Monument Life Insurance DAC

Solvency and Financial Condition Report at 31 December 2024

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Executive Summary

Introduction and Purpose

This is the Solvency and Financial Condition Report ("**SFCR**") for Monument Life Insurance DAC ("**MLIDAC**" or "the Company") for the year ended December 2024. The purpose of the SFCR is to meet the public disclosure requirements of Articles 290 to 303 of the Commission Delegated Regulation (EU) 2015/35 ("**Delegated Regulation**").

This report quotes all nominal amounts in thousands of euro (€ '000), unless otherwise stated e.g. "m" in respect of nominal amounts indicate the number is stated in millions.

Business Information

MLIDAC is authorised and regulated by the Central Bank of Ireland ("CBI"). MLIDAC holds a license that allows the Company to underwrite life assurance and contracts to pay annuities, which includes life business Classes of I, III and IV. MLIDAC also holds a license to underwrite the non-life class Miscellaneous Financial Loss. Table A2 outlines the Solvency II lines of business covered by these Classes.

At its establishment in September 2000, the Company launched its Spanish term life product. In November 2009 the decision was made to close to new business and put the company into run-off. The Company was sold by Laguna Life Holding Limited, a subsidiary of Enstar Group Limited, to Monument Assurance DAC ("MADAC"), a subsidiary of Monument Re Limited ("Monument Re" or "MRL") on 29 August 2017. Ownership of the Company transferred to Monument Re on 30 June 2020.

In 2018, Monument Re completed the acquisition of a run-off portfolio of flexible premium retail life insurance contracts from Ethias S.A. ("Ethias"), the portfolio transferred into the Company. In April 2018, Monument Re signed an agreement to reinsure a portfolio of business from MetLife Europe Insurance Designated Activity Company ("MetLife"). Following high court approval, the majority of these policies were transferred to MLIDAC in April 2019. The remainder of the policies transferred in March 2021.

In March 2019, the Company entered into an agreement to purchase Inora Life DAC ("Inora") from Société Générale S.A. The portfolio was transferred from Inora to MLIDAC on 31 December 2020 and consists of unit-linked investment products.

The Company entered into an agreement to purchase a portfolio of annuities from Rothesay Life Plc during 2019. Following approval by Central Bank of Ireland and the UK High Court, the portfolio transferred to the Company on 7 September 2020.

Zurich Life Assurance plc transferred a portfolio of unit-linked investment business to the Company on 30 November 2020 which was approved by Central Bank of Ireland and the High Court in November 2020.

On 31 December 2021, MLIDAC completed the acquisition of a closed-block portfolio of variable annuity policies from Athora Ireland plc.

The Company continues to perform in line with the expected run-off of the business across all portfolios. The business strategy of the Company is focused on running off the existing closed book of policies, whilst seeking opportunities to grow the Company, through the acquisition of other insurers or the purchase of portfolios of insurance/reinsurance liabilities from other insurers/reinsurers, in line with the Monument Re Limited group strategy.

The Company retains very limited exposure to mortality and morbidity risks, with longevity exposure on annuity business providing a useful diversification of insurance risk. The PPI (Payment Protection Insurance) portfolio has entered an orderly run off with no new risk being underwritten. The Company continues to actively seek opportunities within the run-off space.

The ownership structure and qualifying holdings are shown in more detail in Section A.1(d) and A.1(e), respectively (all participations are 100% unless otherwise stated).

Performance

The current accounting year end date of the Company is 31 December. This report is for the year ended 31 December 2024 with prior year comparatives for the 12-month statutory period ending 31 December 2023. Copies of the Company's financial statements may be obtained from the Companies Registration Office in Ireland.

The Company's underwriting results for the year are shown below in Section A. Business and Performance. The statutory profit after tax for the reporting year is €1,583 (2023: €934). The 2024 profit arose due to positive investment returns and favourable insurance experience.

The Company paid no dividends in 2024 (2023: €9,680).

The Company's Own Funds measured on a Solvency II ("SII") valuation basis increased from €24,283 at 31 December 2023 to €25,736 at 31 December 2024. The main drivers of the movement of €1,453 are the following:

- Positive investment returns
- Favourable insurance experience
- Decreases in the deferred tax asset and
- Updates to actuarial lapse, mortality and expense assumptions following the annual experience analysis review.

System of Governance

The Company has established a system of governance which is appropriate for the Company's business strategy and operations. There is a clear delegation of responsibilities, reporting lines and allocation of functions prescribed by committee terms of reference and key function charters. The system of governance includes requirements relating to fitness and probity of persons responsible for key functions, remuneration practices and outsourcing activities. During the period, the Company outsourced a significant portion of its operations arrangements to the services company, Monument Insurance Europe Services Srl ("MIES"). The key executives are employed directly by the Company.

The Company's Board of Directors ("The Board") is comprised of a combination of executives, non-executives, and independent non-executives as per the requirements of the Corporate Governance Code in Ireland. All directors are selected based on their skills, competence and experience.

Further details of the Company's system of governance are provided below in ***Section B. System of Governance***.

Risk Profile

The Company's risk management system is proportionate to the nature, scale and complexity of the risks to which the Company is exposed. The system includes processes for the identification, assessment and reporting of all categories of risk. The risk management system includes the Own Risk and Solvency Assessment ("**ORSA**") process which assists **the Board** in determining whether there are adequate Own Funds to cover the Company's risks over its business planning horizon.

The Company's business activities give rise primarily to life and non-life underwriting risks, operational risk, market risk and credit risk. Further details of the Company's risk profile are provided below in ***Section C. Risk Profile*.**

Valuation for Solvency Purposes

The Company's SII Balance Sheet values the Company's assets, technical provisions, and other liabilities in accordance with the SII Directive and related guidance. At 31 December 2024, the Company's excess of assets over liabilities was €25,736 on a SII basis which is €367 higher than the value under Irish GAAP. The difference is driven mainly by the valuation of technical provisions net of reinsurance with a smaller offsetting impact arising from the difference in the deferred tax asset. Further details of the methods used in the valuation of balance sheet items are provided in Section D along with an explanation of the material differences between the Irish GAAP and SII valuation bases.

Further details of the Company's valuation for Solvency Purposes are provided below in ***Section D. Valuation for Solvency Purposes***.

Capital Management

The structure of the Company's Own Funds comprises share capital, a regulatory approved capital contribution and reconciliation reserve (including retained earnings). The capital management policy focuses on ensuring that there is sufficient capital at all times to meet the regulatory solvency requirements. The Company's Solvency Capital Requirement ("**SCR**") is calculated using the Solvency II Standard Formula. As outlined in Table EX1 below, using this methodology, the Company's SCR is calculated to be €8,457 (2023 €11,415). The SCR decreased mainly as a result of the run off of the non-life portfolio, a reduction in counterparty risk combined with reductions in both the market concentration and market equity risks. The funds available to meet the SCR increased in line with the profits for the year.

Table EX1: Breakdown of SCR by risk module as at 31 December 2024 and 2023

€ '000	31 December 2024	31 December 2023
Market	2,614	4,128
Counterparty default	2,094	3,248
Life underwriting	2,918	3,201
Health Underwriting	14	34
Non-life underwriting	460	818
Diversification	(2,517)	(3,584)
Basic Solvency Capital Requirement	**5,583**	**7,845**
Operational Risk	2,874	3,570
Solvency Capital Requirement	**8,457**	**11,415**

Table EX2 below summarises the Company’s Own Funds and solvency position at 31 December 2024 , with prior year comparatives (in € ‘000, except for percentages):

Table EX2: Summary of Own Funds and Solvency Position as at 31 December 2024 and 2023

€ '000	31 December 2024	31 December 2023
Eligible Own Funds to cover Regulatory Solvency Requirement	25,736	24,283
Eligible Own Funds to cover Minimum Capital Requirement	25,641	23,818
Solvency Capital Requirement	**8,457**	**11,415**
Minimum Capital Requirement	**6,700**	**6,700**
Ratio of Own Funds to SCR	304 %	213 %
Ratio of Own Funds to MCR	383 %	355 %

Further details of the Company’s Own Funds and SCR are provided in ***Section E. Capital Management***.Overall, the Company is committed to adhere to the Solvency II principles.

A. Business and Performance

A.1 Business

A.1 (a) Name and legal form of the undertaking

Monument Life Insurance DAC is a designated activity company incorporated in the Republic of Ireland in 2000 as a private limited company. The Company changed its name from Laguna Life DAC on the 2 April 2020. The ultimate parent of the Company is Monument Insurance Group Limited ("MIGL"), a company domiciled in Bermuda.

Name and registered office of the Company is:

Monument Life Insurance DAC
Two Park Place
Upper Hatch Street
Dublin 2
Republic of Ireland

A.1 (b) Name and contact details of supervisory authority responsible for financial supervision of the undertaking

Local Supervisors:

Central Bank of Ireland
Insurance Supervision Division
New Wapping Street
North Wall Quay
Dublin 1
Republic of Ireland

Group supervisor of the Group to which the Company belongs:

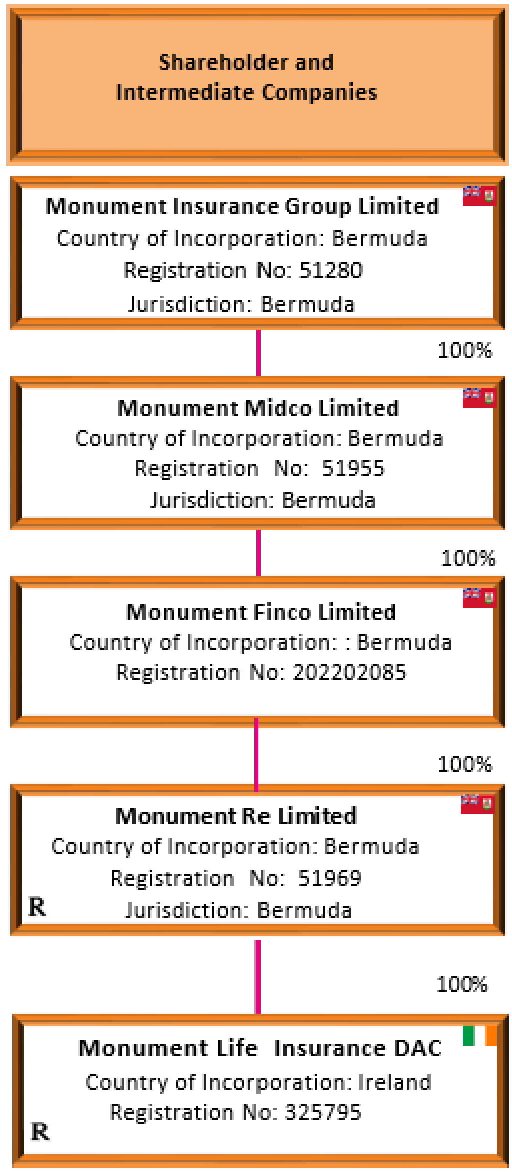
Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton
Bermuda

A.1 (c) Name and contact details of the external auditors of the undertaking

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Republic of Ireland

A.1 (d) Description of the holders of qualifying holdings in the Group

The ownership structure of MLIDAC as at 31 December 2024 is set out in the following chart:



A.1 (e) Position within the legal structure of the Group

Monument Re Limited

Monument Re Limited ("Monument Re") is a Bermuda based Class E life reinsurer (with registration number 51969 and incorporation date 27th October 2016) and a Designated Insurer subject to Group supervision by the BMA. With effect from 1st January 2023, Monument Insurance Group Limited ("MIGL") became the head of Monument Re Group ("Group"), which is subject to insurance group regulatory supervision by the BMA

Monument Re has an established track-record of acquiring life insurance portfolios across Europe. The Company's strategy is to build and grow the Ireland, Benelux and Crown Territories platforms as well as demonstrating the capacity to develop and transact on opportunities in other territories

Monument Life Insurance Designated Activity Company

On 29th August 2017,Monument Re completed the acquisition of Monument Life Insurance Designated Activity Company (formerly Laguna Life Designated Activity Company, "Laguna"), an insurance undertaking, authorised in Ireland and regulated by the Central Bank of Ireland, and which holds the following licenses;

- Life Insurance Class I, III and IV licenses; and
- Non-Life Insurance Class 16 (for in-force non-life business only).

Further to the above acquisition, several transactions have been completed by Monument Life Insurance DAC as set out below.

- A portfolio of Belgian whole of life savings contracts transferred from Ethias S.A. in 2018.
- A block of variable annuity, fixed term annuity, annuity and protection business transferred from MetLife Europe DAC ("Metlife") in 2019. A small number of UK policies did not transfer in 2019, however these transferred on 31st March 2021.
- Payment Protection Insurance ("PPI") policies transferred in June 2020 from two related companies, Monument Trinity A DAC (formerly Monument Insurance DAC) and Monument Trinity B DAC, (formerly Monument Assurance DAC).
- A portfolio of annuities transferred from Rothesay Life plc to the Company in September 2020.
- Zurich Life Assurance plc transferred a portfolio of unit-linked investment business to the Company in November 2020.
- In September 2019, the Company acquired Inora Life DAC ("Inora") as a wholly owned subsidiary. Inora was formerly a subsidiary of Société Générale which wrote unit-linked investment products in France, Germany, Belgium, Italy and Austria from 2001 until its closure to new business in 2012. The portfolio was transferred from Inora to the Company in December 2020.
- On 31 December 2021, the Company completed the acquisition of a closed-block portfolio of variable annuity policies from Athora Ireland plc.

Service Companies

Monument Insurance European Services SRL.

MLIDAC is serviced by an intra-group services company, Monument Insurance European Services SRL ("MIES"). The Irish branch of MIES is the main service company for MLIDAC and MIES is supported by Monument Re.

The principal drivers of establishing a services company were achieving cost-efficiency through integration of required services into one entity and to provide increased mobility of talent, allowing employees to work on other Monument related activity.

A.1 (f) Material lines of business and material geographical areas

All premiums are received from contracts underwritten within Europe, to cover risks located in a number of countries.

Table A1: Breakdown of gross earned premium by geographical segment

Gross Earned Premium – by geographical segment	2024 €'000	2023 €'000
United Kingdom	3,516	10,372
Belgium	6	9
France	1,546	1,620
Germany	1,025	1,130
Ireland	50	66
Italy	8	8
Norway	7	8
Spain	530	632
Non-EEA(excluding UK)	0	0
Total	**6,688**	**13,845**

There were no new portfolio transfers in 2024. The 2024 premiums above are predominantly regular premiums on the term assurance portfolios, unit linked premiums and inward reinsurance premiums.

