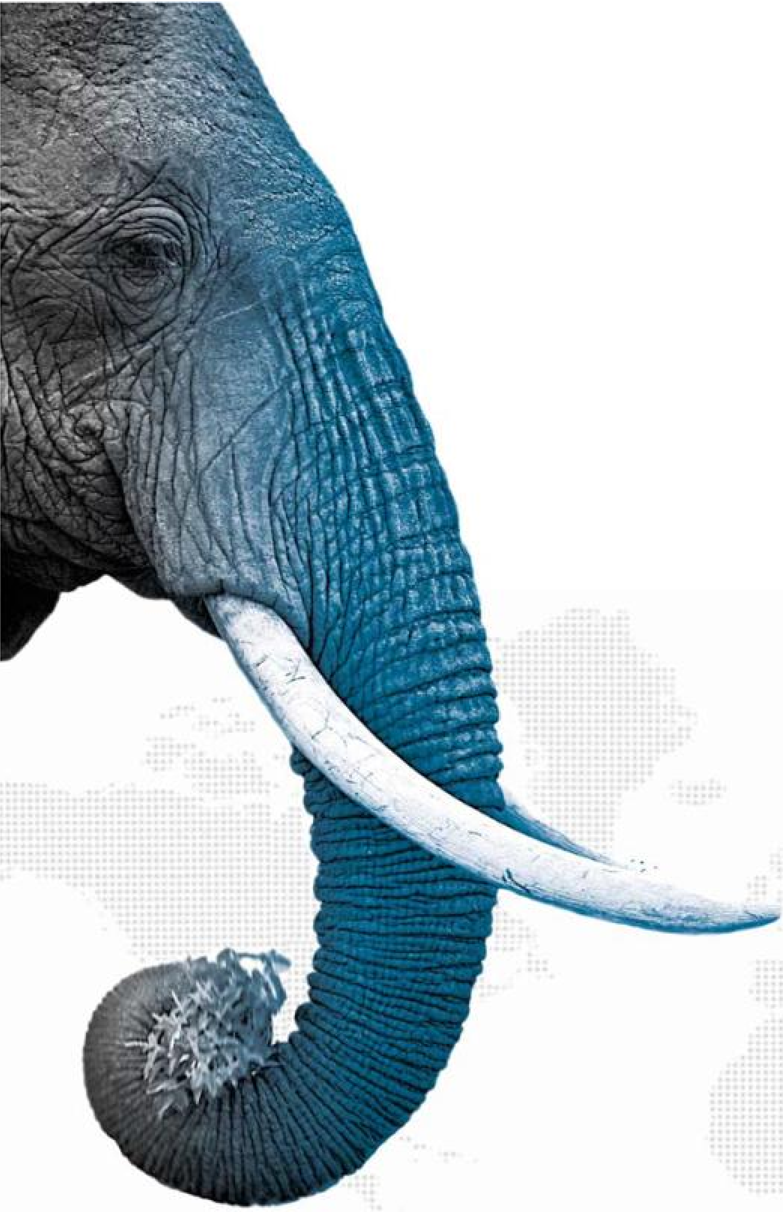

New Zealand Branch of SCOR Global Life SE

Financial Report

2015

SCOR

The Art & Science of Risk

This page has been left blank intentionally

New Zealand Branch of
SCOR Global Life SE

COMPANY NUMBER 3207487

Financial Report

For the year ended 31 December 2015

This page has been left blank intentionally.

Table of Contents

This page has been left blank intentionally.

BOARD AND OFFICERS

For the year ended 31 December 2015

Principal place of business and registered office - Company Number 3207487

Principal Place of Business	**Registered Office**
Level 1	Level 20, Lumley Centre
33-45 Hurstmere Road	88 Shortland Street
Takapuna Auckland 0740 New Zealand	Auckland 1010 New Zealand

Board of Directors of SCOR Global Life SE (all of whom have been in office throughout the year ended 31 December 2015 unless otherwise stated)

Denis KESSLER	Chairman of the Board of Directors and SCOR SE CEO
Philippe TRAINAR	SCOR SE Chief Economist
Mark KOCIANCIC	Executive Vice President and SCOR SE CFO
Frieder KNÜPLING	SCOR SE Chief Risk Officer
Paolo DE MARTIN	Resignation/Non-renewal as Director: 23 September 2015

Executive Officers of SCOR Global Life SE (in office throughout the year ended 31 December 2015

Paolo DE MARTIN	SCOR Global Life SE CEO
Adrian Craig FORD	CEO of the New Zealand Branch of SCOR Global Life SE

External Officers

Appointed Actuary	**External Auditor**	**Solicitors**
James Collier Partner, KPMG Actuarial Pty Ltd 10 Shelley Street | Sydney | NSW 2000 | Australia Tel. +61 2 9335 8933 Fax +61 2 9335 8911	Brett Kallio Partner, Ernst & Young Australia 8 Exhibition Street Melbourne | VIC 3000 | Australia Tel.: +61 3 9288 8597 Fax: +61 3 8650 7710	Lloyd Kavanagh Minter Ellison Rudd Watts Level 20, Lumley Centre 88 Shortland Street Auckland | 1010 | New Zealand

STATUTORY AND OTHER DISCLOSURES

For the year ended 31 December 2015

This report is presented on the New Zealand Branch of SCOR Global Life SE (the Branch or SGL SE NZ) for the year ended 31 December 2015. All comparative figures for 2014 cover the year from 1 January 2014 to 31 December 2014.

