



UTMOST PANEUROPE DAC

Directors' Report and Audited Financial Statements for the
financial year end 31 December 2024

utmostinternational.com

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Company Information

Board of Directors as at 31 December 2024

Henry O'Sullivan	Executive and Chief Executive Officer	Irish	(appointed CEO 1 April 2024)
Sarah Johnston	Executive and Chief Financial Officer	Irish	(appointed 10 April 2024)
Feilim Mackle	Independent Non-Executive Chairman	Irish	(appointed 27 February 2024) (appointed Chair 10 April 2024)
Ian Maidens	Non-Executive	British	
Michael (Mike) Davies	Independent Non-Executive	British	
Paul Thompson	Non-Executive	British	
Tim Madigan	Independent Non-Executive	Irish	

Secretary

Mr. Philip Brady
Ashford House
Tara Street
Dublin 2
Ireland

Registered Office

Navan Business Park
Athlumney
Navan
Co. Meath
Ireland

Company Registration Number: 311420

Principal Bankers

Barclays Bank
1 Molesworth Street
Dublin 2
Ireland

Citibank NA – London branch
25-33 Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

Citibank NA – Dublin branch
1 North Wall Quay
Dublin 1
Ireland

Solicitors

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent Auditors and Statutory Audit Firm

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Directors' Report

The Directors present their report and audited financial statements for the financial year ended 31 December 2024.

(a) Principal Activities

Utmost PanEurope dac ("the Company") is incorporated in Ireland and authorised by the Central Bank of Ireland to transact life assurance business in Ireland and on a cross-border basis in the European Union under the Third Life Directive, as introduced into domestic Irish legislation by the European Communities (Life Assurance) Framework Regulations, 1994.

(b) Business Review and Future Developments

The Company generated a profit after tax for the financial year of €38,141,000 (2023: €32,766,000). The total equity in the Company as at 31 December 2024 was €265,192,000 (2023: €257,051,000).

The Company paid total dividends of €30,000,000 in 2024 to its parent Utmost Holdings Ireland Limited (2023: €37,500,000). The Company has an interim foreseeable dividend payable to its parent Utmost Holdings Ireland Limited of €11,000,000 payable subject to the required approvals. The interim foreseeable dividend of €11,000,000 (2023: paid €15,000,000) represents a dividend per share of €0.59 (2023: €0.80).

The Company's business is made up of a number of business lines as follows:

- Utmost Wealth Solutions: Developing insurance solutions, which are aligned to local fiscal and regulatory laws, which may be tailored to meet the unique and exacting requirements of ultra-high-net-worth clients. These solutions are offered through the development and utilisation of the Company's UK and pan-European network of Private Banking relationships. The Company also offers retail and affluent individuals flexible products for medium to long term financial planning;
- Utmost Corporate Solutions: Offering corporate entities alternative and simplified domestic and cross border employee benefit solutions.

The main driver for the Company's premium income and investment contract sales is the Wealth Solutions business line. The majority of the premium from this business line relates to Italian and UK business. There is also business from Finland, Spain, Portugal and other EU countries.

Administration expenses have increased in comparison to 2023 mainly due to higher Utmost Services Ireland Limited ('USIL') recharges.

The regulatory solvency position remains satisfactory as at 31 December 2024. The Solvency Capital Requirement ("SCR") at 31 December 2024 was €326,179,000 (2023: €296,526,000) and the Minimum Capital Requirement ("MCR") was €146,781,000 (2023: €133,437,000). The Company's available Solvency II own funds at that date, after allowing for the interim foreseeable dividend of €11,000,000 (2023: €15,000,000), were €492,514,000 (2023: €456,887,000). The Company's ratio of Eligible Own Funds to SCR was 151% (2023: 154%), and to MCR was 336% (2023: 342%).

The Company will continue to focus on improving the experience of its customers and develop its distribution by working in partnership with those financial advisors aligned to its aims.

On 29 December 2023, the conduct standards requirements and amendments to the fitness and probity regime, introduced as part of the Central Bank (Individual Accountability Framework) Act 2023, came into effect. The Company is compliant with these requirements.

The Senior Executive Accountability Regime (SEAR) requirements came into effect on 1 July 2024. The Company is compliant with these requirements.

Directors' Report (continued)

(c) 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 considered the following key areas;

- Solvency
- Liquidity & Cash flow Management
- Asset Quality
- Counterparty Exposure
- Insurance & Mortality Risk

The potential for reinsurers not honouring their financial or operational commitments was also considered.

The Company continues to pay close attention to its solvency position. Through all periods of 2024 and into 2025 the Company is within the risk appetite of the company as defined in the Board approved Capital Policy.

The majority of invested assets held are highly liquid.

The Directors have considered the appropriateness of the going concern basis used in the preparation of these Financial Statements, having regard to the ability of the Company to be able to meet its liabilities as and when they fall due, and the adequacy of available assets to meet liabilities.

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.

We refer to Note 1 in the financial statements.

Directors' Report (continued)

(d) Corporate Governance

Effective corporate governance remains key to the business. The Company has a number of Board Committees, including the Audit Committee, the Risk and Compliance Committee, the Investment Committee and the Banking Committee. A review of the performance of each of the Committees for 2024 confirmed that each Committee performed its duties as outlined within its respective terms of reference. The Remuneration Committee is a subcommittee of Utmost Holdings Ireland Limited (UHIL).

The Corporate Governance Requirements for Insurance Undertakings 2015 ('the Requirements'), as issued by the Central Bank of Ireland ('CBI'), became effective from 1 January 2016. An annual review is completed by the Risk Management Function that the Company is materially compliant with all obligations as set out in the Requirements.

The Company is compliant with the Solvency Capital Requirements as set out in the EU wide Solvency II Directive. In order to comply with these regulations, the Company has successfully implemented:

- A system of governance, including but not limited to:
 - Clear allocation and segregation of responsibilities and an effective system for ensuring the transmission of information;
 - Written and implemented policies and procedures;
 - Sound and effective strategies and processes to assess risk;
 - Establishment of an independent Actuarial Function;
- Processes to monitor capital requirements; and
- Effective systems to meet all reporting requirements.

The directors signed a 'Directors Compliance Certificate' for the year ended 31 December 2024 confirming adherence to relevant requirements of the Central Bank of Ireland in relation to Solvency II.

In addition, the Company has executed the requirements of the Fitness & Probity standards as prescribed within the Central Bank Reform Act 2010 (Sections 20 and 22) (Amendment) Regulations 2011.

Risk Management

The Company has a defined structure and process to assist in the identification, assessment and management of risk. This structure is supported by three pillars; the Risk Management Department, the Risk Advisory Committee and the Risk and Compliance Committee. These structures were in place throughout the year to which these statements apply and up to the date of their approval.

The Risk Management Department, an independent control function, continues to enhance the organisation's risk framework and monitors compliance with the requirements of Solvency II – Pillar II. The Risk Management Department continues to develop and drive key risk policy as well as continuously monitoring the "risk profile" of the organisation. The Chief Risk Officer continues to have direct and unfettered access to the Board.

The Risk Advisory Committee continues to monitor and assess risk at a senior executive level within the organisation. Meeting at least quarterly, it reviews the Company's key risks, contained in risk registers, and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. This Committee also reviews and communicates policy matters, as advised by the Risk Management Department, to those responsible for managing risks. During 2024, the Committee also reviewed the management and oversight of the Company's key outsourcing relationships.

Directors' Report (continued)

(d) Corporate Governance (continued)

The Risk and Compliance Committee is a Board Committee and its primary role is to assist the Board in its management of risk and to review the effectiveness of the Risk Management activities of the Company. The Committee meets at least quarterly and during 2024 it provided an oversight and approval role in relation to risk identification and evaluation, risk management and risk reporting. This was facilitated through formal reporting from the Chief Risk Officer. The Risk and Compliance Committee performed its activities in line with its terms of reference during 2024.

The Company Risk Appetite Statement is reviewed and approved at least annually, and sets the desired level of risk (in terms of risk appetite and risk preferences) and limit excessive risk-taking. Tolerance levels on the basis of capital and liquidity metrics are set accordingly. Should an indicator approach or breach the defined tolerance levels, escalation mechanisms are then activated.

The principal risks and uncertainties the Company is exposed to are identified and classified in the Risk Map, which is reviewed at least once a year in order to ensure its adequacy and completeness. The principal risks and uncertainties and how they are managed are outlined below:

Financial Risks – The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. The Company completes a regular asset liability matching analysis to ensure that its assets are matched to its liabilities by line of business and duration. In relation to its unit-linked business the Company adopts a fully matched position between its policyholder liabilities and the assets that it holds in respect of these liabilities. Nevertheless, there remains financial risk in the form of interest rate risk, equity price risk, currency risk, counterparty risk and credit risk as outlined below:

Interest rate risk – The Company holds shareholder assets in the form of cash and interest-bearing securities and, as such, is exposed to interest rate risk. The Company manages its interest rate risk by regular assessments and monitoring of its investments by the Investment Committee. The Company is exposed to interest rate risk to the extent that adverse interest rate movements impact the value of unit linked assets and therefore the management fee income.

Equity price risk – The Company is exposed to equity price risk to the extent that adverse movements in the value of unit linked assets would reduce the future profitability of the Company through a reduction in management fee income. The Company does not have any direct equity exposure except for investment in subsidiaries.

Currency risk – The Company is exposed to currency risk to the extent that adverse movements in the value of non-Euro shareholder assets would reduce the value of these assets in Euro terms. Additionally, the Company is exposed to adverse movements in the value of non-Euro unit linked assets which would reduce the future profitability of the Company through a reduction in management fee income.

Counterparty risk – The Company is exposed to counterparty default risk arising from investments with counterparties, reinsurance arrangements and also the holding of an Italian withholding tax asset. Management ensures that it has diversified and managed investments, and actively monitors its counterparty risks on a monthly basis with quarterly updates provided to the Risk and Compliance Committee.

The Company places limits on its exposure by counterparty, by geographical location and by credit rating. Reinsurance is used to manage insurance risk. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength.

Directors' Report (continued)

(d) Corporate Governance (continued)

Credit risk – The key areas where the Company is exposed to credit risk are corporate bonds, government bonds, EU supranational bonds, bank deposits, collective investment schemes, hedge funds, fund investments, money market funds, the Italian Withholding tax asset, the reinsurers' share of insurance liabilities, amounts due from reinsurers in respect of claims already paid and amounts due from insurance intermediaries.

Expense risk – Expense risk is the risk that actual expenses of the Company differ from the levels expected and allowed for within the pricing and reserving process. The Company mitigates this risk primarily through the annual review of expenses in light of experience and any changes to the market rate of inflation. The Company also performs inflation stress scenario analysis through the annual Own Risk and Solvency Assessment process and report.