Table A2: Solvency II Lines of Business

SII Line of Business MLIDAC	Benefits Provided under Policies
16. Miscellaneous Financial Loss	Employment risks and other forms of financial loss
29. Health insurance	Accident and Sickness benefits
30. Insurance with profit participation	Life and potential for a minimum rate of interest
31. Index-linked and unit-linked insurance	Investment return, guaranteed withdrawal value,
32. Other Life Insurance	Life benefit
36. Life Reinsurance	Reinsurance of life risks and products

A.1 (g) Significant business or other events which have occurred over the reporting period

There are no significant events that have occurred since 31 December 2024.

A.2 Underwriting Performance

The Company's financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland ("**GAAP**").

Qualitative and Quantitative information regarding the material line of business and material geographical area can be found above in ***Section A.1 (f) Material lines of business and material geographical areas.***

The following Table A3 presents the underwriting performance applying Solvency II guidance for the year ended 2024. Prior year comparatives are for the year ended 31 December 2023, both on an aggregate level and by Solvency ll line of business.

Table A3: Underwriting Performance for the Years Ended 2024 and 2023

2024 €'000	Health insurance	Insurance with profit participation	Index-linked and unit linked insurance	Other life insurance	Life Reinsurance	Miscellaneous financial loss	Total
Net earned premium	(1)	1	(877)	58	0	(1)	(820)
Net claims incurred	680	(362)	(4,783)	(688)	(46)	332	(4,867)
Net operating expenses	19	(50)	(948)	(693)	0	15	(1,657)
Investment return	141	38	3,289	5,178	0	(18)	8,628
Net underwriting performance	**839**	**(373)**	**(3,319)**	**3,855**	**(46)**	**328**	**1,284**

2023 €'000	Health insurance	Insurance with profit participation	Index-linked and unit linked insurance	Other life insurance	Life Reinsurance	Miscellaneous financial loss	Total
Net earned premium	2,580	1	(701)	1,554	0	2,641	6,075
Net claims incurred	338	(612)	(28,107)	(105)	22	896	(27,568)
Net operating expenses	(2,326)	(38)	(987)	(2,707)	0	(2,264)	(8,322)
Investment return	149	338	26,329	1,781	0	187	28,784
Net underwriting performance	**741**	**(311)**	**(3,466)**	**523**	**22**	**1,460**	**(1,031)**

It should be noted that underwriting performance outlined above is net of reinsurance and excludes profit commission €791 (2023: €1,893).

A.3 Investment Performance

A.3 (a) Income & expenses

The Company's investment income as reported in the Financial Statements for the year end 31 December 2024 was € 8,628 (31 December 2023: €28,784) which is analysed in Table A4 below:

Table A4: Investment Performance by Asset Class for the Years Ended 2024 and 2023

2024 €'000	Net Investment income	Net Investment expense	Net realised losses and gains	Changes in Fair value	Net Investment return
Bonds, Cash & UCITS	1,031	(149)	702	3,703	5,287
Derivatives	10	(196)	(876)	1,113	51
Insurance Linked Funds	1,190	(15,222)	20,554	(8,671)	(2,149)
Investment Linked Funds	587	(253)	2,106	2,999	5,439
Total	**2,818**	**(15,820)**	**22,486**	**(856)**	**8,628**

2023 €'000	Net Investment income	Net Investment expense	Net realised losses and gains	Changes in Fair value	Net Investment return
Bonds, Cash & UCITS	198	(1,258)	(381)	2,852	1,411
Derivatives	15	409	16	20	460
Insurance Linked Funds	626	(13,710)	10,608	24,308	21,832
Investment Linked Funds	806	447	613	3,215	5,081
Total	**1,645**	**(14,112)**	**10,856**	**30,395**	**28,784**

At the end of 2024, the Company's own investments included corporate and government bonds with a substantial holding of UCITs (Undertakings for Collective Investment in Transferable Securities) and a small net exposure to interest rate and inflation swaps. The majority of the Company's investment return relates to unit-linked policies and for these lines of business investment performance is effectively passed on to our policyholders.

A.3 (b) Gains and losses recognised directly in equity

Not applicable.

A.3 (c) Investments in securitisation

Not applicable.

A.4 Performance of other activities

Operating expenses during the year were €1,657 (2023: €8,322) and were comprised of mainly management fees for outsourcing arrangements, actuarial, audit and other professional fees. These expenses have reduced as a result of the endeavours involving the reduction in project costs, in-housing of previously outsourced services and no new portfolio transfers in 2024.

A.5 Any other information

The Company paid no dividend in 2024 (2023: €9,680). The directors do not propose a distribution for the year 2024. There is no other material information regarding the business and performance of the insurance undertaking other than what has been reported in this section.

B. System of Governance

B.1 General information on the system of governance

B.1 (a) Structure of administrative, management or supervisory body

Board

The Board represents the administrative, management and supervisory body of the Company.

As at 31 December 2024, the Board was comprised of two Non-Executive Directors (NED), two Independent NEDs (INEDs) and the Chief Executive Officer (CEO).

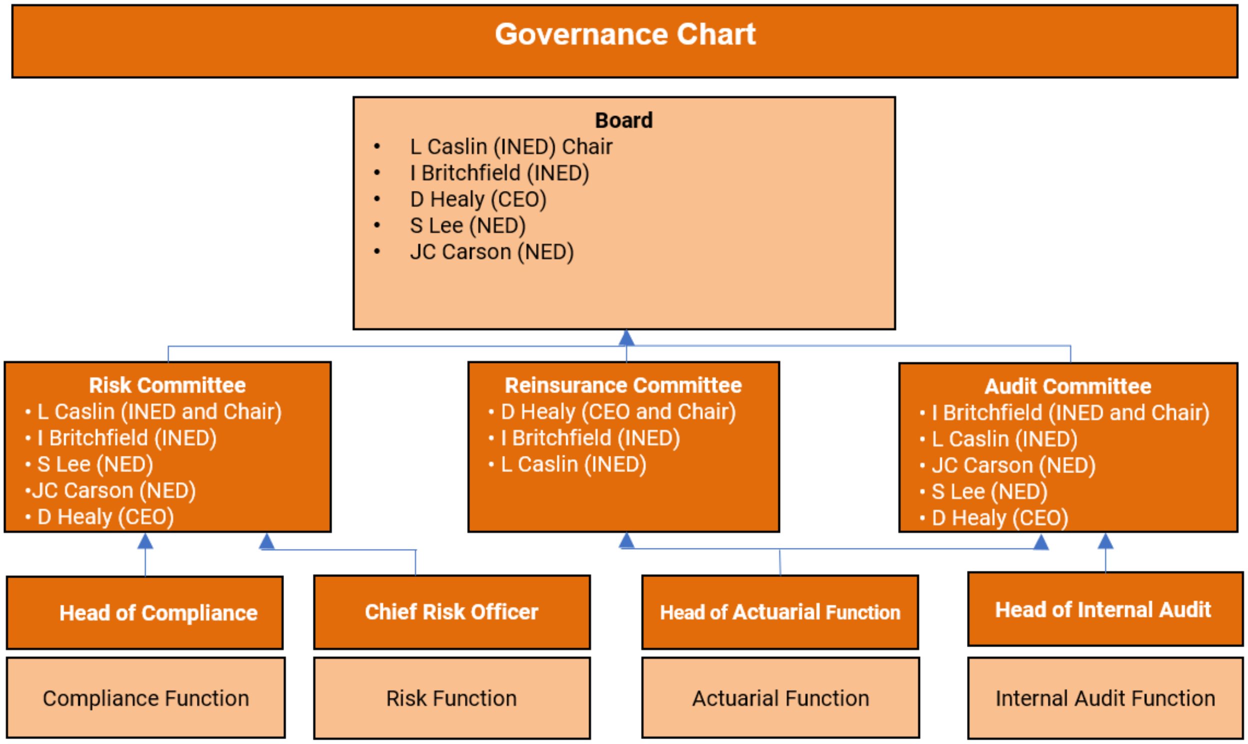
- On 29 February 2024, L. Caslin took on the role of Chair of the Board in addition to INED;
- On 23 February 2024, JC. Carson was appointed as a NED;
- On 8 April 2024, C. Elsinghorst resigned as a NED and
- On 8 April 2024, S. Lee was appointed as a NED.

The Board retains primary responsibility for corporate governance within the insurance undertaking at all times, plays an important part in ensuring effective governance, and is responsible for operating effective oversight consistent with Board policy.

The Board's responsibilities include establishing and overseeing:

- the business strategy;
- the amount and type of capital that is adequate to cover the risks of the business; and,
- the strategy for the on-going management of material risks.

The Board has established and delegated responsibilities to its Audit Committee; its Risk Committee; and its Reinsurance Committee, to set the approach to internal controls and assist in its oversight of risk management respectively, and has delegated matters for review or approval as set out in their terms of reference. The governance chart below outlines the composition of the Board, the board sub-committees and the reporting lines of key functions.



The Board has established Risk, Audit and Reinsurance Committees to assist in its oversight of risk management and the approach to internal controls.

The Company has also established a number of management committees which report to the Executive Committee, the Board or a board sub-committee.

Audit Committee

The Audit Committee comprises all members of the Board .The committee's main responsibilities are to review:

- The Company's accounting policies and financial reports and management's approach to internal controls;
- The adequacy and scope of the external and internal audit functions; and
- The Company's compliance with financial reporting requirements.

The Audit Committee may ask other members of the Company to attend the committee meetings from time to time.

Risk Committee

The Risk Committee comprises all members of the Board. The main responsibilities of the committee are to:

- Advise the Board on risk appetite and tolerances;
- Oversee the risk management function; and
- Oversee the Company's compliance with regulatory requirements; and
- Advise the Board on the effectiveness of strategies and policies with respect to maintaining, on an on-going basis, the amount and type of capital that is adequate to cover the risks of the Company.

Reinsurance Committee
The Reinsurance Committee comprises two independent non-executive directors and the CEO. The main responsibility of the Committee is to review proposed new inter-group reinsurance arrangements from the perspective of potential conflicts of interest.

Ongoing management of reinsurance agreements is the responsibility of the Risk Committee and the Board.

Management Committees
The Company has established an Executive Committee to manage the delivery of business objectives. This comprises the CEO and his direct reports.

The Company has established a management Executive Risk and Compliance Committee to monitor the effectiveness of risk management and ensure key risks are identified and reported on so that business risks are managed appropriately.

The Company has established a management Outsourcing Committee which provides oversight of the service performance, cost, risk and control for all services delivered under the Company's outsourced arrangement with Outsourced Service Providers ("OSPs").

The Company has established a management Operations Committee which provides oversight and management of risk claims, complaint management, legal cases, restitution, and operational risk management.

The Company has established a management Change Committee which provides oversight and management of change projects.

The Company has established a management Unit-Linked Committee which provides oversight and management of unit-linked fund administration.

The Company has established a management Investment Oversight Committee which provides oversight and management of investment of non-linked assets.

The Company has established a subcommittee of the Executive Risk and Compliance Committee, the Model Risk Committee which provides oversight of model changes.

Key functions roles and responsibilities (operational structure/independent control functions)
The Company has established the control functions of risk management, compliance, internal audit and actuarial, in addition to other functions required to robustly operate the business. The risk management function, actuarial function, compliance function and internal audit function together form a coherent whole of transversal control function between which there is coordination. Under an outsourced arrangement, much of the risk management, actuarial, internal audit and compliance functions are outsourced to Monument Insurance European Services ("MIES"). This arrangement is overseen and monitored by persons directly employed by the undertaking to ensure it is objectively monitored and challenged.

- The risk management function, led by the CRO, is responsible for supporting the Board and its committees in discharging their risk management related responsibilities. The risk management function also provides challenge to the business consistent with the Three Lines of Defense risk governance model outlined in section B.4 below.
- The compliance function, led by the Head of Compliance, is responsible for identifying, assessing, monitoring and reporting compliance risk exposure, focusing on compliance with applicable laws and regulatory requirements. Further details are included in section B.4.

- The internal audit function, led by the Head of Internal Audit, is responsible for developing and delivering an agreed internal audit plan and monitoring the control environment. Further details are included in section B.5.
- The actuarial function, led by the Head of Actuarial Function, is responsible for performing the specified tasks set out in Article 48 of the Solvency II Directive. In summary, the key responsibilities of the actuarial function are to review and validate the calculation of the technical provisions, provide opinions on the underwriting and reinsurance policies, and assist the risk management function with certain tasks. Further details are included in section B.6.

B.1(b) Material changes in the system of governance

In Q2 2024, the Company set up a new management committee, the Executive Risk and Compliance Committee. This committee provides local management with oversight of risk and compliance matters. The Board currently consists of five members and acts as both the Audit and Risk Committee.

B.1(c) Remuneration policy and practices

Principles of the Remuneration Policy

The remuneration policy and practices have been developed to ensure the Company is able to attract, develop and retain high performing employees. The policy focuses on ensuring sound and effective risk management and recognises the long-term interests of the Company.

The MLIDAC Remuneration Policy meets the Company's regulatory requirements.

Performance criteria on variable components of remuneration

Employees are eligible to participate in the Company's discretionary performance related bonus scheme. The reward is based on completion of individual objectives as well as Company performance. The discretionary performance bonus is based on performance against employee objectives and Monument Re values. The annual bonus is only in cash without options or shares. Identified staff of independent control functions are performance assessed for annual bonus against individual objectives only. Therefore their performance assessment is entirely separate from the performance of the business units and areas on which they exercise control. The bonus schemes for the Group entities are approved annually by the Remuneration Committee.

It should be noted that most staff were employed by Monument Insurance European Services ("MIES") which recharges all employment costs to the Company. A number of senior members of staff are employed directly by the Company.

Pension scheme

Employees are entitled to join a defined contribution pension plan provided through a related party. There is no supplementary pension or early retirement scheme for members of the Board and other key function holders.

B.1 (d) Material transactions executed with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

Material transactions executed with shareholders

No material transactions were executed during this period with the Board members, Senior Executives, or other individuals who exert significant influence over the Company.

The Company's shareholder, MRL, received no dividend from the Company in 2024 (2023 €9,680).

MRL provides reinsurance to the Company on a quota share basis. This intra-group reinsurance covers credit, market and indirect property risks for the reinsured portfolios.

MRL has arranged for a letter of credit to be in place with a number of banks. This is utilised as part of the collateral held under the terms of the intra-group quota share reinsurance agreement.