The Life Insurance division of the SCOR Group is SCOR Global Life SE (the Company or SGL SE); its main office is located in France. The New Zealand branch office is managed by its Chief Executive Officer who ultimately reports to the Company's executive management.

Principal activities

The principal activity of SGL SE NZ during the year was the provision of life reinsurance services.

SGL SE, a body corporate incorporated in France, is registered on the New Zealand Overseas Company Register to carry on business in this country, under Part XVIII of the Companies Act 1993. SGL SE was certified as an overseas Non-ASIC Company by the Registrar of Companies New Zealand on 30th November 2010, under Section 337[1] of the Companies Act 1993.

From March 2012, the Reserve Bank of New Zealand (RBNZ) took on the role of insurance regulator and industry supervisor. The Company was issued with a licence by the RBNZ to carry on insurance business in New Zealand under the new regime, with effect from 8 March 2012.

Economic Dependency

The Branch is reliant on SGL SE Singapore Branch to provide all financial support to meet its business commitments. The Branch fully relies on SGL SE Singapore Branch to comply with solvency requirements under the RBNZ "Solvency Standard for Life Insurance Business".

Operating and financial review

The Branch's net profit for the year after income tax is NZ$ 0.037m. The Branch's operations during the year performed as expected.

Risk management

The Branch takes a proactive approach to risk management and provides regular reporting of any key issues or risks relating to the New Zealand business to the SCOR Group's Risk Management team.

Significant events after the balance date

In the interval between the end of the financial year and the date of this report, other than as disclosed, no item, transaction or event of a material nature has arisen that, in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Branch or the state of affairs of the entity in future financial periods.

Environmental regulation and performance

The Branch's operations in New Zealand are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

STATUTORY AND OTHER DISCLOSURES

For the year ended 31 December 2015

Indemnification and insurance of directors and officers

SGL SE has entered into a deed of access, indemnity and insurance with each Director to indemnify the Director to the extent permitted by law against certain liabilities incurred by the Director as an officer of the Company. Otherwise, no indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer or auditor of the Company.

No person has applied for leave of Court to bring proceedings on behalf of the Company, or intervened in any proceedings to which the Company is a party, or taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services provided by the Auditor (Ernst & Young - EY)

The Branch may decide to employ its auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Branch is important.

The Board is satisfied that the provision of the non-audit services by the Branch auditor is compatible with the general standard of independence for auditors. The nature and scope of the non-audit service provided means that auditor independence was not compromised.

Rounding

All amounts are in New Zealand dollars, unless otherwise specified.

The amounts contained in the financial report have been rounded to the nearest $1,000, unless stated to be otherwise and where noted ($'000).

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Life Reinsurance Premium Income		78,164	56,812
Retrocession Expense - Premium		(78,164)	(56,812)
Net Reinsurance Premium Revenue		**-**	**-**
Investment Revenue	**5**	51	44
Total Income		**51**	**44**
Life Reinsurance Claims Expense		(19,990)	(18,972)
Retrocession Recoveries - Claims		19,990	18,972
Net Claims Expense		**-**	**-**
Life Reinsurance Commission Expense		(62,343)	(70,446)
Retrocession Recoveries - Commission		62,343	70,446
Expense Recoveries		-	8
Operating Expenses	**6**	**-**	**8**
Movement in net Life Reinsurance Contract Liabilities	**7**	-	-
Total Claims and Expenses		**-**	**8**
Profit before Income Tax		**51**	**52**
Income Tax Expense	**8**	(14)	(12)
Profit after Income Tax		**37**	**40**
Other Comprehensive Income net of Tax		-	-
Total Comprehensive Profit for the year		**37**	**40**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Cash and Cash Equivalents	**9**	2,891	2,204
Receivables	**10**	158,724	153,330
Ceded Life Reinsurance Contract Liabilities	**7**	(181,861)	(164,167)
TOTAL ASSETS		**(20,246)**	**(8,633)**
LIABILITIES			
Payables	**11**	158,025	153,064
Provisions		700	267
Assumed Life Reinsurance Contract Liabilities	**7**	(181,861)	(164,167)
TOTAL LIABILITIES		**(23,136)**	**(10,836)**
NET ASSETS		**2,890**	**2,203**
EQUITY			
Contributed Equity		2,740	2,090
Retained Earnings		150	113
TOTAL EQUITY		**2,890**	**2,203**

