Solvency and Financial Condition Report 2024

Saol Assurance DAC

We help people feel better about their **future**

Contents

Introduction

This Solvency and Financial Condition Report in respect of **Saol Assurance Designated Activity Company ('the Company')** has been prepared in line with the relevant Solvency II regulations and the guidance provided by EIOPA.

The report covers the Business and Performance of the Company, its System of Governance, Risk Profile and valuation for Solvency Purposes and Capital Management.

The party with ultimate responsibility for all of these matters is the Company's Board of Directors with the assistance of various governance and control functions it has put in place to monitor and manage the business.

The Solvency II Standard Formula is used throughout to determine the Solvency Capital Requirements. The Company's financial year runs to 31 December each year and it reports its results in Euro.

The appendices to the report also contain, in adherence with the regulations, the six Quantitative Reporting Templates ('QRTs') required.

Business Background

Saol Assurance Designated Activity Company is a life assurance company offering protection, pensions and savings and investment products to the Irish market.

The Company was incorporated on 10 August 2021 as AIB JV Designated Activity Company and is wholly owned by Saol Assurance Holdings Limited ('the Holding Company') which in turn is owned 50:50 by Allied Irish Banks, public limited company, ('AIB') and Canada Life Irish Holding Company Limited ('CLIHC').

On 17 February 2023, the Central Bank of Ireland granted the Company authorised status as a life undertaking under the European Communities (Life Assurance) Framework Regulations, 1994.

The Company, which operates under the trading name AIB life, launched in May 2023 through AIB distribution channels, and offers AIB customers a range of life, protection, pensions, savings and investment products through qualified financial advisors deployed in the AIB retail branch network distribution channels.

Strategic Context

In 2021, AIB recognised the opportunity to launch a disruptive wealth proposition to the Irish market, leading with increased customer choice and a focus on deeper and more innovative ways of customer engagement. This capitalised upon the success of its retail business and its digital channel capability. AIB partnered with CLIHC to establish a greenfield insurance business to meet this customer-focused opportunity.

The Company was established as clouds-based, using digital-led platforms to provide a seamless omnichannel customer experience addressing modern consumers' evolving needs and expectations and engages in providing financial wellbeing products in the Protection, Savings and Investments, and pre and post-Retirement markets to customers sourced through AIB's physical and digital distribution channels.

Our product offering, which operates under the trading name AIB life, launched in May 2023 through AIB distribution channels and 2024 represents the first full year of trading. AIB life provides new, streamlined products to the marketplace, making it simple for consumers to access them. It seeks to de-mystify the complexity of financial products by communicating using transparent language the customer understands, engaging the existing customer base that sits within AIB to provide a holistic approach to their financial wellbeing needs, focusing attention on building lasting relationships with them, utilising advanced customer engagement tools and digital platforms to do so over time.

AIB life is a central element to AIB's ambition to be at the centre of their customers' financial lives and to help them achieve the life they are after. A sustainable investment offering is core to our customer proposition. At AIB life, our headline Fusion Fund range is Article 8, and we provide Article 8 and Article 9 options across our wider fund shelf.

2024 was a very successful year for the Company with a step-change in new business growth through the year including a number of new product launches and proposition enhancements with a strong underlying capital and liquidity position. Material improvements in Customer Experience were delivered in the year. The AIB life hub (a digital customer portal that sits within the AIB mobile app) was further upgraded with information, calculators and the ability to call an AIB Financial Advisor directly from the app. This aligns very well with AIB's stated purpose to supporting customers with their long term financial planning to build a sustainable financial future for themselves, their family and their business.

Marketing and advertising activity has increased the perception of AIB as a credible player in the market. There was a significant shift in 2024 to more targeted marketing activity (in particular the campaign centred on 'Talk to us about your Pension') at local and national levels, including social media.

Our perspective on the market is that the opportunity to meet unmet customer needs remains substantial, with a broadly positive economic and demographic backdrop that supports a medium term outlook on the business ambition. We will utilise our expert teams and technology partners to drive the growing business forward.

We have established a Diversity, Equity & Inclusion ('DE&I') Committee and formulated a DE&I strategy which aligns to the Vision and Purpose of the Company. We engage with a DE&I partner annually to provide data-led baseline measures for the Company through an employee engagement survey and learning platform. For the year ahead, the focus is to continue to embed DE&I within our culture. The key pillars for 2025 include We Includes Me, Multinational Inclusion and Inclusivity Through Life-stages with targeted 2025 goals for each which have been informed by the 2024 employee survey outputs.

The report is composed of a number of elements:

Section A. Business

This section provides an understanding of the business of the Company.

At year end 31 December 2024 the Company's Solvency Capital Requirement ('SCR') coverage was 191.92%. We report a solvency capital value of €166.55m, which is above the €86.78m SCR. We calculate our SCR using the Standard Formula set by the European Insurance and Occupational Pension Authority ('EIOPA'). Solvency capital is controlled and reported in line with a capital management policy and metrics as detailed in Section E.

Summary of our capital position

Available Own Funds	Year End 31 December 2024 €m	Year End 31 December 2023 €m
Tier 1 – unrestricted		
Share Capital and Share Premium	295.60	284.60
Issued Funds	0.00	0.00
Reconciliation Reserve	(129.05)	(150.43)
Available Own Funds	**166.55**	**134.17**
Foreseeable Dividends and Distributions	0.00	0.00
Total available own funds to meet the SCR	**166.55**	**134.17**
Tier 1 – unrestricted	166.55	134.17
Tier 1 – restricted	0.00	0.00
Eligible own funds to meet SCR	**166.55**	**134.17**
Solvency Capital Requirement (SCR)	86.78	77.21
Solvency ratio	**191.92%**	**173.77%**
Minimum Capital Requirement (MCR)	21.67	19.30
Eligible own funds as a percentage of MCR	**767.67%**	**695.09%**

Under IFRS the company made a loss of €18.1m for year ended 31 December 2024 (loss of €36m in 2023) which was ahead of initial 5-year business plan projections. Strong new business growth across a range of products and efficient expense management contributed to the result. The Company continued to invest both to drive the business forward and to deliver on the regulatory change agenda.

Total shareholder capital subscribed from the Holding Company during the year was €11m.

Section B. System of Governance

The Board and management are committed to effective corporate governance and have established a comprehensive framework for the Company's operations. The key component of this framework is the Board, which has ultimate responsibility for the implementation and maintenance of an effective corporate governance framework, and the various Board and management committees through which the Board discharges its Legal and Fiduciary responsibilities. The Board is responsible for the Internal Control Framework and the Company operates a 'three lines of defence' model where (1) the Business, (2) Risk Management, Compliance, Actuarial and (3) Independent Audit work together to ensure that risk management is effective.

The Risk Management Framework determines risk appetite, establishes risk policies, identifies and manages the risks to the Company's objectives and monitors the capital requirements. All of this is captured by the Risk Management Framework and Own Risk and Solvency Assessment ('ORSA') activities that are carried out throughout the year with oversight by the Board.

Section C. Risk Profile

The principal risks faced by the Company are Underwriting risk, Market risk, Credit risk, Liquidity risk and Operational risk. This section covers these and any other material risks and how they are mitigated.

Risk is managed using a three lines of defence model.

- **First Line of Defence:** The First Line of Defence are the ultimate owners of the risk and have primary risk management as well as risk-taking responsibility and accountability through day-to-day risk identification, measurement, management, monitoring and reporting embedded within ongoing business processes.
- **Second Line of Defence:** Oversight functions in the business include Risk, Actuarial and Compliance. These oversight functions are accountable for the independent oversight of risk-taking. Finance also has oversight responsibilities as a non-primary risk-taking function.
- **Third Line of Defence:** Internal Audit's primary responsibility is to the Company's Board of Directors through the Board Audit Committee

The Company assesses its risk exposure by measuring its SCR using the Standard Formula, which is the method of calculating the amount of capital that the Company is required to hold against its risk profile.

This table presents the total solvency capital required (SCR) and breaks this down by risk sub-module.

Breakdown of SCR	Year End 31 December 2024 €m	Year End 31 December 2023 €m
Market Risk	45.3	47.5
Counterparty Default Risk	0.9	3.9
Life Underwriting Risk	59.7	45.9
Health Underwriting Risk	2.9	1.2
Total Before Diversification	**108.8**	**98.6**
Diversification Effects	(24.1)	(22.9)
Basic SCR (BSCR)	**84.7**	**75.6**
Operational Risk	2.0	1.6
Total SCR	**86.8**	**77.2**

Section D. Valuation for Solvency Purposes

This section of the report details the value of Assets and Liabilities for Solvency II purposes as at 31 December 2024 and a description of the bases and methods used for valuation purposes. The Company reports under IFRS for Financial Statement purposes. Any significant valuation differences between IFRS and Solvency II non-technical provision assets and liabilities are set out in sections D.1 and D.3. Section D.2 details the approach used to value technical provisions. These have been reviewed by our Head of Actuarial Function and approved by our Board.

Section E. Capital Management

This section includes the objectives, policies and processes employed by the Company for managing its own funds as well as the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) as at 31 December 2024.

The Company uses the Standard Formula to calculate its SCR. The Company manages its capital with a view to maintaining solvency at a level which enables the Company to carry out its business plan and meet growth objectives, within its risk appetite.

The Board reviewed and approved this report on 28th March 2025.

Bryan O’Connor
Executive Director and CEO

A. Business and Performance

The section of the report covers the activities of the Company for the period to 31 December 2024.

A.1 Business

A.1.1 Business overview

The Company was incorporated on 10 August 2021. The Company is wholly owned by Saol Assurance Holdings Limited ('the Holding Company') which in turn is owned 50:50 by Allied Irish Banks, public limited company, ('AIB') and Canada Life Irish Holding Company Limited ('CLIHC').

Company Name

Saol Assurance Designated Activity Company
6th Floor
2 Grand Canal Square
Dublin 2
D02 A342

Name and contact details of the supervisory authority who is responsible for financial supervision of the Company:

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Name and contact details of the external auditor of the Company is:

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
D02 AY28

Ownership Structure

The legal structure of ownership is shown below. Saol Assurance Designated Activity Company is a 100% subsidiary of Saol Assurance Holdings Limited, which itself is a joint venture between AIB p.l.c. and CLIHC.

The ultimate parent companies are AIB Group p.l.c. (incorporated in Ireland) and Power Corporation of Canada (incorporated in Canada).

Principal activities

The Company which operates under the trading name AIB life, sells through AIB distribution channels, and offers AIB customers in Ireland a range of life, protection, pensions, savings and investment products through the AIB retail branch and direct channels.

Significant business or other events during the reporting period

The Company launched two new products during 2024 – an Approved Retirement Fund (ARF) and a Structured Investment Product (Fixed Term Invest). Fixed Term Invest is a lump sum investment product that provides exposure to the performance of a European stock market index while aiming to provide 100% capital protection on the amount invested (after the 1% government levy) at the end of the investment term.

During 2024 we experienced continued momentum in sales growth, achieving €70.3m annual premium equivalent with particularly strong performance in single premium investment and pension products.

Summary of share capital

At 31 December 2024:

Shares Issued (Ordinary + Share premium class)	Value €
280,579	295,600,000

General Market Environment

Economic recovery: The post-pandemic economic rebound boosted disposable income levels, driving interest in life insurance as a means of financial security and this trend is likely to continue.

Ageing populations and longer lifespans: Ireland has experienced a steady increase in its elderly population, leading to greater awareness and demand for pension and retirement planning products.

Retirement savings gap: Ireland is experiencing a strained public pension pool of funding in addition to material gaps in the retirement plan coverage.

Consumer financial wellbeing: Dramatically higher consumer interest in Financial Wellbeing, particularly in the wake of the global pandemic.

Digital transformation: Insurance companies are investing heavily in digitising their processes, enhancing customer experiences, and expanding their online distribution channels.

Growth opportunities in the insurance market: The Life and Pensions Assurance market in Ireland experienced steady growth from 2021 to 2024, despite challenges posed by the pandemic and low interest rates. The market's future prospects appear promising, driven by favourable demographic and employment trends and technological advancements. To succeed in this dynamic landscape, insurers must prioritise customer-centricity, digital innovation, relevant AI adoption and compliance with evolving regulations.

Management's view of the market opportunity is that the unmet customer needs remain substantial, with a broadly positive economic and demographic backdrop that supports robust medium term business performance as well as supporting ongoing investment in the business. We will utilise our expert teams and technology partners to support this ambition.

Company Values

As a business, we have agreed a core set of Values.

We includes me
At the most basic level we exist to improve peoples' lives, we are better at it when we work together. We strive to create an environment where each of us feels like we belong, can be at our best and is valued for our unique perspectives and talents.

Customer-obsessed
Making our customers' lives easier is the number one priority so we keep them front of mind in everything we do. We always aim to keep things simple, straightforward and personalised to our customers' needs.

Courageously creative
We are reshaping the financial sector in Ireland by offering something genuinely different to the public. We need to be brave enough to stand out from the crowd and push the boundaries of conventional thinking, to find new and better ways to help people achieve financial security.

Future fit
We are a progressive, purposeful business that aims to have a positive impact on society. This means looking ahead and taking action now to be ready for whatever the future throws at us. We aim to always prioritise the long-term security and wellbeing of ourselves, our customers and our environment ahead of short-term gain.

With passion
If we're going to do something, we do it properly – bringing energy, commitment and focus to deliver amazing results. This means look after ourselves and each other so we can give our best. And most importantly, it means injecting a sense of fun and enjoyment to the good work we do.

Environmental and Social background:

(i) Responsible Investment Offering:

At AIB life, our headline Fusion Fund range is Article 8, and we provide Article 8 and Article 9 options across our wider fund shelf.

Article 8 funds: Funds that promote environmental or social characteristics.
Article 9 funds: Funds that have sustainable investment as their objective.

Irish Life Investment Managers (ILIM), our investment managers, since becoming a signatory in 2010, have been committed to the United Nations Principles for Responsible Investment (UNPRI), leveraging their scale as a global asset manager to influence and change company behaviours. They are the first asset manager in Ireland to publish a Task Force on Climate Related Disclosures (TCFD) Report and in 2022 created a bespoke, custom voting policy with focus on board independence, board diversity and climate change.

(ii) Diversity, Equity and Inclusion (DE&I):

We have established a DE&I Committee and formulated a DE&I strategy which aligns to the Vision and Purpose of the Company. We engage with a DE&I partner annually to provide data-led baseline measures for the Company through an employee engagement survey and learning platform. For the year ahead, the focus is to continue to embed DE&I within our culture. The key DE&I pillars for 2025 include We Includes Me, Multinational Inclusion, Inclusivity Through Life-stages with targeted 2025 goals for each which have been informed by the 2024 employee survey results.

A.2 Underwriting Performance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the European Union ("IFRS"). The information contained in this section is provided on an IFRS basis.

Underwriting performance

All policies written by the Company during 2024 were to policyholders in the Republic of Ireland.

Key products sold:

- Income Protection including bill cover. The bill cover element is classified as health insurance.
- Mortgage and life insurance protection.
- Pension products including PRSA and pension bonds.
- Savings and Investment products including lump sum investment product with 100% capital protection.

The table below shows the premiums, claims, expenses, and change in technical provisions, combined with the investment return split by business line. We refer to the total of these items as the Underwriting Result.

