**V.1.4.** Consistency of IFSRs with Article 75

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IAS 1****Presentation of financial statements** | IAS 1 sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. |  | **no** | IAS 1 does not prescribe valuation methodologies for balance sheet items. |
| **IAS2****Inventories** | IAS 2 prescribes the accounting treatment for inventories .Following IAS 2, inventories shall be measured at the lower of cost and net realizable value (IAS 2.9).Net realizable value refers to the net amount that an entity expects to realize from the sale of inventory in the ordinary course of business while fair value reflects the amount for which the same inventory could be exchanged between knowledgeable and willing buyers and sellers in the marketplace. As the net realizable value is an entity-specific value, may not equal fair value less costs to sell (IAS 2.7). | Net realizable value is a consistent option.Adjustment may be needed where estimated cost are material. | **yes** | Undertakings shall apply the IAS 2 net realizable value for inventories if the estimated cost of completion and the estimated costs necessary to make the sale are not material. |
|  | **Solvency** II **framework:** In many cases the estimated cost of completion and the estimated costs necessary to make the sale are not material. That means the net realizable value is consistent with Article 75 of Directive 2009/138/EC if the estimated costsof completion and the estimated costs necessary to make the |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |

I sales are not material.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IAS7****Statement of cash flows** | IAS 7 requires disclosures about historical changes in cash and cash equivalents of an entity by means of a statement of cash flows . |  | **no** | IAS 7 does not prescribe valuation methodologies for balance sheet items. |
| **IAS8****Accounting policies, changes in accounting estimates and errors** | IAS 8 specifies criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies , changes in accounting estimates and corrections of errors. |  | **no** | IAS 8 does not prescribe valuation methodologies for balance sheet items. |
| **IAS 10 Events after the Reporting Period** | IAS 10 prescribes when an entity should adjust its financial statements for events after the reporting period and the complementing disclosure requirements. |  | **no** | IAS 10 does not prescribe valuation methodologies for balance sheet items. |
| **IAS 11****Construction Contracts** | IAS 11 describes the accounting treatment of revenue and costs associated with construction contracts in the financial statements of contractors. |  | **no** | Business not relevant for insurers. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IAS 12** | IAS 12 prescribes the accounting treatment for income taxes. | Consistent | **yes** |  |
| **Income taxes** | Current tax liabilities or assets for the current and prior periods | measurementprinciples for current |  |
|  | shall be measured at the amount expected to be paid to orrecovered from the taxation authorities, using the tax rates that | taxes. |  |
|  | have been enacted or substantively enacted by the end of thereporting period (IAS 12.46). | Consistentmeasurement |  |
|  |  | principles for deferred |  |
|  | Deferred tax liabilities and assets shall be measured at the taxrates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that havebeen enacted or substantively enacted by the end of the reporting | taxes calculated based on the temporary difference betweenSolvency II values and |  |
|  | period (IAS 12.47). | the tax values . |  |
|  | Deferred tax liabilities (assets) correspond to the amounts of |  |  |
|  | income taxes payable (recoverable) in future periods in respect oftaxable temporary differences (deductible temporary differences, |  |  |
|  | carry forward of unused tax losses and unused tax credit) (IAS 12.5). |  |  |
|  | **Solvency II framework:** For deferred tax liabilities (assets) Solvency II establishes a different concept of temporary |  |  |
|  | differences, being the deferred taxes for Solvency II purposes,other than deferred tax assets arising from the carryforward of |  |  |
|  | unused tax credits and the carryforward of unused tax losses,calculated on the basis of the difference between the values |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | ascribed to assets and liabilities recognized and valued in accordance with Article 75 to 86 of Directive 2009/138/EC and the values ascribed to assets and liabilities as recognized and valued for tax purposes ; instead of the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. |  |  |  |
| **IAS 16****Property,** | IAS 16 prescribes the accounting treatment for property, plant and equipment. | Revaluation model is a consistent option. | **yes** | Undertakings shall apply the fair value model and the revaluation model of IAS 40 and IAS 16respectively when valuing property, including investment property, plant and equipment. The cost model permitted by IAS 40 or IAS 16, whereby investment property and property, plant and equipment is valued at cost less depreciation and impairment shall not be applied. |
| **plant and equipment** | After initial recognition an entity shall choose either the costmodel in paragraph 30 or the revaluation model in paragraph 31 as its accounting policy and shall apply that policy to an entire |  |  |