Insurance risks – The Company is exposed to life underwriting insurance risk deriving from the Company's core business activities. The Company mitigates this risk primarily through the use of reinsurance agreements with third party reinsurers. The Board completes a review of the Reinsurance Policy on an annual basis or more frequently if there are material business or regulatory changes that require assessment.

Operational risks – The Company is exposed to operational risk deriving from the Company's core business activities which are either managed internally or through group and non-group outsourced service providers. The Company mitigates this risk through the implementation of the internal control and risk management system framework, whose design and structure operates to ensure that business activity complies with the laws and regulations in force and that Company processes are efficient and effective and that accounting and management information is reliable and complete. The Company has implemented a formal outsourcing process which ensures the implementation of appropriate organisational safeguards to monitor the performance of outsourcers and sets reporting obligations for critical outsourced activities. The Company has also implemented a formal Third Party Supplier Framework which ensures appropriate oversight and assessment of both critical/non-critical Third Party Suppliers is in place.

Lapse Risk – refers to the rate of surrenders, as well as paid-up and other discontinuances, being higher or lower than the Company's best estimate assumptions, where such difference results in a diminution of own funds. The Company mitigates lapse risk through annual reviews of lapse risk experience. The Company also undertakes quarterly monitoring and reporting.

Liquidity risk – refers to the risk that the Company will not be able to meet both expected and unexpected cash flow requirements efficiently. All admissible assets must be redeemable within approved periods. The Company manages liquidity risks through cashflow projections and monitoring along with the monitoring of internal liquidity ratios and limits.

Reputational Risk – refers to the risk of potential losses due to a reputational deterioration or to a negative perception of the Company's image among its customers, counterparties, shareholders and supervisory authorities. The Company mitigates this by considering the impact of reputational risk as part of the key business decision making processes.

Tax Risk – refers to the risk that the Italian tax asset will not be recoverable or that there is a change in regulatory requirements concerning the treatment of the asset for solvency purposes. The Company retains an Italian tax asset resulting from the prepayment of exit tax as a result of its decision to become an Italian withholding tax agent in 2012.

Directors' Report (continued)

(d) Corporate Governance (continued)

Emerging Risk – refers to newly developing or changing risks which are difficult to quantify, and which may have a significant impact on the Company. Emerging risks are assessed by Risk Management and reviewed by the Risk and Compliance Committee on a quarterly basis. The Company mitigates these risks through investigation and monitoring of management actions.

Cyber Risk – refers to any risk of financial loss, disruption or damage to the reputation of the Company from failure and breaches of its information technology systems. The Company mitigates these risks through risk assessments and the implementation of an appropriate control framework, including but not limited to:

- Annual business continuity and disaster recovery planning;
- Bi-annual independent third party testing of the external defences e.g. firewalls;
- Independent third party review of the internal systems and access controls benchmarked against industry best practice;
- Ongoing internal review and monitoring of technologies which keep technical controls up to date; and
- Ongoing monitoring of regulatory changes and implementation of the required procedures and controls.

Artificial Intelligence (AI) – refers to the risk the use of AI creates for the Company for operational risk, data protection risk, ethical and legal risks. The Company has implemented a compliance framework, including governance structures, minimal risk use cases, staff training, and technical safeguards to ensure regulatory compliance.

Conduct Risk – refers to the risk the Company poses to its customers from its direct interaction with them. The Company mitigates these risks through the implementation of and compliance with the EIOPA's guidelines on Product Oversight and Governance arrangements by insurance undertakings and insurance distributors. The Company has developed a framework to ensure that customers are protected, and that business is conducted in a fair, efficient, ethical and valuable manner. The Company has also implemented an oversight team which is responsible for initial due diligence and ongoing monitoring of partners.

In addition, there is a risk of reductions in expected earnings and/or value through inappropriate or poor customer treatment (including poor advice). Regular reviews are conducted including detailed examination of any customer complaints and feedback.

Concentration Risk – refers to the risk of loss from lack of diversification across multiple jurisdictions, products or counterparties. The Company mitigates this risk through ongoing diversification of products across multiple jurisdictions and counterparties.

Regulatory Compliance Risk – arises from a failure or inability to comply fully with the laws, regulations standards or codes specifically related to entities in the financial services industry. Any non-compliance may result in the Company being subject to regulatory sanction and financial losses arising from such sanctions. The Company has in place specific personnel tasked with ensuring all aspects of regulation and compliance requirements, including customer conduct codes, are fully complied with. The Company has no appetite or tolerance for regulatory breaches.

Directors' Report (continued)

(d) Corporate Governance (continued)

Climate Risk – The decarbonisation of the global economy as it transitions towards net zero poses a number of risks and opportunities to the Company. The Company is exposed to physical climate impacts, low carbon transition risks and potential opportunities. Climate risk can arise from:

- Physical risk: Disruptions and damage to operations due to extreme weather events and chronic changes including temperature rises potentially leading to increased energy consumption.
- Transition risk: The transition to a net zero economy presents financial risks which can arise from a range of factors, including changes in policy, regulation, technology and customer sentiment. Climate-related metrics are being used to understand and assess the Company's exposure to these risks and potential impacts on asset valuations.
- Liability risk: Climate-related liability risks may arise directly or indirectly from the actions taken by firms in relation to climate change. These may crystallise where a perceived lack of action or lack of appropriate disclosures result in claims or legal action from external stakeholders. These risks will crystallise in full over a longer-term time horizon. The Company treats these risks as cross-cutting risks given they have the potential to manifest through a number of principal risk types within the Company's ERM Framework.

Mitigation: A Climate Risk Framework has been adopted by the Company to embed climate risk considerations in day-to-day processes. The Board oversees the delivery of the Sustainability Strategy, a key element of which is the management of climate-related risk and opportunities. The Company's approach to climate change is set out in its Corporate Social Responsibility policy.

Climate-related issues are considered as a part of the Company's ongoing strategy and development programmes and included within the annual Own Risk and Solvency Assessment. Under the climate risk scenario, it is concluded that given the risk profile of the business there was no significant exposure to physical risks however transition risks were likely relevant. Scenario testing does not identify a solvency coverage falling below the 100% regulatory requirement on a short, medium or longer term.

Sustainability Strategy

The Company is dedicated to making a positive difference, building a brighter future for our clients, and better serving all stakeholders. This means that the Company has a responsibility to consider the environmental, social, and economic impacts of the actions we take now on our stakeholders – both present and future.

Our Sustainability Strategy is framed along four pillars: Stakeholder Outcomes, People Development, Environmental Impact and Responsible Investment. The Strategy aims to integrate sustainability across our business to support the Group in making a positive difference.

Directors' Report (continued)

(d) Corporate Governance (continued)

Our Sustainability Commitments

Stakeholder Outcomes

- Continue to enhance our propositions and service quality to improve client outcomes.
- Emphasis on economic value creation and enduring financial delivery
- Continue to be an active participant in our local communities.

People Development

- Create an environment where our people can achieve their aspirations and reach their full potential.
- Increase diverse representation and strengthen our leadership focus on diversity, equity, and inclusion.
- Enrich employee engagement and learning to develop our talent.

Environmental Impact

- Taking steps to reduce our initial carbon footprint and as well as supporting reduction programmes.
- Provide regular and transparent reporting on our progress against our commitments.
- The impact of the risks relating to climate are assessed, measured, monitored and managed across our business.

Responsible Investments

- Fulfil our duties as a signatory to the UN PRI and a member of the IIGCC.
- Net zero 2050 target for our shareholder investment portfolio as measured by Carbon Intensity.
- Reduce the carbon intensity of our shareholder assets by 50% by 2030.

Directors' Report (continued)

(d) Corporate Governance (continued)

Compliance and Actuarial

Both the Compliance and Actuarial Departments, as independent control functions within the Company, reported to the Board on ongoing activities throughout 2024.

The Compliance function has continued to develop and execute the Compliance Plan.

The Head of Actuarial Function completed the Actuarial Function Reports for the year ended 31 December 2024.

No material issues were raised by the Compliance and Actuarial functions during the year to which these financial statements relate.

Internal Audit

The Internal Audit function is the third line of defence within the Company and is responsible for performing an independent evaluation of the effectiveness of both the internal control and risk management systems, including the adequacy of the controls in place within each business process.

The Internal Audit function assists the Board, through the Audit Committee, in assessing its role in relation to internal control, risk management and governance responsibilities.

The Head of Internal Audit has direct and unfettered access to the Board and to the Chairman of the Audit Committee. The Head of Internal Audit formally reports to the Audit Committee, which meets on a quarterly basis. The primary role of the Audit Committee is assisting the Board in ensuring that there is an adequate system of controls in place for financial reporting and internal control.

A risk-based internal audit plan for 2024, which aimed to provide assurance over the key business processes as well as financial and operational risks, was approved by the Audit Committee and implemented satisfactorily throughout the year. A report, summarising audit activity and the results of each audit undertaken, was provided to the Audit Committee on a quarterly basis.

Banking Committee

The Banking Committee is responsible for the opening, closure and change in purpose of all Master Custodian and Corporate bank accounts in the name of UPE. The Committee is also responsible for the review and approval of appointments to the authorised signatory list and their levels of authorisation and approval.

Investment Committee

The Investment Committee is responsible for the Company's overall asset management strategy and policies and for identifying, monitoring, reporting, and controlling the risks connected with investment activities and approving changes to specific investments and changes to appetite or tolerances.

(e) Dividends

The Company paid an interim dividend of €15,000,000 on 3rd May 2024 and a final dividend of €15,000,000 on 18th September 2024 to its immediate parent UHIL (2023: €37,500,000). The Company has an interim foreseeable dividend payable to its immediate parent UHIL of €11,000,000 payable in March 2025.

Directors' Report (continued)

(f) Directors and Secretary

The names of persons who were directors at any time since 1 January 2024 are set out below.

Henry O'Sullivan	Executive and Chief Executive Officer	Irish	(appointed CEO 1 April 2024)
Sarah Johnston	Executive and Chief Financial Officer	Irish	(appointed 10 April 2024)
Feilim Mackle	Independent Non-Executive Chairman	Irish	(appointed 27 February 2024) (appointed Chair 10 April 2024)
Ian Maidens	Non-Executive	British	
Karl Moore	Executive and Chief Executive Officer	British	(resigned 9 April 2024)
Michael (Mike) Davies	Independent Non-Executive	British	
Paul Thompson	Non-Executive	British	
Tim Madigan	Independent Non-Executive	Irish	
William Finn	Independent Non-Executive Chairman	Irish	(resigned 9 April 2024)

Mr. Philip Brady is the Company Secretary.

Directors' and Secretary's Interests in Shares

Two directors Paul Thompson and Ian Maidens have an equity interest in certain group entities. Details are disclosed in note 32.

(g) Transactions involving Directors

There were no transactions involving directors during 2024 (2023: none).