B.2 Fit and proper requirements

B.2 (a) Specific requirements concerning skills, knowledge and expertise

Under the Central Bank of Ireland's Fitness and Probity regime, the Company identifies staff members and directors that carry out Pre-approval Controlled Functions (PCF's) and Controlled Function (CF's).

In accordance with the Company's Fitness & Probity Policy, holders of these PCF and CF roles are required to demonstrate that they have shown competence and proficiency to undertake the relevant function; have a sound knowledge of the business and the specific responsibilities of the role; and have a clear and comprehensive understanding of the regulatory and legal environment.

In addition, PCF and CF holders must, as per the Fitness & Probity Standards, be competent and capable, act honestly, ethically and with integrity, in addition to being financially sound.

The Company's Fitness and Probity Policy, which is reviewed and approved by the Board at least annually, is underpinned by the Company's fitness and probity procedures and processes. These procedures and processes ensure that all relevant individuals meet and continue to meet the Fitness and Probity Standards and fulfil any training obligations.

Individuals undertaking CF roles must have relevant experience, sufficient skills, knowledge, integrity and soundness of judgement to undertake and fulfil the particular duties and responsibilities of his or her office.

B.2 (b) Process for assessing fitness and probity

The process of assessment of a candidate for a Control Function role includes the following:

a. A written job description outlining the duties and responsibilities of the role;
b. An assessment of the level of fitness and probity required for the role, on the basis of the formally documented job description and role specification;
c. A process that matches the person with the requirements of the role;
d. Verification of identity, relevant qualifications, experience, references and professional memberships where required;

The due diligence undertaken requires the Company to analyse the competencies and the degree of probity required to undertake particular roles and to ensure the relevant expertise, qualifications and background of the individual meets these criteria. If deemed necessary, relevant and comprehensive training is carried out in conjunction with the PCF or CF appointment process to ensure that an individual is fit and proper to perform the role. There is also a re-assessment against fit and proper requirements in case of change in role or function and risk situations.

The Board approves the appointment of individuals performing Pre-Approval Controlled Function roles and those who may have a material impact on the risk profile of the Company.

Accordingly, the Company completes ongoing due diligence checks of individuals that carry out Pre-approval Controlled Functions ("PCF") and Controlled Function ("CF") roles. These checks include but are not limited to an annual certification that all PCF's and CF's continue to meet the Fitness and Probity Standards. Re-assessments against fit and proper requirements are also undertaken in cases of change in role or function and risk situations.

The relevant supervisory authority will be notified about any changes to controllers, officers and shareholder controllers.

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

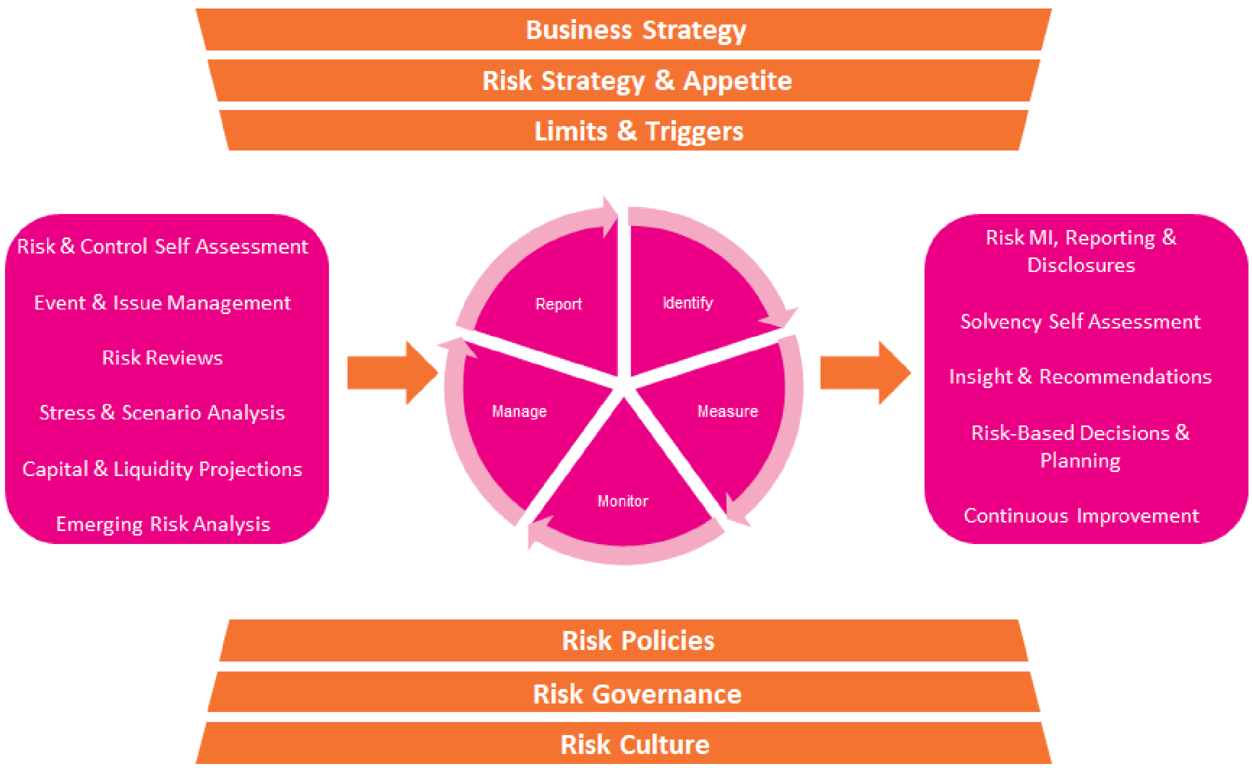
B.3 (a) Description of risk management system (strategies, processes and reporting procedures)

Strategy

The Board considers the business strategy of the Company in determining its risk appetite. The Board has a documented risk appetite statement, that outlines the Company's appetite for each type of key risk and its strategy for accepting, managing and mitigating these risks. Risk appetite is articulated in qualitative terms and/or quantitative metrics across the risk categories and written policies have been established to address these risks.

Risk Management Framework

The Company has adopted the Monument Re Group's Risk Management Framework, depicted below:



The risk strategy and risk appetite of the Company are aligned to the Company's business strategy. Risk appetite statements express the Board's appetite across all key categories of risk facing the business, those being:

- Insurance/underwriting risk;
- Market risk;
- Credit risk;
- Liquidity risk;
- Operational risk;
- Group risk;
- Strategic risk; and
- Sustainability risk.

The Risk Management Framework covers both existing risks and emerging risks.

At least annually, the Board reviews and approves the Company's risk appetite statement, which outlines the Company's appetite for each type of key risk and its strategy for accepting, managing and mitigating these risks. Risk appetite is articulated in qualitative terms and/or quantitative metrics across the key risk categories and written policies have been established to address these risks.

Risk management process and reporting procedures

The cycle of risk identification, measurement, management, monitoring and reporting is embedded through a set of risk management processes, in particular:

- Risk and Control Self-Assessment;
- Own Risk and Solvency Assessment ("ORSA");
- Risk Event management;
- Risk reviews;
- Stress and scenario analysis;
- Capital projections; and
- Risk reporting, including quarterly risk Management Information ("MI") and ORSA reports.

All key risks are recorded in the Company's Risk Register and ownership is assigned to each risk. All key controls are recorded in the Company's Controls Register and ownership is assigned to each control. A Risk and Control Self-Assessment process is carried out on an at least an annual basis. This involves risk owners identifying material inherent risks, identifying key controls to mitigate these risks and, in conjunction with control owners, assessing the effectiveness of key controls, and measuring the inherent and residual risk. This process is facilitated and overseen by the risk management function, and the results are summarised and presented to Executive Risk and Compliance Committee and the Risk Committee, including actions to address themes and issues identified.

A risk event process is in place by which operational risk events are notified, recorded, escalated and reported. Root cause analysis is carried out. Risk events may be closed only once remedial actions have been satisfactorily completed and reviewed.

Risk reviews provide the Risk Committee with an impartial view from the risk management function on proposed transactions. They are also be used in other areas in accordance with the risk management plan and at the request of the Board.

The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. Further information on the ORSA process is provided in ***Section B.3 (c) Own Risk and Solvency Assessment.***

Furthermore, risk exposures relative to the risk limits and early warning thresholds, specified in the Company's Risk Appetite Statement, are regularly monitored and reported to the Executive Risk and

Compliance Committee and a summary is reported to the Risk Committee on at least a quarterly basis. Escalation guidelines are in place where risk exposures or risk events require urgent notification and decision-making, as outlined in the following table:

	Board	Risk Committee	Executive Risk and Compliance Committee	CRO	Risk Management Function
Expected or actual breach of Risk Tolerance	x	x	x	x	
Breach of Risk Trigger		x	x	x	
Breach of a Risk Limit		x	x	x	
Query regarding interpretation of Risk Management Policy					x

The Board must notify the Central Bank in writing within five business days of becoming aware of a material breach of Risk Tolerance. A material breach is considered to be one that has the potential to lead to an immediate breach of solvency capital requirements or to a significant breach of regulation or legislation.

B.3 (b) Implementation and integration of the risk management system into the organisation structure and decision-making processes

The Company's Risk Management Policy sets out the roles and responsibilities, policy principles and requirements regarding risk management at Board and business levels. The risk management function supports the Board and business areas in discharging their risk management-related responsibilities.

The risk management function operates with organisational authority and operational autonomy. The Company's Chief Risk Officer, and the risk management team (see above ***Section B.1 (a) Structure of administrative, management or supervisory body)*** actively review and challenge all material risk-taking activities in an appropriate and balanced manner. Furthermore, they have the authority to perform monitoring reviews in all areas and attend any meetings relevant for the execution of the risk management responsibilities. They have direct access to all levels of management and the Board, and to all relevant documents. The risk management function keeps under review its level of resourcing to ensure that all key requirements of the annual risk management plan are delivered.

The Risk and Control Self-Assessment process ensures clear ownership of risks and controls, as described in ***Section B.3 (a) Description of risk management system (strategies, processes and reporting procedures)*** above. The ORSA provides a key link between the risk management system, capital management and decision-making processes of the Company. Further, the risk management function provides challenge to the business consistent with the Three Lines of Defence model as outlined in ***Section B.4 (a) Description of Internal Control System.***

B.3 (c) Own Risk and Solvency Assessment Process

The ORSA process is a key element of the Company's Risk Management Framework and is wholly embedded in the decision-making process and business planning for the Company. The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. It is the main link between the Company's risk management system and capital management activities.

The Board has established an ORSA policy that sets out the roles and responsibilities for completing the ORSA and reviews and approves the ORSA policy annually.

The Board takes an active part in the ORSA process through its review of the approach, the choice of scenarios to be included and the results of the assessment. The Board approves the ORSA report and considers the insights from the ORSA in its decision-making processes, including setting the Company's risk appetite and limits, the Company's capital policy and target capital level.

The risk management function co-ordinates the ORSA process and prepares the ORSA report with support from relevant areas. The actuarial team assists the risk management function in producing various aspects of the ORSA, in particular the capital projections and stress testing which inform the Company's own solvency needs assessment.

The Head of Actuarial Function provides an opinion on the ORSA process. The scope of the opinion includes the range of risks and the adequacy of stress scenarios considered, the appropriateness of the financial projections and whether the Company is continuously complying with the requirements regarding the calculation of technical provisions and potential risks arising from the uncertainties connected to the calculation.

Frequency
The regular ORSA is performed annually and is reviewed by the Risk Committee and approved by the Board. A non-regular ORSA is performed following any material change in the Company's risk profile.

The results of the ORSA are made available to the Central Bank of Ireland.

Determination of own solvency needs
The ORSA includes an assessment of the Company's view of the capital required for the business, the own solvency needs, as distinct from the capital which is required under regulation.

The Company examines the appropriateness of the standard formula with reference to its own risk profile. It considers whether there are any significant risks that are not captured within the standard formula and whether there are any stress scenarios by which the standard formula may not adequately capture the Company's own solvency needs. At 30 June 2024, the Company concluded that it's risk profile broadly meets the assumptions underlying the standard formula.

B.4 Internal Control System

B.4 (a) Description of Internal Control System

The internal control system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

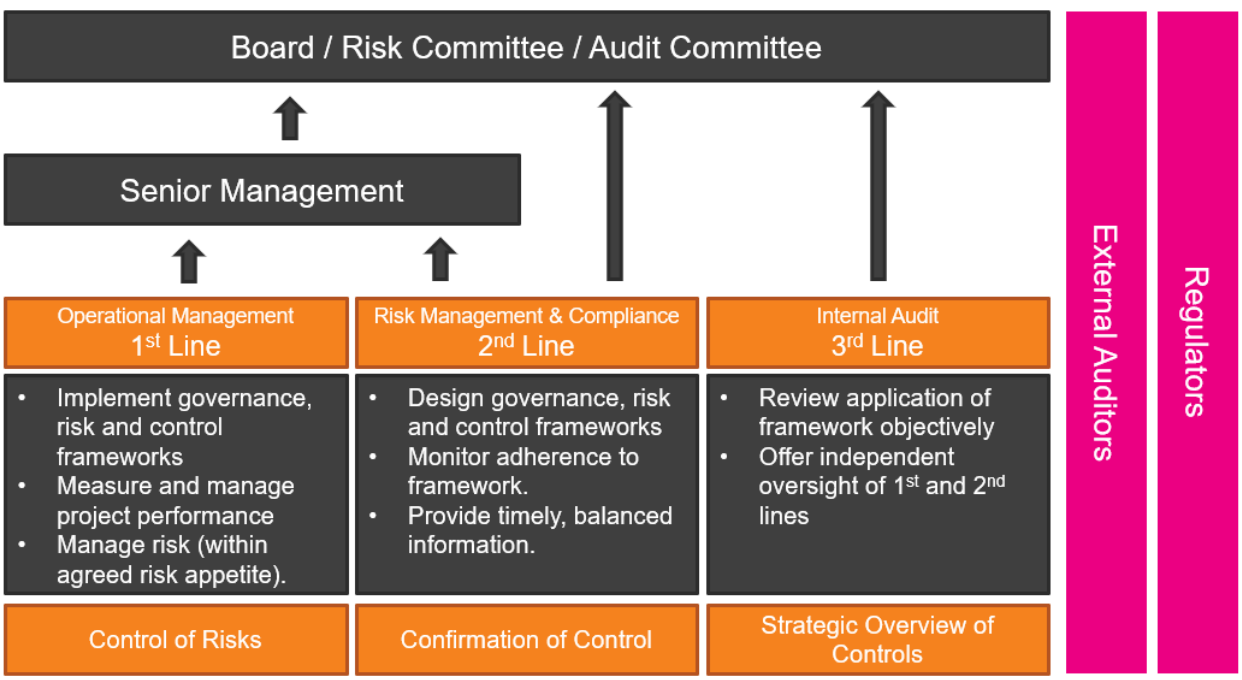
The Board has established an Internal Control Policy that outlines the processes by which the internal control system is implemented to provide for and maintain the suitability and effectiveness of internal control. The policy outlines the roles and responsibilities, procedures and reporting requirements to be applied.