|  | class of property, plant and equipment (IAS 16.29). |  |  |
|  | Cost model: After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any |  |  |
|  | accumulated depreciation and any accumulated impairment losses (IAS 16.30) |  |  |
|  | Revaluation model: After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount , being its fair value |  |  |
|  | at the date of the revaluation less any subsequent accumulated |  |  |
|  | depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period (IAS 16.31).**Solvency** II **framework:** The revaluation model is an option consistent with Article 75 of Directive 2009/138/EC. |  |  |  |
| **IAS 17 Leases** | IAS 17 prescribes, for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases. | Consistent measurement | **yes** | Undertakings shall value assets and liabilities in a lease arrangement in accordance with IAS 17, applied as follows : undertakings which are lessees in a finance lease , shall value lease assets and liabilities at fair value. When measuring financial liabilities subsequently, undertakings shall not make adjustments to take account of the own credit standing of the undertaking. |
|  | **Finance leases**Lessees: At the commencement of the lease term, lessees shall recognize finance leases as assets and liabilities in their | principles for operating leases, and, lessors in finance leases. |  |
|  | statements of financial position at amounts equal to the fair value of the leased property or, if lower , the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the presentvalue of the minimum lease payments is the interest rate implicit | Adjustments needed for lessees in finance leases . |  |
|  | in the lease, if this is practicable to determine; if not, the lessee's |  |  |
|  | incremental borrowing rate shall be used. Any initial direct costsof the lessee are added to the amount recognized as an asset (IAS |  |  |
|  | 17.20). |  |  |
|  | After initial recognition, a finance lease gives rise to depreciation |  |  |
|  | expense for depreciable assets as well as finance expense for |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | each accounting period (IAS 17.28).Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability (IAS 17.25).Lessors: Lessors shall recognize assets held under a finance lease in their statements of financial position and present them as a receivable at an amount equal to the net investment in the lease (IAS 17.36). Under a finance lease substantially all the risks and rewards incidental to legal ownership are transferred by the lessor , and thus the lease payment receivable is treated by the lessor as repayment of principal and finance income to reimburse and reward the lessor for its investment and services (IAS 17.37).**Operating leases**Lessees: Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user ' s benefit (IAS 17.33).Lessors: Lessors shall present assets subject to operating leases in their statements of financial position according to the nature of |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | the asset (IAS 17.49).**Solvency II framework:** Lessees in finance leases have to fair value all lease assetsFor lessors in finance leases, the receivable measured at an amount equal to the net investment in the lease, with the income allocation based on the pattern reflecting a constant periodic return on the lessor' s net investment in the finance lease is considered to be consistent with Article 75 of Directive 2009/138/EC.Operating leases measurement principles are considered to be consistent with Article 75 of Directive 2009/138/EC, having in mind that the lease items in the lessor's balance sheet are valued according to the general valuation principles applicable for those assets and liabilities. |  |  |  |
| **IAS 18****Revenue** | IAS 18 prescribes the accounting for revenue arising from the following transactions and events: (a) the sale of goods; (b) the rendering of services; and (c) the use by others of entity assets yielding interest, royalties and dividends. |  | **no** | IAS 18 does not prescribe valuation methodologies for balance sheet items |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IAS 19 (as****amended in 2011)****Employee benefits** | IAS 19 prescribes the accounting and disclosure for employee benefits, except those to which IFRS 2 Share-based Payment applies.**Short-term employee benefits** | Consistent measurement principles for employee benefits. | **yes** |  |
|  | When an employee has rendered service to an entity during an accounting period, the entity shall recognize the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service: |  |  |
|  | (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and |  |  |
|  | (b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset (see, for example, IAS 2 Inventories and IAS 16 Property, Plant and Equipment) (IAS 19. 11). |  |  |
|  | **Post-employment benefits: defined contribution plans** |  |  |
|  | When an employee has rendered service to an entity during a period, the entity shall recognize the contribution payable to a |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | defined contribution plan in exchange for that service:1. as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, an entity shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
2. as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset (see, for example, IAS 2 and IAS 16) (IAS 19.51).