(h) Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Under Irish law, the directors should not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities, and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and IFRS and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report (continued)

(i) Directors' Compliance Statement

The directors, in accordance with Section 225(2) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations" (as such term is defined in Section 225 (1) of the Act). The directors confirm that:

- a) a compliance policy statement has been drawn up setting out the Company's policies (that, in their opinion, are appropriate to the Company) in respect of the Company's compliance with its relevant obligations;
- b) appropriate arrangements or structures have been put in place that, in their opinion, are designed to secure material compliance with the Company's relevant obligations; and
- c) a review has been conducted, during the financial year, of those arrangements or structures.

(j) Accounting Records

The directors have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to accounting records, by employing accounting personnel with the appropriate qualifications and expertise and by providing adequate resources to the finance function. The accounting records are maintained at Navan Business Park, Athlumney, Navan, Co. Meath.

(k) Relevant Audit Information

So far as each of the directors in office at the date of approval of the financial statements is aware:

- there is no relevant audit information of which the Company's statutory auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

(l) Audit Committee

The Company has established an Audit Committee under Section 167 of the Companies Act 2014. Its function is to assist the Board in fulfilling its oversight responsibilities.

(m) Independent Auditors

PricewaterhouseCoopers was appointed as auditors on 15 August 2018 and are willing to continue in office in accordance with Section 383(2) of the Companies Act 2014.

(n) Company Branches

The Company has a branch in Italy.

(o) Political Donations

There were no political donations made during the year (2023: nil).

(p) Events Post Year End

There have been no material events since year end.

Approved by the Board and signed on its behalf by:



Director

Henry O'Sullivan



Director

Sarah Johnston

Date: 19 March 2025



Independent auditors' report to the members of Utmost PanEurope DAC

Report on the audit of the financial statements

Opinion

In our opinion, Utmost PanEurope DAC's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2024;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the company.

Other than those disclosed in note 5 to the financial statements, we have provided no non-audit services to the company in the period from 1 January 2024 to 31 December 2024.

Our audit approach

Overview



Overall materiality

- €11.7 million (2023: €11.5 million)
Equates to circa 0.04% (2023: circa 0.04%) of financial assets at fair value to cover linked liabilities.

Performance materiality

- €8.8 million (2023: €8.6 million)

Audit scope

- We performed a full scope audit of the company's financial statements, based on materiality levels.

Key audit matters

- Assumptions applied in the valuation of insurance contract liabilities.
- Valuation and existence of financial assets at fair value to cover linked liabilities.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Assumptions applied in the valuation of insurance contract liabilities</i></p> <p>Refer to Note 1b (Accounting policies - Critical accounting judgements and the use of estimate), Note 1c (Accounting policies - Liabilities under insurance contracts and investment contracts with discretionary participation features), Note 18 (Insurance contract assets and liabilities), Note 20 (Amounts determined on transition to IFRS 17), Note 21 (Expected recognition of the contractual service margin), Note 22 (Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment) and Note 28 (Risk Management - Insurance risk) to the financial statements.</p> <p>Unit linked insurance contracts falling within the scope of IFRS 17 are measured using the variable fee approach ("VFA").</p>	<p>We tested the design and operating effectiveness of selected key controls over the actuarial methodology, data and assumptions used by management in calculating the insurance contract liabilities.</p> <p>We assessed the reasonableness of the actuarial methodologies and models used by management in the calculation of the insurance contract liabilities by reference to recognised actuarial practices and standards.</p> <p>With the assistance of our life actuarial specialists, we assessed the reasonableness of the assumptions used by management with a focus on the assumptions for mortality, morbidity and longevity by reference to the company's historical experience and our knowledge of the life assurance industry.</p>



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Non-unit linked contracts, Variable Annuity contracts and Group Life contracts falling within the scope of IFRS 17 are measured using the general measurement model (“GMM”).</p> <p>Under IFRS 17, the insurance contract liabilities for in scope insurance contracts consist of:</p> <ul style="list-style-type: none"> • the present value of future cash flows (“PVFCF”), which is the estimate of future cash flows expected to arise as the insurance contracts are fulfilled; • a risk adjustment for non-financial risk, reflecting the compensation the company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the company fulfils insurance contracts; and • a contractual service margin (“CSM”), representing the unearned profit that the Company will recognise as insurance revenue as and when the Company provides insurance services over the expected duration of the insurance contracts. <p>The valuation of the insurance contract liabilities and in particular the determination of PVFCF involves the use of complex actuarial models, assumptions about future events and significant amounts of data. The determination of the PVFCF requires the use of judgement by management.</p> <p>Changes to key assumptions selected by the Company in relation to mortality, morbidity and longevity could materially impact the valuation of PVFCF. Where VFA is used there is an offsetting impact on the estimated CSM as a result of changes in key assumptions.</p> <p>We considered this to be a key audit matter as it represents a key estimate in the financial statements involving significant judgements by management.</p>	<p>We tested the completeness and accuracy of the underlying data used by the company’s actuaries in calculating the insurance contract liabilities by agreeing the data to underlying systems or source documentation on a sample basis.</p> <p>Based on the work performed and the evidence obtained, we determined the methodologies and assumptions used in the valuation of the insurance contract liabilities to be reasonable.</p>
<p><i>Valuation and existence of financial assets at fair value to cover linked liabilities</i></p> <p><i>Refer to Note 1e (Accounting policies - Financial assets and financial liabilities), Note 13 (Financial assets at fair value held to cover linked liabilities) and Note 28 (Risk Management - Management of financial and other risks) to the financial statements.</i></p> <p>The financial assets at fair value to cover linked liabilities of €30.1 billion included in the statement of financial position of the company are held in the company’s name at 31 December 2024.</p> <p>We considered this to be a key audit matter because it represents a principal element of the financial statements.</p>	<p>We performed procedures to understand the processes and controls applied to asset custody and pricing.</p> <p>We identified controls we considered as key in addressing valuation and existence and tested those controls for design and operational effectiveness.</p> <p>We obtained independent confirmation from the custodians and fund managers of nominal asset holdings at 31 December 2024 on a sample basis. We reconciled the amounts held per the confirmations to the accounting records and tested the material reconciling items to supporting documentation.</p> <p>We tested the valuation of the investment portfolio by independently agreeing, on a sample basis, the valuation of investments to third party vendor sources or investment manager statements.</p> <p>Based on the work performed and evidence obtained, we were satisfied with the existence of and the valuation of the financial assets at fair value to cover linked liabilities included in the financial statements.</p>



How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall materiality</i>	€11.7 million (2023: €11.5 million).
<i>How we determined it</i>	Equates to circa 0.04% (2023: circa 0.04%) of financial assets at fair value to cover linked liabilities which takes into account requirements related to the audit of group financial statements of the parent entity.
<i>Rationale for benchmark applied</i>	Given the unit linked nature of the Company, financial assets at fair value to cover linked liabilities is considered an appropriate benchmark. In selecting the benchmark, we have given consideration to the key users of the financial statements.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to €8.8 million.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €0.6 million (2023: €0.5 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

In accordance with guidance issued on the audit of insurers issued by the Financial Reporting Council which is generally accepted in Ireland, we have applied a higher materiality threshold of €301.3 million solely for the purpose of identifying and evaluating the effect of misstatements that are likely only to lead to a reclassification between line items within assets and liabilities.



Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's going concern assessment for the going concern period which covers twelve months from the date of approval of the financial statements;
- considering the projected solvency position of the company under a number of stress scenarios set out in the company's Own Risk and Solvency Assessment and comparing these to the regulatory solvency capital requirement; and
- considering the liquidity position for the period of assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.



Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Irish insurance laws and regulations and in particular the Solvency II regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate manual journal entries to manipulate financial performance and management bias in accounting estimates and judgmental areas of the financial statements. Audit procedures performed by the engagement team included:

- discussions with the Audit Committee and management, including consideration of whether there are known or suspected instances of non-compliance with laws and regulation and fraud;
- inspecting relevant correspondence with the Central Bank of Ireland ('CBI'), including those in relation to compliance with laws and regulations;
- reading relevant meeting minutes including those of the Board of Directors;
- challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the assumptions applied in the valuation of insurance contract liabilities and the valuation and existence of financial assets at fair value to cover linked liabilities as set out in our key audit matters;
- applying risk-based criteria to identify journal entries for testing and
- designing audit procedures to incorporate elements of unpredictability in our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.



A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 30 November 2018 to audit the financial statements for the year ended 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 31 December 2018 to 31 December 2024.

A handwritten signature in black ink that reads 'Shane McDonald'.

Shane McDonald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

21 March 2025

Statement of Comprehensive Income for the Year Ended 31 December 2024

	Notes	2024 €000	2023 €'000
Insurance revenue		178,980	143,062
Insurance service expenses		(151,907)	(160,650)
Net (expense)/income from reinsurance contracts held		(24,336)	19,055
Insurance service result	19	2,737	1,467
Fees and charges receivable on Investment Business	3	100,221	91,523
Investment return		2,799,227	1,968,848
Finance (expense) / income from Insurance contracts issued		(422,342)	(298,707)
Finance Income/(expense) from Reinsurance contracts held		25,028	41,029
Movement in investment contract liabilities		(2,403,281)	(1,713,957)
Net financial result		(1,368)	(2,787)
Other income		13,756	10,077
Other operating expenses	5	(55,362)	(54,941)
Amortisation of acquired value of in-force business	9	(15,040)	(7,774)
Profit for the year before interest and tax		44,944	37,565
Finance costs	7	(1,210)	(1,164)
Profit for the year before tax		43,734	36,401
Tax charge	8	(5,593)	(3,635)
Profit for the year after tax		38,141	32,766

Statement of Changes in Equity for the Year ended 31 December 2024

	Retained Earnings €'000	Non- Refundable Capital Contribution €'000	Share Capital €'000	Total Equity €'000
As at 1 January 2023	161,605	81,423	18,757	261,785
Profit for the year	32,766	-	-	32,766
Dividend Paid	(37,500)	-	-	(37,500)
At 31 December 2023	156,871	81,423	18,757	257,051
Profit for the year	38,141	-	-	38,141
Dividend Paid	(30,000)	-	-	(30,000)
At 31 December 2024	165,012	81,423	18,757	265,192