The internal control system combines the following components:

- Internal control environment;
- Internal control activities;
- Communication; and
- Monitoring and reporting.

The Board and the CEO, including senior executives, are responsible for adopting an effective internal controls system.

The Company applies a "Three Lines of Defence" model for Enterprise Risk Management:



This approach allows for appropriate segregation of risk ownership, oversight and assurance responsibilities. In particular:

- 1st line of defence: Individuals and committees with direct responsibility for the management, control and reporting of risk;

- 2nd line of defence: Individuals and committees with responsibility for the design, coordination, and oversight of the effectiveness and integrity of the company's risk management and internal control system; and
- 3rd line of defence: Individuals and committees providing independent assurance and challenge in respect of the effectiveness and integrity of the risk management framework.

The Company has defined high-level principles and standards to ensure that situations, which could lead to potential conflicts of interest, are appropriately managed.

The risk register records owners for each risk, who are responsible for ensuring that the risks are identified and that controls remain appropriate on an ongoing basis. The risk register is periodically reviewed by the CRO and is subject to formal review across the business at least annually. This process requires business functions to update the risk register, including the mapping of controls to risks and implementation of new controls.

The Risk and Controls Self-Assessment process requires business functions to review and self-assess the effectiveness of controls mitigating the key risks identified. The control owner is encouraged to make any relevant comments about the control and may record its operation as 'effective', 'partially effective' or 'ineffective'. Any record of the control not being effective requires a narrative explanation as well as the assessment. This process is facilitated and overseen by the risk management function, and the results are summarised and presented to Risk Committee, including actions to address themes and issues identified.

First Line of Defence: Business operations

The First Line of Defence has primary responsibility for the identification and management of risks.

It is made up of Finance, Operations (including Outsourcing Oversight), Fund Administration, Actuarial, IT, Change and HR, which are the functions responsible for the day-to-day management of the business and ensuring that it is operating in line with approved procedures and controls. Some first line activities are also performed by the Risk Management Function.

Management committees have been established to support oversight of business operations as outlined in the Governance Framework.

Existing management reporting lines are used to enforce, monitor and review the effectiveness of controls throughout the company to manage risks within appetite. Areas of deficiency and improvement are identified and resolved on an ongoing basis to refine the control activities, making them more effective and efficient.

Risk and Control Self-Assessments are performed to evaluate risks and controls.

A number of external parties often contribute to the achievement of objectives with effective oversight of the control activities performed on its behalf by outsourced service providers.

Second Line of Defence: Oversight and challenge

The organizational structure of the Company ensures appropriate independent oversight by establishing a second line of defence.

The Second Line of Defence is made up of the Risk Management Function and the Compliance Function.

The Risk Management Function has responsibility for the design, coordination, and oversight of the effectiveness and integrity of the Company's risk management and internal control framework.

The Compliance Function is responsible for identifying, assessing, monitoring and reporting compliance risk exposure, focusing on compliance with applicable laws and regulatory requirements.

These areas provide review and challenge of the Company's key risk performance indicators, monitor compliance with relevant legislative and regulatory requirements, monitor compliance with the Company Risk Appetite Statement, and provide oversight and challenge to risk management and the internal control system.

The Risk Management Function and Compliance Function operate with organisational authority and operational autonomy.

Third line of defence - Independent assurance
The Third Line of Defence is the Internal Audit Function. The Internal Audit Function reports directly to the Audit Committee.

The third line:

- provides independent assurance;
- assesses the operating effectiveness of controls on a periodic basis; and
- challenges the effectiveness and integrity of the Risk Management Framework.

B.4 (b) Implementation of the Compliance Function

The Board retains ultimate responsibility for compliance within the Company and has delegated the day-to-day responsibility to the Compliance Function to ensure that the operations are carried out in accordance with all legal and regulatory requirements, especially the rules pertaining to integrity and conduct that apply to that activity. The Compliance Function has been established in proportion to the nature, scale and complexity of the business carried on by the Company, and to assist with the monitoring and evaluation of compliance with laws, regulations, internal controls, policies and procedures. The Compliance Function is responsible for testing the soundness of the measures the Company has taken to prevent non-compliance.

The Compliance Function is part of the second line of defence and is led by the Head of Compliance. Responsibilities of the function are described in the Compliance Policy and summarised in B.1. above. The Compliance Function reports to the Risk Committee to provide assurance regarding the Company's adherence to laws, regulations, guidelines and specifications relevant to its business. This is provided through an annual compliance plan which is approved by the Risk Committee and through the on-going reporting against that plan. At all times, the Compliance Function acts within the second line of defence and independently of the business. It provides the framework to allow the business to operate in a compliant manner with regards to all relevant regulatory, statutory and corporate governance obligations.

B.5 Internal audit function

B.5 (a) Implementation of the Internal Audit Function

The Internal Audit Function is outsourced to MIES and is governed by an internal audit charter. The Internal Audit Function maintains a dynamic risk-based audit plan. The Head of Internal Audit ("HoIA") is invited to attend each Audit Committee meeting and report on the status of the audit plan and results of individual audit reviews.

The Internal Audit Function is included in the outsourcing table as provided below in ***Section B.7 Outsourcing.***

B.5 (b) Independence and objectivity

The Internal Audit Function is independent of the Company's business management activities. It is not involved directly in revenue generation, nor in the management and financial performance of the Company.

The Internal Audit Function does not have direct responsibility for, or authority over, any of the activities they review. Nor does their review and appraisal relieve others of their responsibilities. Moreover, the Internal Audit Function shall disclose any impairments to its objectivity or independence to the Board as soon as identified. It shall also put procedures in place for oversight by a party outside Internal Audit in relation to any function for which the Head of Internal Audit has direct responsibility. The Head of Internal Audit reports directly to the Audit Committee for oversight matters and is responsible to the Chief Executive Officer for operational and day-to-day management.

B.6 Actuarial Function

B.6 (a) Implementation of the Actuarial Function

The Actuarial Function is led by the Head of Actuarial Function. The roles and responsibilities of the function are described in an Actuarial Function Charter and the CBI's Domestic Actuarial Regime and include:

- Co-ordinate the calculation of Technical Provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of Technical Provisions;
- Assess the sufficiency and quality of the data used in the calculation of Technical Provisions;
- Compare best estimates against experience;
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of Technical Provisions;
- Oversee the calculation of Technical Provisions in the cases set out in Article 82 of the Solvency II Directive;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system referred to in Article 44 of the Solvency II Directive.

In meeting these responsibilities, the Head of Actuarial Function provides the following:

- An Actuarial Opinion on Technical Provisions ("AOTP") to the Central Bank on an annual basis;
- An Actuarial Report on Technical Provisions (the "ARTP") to the Board on an annual basis, which supports the AOTP;
- Annual actuarial opinions to the Board on the Company's Underwriting Policy and on the adequacy of its Reinsurance arrangements; and
- An actuarial opinion to the Board in respect of each own risk and solvency assessment ("ORSA") process (see section B3 for more information).

More generally, the Actuarial Function also plays a role in the review of new portfolio transfers, acquisitions and retrocession to ensure they meet financial and risk appetites, and the actuarial, capital and risk implications are well understood. It also provides information about the liability profile of the Company to the Investments Function in order to facilitate a robust asset liability matching framework that effectively manages investment risks within the risk appetites and tolerances of the Company.

The Actuarial Function reports to the Audit Committee and the Board, and is expected to provide its opinions and reports in an objective and independent fashion. In doing so, it can communicate on its own initiative with any staff member, or Board member, and obtain access to any records necessary to carry out its responsibilities. Reports presented to the Board by the Actuarial Function include the results of the tasks undertaken, including any deficiencies identified, together with recommendations as to how such deficiencies could be remediated. The Actuarial Function is outsourced to MIES.

B.7 Outsourcing

B.7 (a) Description of Outsourcing Policy

The purpose of the Outsourcing Policy is to outline the approach that has been developed and agreed by the Board for managing outsourcing arrangements of the Company. So, the principles set out in the Outsourcing Policy are intended to establish the governance over the initiation and management of outsourcing relationships across the Company. On the other hand, the Outsourced Service Provider (OSP) Framework provides guidance in relation to the outsourcing governance process and on-going management of OSP arrangements and it should be viewed in conjunction with the Outsourcing Policy.

The Outsourcing Framework and the Outsourcing Policy put an emphasis on the assessment of critical or important functions or activities. According to the Outsourcing Policy, the Board of Directors is responsible for reviewing and approving critical or important outsourced functions. Furthermore, the Outsourcing Policy states that the Company must define a Criticality Assessment process to determine if an outsourced function is critical or important.

When appropriate, the Company outsources specific business functions to reduce or control costs, to free internal resources and capital, and to harness skills, expertise and resources not otherwise available and thus reduce operational risks. However, the Company's outsourcing of critical or important operational functions or activities is not undertaken in such a way as to unduly increase the Company's exposure to operational risk. An appropriate level of due diligence is conducted prior to completing the selection process. The Company must notify the CBI in writing of any outsourcing of a critical or important function.

All outsourcing agreements are monitored by the assigned business owner and reviewed to ensure that outsourced activities are conducted in adherence with the Outsourcing Policy, the terms set out in outsourcing agreements and with applicable regulatory requirements. Reporting processes are in place to ensure outsourcing performance is managed in line with the Outsourcing Policy, outsourcing agreements, and the Company's strategy.

The Outsourcing Committee is the management committee responsible for the effective management of outsource service providers in line with the OSP Framework and Outsourcing Policy.

B.7 (b) Outsourcing and jurisdiction of critical or important operational functions or activities

The table below provides details of the outsourced critical or important operational functions or activities and the jurisdiction in which the service providers of such functions or activities are located.

Service provider	Activity	Jurisdiction
Group	Insurance administration services, risk management function, compliance function, actuarial function, fund administration, and IT services	Ireland
Group	Investment and asset management, internal audit function and IT Services	UK
Group	Policy administration	Belgium
Group	Policy administration	Luxembourg
Group	Policy administration	Isle of Man
External	Policy and fund administration	Ireland
External	Policy administration	UK
External	Policy administration	Norway

B.8 Any other information

The system of governance is considered appropriate for the Company. There is no other material information regarding the system of governance of the Company other than what has been reported in this section.

Assessment of the adequacy of the system of the governance

Based on the proportionality principle and taking into consideration the size of the Company; activities (closed books); and type of products, the Company maintains adherence to all local statutory and regulatory reporting requirements.

The Company's system of governance is well-defined and materially in compliance with what is set forth in the corporate governance code. The Company materially complied with the corporate governance requirements.

C. Risk Profile

Sections C.1 to C.6 contain a description of the Company's risks whereby risks are assigned to risk categories prescribed by the regulator. Risks are quantified with reference to the Solvency II Standard Formula unless otherwise indicated.

The Company uses a series of techniques to assess risks qualitatively and quantitatively, as set out in ***Sections B.3 Risk Management system including the own risk and solvency assessment and B.4 Internal Control system***.

No material changes to the measures used to assess risks have been made in the period.

C.1 Underwriting risk

Risk exposure

Underwriting risk (insurance risk) means the risk of loss or other adverse impact on the Company arising from unexpected fluctuations in the timing, frequency or severity of insured events, or timing and amount of claim settlements and associated expenses.

The material underwriting risks to which the company is exposed are outlined below:

- Expense risk is the risk of loss arising through increases in the Company's expense levels, or expense inflation over time.
- Longevity risk is the risk of loss due to policyholders living longer than expected. The Company's material exposure to longevity risk is through annuity policies, savings policies with guaranteed benefits, and variable annuity policies with guaranteed lifetime income benefits;
- Lapse risk arises from unanticipated (higher or lower) rate of policy lapses, terminations, or changes to paid-up status (cessation of premium payment);
- Mortality risk is the risk of loss due to an increase in mortality rates. The Company's material exposure to Mortality Risk is through whole of life policies, term assurance policies and variable annuity policies which pay benefits to insured policyholders on death.
- Morbidity risk relates to the risk of loss from higher than expected levels of illness or injury, or lower than expected rates of recovery from illness or injury. The Company is exposed to morbidity risk through income protection policies, accelerated serious illness policies and waiver of premium riders; and
- Exposure to non-life underwriting risk. This is the risk of loss arising through higher than expected claims from income protection products covering accident and sickness or involuntary unemployment. This book closed to new business on 30 June 2023 but there are claims in payment and new claims can be notified for up to six years after the closure of the book (albeit volumes are expected to be extremely low).

2024 Inflation

Long term inflation expectations have remained stable with little impact on solvency surplus.

The main impact for the Company from inflation is on expenses. MLIDAC has a per policy tariff in place with MIES, reducing the impacts of expense risks in the short term. However, the tariff rate does increase in line with Irish inflation. The impacts from increasing expenses and increasing inflation were included in 2024 ORSA stress tests.

As part of its investment strategy, MLIDAC hedges its inflation risk.

Mitigating Actions and Controls

Intra-group and external reinsurance substantially mitigates underwriting risks.

Furthermore, the Company monitors and controls insurance risk using the following methods:

- Regular monitoring of actual versus expected claims, expenses and persistency experience;
- Regular review of actuarial assumptions;
- Management of persistency;
- External reinsurance to mitigate mortality and morbidity risks; and
- Risk is measured principally in terms of Solvency Capital Requirement ("SCR"), supplemented by sensitivity tests to key assumptions, and stress and scenario testing.