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using the discount rate specified in paragraph 83 (IAS 19 .52). See paragraph 83 on the discount interest rate below.**Post-employment benefits: defined benefit plans**Accounting by an entity for defined benefit plans involves the following steps:1. determining the deficit or surplus. This involves:
	1. using actuarial technique, the projected unit credit method to
 |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | make a reliable estimate of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods (see paragraphs 67-69). This requires an entity to determine how much benefit is attributable to the current and prior periods (see paragraphs 70-74) and to make estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit (see paragraphs 75-98);1. discounting that benefit in order to determine the present value of the defined benefit obligation and the current service cost (see paragraphs 67-69 and 83-86);
2. deducting the fair value of any plan assets (see paragraphs 113-115) from the present value of the defined obligations;

b) determining the amount of the net defined benefit liability (asset) as the amount of the deficit or surplus determined in (a), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling (see paragraph 64).The rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds . In countries where there is no deep market insuch bonds, the market yields (at the end of the reporting period) |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations (IAS 19.83).**Other long-term employee benefits**This Standard requires a simplified (when compared with post­ employment benefits) method of accounting for other long-term employee benefits.In recognizing and measuring the surplus or deficit in another long-term employee benefit plan, an entity shall apply paragraphs 56-98 and 113-115. An entity shall apply paragraphs 116-119 in recognizing and measuring any reimbursement right.For other long-term employee bene fits, an entity shall recognize the net total of the following amounts in profit or loss, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset:1. service cost (see paragraphs 66-112);
2. net interest on the net defined benefit liability (asset) (see paragraphs 123-126); and
3. remeasurements of the net defined liability (asset) (see

paragraphs 1 27-130). |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | **Termination benefits**An entity shall recognize a liability for termination benefits at the earlier of the following dates :1. when the entity can no longer withdraw the offer of those benefits ; and
2. when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits (IAS 19 .165).

Where termination benefits are not expected to be settled wholly before 12 months after the end of the annual reporting period, they shall apply the requirements for other long term employee benefits (IAS 19 .169). |  |  |  |
| **IAS20****Accounting for government grants and disclosure of governance assistance** | IAS 20 shall be applied in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance.Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate (IAS 20.12) .A government grant may take the form of a transfer of a non­ monetary asset, such as land or other resources , for the use of the | Fair value for monetary and monetary government grants is consistent with Art. 75. | **yes** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | entity. In these circumstances it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount. (IAS 20.23).**Solvency II framework:** Where government grants take the form of a transfer of a non-monetary asset, that asset shall be measured at fair value . |  |  |  |
| **IAS 21 The****effects of changes in foreign exchange rates** | IAS 21 prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency.Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those atwhich they were translated on initial recognition during the | Translation in reporting currency is consistent with Article 75 of Directive 2009/138/EC. | **yes** |  |
|  | period or in previous financial statements shall be recognized inprofit or loss in the period in which they arise, except as |  |  |
|  | described in paragraph 32 (IAS 21.28). |  |  |
|  | In the financial statements that include the foreign operation and |  |  |
|  | the reporting entity (e.g., consolidated financial statements whenthe foreign operation is a subsidiary), such exchange differences |  |  |
|  | shall be recognized initially in other comprehensive income andreclassified from equity to profit or loss on disposal of the net |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |

I investment in accordance with paragraph 48 (IAS 21.32).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IAS23** | IAS 23 prescribes the accounting for borrowing costs. |  | **no** | IAS 23 does not |
| **Borrowing costs** | An entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shallrecognize other borrowing costs as an expense in the period in |  | prescribe valuation methodologies relevant for Solvency II balance sheet items. |
|  | which it incurs them (IAS 23.8). |  |  |
|  | **Solvency II framework:** Fair value approach, which is used according to Solvency II, prevents the application of IAS 23, |  |  |
|  | which refers to a cost approach. |  |  |
| **IAS24****Related party disclosures** | IAS 24 requires disclosures about related parties and the reporting entity' s transaction with related parties. |  | **no** | IAS 24 does notprescribe valuation methodologies for |
|  |  |  | balance sheet items. |
| **IAS26****Accounting** | IAS 26 shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared. |  | **no** | Out of scope. |
| **and reporting****by retirement** |  |  |  |
| **benefits plans** |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IAS27****Separate Financial Statements** | IAS 27 prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. |  | **no** | Out of scope. |
| **IAS28** | IAS 28 prescribes the accounting for investments in associates | Applicable equity | **yes** | Application limited to |