2024 (€m)				
	Health Insurance	**Index-linked and unit-linked insurance**	**Other Life insurance**	**Total**
Premiums earned (net of reinsurance)	1.33	454.29	2.62	458.24
Claims (net of reinsurance)	0.01	(203.54)	-	(203.53)
Expenses	(5.32)	(40.73)	(9.95)	(56.00)
Portfolio Transfer	-	-	-	-
Change in Technical Provisions	4.19	(456.21)	7.64	(444.38)
Investment Return	-	264.04	2.47*	266.51
Underwriting Result	**0.21**	**17.85**	**2.78**	**20.84**

*Shareholder investment return assigned to 'Other Life insurance'.

2023 (€m)				
	Health Insurance	**Index-linked and unit-linked insurance**	**Other Life insurance**	**Total**
Premiums earned (net of reinsurance)	0.23	80.70	0.43	81.35
Claims (net of reinsurance)	-	(34.61)	-	(34.61)
Expenses	(15.14)	(26.18)	(16.01)	(57.32)
Portfolio Transfer	-	1,812.36	-	1,812.36
Change in Technical Provisions	(0.39)	(1,891.34)	(1.78)	(1,893.51)
Investment Return	-	112.75	0.51*	113.26
Underwriting Result	**(15.30)**	**53.68**	**(16.85)**	**21.53**

*Shareholder investment return assigned to 'Other Life insurance'.

- Total premiums written in 2024 totalled €458.24m consisting of €454.29m on unit-linked business, €1.33m Health insurance and €2.62m other life insurance.
- Claims incurred €203.53m relates to surrenders on unit-linked business, predominately on our portfolio acquired from Irish Life Assurance. The profile of these policies is more mature and claims were in line with the expected run-off of the book for 2024.
- Total expenses for the Company amounted to €56m and this includes acquisition and maintenance costs. Acquisition costs include initial commissions paid to our distribution partner AIB.

A.3 Investment Performance

Investment return comprises all investment income and movements in realised and unrealised investment gains and losses.

A significant portion of the Company's investment asset portfolio relates to unit-linked policies. For this segment investment performance (positive and negative) is effectively passed on to our policyholders. Hence, any movement in asset values are offset by changes to policyholder liabilities.

Outside of the unit-linked business the Company holds assets which are expected to perform in line with our Best Estimate Liabilities ('BEL'), this is to ensure we have enough capital to offset our required regulatory technical provisions and enough cash to discharge our current liabilities.

The following tables outline the investment performance of the Company's non-linked and unit-linked investments in 2024. The tables are prepared as per the available guidance for QRT S09.01.

Non-Linked Investments

The table below outlines the investment performance and investment income for each class of asset for the year.

2024 (€m)						
Asset Class	**Dividends**	**Interest**	**Rent**	**Net Gains and (Losses)**	**Unrealised Gains and (Losses)**	**Total**
Bonds	-	1.42	-	0.30	0.78	2.50
Cash and deposits	-	-	-	0.00	0.00	0.00
Derivatives	-	-	-	(0.03)	(0.01)	(0.04)
Equity and Collectives	-	-	-	-	-	0.00
Total	**-**	**1.42**	**-**	**0.28**	**0.77**	**2.47**

2023 (€m)						
Asset Class	**Dividends**	**Interest**	**Rent**	**Net Gains and (Losses)**	**Unrealised Gains and (Losses)**	**Total**
Bonds	-	0.26	-	0.04	0.29	0.59
Cash and deposits	-	-	-	-	-	-
Derivatives	-	-	-	(0.37)	0.01	(0.36)
Equity and Collectives	-	-	-	0.33	(0.05)	0.28
Total	**-**	**0.26**	**-**	**(0.00)**	**0.25**	**0.51**

Investment income for non-linked investments in 2024 was a gain of €2.47m. This consists of:

- €1.42m coupon income on government and local agency bonds.
- €0.3m realised gains on government bonds offset by a €0.03m loss on derivatives.
- €0.78m unrealised gains on government and local agency bonds offset by €0.01m unrealised gains on derivatives.

The Company holds assets which are expected to perform in line with our Best Estimate Liabilities. This is to ensure we have enough capital to offset our required regulatory technical provisions and enough cash to discharge our current liabilities. The core objective of the shareholder fund is to invest and manage the shareholder capital of the Company. The fund holds a well-diversified and liquid portfolio of cash and high-quality fixed interest securities and is highly liquid. The investments of the fund are restricted to cash and highly rated EUR denominated bonds.

Assets by class: Non-Linked		
Asset Class	**2024 €**	**Percentage of Overall fund**
Collective Funds	591,673	1%
Cash and Deposits	69,193,935	57%
Direct Equity	-	0%
Government Bonds	50,737,939	42%
Derivatives	10,169	0%
Property, Plant and Equipment	31,258	0%
Future Margins	58,383	0%
Total	**120,623,357**	**100%**

Assets by class: Non-Linked		
Asset Class	**2023 €**	**Percentage of Overall fund**
Collective Funds	1,831,146	2%
Cash and Deposits	61,310,576	67%
Direct Equity	-	0%
Government Bonds	28,312,694	31%
Derivatives	10,262	0%
Property, Plant and Equipment	94,774	0%
Future Margins	55,520	0%
Total	**91,614,972**	**100%**

Unit-Linked Investments

The Unit-Linked Investments portfolio comprises deposits, bonds, equities, collective investments, property and derivatives.

Investment Return: Unit-Linked

Asset Class: Unit-Linked						2024
Asset Class	**Dividends €m**	**Interest €m**	**Rent €m**	**Net Gains and (Losses) €m**	**Unrealised Gains and (Losses) €m**	**Total €m**
Cash and Deposits	-	-	-	-	-	-
Bonds	-	14.62	-	-	3.97	18.59
Equities and Collectives	8.20	-	-	110.20	130.45	248.85
Derivatives	-	-	-	4.27	(9.83)	(5.56)
Property	-	-	5.70	-	(3.54)	2.16
Total	**8.20**	**14.62**	**5.70**	**114.47**	**121.05**	**264.04**

Asset Class: Unit-Linked						2023
Asset Class	**Dividends €m**	**Interest €m**	**Rent €m**	**Net Gains and (Losses) €m**	**Unrealised Gains and (Losses) €m**	**Total €m**
Cash and Deposits	-	2.43	-	-	(3.62)	(1.19)
Bonds	-	-	-	2.47	-	2.47
Equities and Collectives	1.70	-	-	23.55	73.94	99.19
Derivatives	-	-	-	18.17	3.96	22.13
Property	-	-	0.89	-	(10.74)	(9.85)
Total	**1.70**	**2.43**	**0.89**	**44.19**	**63.54**	**112.75**

Investment income for unit-linked investments in 2024 was a gain of €264.04m. This consists of:

- €8.2m dividend income on equity securities.
- €14.6m income on interest yielding bonds.
- €5.7m rental income from the unit-linked property fund.
- €114.5m realised gains on equity, collective investment securities and derivatives.
- €121m unrealised gains across all asset classes with unrealised gains on equity and collectives and bonds offset by unrealised losses on derivatives and property.

As noted above we have seen positive returns across our policyholder funds particularly in equity and collective investments. Key themes driving this are positive equity performance on a better than expected growth backdrop, improving earnings and the rising prominence of artificial intelligence (AI). Furthermore, optimism in the United States had been amplified by the re-election of President Trump and a Republican majority in both houses, which had elevated expectations for growth-oriented policies.

Interest income on debt securities and other fixed income securities and deposits with credit institutions is recognised using the effective interest method.

Dividends are included as investment income on the date that the shares become quoted ex-dividend. Rents and interest income and expenses are included on an accruals basis.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and purchase price. Unrealised gains and losses on investments recognised in the year represent the difference between the fair value at the balance sheet date and their purchase price.

Assets by class: Unit-Linked		**2024**
Asset Class	**€**	**Percentage of Overall fund**
Collective Funds	1,927,294,377	79%
Cash	328,841,989	13%
Direct Equity	26,980,728	1%
Government Bonds	-	0%
Derivatives	(343,233)	0%
Property, Plant and Equipment	69,840,000	3%
Future Margins	91,819,605	4%
Total	**2,444,433,465**	**100%**

Assets by class: Unit-Linked		**2023**
Asset Class	**€**	**Percentage of Overall fund**
Collective Funds	1,029,560,817	52%
Cash	252,271,975	13%
Direct Equity	546,288,108	28%
Government Bonds	-	0%
Derivatives	5,647,689	0%
Property, Plant and Equipment	73,110,993	4%
Future Margins	59,162,301	3%
Total	**1,966,041,883**	**100%**

A.4 Performance of other activities

There are no items of note.

A.5 Any other information

There are no items of note.

B. System of Governance

B.1 General information on the system of governance

B.1.1 Governance structure

The Board is responsible for the effective, prudent and ethical oversight of the Company and is ultimately responsible for compliance with all applicable legislative and regulatory requirements and guidelines. The primary objectives of the Company are set out in the current Company constitution. The Board retains primary responsibility for establishing and maintaining appropriate policies and an effective corporate governance system to achieve the Company's strategic objectives. The Board supervises the management of the business and affairs of the Company and exercises, as appropriate, the powers vested in and exercisable by the Board pursuant to applicable laws and regulations. Without limiting the generality of the foregoing, the Board has the following duties and responsibilities, which it may discharge either directly or indirectly through one or more Committees of the Board. In fulfilling its duties and responsibilities, the Board will rely on the information, advice and recommendations provided to it by management but will exercise independent judgment.

The following matters are specifically reserved to the Board and may not be dealt with by committees of the Board or by management:

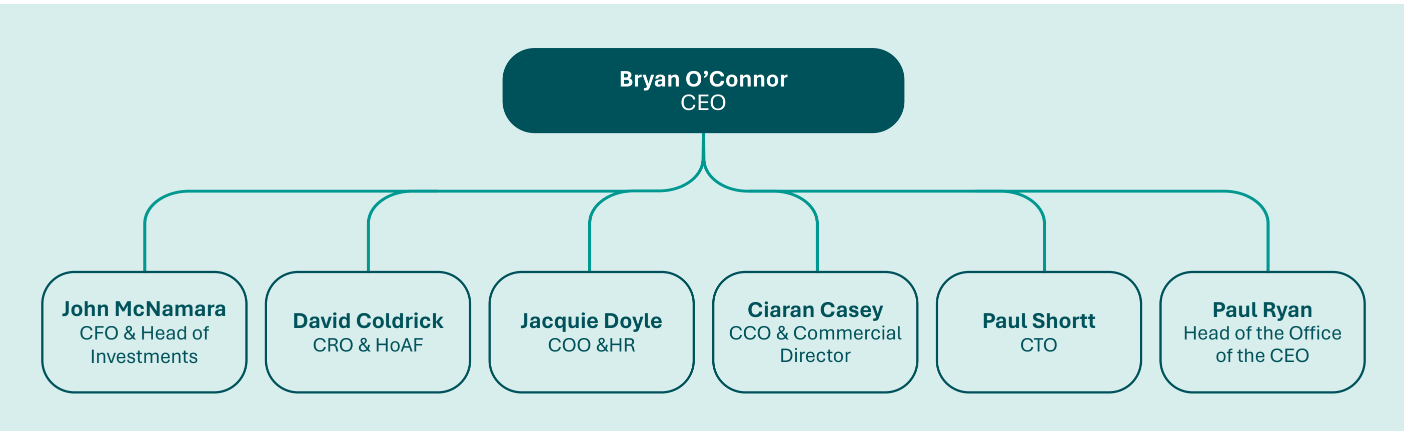
- Matters that, by law or company regulation, must be dealt with by the Board, including the approval and sign-off of regulatory returns and accuracy certifications.
- Complying with the provisions of Section 225 of the Companies Act 2014 in respect of the directors' compliance statement (if required in a given financial year).
- Complying with the provisions of Section 167 of the Companies Act 2014 in respect of the establishment of an audit committee (if required in a given financial year).
- Adopting, amending or repealing the Memorandum and Articles of Association in whole or part.

The Board operates in accordance with its terms of reference and also in compliance with the Central Bank of Ireland (the 'CBI') Corporate Governance Requirements for Insurance Undertakings (2015) (the 'Requirements'), the CBI's Fitness and Probity Standards (code issued under section 50 of the Central Bank Reform Act 2010) originally published on 1st September 2011 and last reissued in 2023 as amended, substituted or supplemented from time to time (the 'Standards'), the Central Bank (Individual Accountability Framework) Act 2023 (the 'IAF Act') and the Solvency II Directive (Directive 2009/138/EC) (as amended) and the Shareholder Agreement. These include requirements in relation to the composition of the Board and its Committees. The Company submits a compliance statement to the Central Bank each year.

The Board has established three Board committees; the Audit Committee, the Risk Committee and the Remuneration and Nomination Committee. Each has a written terms of reference and rules, with respect to composition, delegated tasks and responsibilities and reporting requirements to the Board.

The Board-appointed Chief Executive Officer (CEO) has ultimate executive responsibility for the operation, compliance and performance of the Company.

In addition, there is a Management Committee called the Executive Committee. The role of the Executive Committee (the 'ExCo') is to assist the CEO in overseeing the Company's overall performance and delivery. The ExCo is made up of a small group of senior business leaders who support the CEO in driving the business forward through constructive challenge and collaborations. It focuses on strategic leadership, management and direction and ensuring the most effective prioritisation of resources. The ExCo also ensures that the Company maintains a strong risk and control environment, that the relevant regulatory requirements are complied with and promotes a high standard of conduct throughout the business, all informed by a customer-first lens.

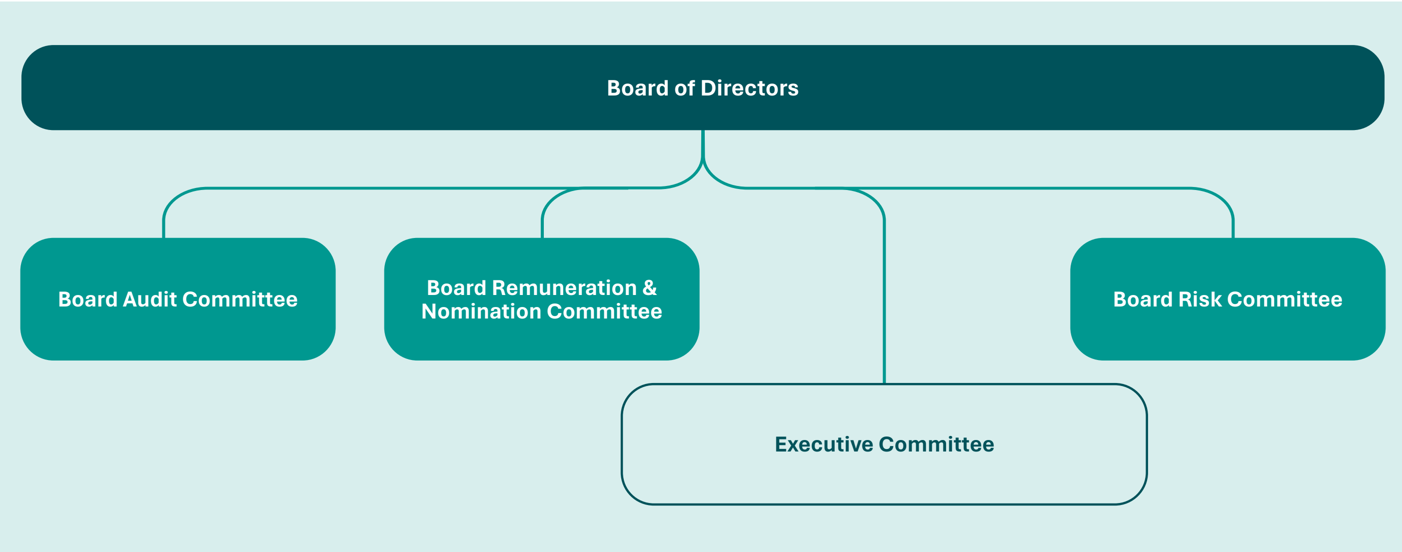


B.1.2 Board and Committee Structure

The Board is responsible for promoting the long-term success of the Company. The system of governance throughout the Company aids effective decision-making and supports the achievement of the Company's objectives for the benefit of its customers, shareholder and ultimate shareholders.