Material risk concentrations

The Company's underwriting risk is diverse both geographically and by type of risk. The following table shows the geographical analysis of best estimate liabilities as of 31 December 2024 and 2023:

Country	2024 Best Estimate Liability (€'000)	2023 Best Estimate Liability (€'000)
Ireland	88,441	93,742
UK	997,769	1,055,130
Belgium	75,980	74,586
France	39,073	40,460
Germany	90,022	89,652
Greece	23,708	24,552
Italy	6,800	18,495
Norway	111	30
Poland	3,113	3,349
Spain	31,704	32,100
Netherlands	519	564
Non-EEA (excluding UK)	12,638	0
Total	**1,369,878**	**1,432,660**

Sensitivity and stress testing

The table below contains the Solvency Capital Requirement (SCR) for underwriting risk at 31st December 2024, which demonstrates the sensitivity of the Company's capital requirement if a 1-in-200 year event (as measured by the standard formula) happened in each risk category:

Sensitivity - Life	SCR €'000
Mortality	61
Longevity	1,742
Disability-Morbidity	0
Life Expense	1,418
Lapse	729
Life Catastrophe	35
Diversification	(1,067)
SCR Underwriting Risk	**2,918**

Sensitivity - Health	SCR €'000
Health SLT (similar to life techniques)	14
Catastrophe Risk	0
Diversification	(1)
SLT Health SCR	**13**

Sensitivity - Non-Life	SCR €'000
Non Life Premium	460
Non Life Lapse	0
Non Life CAT	0
Diversification	0
Non Life SCR	**460**

As part of the ORSA process, the Company carried out stress and scenario testing including testing of underwriting risks as outlined under C7 Any Other Information.

Methods used and main assumptions

The Company has produced projections of the Solvency II position over a four and a half year period. This provides a view of a range of possible outcomes over the business planning period and therefore of the capital needs of the Company today. The Board of the Company believes a projection period of four and a half years is sufficient as the solvency position is expected to be relatively stable given the run-off nature of the business. All underlying cashflows are projected to the end of the appropriate policy term. The main assumptions are as follows:

- The demographic assumptions used are based on best estimate assessment of historic data;
- The interest rates used are the risk free rates as prescribed by EIOPA;
- As the Company uses a group shared services company, the Company's expenses comprise mainly of this cost of services and some smaller direct costs;
- The SCR is calculated in accordance with the rules underlying Solvency II;
- Various other assumptions have been used for the dynamic solvency testing to examine the Company's ability to withstand changes to the assumptions; and
- All Board-approved transactions have been completed and their portfolios transferred to MLIDAC, and no further new business is accepted.

C.2 Market risk

General

Market risk means the risk of loss or other adverse financial impact on the Company arising from movements in markets. This risk category comprises equity risk, interest rate risk and currency risk, which are material for the Company. The Solvency II Standard Formula also assigns credit spread risk (including an allowance for ratings migrations and cost of defaults on corporate bonds) to market risk.

The Company has low appetite for market risk and accepts credit spread risk given the long-term nature of its assets and liabilities. The Company is willing to take on some risk, through an allocation to non-government credit investments with a view to generating additional returns, subject to specific limits in its Investment Policy as set by the Board. These limits are designed to keep the Company's market risk within the risk tolerances set out in the Risk Management Framework.

The Company's objective in managing its market risk, is to ensure risk is managed in a sound and prudent manner in line with the Company's risk profile and risk appetite.

Mitigating Actions and Controls

The Company monitors and controls financial market risks using the following methods:

- Investment Policy imposing close matching of assets, by both duration and currency, to insurance liabilities and imposing credit ratings limits for investment counterparties and concentration limits to avoid excessive risk concentrations;
- Hedging of residual interest rate exposure using interest rate derivatives, managed according to the requirements of the Company's Derivatives and Hedging Policy;
- Regular monitoring of exposures relative to market risk limits, supplemented by stress and scenario testing;
- Risk is measured using standard metrics such as "IR01", the sensitivity of asset and liability values to small changes in market variables; and
- Intra-group reinsurance reduces the Company's exposure to market risks.

The Company adheres to the prudent person principle in the implementation of its investment strategy. This is accomplished through an investment framework focused on governance, risk assessment and portfolio diversification. A key part of the implementation is the use of third party investment service providers who can provide expertise for their appointed mandates.

The Company governance structure is outlined in ***Section B.1 General information on the system of governance*** of this report. The Company continually assesses the risks associated with its business objectives, particularly those related to the investment portfolio, and determines which risks to accept and which to mitigate. This is encompassed within the Risk Management Framework, as outlined in ***Section B.3 Risk Management System including the Own Risk and Solvency Assessment***, and is manifested in the Company's risk policies. This risk assessment has led the Company to structure the investment portfolios to invest mainly in fixed income assets with a closely matched duration and cash flow profile to the liabilities that they support.The Company is a beneficiary of approved letters of credit as part of the collateral.

One of the key risk mitigants is to diversify the investment portfolios. This is achieved through documentation of guideline limits in the investment policies and ensuring that third party investment service providers adhere to these limits. Specific exposure limits are established for investment sector, issuer and credit ratings. For each mandate, the Company oversees compliance of the service providers against the limits through a regular review of each portfolio. As noted above, the governance framework establishes reporting protocols for policy compliance.

Material risk concentrations

Market risk concentrations are limited, as illustrated by concentration risk capital in the table below.

Sensitivity

As part of the ORSA process, the Company carried out stress and scenario testing including testing of market risks as outlined under C7 Any Other Information.

The assets in the portfolio include bank deposits, cash, government bonds, corporate bonds, and via fund structures: investments in mortgage loans, trade finance, infrastructure debt, and private credit. The Company is a beneficiary of letters of credit as part of the collateral.

The SCR for market risk net of reinsurance consists of the following components:

Risk	SCR € '000
Interest rate	378
Equity	192
Property	0
Spread	2,270
Concentration	300
Currency	413
Diversification	(939)
SCR Market risk	**2,614**

As part of the ORSA process, the Company carried out stress and scenario testing including testing of market risks as outlined under C7 Any Other Information.

Methods used and main assumptions

The Company has produced projections of the Solvency II position over a four and a half year period. This provides a view of a range of possible outcomes over the business planning period and therefore of the capital needs of The Company today. The Board of the Company believes a projection period of four and a half years is sufficient as the solvency position is expected to be relatively stable given the run-off nature of the business. All underlying cashflows are projected to the end of the appropriate policy term. The main assumptions are as follows:

- The demographic assumptions used are based on best estimate assessment of historic data;
- The interest rates used are the risk free rates as prescribed by EIOPA;
- As the Company utilises a group shared services company, the Company's expenses comprise mainly of this cost of services and some smaller direct costs;
- The SCR is calculated in accordance with the rules underlying Solvency II;
- Various other assumptions have been used for the dynamic solvency testing to examine the Company’s ability to withstand changes to the assumptions; and
- Any Board-approved transactions have been completed and their portfolios transferred to MLIDAC, and no further new business is accepted.

C.3 Credit risk

General

Credit risk means the risk of loss or other adverse impact on the Company arising from one party to a financial instrument failing to discharge an obligation. Credit risk comprises the spread risk as well as the risk of downgrade of issuer credit rating.

The Company's exposure to credit risk is derived from assets such as debt securities and from cash and reinsurance counterparties. The Company has low credit exposure with respect to receivables due from other counterparties.

Mitigating Actions and Controls

In order to mitigate its counterparty exposure towards banks, the Company has defined minimum standards for creditworthiness and has set banking counterparty exposure limits. Credit ratings for the relevant financial institutions are regularly monitored.

The credit risk resulting from the investment in residential mortgage loans is largely mitigated by collateral.

Where material, credit risk arising from reinsurance arrangements is mitigated by collateral.

Credit risk arising from investments is further mitigated through adherence to the concentration limits set out in the Investment Risk Policy (see above ***Section C.2 Market risk, mitigating actions and control***).

Material risk concentrations

The Company has a significant exposure to a small number of reinsurers including its parent, Monument Re.

The potential for investment concentration risk exists in respect to each of the less liquid asset classes.

Exposure in respect of single term deposits can result in material risk concentrations. This risk is mitigated by adhering to limits in respect of the exposure to individual banks and monitoring the credit rating of counterparties.

Sensitivity

As measured using the Standard Formula SCR, counterparty default risk capital is €2,094. This amount is sensitive to the credit rating of the Company's counterparties. The level of collateralization on the reinsurance arrangement with Monument Re is sufficient to fully mitigate counterparty default risk on this basis.

As part of the ORSA process, the Company carried out stress and scenario testing including testing of credit risks, as outlined under C7 Any Other Information.

C.4 Liquidity risk

Liquidity risk means the risk of loss or other adverse impact on the Company arising from insufficient liquid resources being available to meet obligations as they fall due. Sources of liquidity risk include:

- Higher than expected claims or expenses;
- Future acquisitions; and
- An inability to sell investments within the required timescale, or a forced sale in an illiquid market or during a financial crisis; and
- Reinsurer default on reinsurance payments due.

Mitigating Actions and Controls

The Company monitors liquidity risks using the following methods:

- Liquidity Policy imposing close matching of asset and liability cash flows and prudent restrictions on investment in illiquid assets; and
- Liquidity Framework requiring forward-looking assessment of liquidity requirements, including those arising from derivatives, and maintenance of a liquidity buffer to cover severe market and demographic stress.

Material risk concentrations

The Company has a €38m investment in a mortgage fund, which has monthly liquidity subject to discretion on the part of the asset manager.

The Company has €30.9m invested in an infrastructure debt fund which has lower liquidity compared to other asset classes.

Investments in private credit and trade finance are also considered illiquid in the short term. The Company has €29.7m invested in a private credit fund. The Company has €9.9m invested in trade finance funds.

Sensitivity

The Company projects its liquidity position over short, medium and long time horizons and considers a range of stress scenarios to determine an appropriate liquidity buffer. This liquidity planning process takes into account expected future acquisitions, which can be a key driver of future liquidity needs.

Expected profit included in future premiums

Expected profit in future premiums is potentially an illiquid asset. As at 31 December 2024, this was limited to €179 (2023 €257).

C.5 Operational risk

General

Operational risk means the risk of loss or other adverse impact on the Company arising from inadequate or failed internal processes, personnel or systems, or external events.

Mitigating Actions and Controls

The Company monitors and controls operational risks using the following methods:

- Regular Risk and Control Self-Assessment process;
- Outsourcing risk is monitored in accordance with the Company's OSP Framework and Outsourcing Policy. This includes monitoring outsourcer performance, carrying out oversight and reporting to the Outsourcing Committee, Risk Committee and the Board of Directors;
- Risk event and issue management process, root cause analysis and learning from adverse experience;
- Oversight exercised by Internal Audit, Risk Management and Compliance functions;
- Key person risk is mitigated by succession planning and notice periods in employment contracts, cross-training within teams; clear documentation of procedures and processes; as well as oversight of MIES;
- Regular reporting at management committee and board committee level;
- Technical measures such as firewalls and access restrictions have been established in order to protect systems and are periodically tested;
- Pre-emptive Recovery Plan which identifies a number of scenarios specific to the Company and details potential management actions and their impacts; and
- A Business Continuity Plan and Disaster Recovery Plan are in place and tested annually for effectiveness.

Material risk concentrations

The Company's operating model involves the outsourcing of various functions as described in ***Section B.7 Outsourcing*.** This represents a concentration of risk and oversight measures are in place as set out above. Exit plans are maintained for each critical or important outsourcer/outsourcee. Performance updates of relevant OSPs, particularly the third-party administrators and any associated risks or actions, are provided to the Board quarterly.

Key person risk owing to the relatively small size of the Company is mitigated as described above.

Sensitivity

Size and complexity of the business are drivers of risk. As a run-off business, sensitivity is somewhat limited. Operational risk capital on the Solvency II Standard Formula basis is €2,874.

As part of the ORSA process, the Company carried out stress and scenario testing including testing of operational risks as outlined under C7 Any Other Information.

C.6 Other material risks

Group risk

Group risk means the risk of loss or other adverse impact on the Company arising from financial or non-financial relationships between entities within the Monument Group. This includes reputational, contagion, accumulation, concentration and intra-group transactions risk.

Mitigating Actions and Controls

- Group Risk Policy imposing requirements for the management of group risk;
- Close scrutiny of intra-group transactions including external specialist input where appropriate;
- Reputational Risk policy and escalation process;
- Risk is measured qualitatively and quantitatively e.g. via stress and scenario testing of adverse scenarios across the Monument Group and Company as part of the solvency self-assessment process;
- Collateral and monitoring arrangements to mitigate credit risk towards Monument Re in respect of intra-group reinsurance and intra-group outsourcing (see Sections C.3 Credit Risk and C.5 Operational Risk); and
- A reinsurance policy is in place, and the Company monitors the solvency and liquidity position of Monument Re on an ongoing basis.

Material risk concentrations

The intra-group reinsurance with Monument Re represents a material concentration of risk. Within the Solvency II Standard Formula, reinsurance counterparty risk is included within credit risk (see ***Section C.3 Credit risk***).

Operational issues could arise as the Company sources services from a number of other group entities.

Strategic risk

Strategic risk means the risk of loss or other adverse impact on the Company arising from failing to identify and react appropriately to opportunities and/or threats arising from changes in the market, some of which may emerge over a number of years.

The Monument Group's strategy is to acquire and consolidate books of life assurance operations in the European market and the Company plays an active role in this. Risks associated with acquisitions are mitigated by due diligence, capitalisation and change management.

Mitigating Actions and Controls

- Strategic Risk Policy imposing requirements for strategic risk management;
- Board members and Executive Committee members with broad experience and deep industry knowledge;
- Rigorous due diligence process led by internal experts with support from external specialists as required;
- Tried-and-tested integration approach and an experienced, skilled integration team;
- Emerging risk analysis and reporting; and
- Strategic risks are measured qualitatively.

Material risk concentrations

The principle risk is in the execution of the strategy. This includes funding risks, risks of changes to the legal, regulatory or fiscal environment, the risk of adverse interpretation of existing legislation and regulation, the risk of regulatory intervention preventing, delaying or otherwise adversely impacting the progress of transaction activity, external market shocks and the action of competitors.

Emerging risk analysis highlights potential sensitivity to unexpected regulatory, legal or fiscal change. A reduction in opportunities for further market consolidation would also be detrimental from a strategic perspective.

Sustainability risk

Sustainability risk means the risk of loss or other adverse impact on the Company arising from environmental, social and governance risks, or the risk of adverse social or environmental externalities arising from the activities of the Company.

Climate Transition Risk is the rapid devaluation of assets, particularly where value is attributed to assets (including physical, financial or intangible assets) regarded as unsustainable, including those at risk of becoming stranded assets.

Stranded Assets refers to assets that suffer from unanticipated or premature write-downs, de-valuations or conversion to liabilities.

Physical Risk refers to climate-related physical risks. For example, geographical concentration of physical collateral in areas of high flood risk.

Mitigating Actions and Controls

- Sustainability Risk Policy imposing requirements for sustainability risk management;
- The Investment Policy sets out ESG limits;
- Monitoring against the ESG limits is carried out and reported to the Board of Directors as part of investment portfolio compliance;
- Horizon scanning to identify upcoming changes in relevant regulation;
- Providing opportunities for, and promoting community investment;
- ESG will be taken into consideration in the selection and retention of third party providers such as fund managers of shareholder funds and critical outsource providers; and
- Promoting low carbon practices e.g. video-conferencing in preference to business travel.