| **Investments in Associates and Joint** | and to set out the requirements for the application of the equity method when accounting for investments in associates and jointventures . | method principles. |  | the equity method. |
| **Ventures** | Associates are accounted for using the equity method. |  |  |  |
|  | The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter |  |  |  |
|  | for the post-acquisition change in the investor ' s share of theinvestee ' s net assets. The investor' s profit or loss includes its |  |  |  |
|  | share of the investee's profit or loss and the investor' s othercomprehensive income includes its share of the in vestee' s other |  |  |  |
|  | comprehensive income. The investor' s share of the profit or loss |  |  |  |
|  | of the investee is recognized in the investor's profit or loss.Distributions received from an investee reduce the carrying |  |  |  |
|  | amount of the investment. Adjustments to the carrying amountmay also be necessary for a change in the investor ' s |  |  |  |
|  | proportionate interest in the investee arising from changes in theinvestee's other comprehensive in come. Such changes include |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor ' s share of those changes is recognized in other comprehensive income of the investor (see IAS **1** Presentation of Financial Statements (as revised in 2007)). (IAS 28.11 ).The entity' s financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances (IAS 28.26). If an associate or joint venture uses accounting policies other than those of the entity for like transactions and events in similar circumstances, adjustments shall be made to conform the associate's or joint venture ' s accounting policies to those of the entity when the associate' s financial statements are used by the entity in applying the equity method (IAS 28.36).**Solvency II framework:** When calculating the excess of assets over liabilities for related undertakings , other than related insurance and reinsurance undertakings , the participating undertaking shall value the related undertaking's assets and liabilities in accordance with the equity method as prescribed in international accounting standards, as adopted by the Commission in accordance with Regulation (EC) No 1606/2002, where valuation in accordance with Articles 75 to 86 of Directive 2009/138/EC is not practicable. In such cases the value ofgoodwill and other intangible assets valued at zero shall be |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |

I deducted from the value of the related undertaking.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IAS29****Financial Reporting in Hyper-inflationary** | IAS 29 shall be applied to the financial statements, including the consolidated financial statements , of any entity whose functional currency is the currency of a hyperinflationary economy. |  | **no** | IAS 29 does not prescribe valuation methodologies relevant for Solvency II balancesheet items. |
| **Economies** |  |  |  |
| **IAS32****Financial** | IAS 32 establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and |  | **no** | IAS 32 does not prescribe valuation |
| **instruments: Presentation** | financial liabilities. It applies to the classification of financial instruments , from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; theclassification of related interest, dividends , losses and gains; and |  | methodologies for balance sheet items. |
|  | the circumstances in which financial assets and financial |  |  |
|  | liabilities should be offset. |  |  |
| **IAS33****Earnings per share** | IAS 33 prescribes principles for the determination and presentation of earnings per share. |  | **no** | IAS 33 does not prescribe valuation methodologies for |
|  |  |  | balance sheet items. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IAS34****Interim financial reporting** | IAS 34 prescribes the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period. |  | **no** | IAS 34 does not prescribe valuation methodologies for balance sheet items. |
| **IAS36****Impairment of Assets** | IAS 36 prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and the Standard requires the entity to recognize an impairment loss . The Standard also specifies when an entity should reverse an impairment loss and prescribes disclosures . |  | **no** | IAS 36 does not prescribe valuation methodologies relevant for Solvency II balance sheet items. |
| **IAS37****Provisions, contingent liabilities and contingent assets** | IAS 37 establishes the recognition criteria and measurement applied to provisions , contingent liabilities and contingent assets as well as information to be disclosed .**Provisions**A provision is a liability of uncertain timing or amount (IAS 37.10). The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present | Consistent measurement principles for prov1s10ns. | **yes** | Material contingent liabilities are to be recognized as liabilities. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | obligation at the end of the reporting period (IAS 37.36).The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that tim e. It will often be impossible or prohibitively expensive to settle or transfer an obligation at the end of the reporting period. However, the estimate of the amount that an entity would rationally pay to settle or transfer the obligation gives the best estimate of the expenditure required to settle the present obligation at the end of the reporting period **(**IAS 37.37)Where a single obligation is being measured, the individual most likely outcome may be the best estimate of the liability.However, even in such a case, the entity considers other possible outcomes. Where other possible outcomes are either mostly higher or mostly lower than the most likely outcome, the best estimate will be a higher or lower amount. For example, if an entity has to rectify a serious fault in a major plant that it has constructed for a customer, the individual most likely outcome may be for the repair to succeed at the first attempt at a cost of 1,000, but a provision for a larger amount is made if there is a significant chance that further attempts will be necessary (IAS 37.40).Uncertainties surrounding the amount to be recognized as a |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities. The name for this statistical method of estimation is 'expected value'. The provision will therefore be different depending on whether the probability of a loss of a given amount is, for example, 60 per cent or 90 per cent. