

CAPITAL DISCLOSURES

The Australian Prudential Regulation Authority (APRA) is the prudential regulator of the Australian financial services industry. APRA establish and enforce prudential standards and practices on the institutions it supervises in order to protect the financial interests of the Australian community. The Capital Adequacy prudential standards (LPS 110 and GPS 110) require an insurance company to maintain adequate capital against the risks associated with its activities. A key feature of the standards is also a requirement that the insurer make certain public disclosures about its capital adequacy position. The following information has been prepared for the purpose of satisfying these requirements.

Munich Reinsurance Company of Australasia Limited (ACN 51 004 804 013) Capital Disclosure at 31 December 2017

Statutory Fund (SF) / General Fund (GF)	SF1 \$'000	SF2 \$'000	GF \$'000	Total \$'000
Net Assets as per Life Insurance Act (Tier 1)	1,306,989	46,296	2,929	1,356,214
Regulatory adjustments to Net Assets (Tier 1)	(552,461)	(3,704)	-	(556,165)
Tier 2 Capital	-	-	-	-
Regulatory adjustments to Tier 2 Capital	-	-	-	-
Capital Base (A)	754,528	42,592	2,929	800,049
Components of the Prescribed Capital Amount:				
Insurance Risk Charge	145,083	20,660	-	165,743
Asset Risk Charge	94,376	6,018	83	100,477
Operational Risk Charge	24,457	1,109	-	25,566
Aggregation Benefit	(51,223)	(4,033)	-	(55,256)
Combined Stress Scenario Benefit	106,708	4,698	30	111,436
Prescribed capital amount (B)	319,401	28,452	113	347,966
Capital Adequacy (A/B)	2.36	1.50	25.92	2.30

Münchener Rückversicherungs-Gesellschaft trading as Munich Reinsurance Company – Australian Branch (ARBN 009 763 526) Capital Disclosure at 31 December 2017

	\$'000
Adjusted Net Assets	1,167,575
Common Equity Tier 1 Capital	0
Regulatory adjustments to Common Equity Tier 1 Capital	0
Additional Tier 1 Capital	0
Regulatory adjustments to Additional Tier 1 Capital	0
Tier 2 Capital	0
Regulatory adjustments to Tier 2 Capital	0
Capital Base	1,167,575
Components of the Prescribed Capital Amount:	
Insurance Risk Charge	580,066
Insurance Concentration Risk Charge	50,000
Asset Risk Charge	189,579
Operational Risk Charge	41,062
Aggregation Benefit	(126,318)
Prescribed capital amount	734,389
Capital adequacy multiple	1.59

Great Lakes Insurance SE trading as
Great Lakes Australia (ARBN 127 740 532)
Capital Disclosure at 31 December 2017

	\$000
Net Assets in Australia	76,643
Regulatory adjustments to Net Assets in Australia	(3,016)
Capital Base	73,627
Components of the Prescribed Capital Amount:	
Insurance Risk Charge	7,250
Insurance Concentration Risk Charge	0
Asset Risk Charge	18,689
Operational Risk Charge	13,231
Aggregation Benefit	(4,584)
Prescribed capital amount	34,586
Capital adequacy multiple	2.13