Mark Kociancic

Director of SGL SE

Name in print: Mark KOCIANCIC

Date: 25 April 2016

P. Trainar

Director of SGL SE

Name in print: Philippe TRAINAR

Date: 25 April 2016

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

2015	Contributed Equity $'000	Retained Earnings $'000	Total for the year $'000
At 1 January 2015	2,090	113	2,203
Contributed Equity	650	-	650
Profit for the year	-	37	37
At 31 December 2015	2,740	150	2,890

2014	Contributed Equity $'000	Retained Earnings $'000	Total for the year $'000
At 1 January 2014	1,440	73	1,513
Contributed Equity	650	-	650
Profit for the year	-	40	40
At 31 December 2014	2,090	113	2,203

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Net Cash Flows from Operating Activities			
Interest Received (net of witholding tax)		37	41
Net Cash Flow from Operating Activities	**9(ii)**	**37**	**41**
Net Cash Flows from Investing Activities		**-**	**-**
Net Cash Flows from Financing Activities			
Contributed Equity		650	650
Net Cash Flow from Financing Activities		**650**	**650**
Net increase in Cash Held		**687**	**691**
Cash at the beginning of the financial year		**2,204**	**1,513**
Cash at the end of the financial year	**9(i)**	**2,891**	**2,204**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 1. Corporate Information

SGL SE is a profit-oriented entity incorporated as a French overseas company, under the New Zealand Companies Act 1993, and operating in New Zealand as a Branch. The direct and ultimate parent of SGL SE is SCOR SE, a company incorporated in France and listed on the Euronext Paris.

The life reinsurance operations of the Branch consist solely of non-investment-linked business.

Non-investment-linked business is business in which a licensed entity issues a contract where the reinsured benefit is not directly linked to the market value of investments held. These benefits are payable on death, or on the occurrence of an insured event such as injury, illness or disability. The risk of the occurrence of the event, which crystallises the payment of the insured benefit, is borne by the reinsurer.

NOTE 2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. There have been no significant changes to accounting policies during the financial year.

a) Statement of Compliance

The financial statements of the Branch comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards as appropriate for profit-oriented entities.

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

b) Basis of preparation

The financial statements have been prepared on an ongoing concern basis and in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013, Companies Act 1993, Financial Reporting Act 2013, and the Insurance (Prudential Supervision) Act 2010.

For the purposes of complying with NZ GAAP, the entity is a for-profit entity.

The financial report is presented in New Zealand dollars, which is the Branch's functional and presentation currency, and all values are rounded to the nearest thousand ($000) unless otherwise stated.

The accompanying statement of financial position has been prepared using the liquidity format of presentation. The financial statements provide comparative information in respect of the previous period.

c) Data

The Branch is dependent on the accuracy and timeliness of premium, in-force, and claims data received from its ceding companies. The valuation of liabilities is mainly dependent on the data as provided by ceding companies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

d) Early adoption of standards

The Branch has not elected to early adopt, in this financial report, any new standards, amendments or interpretations that are issued but not yet effective, including improvements to NZ IFRSs, for the year ended 31 December 2015.

These new standards and interpretations, when applied in future periods, are not expected to have a material impact on the financial position or performance of the Branch.

e) Specific Accounting Policies

i. Life Reinsurance Premium

Premiums are recognised as revenue on an accruals basis. A provision for unearned premiums is included in the actuarial valuation of liabilities. Outstanding premiums are included as an asset in the Statement of Financial Position.

ii. Investment Revenue

All investment income is recognised as revenue on an accruals basis. Consistent with the principles of fair value accounting for investment assets, movements in the valuation of investment assets are recognised in the Statement of Comprehensive Income.

Interest income is brought to account on an accruals basis when the entity obtains the right to receive the interest income.

iii. Life Reinsurance Claims

Claims are recognised when the liability to the cedant under the reinsurance contract has been established or upon notification of the reinsured event.

Claims are treated directly as an expense when a liability to the cedant is established.

Reserves for claims incurred but not reported, claims reported but not admitted and claims considered likely to arise are included in the actuarial valuation of reinsurance contract liabilities.

iv. Expenses

All costs are charged to operating expenses as incurred.

All operating expenses in respect of life reinsurance contracts are apportioned between policy acquisition and policy maintenance expenses with regard to the objective when incurring the expense and the outcome achieved. Policy acquisition expenses comprise the costs of acquiring new business and are expensed in the Statement of Comprehensive Income. Maintenance costs are the fixed and variable costs of administering policies subsequent to sale. Investment management costs are the fixed and variable costs of managing investment funds. Maintenance and investment management costs are recognised in the Statement of Comprehensive Income on an accrual basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

Policy Acquisition Expenses

The actuary, in determining the life reinsurance contract liabilities, takes account of the deferral and future recovery of acquisition costs, which are capitalised by way of movement in life reinsurance contract liabilities, then amortised over the period in which they will be recoverable.

Where overall product profitability of new business written during the year is expected to support the recovery of acquisition costs incurred in that year, these costs are effectively deferred as an element of life reinsurance contract liabilities and amortised over the life of the policies written. Unamortised acquisition costs are a component of life reinsurance contract liabilities. Amortisation of acquisition costs is recognised in the Statement of Comprehensive Income as a component of net change in life reinsurance contract liabilities at the same time as policy margins are released.

