

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Shareholders and to the Supervisory Board of MetLife Towarzystwo Ubezpieczeń na Życie i Reasekuracji S.A.

Opinion

We have audited the Solvency and Financial Condition Report (SFCR) of MetLife Towarzystwo Ubezpieczeń na Życie i Reasekuracji S.A. with its registered seat at ul. Przemysłowa 26 in Warsaw (the "Company"), prepared as at 31 December 2019 and for the year then ended.

The SFCR was prepared by the Company's Management Board in accordance with:

- the Act on Insurance and Reinsurance Activity of 11 September 2015 (Journal of Laws of 2019, item 381, as amended), hereinafter referred to as the "Act on Insurance and Reinsurance Activity",
 - in compliance with the requirements of title I Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), hereinafter referred to as "Regulation".
- hereinafter referred to collectively as "Basis of preparation".

The SFCR has been drawn up to meet the requirements of Article 284 of the Act on Insurance and Reinsurance Activity.

In our opinion the SFCR of MetLife Towarzystwo Ubezpieczeń na Życie i Reasekuracji S.A. as at 31 December 2019 and for the year then ended was prepared, in all material respects, in accordance with Basis of preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") in a version adopted by the National Council of Statutory Auditors as the Polish Standards on Auditing ("PSAs") and in compliance with the Regulation of the Minister of Development and Finance of 4 December 2017 on the audits of SFCR of insurance and reinsurance companies by audit firms ("Regulation on the audit of the report on solvency and financial condition"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Report on Solvency and Financial Condition" section of our report. We are independent of the Company in line with the ethical requirements applicable to our audit of the SFCR under the International Federation of Accountants' Code of Ethics for Professional Accountants ("IFAC Code"), adopted by resolution of the National Council of Statutory Auditors, together with other ethical requirements. We have also discharged our other ethical obligations thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Explanatory Emphasis-of-Matter Paragraph – Basis of preparation

We draw attention to the asis of preparation described in the "Summary" section of the SFCR. The SFCR was prepared for purposes of the Company's fulfilment of the reporting requirements set out in Article 284 of the Act on Insurance and Reinsurance Activity. Accordingly, the SFCR may not be appropriate for other purposes. Our opinion is not modified in this respect.

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District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, KRS No. 0000446833, Tax Identification Number (NIP): 527-020-07-86, REGON: 010076870

Responsibility of the Entity's Manager and Those Charged with Governance for the Solvency and Financial Condition Report

The Company's Management Board is responsible for the preparation of the SFCR in compliance with the Basis of preparation. The Company's Management Board is also responsible for such internal control as it determines is necessary to enable the preparation of a SFCR that is free from material misstatement, whether due to fraud or error.

In preparing the SFCR, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Solvency and Financial Condition Report.

Our objectives are to obtain reasonable assurance about whether the SFCR as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this SFCR.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the SFCR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the SFCR report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information, Including Fulfilment of the Obligations under the Applicable Laws

Overview of the Company

The Company operates as a joint-stock company. It is entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under KRS number 0000028131. Its objects are the activities specified in Section I – life insurance in groups 1, 2, 3, 4 and 5 listed in the Appendix to the Insurance and Reinsurance Act.

Availability of Data and Management Representations

In the course of the audit of the SFCR, we obtained from the Company the information, data, explanations and statements requested by us.

Other statements required by the Regulation on the audit of the Solvency and Financial Condition Report

As a result of our audit, taking into consideration the concept of materiality and the limitations due to natural uncertainties relating to the necessity to make specific assumptions and estimates, we would like to inform you that as at 31 December 2019 the Company:

- determined the value of its assets for purposes of solvency in accordance with Article 223.1 of the Act on Insurance and Reinsurance Activity as well as Chapter II, Title I of Regulation,
- determined the value of its liabilities for purposes of solvency, other than technical provisions for purposes of solvency, in accordance with Article 223.2 and 223.3 of the Act on Insurance and Reinsurance Activity as well as Chapter II, Title I of Regulation,
- determined the value of its technical provisions for purposes of solvency in accordance with Articles 224-235 of the Act on Insurance and Reinsurance Activity as well as Chapter III, Title I of Regulation,
- determined the solvency capital requirement in accordance with the provisions of the Act on Insurance and Reinsurance Activity as well as Chapters V and X, Title I of Regulation,
- determined the minimum capital requirement in accordance with Articles 271-275 of the Act on Insurance and Reinsurance Activity as well as Chapters VII and X, Title I of Regulation,
- performed an assessment of the quality of its own funds, in addition to determining the amount of eligible own funds to cover the solvency capital requirement as well as the amount of eligible basic own funds to cover the minimum capital requirement in accordance with Article 238 and Articles 240-248 of the Act on Insurance and Reinsurance Activity as well as Chapter IV, Title I of Regulation,
- provided complete explanations as to material differences between the bases and methodologies used for the measurement of assets for purposes of solvency, technical provisions for purposes of solvency as well as liabilities other than technical provisions for purposes of solvency AND the bases and methodologies used for the measurement of assets and technical provisions for accounting purposes as well as other liabilities in its annual financial report prepared for the financial year ended 31 December 2019.

In addition, we inform that the Company had, in all material respects, as at 31 December 2019:

- eligible own funds in an amount not lower than the Solvency Capital Requirement,
- and
- eligible basic own funds of not less than the Minimum Capital Requirement.



On behalf of Deloitte Audyt spółka z ograniczoną odpowiedzialnością sp. k., entered in the list of audit firms kept by the National Council of Statutory Auditors under number 73:

Dorota Snarska - Kuman
Registered under number 9667

Warsaw, 7 May 2020

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.