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used (IAS 37.39).The risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching the best estimate of a provision. (IAS 37.42)The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted (IAS 37.47).**Contingent liabilities and contingent assets**A contingent liability is: (a) a possible obligation that arises from past events and whose existence will be confirmed only by theoccurrence or non-occurrence of one or more uncertain future |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability (IAS 37.10).A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.**Solvency** II **framework:** The measurement principles for provisions are considered to be consistent with Article 75 of Directive 2009/138/EC.Material contingent liabilities are recognized as liabilities in the Solvency II balance sheet and valued based on the expected present value of future cash-flows required to settle the contingent liability over the lifetime of that contingent liability, using the basic risk-free interest rate term structure. |  |  |  |
| **IAS38****Intangible assets** | IAS 38 prescribes the accounting treatment for intangible assets that are not dealt with specifically in another Standard. This Standard requires an entity to recognize an intangible asset if, and only if, specified criteria are met. The Standard also specifies | Revaluation model is a consistent option. | **yes** | Goodwill is valued at zero. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | how to measure the carrying amount of intangible assets and requires specified disclosures about intangible assets.An entity shall choose either the cost model in paragraph 74 or the revaluation model in paragraph 75 as its accounting policy. If an intangible asset is accounted for using the revaluation model, all the other assets in its class shall also be accounted for using the same mode l, unless there is no active market for those assets (IAS 38. 72) .Cost model: After initial recognition , an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses (IAS 38. 74)Revaluation model: After initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. For the purpose of revaluations: under this Standard, fair value shall be determined by reference to an active market.Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value (IAS 38.75).**Solvency II framework:** The revaluation model is an option consistent with Article 75 of Directive 2009/138/EC for the |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | intangible items recognized in the Solvency II balance sheet.Intangible assets, other than goodwill, are recognized in the Solvency II balance sheet at a value other than zero only if they can be sold separately and the insurance and reinsurance undertaking can demonstrate that there is a value for the same or similar assets that has been derived from quoted market prices in active markets.Bespoke computer software tailored to the needs of the undertaking and "off the shelf ' software licenses that cannot be sold to another user shall be valued at zero. |  |  |  |
| **IAS39****Financial Instruments: Recognition and Measurement** | IAS 39 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.For the purpose of measuring a financial asset after initial recogn- ition, this Standard classifies financial assets into the following four categories defined in paragraph 9:1. financial assets at fair value through profit or loss;
2. held-to-maturity investments;
3. loans and receivables; and
 | Fair value measurement principles applied to financial assets are consistent.In case of financial liabilities adjustment might be needed if the IFRS fair value includes changes in own credit standing in | **yes** | The fair value measurement is applicable . However, there shall be no subsequent adjustment to take account of the change in own credit standing of the insurance or reinsurance undertaking after initial recognition. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | (d) available-for-sale financial assets.These categories apply to measurement and profit or loss recognition under this Standard. The entity may use other descriptors for these categories or other categorizations when presenting information in the financial statements. The entity shall disclose in the notes the information required by IFRS 7 (IAS 39.45).After initial recognition , an entity shall measure financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:1. loans and receivables as defined in paragraph 9, which shall be measured at amortized cost using the effective interest method;
2. held-to-maturity investments as defined in paragraph 9, which shall be measured at amortized cost using the effective interest method ; and
3. investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost (see Appendix A paragraphs AG80 and AG81).
 | subsequent periods. |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | Financial assets that are designated as hedged items are subject to measurement under the hedge accounting requirements in paragraphs 89-102. All financial assets except those measured at fair value through profit or loss are subject to review for impairment in accordance with paragraphs 58-70 and Appendix A paragraphs AG84-AG93 (IAS 39.46).After initial recognition, an entity shall measure all **financial liabilities** at amortized cost using the effective interest method, except for:1. financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost.
2. financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraphs 29 and 31 apply to the measurement of such financial liabilities.