The Board has established the previously detailed committees and delegated responsibilities to assist in its oversight of risk management and the approach to internal controls. The duties of the Board and of each of its committees are set out in their respective terms of reference. The terms of reference list both those items that are specifically reserved for decision by the Board and those matters that must be reported to the Board.

The diagram below shows the Board and the various committees, and the table details their main function and responsibilities.



	Main Function / Responsibility
Board of Directors	Responsible for the effective, prudent and ethical oversight of the Company and is ultimately responsible for compliance with all applicable legislative and regulatory requirements and guidelines.
Board Risk Committee	Responsible for the provision of oversight and advice to the Board on the current risk exposures of the Company, its future risk strategy and for ensuring compliance with the Company's legislative and regulatory obligations.
Board Audit Committee	Responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements, the adequacy and effectiveness of the systems of internal control, the effectiveness, performance and objectivity of the internal and external auditors and for ensuring compliance with the Company's legislative and regulatory obligations (responsibility shared with the Risk Committee).
Board Remuneration and Nomination Committee	Responsible for the determination and operation of the overall remuneration policy and procedures and for recommending Board, Board Committee and Senior Executive appointments; and for making recommendations to the Board, as appropriate, to endeavour to ensure consistency with high standards of corporate governance.
Executive Committee	To assist the CEO in overseeing Company's overall performance and delivery.

Composition of the Board and Board Committees

The composition of the Board and Board Committees is summarised in the table below:

Members	Position	Board	Board Audit Committee	Board Risk Committee	Board Remuneration and Nomination Committee
Thomas Foley	Independent Non-Executive Director and Chair of the Board	Y	-	Y	Y
Elizabeth Buckley	Independent Non-Executive Director and Chair of the Risk Committee	Y	Y	Y	-
Rosemary Commons	Independent Non-Executive Director and Chair of the Audit Committee	Y	Y	Y	Y
Gerard Davis	Non-Executive Director	Y	Y	Y	-
Sylvia Cronin	Independent Non-Executive Director and Chair of the Remuneration and Nomination Committee	Y	-	Y	Y
Anik Chaumartin	Independent Non-Executive Director	Y	Y	Y	-
Bryan O'Connor	Chief Executive Officer and Executive Director	Y	-	-	-
John McNamara	Chief Financial Officer and Executive Director	Y	-	-	-
Company Secretary is **Jeanne Morgan-Doyle**					

Resignations:
Mr Gerard Davis (Non-Executive Director) resigned on 31 December 2024.

Directors' Fees

Independent Non-Executive Directors ('INEDs') receive an annualised fee in respect of their Board duties. Further fees are paid for membership and, where appropriate, chairing the Board and committees. The Chairman and INEDs do not participate in any incentive or performance plans or pension arrangements and do not receive an expense allowance. INEDs are reimbursed for reasonable expenses, and any tax arising on those expenses is settled directly by the Company.

Key Functions

The Company's risk management, compliance, internal audit and actuarial functions are the key functions in the system of governance. Holders of key functions are authorised to operate free from influences which may compromise their ability to undertake their duties in an objective, fair and independent manner.

Each of these Key Function holders:

- Operates under the ultimate responsibility of, and reports to the Board or Board Committee as appropriate.
- Cooperates with the other functions, where appropriate, in carrying out their respective roles.
- Is able to communicate, at their own initiative, with any staff member and have the necessary authority, resources and expertise and have unrestricted access to all relevant information necessary to carry out their responsibilities.
- Promptly reports any major problem in their respective area of responsibility to the Board.

There should be as much independence between functions as possible and the individuals carrying out the internal audit function do not assume any responsibility for any other function.

The Company has written policies in place in relation to risk management, internal audit, compliance and the actuarial function and further information on these functions is contained within sections B3 (Risk Management), B4 (Compliance Function), B5 (Internal Audit) and B6 (Actuarial Function). The implementation of Key Functions within the Company is explained below.

As well as the required Key Functions, the Board has designated Finance as a function which is of specific importance to the sound and prudent management of the Company. The Finance function reports to the Board Audit Committee. The Actuarial, Risk management and Compliance functions report to the Board Risk Committee whilst Internal audit reports to the Board Audit Committee.

B.1.3 Remuneration practices

Our remuneration policy is designed to ensure that we attract and retain competent, experienced and skilled people and to motivate them to contribute to meeting our overall Company objective of generating value for shareholders and policyholders over the long-term. Our policy ensures that our remuneration practices are in line with our business and risk management strategy, risk profile, objectives, risk management practices, values and the long-term interests and performance of the Company. It promotes the achievement of goals in a manner consistent with the Company's Code of Conduct. Our remuneration policy is available to all employees via our online communications hub.

The remuneration policy is supported by our Performance Management process which consists of three core elements: Achievement of company goals, achievement of personal goals and alignment of core values and behaviours, including conduct standards. This process is jointly owned by the individual and their line manager and built on the foundation of open and frequent dialogue.

The Remuneration and Nomination Committee ensures we comply with the policy each year. Data provided to the committee includes salary benchmarking for the industry, assessment of achievement against company goals, proposed award of variable pay for achievement of both company goals and salary and variable pay awards for senior executives.

All remuneration packages consist of a base salary, annual variable pay, wellness benefits and retirement benefits. A limited number of senior positions may also include a long-term incentive. The proportion of each element in the overall package will vary based on the role and reflects the skills and experience of the individual. Base salaries are aligned to the market. For employees not in oversight roles, variable pay reflects both the Company performance and the individual's personal performance. Company performance is not a factor in the variable pay of individuals in senior oversight roles. Base salaries are set at a level to prevent employees from being dependent on variable pay awards. There are no stock options available.

Supplementary pension or early retirement schemes

The remuneration policy does not offer any supplementary pension or early retirement schemes

Material transactions during reporting period

There were no material transactions with senior management of the Company during the period outside of remuneration and related insurance policies.

Material changes in the system of governance

The Senior Executive Accountability Regime ('SEAR'), which applies to persons occupying a Pre-Approval Controlled Function ('PCF') within in-scope firms, forms part of the Individual Accountability Framework (the 'IAF'). It became applicable generally on 1 July 2024 and will apply to independent non-executive directors from 1 July 2025. The purpose of SEAR is to improve governance, performance and accountability in firms by placing obligations on firms, and senior individuals, to set out clearly where responsibility and decision-making lie. It also introduces a new statutory Duty of Responsibility which applies to all PCFs in order to ensure that senior executives take reasonable steps to meet their respective responsibilities within the firm.

The Company has complied with its obligations under SEAR in 2024, by way of the introduction of a "statement of responsibility" for each person performing a PCF which details their specific inherent, prescribed and other responsibilities, and a management responsibility map which illustrates where each PCF sits within the senior management team within the Company. Relevant training around the IAF has been provided to relevant PCFs and Controlled Functions ('CF') roleholders.

In addition to SEAR, another key aspect of the IAF came into operation in December 2023. These are known as the Common Conduct Standards (applicable to certain individuals in all regulated firms) and the Additional Conduct Standards (applicable to senior executives in those firms). The Company has arrangements in place to ensure that all relevant Conduct Standards are clearly communicated to and acknowledged by all relevant controlled function holders.

B.2 Fit and Proper requirements

The Company complies with the CBI's Fitness and Probity Standards (code issued under Section 50 of the Central Bank Reform Act 2010 (the 'Act')) (the 'Standards').

The Standards require those persons performing certain roles, known as controlled functions, to be competent and capable, honest and ethical, act with integrity and be financially sound. Pre-approval Controlled Functions (PCFs) as defined in the Central Bank Reform Act 2010 (sections 20 and 22) Regulations 2011, as amended, are a subset of controlled functions and mainly encompass directorships and senior management roles. The appointment of a person to perform a PCF is subject to pre-approval by the CBI.

The Standards generally apply to people in senior roles and key functions who are likely to significantly influence the conduct of the Company or who ensure its compliance with relevant obligations. They also apply to people who deal directly with customers, for example in an advisory capacity or with respect to claims and complaints.

In addition, the CBI's IAF has also enhanced the Fitness and Probity Regime, extending it to apply to holding companies established in Ireland, and clarifying a firm's obligations to proactively certify that persons carrying out controlled functions are fit and proper.

A regulated firm/holding company cannot appoint an individual to a controlled function unless: (i) it is satisfied on reasonable grounds that the person complies with the Standards; (ii) a certificate of compliance with the Standards given by the firm in accordance with S.21 of Act is in force in relation to that person and (iii) the person has agreed in writing to comply with the Standards. The Company must be satisfied that people who perform controlled functions comply with the Standards prior to their appointment to the controlled function and on an on-going basis.

We ensure that everyone subject to these obligations has the necessary qualifications, knowledge, skills and experience to carry out their role (fitness assessment); and is honest, ethical, financially sound and acts with integrity (probity assessment).

There is a role profile for all controlled functions in place. Typically, the role profile sets out the accountabilities for the job and the level of knowledge, skills and experience needed to do it. Additionally, PCFs have detailed statements of responsibility which set out the inherent/prescribed or other responsibilities relevant to that particular PCF as prescribed under the SEAR Regulations.

We have a Fit and Proper Policy (the 'Policy') which the Board reviews and approves annually which sets out the process for the fit and proper assessments that determine a person's fitness, probity and financial soundness. Before we appoint a person to a controlled function or propose a person for a PCF role to the CBI, we carry out prescribed due diligence to make sure that person is fit and proper to carry out the controlled function for the role.

The due diligence checks for assessing whether a person is fit and proper and is financially sound are set out in the Policy. These checks align to the CBI's Guidance on Fitness and Probity Standards as follows:

- Evidence of compliance with Minimum Competency Code (where applicable).
- Evidence of professional qualifications where relevant.
- Evidence of Continued Professional Development where relevant.
- Record of interview and application.
- Reference checks.
- Record of previous experience.
- Record of experience gained outside of Ireland.
- Confirmation of directorships held.
- Record of other employments.

The due diligence around probity and financial soundness checks takes the form of self-certification and independent checking. We ask potential employees and directors to complete a questionnaire on their probity and financial soundness. We then carry out independent directorship, judgements, negative news and regulatory sanction searches, where applicable.

People who perform controlled functions are required to certify annually that they agree to comply with the Standards and that they will notify the Company of any material changes to their circumstances. A due diligence exercise is also completed on all controlled functions on an annual basis or an ad hoc basis, where the need arises.

A person will neither be appointed to a controlled function nor be allowed to remain in a controlled function unless the Company is satisfied on reasonable grounds that the person performing the controlled function complies with the Standards and that a certificate of compliance with the Standards is in force in relation to the person. If we become aware of any concerns about the fitness and probity of any person in a role subject to the Fit and Proper Policy, we will investigate and take appropriate action, without delay.

The Company maintains a register of persons in controlled functions and notification is made to the CBI (to the extent required) following any change to the register arising either from the appointment, resignation, retirement, removal or material change in the responsibilities of a PCF/CF role holder.

The Company will submit its PCF Confirmation and CF Certification for the year 2024 through the CBI Portal within the regulatory timeframe.

B.3 Risk management system including the own risk and solvency assessment

Risk Management Framework

The Company's risk management framework is documented in the Board-approved Enterprise Risk Management Policy. This policy also establishes the responsibilities for the key components of the risk management system, details the three lines of defence model adopted by the Company, and establishes responsibilities and requirements for the first, second and third lines of defence.

The risk management framework is made up of the following key components:

	Main Function / Responsibility
Risk Culture	The system of values and behaviours which reflect our collective sense of responsibility to fulfil our commitments and promises and to safeguard our financial strength and reputation while growing shareholder value.
Risk Governance	The roles and responsibilities relating to risk governance.
Risk Appetite Framework	The Risk Appetite Framework articulates the Risk Strategy and Preferences, Risk Appetite Statement and Risk Limits.
Risk Processes	The risk management, governance and oversight process, design requirements, and methodologies related to: • Identification, assessment and prioritisation • Measurement • Management and mitigation strategies • Monitoring • Reporting
Risk Infrastructure and Policies	The organisational structure ensures resources and risk systems in place are adequate and appropriate to support the ERM framework. A consistent approach to risk management is taken across key risk types supported by risk policies, standards and guidelines.

The Chief Risk Officer ('CRO') has primary responsibility for implementing the risk management system. The Risk Function monitors and reports on all risks. This includes reporting risk exposures and compliance with risk limits to the Board and management risk committees every quarter.

Risk appetite and strategy

The Company has a Board-approved Risk Appetite Framework in place which includes the following key elements:

- The Risk Strategy which takes the risks to which the Company is exposed and articulates the preference and strategy for the assumption, management and mitigation of each risk.
- The Risk Appetite Statement which defines the aggregate level and types of risk that the Company is willing to accept in order to achieve its business objectives.
- The Risk Limits which translate the Risk Appetite Statement into specific metrics and constraints for each of the defined Risk Types.
- The related governance, roles and responsibilities.

The key objectives in the Risk Appetite Statement are set out below.

- **Strong capital position:** The Company will maintain a strong balance sheet to ensure it meets its policyholder obligations and other financial commitments.
- **Strong liquidity:** The Company will maintain high quality, diversified investment portfolios with sufficient liquidity to meet the demands of policyholder, financing and corporate obligations under normal and stressed conditions.
- **Maintaining the Company's reputation and managing conduct risk:** The Company seeks to maintain a high standing and positive reputation with its customers, counterparties, creditors and other stakeholders. This includes building and maintaining trust, fair treatment of customers, full consideration of corporate social responsibility, and effective management of sustainability and reputational risks.
- **Stability in earnings:** The Company will manage its risks to avoid substantial volatility in its earnings with a view to meeting the annual earnings and dividend plans while maintaining appropriate levels of solvency.

The Board reviews and approves the Risk Appetite Framework at least annually.

Risk management processes: identification, assessment and treatment

The Company has a range of processes in place to ensure that the risks to which it is exposed can be readily and adequately identified, measured, monitored, managed and reported on.

Risk Identification

Risks are identified using a variety of tools and processes including:

- Risk universe – the Company's risk universe defines each of the risks that the Company is or may be exposed to and facilitates idea generation.
- Risk and Control Self-Assessment ('RCSA') – the quarterly RCSA process requires risk owners to identify the risks that they are responsible for and to document the inherent risk, controls in place and residual risk in respect of the risks.
- Key risk reporting – the Risk Function reports on the Company's material risks on a quarterly basis and this supports risk identification.
- Emerging risk identification process – the Company's emerging risks are presented to management and the Board on a quarterly basis, supported by an annual deep dive exercise to support and promote robust emerging risk identification.
- Scenario testing – the annual scenario testing design process examines all of the material risks that the Company is exposed to and as such supports risk identification.
- Assurance oversight activities – independent oversight from the Risk Function, Compliance Function and Internal Audit provides assurance that all material risks are identified.

Risk Measurement

Risks are measured using a variety of methods including:

- Capital – the Company holds capital which is calculated using the Solvency II Standard Formula approach; this defines the expected loss arising from each relevant risk type in one in every 200 years.
- Standard formula appropriateness assessment – considers whether the standard formula is a suitable approach to calculate the Company's capital requirement for each risk type.
- Liquidity Coverage Ratio ('LCR') – the LCR is used to calculate the liquidity position of the Company.
- Operational risk materiality matrix – operational and conduct risks are measured using a consistent approach based on the Company's operational risk materiality matrix.
- Scenario Testing – scenario testing is used to measure the impact of adverse events occurring and may consider the impact on solvency, liquidity, earnings, reputation and/or customer impact.