Policy Maintenance Expenses

Maintenance costs include all operating costs other than acquisition and investment management costs. These include general growth and development costs.

v. Retrocession Expense

Premiums ceded to reinsurers under retrocession contracts are recorded as an outwards reinsurance expense and are recognised over the period of indemnity of the retrocession contract in accordance with the expected pattern of the incidence of risk. A portion of outwards reinsurance premium is recognised as a deferred reinsurance asset at reporting date.

vi. Retrocession Recoveries

Reinsurance recoveries reduce gross claims and commissions expense to determine net positions. Amounts recoverable are assessed in accordance with the terms of the retrocession contracts, which is in a manner similar to the assessment of outstanding claims or commissions.

Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the provision for outstanding claims or commissions.

vii. Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand that is available on demand and deposits that are held at call with financial institutions. Cash and cash equivalents are measured at fair value, being the principal amount.

Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

(i) Operating activities include all transactions and other events that are not investing or financing activities.

(ii) Investing activities are those activities relating to the acquisition, holding, and disposal of property, plant, and equipment and of investments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

(iii) Financing activities are those activities relating to changes in the equity and debt structure of the Branch.

viii. Investments and other financial assets

Investments and financial assets in the scope of NZ IAS 39 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

The Branch has determined that all assets held within the Branch are assets backing policy liabilities of the life reinsurance business. As these assets are managed on a fair value basis and are reported on this basis, they have been valued at fair value through profit or loss wherever the applicable standard allows.

Investments in financial assets are initially recognised at fair value determined as the purchase cost of the asset, exclusive of any transaction costs.

Subsequent to initial recognition, the fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

ix. Receivables

Receivables are recognised initially at fair value. Due to the short term nature of these assets, the recoverable value, i.e. allowing for doubtful debts, will generally be the fair value.

Receivables related to technical operations are recognised and carried at billed amount. No amounts have been provided for any uncollectible amounts.

Interest income is brought to account on an accruals basis when the entity obtains the right to receive the interest income.

x. Payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the year, which are unsettled. Payables are generally recognised at fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

xi. Life Reinsurance Contract Liabilities

Life reinsurance liabilities in the statement of financial position and the increase or decrease in policy liabilities in the Statement of Comprehensive Income have been calculated in accordance with the New Zealand Society of Actuaries Professional Standard No. 20 – Determination of Life Insurance Policy Liabilities ('PS20'). Life reinsurance contracts are accounted for in accordance with the requirements of NZ IFRS 4 Insurance Contracts.

Life reinsurance contract liabilities are measured using the accumulation method. This methodology is used where the benefit is in the nature of an accumulation starting from the currently accumulated value and where expected future benefit growth and expected future investment income occur in the same time pattern.

Under an accumulation approach, the Policy Liability is equal to the current benefit accumulation less an amount representing the recoverable unrecouped portion of any Acquisition Costs (net of tax relief), subject to a minimum of the Best Estimate Liability. In determining the recoverable unrecouped portion of Acquisition Costs, it will be necessary to use projection techniques, to reflect the incidence and amount of ongoing fees, surrender penalties and any other elements of a benefit associated with the recovery of Acquisition Costs. The surrender value is not an appropriate basis for the Policy Liability unless the surrender penalty equals the recoverable unrecouped portion of Acquisition Costs. An accumulation approach will cause Profit Margins to emerge as the excess of fee income over expenses and Acquisition Cost recovery amount in each period.

The measurement of life reinsurance contract liabilities is subject to actuarial assumptions. Assumptions made in the calculation of the life reinsurance contract liability at each reporting date are based on best estimates at that date. Best Estimate Assumptions must be made about the future cost of the risks accepted and services provided, including probabilities of occurrence, having regard to available statistical and other evidence subject to any requirements in PS20. The assumptions used in the calculation of the life reinsurance contract liabilities are reviewed at each reporting date. The assumptions should be reviewed against the entity's own experience and management practices, published information on industry experience and emerging trends (both in New Zealand, and where relevant, overseas) and professional standards. A summary of the significant actuarial methods and assumptions used is contained in NOTE 4.

xii. Taxes

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position balance date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities.

Deferred tax, including amounts in respect of life reinsurance contracts, is not discounted to present value.

Income tax expense

The income tax expense is the tax payable on taxable income for the current period, based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

xiii. Other Taxes

All revenues, expenses and certain assets are recognised net of goods and services taxes (GST) except where the GST is not recoverable. In these circumstances, the GST is included in the related asset or expense. Receivables and payables are reported inclusive of GST. The net GST payable to or recoverable from the tax authorities as at balance date is included as a receivable or payable in the balance sheet.

xiv. Allocation of Operating Results

All of the operating result is allocated to the Branch. There are no participating policy owners.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 3. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and on other various factors; it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Policy liabilities arising from life reinsurance contracts are calculated at each reporting date using mathematical and statistical models. The valuations are prepared by appropriately qualified and experienced actuaries based on internationally recognised actuarial methods set out in Professional Standards issued by the New Zealand Society of Actuaries, a full member of the International Actuarial Association. The methodology takes into account the risks and uncertainties of the particular classes of business written.