3. financial guarantee contracts as defined in paragraph 9. After initial recognition, an issuer of such a contract shall (unless paragraph 47(a) or (b) applies) measure it at the higher of:
4. the amount determined in accordance with IAS 37; and
5. the amount initially recognized (see paragraph 43) less, when appropriate, cumulative amortization recognized in
 |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | accordance with IAS 18.(d) commitments to provide a loan at a below-market interest rate. After initial recognition, an issuer of such a commitment shall (unless paragraph 47(a) applies) measure it at the higher of:1. the amount determined in accordance with IAS 37; and
2. the amount initially recognized (see paragraph 43) less, when appropriate, cumulative amortization recognized in accordance with IAS 18.

Financial liabilities that are designated as hedged items are subject to the hedge accounting requirements in paragraphs 89- 102 (IAS 40.47).**Solvency II framework:** Fair value measurement principles are considered to be consistent with Article 75 of Directive 2009/138/EC, except for subsequent adjustments to take account of the change in own credit standing of the insurance or reinsurance undertaking after initial recognition in the measurement of financial liabilities. |  |  |  |
| **IAS40****Investment property** | IAS 40 prescribes the accounting treatment for investment property and related disclosure requirements.With the exceptions noted in paragraphs 32A and 34, an entity shall choose as its accounting policy either the fair value model | Fair value model is a consistent option. | **yes** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | in paragraphs 33 - 55 or the cost model in paragraph 56 and shall apply that policy to all of its investment property (IAS 40.30).Cost model: After initial recognition, an entity that chooses the cost model shall measure all of its investment properties in accordance with IAS 16' s requirements for that mode l, other than those that meet the criteria to be classified as held for sale (... ) in accordance with IFRS 5 (IAS 40.56) .Fair value model: After initial recognition , an entity that chooses the fair value model shall measure all of its investment property at fair value(... ) (IAS 40.33).When a property interest held by a lessee under an operating lease is classified as an investment property under paragraph 6, paragraph 30 is not elective ; the fair value model shall be applied (IAS 40.34).**Solvency** II **framework:** The fair value model is an option consistent with Article 75 of Directive 2009/138/EC. |  |  |  |
| **IAS41****Agriculture** | IAS 41 prescribes the accounting treatment and disclosures related to agricultural activity. | Fair value less costs to sell is a consistent | **yes** | Undertakings shall apply IAS 41 for |
|  | **Biological assets** | option whereestimated cost to sel I |  | biological assets if theestimated costs to set I |
|  | A biological asset shall be measured on initial recognition and atthe end of each reporting period at its fair value less costs to sell, | are not material. |  | are not material. If the estimated costs to sell |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | except for the case described in paragraph 30 where the fair value cannot be measured reliably (IAS 41.12) .**Agricultural produce harvested**Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories or another applicable Standard (IAS 41.13).**Solvency II framework:** Fair value less costs to sell is an option consistent with Article 75 of Directive 2009/138/EC if the estimated costs to sell are not material . |  |  | are material , the undertaking shall adjust the value by including these costs. |
| **IFRS 1 First- time adoption of International Financial Reporting Standards** | IFRS 1 applies when an entity first adopts International Financial Reporting Standards (IFRSs) in its annual financial statements. |  | **no** | Out of scope. |
| **IFRS 2 Share- based payments** | IFRS 2 specifies the financial reporting by an entity when it carries out a share-based payment transaction.An entity shall recognize the goods or services received or | Consistent measurement principles | **yes** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | acquired in a share-based payment transaction when it obtains the goods or as the services are received. The entity shall recognize a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction (IFRS 2.7 ).When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognized as expenses (IFRS 2.8).**Equity-settled share-based payment transactions**For equity-settled share-based payment transactions , the entity shall measure the goods or services received, and the corresponding increase in equity, directly , at the fair value of the goods or services received , unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received , the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted (IFRS 2.10).To apply the requirements of paragraph 10 to transactions with employees and others providing similar services, the entity shall measure the fair value of the services received by reference to thefair value of the equity instruments granted, because typically it |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | is not possible to estimate reliably the fair value of the services received , as explained in paragraph 12. The fair value of those equity instruments shall be measured at grant date. (IFRS 2.11).To apply the requirements of paragraph 10 to transactions with parties other than employees, there shall be a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. That fair value shall be measured at the date the entity obtains the goods or the counterparty renders service. In rare cases, if the entity rebuts this presumption because it cannot estimate reliably the fair value of the goods or services received, the entity shall measure the goods or services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service (IFRS 2.13).If the identifiable consideration received is less than the fair value of the equity instruments granted or the liability incurred, the unidentifiable goods or services are measured by reference to the difference between the fair value of the equity instruments granted (or liability incurred) and the fair value of the goods or services received at grant date (based on IFRS 2.13A).