Risk Management

The Company identifies and prioritises risk exposures and develops risk mitigation strategies to address these prioritised risk exposures to ensure that they are addressed in a proactive and timely manner. The Company considers both specific and macro risk mitigation strategies including hedging for known risk exposures and proactive management of issues informed by the risk identification process.

Risk management relates to the selection and implementation of approaches to accept, reject, transfer, avoid or control risk, including mitigation plans taking into consideration the Risk Appetite Framework, relevant risk policies and standards.

Risk Monitoring and Reporting

The Company has established processes in place to monitor its material risk exposures against the relevant requirements and risk limits. Risk monitoring against approved risk limits ensures that management is informed of potential issues in a timely manner, allowing actions to be taken where necessary. Emerging risk monitoring is also in place. Risk event monitoring ensures that operational risk events are logged and reported, and that adequate root cause analysis and remediating actions are undertaken.

The aim of risk reporting is to present an accurate and timely picture of current and emerging risk issues and exposures and their potential impact on business activities and risk profile.

Risk reporting includes the following key reports:

- CRO Report – the quarterly CRO Report includes a view of both current material risks and emerging risks and also provides the up-to-date position against risk appetite limits for all risk types.
- Assurance Reporting – material findings arising from the Risk Function, Compliance Function and Internal Audit reviews are reported to the relevant committees as they arise.
- The Own Risk and Solvency Assessment ('ORSA') Report – the ORSA Report is produced at least annually and provides a holistic view of the risks that the Company is exposed to including scenario testing to identify weaknesses in the business plan and an overall solvency needs assessment.

Risk Function

The Risk Function, led by the CRO, is responsible for the design and implementation of the Risk Management Framework. The CRO – or delegate from the Risk Function – sits on each of the key management committees operated by the Company. The Function reports to the Board and its sub-committees on the aggregate risk profile of the business and the position against risk appetite on a regular basis and provides independent oversight and analysis of risk-taking activities within the Company. The Risk Function also performs the ORSA at least annually.

ORSA

ORSA Process

The ORSA is a key tool within the risk management framework and is embedded within the decision-making process of the Company. The ORSA evaluates our risk profile and solvency position in relation to business operations, strategy and planning.

The ORSA is a year-round collection of processes, integrating our risk management framework with capital management and business planning. The annual ORSA report projects our solvency resources for the following five years, under a base case and a range of scenarios. The base case scenario reflects the approved business strategy and plans whilst the chosen scenarios are designed to test the robustness of the business plan under stressed conditions.

The Board, with support from the Board Risk Committee, owns and directs the ORSA. The Board-approved ORSA Policy sets out the roles and responsibilities for completing the ORSA. The CRO conducts the ORSA process, producing the ORSA report and maintaining the ORSA record. The Board and Board Risk Committee steer this process, and review and approve the key aspects of the process at various points throughout the year. The annual ORSA process culminates in the ORSA report, which the Board reviews and approves prior to submission to the Central Bank of Ireland.

The Actuarial Function supports the Risk Function in producing various aspects of the ORSA – in particular the capital projection and scenario testing calculations. The Head of Actuarial Function also gives an Opinion on the ORSA to the Board.

ORSA Frequency

A regular ORSA is undertaken and approved by the Board annually. A non-regular ORSA may be performed following the occurrence of a material event at an interim date between annual ORSA reports or following a significant change in the Company's risk profile or appetite.

Assessment of Own Solvency Needs

The ORSA includes an assessment of the Company's own solvency needs including whether the Company's capital target is appropriate. The own solvency needs refers to the capital the Company determines is required to support the business strategy and plans.

This assessment is carried out using the Standard Formula to evaluate the regulatory capital requirements and by assessing whether the Standard Formula is appropriate given the risk profile of the business.

The target level of capital is then assessed through the use of scenario testing to check if there are any scenarios that would result in a breach of the regulatory capital requirements.

The Company's 2024 ORSA concluded that the Standard Formula is an appropriate basis for calculating the Company's capital requirement and that the Company's current capital target is appropriate in light of the scenario testing performed.

B.4 Internal Control system

Internal Control framework

The Company's Internal Control Policy provides details of the internal control framework, a set of processes which gives reasonable assurance that the following objectives will be achieved:

- Effective and efficient operations.
- Reliable financial and management reporting.
- Compliance with applicable laws and regulations.

The Company's internal controls are key to managing significant risks and fulfilling our business objectives. The following five components underpin the internal control system:

1. **Control Environment:** This is the set of standards, processes and structures that provide the basis for carrying out internal control across the Company. It sets the tone of the organisation, influencing the integrity, ethical values and control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
2. **Risk Assessment:** This is the dynamic and iterative process for identifying and assessing relevant risks to the achievement of the objectives, and forming a basis for determining how the risks should be managed.
3. **Control Activities:** These are the actions established through policies and procedures which minimise risk and support the achievement of business objectives.
4. **Information and Communications:** This supports the identification, capture and exchange of internal and external information in a form and time frame that enables people to carry out their responsibilities.

5. **Monitoring Activities:** These are the ongoing evaluations to ascertain whether all components of the internal control system are present and functioning. This process assesses the quality of internal control performance over time.

The Internal Control Policy also details the minimum requirements in each of the five areas above and requires that there is a combination of preventive, detective, directive and corrective control processes in place.

Compliance Function

Overview

This independent second-line function is separate from business operations and looks at them objectively. It ensures that mechanisms are in place to comply with regulations by assessing, monitoring and testing the effectiveness of our regulatory compliance management controls across the Company. It is led by the Head of Compliance and Legal. The Head of Compliance and Legal reports directly to the Board Risk Committee on the oversight of compliance and currently has a dual reporting line to the Chief Financial Officer and to the Chief Executive Officer.

Main responsibilities

These are outlined in the Compliance Policy which is reviewed and approved annually by the Board Risk Committee.

They include:

- Establishing and maintaining a sound compliance framework for the independent oversight and management of our regulatory compliance risks.
- Providing advice and guidance to the business units and group functions on regulatory developments and other compliance matters, including advice and oversight on new and changing regulatory requirements.
- Promoting a risk culture that stresses integrity and effective compliance risk management throughout the Company.
- Carrying out risk-based monitoring to assess the Company's compliance requirements and procedures and how well the Company follows them.
- Preparing the annual compliance plan and putting it into action.
- Co-ordinating relationships with regulators.
- Reporting each quarter to the Board Risk Committee.
- Training staff and directors on relevant compliance matters.

Governance

The Board Risk Committee reviews the Compliance Policy annually and makes sure the Compliance Function complies with it. The Committee also assesses the Compliance Function's performance each year.

B.5 Internal Audit function

The Internal Audit function reports to the Board Audit Committee ('BAC') and acts as the third line of defence and, as set out in the Head of Internal Audit charter, is responsible for carrying out a risk-based, independent assessment of the adequacy, effectiveness and sustainability of the governance, risk management and control processes. The PCF Functional roleholder is outsourced to KPMG. A full programme of reviews was undertaken in 2024.

The Head of Internal Audit ('HoIA') will report functionally to the BAC and administratively to the Chief Financial Officer.

To establish, maintain and assure that the Company's Internal Audit function has sufficient authority to fulfil its duties, the BAC acts to:

- Approve the Internal Audit Charter.
- Approve the risk-based Internal Audit Plan.
- Receive communications from the HoIA on the Internal Audit function's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the HoIA.
- Make appropriate enquiries of management of the HoIA to determine whether there is inappropriate scope or resource limitations.

The HoIA and Internal Audit function is not authorised to do the following:

- Perform any operational duties for the Company or its affiliates.
- Initiate or approve accounting transactions external to Internal Audit.
- Direct the activities of any Company employee not employed by Internal Audit, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist Internal Audit.
- Act as a voting member on any Company committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for the efficient and effective operation of the Company. It is also responsible for implementing the agreed upon recommendations of Internal Audit. Internal Audit is not responsible for management activities that it audits and will not assume responsibility for the design, installation, operation or control of any business processes.

Independence and Objectivity of Internal Audit

The objectives and performance review of the HoIA are determined by the Chairperson of the BAC. The BAC approves the budget and resource plan for the Internal Audit function on an annual basis. The HoIA has direct and unrestricted access to the BAC and may meet with the Chairperson of the BAC periodically, without management being present.

The Internal Audit function is independent of the business management activities of the Company. Internal Audit is not involved directly in revenue generation or in the management and financial performance of any business line. Internal Audit has no direct operational responsibility or authority over any of the activities audited. Accordingly, it will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an Internal Auditor's judgement or independence.

The HoIA confirms the independence of Internal Audit to the BAC on an annual basis and discloses any impairment to independence or objectivity (in fact or appearance) appropriately.

B.6 Actuarial function

Actuarial Function

The primary objective of the Actuarial function is to establish and monitor sound actuarial processes, practices, and the application of sound professional judgement for the Company. This includes ensuring compliance with all related internal policies, professional standards, and regulatory guidelines. The function is fully performed in-house.

Primary Responsibilities

These are set out in the Head of Actuarial Function mandate, which is approved by the Board Audit Committee. The key duties include:

Technical Provisions

- Coordinate the calculation of Solvency II technical provisions.
- Maintain a written policy covering the Company's approach to calculating technical provisions and an overview of the reserving process.
- Ensure the appropriateness of the methodologies, assumptions and data.
- Inform the Board of the reliability and adequacy of the technical provisions.

Capital Requirements

- Coordinate the calculation of the Solvency Capital Requirement and Minimum Capital Requirement.

Risk Management System

Contribute to the effective implementation of the Company's risk-management system by:

- Providing risk modelling, stress and scenario testing, and solvency assessments to the Board Risk Committee and the Risk and Compliance Management Committee ('RCMC') as required and providing input on the Company's financial risks.
- Providing appropriate input to the Company's ORSA process.
- Providing an actuarial opinion to the Board on the ORSA process, covering the adequacy of the risks considered and stress tests applied, the appropriateness of the financial projections and whether the Company is continuously complying with the requirements regarding the calculation of technical provisions and the potential risks arising from uncertainties in this calculation.

Product Design and Pricing

- Provide general oversight of new product development and changes to existing business where relevant.
- Develop and maintain an Underwriting Policy and monitor compliance with this policy.
- Provide an annual opinion to the Board on the underwriting policy.

Reinsurance

- Provide general oversight of ceded reinsurance activities.
- Monitor compliance with Company's Reinsurance and Risk Mitigation Policy.
- Provide an annual opinion to the Board on the adequacy of the reinsurance arrangements.

Financial reporting

- Act as Reporting Actuary for the Company and compute the technical provisions for life insurance business for inclusion in the financial statements.
- Prepare various actuarial liability and capital related disclosures for the financial statements, including items such as sensitivity tests, exposure reports and assumption change descriptions.

Actuarial planning

- Promote and participate directly in strategic planning and acquisition analysis.
- Determine which emerging issues (internal and external) are relevant to Company's current and future actuarial needs.
- Provide actuarial input to the business unit strategy, including provision of actuarial analysis/management reports in a manner that can be easily understood by the business units.

Experience studies

- Provide direction and leadership on the Company's experience studies including mortality, morbidity, and persistency.
- Review experience and ensure that the methodologies and assumptions are appropriately adjusted to reflect emerging experience.

Asset and Liability Management (ALM) Oversight

- Provide oversight of ALM strategy and risk measurement including matching and hedging positions, rectification of breaches, stress testing and selection of methods and assumptions.

Capital and IFRS Developments

- Monitor and contribute to ongoing company discussions in respect of the regulatory capital framework and relevant ongoing developments in Solvency II and IFRS.

B.7 Outsourcing

Outsourcing Policy

The Company has a Board-approved Outsourcing and Supplier Policy in place which sets out the principles and requirements for managing outsourcing arrangements. The Outsourcing and Supplier Policy sets out the oversight and governance requirements the Company must comply with to ensure adherence to local regulatory requirements.

The Board and senior management retain ultimate responsibility for any functions and activities that are outsourced. They have the necessary expertise to manage outsourcing risks and oversee outsourcing arrangements.

The Outsourcing and Supplier Policy sets out the following general principles for managing outsourcing risks:

- **Due Diligence:** Outsourced/Supplier arrangements will be subject to robust and proportionate procurement and due diligence processes prior to agreement.
- **Responsibility / Expertise:** The Board and senior management shall retain the necessary expertise to manage risks and provide appropriate oversight of arrangements; and ultimate responsibility for the underlying activities subject to outsourcing continues to reside with the Company.
- **Diversification:** The Company will avoid excessive concentrations of risk arising from outsourcing.
- **Intra-group arrangements:** The same processes, controls, and governance are required for intragroup outsourcing and third-party outsourced service providers.
- **Governance:** Outsourcing will not be allowed to materially impair the governance system; unduly increase operational risk so as to no longer be in line with the Company's risk appetite or impair the ability of the Central Bank of Ireland to monitor compliance.
- **Contract Design:** Contracts put in place with third parties should be robust and should be effective in limiting Company's liability.
- **Service Levels:** Outsourcing will not be allowed to undermine the service provided to policyholders.
- **Conflicts of Interest:** Conflicts of Interest are effectively managed.
- **Customer:** The Company's customers should not be adversely affected by the use of outsourcing.

Critical or important outsourced arrangements

The Company outsources a range of activities consistent with its outsourcing strategy. The following table provides details of the critical or important arrangements:

Provider	Services Provided	Jurisdiction
Tata Consultancy Services Ireland Limited	Policy administration services	Ireland
Tico Mail Works Limited	Mail and Print room services	Ireland
EValue Limited	Provision of digital tools / calculators to handle customer advice journeys	UK
Irish Life Investment Managers Limited	Investment Management Services; fund accounting services	Ireland
Irish Life Financial Services Limited	Policy administration services	Ireland
KPMG	PCF Role - Head of Internal Audit	Ireland
Lane Clark & Peacock Ireland Limited	PRSA Actuary	Ireland

The Company has a robust approach to overseeing its outsourcing service providers, in line with the CBI's guidance on outsourcing. The core elements of this oversight are:

- Regular, minuted service reviews, including review of service levels where applicable.
- Regular reviews of Due Diligence, Information Security and Business Continuity Planning arrangements.
- Quarterly reporting of Service Governance to the Executive Committee and Board.

B.8 Any other information

No other issues to note.

C. Risk Profile

This section provides information on the key risks that the Company is exposed to including how we assess and manage the different risks.

The Company uses a variety of tools and processes to assess risks both quantitatively and qualitatively.

For risks that require capital to be held under the Solvency II regime, the Company uses the Solvency II Standard Formula approach to assess the risks and calculate the Solvency Capital Requirement ('SCR'). Liquidity risk is assessed by comparing the amount of liquid assets held by the Company to the expected cash-flow requirements over different time horizons. The remaining risks are typically assessed on a qualitative basis, for example through the regular Risk and Control Self-Assessment ('RCSA') process.

The assessments above are complemented by an annual assessment of the appropriateness of the Standard Formula. For risks where the Standard Formula does not fully capture the risk profile, an exercise is performed as part of the ORSA process to assess whether any additional capital should be held over and above the SCR.

Finally, the Company also uses scenario testing to assess the key risks as part of the ORSA process.