The key factors that affect the estimation of these liabilities are:

- The cost of providing benefits and administering these contracts;
- Mortality and morbidity experience on life reinsurance products;
- Persistency experience, which affects the entity's ability to recover the cost of acquiring new business over the lives of the contracts;
- Retrocession arrangements in place;
- Other factors such as regulation, competition, interest rates, the performance of the capital markets and general economic conditions affect the level of these liabilities.

The uncertainties surrounding these assumptions mean that it is likely that the actual observed claims incidence will vary from the liability estimated at the reporting date.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

NOTE 4. Summary of significant actuarial methods and assumptions

According to section 77(1) of the Insurance (Prudential Supervision) Act 2010, the Appointed Actuary, Mr James Collier, KPMG, must review the actuarial information in, or used in the preparation of, the financial statements. The Appointed Actuary is satisfied as to the accuracy of the data from which the policy liabilities have been determined. A separate report, the Financial Condition Report, covers life reinsurance contract liabilities and regulatory capital requirements. The effective date of the Appointed Actuary's advice and of the policy liabilities and solvency reserves calculation is 31 December 2015.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

a) Appointed Actuary's opinion

Senior management receives a Financial Condition Report (FCR) annually from the Appointed Actuary of the Branch in accordance with the Insurance (Prudential Supervision) Act 2010. The purpose of the FCR is to provide the Appointed Actuary's objective assessment of the Branch's overall financial condition. It considers, among other things, the material risks facing the Branch that, in the Appointed Actuary's opinion, pose a threat to its ability to remain financially solvent now and in the future.

b) Actuarial Assumptions

The Accumulation method of valuation is used for SGL SE NZ product groups (i.e. Retail Lump Sum Risk and Retail Disability Income)

Systematic release of planned margin is achieved through the calculation of Deferred Acquisition Costs. Profit carriers are implicit in the Accumulation method used.

Allowance has been made for Incurred But Not Reported claims (IBNR), Admitted But Not Paid claims (ABNP), Reported But Not Assessed claims (RBNA), Disability income Claims In the Course of Payment (CICP), reserves for future liabilities; and Unearned Premium Reserves (UPR).

Best estimate claim assumptions are based on actual experience observed on the reinsured portfolio.

Best estimate lapse assumptions are primarily based on actual experience observed by underwriting year and policy duration with adjustments to recognise the lapse experience is not yet fully developed for all policy years.

c) Impact of Changes in Assumptions

The 31 December 2015 claim assumption was reduced from a loss ratio of 40.8% to 39.6%.

The 31 December 2015 lapse assumption for underwriting year 2014 was increased from 10% to 12.5% between policy year 6 and year 20 inclusive.

The impact of changes in actuarial assumptions is immaterial on a net of retrocession basis.

d) Sensitivity Analysis

The Branch conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables that affect profits. The valuations included in the reported results are the Branch's best estimate of future performance and are calculated using certain assumptions about these variables. The movement in any key variable will affect the performance and net assets of the Branch and as such represents a risk.

The following table illustrates the sensitivity of the current year possible changes in key assumptions as at 31 December 2015.

Assumption	Impact on Gross Policy liability	Impact on Profit after Tax and Equity
10% Increase in Mortality and Morbidity	(7,644,099)	-
10% Increase in Lapses	-	-
10% Increase in Maintenance Expenses	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 5. Investment Revenue

	2015	2014
	$'000	$'000
Interest, Dividend and Other Revenue:		
Interest Income from Cash and Cash Equivalents	51	44
Total Investment Revenue	**51**	**44**

NOTE 6. Operating Expenses

	2015	2014
	$'000	$'000
Expense recoveries		
Witholding income tax	-	8
Total Operating Expenses	**-**	**8**

NOTE 7. Life Reinsurance Contract Liabilities

	2015	2014
	$'000	$'000
Assumed Life Reinsurance Contract Liabilities	(181,861)	(164,167)
minus Ceded Life Reinsurance Contract Liabilities	(181,861)	(164,167)
Net Life Reinsurance Contract Liabilities	**-**	**-**
Movement in Life Reinsurance Contract Liabilities		
Assumed Life Reinsurance Contract Liabilities	17,694	40,788
minus Ceded Life Reinsurance Contract Liabilities	17,694	40,788
Movement in Net Life Reinsurance Contract Liabilities	**-**	**-**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 8. Income Tax

The following disclosures reflect the current and deferred tax movements on the results of the Branch for tl reporting period.