Statement of Financial Position as at 31 December 2024

	Note	2024 €'000	2023 €'000
Assets			
Intangible assets			
Acquired value of in-force business	9	68,410	83,450
Deferred acquisition costs	10	83,202	81,319
Financial assets			
Other investments	11	229,360	170,148
Investment in subsidiaries	12	1,925	3,242
Financial assets at fair value to cover linked liabilities			
- Financial investments		28,281,508	24,368,153
- Cash and cash equivalents		1,852,005	1,512,058
Total financial assets at fair value to cover linked liabilities	13	<u>30,133,513</u>	<u>25,880,211</u>
Insurance assets			
Insurance contract assets	18	70	96
Reinsurance contract assets	18	536,889	554,382
Other assets			
Italian withholding tax prepayment	14	124,378	109,357
Other receivables	15	71,019	60,706
Cash and cash equivalents	16	98,491	75,988
Total Assets		<u>31,347,257</u>	<u>27,018,899</u>
Liabilities			
Investment contract liabilities	17	25,690,365	21,982,742
Insurance contract liabilities	18	5,087,810	4,546,858
Financial liabilities	23	24,193	23,070
Deferred income liability	24	96,162	103,055
Deferred tax liabilities	8	11,322	14,102
Other payables	25	127,245	92,021
Italian withholding tax accrual	14	44,968	-
Total liabilities		<u>31,082,065</u>	<u>26,761,848</u>
Capital and reserves			
Share capital	26	18,757	18,757
Non-refundable capital contribution	26	81,423	81,423
Retained earnings		165,012	156,871
Total equity		<u>265,192</u>	<u>257,051</u>
Total equity and liabilities		<u>31,347,257</u>	<u>27,018,899</u>

On behalf of the board:

Henry O'Sullivan

Sarah Johnston

Date: 19 March 2025

Statement of Cash flows for the Year Ended 31 December 2024

	Note	2024 €000	2023 €000
Net cash (outflow)/ inflow from operating activities	27	54,293	37,479
Cash flow from investing activities			
Cash acquired as part of portfolio transfer		-	-
Net cash outflow from financing activities		-	-
Cash flow from financing activities			
Loan Interest paid		(1,790)	(577)
Dividends paid		(30,000)	(37,500)
Net cash outflow from financing activities		(31,790)	(38,077)
Net increase/(decrease) in cash and cash equivalents		22,503	(598)
Cash and cash equivalents at 1 January		75,988	76,586
Cash and cash equivalents at 31 December		98,491	75,988

Notes to the Financial Statements

1. Accounting Policies

The significant accounting policies adopted by the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared in Euro (€) and all values are rounded to the nearest thousand ('000) except where otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and applicable to companies reporting under IFRS at 31 December 2024 and the Companies Act 2014.

The financial statements are prepared under the historical cost convention, modified by the valuation of investments as outlined in the accounting policy for investments noted below.

These financial statements are prepared as the Company's separate financial statements. As allowed under financial reporting standards and the exemption under S299 of the Companies Act 2014, the Company has not presented consolidated financial statements because it is, itself, a wholly owned subsidiary of Utmost Holdings Ireland Limited ("UHIL"), a subsidiary of the ultimate parent company, which presents consolidated financial statements available for public use that comply with IFRS, as adopted by the EU.

At the time of preparing and approving the financial statements, the directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment, the directors considered the following;

- Solvency
- Liquidity & Cash flow Management
- Asset Quality
- Counterparty Exposure
- Insurance & Mortality Risk

In addition, the potential for reinsurers not honouring their financial or operational commitments has also been considered.

On the basis of the above, the directors have concluded that there are 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. Therefore, they have considered it appropriate to continue to adopt the going concern basis of accounting when preparing the financial statements.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(b) Critical accounting judgements and the use of estimate

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The judgements and estimates involved in the Company's accounting policies that are considered by the Board to be the most important to the portrayal of its financial condition and that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company could affect its reported results.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments and carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(I) Assessment of the significance of insurance risk and product classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Insurance risk is significant if there is a scenario that has commercial substance in which, on a present value basis, there is a possibility that an issuer could:

- suffer a loss caused by the insured event, and
- pay significant additional amounts beyond what would be paid if the insured event had not occurred.

To have commercial substance, the scenario has to have a discernible effect on the economics of the transaction.

Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

Some insurance and investment contracts contain a discretionary participation feature ("DPF"). This feature entitles the policyholder to additional discretionary benefits as a supplement to guaranteed benefits. Investment contracts with a DPF are recognised, measured and presented as insurance contracts.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(b) Critical accounting judgements and the use of estimate (continued)

(I) Assessment of the significance of insurance risk and product classification (continued)

The Company uses different measurement approaches, depending on the type of contracts, as follows:

Segment	Contracts Issued	Product Classification	Measurement model
Contracts issued			
UWS	Individual unit linked contracts with material insurance benefits	Insurance Contracts with Direct Participation Features	VFA
UWS	Non linked whole of life and term contracts	Insurance Contracts	GMM
UWS	Individual unit linked contracts with investments linked to external with-profits funds	Insurance Contracts with Direct Participation Features	VFA
UWS	With-profits contracts	Investment Contracts with Discretionary Participation Features	VFA
UWS	Variable Annuity Business	Insurance Contracts	GMM
UCS	Group Life and disability insurance benefits	Insurance Contracts	GMM
Reinsurance contracts held			
UWS	With-profits fund linked reinsurance	Reinsurance contracts held	GMM
UWS	Variable Annuity Business	Reinsurance contracts held	GMM
UCS	Group Life and disability benefits quota-share reinsurance	Reinsurance contracts held	GMM

(II) **Fair values of financial investments** – accounting policy (e)

(III) **Recognition of deferred tax liability** – accounting policy (m)

(IV) **Recognition and carrying value of AVIF** – accounting policy (n)

(V) **Deferral of establishment fees** – accounting policy (f)

(VI) **Valuation of insurance contract liabilities** – accounting policy (c)

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features

Scope

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features ("DPF"). When identifying contracts in the scope of IFRS 17 the Company has assessed the significance of any insurance risk accepted from the policyholder and for reinsurance contracts the insurance risk ceded to a reinsurer, whether a number of contracts needs to be treated as a single contract and whether investment components and goods and services are distinct and have to be separated and accounted for under another standard. Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features issued by the Company fall under this category.

An insurance contract with direct participation features is defined by the Company as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Company uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

Measurement models

The General Measurement Model ("GMM") is the general accounting approach for the measurement of insurance and reinsurance contracts under IFRS 17. The GMM is formed of the following building blocks each of which are detailed further below:

- Fulfilment cashflows ("FCF")
- Risk adjustment ("RA")
- Contractual service margin ("CSM")

Insurance contracts and investments contracts with DPF (a contract with DPF and the transfer of significant insurance risk to the Company are classified as an insurance contract with DPF) are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Company's share of the fair value of the underlying items, which is based on policy fees and management charges (withdrawn from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less other cashflows that do not vary based on the returns on underlying items. The measurement approach for insurance and investment contracts (excluding reinsurance contracts) with DPF is referred to as the Variable Fee Approach, ("VFA"). The VFA modifies the GMM to reflect that a significant portion of the consideration an entity receives for the contracts is a variable fee.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Level of aggregation

Insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. IFRS 17 requires a portfolio of contracts to be divided into annual cohorts. As a result, a group may not include contracts issued more than one year apart. The Company judges that division of products into portfolios according to product type, currency and reinsurance arrangements meets the requirements of grouping products that are managed together and give rise to similar risks. The Company, on initial recognition, further divides the portfolios into insurance groups according to whether the contracts have no significant possibility of becoming onerous, are onerous and all other contracts. Insurance contracts that would have a CSM at initial recognition even after including the risk adjustment are judged to have no significant possibility of becoming onerous. Insurance contracts where at initial recognition the total of the fulfilment cashflows, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow are recognised as onerous. All other contracts are grouped together. Reinsurance contracts are judged to be distinct and are not grouped together.

Contract boundaries

The Company uses the concept of contract boundaries to determine the cash flows that should be considered in the measurement of groups of insurance contracts, reinsurance contracts and investment contracts with DPF. This assessment is reviewed for new contracts issued each reporting period. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services.

Cash flows outside the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria. Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Company to deliver cash at a present or future date. For reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

Insurance acquisition cashflows

The Company includes the following acquisition cash flows within the contract boundary that arise from selling, underwriting and starting a group of insurance contracts or investment contracts with DPF and that are:

- a. costs directly attributable to individual contracts and groups of contracts; and
- b. costs directly attributable to the portfolio of insurance contracts or investment contracts with DPF to which the group belongs, which are allocated on a systematic and rational basis to measure the group of insurance contracts or investment contracts with DPF.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Recognition and derecognition

Groups of insurance contracts and investment contracts with DPF issued are initially recognised from the earliest of the following:

- the beginning of the coverage period; or
- the date when the first payment from the policyholder is due or actually received, if there is no due date; or
- where a group of contracts is onerous, from when the group becomes onerous.

Insurance contracts and investment contracts with DPF acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the earlier of:

- beginning of the coverage period of that group; or
- the date the entity recognises an onerous group of underlying insurance contracts if the entity entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups of insurance contracts and measured under IFRS 17. The start and end periods of each insurance group are selected to coincide with the Company's reporting periods. Composition of the insurance groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparty or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract, as set out in the IFRS17 standard, are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - a. is not in scope of IFRS 17;
 - b. results in different separable components;
 - c. results in a different contract boundary; or
 - d. belongs to a different group of contracts;
- the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa.

When an insurance contract is derecognised from within a group of insurance contracts, the Company adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group and adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group), depending on the reason for the derecognition.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Measurement

(i) Fulfilment cash flows

The FCF are an explicit, unbiased and probability-weighted estimate (i.e. expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the company fulfils insurance contracts, including a risk adjustment for non-financial risk.

The estimates of future cash flows:

- a. are based on a probability weighted mean of the full range of possible outcomes;
- b. are determined from the perspective of the Company, provided the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

Where the effect of future variations in experience on future cashflows are symmetric a single best estimate is assumed to represent the full range of possible outcomes. In a small number of cases, where the effect of future experience variances is not symmetric, then the best estimate is adjusted by probability weighting the effect on cashflows of a range of possible outcomes.

Underlying cashflows, where these arise in multiple currencies, are converted into a single functional currency at the appropriate prevailing foreign exchange rates. In order to discount the FCF the Company uses the bottom-up approach to determine in each applicable currency, a discount rate curve by applying a liquidity adjustment, where appropriate, to a risk-free yield. The risk-free yield curve is estimated from the published yield curve for the relevant currency.

The assumptions used to calculate the FCF on reinsurance contract assets are generally consistent with those used to calculate the FCF of the Insurance Contracts underlying the Reinsurance Contracts Held. Differences in assumptions relate to items that differ between the underlying Insurance Contracts and reinsurance contract assets, for example reinsurer default risk, reinsurance servicing expenses and liquidity risk. The reinsurance contract assets are modified for the risk of non-performance by the reinsurer. The impact is applied by adjusting the FCF discount rates.