C.1 Underwriting risk

Key Underwriting Risks

The key underwriting risks that the Company is exposed to are as follows:

Lapse risk

The Company is exposed to the risk of policyholders ending their contracts earlier than expected, resulting in the loss of the future profits expected to emerge on those policies.

Mortality risk

The Company is exposed to the risk of mortality experience being higher than expected, resulting in higher claims than expected from policies providing death benefits.

Morbidity risk

The Company is exposed to the risk of morbidity experience being higher than expected, resulting in higher claims than expected from policies providing serious illness and income protection benefits.

Expense risk

The Company is exposed to the risk that future expenses are higher than expected, including the effect of higher than expected expense inflation.

Catastrophe risk

The Company is exposed to mortality or morbidity experience being higher than expected caused by catastrophic events, for example a pandemic or extreme weather event resulting in high rates of illness or death amongst the population.

Risk Assessment and Mitigation

The Company uses a variety of techniques to assess, manage and mitigate underwriting risks.

Own Risk and Solvency Assessment (ORSA)

The Company assesses all material risks, both qualitatively and quantitatively, as part of the annual ORSA process.

Risk limits

As part of the Risk Appetite Framework, the Company has a range of risk limits that measure the risk exposure arising from different sources of underwriting risk. Monitoring against the limits allows the Company to identify material deviations from the business plans or from the appetite for each risk.

Scenario testing

The Company uses scenario testing as part of the ORSA process to assess risk exposures and their potential impact. Scenario testing can also be useful in helping us decide how to mitigate our exposure to risk.

Reinsurance

The Company makes extensive use of reinsurance to reduce its exposure to mortality and morbidity risk.

Assumption/experience monitoring

The Company monitors actual experience against expected experience regularly, allowing the underwriting assumptions used for reserving and pricing purposes to be updated as appropriate.

Underwriting

The Company's underwriting process includes an assessment of insurance risks before we issue policies. This assessment includes a medical underwriting assessment and a financial assessment for certain product types. The Company also carries out underwriting assessments when a claim is made.

Product pricing

The Company controls the development of new products and the pricing of new and existing products to minimise the risk of underwriting risks at a loss.

Risk Concentration

The Company's key underwriting concentration risks are:

- The Company operates solely within the Republic of Ireland and a significant portion of the Irish population lives in the greater Dublin area, so the underwriting risk exposure is relatively concentrated to a specific place. This risk is accepted as part of the Business Strategy.
- Individual policyholders with large sums assured can give rise to a concentration risk to the Company. This risk is actively managed by using reinsurance. The Company reinsures large policies so that the retained sum assured is limited to a set maximum amount.
- The Company sells policies through a single distributor. This introduces a concentration risk with respect to sales volumes. If sales volumes are lower than projected, the level

of expenses per policy would be higher than expected. This risk is managed through ongoing close engagement with the distributor and through ongoing monitoring of sales volumes against plan.

Sensitivity Analysis and Stress Testing

As part of the ORSA process, the Company carries out stress and scenario testing which includes stress testing for underwriting risks. For the 2024 ORSA, the solvency position was recalculated under a number of adverse scenarios related to underwriting risk. The analysis indicated that the Company could withstand a range of adverse scenarios over the plan horizon.

C.2 Market risk

Key Market Risks

The key market risks that the Company is exposed to are as follows:

Equity risk

Whilst the Company has no significant direct shareholder investments in equity markets, it is exposed to the risk of falling equity prices within the unit linked funds. A fall in equity prices would lead to a reduction in the value of unit linked assets and the expected future charges that accrue to the Company in respect of these funds.

Interest rate risk

The Company is exposed to changes in interest rates in circumstances where a change in rates has a different impact on the assets recognised on the balance sheet relative to the change in liabilities recognised on the balance sheet. The Company monitors the interest rate exposure against set risk limits.

Currency risk

Whilst the Company has no significant direct shareholder foreign currency exposures, it is exposed to the risk of changes in currency exchange rates within the unit-linked funds. A fall in unit-linked fund values as a result of currency movements would lead to a reduction to the expected future charges that accrue to the Company in respect of these funds.

Property risk

Whilst the Company has no significant direct property exposures, it is exposed to the risk of a fall in the value of properties held within the unit-linked funds. A reduction in the value of properties held within the Company's unit-linked funds would lead to a reduction in the value of unit-linked assets and the expected future charges that accrue to the Company in respect of these funds.

Spread risk

The Company's shareholder assets include a holding of European government bonds. A widening of spreads on the bonds would reduce the value of the assets. The Company is also exposed to the risk of widening spreads on the credit assets held within the unit-linked funds. Widening spreads would result in a reduction in the value of bonds held within the Company's unit linked funds, which would lead to a reduction in the value of unit linked assets and the expected future charges that accrue to the Company in respect of these funds.

Risk Assessment and Mitigation

The Company uses a variety of techniques to assess, manage and mitigate market risks.

Own Risk and Solvency Assessment (ORSA)

The Company assesses all material risks, both qualitatively and quantitatively, as part of the annual ORSA process.

Risk limits

As part of the Risk Appetite Framework, the Company has a range of risk limits that measure the risk exposure arising from different sources of market risk. Monitoring against the limits allows the Company to identify material deviations from the business plans or from the appetite for each risk.

Scenario testing

The Company uses scenario testing as part of the ORSA process to assess risk exposures and their potential impact. Scenario testing can also be useful in helping us decide how to mitigate our exposure to risk.

Prudent investment strategy

The Company has a Board-approved Investment Policy in place which lays out the requirements with respect to investment management activities in order to ensure that such activities are undertaken in accordance with the Prudent Person Principle as defined in the Solvency II regulations. The Company invests unit-linked assets to match the surrender value of unit-linked policies in line with the fund objectives and information communicated to policyholders. The shareholder investment assets are invested predominantly in highly rated European government bonds of appropriate durations and cash. The Company has restrictions in place in respect of the assets in which investments may be made and has concentration limits in place in respect of its shareholder asset holdings.

Risk Concentration

The Company has limits in place to limit its exposure to individual counterparties.

Sensitivity analysis and stress testing

As part of the ORSA process, the Company carries out stress and scenario testing which includes stress testing for market risks. For the 2024 ORSA, the solvency position was recalculated under a number of adverse scenarios related to market risk. The analysis indicated that the Company can withstand a range of adverse scenarios over the plan horizon.

C.3 Credit risk

Key Credit Risks

Credit risk relates to risks from a counterparty's potential inability or unwillingness to meet its obligations. The Company's counterparties include cash counterparties, reinsurers, policyholders and derivative counterparties.

The key credit risks that the Company is exposed to are as follows:

Cash counterparty risk

The Company places shareholder assets on deposit with financial institutions and it is exposed to the risk of downgrade or default of those institutions. The Company is also exposed to the risk of default by a cash counterparty within the unit-linked funds. A default of a cash counterparty within the Company's unit-linked funds would lead to a reduction in the value of unit-linked assets and the expected future charges that accrue to the Company in respect of these funds.

Reinsurer counterparty risk

The Company mitigates its underwriting risk by putting reinsurance arrangements in place and it is exposed to the risk of downgrade of default by a reinsurer.

Risk Assessment and Mitigation

The Company uses a variety of techniques to assess, manage and mitigate credit risks.

Own Risk and Solvency Assessment (ORSA)

The Company assesses all material risks, both qualitatively and quantitatively, as part of the annual ORSA process.

Risk limits

As part of the Risk Appetite Framework, the Company has a range of risk limits that measure the risk exposure arising from different sources of credit risk including limits on the exposure to individual cash counterparties. Monitoring against the limits allows the Company to identify material deviations from the business plans or from the appetite for each risk.

Scenario testing

The Company uses scenario testing as part of the ORSA process to assess risk exposures and their potential impact. Scenario testing can also be useful in helping us decide how to mitigate our exposure to risk.

Prudent investment strategy

The Company has a Board-approved Investment Policy in place which lays out the requirements with respect to investment management activities in order to ensure that such activities are undertaken in accordance with the Prudent Person Principle as defined in the Solvency II regulations. The Company invests unit-linked assets to match the surrender value of unit-linked policies in line with the fund objectives and information communicated to policyholders. The shareholder investment assets are invested predominantly in high rated European government bonds and cash. The Company has restrictions in place in respect of the assets in which investments may be made and has concentration limits in place in respect of its shareholder asset holdings.

Reinsurance

The Company only puts reinsurance arrangements in place with counterparties that meet specific creditworthiness requirements and the Company monitors the financial strength of our reinsurers.

Risk Concentration

The Company has limits in place to limit its exposure to individual investment cash counterparties. The Company uses a single bank for operational banking purposes and this can give rise to a concentrated exposure when significant amounts are held in the operational bank accounts. This risk is managed through the use of a creditworthy counterparties, regular counterparty monitoring and by ensuring that the balances held in the accounts are maintained at appropriate levels.

Sensitivity analysis and stress testing

As part of the ORSA process, the Company carries out stress and scenario testing which includes stress testing for credit risks. For the 2024 ORSA, the solvency position was recalculated under a number of adverse scenarios related to credit risk. The analysis indicated that the Company can withstand a range of adverse scenarios over the plan horizon.

C.4 Liquidity risk

Key Liquidity Risks

Liquidity risk refers to the risk arising from the Company's inability to generate the necessary funds to meet its cash outflow obligations as they fall due. The key sources of liquidity risk include:

- Higher than expected mortality or morbidity claims.
- Higher than expected company expenses.
- Higher than expected commission payments.
- Inability to convert assets into cash within the required timeframe.
- Lower than expected unit-linked fee income.
- Reinsurer default.

Risk Assessment and Mitigation

The Company uses a variety of techniques to assess, manage and mitigate liquidity risks.

Own Risk and Solvency Assessment (ORSA)

The Company assesses all material risks, both qualitatively and quantitatively, as part of the annual ORSA process.

Risk limits

As part of the Risk Appetite Framework, the Company has a range of risk limits that measure the risk exposure arising from liquidity risk. Monitoring against the limits allows the Company to identify potential liquidity strains early, allowing timely action to be taken where necessary.

Scenario testing

The Company uses scenario testing as part of the ORSA process to assess risk exposures and their potential impact. Scenario testing can also be useful in helping us decide how to mitigate our exposure to risk.

Funding process

For day-to-day liquidity needs, the Company maintains adequate funds in operational bank accounts. The Finance Function monitors and maintains the bank balances daily and ensures adequate funding for policyholder claims, intermediary commission payments, expenses and other sources of ongoing liquidity needs. For unit-linked policies, claims are funded by selling the unit-linked assets.

Liquidity Coverage Ratio

The Company uses the Liquidity Coverage Ratio to monitor liquidity risk. This metric compares the amount of liquid assets available to the Company against the cash-flow requirements over a particular time horizon (typically 12 months) and is calculated in both a base case and a stressed scenario. The metric is monitored regularly.

Investment strategy

The Company's shareholder investment strategy entails investing in highly liquid assets, typically high rated European government bonds and cash.

Financial Reinsurance

The Company has a financial reinsurance arrangement in place which allows the Company to access future unit-linked income in advance.

Risk Concentration

The Company manages its liquidity concentration risk by holding assets across a range of high-quality counterparties.

Sensitivity analysis and stress testing

As part of the ORSA process, the Company carries out stress and scenario testing which includes stress testing for liquidity risks. For the 2024 ORSA, the liquidity coverage ratio was recalculated under a number of adverse scenarios. The analysis indicated that the Company can withstand a range of adverse scenarios over the plan horizon.

Expected profit included in future premiums

At the end of 2024, expected profit included in future premiums ('EPIFP') was €14.7m (2023: €2.5m), which reflects the expected profits on the non-linked protection portfolio only, since no future unit-linked contributions are considered in the Solvency II assessment.

C.5 Operational risks

Key Operational Risks

Operational risk is the risk to the Company arising from inadequate or failed internal processes, people and systems or from external events. Conduct risk refers to the risk from inadequate or failed processes that threaten the fair treatment of customers.

The key operational risks that the Company is exposed to are as follows:

- Business processing risk which refers to the risk arising in respect of the administration of insurance policies and related investment activities.
- IT risk which refers to the risk arising in respect of the Company's IT infrastructure and includes cyber risk, data risk and the risk related to the availability of key systems.
- People risk as it relates to the Company's ability to hire and retain key staff.
- Outsourcing risk which refers to the risk arising from the Company's use of outsourcing to perform certain tasks.
- Advice risk which refers to the risk associated with the customer advice process.
- Regulatory risk.

Risk Assessment and Mitigation

The Company accepts limited operational and other risks as part of the business model. There are controls in place to mitigate these risks through integrated and complementary policies, procedures, processes and practices, keeping in mind the cost/benefit tradeoff.

The Company monitors and controls operational risk using the following tools and processes:

- Regular Risk and Control Self-Assessment (RCSA) process including the identification of risks outside tolerance and the development of plans to bring those risk back inside tolerance.
- Ongoing risk event logging and reporting including root cause analysis to improve processes.
- Ongoing operational risk issue and action management and tracking.
- Monitoring and reporting of operational risk including against the relevant operational risk appetite limits.
- Independent oversight of operational risk is performed by the Risk Function, Compliance Function and Internal Audit.
- As part of the annual ORSA process, operational risk is assessed both qualitatively and quantitatively.
- Scenario testing is performed in respect of operational risk as part of the annual ORSA process.

Risk Concentration

The Company's use of outsourcing gives rise to a concentration risk in respect of a number of critical or important outsource providers. This risk is managed in line with the Company's Outsourcing Policy including through a robust procurement process, through ongoing oversight and through the use of exit planning. The Company is also exposed to key person risk given its relatively small staff headcount. This risk is managed through cross-training, succession planning and through the implementation of contractual notice periods for key staff.

Sensitivity analysis and stress testing

As part of the ORSA process, the Company carries out stress and scenario testing which includes stress testing in relation to operational risk events.

C.6 Other material risks

No other items to note.

C.7 Any other information

C.7.1 Use of Special Purpose Vehicles

The Company does not have any SPVs.