(a) Income tax (balance sheet)	**2015**	**2014**
	$'000	**$'000**
Income tax expense for the year	(14)	(12)
Withholding tax paid during the year	14	12
Current income tax movement	**-**	**-**

(b) Numerical reconciliation of income tax expense to prima facie tax payable

A reconciliation of the differences between prima facie tax, calculated as 28% of the profit before income tax for the period and the actual income tax expense recognised in the Statement of Comprehensive Income for the period is as follows:

	2015	**2014**
	$'000	**$'000**
Profit before Income Tax	51	52
Tax (expense) at the New Zealand tax rate of 28%	(14)	(15)
Tax effect of non-taxable amounts	-	3
Tax effect of non-deductible amounts	-	-
Income tax expense	**(14)**	**(12)**
Profit after Income Tax	**37**	**40**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

(c) Tax Losses

There are no unused tax losses for which a deferred tax asset has not been recognised.

(d) Taxation Basis

The principal elements for the calculation of the taxable income are as follows:

(i) Investment earnings made up of interest received

(ii) Premiums Earned

(iii) Other Income

The allowable deductions for each taxable class of business in New Zealand include:

(i) Claims Payments

(ii) Renewal Commissions

(iii) General Management Expenses

(iv) Other Expenses referable to the business (such as Management Fees)

(v) The movement in the life reinsurance contract liabilities for the period (excluding deferred acquisition costs written off)

NOTE 9. Cash and Cash Equivalents

i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, Cash includes cash on hand that is available on demand plus deposits held at call. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position:

	2015	2014
	$'000	**$'000**
Cash at Bank	2,891	2,204
Total Cash	**2,891**	**2,204**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

ii) Reconciliation of the Gains & (Losses) from Operating Activities after Income Tax to net Cash Flows from Operating Activities

	2015	2014
	$'000	**$'000**
Gains from Operating Activities after Income Tax	**37**	**40**
Change in Assets and Liabilities during the financial year:		
Decrease in Outstanding Premiums	-	1,810
Increase in Sundry Debtors	(5,394)	(36,092)
Decrease in Ceded Life Reinsurance Contract Liabilities	17,694	40,788
Increase in Accounts Payables	4,961	34,063
Increase in Provisions	433	220
Decrease in Assumed Life Reinsurance Contract Liabilities	(17,694)	(40,788)
Net Cash Flow from Operating Activities	**37**	**41**

NOTE 10. Receivables

	2015	2014
	$'000	**$'000**
Amounts due from SCOR Global Life SE - Singapore branch		
For ceded transactions	146,241	141,640
For Goods & Services Tax refund	12,483	11,690
Total Receivables (all non-current)	**158,724**	**153,330**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 11. Payables

	2015	2014
	$'000	$'000
Amount owed to SCOR Global Life SE - Singapore branch		
For Retrocession	157,305	143,245
Amount owed to the IRD for Goods & Services Tax	-	264
Trade payables	720	9,555
Total Payables (all non-current)	**158,025**	**153,064**

NOTE 12. Auditor's Remuneration

	2015	2014
	$'000	$'000
The auditor of the Branch is Ernst & Young.		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- An audit of the financial report of the entity	20	19
- Other services in relation to the entity:		
Preparation of paper: Accounting Memo	5	-
	25	**19**

NOTE 13. Related Party Disclosures

a) The Directors of SGL SE during the year were:

- Denis KESSLER
- Philippe TRAINAR
- Mark KOCIANCIC
- Frieder KNÜPLING
- Paolo DE MARTIN, resignation/non-renewal as Director: 23 September 2015

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

b) Ultimate Controlling Entity:

SGL SE is a profit-oriented entity incorporated as a French overseas company, under the New Zealand Companies Act 1993, and operating in New Zealand as a Branch. The direct and ultimate parent of SGL SE is SCOR SE, a company both domiciled and incorporated in France and listed on the Euronext Paris.

c) The following related party transactions occurred during the financial year:

Related Party Transactions

The Branch has in place a retrocession agreement with SCOR Global Life SE Singapore Branch. Standard & Poor's (S&P) has upgraded SCOR's Insurer Financial Strength rating to 'AA- stable outlook' from 'A+ positive outlook' and raised the Group counterparty credit ratings to 'AA-/A-1+' from 'A+/A-1'.

Economic Dependency

It is also noted that the Branch is reliant on SGL SE to provide all financial support to meet its business commitments. It is also noted that the Branch fully relies on SGL SE to comply with the solvency requirements under the RBNZ "Solvency Standard for Life Insurance Business".

	2015		
		$'000	
Amounts owed	**by related parties***	**to related parties***	**Revenue / (Expense)**
SCOR Global Life SE - Singapore branch			
Retrocession	-	157,305	4,169
Goods & Services Tax refund	12,483	-	-
Ceded transaction recoveries	146,241	-	-
	158,724	**157,305**	**4,169**

	2014		
		$'000	
Amounts owed	**by related parties***	**to related parties***	**Revenue / (Expense)**
SCOR Global Life SE - Singapore branch			
Retrocession	-	143,245	32,606
Goods & Services Tax refund	11,691	-	-
Ceded transaction recoveries	141,639	-	-
	153,330	**143,245**	**32,606**

* The amounts are classified as receivables and payables, respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 14. Events Subsequent to Balance Date

In the interval between the end of the financial year and the date of this report, other than as disclosed, no item, transaction or event of a material nature has arisen that is likely to significantly affect the operations of the Branch or the state of affairs of the entity in future financial periods.