An investment component is the amount that an insurance contract or investment contract with DPF requires the Company to repay to a policyholder even if an insured event does not occur. The Company has not separated any investment components from insurance contracts or investment contracts with DPF as the investment components are not considered to be distinct from the underlying contracts. Non-distinct investment components include the unit fund on unit-linked products and with-profit funds for with-profit products. Movements in investment components are not included in insurance revenue and insurance service expenses under IFRS 17.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Measurement (continued)

(ii) Risk Adjustment

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates and is included in fulfilment cashflows. The risk adjustment is determined as the difference between the fulfilment cashflows under a single, insurance portfolio specific, stress scenario and the base scenario. The risk adjustment is calculated without consideration for any reinsurance in place and represents the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Company fulfils insurance contracts.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts. The risk adjustment for reinsurance is determined in the same way as for insurance business but with the stress scenario being determined from a scenario relevant to the underlying insurance portfolio.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Measurement (continued)

(iii) Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a. the initial recognition of the FCF; and
- b. cash flows arising from the contracts in the group at that date.
- c. the derecognition at the date of initial recognition of:
 - (I) any asset for insurance acquisition cash flows; and
 - (II) any other asset or liability previously recognised for cash flows related to the group of contracts

For a group of insurance contracts or investment contracts with DPF issued where the CSM would be negative, this means the group of insurance contracts or investment contracts with DPF issued is onerous and groups of onerous contracts are recognised when the group becomes onerous. A loss from onerous insurance contracts or investment contracts with DPF is recognised in the Statement of Comprehensive Income immediately with no CSM recognised in the Statement of Financial Position.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired in a portfolio transfer or business combination, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a. the initial recognition of the FCF; and
- b. a proxy for premiums received in the portfolio transfer or business combination.

The premium proxy is either the fair value of assets transferred minus any consideration paid or the fair value of liabilities received in insurance portfolio transfers or business combinations respectively. To the extent that amounts cannot be directly attributed to the acquired contracts the premium proxy is allocated to acquired insurance groups using weightings based on risk.

At initial recognition contracts are assessed as to whether they are onerous, profitable, or initially profitable but have the potential to become unprofitable and are allocated to different groups depending upon this assessment. The approach taken is to compare at initial recognition, for each insurance contract, the CSM with the Risk Adjustment. If the CSM is greater than the Risk Adjustment the insurance contract is classified as profitable, if the CSM is zero the contract is classified as onerous. All other contracts are classified as having the potential to become onerous.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Subsequent measurement

The carrying amount at the end of each reporting period of a group of insurance contracts issued at the is the sum of:

- a. the Liability for Remaining Coverage ("LRC"), comprising:
 - (I) the FCF related to future service allocated to the group at that date; and
 - (II) the CSM of the group at that date; and
- b. the liability for incurred claims ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a. the remaining coverage, comprising:
 - (I) the FCF related to future service allocated to the group at that date; and
 - (II) the CSM of the group at that date; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates. The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. changes that relate to current or past service are recognised in profit or loss; and
- b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a., b. and d. are measured using the locked-in discount rates as described in the section on interest accretion on the CSM below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereon;
- b. changes in the FCF relating to the LIC; and
- c. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium based taxes.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts measured under the VFA, where the value of the variable fee is material, the following adjustments relate to future service and thus adjust the CSM:

- a. changes in the Company's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - (I) changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - (II) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - (III) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - (IV) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - (V) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments ii.-v. are measured using the current discount rates.

For insurance contracts measured under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - (I) changes in the FCF relating to the LIC; and
 - (II) experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium based taxes.

Changes to the contractual service margin

For insurance contracts issued, at the end of each annual reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group.
- b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC which corresponds to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d. The effect of any currency exchange differences.
- e. The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates).

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

For contracts issued, the Company determines the proportion of coverage provided in the period for the purpose of CSM recognition as follows:

- a. Coverage units in the period, divided by
- b. The sum of:
 - (III) Coverage units in the period, and
 - (IV) End of period coverage units total forecast.
- c. Where all amounts included in this calculation are undiscounted.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

The coverage units used by the Company are as follows:

Operating Segment	Business Type	Proposed Coverage Units (proxy for "quantity of benefits").
UWS	Non-linked	Sum at Risk
UWS	Unit linked business	Higher of Unit reserves and sum assured
UWS	Unitised with-profits	Unit Fund
UCS	Annuities	Annuities paid in period (deferred annuities with a death benefit provide 20% of initial expected annuity payments in the deferral period).
UCS	Group life and disability	Earned premium

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Onerous contracts – loss components

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on amortising the loss component in line with the amortisation of the CSM (i.e. based on coverage units remaining).

The Company allocates the amortisation of the loss component to insurance revenue with an equivalent offset in insurance service expenses

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Amounts recognised in comprehensive income

Insurance revenue

As the Company provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

Insurance revenue comprises the following:

Amounts relating to the changes in the LRC:

a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

- amounts related to the loss component;
- repayments of investment components; and
- amounts of transaction-based taxes collected in a fiduciary capacity.

b. changes in the risk adjustment for non-financial risk, excluding:

- changes included in insurance finance income (expenses);
- changes that relate to future coverage (which adjust the CSM); and
- amounts allocated to the loss component;

c. amounts of the CSM recognised in profit or loss for the services provided in the period; and

d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- d. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).
- e. allocation of non-directly attributable expenses.

Expenses that do not relate to contracts in the scope of IFRS 17 will be presented in other operating expenses under the relevant accounting standard.

Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents the financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery;
- c. other incurred directly attributable insurance service expenses;
- d. effect of changes in risk of reinsurer non-performance;
- e. changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- f. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

Reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held; and
 - changes that relate to future coverage (which adjust the CSM);
- c. amounts of the CSM recognised in profit or loss for the services received in the period; and
- d. ceded premium experience adjustments relating to past and current service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the FCF and the CSM;
- b. the effect of changes in interest rates and other financial assumptions; and
- c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- d. changes in the fair value of underlying items, excluding the shareholders' share of underlying items;
- e. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- f. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For the contracts measured under the GMM and the VFA, the Company includes all insurance finance income or expenses for the period in profit or loss.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(c) Liabilities under Insurance contracts and investment contracts with discretionary participation features (continued)

Transition

The transition balance sheet was prepared using the Fair Value Approach for all in-scope business as it was impracticable to use the Fully Retrospective Approach because it was not possible to determine a Risk Adjustment at historic reporting dates. This was a key judgement taken by the Company in preparing the transition balance sheet.

The Company had no basis upon which to determine the Risk Adjustment since it had no policy from which a reliable margin for taking on non-financial risk associated with the contracts in scope of IFRS 17 could be determined at the transition date and there was no explicit historical view of the compensation required for non-financial risk on acquired insurance contracts. Consideration was taken to deriving an approach that used margins from historical acquisitions however as the majority of the acquired policies have been investment contracts, with significant reinsurance on insurance contracts and investment contracts with DPF, it was not possible to accurately reflect the view of insurance risk at historic reporting dates.

Under the Fair Value Approach, the CSM or loss component at the transition date was calculated as the difference between the fair value of a group of contracts at that date and the FCF at that date. The Company measured the fair value of a group of contracts as the Solvency II best estimate liability of cashflows within the IFRS17 Contract Boundary, calibrated using a market value adjustment to give a fair value calculated as 90% of:

- Solvency II best estimate experience assumptions plus best estimates for assumptions not required under Solvency II, plus
- a 50% share of the insurance company's Solvency II Risk Margin. The Solvency II Risk Margin is allocated to Groups of Insurance Contracts ("GICs") (the level of aggregation of contracts at which CSMs are determined) based on the relative contribution of those cohorts to the aggregated results.

In applying IFRS 17 the Company has used both the GMM and the VFA. The VFA is used where the Company has direct participation in an insurance contract or investment contract.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(d) Liabilities under investment contracts

Contracts issued by the Company which are unit-linked and do not contain significant insurance risk are classified as investment contracts. Investment contracts primarily consist of unit linked contracts written by the Company. Unit linked liabilities are measured at fair value by reference to net asset value of the underlying assets at the Statement of Financial Position date, with the assets and liabilities classified as "Financial assets at fair value held to cover linked liabilities" and "Investment contract liabilities" respectively in the consolidated Statement of Financial Position. The decision by the Company to designate its unit linked liabilities at fair value through profit or loss reflects the fact that the liabilities are calculated with reference to the fair value of the underlying assets.

Premiums received and withdrawals from investment contracts are accounted for directly in the Statement of Financial Position as adjustments to the investment contract liability when the units are created or redeemed. Investment income and changes in fair value arising from the investment contract assets are included in "Investment return" and "Changes in investment contract liabilities" respectively in the Statement of Comprehensive Income.

Benefits are deducted from Investment Contract Liabilities and transferred to amounts due to investment contract holders on the basis of notifications received, when the benefit falls due for payment or, on the earlier of the date when paid or when the contract ceases to be included within those liabilities.

The Company earns revenue on investment management services provided to holders of investment contracts. Revenue is recognised as the services are performed.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(e) Financial assets and financial liabilities

Classification

The Company has applied IFRS 9 and classifies its financial assets in the following categories: measured at fair value through profit and loss and measured at amortised cost. The classification is determined by the Company business model for managing the financial assets and the contractual terms of the cash flows.

A financial liability is any liability that is a contractual obligation to deliver cash or other financial asset to another entity, to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or a contract that will or may be settled in the entity's own equity instruments. Financial liabilities, are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. All liabilities, other than those designated at fair value through profit or loss, are subsequently carried at amortised cost. The Company's financial liabilities include amounts due to investment and insurance contract holders, payables in respect of investment and insurance contract liabilities, borrowings, reinsurance payables and other payables in the Statement of Financial Position.

Recognition and derecognition

Purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. At initial recognition, financial assets are measured at their fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the purchase of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Financial assets and financial liabilities at fair value through profit or loss

The fair value of quoted investments in an active market is the bid price, for investments in unit trusts and other pooled funds it is the bid price quoted on the last day of the accounting period on which the investments in such funds could be redeemed. If the market for a financial investment is not active, the fair value is determined by using valuation techniques. For these investments, the fair value is established by using quotations from independent third parties, such as brokers or pricing services or by using internally developed pricing models. Priority is given to publicly available prices, where available, but overall the source of pricing and valuation technique is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date. Valuation techniques used include the use of recent arm's length transactions and reference to the current fair value of other instruments that are substantially the same. Financial assets where the fair value is derived using unobservable Level 3 inputs are principally valued using valuations obtained from external parties which are reviewed internally to ensure appropriateness.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(e) Financial assets and financial liabilities (continued)

Financial assets and financial liabilities at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Assets held at amortised cost include insurance receivables and reinsurance receivables.

The Company holds a solvency portfolio which consists of long dated bonds which are held for asset-liability matching purposes and are accounted for at amortised cost. This solvency portfolio is classified under "Other investments" in the Statement of Financial Position. The Company's accounting policy in respect of the impairment of this solvency portfolio is detailed below.