D. Valuation for Solvency Purposes

D.1 Assets

As at 31 December 2024, the asset value for each asset type on the Company's Solvency II Balance Sheet is found in the table below:

2024 (€m)					
Asset type	**Note**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Deferred acquisition costs	1	17.31	(17.31)	-	-
Intangible Assets	2	149.33	(149.33)	-	-
Property, Plant and Equipment	3	0.03	-	-	0.03
Property (other than for own use)		-	-	-	-
Holdings in related undertakings, including participations		-	-	0.22	0.22
Equities		-	-	-	-
Government Bonds	4	50.92	-	(0.18)	50.74
Corporate Bonds		-	-	-	-
Collateralised Securities		-	-	-	-
Investment Funds	5	0.59	-	(0.22)	0.37
Derivatives	6	-	-	0.01	0.01
Deposits other than cash equivalents		-	-	54.75	54.75
Unit Linked Assets	7	2,417.45	-	(64.84)	2,352.61
Loans and Mortgages		-	-	-	-
Reinsurance recoverable	8	-	1.14	-	1.14
Insurance and intermediary receivables	9	0.55	0.02	-	0.58
Reinsurance receivables		-	-	-	-
Receivables (trade, not insurance)	10	5.24	-	88.26	93.50
Cash and Cash equivalents	11	69.19	-	(54.75)	14.44
Any other assets, not elsewhere shown	12	0.94	-	3.74	4.68
Total Assets		**2,711.54**	**(165.48)**	**27.01**	**2,573.07**

2023 (€m)					
Asset type	**Note**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Deferred acquisition costs	1	2.25	(2.25)	-	-
Intangible Assets	2	160.82	(160.82)	-	-
Property, Plant and Equipment	3	0.09	-	-	0.09
Property (other than for own use)		-	-	-	-
Holdings in related undertakings, including participations		-	-	-	-
Equities		-	-	-	-
Government Bonds	4	28.51	-	(0.20)	28.31
Corporate Bonds		-	-	-	-
Collateralised Securities		-	-	-	-
Investment Funds	5	1.88	(0.05)	-	1.83
Derivatives	6	0.01	-	-	0.01
Deposits other than cash equivalents		-	-	-	-
Unit Linked Assets	7	1,966.04	-	(59.16)	1,906.88
Loans and Mortgages		-	-	-	-
Reinsurance recoverable	8	-	0.32	-	0.32
Insurance and intermediary receivables	9	0.68	-	-	0.68
Reinsurance receivables		-	-	-	-
Receivables (trade, not insurance)	10	3.61	-	55.98	59.60
Cash and Cash equivalents	11	60.87	0.82	(0.38)	61.31
Any other assets, not elsewhere shown	12	0.56		1.89	2.45
Total Assets		**2,225.33**	**(161.97)**	**(1.87)**	**2,061.49**

As at 31 December 2024, the value for each liability type on the Company's Solvency II Balance Sheet is found in the table below:

2024 (€m)					
Liability type	**Section**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Technical Provisions – Health	D2	-	(4.15)	-	(4.15)
Technical Provisions – Life	D2	21.11	(25.49)	-	(4.37)
Technical Provisions – Unit Linked	D2	2,417.45	(96.88)	26.98	2,347.55
Reinsurance Payables	D3	17.45	1.10	-	18.54
Insurance and intermediary payables	D3	9.87	26.93	2.76	39.56
Derivatives	D3	-	-	-	-
Current Tax Liabilities	D3	0.04	-	(0.04)	-
Actuarial Funding	D3	1.41	(1.41)	-	-
Deferred Investment Revenue	D3	16.35	(16.35)	-	-
Other Liabilities	D3	12.08	-	(2.69)	9.38
Total Liabilities		**2,495.76**	**(116.25)**	**27.01**	**2,406.52**
Equity/Own Funds		215.78	(49.23)	-	166.55
Total Liabilities plus Equity		**2,711.54**	**(165.48)**	**27.01**	**2,573.07**

2023 (€m)					
Liability type	**Section**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Technical Provisions – Health	D2	-	0.21	-	0.21
Technical Provisions – Life	D2	(4.00)	6.28	-	2.28
Technical Provisions – Unit Linked	D2	1,966.04	(74.7)	-	1,891.34
Reinsurance Payables	D3	6.37	0.16	-	6.53
Insurance and intermediary payables	D3	19.14	(0.10)	(1.87)	17.16
Derivatives	D3	-	-	-	-
Current Tax Liabilities	D3	0.07	-	(0.07)	-
Actuarial Funding	D3	2.37	(2.37)	-	-
Deferred Investment Revenue	D3	2.74	(2.74)	-	-
Other Liabilities	D3	9.73	-	0.07	9.80
Total Liabilities		**2,002.45**	**(73.26)**	**(1.87)**	**1,927.32**
Equity/Own Funds		222.88	(88.71)	-	134.17
Total Liabilities plus Equity		**2,225.33**	**(161.97)**	**(1.87)**	**2,061.49**

Key valuation bases, assumptions and methodology differences for each asset type

The asset values shown in the Solvency II balance sheet presented below are at 'economic value'. In general, the following definition is used for economic value:

- Assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.
- Liabilities shall be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The following hierarchy is used by the Company to derive the economic value of an asset or liability, excluding the determination of the economic value of insurance liabilities.

- **Level 1:** The best evidence of the economic value is a quoted price in an active, deep, liquid and transparent market (mark to market model) for identical assets or identical liabilities. If quoted prices exist for similar assets or liabilities, the value of these should be used with an adjustment to reflect the prices.
- **Level 2:** If a quoted price does not exist or the market is deemed not to be active, the Company uses a valuation technique in determining the 'economic value'. The Company will use a valuation technique which is commonly used in the industry (best practices) and will use market observable inputs (mark to market model). Level 2 also comprises market quotes for products with similar characteristics.
- **Level 3:** If the key inputs of the valuation technique are not observable in the market or deemed not to be reliable, the Company will use its own inputs as basis for the variables (mark-to-market model). If a model is used to value a financial liability, the input parameters regarding the own credit standing may not be changed after the initial assessment.

When measuring the economic value, the Company will take into account any characteristic of the asset or liability including any restriction on the sale or use of the assets.

The table below shows the valuation hierarchy used to put a value on the Company's assets:

2024				
	Level 1	Level 2	Level 3	Total 2024
Valuation Hierarchy	€m	€m	€m	€m
Government Bonds	-	77.90	-	77.90
Property Funds	-	-	69.84	69.84
Equity security investments	1,925.81	28.40	69.25	2,023.46
Future	(4.15)	-	-	(4.15)
FX forwards	-	(0.28)	-	(0.28)
Cash and cash equivalents	329.17	-	-	329.17
Total	**2,250.83**	**106.02**	**139.09**	**2,495.94**

2023				
	Level 1	Level 2	Level 3	Total 2023
Valuation Hierarchy	€m	€m	€m	€m
Government Bonds		28.51		28.51
Property Funds			73.08	73.08
Equity security investments	1,505.29	9.41	63.06	1,577.76
Future	3.77			3.77
FX forwards		1.85		1.85
Cash and cash equivalents	369.04			369.04
Total	**1,878.10**	**39.77**	**136.14**	**2,054.01**

When possible, the 'look through' principle is used, in order to group all investments with similar risks together at the same balance sheet item. A look through procedure considers an investment at the most granular level of detail and distinguishes all risks involved. The Company looks for the economic substance of the financial instrument.

Note 1: Deferred Acquisition Costs

IFRS	Solvency II
Acquisition costs for investment contracts represent those costs directly associated with acquiring new investment management service contracts. The Company defers these costs to the extent that they are expected to be recoverable out of future revenues to which they relate.	Deferred Acquisition Costs have been valued at Nil for Solvency II purposes in line with Article 12 of the Delegated Act.

Note 2: Intangible Assets

IFRS	Solvency II
The Company's Intangible Assets include Assets Under Development capitalised and the Irish Life Assurance portfolio transfer present value of in-force business ('PVIF') intangible in accordance with the relevant regulations.	Intangible Assets have been reduced to nil for Solvency II purposes in line with Article 12 of the Delegated Act which states that intangible assets should be valued at nil for Solvency II purposes, unless the intangible asset can be sold separately, and the Company can demonstrate that there is a value for the same or similar assets derived in accordance with Article 10(2) of the Delegated Act.

Note 3: Property, plant and equipment held for own use

IFRS	Solvency II
Property, plant and equipment comprises of laptops owned by the Company. Property, plant and equipment is reported at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is calculated on a straight-line basis on cost less estimated residual value, to write property, plant and equipment off over their anticipated useful lives using the following annual rates or useful life: • Laptops – 3 years.	No valuation difference.

Note 4: Government Bonds

IFRS	Solvency II
Bonds include Sovereign and Non-Sovereign. The Company values bonds based on the fair value determined by referring to quoted market bid prices. These are primarily from third-party independent pricing sources. If there are price movements above specified tolerances, the Company makes sure those movements are correct by checking a second pricing source. Where prices are not quoted in an active market, the Company determines fair values by valuation models. The Company maximises the use of observable inputs and minimises the use of unobservable inputs when measuring the fair value. The Company uses a 'mark to market model' valuation basis to determine a value appropriate to the industry sector. The model uses public bond spread data as a proxy for current spreads on fixed-interest assets. The Company then uses this to develop a yield curve to discount the cash flows underlying the private placement to obtain its value.	No valuation difference.

Note 5: Investment Funds - Collective Investments Undertakings

IFRS	Solvency II
These may include unit funds, property partnerships, special purpose vehicles, etc. The Company values these assets at fair value based on a quoted market price where the asset is traded. If not traded on an active investment exchange, they are valued at the most recent price published by the fund manager.	No valuation difference

Note 6: Derivatives

IFRS	Solvency II
Derivatives principally include currency forward rate contracts, currency swaps and futures contracts. The Company values exchange traded derivatives by using the closing price from the exchange in which they are traded. The Company values foreign exchange traded derivatives using a market feed of forward points and corresponding interest rates.	No valuation difference

Note 7: Assets held for index-linked and unit-linked contracts

The Company holds unit-linked assets for the benefit of policyholders. They are made up of several kinds of investment assets such as Property, Equities, Bonds, Derivatives and Deposits.

Both the Solvency II balance sheet and the IFRS statutory balance sheet present unit-linked assets as one line.

Investment Property

This means property the Company is holding for long-term rental yields and capital growth. It can be land or buildings.

IFRS	Solvency II
The Company carries investment properties at fair value, with changes in fair value included in the income statement within investment return. External chartered surveyors value property at least once a year at fair value in accordance with IAS 40 Investment Property and IFRS 13 Fair Value Measurement. This is in line with the RICS Valuation - Professional Standards 2020 published by the Royal Institution of Chartered Surveyors (RICS) in the U.K. and Ireland and follows the guidelines on the most appropriate way to value property. Fair value is based on the highest and best use of the property, taking into account all of its particular attributes, including occupational tenancies, and prevailing market conditions.	No valuation difference

Equities

Equities include common shares, preferred shares and investments in collective investment schemes.

IFRS	Solvency II
Equities include common shares and preferred shares. The Company values quoted equities based on the fair value determined by the closing bid price from the exchange where they are principally traded. Management value unquoted equities in accordance with principles set down by the European Venture Capital Association. The external manager values unlisted unit trusts using the latest published Net Asset Value (NAV).	No valuation difference

Bonds

Bonds include government bonds, corporate bonds and collateralised securities

IFRS	Solvency II
Bonds include government bonds, corporate bonds and collateralised securities. The Company values bonds based on the fair value determined by referring to quoted market bid prices, except in a minority of instances where bonds are valued on a mid-basis in line with market convention. These are primarily from third-party independent pricing sources. If there are price movements above specified tolerances, the Company makes sure those movements are correct by checking a second pricing source. Where prices are not quoted in an active market, the Company determines fair values by valuation models. The Company maximises the use of observable inputs and minimises the use of unobservable inputs when measuring the fair value. The Company uses a 'mark to market model' valuation basis to determine a value appropriate to the industry sector. The model uses public bond spread data as a proxy for current spreads on fixed interest assets. The Company then uses this to develop a yield curve to discount the cash flows underlying the private placement to obtain its value.	No valuation difference

Derivatives

Derivatives principally include currency forward rate contracts, currency swaps and futures contracts.

IFRS	Solvency II
Derivatives include Over-The-Counter derivatives ('OTC'), exchange traded derivatives, foreign exchange traded derivatives, currency forward rate contracts, futures contracts, forward rate agreements and options. The Company uses the bid value supplied by the counterparty to value OTC Derivatives. The Company values exchange traded derivatives by using the closing price from the exchange in which they are traded. The Company values foreign exchange traded derivatives using a market feed of forward points and corresponding interest rates.	No valuation difference

Deposits

Deposits other than cash equivalents means deposits the Company hold for investment purposes. Cash and cash equivalents means cash in a bank or deposit account held ready to use for business operations.

IFRS	Solvency II
The Company values deposits at their face value.	No valuation difference

Note 8: Reinsurance Recoverable

Total Reinsurance Recoverable on Health and Life.

IFRS	Solvency II
Included within Technical Provisions life.	Valued under Solvency II technical provision rules and separate reporting line.

Note 9: Insurance and intermediary receivables

Includes outstanding premiums that policyholders are due to pay the Company as well as Tax and Government Levy payable.

IFRS	Solvency II
The Company records receivables at their fair value, net of any amounts deemed as doubtful debts.	IFRS 17 adjustments eliminated under Solvency II.

Note 10: Receivables (trade, not insurance)

Includes management fees due from unit-linked funds.

IFRS	Solvency II
The Company records receivables at their fair value, net of any amounts deemed as doubtful debts.	No valuation difference.

Note 11: Cash and Cash Equivalents

Includes Cash the Company has in a bank or deposit account held ready to use for business operations.

IFRS	Solvency II
The Company value Cash and Cash Equivalents at their face value.	No valuation difference.

Note 12: Any other assets, not elsewhere shown

Includes prepayments and other debtors.

IFRS	Solvency II
The Company records receivables at their fair value, net of any amounts deemed as doubtful debts.	No valuation difference.

D.2 Technical Provisions

Overview

The Technical Provisions as outlined in the Solvency II balance sheet (Section D.1) represent the value of the Company's liabilities stemming from the policies it has written. The Company's technical provisions have been calculated following the methodologies and procedures documented in the Solvency II Directive, the Delegated Regulations, and the additional guidance provided by the European Insurance and Occupational Pensions Authority ('EIOPA').

The Company's Technical provisions are calculated for each of its lines of business, which currently include:

- Non-linked life protection business, including term assurances and whole of life assurances.
- Non-linked health protection business, including specified illness cover and income protection.
- Unit-linked investment and savings business including regular and single premium investment and pension business and retirement bonds.

Liabilities shall be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction (without adjustment to take account of the Company's own credit standing) provided by EIOPA.

In this context, the Solvency II technical provisions of the Company for the lines of business outlined above comprise:

- The Gross Best Estimate Liability ('BEL'), which represents the present value of liabilities owing to policyholders other than the unit reserves mentioned below.
- The Risk Margin, which represents the cost of having to hold solvency capital in excess of the BEL, to facilitate administering the portfolio of policies to their run-off.
- The Unit Reserves for Unit-Linked contracts sold.
- The Reinsurance Recoverable, which represents the value of policyholder liabilities that has been ceded to reinsurers.

A summary of the Company's Solvency II Technical provisions is presented in the table below:

2024 (€m)					
Line of Business	**Gross Best Estimate Liability**	**Risk Margin**	**Unit Reserves**	**Reinsurance Recoverable**	**Total Technical Provisions net of recoverable**
Non-Linked Life	(8.86)	4.49	0.00	(1.48)	(5.86)
Non-Linked Health	(5.82)	1.67	0.00	0.35	(3.80)
Unit-Linked	(126.90)	30.01	2,444.43	0.00	2,347.55
Total	**(141.58)**	**36.17**	**2,444.43**	**(1.14)**	**2,337.89**

2023 (€m)					
Line of Business	**Gross Best Estimate Liability**	**Risk Margin**	**Unit Reserves**	**Reinsurance Recoverable**	**Total Technical Provisions net of recoverable**
Non-Linked Life	(1.80)	4.08	0.00	(0.50)	1.78
Non-Linked Health	(0.73)	0.94	0.00	0.18	0.39
Unit-Linked	(106.18)	31.48	1,966.04	0.00	1,891.34
Total	**(108.70)**	**36.49**	**1,966.04**	**(0.32)**	**1,893.52**

Gross Best Estimate Liability

Best Estimate Liabilities are the best estimate of the value of the Company's obligations under the policies it has written.

The Gross Best Estimate Liabilities represent the probability-weighted average of future policy cash-flows, excluding any expected reinsurance payables or recoveries, and taking account of the time value of money (expected present value of future cash-flows), using the relevant risk-free interest rate term structure.

Risk Margin

The Risk Margin reflects the extra premium that another insurer would expect to receive in order for it to take on and meet the Company's insurance obligations in relation to the portfolio. It represents the additional cost that the other insurer would bear in funding the required capital for the non-hedgeable risks for the portfolio.