NOTE 15. Commitments, Contingent Liabilities and Contingent Assets

SCOR Global Life SE and its subsidiaries regularly take part in judiciary and arbitration procedures, within the normal framework of their activities. However, to the best of the knowledge of the Directors of the Branch, there does not exist, on the date of approval of these financial statements, any litigation likely to have or have had in the recent past significant impact on the financial situation, the activity and operating results of the Branch

NOTE 16. Other Life Reinsurance Disclosures

Capital requirements of the Life Entity

The Branch's main objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns and benefits for its stakeholders while maintaining the RBNZ solvency requirements.

The primary source of capital used is total equity attributable to owners. Total equity attributable to owners equates to capital as defined in the Solvency Standard. Regulatory capital is made up of two components, actual solvency capital, and minimum solvency capital with the difference representing the solvency margin. The calculation of the solvency margin for the Branch is detailed below.

The Branch satisfied all externally imposed capital requirements that it was subject to during the year ended 31 December 2015. No changes were made in the objectives, policies, or processes for managing capital during the year.

Solvency Information

Solvency requirements established by the RBNZ are in place to reinforce safeguards for policyholders' interests and primarily relate to the Branch's ability to meet future claims payments. The Branch adheres to the Solvency Standard for Life Insurance Business issued by the RBNZ in August 2011 and guidance from the New Zealand Society of Actuaries ('NZSA')

Separate to policy liabilities recognised in the balance sheet, a life reinsurer shall disclose its regulatory solvency position.

The Solvency Margin is designed to give a reasonable expectation that an entity has sufficient assets:

- to meet its obligations to existing policyholders, including appropriate allowances for future bonuses and to creditors under a range of adverse conditions; and
- to meet its obligations to policyholders and creditors should all policies discontinue and current surrender values be paid.

These additional reserves provide a cushion against adverse experience in managing long-term risks.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

The Branch's unaudited solvency return calculation results at 31 December 2015 were:

	2015	2014
	$'000	$'000
Actual Solvency Capital	2,891	2,204
Minimum Solvency Capital	1,327	1,811
Solvency Margin	1,563	393

	2015	2014
Solvency ratio	2.18	1.22

NOTE 17. Risk Management

Risk Management Framework

The Branch's activities expose it to a variety of financial and non-financial risks. As the Branch is an entity within the SCOR Group, it works within the context of the SCOR Group risk management objectives and structure.

Day to day management of the Branch is the responsibility of the Branch's Chief Executive Officer (CEO). The CEO recommends changes in the business, performance, goals, strategies, and plans of the Branch. The CEO monitors aggregate risk data and make overall risk management decisions. The two risks with potentially the most serious outcomes are counter-party failure or inadequate capital funding. Both are deemed to be unlikely.

SGL SE's Board of Directors (the Board) recognises that effective risk management is considered to be critical to the achievement of the Group's objectives. The Board has in place an integrated framework of controls designed to safeguard the Group's assets and interests and to ensure the integrity of its reporting. The Board requires and sets high standards of corporate governance and continually reviews its governance practices in the light of best practice. The Board has responsibility for ensuring an appropriate Risk Management Strategy is in place, for ensuring it is aligned with strategic business objectives, and for monitoring management's performance against this policy.

The Company's Risk Management Framework (RMF) is subject to periodical reviews, updated for material changes as they occur and is approved by the Board. The Branch is mainly exposed to the following categories of market risks:

Categories of market risk	Definition
Insurance Risk	Risk of financial loss and inability to meet liabilities due to inadequate/inappropriate reinsurance product design, pricing, underwriting, concentration risk, reserving, claims and/or retrocession management
Credit risk	The risk of loss to an insurer arising from a party to a contract or transaction with the insurer not being able to meet its obligations
Interest rate risk	The risk of a change in value caused by a deviation of the actual interest rates from the expected interest rates
Liquidity risk	The risk that that an insurer doesn't have access to cash at the time the need for cash arises. It can arise in relation to liabilities (e.g. claims) and assets (e.g. investments)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

Insurance Risk

The life reinsurance business undertaken by the Branch involves a number of risks concerned with the pricing, acceptance, and management of the mortality, morbidity, and longevity risks accepted from policyholders.

Key objectives in managing insurance risk are:

(i) To ensure sound business practices are in place for underwriting risks and claims management;

(ii) To ensure solvency and capital requirements are met.

Insurance risks are controlled through pricing controls, policies, and techniques, the use of underwriting procedures and adequate premium rates and policy charges. Tight controls are maintained over claims management practices to ensure the correct and timely payment of reinsurance claims.