**Cash-settled share-based payment transactions**For cash-settled share-based payment transactions, the entity |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | shall measure the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period (IFRS 2.30).In some cases, the entity or the other party may choose whether the transaction is settled in cash or by issuing equity instruments. The accounting treatment depends on whether the entity or the counterparty has the choice.**Solvency II framework:** IFRS 2 measurement principles are considered to be consistent with Article 75 of Directive 2009/138/EC. |  |  |  |
| **IFRS 3****Business combinations** | IFRS 3 establishes principles and requirements for how the acquirer: (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. |  | **no** | Out of scope. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | IFRS 3 deals with business combinations. Subsequent (to the acquisition) measurement of acquired assets and liabilities follow the applicable IFRS of those items depending on their nature.**Solvency II framework:** Goodwill is valued at zero at the Solvency II balance sheet. All items shall be valued in accordance with Solvency II valuation methodologies . |  |  |  |
| **IFRS4****Insurance contracts** | IFRS 4 specifies the financial reporting for insurance contracts by any entity that issues such contracts (described in this IFRS as an insurer) until the Board completes the second phase of its project on insurance contracts .**Solvency II framework:** Solvency II establishes specific measurement principles for insurance liabilities |  | **no** | Out of scope. |
| **IFRS 5 Non­****current assets held for sale and discontinued operations** | IFRS 5 specifies the accounting for assets held for sale, and the presentation and disclosure of discontinued operations.An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell (IFRS 5.15).An entity shall measure a non-current asset (or disposal group)classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute (IFRS | Measurement principles not consistent. | **no** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | 5.15A).Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with applicable IFRSs (IFRS 5.18).On subsequent remeasurement of a disposal group, the carrying amounts of any assets and liabilities that are not within the scope of the measurement requirements of this IFRS, but are included in a disposal group classified as held for sale, shall be remeasured in accordance with applicable IFRSs before the fair value less costs to sell of the disposal group is remeasured (IFRS 5.19).**Solvency II framework:** In Solvency II, there is no distinction based on the use of the assets. The non- current assets held for sale and discontinued operations shall be measured in accordance with the relevant Solvency II valuation methodologies. |  |  |  |
| **IFRS6****Exploration for and evaluation of****mineral** | IFRS 6 specifies the financial reporting for the exploration for and evaluation of mineral resources. |  | **no** | Business not relevant for insurers. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |

I **resources**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS7****Financial instruments: Disclosures** | IFRS 7 specifies disclosure for financial instruments. |  | **no** | **IFRS** 7 does not prescribe valuation methodologies for balance sheet items. |
| **IFRSS****Operating Segments** | IFRS 8 requires disclosure of information about an entity' s operating segments, its products and services, the geographical areas in which it operates, and its major customers. |  | **no** | IFRS 8 does not prescribe valuation methodologies for balance sheet items. |
| **IFRS9****Financial Instruments** | Not applicable as not yet adopted by the Commission. |  | **no** |  |
| **IFRS 10****Consolidated Financial Statements** | IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. |  | **no** | Out of scope. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
| **IFRS 11 Joint Arrangements** | IFRS 11 establishes principles for the financial reporting by entities that have an interest in arrangements that are controlled jointly *(i.e., joint arrangements).* This IFRS defines *joint control* and requires an entity that is a *party to a joint arrangement* to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.**Solvency II framework:** see IAS 28 for the application of the equity method. | Applicable only for the requirement to use the equity method. | **no** | Out of scope. See IAS 28 for the equity method. |
| **IFRS 12****Disclosure of Interests in Other Entities** | IFRS 12 requires an entity to disclose information that enables users of its financial statements to evaluate: the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. |  | **no** | IFRS 12 does not prescribe valuation methodologies for balance sheet items. |
| **IFRS 13 Fair Value Measurement** | IFRS 13 defines fair value and sets out in a single IFRS a framework for measuring fair value**Solvency II framework:** IFRS 13 is consistent with Article 75  |  | **yes** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IFRS** | **Summary of IFRS treatment:****Measurement principles or options****consistent with Article 75 of Directive 2009/138/EC** | **Fully consistent/ Consistent option/ With adjustments** | **Applicable?** | **Other comments** |
|  | of Directive 2009/138/EC except for the requirement to reflect the effect of an entity' s own credit. |  |  |  |