Otras obligaciones de (rea)seguro de vida y enfermedad	R0230			0,00	6.237.064,93	
Capital en riesgo total por obligaciones de (rea)seguro de vida	R0240			0,00	439.257.022,09	
	R0250					379.999.577,03

Cálculo global del Capital Mínimo Obligatorio (CMO)		Cálculo global
		C0130
Capital Mínimo Obligatorio lineal	R0300	73.585.685,74
Capital de Solvencia Obligatorio	R0310	88.524.008,05
Límite superior del Capital Mínimo Obligatorio	R0320	39.835.803,62
Límite inferior del Capital Mínimo Obligatorio	R0330	22.131.002,01
Capital Mínimo Obligatorio combinado	R0340	39.835.803,62
Límite mínimo absoluto del Capital Mínimo Obligatorio	R0350	0,00
Capital Mínimo Obligatorio	R0400	39.835.803,62

Cálculo nacional			
Cálculo del Capital Mínimo Obligatorio nacional vida y no vida		Actividades de seguros distintos del seguro de vida	Actividades de seguros de vida
		C0140	C0150
Capital Mínimo Obligatorio lineal nacional	R0500	0,00	73.585.685,74
Capital de Solvencia Obligatorio nacional, excluida la adición de capital	R0510	0,01	88.524.008,05
Límite superior del Capital Mínimo Obligatorio nacional	R0520	0,00	39.835.803,62
Límite inferior del Capital Mínimo Obligatorio nacional	R0530	0,00	22.131.002,01
Capital Mínimo Obligatorio combinado nacional	R0540	0,00	39.835.803,62
Mínimo absoluto del Capital Mínimo Obligatorio nacional	R0550	0,00	0,00
Capital Mínimo Obligatorio Nacional	R0560	0,00	39.835.803,62

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