Financial assets at amortised cost are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities, including borrowings from banks, are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. All financial liabilities, other than liabilities under investment contracts which are designated at fair value through profit or loss, are subsequently carried at amortised cost. For financial liabilities measured at amortised cost any difference between initial fair value and redemption value is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Investment in subsidiary undertakings

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured at cost less impairment. Investments are reviewed annually to assess whether there are indicators of impairment. Where indicators of impairment exist, the carrying value of the investment in the subsidiary is compared against its recoverable amount, which is the higher of the fair value less cost to sell or the value-in-use, with any resulting impairment recorded in the statement of comprehensive income.

Dividend income from subsidiaries is recognised when the right to receive payment is established.

Impairments

For financial assets, the Company assesses on a forward-looking basis the expected credit losses associated with its debtors, other receivables and solvency portfolio carried at amortised cost as well as the financial assets at fair value through other comprehensive income. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment losses are recognised within the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item.

For non-financial assets, an impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. For the purpose of assessing the impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised in the Statement of Comprehensive Income. An impairment loss is reversed only to the extent that after the reversal, the asset's carrying amount is no greater than the amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(e) Financial assets and financial liabilities (continued)

Investment return

Investment return comprises interest, dividends and fair value gains and losses on financial assets. All gains and losses arising from changes in the fair value of financial investments held at fair value through profit and loss, realised or unrealised, are recognised within "Investment return" in the Statement of Comprehensive Income in the period in which they arise. Unrealised gains and losses represent the difference between the valuation of the investments and their original cost. Realised gains and losses are calculated as net sales proceeds less purchase costs. Purchase costs are calculated on a weighted average basis. Movements in unrealised gains and losses include the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Interest income generated from financial investments measured at amortised cost or fair value through other comprehensive income, including investment income from bank deposits and fixed or floating interest bearing bonds and stocks, is recognised within "Investment return" in the Statement of Comprehensive Income using the effective interest method.

Dividends, including distributions from collective investments, are accounted for when the income can be reliably measured.

Other income

Other income consists of interest income on shareholder cash and deposits and commission income from the Company's ceded reinsurance on life and disability business. Interest income on shareholder cash and deposits is measured at amortised cost using the effective interest method.

Fair value of financial assets and liabilities

Where possible financial assets and liabilities are valued on the basis of listed market prices by reference to quoted market bid prices for assets and offer prices for liabilities, without any deduction for transaction costs. These are categorised as Level 1 financial instruments and do not involve estimates. If prices are not readily determinable, fair values are determined using valuation techniques including pricing models, discounted cash flow techniques or broker quotes. Financial instruments valued where valuation techniques are based on observable market data at the period end are categorised as level 2 financial instruments. Financial instruments valued where valuation techniques are based on non-observable inputs are categorised as level 3 financial instruments. Level 3 financial instruments therefore involve the use of estimates.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(f) Fees and charges and deferred front end fees

Investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. These fees consist of recurring fees and "front-end" fees (fees that are assessed against the policyholder balance as consideration on origination of the contract). The fees may be for fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

The recurring fees consist of contractual fees and percentage fees related to investment management services and are recognised as revenue over time as performance obligations are satisfied. In most cases this revenue is recognised in the same period in which the fees are charged to the policyholder. Fees that are related to services to be provided in future periods are deferred and recognised when the performance obligations are fulfilled.

Initial and other "front-end" fees that relate to the provision of investment management services are deferred and recognised over the expected term of the policy on a straight-line basis. Commissions receivable arising from with-profit bond investments and commissions from investments in funds are recognised as revenue over time on a straight line basis as performance obligations are fulfilled. Other inward commissions and rebates are accounted for on a receipts basis, net of any amounts directly attributable to policies, as this is when the income can be measured reliably and it is highly probable that it will not be subject to significant reversal. Surrender fees are recognised as income on surrender of a policy as a reduction to the surrender amount returned to policyholders.

(g) Acquisition costs and deferred acquisition costs

Acquisition costs include commissions, intermediary incentives and incentives payable to the Company's sales force. Incremental costs that are directly attributable to securing investment contracts, and are expected to be recoverable, are deferred and recognised in the Statement of Financial Position as deferred acquisition costs. Acquisition costs that do not meet the criteria for deferral are expensed as incurred.

Deferred acquisition costs are amortised over the expected remaining duration of the underlying policyholder contract. The amortisation of deferred acquisition costs is charged to the Statement of Comprehensive Income within the "Commission and advisor fees" line.

Reviews to assess the recoverability of deferred acquisition costs on investment contracts are carried out at each period end date to determine whether there is any indication of impairment. If there is any indication of impairment, the asset's recoverable amount is estimated. Impairment losses are reversed through the Statement of Comprehensive Income if there is a change in the estimates used to determine the recoverable amount. Such losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation where applicable, if no impairment loss had been recognised.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(h) Reinsurance

The Company cedes reinsurance in the normal course of business, with limits varying by line of business. Reinsurers' share of insurance contract liabilities are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract. There are reinsurance arrangements in place for both the Utmost Wealth Solutions and Utmost Corporate Solutions segments. All reinsurance is in line with the underlying entity reinsurance policy and the accounting for each of these classified between liability for remaining coverage and liability for incurred claims.

The assets which are invested in the with profits funds managed by Aviva Group are held at the valuation provided by Aviva of the Company's share of assets in the with profit funds at the year end.

The Aviva reinsurance contract is measured using the GMM method. The underlying insurance contracts are Insurance Contracts with Direct Participation Features and therefore they would be measured using the VFA method. To correct this mismatch the Company applies the Risk Mitigation Option to the measurement of the underlying insurance contracts.

Reinsurance fulfilment cashflows that are assets are adjusted for the risk of default of the reinsurance counterparty. Risk of default is allowed for at an individual reinsurance contract level taking account of the credit rating of the entity and the timing and duration of expected cashflows.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

(i) Other operating expenses

All other operating expenses, including investment management expenses and acquisition costs, are accounted for on an accruals basis.

(j) Italian withholding tax prepayment

Contributions to the Italian Revenue as a result of the Company acting as a Withholding Tax Agent are recognised as a tax prepayment asset. Italian capital gains tax recovered from policyholders is offset against this asset. The recoverable amount of this asset is reviewed at each financial year end and is determined by the Board of Directors. This asset has not been discounted in the financial statements.

(k) Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Comprehensive Income.

Translation differences on monetary financial assets measured at fair value and designated as held at fair value through profit or loss are included in foreign exchange gains and losses in the Statement of Comprehensive Income. Translation differences on non-monetary items, which are designated as fair value, are reported as part of the fair value gain or loss.

(l) Leasing

There were no operating leases held by the Company. Operating leases are held by Utmost Services Ireland Limited and are re-charged to the Company.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(m) Taxation

Current tax payable is the expected tax payable on the taxable income for the period adjusted for changes to previous periods and is calculated based on the applicable tax law in Ireland. Deferred tax is provided using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities for taxation purposes and their carrying amounts in the financial statements. Current and deferred taxes are determined using tax rates based on legislation enacted or substantively enacted at the year end date and expected to apply when the related tax asset is realised or the related tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which temporary differences will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are recognised when there are temporary differences between the carrying value of assets and the tax base.

(n) Acquired value of in-force business

The present value of future profits on a portfolio of investment contracts, representing the value of in force policies ('AVIF') acquired directly or through the purchase of a subsidiary, is recognised as an acquired value of in-force business intangible asset. AVIF is amortised over the useful lifetime of the related contracts in the portfolio on a systematic basis. The rate of amortisation is chosen by considering the profile of the value of in-force business acquired and the expected depletion in its value.

AVIF is recognised, amortised and tested for impairment annually by reference to the present value of estimated future profits. Significant estimates include forecast cash flows and discount rates.

(o) Offsetting

Offsetting is applied when the Company has the right to receive amounts on a net basis from the counterparty and the Company has the intention to settle on a net basis for the amounts due to the Company and due to the counterparty.

(p) Pension costs

The Company's staff, who are employed by Utmost Services Ireland Limited are entitled to join a Defined Contribution Plan; the Utmost Ireland Pension Scheme.

Defined Contribution Plan: Payments are made by the Company to a pension fund, independent of the Company. The Company's contributions are recorded as an expense in the statement of comprehensive income.

(q) Finance costs

Interest payable is recognised in the Statement of Comprehensive Income as it accrues.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

(s) Other receivables

Other receivables include debtors arising out of investment and insurance contracts as well as investment dealing debtors. Other receivables are accounted for at amortised cost less impairment.

(t) Provisions and contingencies

Provisions are recognised in respect of present legal or constructive obligations arising from past events where it is probable that outflows of economic resources will be required to settle the obligations and they can be reliably estimated.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of economic resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the lowest net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(u) Comparative information

Certain comparative amounts used in these financial statements have been reclassified to conform to current year presentation. Such reclassifications do not have an impact on previously reported total equity reported on the balance sheet.

Notes to the Financial Statements (continued)

2. Segment Reporting

Based on the criteria in IFRS 8, the operating segments of the Company are determined to be:

Utmost Wealth Solutions (“UWS”)

A provider of wealth solutions through the sale of unit-linked life assurance products. Also developing insurance solutions, which are aligned to local fiscal and regulatory laws, which may be tailored to meet the unique and exacting requirements of ultra-high-net-worth clients. These solutions are offered through the development and utilisation of the Company’s UK and pan-European network of Private Banking relationships. The Company also offers retail and affluent individuals flexible products for medium to long term financial planning;

Utmost Corporate Solutions (“UCS”)

A provider of cross border employee benefits business including life cover, income protection and critical illness cover to corporate clients to protect their employees. UCS specialises in the provision of benefits to multinational corporations with employees in multiple jurisdictions.