The key processes in place to mitigate insurance risk include the following:

(i) the setting and adherence to pricing controls and policies that reflect the objective of avoiding poor risks and writing profitable business;
(ii) the setting and adherence to underwriting guidelines that determine policies and procedures for acceptance of risk;
(iii) the setting of formal claims acceptance limits and the regular review and updating of claims experience data;
(iv) the reduction in the concentration of insurance risk through diversification, the Branch aims to maintain a portfolio of policyholders with a broad spread of reinsurance risk types, ages, sexes, occupation classes and geographical locations for the individual and group risk business;
(v) the Branch enters into retrocession arrangements to manage earnings volatility from statistical variations or adverse deterioration;
(vi) the maintenance of appropriate actuarial reserves including reserves to cover claims incurred but not yet reported, reported but not admitted and reopened claims;
(vii) the identification and consistent monitoring against budget projections derived from the actuarial projections models of external variables which impact claims cash flow such as mortality and morbidity experience, claims frequency and persistency; and
(viii) managing of risk exposures using various analyses and valuation techniques, including stochastic modelling, to calculate the capital required under adverse risk scenarios.

Concentration of insurance risk is mitigated through diversification of risk, for example by benefit type, insurance business, and industry segments and with retrocession coverage.

Credit risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitments in full and on time. The Branch is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. The Branch does not invest in derivatives.

Investments in financial instruments are only dealt with on recognised exchanges and via over-the-counter contracts. The counterparties to over-the-counter contracts are limited to companies and governments, with primarily investment grade credit ratings from a recognised credit rating agency, and are normally banks operating in New Zealand. Credit management (credit rating and credit limit controls) policies are in place to limit exposure to any one counterparty as a proportion of the investment portfolio.

Retrocession recoveries, credit risk with respect to retrocession programs is minimised by placement of cover with the Branch's parent entity or one of its branches.

There were no financial assets that are past due or impaired at balance date (2014: Nil). The credit quality of financial assets that are either past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Cash and cash equivalents are represented by current accounts with major New Zealand banks. The interest rate is variable and cash is available at call.

The Branch has policies in place to ensure that services are performed for customers with an appropriate credit history and cash is held with financial institutions of high credit-worthiness.

The Branch trades only with recognised, creditworthy third parties, and therefore does not require collateral or other security to support credit risk exposures.

Concentration of credit risk

Concentration of credit risk exists if a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. The concentration of credit risk on financial assets is generally the carrying amount, net of any provisions for doubtful debts.

Credit concentration analysis is based on the counterparty, industry and geographical location of the financial assets the Branch holds.

Interest rate risk

Interest rate risk is the risk of loss of Branch's earnings or capital arising from unfavourable movements in interest rates, including changes in the absolute levels of interest rates, the shape of the yield curve, the margin between different yield curves and the volatility of interest rates.

Management of risks associated with investments undertaken by the Branch, including interest rate risk is subject to the relevant regulatory requirements.

Sensitivity Analysis

The following analysis demonstrates the impact of a 100 basis point change in New Zealand interest rates, with all other variables held constant. Given the volatility experienced in the market during the last year, a movement of 100 basis points (2014:100 basis points) is considered reasonably possible and has been applied to the sensitivity analysis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

After tax profit and other comprehensive income would have been affected as follows:

		2015	2014
Impact on the Branch's result after tax		**$'000**	**$'000**
Change in interest rates of:	+ 1% (100 basis points)	18	14
	- 1% (100 basis points)	(18)	(14)

The Branch does not hold any interest bearing financial liabilities.

Liquidity risk

Liquidity risk is the risk that the Branch will encounter difficulties in meeting its debt obligations, or other cash outflows, as they fall due because of a lack of liquid assets or access to adequate funding on acceptable terms.

Prudent liquidity risk management requires the maintenance of sufficient cash and access to funding to meet current and future obligations of the Branch. The Branch manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities.

Economic Dependency

The Branch is reliant on SGL SE to provide all financial support to meet its business commitments. It is also noted that the Branch fully relies on SGL SE to comply with the solvency requirements under the RBNZ "Solvency Standard for Life Insurance Business".

There has been no material change in the liquidity risk faced by the Branch or the policies and processes for managing the risk during the period.

NOTE 18. Fair Values of Financial Assets and Liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value of financial instruments traded in active markets is based on quoted market prices at balance date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Refer below for details of valuation methods used for each category of financial assets and liabilities.

The carrying amounts of all financial assets and liabilities reasonably approximate their fair values. The following methods and assumptions were used by the Branch in estimating the fair values of financial instruments.

(i) Cash and cash equivalents: carrying amount reasonably approximates its fair value.

(ii) The carrying value of receivables and other financial liabilities, adjusted for impairment values when applicable, reasonably approximate their fair values.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

Financial Instruments of the Branch	2015	2014
	$'000	**$'000**
Cash and Cash Equivalents	2,891	2,204
Receivables	158,724	153,330
Total Financial Assets	**161,615**	**155,534**
Payables	158,025	153,063
Provisions	700	267
Total Financial Liabilities	**158,725**	**153,330**

At balance date, the Branch had no material financial assets exposed to New Zealand variable interest rate risk (2014: nil).

Fair value hierarchy

The Branch uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

At balance date, the Branch had no financial assets determined and disclosed using valuation techniques (2014: nil).

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2015

Please refer to separate document from the Auditors

Thanks