The Risk Margin is calculated by first determining the capital required in respect of the non-hedgeable risks of the portfolio for each projected future year until the portfolio has run off, allowing too for diversification effects.

In line with allowable Solvency II approaches, the projected, future-year capital requirements are found using a risk drivers approach, whereby the time zero individual capital assessments are run down in-line with relevant underlying factors to arrive at capital values for each point in time. The aggregation of the assessed future capital occurs after the individual capital elements have been projected first.

The cost of holding capital in each future year is then calculated using the Cost of Capital approach, The rate used to determine this cost is called the Cost-of-Capital rate. The Cost-of-Capital rate as per Article 77(5) of the Delegated Act is set at 6%.

The Risk Margin takes account of the time value of money and is ultimately the present value of the cost of capital for all projected years using the relevant risk-free interest rate term structure.

Unit Reserves

The unit reserves are the value of the liabilities that represent the account values for each unit-linked savings and investment policy. The value is calculated from the market values of the assets to which the values of the contracts are linked.

Reinsurance Recoverable

The Company reinsures some of its mortality and morbidity risk exposures with a reinsurance partner which enables it to reduce its exposure to these risks.

To do so, the Company pays the reinsurer a premium in respect of the risks covered, and in exchange the reinsurer pays the specified proportion of any policyholder claims incurred in the reinsured portfolio.

The Reinsurance Recoverable is the probability-weighted average of future reinsurance cash-flows, taking account of the time value of money. It is the expected present value of future reinsurance cash-flows, using the relevant risk-free interest rate term structure.

The same cash-flow projection methodology, model, and assumptions that was used to derive the Best Estimate Liability is again used to determine the relevant timings and probabilities of the expected reinsurance cash-flows.

Solvency II Technical Provisions and Reinsurance Recoverable bases, methodology and assumptions

The Company calculates its Best Estimate Liability and Reinsurance Recoverable in line with Solvency II regulations and uses a projection of future cash-flows based on central assumptions. Central assumptions means that there is an equal probability that the assumption is understated versus overstated, and represents the expected outcome based on the data available to the Company at the time.

These are the three main categories of assumptions the Company uses to work out the Best Estimate Liability and Reinsurance Recoverable:

- Demographic assumptions.
- Expense assumptions.
- Economic assumptions.

Demographic assumptions include assumptions about the rate at which policyholders are expected to die at different ages, how long policyholders are expected to live, and the rate at which the policyholders are expected to let their policies lapse.

Expense assumptions include assumptions about ongoing maintenance and investment expenses. The expense assumptions have been set based on the most recent expense information, market research and expert judgement.

The main economic assumptions are:

- The discount rate.
- The rate of investment return on unit-linked funds.
- Expense inflation.

The rate of investment return used to calculate the progression of unit-linked funds uses the risk-free yield curve specified by the EIOPA. The same risk-free curve is used to discount the value of future cash-flows for calculating the BEL. No volatility adjustment is used for calculating the BEL or Risk Margin.

For both the policies administered by the Company and the policies administered by its outsourced administration partners, the assumption concerning the inflation of future expenses is based on both short and long term assumptions about how the Company expects prices and wages to increase over time.

Level of uncertainty associated with the value of technical provisions.

The technical provisions are calculated based on expected future cash-flows. The Company calculates these expected future cash-flows based on several assumptions which are briefly outlined above.

Since assumptions are typically based on past experience, with allowance for expected demographic trends and future management actions, there is some inherent uncertainty in these assumptions as applied to future periods. Actual experience may differ from the assumptions over time, and this may result in the Company having to change its assumptions in the future.

Some of the key sources of uncertainty within the technical provisions are:

- The mortality and morbidity rates used in calculating expected future cashflows i.e. the rate at which policyholders will die or get ill respectively. An increase in these rates will give rise to an increase in technical provisions. This has a more significant impact on non-linked protection policies which have insurance benefits that depend on policyholders dying or becoming ill. This uncertainty is largely mitigated through the Company's use of reinsurance arrangements.
- The lapse rate used in calculating expected future cashflows i.e. how many policyholders will let their policies lapse in each future year. An increase in these rates will give rise to an increase in technical provisions. This is because the Technical Provisions allow for the expected value of future profits, which will go down if more policyholders let their policies lapse. This is particularly important for Unit-Linked policies for which account is taken of future annual management charges which drive that product's profitability.

- The assumed fixed and variable expenses which represent the Company's expectation of how its policy servicing and overhead costs are allocated across policies by policy count or policy size. An increase in the Company's expense assumptions will give rise to an increase in technical provisions.

The Company's technical provisions also vary depending on market movements, notably:

- Changes in interest rates. Since the Company's business is profitable, its best estimate liability is in fact an asset of the company. An increase in interest rates, reduces the value of this asset and thus increases technical provisions.

- Changes in equity and property markets. Equity and property assets are large components of the portfolios backing the unit-linked contracts. As such they have an impact on future profits on that unit-linked business through their influence on the level of annual management charges that can be collected. So these markets have an impact on our Technical Provisions. If equity or property values fall, this will reduce future profits on the unit-linked business and increase the technical provisions.

Differences between Solvency II technical provisions and insurance contract liabilities and investment contract liabilities included in the financial statements

The financial statements are now broadly aligned to Solvency II methodologies, however there are differences in the technical provisions calculated. The differences in methods and assumptions result in the Solvency II technical provisions (net of reinsurance) being lower by €100.7m (2023: €68.5m) than those shown in the financial statements. This results in a higher net asset value under Solvency II. However, the solvency capital requirements are calculated by applying stresses to this higher net asset value.

The table below compares the Solvency II valuation of technical provisions (net of reinsurance) with the IFRS valuation of Technical Provisions as at 31 December 2024.

2024	€m		
Valuation differences - Technical Provisions	**IFRS value**	**Solvency II value**	**Variance**
Unit-linked technical provisions	-	2,347.55	2,347.55
Non-unit linked technical provisions	21.11	(9.66)	(30.77)
Investment Contract Liabilities	2,417.45	-	(2,417.45)
Total Technical Provisions	**2,438.56**	**2,337.89**	**(100.67)**

2023	€m		
Valuation differences - Technical Provisions	**IFRS value**	**Solvency II value**	**Variance**
Unit-linked technical provisions	-	1,891.34	1,891.34
Non-unit linked technical provisions	(4.00)	2.17	6.17
Investment Contract Liabilities	1,966.04	-	(1,966.04)
Total Technical Provisions	**1,962.04**	**1,893.51**	**(68.53)**

The main differences in the assumptions used for the financial statements and Solvency II are:

For Unit-Linked Business:

The Solvency II technical provisions for unit-linked business include:

- The value of the assets underlying the unit linked contracts.
- The present value of future profits arising on these unit-linked contracts, up to the contract boundary.
- An allowance for the risk associated with the contracts (the Risk Margin).

In the financial statements, unit linked business is recorded as Investment Contract Liabilities:

- These liabilities are effectively set equal to the value of the assets underlying the unit-linked contracts.
- The future profits on the contracts are not recognised in the financial statements.
- The Risk Margin component is not included in the valuation of liabilities in the financial statements.

For Non-Linked Business:

Under Solvency II the technical provisions include:

- The discounted present value of all cashflows up to the contract boundary and an allowance for the risk associated with the contracts (the Risk Margin).

For the financial statements the technical provisions include:

- The present value of cashflows, however the time-horizon of the cashflows can continue beyond the contract boundaries used for Solvency II reporting.
- The Risk Margin component is not included in the valuation of liabilities in the financial statements.

D.3 Other Liabilities

This section describes the following other liabilities which the Company has valued for Solvency II purposes, together with any differences in comparison to the IFRS financial statements.

- Derivatives.
- Insurance and intermediary payables.
- Reinsurance payables.
- Payables (trade, not insurance).

As at 31 December 2024, the value for each other liability type on the Company's Solvency II Balance Sheet is found in the table below:

2024 (€m)					
Liability type	**Note**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Reinsurance Payables	1	17.45	1.10	-	18.54
Insurance and intermediary payables	2	9.87	26.93	2.76	39.56
Derivatives		-	-	-	-
Current Tax Liabilities	3	0.04	-	(0.04)	-
Actuarial Funding	4	1.41	(1.41)	-	-
Deferred Investment Revenue	5	16.35	(16.35)	-	-
Other Liabilities	6	12.08	-	(2.69)	9.38
Total Other Liabilities		**57.19**	**10.27**	**0.03**	**67.49**

2023 (€m)					
Liability type	**Note**	**IFRS Value**	**Valuation Adjustment**	**Reclass Adjustment**	**Solvency II Value**
Reinsurance Payables	1	6.37	0.16	-	6.53
Insurance and intermediary payables	2	19.14	(0.10)	(1.87)	17.16
Derivatives		-	-	-	-
Current Tax Liabilities	3	0.07	-	(0.07)	-
Actuarial Funding	4	2.37	(2.37)	-	-
Deferred Investment Revenue	5	2.74	(2.74)	-	-
Other Liabilities	6	9.73	-	0.07	9.80
Total Other Liabilities		**40.41**	**(5.05)**	**(1.87)**	**33.49**

Note 1: Reinsurance Payables

Reinsurance Payables refers to the balance due to the reinsurer in respect of the risk transferred as well as Net Contingent Advance Claims in respect of Financial Reinsurance.

IFRS	Solvency II
The Company records reinsurance payables on an accruals basis to account for premiums and claims activity that has not yet been agreed with the reinsurer.	No valuation difference. Impact of IFRS 17 is eliminated on insurance contracts.

Note 2: Insurance and intermediary payables

Insurance and intermediary payables refers to outstanding payables such as Levy, Exit Tax, Medical Fees and Refunds.

IFRS	Solvency II
The Company records payables on an accruals basis.	IFRS 17 adjustments eliminated under Solvency II, including Fixed Term Invest product bond considered insurance under IFRS 17 but investment under Solvency II.

Note 3: Current Tax Liabilities

Current Tax Liabilities include balances due to Revenue as a result of reverse charge VAT.

IFRS	Solvency II
The Company records payables on an accruals basis.	No valuation difference.

Note 4: Actuarial Funding

Actuarial Funding relates to funding held back to cover expenses for unit purchasing.

IFRS	Solvency II
The Company records Actuarial Funding in line with funding fees and contribution charges.	Actuarial Funding has been valued at nil for Solvency II purposes.

Note 5: Deferred Investment Revenue

Deferred Investment Revenue relates to unearned premiums on Savings and Investments and PRSA policies.

IFRS	Solvency II
The Company records Deferred Investment Revenue at fair value.	Deferred Investment Revenue has been valued at nil for Solvency II purposes.

Note 6: Other Liabilities

Other Liabilities mainly include accruals.

IFRS	Solvency II
The Company records Other Liabilities on an accruals basis.	No valuation difference.

D.4 Alternative methods for valuation

The Company does not use alternative valuation techniques.

D.5 Any other information

No other items to note.

E. Capital Management

E.1 Own Funds

Own funds are the value that our assets exceed our liabilities, where the value of our liabilities includes technical provisions.

Capital Management Policy

The Capital Management policy is set by the Board of Directors. The policy is designed to ensure that the Company's capital position is managed so that it is aligned with its strategic objectives, the scale and nature of its business, its risk appetite and risk profile.

The objectives of the Company's Capital Management Policy are to:

- Specify requirements relating to the capital management process to enable effective measurement and management of solvency.
- Specify requirements relating to governance and oversight as they relate to capital management.
- Define principles of reporting and escalation.
- Set out guidance with the purpose of describing the role of capital management.
- Ensure adherence to the regulatory capital requirements and guidelines.

The Company operates a Risk Management System to identify, measure, manage, monitor and report risks which might impact on the level of capital held, the execution of its business plans and the ultimate achievement of its strategic objectives. As part of that system, a suite of policies sets out requirements to manage risks in line with the Board's risk strategy.

Capital Strategy

The Company will manage its capital with a view to maintaining solvency at a level which enables the Company to carry out its business plan and meet growth objectives, within its risk appetite. The Company will, through its risk management framework, identify all material risks potentially requiring capital to be held. It will actively and regularly review its capital ratios and the quality of its capital. The Company will seek to manage its total aggregated capital to ensure it has sufficient capital, liquidity and reserves to meet its liabilities as they fall due and to meet regulatory requirements, even under stressed conditions.

Breakdown of Own Funds

Own funds are divided into three tiers based on their permanence and how well they can absorb losses. Tier 1 funds are the highest quality. Our entire tier 1 capital is available to meet our Minimum Capital Requirement ('MCR') and Solvency Capital Requirement ('SCR').

Summary of our capital position

2024	
Capital Class	**Year End 31 December 2024 € m**
Tier 1 – unrestricted	
Share Capital and Share Premium	295.60
Issued Funds	0
Reconciliation Reserve	(129.05)
Other	0
Available Own Funds	**166.55**
Foreseeable Dividends & Distributions	0
Total available own funds to meet the SCR	**166.55**
Eligible own funds to meet SCR	**166.55**
Solvency Capital Requirement (SCR)	86.78
Solvency Ratio	**191.92%**
Minimum Capital Requirement (MCR)	21.70
Eligible own funds as a percentage of MCR	**767.67%**

2023	
Capital Class	**Year End 31 December 2023 € m**
Tier 1 – unrestricted	
Share Capital and Share Premium	284.60
Issued Funds	0.00
Reconciliation Reserve	(150.43)
Other	0.00
Available Own Funds	**134.17**
Foreseeable Dividends & Distributions	0.00
Total available own funds to meet the SCR	**134.17**
Eligible own funds to meet SCR	**134.17**
Solvency Capital Requirement (SCR)	77.21
Solvency Ratio	**173.77%**
Minimum Capital Requirement (MCR)	19.30
Eligible own funds as a percentage of MCR	**695.09%**

The Company invests its own funds in a combination of government and government agency bonds, cash and a small element of shareholder seed units in unit-linked funds which are fully admissible for tier 1 own funds.

Share capital and share premium

This capital consists of the total balance of shares issued to our parent company (Saol Assurance Holding Limited) consisting of ordinary and share premium share classes. All shares were issued for cash proceeds. This has been treated as tier 1 capital to meet the Company's MCR and SCR. This is because the share capital meets the requirements of Article 71 of the Delegated Regulation (EU) 2015/35 in that it is undated, it is available to absorb losses and it ranks after all other claims if the business were to be wound up.

Share premium represents the excess of amounts received for share issues over the par value of those shares for the Company.

Reconciliation Reserve

As at 31 December 2024, the Company had a reconciliation reserve of €129.0m (2023: €150.4m). It equals the excess of assets over liabilities per the Solvency II balance sheet, reduced for paid up share capital, capital contributions and foreseeable dividends. The Company judged this to be tier 1 capital to meet its MCR and SCR. A reconciliation is included below between equity per IFRS financial statements and Own Funds under Solvency II.

Eligible own funds to cover SCR and MCR

The Company reviewed the relevant guidelines to decide the eligible elements of own funds and views all our own funds classes to be eligible.

At 31 December 2024 the Company had €166.6m (2023: €134.2m) of own funds eligible to meet both its SCR and MCR. The entire amount is classified as tier 1 capital.

Own funds eligible to meet SCR and MCR

2024	
Capital Class	**Year End 31 December 2024 € m**
Own Funds	
Tier 1	166.55
Solvency Capital Requirement	86.78
Solvency Ratio	**191.92%**
Minimum Capital Requirement	21.67
Eligible own funds as a percentage of MCR	**767.67%**

2023	
Capital Class	**Year End 31 December 2023 € m**
Own Funds	
Tier 1	134.17
Solvency Capital Requirement	77.21
Solvency Ratio	**173.77%**
Minimum Capital Requirement	19.30
Eligible own funds as a percentage of MCR	**695.09%**

Restrictions on Own Funds to meet Capital Requirements

These are regulatory restrictions on the proportion of capital requirements that can be met by Tier 2 and 3 basic Own Funds in determining the eligible Own Funds to meet the SCR and MCR capital requirements. The Company did not hold tier 2 or tier 3 capital classes at 31 December 2024.