Emerging Risks

Emerging risk refers to an issue that is perceived to be potentially significant but which may not be fully understood or allowed for in insurance terms and conditions, pricing, reserving or capital setting.

Mitigating Actions and Controls

- On a biannual basis, the Company takes part in a group emerging risks forum, facilitated by the risk management function. The profile of emerging risks is reviewed and updated as necessary. Matters arising from previous forums are reviewed, which may include research on specific risks;
- On a quarterly basis, the Company conducts its own emerging risks review. This focuses on emerging risks that are material to the Company but may not be as material to the wider group;
- The profile of emerging risks is reviewed at the Executive Risk and Compliance Committee quarterly;
- The profile of emerging risks is reported to the Risk Committee and the Board on a quarterly basis;
- Where emerging risks threaten business continuity, these are dealt with in accordance with the Company's Business Continuity Plan.

Material risk concentrations

Unexpected regulatory, legal or fiscal change could adversely affect the Company. It would generally be anticipated that wide-scale, material change of this nature would be managed over a period of time and include industry consultation, in order for insurers to respond and plan appropriately.

Conduct Risk

Conduct risk is the risk that firms' behaviours (including the Company, its outsourced service providers or the previous owners of the portfolio) may result in poor outcomes for the policyholder. There is a risk that the portfolios taken on include unknown conduct risks not identified at the time the portfolio was acquired.

Mitigants include (but are not limited to):

- Due diligence processes in place as part of the initial deal offer and subsequent migration is used to identify potential issues with possible exclusion clauses included in transaction offers;
- Product governance reviews are undertaken;
- Conduct risk MI is monitored; and
- Conduct risk relating to the administering of the policies is managed via robust outsource oversight arrangements.

L. Caslin was appointed the Consumer Champion role for the Board.

C.7 Any other information

Sensitivity and Stress Testing

Sensitivity analyses are used by the Company to identify areas of risk and to inform decision making. They form part of the overall stress and scenario testing which is a core element of the Company's Risk Management Framework.

The exposures are examined on an annual basis through the ORSA process. The Company applies stress and scenario testing based on a series of reasonably foreseeable adverse events, to determine whether the Company continues to meet regulatory capital requirements and to identify management actions available to restore the capital position. In addition, scenario testing includes reverse stress tests, i.e. scenarios that could cause the solvency ratio to fall below 100%.

The range of stresses and scenarios is set to cover the material risks to which the Company is exposed including changes in claim rates, interest rates, inflation, spreads, valuations, exchange rates, lack of a volatility adjustment, operational risk events, climate risk and reverse stress tests.

The outcome of the latest sensitivity and stress testing illustrates that the Company is resilient to a wide range of potential events and has a range of plausible management actions that could be executed in a timely manner to mitigate the potential impacts.

There is no other relevant information regarding the risk profile of the Company other than what has been reported in this Section.

D. Valuation for Solvency Purposes

This section is about the Company's valuation of each asset and liability on a Solvency II basis. The methods and assumptions used for the valuation of assets, technical provisions and other liabilities follow the approaches prescribed under Solvency II valuation rules and Irish GAAP, as appropriate. Table D1 below provides for each major balance sheet category a comparison of the amounts reported in the Company's annual report which are reported under Irish GAAP principles and the amounts reported in the Solvency II balance sheet as at 31 December 2024:

Table D1.2024: Comparison of Irish GAAP and Solvency II Balance Sheets as at 31 December 2024

€000s	Irish GAAP	Classification Differences	Valuation Differences	Solvency II
Assets				
Deferred tax assets	297	0	(202)	95
Investments – Bonds	90,114	1,204	0	91,318
Collective Investments Undertaking	365,132	0	0	365,132
Derivatives	467	136,813	0	137,280
Deposits other than cash equivalents	0	0	0	0
Asset held for linked contracts	884,780	0	0	884,780
Reinsurance recoverable	910,450	0	(3,540)	906,910
Insurance and intermediaries receivables	1,469	0	0	1,469
Reinsurance receivables	657,642	0	0	657,642
Cash and cash equivalents	13,776	0	0	13,776
Any other assets	6,823	(4,967)	0	1,856
Total Assets	**2,930,950**	**133,050**	**(3,742)**	**3,060,258**
Liabilities				
Technical Provisions - non-life	437	0	0	437
Technical Provisions - life - non-linked	206,107	0	(179)	205,928
Technical Provisions – linked	1,170,848	0	(3,930)	1,166,918
Deposits from reinsurers	833,053	0	0	833,053
Derivatives	0	133,050	0	133,050
Insurance Payables	37,619	0	0	37,619
Reinsurance payables	651,715	0	0	651,715
Other payables	1,291	0	0	1,291
Any other liabilities	4,511	0	0	4,511
Total Liabilities	**2,905,581**	**133,050**	**(4,109)**	**3,034,522**
Excess of assets over liabilities	**25,369**	**0**	**367**	**25,736**

Table D1.2023: Comparison of Irish GAAP and Solvency II Balance Sheets as at 31 December 2023

€000s	Irish GAAP	Classification Differences	Valuation Differences	Solvency II
Assets				
Deferred tax assets	578	0	(113)	465
Investments – Bonds	119,021	1,529	0	120,550
Collective Investments Undertaking	369,067	0	0	369,067
Derivatives	(12,483)	198,445	0	185,962
Deposits other than cash equivalents	0	11,930	0	11,930
Asset held for linked contracts	912,326	0	0	912,326
Reinsurance recoverable	929,954	0	(3,218)	926,736
Insurance and intermediaries receivables	15,440	0	0	15,440
Reinsurance receivables	706,454	0	0	706,454
Cash and cash equivalents	28,496	(11,930)	0	16,566
Any other assets	7,462	(5,100)	0	2,362
Total Assets	**3,076,315**	**194,874**	**(3,331)**	**3,267,858**
Liabilities				
Technical Provisions - non-life	1,159	0	0	1,159
Technical Provisions - life - non-linked	219,970	0	(257)	219,713
Technical Provisions – linked	1,219,219	0	(3,571)	1,215,648
Deposits from reinsurers	848,641	0	0	848,641
Derivatives	0	194,874	0	194,874
Insurance Payables	36,849	0	0	36,849
Reinsurance payables	722,071	0	0	722,071
Other payables	1,322	0	0	1,322
Any other liabilities	3,298	0	0	3,298
Total Liabilities	**3,052,529**	**194,874**	**(3,828)**	**3,243,575**
Excess of assets over liabilities	**23,786**	**0**	**497**	**24,283**

The asset type categorisation in the Table D1 is per the Solvency II balance sheet and not directly comparable to categorisation applied in the Irish GAAP balance sheet The different accounting rules result in a higher value of assets on a Solvency II basis compared to an Irish GAAP basis primarily due to the inclusion of margins for prudence within the Irish GAAP figures.

D.1 Assets

D.1 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Deferred tax asset

Deferred tax is recognised in respect of timing differences that have originated, but not yet reversed, at the balance sheet date, whereby transactions or events have occurred at that date, that will result in an obligation to pay more tax or a right to pay less tax. A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually. Deferred tax assets are provided to the extent that it is likely that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Under Solvency II the emergence of future taxable profits is determined by the economic valuation of the future excess of assets over liabilities . As the expected future profits are different on a Solvency II valuation and a GAAP valuation this gives rise to a difference in the deferred tax asset valuation.

Investments

Investments consist of liquid fixed maturity securities of various durations, ICAVs (Irish Collective Asset-management Vehicle), money market funds and derivatives. FRS102 requires the Company to classify financial instruments measured at fair value into the following hierarchy:

1. Instruments fair valued using a quoted price for an identical asset or liability in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.
2. Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
3. Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Government bonds at year-end 2024, issued by sovereign states were deemed to be valued in line with Level 1 and other regional government, local authorities and government controlled entities bonds were categorised as level 2. All corporate bonds were deemed Level 2. Table D2 below summarises bond valuations including accrued interest by Level.

Table D2: Bonds Classified by Level

€000s	Level 1	Level 2	Total	Total
	31 December 2024	31 December 2024	31 December 2024	31 December 2023
Government Bonds	28,135	5,599	**33,734**	**36,472**
Corporate Bonds	0	57,584	**57,584**	**81,441**
Collateralised Bond	0	0	**0**	**2,637**
Total	**28,135**	**63,183**	**91,318**	**120,550**

The ICAV and derivatives are classified as level 3 and the money market funds as level 1. The Company recognises and measures financial assets and financial liabilities in accordance with IAS 39 as permitted by FRS 102.

a. Classification

The Company has designated its investments into the "financial assets at fair value through profit or loss" category.

The category of “financial assets and financial liabilities at fair value through profit or loss” comprises:

- Financial instruments held for trading which include Bonds.
- Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes.

Financial liabilities that are not at fair value through profit or loss include accounts payable and claims payable.

b. Recognition and measurement

Purchases and sales of investments are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in fair value recognised in the profit and loss account.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

c. Fair value measurement principles.

The fair value of the financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Where quoted market prices are not available, valuation techniques are used to value financial instruments and investment property. These include broker quotes and models using both observable and unobservable market inputs.

Assets measured with unobservable inputs include property based collective investments, Irish Collective Asset Management Funds (ICAV's) and derivatives.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the Profit and Loss Account in the period in which they arise.

d. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Bonds

Investments in bonds in the Solvency II balance sheet include accrued interest which represents interest earned since the last coupon or interest payment date. Accrued interest is reported as a separate category in the Irish GAAP balance sheet. In all other respects, the bond asset values reported in the Solvency II balance sheet are the same as the Irish GAAP balance sheet.

Collective Investments Undertaking

The Company has invested in a number of collective investment undertakings. These relate to portfolios of money market funds, bonds, residential mortgages, structured finance, trade finance,a private credit fund of funds and an infrastructure debt fund. The money market funds are priced on a daily basis using market prices.

For the year ended 31 December 2024 all money market funds were deemed to be valued in line with Level 1 and all the ICAV funds as Level 3.

There is no difference between the valuation on an Irish GAAP and Solvency II basis.

Derivatives

The Company holds a number of interest rate swaps to help with interest rate management. The company values derivatives based on a counterparty valuation which is verified by an independent third-party valuation service. The company obtains fair values from quoted prices prevailing in active markets, where available. Otherwise, the company values the instruments using valuation techniques including discounted cash-flow analysis and option pricing models. The Company holds several foreign exchange contracts and inflation swaps to manage currency and inflation exposures

Derivatives were valued in line with Level 3 for the year ended 31 December 2024 and in line with Level 3 for the prior year. Derivatives are a net liability at end of the year and the asset and liability are shown separately on the Solvency II Balance sheet. In the statutory accounts the derivatives are included within the investments at their net valuation and exclude any interest accrued.

Reinsurance recoverable

Reinsurance recoveries are calculated on a basis consistent with the technical provisions. For Solvency II they are equal to the present value of the projected amounts of claims recovered from reinsurers minus the present value of the reinsurance premiums paid with an allowance for expected reinsurer default, whereas under GAAP there is no explicit allowance for default risk and no allowance for the impact on recoveries of negative reserves.

Reinsurance receivable

The Company cedes insurance premiums and risk to a number of reinsurers in the normal course of business. Outwards reinsurance premiums are accounted for in the same accounting period as the related premiums for the direct insurance business being reinsured. Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses, ceded unearned premiums and ceded future life policy benefits. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. The company has reinsurance agreements underwritten on modified coinsurance basis whereby the Company retains the assets with respect to all the policies reinsured. For these agreements a reinsurance receivable and payable balance is created to the value of the underlying reserves

Receivables
Amounts relating to other non-insurance debtors and prepayments are reported on the Solvency II balance sheet and are valued on the same basis as on the Irish GAAP balance sheet.

Cash & cash equivalents
This relates to deposits exchangeable for currency on demand at par and which can be used for making payments without penalty or restriction. The valuation of such deposits is equal to the actual amounts deposited with the bank. Cash with restriction is shown in the category; Deposits other than cash equivalents, under Solvency II reporting and with cash & cash equivalents in the Irish GAAP reporting.

Other Assets
Other assets on the Solvency II balance sheet consist of prepayments, receivables, and bank interest accruals and are valued on the same basis as on the Irish GAAP balance sheet.

D.1 (b) Material differences between the bases, methods and assumptions used for the valuation for solvency purposes and those used in financial statements

Valuation differences between GAAP and Solvency II are shown in Table D1 above.

D.2 Technical provisions

D.2 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

The following table contains the technical provisions for the Company as of 31 December 2024 and 31 December 2023:

Table D3: Comparison of technical provisions on Irish GAAP and Solvency II basis as at 31 December 2024

€000s	Solvency II 2024	Irish GAAP 2024	Difference 2024	Solvency 2023	Irish GAAP 2023	Difference 2023
Best Estimate Liabilities	1,369,877	1,373,986	(4,109)	1,432,661	1,436,489	(3,828)
Risk Margin	3,405	3,405	0	3,859	3,859	0
Total	**1,373,282**	**1,377,391**	**(4,109)**	**1,436,520**	**1,440,348**	**(3,828)**

The difference in the Best Estimate Liabilities reflects that not all profits expected on the book are accounted for on an Irish GAAP basis. This creates an explicit margin of prudence on an Irish GAAP basis in addition to the allowance for a risk margin.

D.2 (b) Assumptions

The key assumptions underlying the calculation of the technical provisions fall into three broad categories:

- **Demographic assumptions:** These include assumptions about when policyholders are likely to die, become ill or surrender their policies. These have been set by reference to analysis of past experience.
- **Economic assumptions:** These include discount rates and investment return assumptions (which have been set in accordance with EIOPA risk free yields), inflation (which has been considered relative to market data), and stochastic model inputs.
- **Expense assumptions:** These include per policy costs (which are in line with the service level agreement in place with another group entity), direct costs, and project costs.

D.2 (c) Methodology

The technical provisions for the Company equal the sum of the Best Estimate Liability ("**BEL**") and the Risk Margin ("**RM**"). The BEL is the present value of the future cashflows of the business calculated on a deterministic basis for most lines of business. A stochastic approach is used for the Variable Annuity portfolios due to the presence of financial guarantees, as the value of such guarantees would not be fully captured using a deterministic approach. The cashflows allow for premiums and claims on the business, policy lapses, and the Company's expenses.