	2024	2023
	€'000	€'000
Operating profit / (loss)		
UWS	58,443	51,480
UCS	2,857	(2,657)
(Loss) / Gain on subsidiaries	(1,316)	(3,484)
Total segmental operating profit	59,984	45,339
Amortisation of AVIF	(15,040)	(7,774)
Finance costs	(1,210)	(1,164)
Profit before tax	43,734	36,401

Notes to the Financial Statements (continued)

2. Segment Reporting (continued)

2024

	UWS	UCS	Total
	€'000	€'000	€'000
Insurance service result	(1,585)	4,322	2,737
Fees and charges receivable on investment business	100,221	-	100,221
Total segmental revenue	98,636	4,322	102,958

2023

	UWS	UCS	Total
	€'000	€'000	€'000
Insurance service result	1,891	(424)	1,467
Fees and charges receivable on investment business	91,523	-	91,523
Total segmental revenue	93,415	(424)	92,990

Notes to the Financial Statements (continued)

2. Segment Reporting (continued)

	2024	2023
	€'000	€'000
(a) Net premiums written		
Gross premium written	176,035	138,999
Outward reinsurance premiums	(136,707)	(108,213)
Net premiums written	39,328	30,786
(b) Gross premiums written (Group Risk & Variable Annuities)		
Ireland - regular premium	137,851	111,368
Other - regular premium	38,007	27,275
Other - reinsurance premium inward	177	357
Total	176,035	139,000
(c) Claims		
Ireland	76,794	73,538
Other	33,946	24,113
Total	110,740	97,651
(d) New business written		
Wealth Protection (Single Premium Investment Contracts and Insurance Contracts)		
Italy	714,034	510,839
United Kingdom	1,237,307	602,227
Spain/Portugal	668,190	782,807
Other	193,592	246,500
Total	2,813,123	2,142,373
Investment Planning (Investment Contracts)		
Finland – single premium	50,895	56,326
Other – single premium	209,546	127,755
Finland – regular premium	3,283	5,215
Other – regular premium	38	168
Total	263,762	189,464
Group Risk		
Ireland	1,116	2,865
Other	813	661
Total	1,929	3,526

Notes to the Financial Statements (continued)

2. Segment Reporting (continued)

Single premium contracts consist of those contracts under which there is no expectation of continuing premiums being paid at regular intervals. Regular premium contracts include those contracts under which premiums are payable at regular intervals during the policy year, including repeated or recurrent single premiums where the level of premiums is defined.

	2024	2023
	€'000	€'000
(e) Fees paid by investment contract policyholders		
Italy	13,870	12,845
United Kingdom	27,756	25,020
Spain/Portugal	7,935	4,963
Other	38,106	36,787
Total	87,667	79,615
(f) Fees paid by insurance contract policyholders		
Italy	9,070	7,319
United Kingdom	11	7
Spain/Portugal	-	-
Other	6	2
Total	9,086	7,328

3. Fees and charges receivable on investment business

	2024	2023
	€'000	€'000
Fee income from investment contracts	87,667	79,615
Net movement in deferred front-end fees	6,931	6,867
Other fee income — including commission and rebates	5,623	5,041
Total fee income	100,221	91,523

Notes to the Financial Statements (continued)

4. Net Financial Result

	UWS 2024 €'000	UCS 2024 €'000	Total 2024 €'000
Net investment income / (expenses) – underlying assets			
Interest revenue from financial assets not measured at FVTPL	-	-	-
Net gains on FVTPL investments	2,786,229	-	2,786,229
Net investment income / (expenses) - underlying assets	2,786,229	-	2,786,229
Net investment income/(expenses) – other investments			
Interest revenue from financial assets not measured at FVTPL	-	-	-
Net gains on FVTPL investments	14,223	(1,225)	12,998
Net investment income/(expense) - other investments	14,223	(1,225)	12,998
Net investment income/(expenses) – other			
Net change in investment contract liabilities	(2,403,281)	-	(2,403,281)
Net investment income/(expenses) - other	(2,403,281)	-	(2,403,281)
Total net investment income	397,171	(1,225)	395,946
Finance Income / (expenses) from insurance contracts issued			
Change in the fair value of underlying assets of contracts measured under the VFA	(388,043)	-	(388,043)
Interest Accreted	(40)	(10,604)	(10,644)
Effect of changes in interest rates and other financial assumptions	561	393	954
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	444	-	444
Changes in foreign exchange	(24,938)	(115)	(25,053)
Finance Income/(expenses) from insurance contracts issued	(412,016)	(10,326)	(422,342)
Finance Income/(expenses) from reinsurance contracts Held			
Interest Accreted	3,852	8,828	12,680
Effect of changes in interest rates and other financial assumptions	(1,018)	21	(997)
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	-	-	-
Changes in foreign exchange	13,245	100	13,345
Finance Income/(expenses) from reinsurance contracts Held	16,079	8,949	25,028
Net Insurance Finance (expenses)/income	(395,937)	(1,377)	(397,314)
Summary of the Amounts Recognised in Profit or Loss			
Net Investment Income – underlying assets	2,786,229	-	2,786,229
Net Investment Income/(expenses) – other investments	14,223	(1,225)	12,998
Net Investment Income/(expenses) – other	(2,403,281)	-	(2,403,281)
Net Insurance Finance Income /(expenses)	(395,937)	(1,377)	(397,314)
Net financial result	1,234	(2,602)	(1,368)
Summary of the Amounts Recognised in Profit or Loss			
Insurance Service Result	(1,585)	4,322	2,737
Net Investment Income	397,171	(1,225)	395,946
Net Insurance Finance Income/(expenses)	(395,937)	(1,377)	(397,314)
Net Insurance and Investment Results	(351)	1,720	1,369

Notes to the Financial Statements (continued)

4. Net Financial Result (continued)

	UWS 2023 €'000	UCS 2023 €'000	Total 2023 €'000
Net investment income / (expenses) – underlying assets			
Interest revenue from financial assets not measured at FVTPL	-	-	-
Net gains on FVTPL investments	1,953,898	-	1,953,898
Net investment income / (expenses) - underlying assets	1,953,898	-	1,953,898
Net investment income/(expenses) – other investments			
Interest revenue from financial assets not measured at FVTPL	-	-	-
Net gains on FVTPL investments	13,305	1,646	14,951
Net investment income - other investments	13,305	1,646	14,951
Net investment income/(expenses) – other			
Net change in investment contract liabilities	(1,713,957)	-	(1,713,957)
Net investment income/(expenses) - other	(1,713,957)	-	(1,713,957)
Total net investment income	253,246	1,646	254,892
Finance Income / (expenses) from insurance contracts issued			
Change in the fair value of underlying assets of contracts measured under the VFA	(275,246)	-	(275,246)
Interest Accreted	242	(8,061)	(7,819)
Effect of changes in interest rates and other financial assumptions	500	(9,911)	(9,411)
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(175)	-	(175)
Changes in foreign exchange	(5,987)	(69)	(6,056)
Finance Income/(expenses) from insurance contracts Issued	(280,666)	(18,041)	(298,707)
Finance Income/(expenses) from reinsurance contracts Held			
Interest Accreted	3,716	6,700	10,416
Effect of changes in interest rates and other financial assumptions	20,446	6,978	27,424
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	-	-	-
Changes in foreign exchange	3,119	70	3,189
Finance Income/(expenses) from reinsurance contracts Held	27,281	13,748	41,029
Net Insurance Finance Income / (expenses)	(253,385)	(4,293)	(257,678)
Summary of the Amounts Recognised in Profit or Loss			
Net Investment Income – underlying assets	1,953,898	-	1,953,898
Net Investment Income/(expenses) – other investments	13,305	1,645	14,950
Net Investment Income/(expenses) – other	(1,713,957)	-	(1,713,957)
Net Insurance Finance Income (expenses)	(253,385)	(4,293)	(257,678)
Net financial result	(139)	(2,648)	(2,787)
Summary of the Amounts Recognised in Profit or Loss			
Insurance Service Result	1,892	(425)	1,467
Net Investment Income	253,246	1,645	254,891
Net Insurance Finance Income/(expenses)	(253,385)	(4,293)	(254,678)
Net Insurance and Investment Results	1,753	(3,073)	(1,320)

Notes to the Financial Statements (continued)

5. Total expenses

	2024	2023
	€'000	€'000
Claims and benefits		
Acquisition costs	22,998	21,856
Administration expenses	47,006	44,194
Professional fees	2,806	3,723
Other administrative costs	696	1,354
Total expenses	73,506	71,127
Other operating expenses	55,362	54,941
Insurance service expenses	18,144	16,186
Total expenses	73,506	71,127

Also included Auditors' remuneration for the audit of the entity's financial statements, audit related assurance services and out of pocket expenses of €992,000 (2023: €984,000).

The Company has 7 employees at 31 December 2024. All remaining staff were employed by Utmost Services Ireland Limited ('USIL').

Auditors' Remuneration

The remuneration of the auditors is further analysed as follows:

	2024	2023
	€'000	€'000
Auditors' remuneration PricewaterhouseCoopers (PWC Ireland)		
Audit of the financial statements	793	791
Audit related assurance services including Solvency II	199	193
Non – audit services	-	-
Auditors' remuneration PricewaterhouseCoopers (PWC Isle of Man)		
Audit of financial statements	-	-
Total auditors' remuneration	992	984

Operating lease charges

At 31 December 2024 the Company had no operating lease commitments.

Notes to the Financial Statements (continued)

6. Directors' and key management emoluments

Included in administration expenses are directors' emoluments:	2024	2023
	€'000	€'000
Directors' emoluments	632	852
Directors' pension contributions	65	67
Non- executive directors' emoluments	185	189
Total	882	1,108

The directors of Company are also the directors of several other group companies.

Prior to September 2024, all directors' emoluments were paid by USIL on behalf of other group companies. The expenses incurred by USIL in relation to director emoluments were recharged to the company through the MSA. With effect from September 2024, directors' emoluments are paid through the Company and there is no longer a recharge from USIL for these costs.

Pension contributions are made on behalf of two directors and paid to the Utmost Ireland pension scheme.

The aggregate amount of the gains by the directors on the exercise of share options during the year ended 31 December 2024 was nil (2023: nil).

Compensation of Key Management Personnel

The following disclosures are made in accordance with the provisions of IAS 24 Related Party Disclosures, in respect of the compensation of Key Management Personnel. Under IAS 24, Key Management Personnel are defined as comprising Executive and Non-Executive Directors together with Senior Executive Officers.

Included in administration expenses are key management emoluments:	2024	2023
	€'000	€'000
Short term benefits	1,807	2,306
Post employment benefits	161	176
Non- executive directors' emoluments	185	189
Total	2,153	2,671

The Key Management Personnel of the Company are also the Key Management Personnel of several other group companies.

Prior to September 2024, all Key Management Personnel compensation was paid by USIL on behalf of other group companies. The expenses incurred by USIL were recharged to the group companies. With effect from September 2024, some Key Management Personnel are now paid through the Company with no longer a recharge from USIL to the Company.

7. Finance costs

	2024	2023
	€'000	€'000
Interest expense on borrowings	1,210	1,164
Total	1,210	1,164

The interest expense on borrowings arises on financial liabilities measured at amortised cost using the effective interest rate method. The borrowings in place at 31 December 2024 are detailed in note 23. The Company has a foreign exchange exposure as the loan is denominated in GBP.