Reconciliation from IFRS to Solvency II

A quantitative and qualitative explanation of any material differences between equity as shown in the Company's IFRS balance sheet and the excess of assets over liabilities as calculated for Solvency II purposes is set out below.

The main differences between the equity in IFRS balance sheet and the Solvency II Own Funds arise due to:

- The way insurance contract liabilities (including reinsurance assets) and investment contract liabilities are valued under IFRS differs from how technical provisions are valued under Solvency II.
- Intangible Assets (Capitalised Expenses and Portfolio Transfer PVIF) are valued as nil under Solvency II.
- Deferred Acquisition Costs and Deferred Income Reserve are valued as nil under Solvency II.
- Deferred tax liabilities are adjusted to reflect the impact on tax when assets and liabilities are valued differently.

This table shows the difference between the equity under IFRS and Solvency II Own Funds at the year-ends.

2024	
IFRS shareholder equity to Solvency II Own Funds	**Year End 31 December 2024 € m**
Shareholder Equity	**215.78**
Difference in technical provisions	100.07
Difference in valuation of intangible assets	(149.30)
Deferred tax	-
Solvency II eligible Own Funds	**166.55**

2023	
IFRS shareholder equity to Solvency II Own Funds	**Year End 31 December 2023 € m**
Shareholder Equity	**222.83**
Difference in technical provisions	72.15
Difference in valuation of intangible assets	(160.81)
Deferred tax	-
Solvency II eligible Own Funds	**134.17**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement

Under Solvency II regulations, insurance companies are required to hold capital based on a risk-based capital assessment. The level of capital to be held is calculated by considering the capital required for the Company to withstand several different shocks.

The Company calculates its SCR using the standard formula. The SCR includes:

- The Basic Solvency Capital Requirement ('BSCR').
- The SCR for operational risk.

The Company calculates the BSCR using these four risk modules:

- Market.
- Counterparty (default).
- Life underwriting.
- Health underwriting.

Each stress or shock impact calculated to obtain the overall SCR was produced separately on a full calculation basis. The Company does not use any of the simplifications allowed in the Delegated Acts when calculating the SCR.

The results from each of these risk modules are combined using the prescribed standard formula correlation matrices.

The table below presents the total solvency capital required (SCR) and breaks this down by risk sub-module.

2024	
Breakdown of SCR	**Year End 31 December 2024 € m**
Market Risk	45.3
Counterparty Default Risk	0.9
Life Underwriting Risk	59.7
Health Underwriting Risk	2.9
Total Before Diversification	**108.8**
Diversification Effects	(24.7)
Basic SCR (BSCR)	**84.7**
Operational Risk	2.0
Total SCR	**86.7**

2023	
Breakdown of SCR	**Year End 31 December 2023 € m**
Market Risk	47.5
Counterparty Default Risk	3.9
Life Underwriting Risk	45.9
Health Underwriting Risk	1.2
Total Before Diversification	**98.6**
Diversification Effects	(22.9)
Basic SCR (BSCR)	**75.6**
Operational Risk	1.6
Total SCR	**77.2**

Minimum Capital Requirement

The MCR is the minimum level of capital below which the financial resources are not allowed to fall. It is calculated based on a simple formula, based on a percentage of technical provisions and capital at risk. The MCR is subject to a floor of 25% of SCR and a cap of 45% of SCR.

The tables below show the inputs to and calculation of the MCR:

Year End – 31 December 2024			
Item	**Amount € m**	**Factor**	**Contribution to MCR € m**
Unit-linked insurance obligations	2,316.0	0.70%	16.2
Other life and health obligations	0.0	2.10%	0.0
Capital at risk	4,626.2	0.07%	3.2
Total Linear MCR			**19.5**
MCR Cap (45% of SCR)			**39.0**
MCR Floor (25% of SCR)			**21.7**
Minimum Capital Requirement			**21.7**

Year End – 31 December 2023			
Item	**Amount € m**	**Factor**	**Contribution to MCR € m**
Unit-linked insurance obligations	1,858.4	0.70%	13.0
Other life and health obligations	0.0	2.10%	0.0
Capital at risk	1,713.8	0.07%	1.2
Total Linear MCR			**14.2**
MCR Cap (45% of SCR)			**34.7**
MCR Floor (25% of SCR)			**19.3**
Minimum Capital Requirement			**19.3**

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

The company does not use the duration-based equity risk sub-module, which is optional under the Solvency II regulations.

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

The Company uses the standard formula to calculate the SCR.

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

During 2024 the Company was in compliance with the SCR and MCR requirements.

E.6 Any other information

There is no additional information about our capital management to disclose in this report.

Appendices
Quantitative Reporting Templates

Appendix 1: S.02.01.02 Balance sheet

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	31,258
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	106,089,108
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	222,321
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	50,737,939
Government Bonds	R0140	50,737,939
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	369,352
Derivatives	R0190	10,169
Deposits other than cash equivalents	R0200	54,749,327
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	2,352,613,860
Amount to be included in TR0220 that is not derived from S(E).06.02	TR0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1,137,473
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1,137,473
Health similar to life	R0320	(346,846)
Life excluding health and index-linked and unit-linked	R0330	1,484,319
Life index-linked and unit-linked	R0340	

Appendix 1: S.02.01.02 Balance sheet (continued)

Assets		Solvency II value
		C0010
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	577,416
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	93,499,012
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	14,444,608
Any other assets, not elsewhere shown	R0420	4,680,762
Total assets	**R0500**	**2,573,073,497**

Appendix 1: S.02.01.02 Balance Sheet (continued)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	
Technical provisions – non-life (excluding health)	R0520	
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	(8,521,715)
Technical provisions - health (similar to life)	R0610	(4,147,081)
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	(5,815,672)
Risk margin	R0640	1,668,591
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	(4,374,634)
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	(8,863,775)
Risk margin	R0680	4,489,141
Technical provisions – index-linked and unit-linked	R0690	2,347,551,545
Technical provisions calculated as a whole	R0700	2,444,433,465
Best Estimate	R0710	(126,895,905)
Risk margin	R0720	30,013,985
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Debts owed to credit institutions resident domestically	ER0801	
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	
Debts owed to credit institutions resident in rest of the world	ER0803	
Financial liabilities other than debts owed to credit institutions	R0810	
Debts owed to non-credit institutions	ER0811	
Debts owed to non-credit institutions resident domestically	ER0812	
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	
Debts owed to non-credit institutions resident in rest of the world	ER0814	
Other financial liabilities (debt securities issued)	ER0815	

Liabilities		Solvency II value
		C0010
Insurance & intermediaries payables	R0820	39,562,898
Reinsurance payables	R0830	18,544,624
Payables (trade, not insurance)	R0840	9,382,739
Subordinated liabilities	R0850	
Non-negotiable instruments held by credit institutions resident domestically	R0851	
Non-negotiable instruments held by credit institutions resident in the euro area other than domestic	R0852	
Non-negotiable instruments held by credit institutions resident in rest of the world	R0853	
Non-negotiable instruments held by non-credit institutions resident domestically	R0854	
Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic	R0855	
Non-negotiable instruments held by non-credit institutions resident in rest of the world	R0856	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	**R0900**	**2,406,520,091**
Excess of assets over liabilities	**R1000**	**166,553,406**

Appendix 2: S.05.01.21 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations					
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations
		C0210	C0220	C0230	C0240	C0250	C0260
Premiums written							
Gross	R1410	1,702,538		454,287,696	3,186,535		
Reinsurers' share	R1420	374,404			562,806		
Net	**R1500**	**1,328,134**		**454,287,696**	**2,623,729**		
Premiums earned							
Gross	R1510	1,702,538		454,287,696	3,186,535		
Reinsurers' share	R1520	374,404			562,806		
Net	**R1600**	**1,328,134**		**454,287,696**	**2,623,729**		
Claims incurred							
Gross	R1610	64,744		203,537,714			
Reinsurers' share	R1620	58,270					
Net	**R1700**	**6,474**		**203,537,714**			
Expenses incurred	**R1900**	**5,316,113**		**40,735,977**	**9,949,837**		
Administrative expenses							
Gross	R1910	706,554		5,969,472	1,322,413		
Reinsurers' share	R1920						
Net	**R2000**	**706,554**		**5,969,472**	**1,322,413**		
Investment management expenses							
Gross	R2010	229,778		1,941,329	430,061		
Reinsurers' share	R2020						
Net	**R2100**	**229,778**		**1,941,329**	**430,061**		
Claims management expenses							
Gross	R2110	119,628		1,010,702	223,900		
Reinsurers' share	R2120						
Net	**R2200**	**119,628**		**1,010,702**	**223,900**		
Acquisition expenses							
Gross	R2210	2,175,975		14,204,697	4,072,637		
Reinsurers' share	R2220						
Net	**R2300**	**2,175,975**		**14,204,697**	**4,072,637**		
Overhead expenses							
Gross	R2310	2,084,178		17,609,777	3,900,826		
Reinsurers' share	R2320						
Net	**R2400**	**2,084,178**		**17,609,777**	**3,900,826**		
Balance - other technical expenses/income	**R2510**						
Total expenses	**R2600**						
Total amount of surrenders	**R2700**			**203,602,458**			

Appendix 2: S.05.01.21 Premiums, claims and expenses by line of business (continued)

		Life reinsurance obligations		Total
		Health reinsurance	Life reinsurance	
		C0270	C0280	C0300
Premiums written				
Gross	R1410			459,176,769
Reinsurers' share	R1420			937,210
Net	**R1500**			458,239,559
Premiums earned				
Gross	R1510			459,176,769
Reinsurers' share	R1520			937,210
Net	**R1600**			458,239,559
Claims incurred				
Gross	R1610			203,602,458
Reinsurers' share	R1620			58,270
Net	**R1700**			203,544,189
Expenses incurred	**R1900**			56,001,927
Administrative expenses				
Gross	R1910			7,998,439
Reinsurers' share	R1920			
Net	**R2000**			7,998,439
Investment management expenses				
Gross	R2010			2,601,168
Reinsurers' share	R2020			
Net	**R2100**			2,601,168
Claims management expenses				
Gross	R2110			1,354,230
Reinsurers' share	R2120			
Net	**R2200**			1,354,230
Acquisition expenses				
Gross	R2210			20,453,309
Reinsurers' share	R2220			
Net	**R2300**			20,453,309
Overhead expenses				
Gross	R2310			23,594,781
Reinsurers' share	R2320			
Net	**R2400**			23,594,781
Balance - other technical expenses/income	**R2510**			
Total expenses	**R2600**			56,001,927
Total amount of surrenders	**R2700**			203,602,458

Appendix 3: S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance		
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees
		C0020	C0030	C0040	C0050
Technical provisions calculated as a whole	**R0010**		**2,444,433,465**		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020				
Technical provisions calculated as a sum of BE and RM					
Best Estimate					
Gross Best Estimate	**R0030**			**(126,895,905)**	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080				
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090			(126,895,905)	
Risk Margin	**R0100**		**30,013,985**		
Technical provisions - total	**R0200**		**2,347,551,545**		

Appendix 3: S.12.01.02 Life and Health SLT Technical Provisions (continued)

		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**						**2,444,433,465**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		**(8,863,775)**				**(135,759,680)**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		1,484,319				**1,484,319**
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		(10,348,094)				**(137,243,999)**
Risk Margin	**R0100**	**4,489,141**					**34,503,126**
Technical provisions - total	**R0200**	**(4,374,634)**					**2,343,176,911**

Appendix 3: S.12.01.02 Life and Health SLT Technical Provisions (continued)

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		**(5,815,672)**				**(5,815,672)**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		(346,846)				(346,846)
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		(5,468,826)				(5,468,826)
Risk Margin	**R0100**	**1,668,591**					**1,668,591**
Technical provisions - total	**R0200**	**(4,147,081)**					**(4,147,081)**

Appendix 4: S.23.01.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	281	281	-	-	-
Share premium account related to ordinary share capital	R0030	295,599,719	295,599,719	-	-	-
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040			-	-	-
Subordinated mutual member accounts	R0050			-	-	-
Surplus funds	R0070			-	-	-
Preference shares	R0090			-	-	-
Share premium account related to preference shares	R0110			-	-	-
Reconciliation reserve	R0130	(129,046,594)	(129,046,594)	-	-	-
Subordinated liabilities	R0140			-	-	-
An amount equal to the value of net deferred tax assets	R0160			-	-	-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180			-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds				-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220			-	-	-
Deductions				-	-	-
Deductions for participations in financial and credit institutions	R0230			-	-	-
Total basic own funds after deductions	**R0290**	**166,553,406**	**166,553,406**			

Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	R0320	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	-	-	-	-
Other ancillary own funds	R0390	-	-	-	-	-
Total ancillary own funds	**R0400**					

Appendix 4: S.23.01.01 Own Funds (continued)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	166,553,406	166,553,406	-	-	-
Total available own funds to meet the MCR	R0510	166,553,406	166,553,406	-	-	-
Total eligible own funds to meet the SCR	R0540	166,553,406	166,553,406	-	-	-
Total eligible own funds to meet the MCR	R0550	166,553,406	166,553,406	-	-	-
SCR	R0580	86,784,169		-	-	-
MCR	R0600	21,696,042		-	-	-
Ratio of Eligible own funds to SCR	R0620	191.92%		-	-	-
Ratio of Eligible own funds to MCR	R0640	767.67%		-	-	-

		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	166,553,406
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	295,600,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	
Reconciliation reserve	R0760	(129,046,594)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770	14,679,448
Expected profits included in future premiums (EPIFP) - Non Life Business	R0780	
Total Expected profits included in future premiums (EPIFP)	**R0790**	**14,679,448**

Appendix 5: S.25.01.21 Solvency Capital Requirement - For undertakings using the standard formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	45,343,677		
Counterparty default risk	R0020	889,943		
Life underwriting risk	R0030	59,697,386		
Health underwriting risk	R0040	2,864,263		
Non-life underwriting risk	R0050			
Diversification	R0060	(24,056,141)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	**R0100**	**84,739,128**		

Calculation of Solvency Capital Requirement		
		C0100
Operational risk	R0130	2,045,040
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	**R0200**	**86,784,169**

Capital add-ons already set		
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	**R0220**	**86,784,169**

Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	86,784,169
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		
		Yes/No
		C0109
Approach based on average tax rate	R0590	2-No

Appendix 5: S.25.01.21 Solvency Capital Requirement - For undertakings using the standard formula (continued)

Calculation of loss absorbing capacity of deferred taxes		
		LAC DT
		C0130
DTA	R0600	
DTA carry forward	R0610	
DTA due to deductible temporary differences	R0620	
DTL	R0630	
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

Appendix 6: S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations		Value
		C0040
MCRL Result	R0200	19,462,368

MCR calculation Life		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230	2,317,537,560	
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		4,628,006,737

Overall MCR calculation		
		Value
		C0070
Linear MCR	R0300	19,462,368
SCR	R0310	86,784,169
MCR cap	R0320	39,052,876
MCR floor	R0330	21,696,042
Combined MCR	R0340	21,696,042
Absolute floor of the MCR	R0350	4,000,000
		C0070
Minimum Capital Requirement	R0400	21,696,042