The BEL calculation is carried out on a gross of reinsurance basis. However, the cashflows related to the reinsurance treaties are modelled so that the reinsurance recoverable can also be calculated.

The BEL is calculated on a policy-by-policy basis for all business except the PPI policies (which are modelled using Homogeneous Risk Groups), for all contracts in force at the valuation date that are within the definition of contract boundaries under Solvency II. The discount rate is the risk-free interest rate term structure for the relevant currency plus the Volatility Adjustment where appropriate (see section D.2 (f)).

The RM is the cost of holding the non-hedgeable components of the SCR over the lifetime of the obligations (as defined in Solvency II). The cost of capital rate is specified in the regulations and is currently set to 6%. The RM is calculated according to the Solvency II cost-of-capital approach. The Company uses a risk driver approach as a full projection of the applicable components of the SCR for each year in the future is not feasible given the long-term nature of the liabilities.

D.2 (d) Indication of the level of uncertainty

There is inherent uncertainty in any estimate of technical provisions, as the ultimate cost of claims is subject to the outcome of events which are yet to occur.

The main sources of uncertainty with regard to the future cost of claims include the following:

- Actual claims levels differ from those expected
- The future economic environment may cause claims to increase or decrease
- Additional uncertainty stems from future expenses and premiums

An active approach is taken by management to identify sources of uncertainty, quantify them and take actions to mitigate their potential impact in line with the Company's Risk Management Framework.

D.2 (e) Matching adjustment

A matching adjustment was not applied to the valuation of the technical provisions at year-end 2024 and was not applied at year-end 2023.

D.2 (f) Volatility adjustment

The company applied to the CBI for the use of the Volatility Adjustment in respect of its Euro denominated liabilities and approval was granted on the 22nd April 2020. As at year end 2024 the (Euro) Volatility Adjustment (as specified by EIOPA) has been applied to all Euro denominated liabilities.

The impact of applying the Volatility Adjustment is set out in the table below.

Table D4: Impact of reducing the volatility adjustment to zero on technical provisions as at 31 December 2024

€000s	With Volatility Adjustment 2024	No Volatility Adjustment 2024	Impact 2024	Impact 2023
Technical Provisions as a Whole	1,182,066	1,182,066	0	0
Non-linked Technical Provisions	191,216	199,043	7,827	7,079
TOTAL:	**1,373,282**	**1,381,109**	**7,827**	**7,079**

D.2 (g) Transitional risk-free interest rate-term structure

The transitional risk-free interest rate-term structure was not applied to the valuation of the technical provisions at year-end 2024 and was not applied at year-end 2023.

D.2 (h) Transitional deduction

The transitional deduction was not used by the Company at year-end 2024 and was not used at year-end 2023.

D.2 (i) Change in assumptions

Assumptions are reviewed regularly and updated as required based on an analysis of past experience and approved by the Board.

D.2 (j) Special Purpose Vehicle

There were no special purpose vehicles at 31 December 2024, and this was the case at the previous year-end.

D.3 Other liabilities

D.3 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Any other liabilities consist primarily of accruals for expenses. Expenses are recorded for on an accrual basis in the period in which they are incurred.

D.3 (b) Material differences with the valuation bases, methods and main assumptions used for the valuation for solvency purposes and those used in financial statements

There are no differences between the GAAP and Solvency II valuation of other liabilities.

D.4 Alternative methods for valuation

Due to the nature of the Company's assets, Solvency II valuation principles based on quoted market prices for identical or similar assets are not relevant. As stated in D.1, the inputs used to value assets are based on observable data for each individual asset and is consistent with how these assets are valued in the Company's financial statements.

D.5 Any other information

D.5 (a) Going Concern

The directors have a reasonable expectation that the Company will continue in operational existence for twelve months from the date of approval of the financial statements ('the period of assessment') and have prepared the financial statements on a going concern basis.

In making this assessment the directors have considered;

(a) the company's capital position and the surplus over its required solvency capital ratio and minimum capital ratio;
(b) the potential range of impacts that various scenarios may have on this surplus taking account of the company's ORSA stress testing where appropriate;
(c) the quality of the company's investments and liquidity;
(d) the potential impacts of sustainability and climate change; and
(e) the level of reinsurance and the credit rating of company's reinsurance counterparties.

On the basis of the above, the directors have concluded that the Company has no material uncertainties which would cast a significant doubt on the Company's ability to continue as a going concern over the period of assessment.

D.5 (b) Other material information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

Capital management and allocation is a key driver of the Company's success. Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

E.1 Own funds

'Own Funds' refers to the excess of the value of the Company's assets over the value of its liabilities, where the value of its liabilities includes technical provisions and other liabilities. Own Funds are divided into three tiers based on their permanence, and how well they can absorb losses. Tier 1 are of the highest quality.

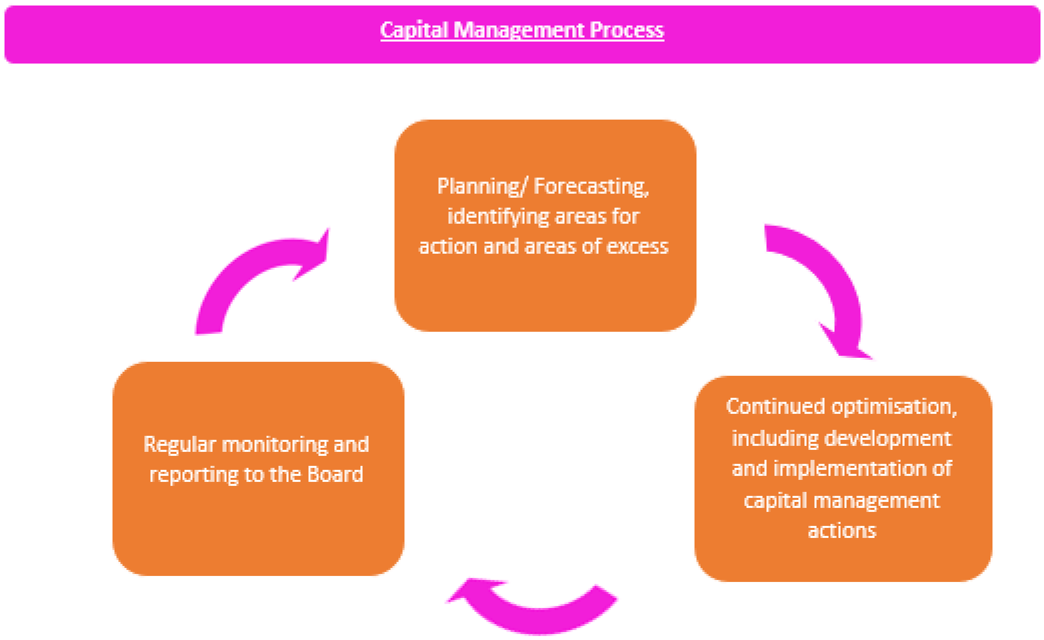
E.1 (a) Objectives, policies and processes for managing Own Funds

One of the core objectives of the Company's strategy is to maintain its financial strength. Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers. There were no material changes over the reporting period with regards to objectives, policies and processes employed by the Company for managing its Own Funds. The capital management policy sets out the objectives of the Company in this regard. The key objective of this policy is to ensure that the regulatory requirement for the Solvency Coverage is met by at least 100% on an ongoing basis. Processes and reporting are in place to meet this objective. The capital management policy outlines the actions available to the management and the Board at different levels of the reporting solvency ratio.

The Own Funds for the Company are calculated quarterly through the production of the technical provisions and a valuation of the Company's balance sheet. The technical provisions are valued using the policyholder information at the end of the quarter and included in the valuation of the balance sheet. The value of the Own Funds is calculated and reviewed on a quarterly basis, whilst annually, the Own Funds is approved by the Board in the annual filings to the CBI. The level of Own Funds is monitored on a regular basis.

The primary objectives of the Company's Capital Management Policy are to maintain capital at a level that will ensure solvency cover requirements are not breached, set out the approach to allocating capital across the Company, and set out the considerations to be taken into account prior to dividend payments.

The process followed for capital management is depicted below:



A capital management plan is prepared annually with the business planning period covering five years. This process culminates in an assessment of the capital necessary to maintain solvency at the threshold targeted by senior management and the firm's risk profile. This plan is reviewed and updated on a regular basis to reflect the actual performance of the business. The policy is reviewed annually with the results of the annual ORSA process taken into consideration.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by the Company for managing its Own Funds.

E.1 (b) Information on Own Funds by Tier and the amount eligible to cover the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

Table E1: Breakdown of Own Funds as at 31 December 2024 and 2023

€000s	Total Own Funds 2024	Total Own Funds 2023	Tier	Eligible Own Funds to cover SCR 2024	Eligible Own Funds to cover SCR 2023	Eligible Own Funds to cover MCR 2024	Eligible Own Funds to cover MCR 2023
Ordinary Share Capital	635	635	1	635	635	635	635
Net Deferred tax asset	95	465	3	95	465	0	0
Reconciliation reserve	(992)	(2,815)	1	(992)	(2,815)	(992)	(2,815)
Other Own Funds	25,998	25,998	1	25,998	25,998	25,998	25,998
Total Basic Own Funds	**25,736**	**24,283**		**25,736**	**24,283**	**25,641**	**23,818**

Solvency II defines Basic Own Funds as the sum of

- The excess of assets over liabilities as defined in ***Section D Valuation for Solvency Purposes***;
- Less deduction for foreseeable dividends and distributions.

The Eligible Own Funds value to meet the SCR is obtained from Basic Own Funds, to which Ancillary Own Funds that are recognised and approved by the regulator and subject to eligibility constraints are added. There are no restrictions on the availability of the Company's Own Funds other than to meet the MCR and SCR dictated by the Directive and subsequent Delegated Acts and implementing technical standards issued by EIOPA.

The Company's Equity as reported in its audited financial statements was €25,369 compared to Own Funds on a Solvency II basis of €25,736.

During the year the Company's Own Funds have increased by €1,453 to €25,736. A dividend of €9,680 was paid during 2023 but no dividend was paid in 2024 by the Company to its parent. There are no foreseeable dividends as at 31 December 2024.

E.1(c) Material differences between equity in the financial statements and the excess of assets over liabilities for solvency purposes

Table E2 below summarises the differences between Shareholders Equity reported in the Company's financial statements and the excess of assets over liabilities for solvency purposes. The difference in the value of the technical provisions arises from additional margins of prudence in the methodology applied to the provisions in the financial statements, which does not hold any additional capital buffers. The difference in asset valuations is primarily driven by reinsurance balances in respect of technical provisions and the deferred tax asset for solvency purposes.

Table E2: Breakdown of differences between Equity in the financial statements and the excess of assets over liabilities under Solvency II

	31 December 2024 € '000	31 December 2023 € '000
Shareholder Equity per financial statements	**25,369**	**23,786**
Difference in the valuation of net assets	(3,742)	(3,331)
Difference in the valuation of technical provisions	4,109	3,828
Solvency II Excess of Assets over Liabilities	**25,736**	**24,283**

E.1 (d) Basic own fund item subject to the transitional arrangements

Not applicable.

E.1 (e) Ancillary Own Funds

The Company did not have any ancillary own fund items at 31 December 2024.

E.1 (f) Material items deducted from Own Funds

No material items have been deducted from the Own Funds at 31 December 2024.

E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

E.2 (a) Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Company calculates the SCR using the standard formula. The SCR is the modelled value of a 1-in-200 year loss of Own Funds occurring in the next year. The SCR includes the Basic Solvency Capital Requirement, together with an SCR component in respect of Operational Risk. No adjustment is made for the Loss Absorbing Capacity of Deferred Taxes or Technical Provisions.

Table E3 below shows the Company's SCR and MCR requirements as of 31 December 2024, with prior year comparatives:

Table E3: SCR and MCR Requirements

	31 December 2024 € '000	31 December 2023 € '000
SCR	8,457	11,415
MCR	6,700	6,700

E.2 (b) The amount of the SCR split by risk module

The Basic Solvency Capital Requirement is calculated using a set of EIOPA defined stresses given by the Standard Formula approach. The SCR is calculated separately for each of the following risk modules:

- Market risk
- Counterparty default risk
- Life underwriting risk
- Non-life underwriting
- Health underwriting

These modules are then combined using correlation factors as defined by EIOPA, with an allowance for operational risk. Table E4 below shows the split of the SCR as of 31 December 2024, with prior year comparatives:

Table E4: Breakdown of SCR by risk module as at 31 December 2024 and 2023

€ '000	31 December 2024	31 December 2023
Market	2,614	4,128
Counterparty default	2,094	3,248
Life underwriting	2,918	3,201
Health Underwriting	14	34
Non-life underwriting	460	818
Diversification	(2,517)	(3,584)
Basic Solvency Capital Requirement	**5,583**	**7,845**
Operational Risk	2,874	3,570
Solvency Capital Requirement	**8,457**	**11,415**

E.2 (c) Use of simplified calculations
The Company did not use any simplified calculations to arrive at its SCR as of 31 December 2024 or 31 December 2023.

E.2 (d) Undertaking specific parameters and capital add-ons
Undertaking specific parameters as referred to in Article 104(7) of Directive 2009/138/EC are not used by the Company.

The capital add-on as per sub paragraph of Article 37 of Directive 2009/138/EC does not apply.

E.2 (e) Information on inputs used to calculate the MCR
In line with EIOPA requirements, the calculation of the MCR combines a linear formula ("Linear MCR") with a floor of 25% and a cap of 45% of the SCR. The MCR is subject to an absolute floor ("AMCR"). Table E5 below outlines the inputs to the calculation of the MCR.

Table E5: Inputs used to calculate the MCR

	31 December 2024 € '000			31 December 2023 € '000		
	Non-Life	Life	TOTAL	Non-Life	Life	TOTAL
Linear MCR	75	3,760	3,835	518	4,079	4,597
SCR	167	8,290	8,457	1,286	10,129	11,415
MCR Cap	75	3,730	3,805	579	4,558	5,137
MCR Floor	42	2,072	2,114	322	2,532	2,854
MCR Combined	75	3,730	3,805	518	4,079	4,597
Absolute Floor MCR	2,700	4,000	6,700	2,700	4,000	6,700
MCR	2,700	4,000	6,700	2,700	4,079	6,700
Own Funds for MCR	7,636	18,004	25,641	7,251	16,567	23,818
MCR Coverage	283 %	450 %	383 %	269 %	406 %	355 %

The AMCR is set separately for Life and Non-Life risks.

E.2 (f) Material changes to SCR and MCR over the reporting period

The MCR is €6,700 as at year end 2024. The AMCR is reviewed for inflation changes every five years and during 2022 increased by €500 as stipulated by EU Directive 2009/138.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

Not applicable.

E.4 Differences between the Standard Formula and any internal model used

Not applicable.

E.5 Non-compliance with the MCR and non-compliance with the SCR

The Company remained compliant with the MCR and the SCR throughout the reporting period.

E.6 Any other information

No other items to note.

Appendix 1 – Glossary

CBI	Central Bank of Ireland
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
DRM	Dutch Residential Mortgages
ED	Executive Director
EIOPA	European Insurance and Occupational Pension Authority
Group	Monument Re Group presented in Section A.1(e) Position within the legal structure of the Group
HoAF	Head of Actuarial Function
HoIA	Head of Internal Audit
IC	Investment Committee
ICAV	Irish Collective Asset-management Vehicle
IGAAP	Generally Accepted Accounting Practice in Ireland
IGR	Intra-group reinsurance
Inora	Inora Life Designated Activity Company
Laguna	Laguna Life Designated Activity Company
MADAC	Monument Assurance Designated Activity Company
MC	MLIDAC's Management Committee
MCR	Minimum Capital Requirement
MI	Management Information
MIDAC	Monument Insurance Designated Activity Company
MIES	Monument Insurance European Services SRL
MLIDAC	Monument Life Insurance Designated Activity Company
Monument Re	Monument Re Limited
NED	Non-Executive Director
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
Own Funds	According to art. 87 of Solvency II Directive 2009/138/EU, Own Funds are defined as the sum of basic Own Funds and ancillary Own Funds.
PPI	Payment Protection Insurance
Private credit	Debt issued by companies/entities privately to banks or other investors. It is generally unrated, and it is considered for SII-purposes between a BBB and B
QIAF	Qualifying Irish Alternative Fund is a regulated collective investment scheme designed for professional investors
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
Remuneration Committee	The Monument Re Group Board Remuneration Committee

Reinsurance recoverables	Reinsurance recoverables represent the amount of best estimate liability expected to be recovered via reinsurance treaties or special purpose reinsurance vehicles and correspond to the expected present value of the future cash flows referring to the in-force reinsurance agreements.
Risk Management Framework	The Risk Management Framework is the structured process used to identify potential threats to an organisation and to define the strategy for removing or minimising the impact of these risks as well as the mechanisms to effectively control and evaluate actions.
RSR	Regular Supervisory Report
SCR	See: Solvency Capital Requirement
SII	Solvency II
Solvency Capital Requirement	The Solvency Capital Requirement is determined as the economic capital to be held by insurance and reinsurance undertakings in order to ensure that ruin occurs no more often than once in every 200 cases or, alternatively, that those undertakings will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months (Solvency II Directive 2009/138/EU).
Statutory Basis	The valuation of the Company's assets for Solvency II purposes and the valuation used in the Company's financial statements at the reporting date.
The Board	MLIDAC's board of directors
The Company	Monument Life Insurance DAC
Three Lines of Defence	In the Three Lines of Defence model, management control is the first line of defence in risk management, the various risk control and compliance over-sight functions established by management are the second line of defence, and internal auditor is the third.
UCITs	Undertakings for Collective Investment in Transferable Securities
UFR	Ultimate Forward Rate
VA	Volatility Adjustment

Appendix 2 - List of public QRTs to be disclosed

Article 4 - Templates for the solvency and financial condition report of individual undertakings.

- Template S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in section S.02.01 of Annex II to this Regulation;

- Template S.04.05.21 - Premiums, claims and expenses by country: insurance and reinsurance obligations using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.01 of Annex II to this Regulation, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- Template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.01 of Annex II to this Regulation, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- Template S.12.01.02 of Annex I, specifying information on the technical provisions relating to life insurance and health insurance pursued on a similar technical basis to that of life insurance ('health SLT') for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35, following the instructions set out in section S.12.01 of Annex II to this Regulation;

- Template S.17.01.02 of Annex I, specifying information on non-life technical provisions, following the instructions set out in S.17.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- Template S.19.01.21 of Annex I, specifying information on non-life insurance claims in the format of development triangles, following the instructions set out in S.19.01 of Annex II for the total non-life business;

- Template S.22.01.21 of Annex I, specifying information on the impact of the long term guarantee and transitional measures, following the instructions set out in section S.22.01 of Annex II;

- Template S.23.01.01 of Annex I, specifying information on own funds, including basic own funds and ancillary own funds, following the instructions set out in section S.23.01 of Annex II;

- Template S.25.01.21 of Annex I, specifying information on the Solvency Capital Requirement calculated using the Standard Formula, following the instructions set out in section S.25.01 of Annex II;

- Template S.28.02.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in both life and non-life insurance or reinsurance activity, following the instructions set out in section S.28.02 of Annex II.

Monument Life Insurance DAC

List of reported templates

S.02.01.02 - Balance sheet
S.04.05.21 - Premiums, claims and expenses by country: Life insurance and reinsurance obligations
S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
S.05.01.02 - Premiums, claims and expenses by line of business: Life insurance and reinsurance obligations
S.05.01.02 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations
S.12.01.02 - Life and Health SLT Technical Provisions
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.22.01.21 - Impact of long term guarantees measures and transitionals
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

(Monetary amounts in EUR thousands)

S.02.01.02

Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	95
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	593,731
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	91,318
Government Bonds	R0140	33,735
Corporate Bonds	R0150	57,584
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	365,132
Derivatives	R0190	137,280
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	884,780
Loans and mortgages	R0230	0
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	906,909
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding index-linked and unit-linked	R0310	172,391
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	172,391
Life index-linked and unit-linked	R0340	734,518
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	1,469
Reinsurance receivables	R0370	657,642
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	13,776
Any other assets, not elsewhere shown	R0420	1,856
Total assets	R0500	**3,060,258**

S.02.01.02

Balance sheet

Liabilities		Solvency II value
		C0010
Technical provisions - non-life	R0510	437
Technical provisions - non-life (excluding health)	R0520	437
TP calculated as a whole	R0530	0
Best Estimate	R0540	405
Risk margin	R0550	32
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	205,928
Technical provisions - health (similar to life)	R0610	524
TP calculated as a whole	R0620	0
Best Estimate	R0630	523
Risk margin	R0640	1
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	205,404
TP calculated as a whole	R0660	0
Best Estimate	R0670	203,558
Risk margin	R0680	1,846
Technical provisions - index-linked and unit-linked	R0690	1,166,917
TP calculated as a whole	R0700	1,182,066
Best Estimate	R0710	-16,675
Risk margin	R0720	1,526
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	833,053
Deferred tax liabilities	R0780	
Derivatives	R0790	133,050
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	37,619
Reinsurance payables	R0830	651,715
Payables (trade, not insurance)	R0840	1,291
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	4,511
Total liabilities	R0900	**3,034,522**

Excess of assets over liabilities	R1000	**25,736**

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries (by amount of gross premiums written): non-life				
	R0010		GB				
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020		-1				
Gross Written Premium (proportional reinsurance)	R0021						
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030		-1				
Gross Earned Premium (proportional reinsurance)	R0031						
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040		-332				
Claims incurred (proportional reinsurance)	R0041						
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050		-13				
Gross Expenses Incurred (proportional reinsurance)	R0051						
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

S.04.05.21

Premiums, claims and expenses by country: Life insurance and reinsurance obligations

		Home Country	Top 5 countries (by amount of gross premiums written): life and health SLT				
	R1010		GB	FR	DE	ES	BE
		C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020	50	3,518	1,546	1,025	530	9
Gross Earned Premium	R1030	50	3,518	1,546	1,025	530	9
Claims incurred	R1040	3,599	51,722	1,948	4,440	2,835	798
Gross Expenses Incurred	R1050	1,238	9,917	253	799	286	173

S.05.01.02

Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110												-1					-1
Gross - Proportional reinsurance accepted	R0120												0					0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140																	0
Net	R0200												-1					-1
Premiums earned																		
Gross - Direct Business	R0210												-1					-1
Gross - Proportional reinsurance accepted	R0220												0					0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240																	0
Net	R0300												-1					-1
Claims incurred																		
Gross - Direct Business	R0310												-332					-332
Gross - Proportional reinsurance accepted	R0320												0					0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340																	0
Net	R0400												-332					-332
Expenses incurred	R0550												-13					-13
Balance - other technical expenses/income	R1210																	
Total technical expenses	R1300																	-13

S.05.01.02

Premiums, claims and expenses by line of business: Life insurance and reinsurance obligations

		Line of Business for: life insurance obligations						Life reinsurance 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	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-1	6	1,219	763				4,701	6,689
Reinsurers' share	R1420	0	5	2,097	706				4,701	7,509
Net	R1500	-1	1	-877	58				0	-820
Premiums earned										
Gross	R1510	-1	6	1,219	763				4,701	6,689
Reinsurers' share	R1520	0	5	2,097	706				4,701	7,509
Net	R1600	-1	1	-877	58				0	-820
Claims incurred										
Gross	R1610	-680	3,466	62,220	5,614				1,870	72,489
Reinsurers' share	R1620	0	3,104	57,437	4,926				1,823	67,290
Net	R1700	-680	362	4,783	688				46	5,200
Expenses incurred	R1900	-18	225	1,035	741				0	1,983
Balance - other technical expenses/income	R2510									133
Total technical expenses	R2600									2,116
Total amount of surrenders	R2700	0	964	83,694	142					84,800

S.12.01.02

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	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, including Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010		1,182,066							0	1,182,066						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020		746,144							0	746,144						0
Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
Gross Best Estimate	R0030	75,352		-1,476	-15,199		120,359	0		7,847	186,883		523				523
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	67,817		-1,332	-17,598		104,574			7,305	160,765						0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	7,535		-144	2,400		15,785	0		541	26,118		523	0			523
Risk margin	R0100	756	1,526			791				300	3,372	1					1
Technical provisions - total	R0200	76,108	1,166,917			121,150				8,147	1,372,321	524					524

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010												0					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060												0					0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140																	
Net Best Estimate of Premium Provisions	R0150												0					0
Claims provisions																		
Gross	R0160												405					405
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																	
Net Best Estimate of Claims Provisions	R0250												405					405
Total best estimate - gross	R0260												405					405
Total best estimate - net	R0270												405					405
Risk margin	R0280												32					32
Technical provisions - total	R0320												437					437
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330												0					0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340												437					437

S.19.01.21

Non-Life insurance claims

Gross Claims Paid (non-cumulative)

(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Year		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
Prior	R0100											10	10	10
2015	R0160	2,021	2,934	720	31	14	1	0	0	0	0		0	5,721
2016	R0170	1,857	2,613	608	55	7	1	0	0	0			0	5,140
2017	R0180	1,370	2,209	659	58	4	1	0	0				0	4,300
2018	R0190	1,161	1,802	476	24	0	0	0					0	3,464
2019	R0200	1,127	1,824	605	23	13	0						0	3,593
2020	R0210	1,640	2,420	551	74	0							0	4,685
2021	R0220	741	843	295	9								9	1,887
2022	R0230	377	554	69									69	999
2023	R0240	363	325										325	688
2024	R0250	0											0	0
	R0260											Total	412	30,488

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Year		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
Prior	R0100											0	0
2015	R0160	0	127	0	0	0	0	0	0	0	0		0
2016	R0170	6,333	126	0	0	0	0	0	0	0			0
2017	R0180	4,223	119	0	0	0	0	0	0				0
2018	R0190	3,452	78	0	0	0	0	0					0
2019	R0200	3,082	35	0	0	0	0						0
2020	R0210	5,151	63	0	0	0							0
2021	R0220	2,900	42	0	0								0
2022	R0230	3,209	10	0									6
2023	R0240	1,179	409										399
2024	R0250	0											0
	R0260											Total	405

S.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	1,373,282	0	0	7,827	0
Basic own funds	R0020	25,736	0	0	-535	0
Eligible own funds to meet Solvency Capital Requirement	R0050	25,736	0	0	-535	0
Solvency Capital Requirement	R0090	8,457	0	0	83	0
Eligible own funds to meet Minimum Capital Requirement	R0100	25,641	0	0	-535	0
Minimum Capital Requirement	R0110	6,700	0	0	0	0

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Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	635	635		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	-992	-992			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	95				95
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	25,998	25,998	0	0	0
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	0				
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	25,736	25,641	0	0	95
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	25,736	25,641	0	0	95
Total available own funds to meet the MCR	R0510	25,641	25,641	0	0	
Total eligible own funds to meet the SCR	R0540	25,736	25,641	0	0	95
Total eligible own funds to meet the MCR	R0550	25,641	25,641	0	0	
SCR	R0580	8,457				
MCR	R0600	6,700				
Ratio of Eligible own funds to SCR	R0620	304.32%				
Ratio of Eligible own funds to MCR	R0640	382.70%				

Reconcilliation reserve		C0060
Excess of assets over liabilities	R0700	25,736
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	26,728
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	-992
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	179
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	179

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	2,614		
Counterparty default risk	R0020	2,094		
Life underwriting risk	R0030	2,918		
Health underwriting risk	R0040	14		
Non-life underwriting risk	R0050	460		
Diversification	R0060	-2,517		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	5,583		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,874
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	8,457
Capital add-ons already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	8,457
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate		C0109
Approach based on average tax rate	R0590	0

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	0
LAC DT justified by reference to probable future taxable economic profit	R0660	0
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	0

S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		$MCR_{(NL,NL)}$ Result	$MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	75	0

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030				
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080				
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	405	0		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

		$MCR_{(L,NL)}$ Result	$MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	0	3,761

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			7,535	
Obligations with profit participation - future discretionary benefits	R0220			0	
Index-linked and unit-linked insurance obligations	R0230			438,178	
Other life (re)insurance and health (re)insurance obligations	R0240			16,850	
Total capital at risk for all life (re)insurance obligations	R0250				86,625

Overall MCR calculation		C0130
Linear MCR	R0300	3,836
SCR	R0310	8,457
MCR cap	R0320	3,806
MCR floor	R0330	2,114
Combined MCR	R0340	3,806
Absolute floor of the MCR	R0350	6,700
Minimum Capital Requirement	R0400	6,700

Notional non-life and life MCR calculation		C0140	C0150
Notional linear MCR	R0500	75	3,761
Notional SCR excluding add-on (annual or latest calculation)	R0510	166	8,291
Notional MCR cap	R0520	75	3,731
Notional MCR floor	R0530	42	2,073
Notional combined MCR	R0540	75	3,731
Absolute floor of the notional MCR	R0550	2,700	4,000
Notional MCR	R0560	2,700	4,000