Notes to the Financial Statements (continued)

8. Tax charge

	2024	2023
	€'000	€'000
Irish corporation tax:		
Current tax on profit for financial year	7,904	2,347
Prior year tax under provision	35	-
Foreign branch tax (Prior Year)	33	(135)
Foreign branch tax (Current Year)	277	275
Deferred tax	(2,656)	1,148
Total charge	5,593	3,635

The following table explains the difference between the tax charge that would result from applying the standard corporation tax rate in Ireland of 12.5% and the actual tax charge for the year:

	2024	2023
	€'000	€'000
Profit on ordinary activities before tax	43,734	36,401
Profit before tax multiplied by standard tax rate of 12.5% (2023: 12.5%)	5,467	4,550
Permanent differences	154	438
Franked investment income	-	(375)
Losses utilised on which no deferred tax recognised	(42)	(319)
Prior year tax under provision	35	
Foreign tax prior year under provision	33	(135)
Foreign tax effect	191	162
Group relief claimed	(245)	(686)
Total charge	5,593	3,635

As at 31 December 2024 the Company had a deferred tax liability of €11,322,000 in relation to timing differences (2023: €14,102,000), which has been recognised in the financial statements.

	2024	2023
	€'000	€'000
Balance at 1 January	(14,102)	(12,955)
Deferred tax credit/(charge) for the financial year	1,800	2,772
Deferred tax credit/(charge) arising on IFRS 17 transition	980	(3,919)
Balance at 31 December	(11,322)	(14,102)

The elements of deferred taxation are as follows:

Difference between depreciation and capital allowances	169	248
IFRS 17 transitional adjustments	(2,939)	(3,919)
Intangible assets	(8,552)	(10,431)
Total	(11,322)	(14,102)

Notes to the Financial Statements (continued)

8. Tax charge (continued)

The UK tax authorities (HMRC) published draft guidance in 2024 confirming that policyholders' investment return from unit linked business should not be considered "revenue" of the insurance company for the purposes of the Pillar 2 GloBE tax scoping test. There is currently no guidance from OECD or Irish Revenue on the matter. Following the draft HMRC guidance, Utmost Group Plc should not fall into scope of Pillar Two in 2024, however it expects to do in 2025, meaning the Company will be subject to the Irish Qualifying Domestic Top-Up Tax in 2025 and the Company is currently reviewing the impact.

The 2025 Italian Budget which was approved on 28 December 2024 introduced measures in relation to prepaying stamp duty on Italian policies in respect (i) stamp duty accrued as at 31 Dec 2024 and (ii) stamp duty accruing for future years. The advance stamp duty payments of accrued stamp duty as at 31 December 2024 are spread over the next 4 years, with 50% payable in 2025, 20% in 2026 & 2027 and 10% in 2028. The total estimated payment resulting from the accrued stamp duty over the next four years is €124m. UPE will create a stamp duty reserve fund for policyholders to fund the stamp duty advance payments.

Notes to the Financial Statements (continued)

9. Acquired value of in-force business

	2024 €'000	2023 €'000
Cost		
At 1 January	105,841	105,841
Additions – Portfolio transfer	-	-
At 31 December	105,841	105,841
Accumulated amortisation		
At 1 January	22,391	14,617
Reversal of impairment	-	(9,853)
Charge for the financial year	15,040	17,627
At 31 December	37,431	22,391
Net book value		
At 31 December	68,410	83,450
Current portion	12,609	15,040
Non-current portion	55,801	68,410
Total	68,410	83,450

The AVIF is calculated based on the present value of expected future profits on the Aegon Ireland and Quilter Ireland portfolio of investment contracts, allowing for the cost of capital. Key assumptions include future lapse and expense assumptions. The AVIF is being amortised in line with the projected run-off of the Solvency II best estimate liabilities. The AVIF is reviewed for impairments at each reporting date by reference to the value of future profits in accordance with Solvency II principles.

10. Deferred acquisition costs

	2024 €'000	2023 €'000
Balance at 1 January	81,319	79,766
Costs deferred in current financial year	13,307	12,703
Release to income statement	(11,424)	(11,150)
Balance at 31 December	83,202	81,319
Current portion	2,460	2,180
Non-current portion	80,742	79,139
Total	83,202	81,319

Notes to the Financial Statements (continued)

11. Other investments

	2024	2023
	€'000	€'000
Other investments		
Debt securities – Fair value through profit or loss	74,750	23,369
Debt securities – Amortised cost	8,352	10,133
Investment funds – Fair value through profit or loss	146,258	136,646
Balance at 31 December	229,360	170,148

Investment funds includes the Company's holdings in the Oaktree European Senior Loan Fund, domiciled in Luxembourg. This fund has monthly valuation and liquidity. This investment falls into the Level 2 fair value hierarchy. The Company's holdings are in the EUR share class and are valued at €25,101,000 at 31 December 2024 (2023: €24,699,000). Cash dividends are made quarterly and were switched from a stock dividend to a cash dividend during 2023. The investment return on the investment is attributable in full to the Company. The security is held subject to prices in the future which are uncertain. The price risk falls to the Company but is not considered significant as at 31 December 2024 and 31 December 2023.

12. Investment in subsidiaries

	2024	2023
	€'000	€'000
Investment in subsidiaries		
Investment in Athlumney Kappa Ireland dac	1,009	1,040
Investment in Utmost Bermuda Limited	916	2,202
Total investment in subsidiaries	1,925	3,242
Investment in subsidiaries – movement		
Balance at 1 January	3,242	6,726
Dividends paid	-	(3,000)
Fair value (loss)/gain in subsidiaries	(1,317)	(484)
Balance at 31 December	1,925	3,242

Notes to the Financial Statements (continued)

13. Financial assets at fair value held to cover linked liabilities

Investments

	2024 €'000	2023 €'000
Bonds	4,680,695	3,736,227
Equities	3,572,688	2,918,537
Funds	19,534,996	17,145,019
Derivatives	(6,586)	3,768
Other investments	499,716	564,602
Cash and cash equivalents	1,852,004	1,512,058
Total	30,133,513	25,880,211

Other investments include holdings in Structured Notes, Collateralised Securities, Loans and Investment Properties. Derivative instruments are used for the purposes of currency hedging for reducing investment risk or facilitating efficient portfolio management. The underlying investment(s) of each derivative must be a permitted investment under the terms of the Company permissible investment list.

14. Italian withholding tax prepayment and accrual

Asset	2024 €'000	2023 €'000
Balance at 1 January	109,357	123,015
Payable in respect of 2024	44,968	-
Payable in respect of 2023	-	17,571
Recovered from policyholders during the year	(23,464)	(12,943)
Offset special credit	(6,483)	(18,286)
Balance at 31 December	124,378	109,357
Liability		
Balance at 1 January	-	-
Payable in respect of 2024	44,968	-
Payable in respect of 2023	-	17,571
Paid during the year	-	(17,571)
Balance at 31 December	44,968	-
Maturity analysis of tax expected to be recovered		
In one financial year or less	44,968	-
In more than one financial year, but not more than five financial years	79,410	109,357
In more than five financial years, but not more than twenty financial years	-	-
Total	124,378	109,357

15. Other receivables

	2024 €'000	2023 €'000
Prepayments and accrued income	26,688	21,519
Amounts due from other group companies	25,661	23,568
Other debtors	18,670	15,619
Balance at 31 December	71,019	60,706
Current portion	71,019	60,706
Non-current portion	-	-
Total	71,019	60,706

Notes to the Financial Statements (continued)

16. Cash and cash equivalents

	2024 €'000	2023 €'000
Cash at bank	98,491	75,988
Balance at 31 December	98,491	75,988

17. Investment contract liabilities

The following table summarises the movement in financial liabilities under investment contracts during the year:

	2024 €'000	2023 €'000
Balance at start of year	21,982,742	19,730,289
Deposits to investment contracts	2,556,166	1,992,423
Withdrawals from investment contracts	(1,609,059)	(1,502,413)
Fees and charges deducted including third party charges	(93,719)	(84,814)
Change in investment contract liabilities	2,403,281	1,713,957
Other movements	49,380	37,181
Foreign exchange movement	401,574	96,118
Movement in the year	3,707,623	2,252,452
Closing balance carried forward	25,690,365	21,982,742

18. Insurance contract assets and liabilities

	UWS 2024 €'000	UCS 2024 €'000	Total 2024 €'000	Current portion 2024 €'000	Non- current portion 2024 €'000	Total 2024 €'000
Insurance Contract Assets	70	-	70	5	65	70
Insurance Contract Liabilities	(4,742,449)	(345,361)	(5,087,810)	(405,235)	(4,682,575)	(5,087,810)
Reinsurance Contract Assets	276,718	260,171	536,889	101,203	435,686	536,889
Reinsurance Contract Liabilities	-	-	-	-	-	-

	UWS 2023 €'000	UCS 2023 €'000	Total 2023 €'000	Current portion 2023 €'000	Non- current portion 2023 €'000	Total 2023 €'000
Insurance Contract Assets	96	-	96	1	95	96
Insurance Contract Liabilities	(4,231,949)	(314,909)	(4,546,858)	(353,827)	(4,193,031)	(4,546,858)
Reinsurance Contract Assets	304,527	249,855	554,382	99,422	454,960	554,382
Reinsurance Contract Liabilities	-	-	-	-	-	-

Notes to the Financial Statements (continued)

19. Insurance Revenues and Expenses

	UWS 2024 €'000	UCS 2024 €'000	Total 2024 €'000
Insurance Revenue			
<i>Amounts Relating to the Changes in the LRC:</i>			
-Expected incurred claims and other expenses after loss component allocation	3,605	104,560	108,165
-Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,127	10,432	11,559
-CSM recognised in profit or loss for the services provided	2,096	49,314	51,410
Insurance acquisition cash flows recovery	174	7,672	7,846
Total insurance revenue	7,002	171,978	178,980
Insurance service expenses			
Incurred claims and other directly attributable expenses	(3,868)	(117,899)	(121,767)
Changes that relate to past service – adjustments to the LIC	-	(1,874)	(1,874)
Losses on onerous contracts and reversal of the losses	(4,937)	(15,483)	(20,420)
Insurance acquisition cash flows amortisation	(174)	(7,672)	(7,846)
Total insurance service expenses	(8,979)	(142,928)	(151,907)
Net income (expenses) from reinsurance contracts Held			
<i>Reinsurance Income/Expense) – Contracts not measured under the PAA</i>			
<i>Amounts relating to changes in the remaining coverage:</i>			
-Expected claims and other expenses recovery	(17)	(84,705)	(84,722)
-Changes in the risk adjustment recognised for the risk expired	(183)	(8,153)	(8,336)
-CSM recognised for the services received	583	(30,984)	(30,400)
Reinsurance income/(expense) – contracts not measured under the PAA	383	(123,841)	(123,458)
Other incurred directly attributable expenses			
Effects of changes in the risk of reinsurers non-performance	-	(42)	(42)
Claims recovered	5	84,623	84,627
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	3	13,976	13,979
Changes that relate to past service – adjustments to incurred claims	-	557	557
Total net income (expenses) from reinsurance contracts Held	7	99,114	99,122
Total insurance service result	(1,586)	4,323	2,737

Notes to the Financial Statements (continued)

19. Insurance Revenues and Expenses (Continued)

	UWS 2023 €'000	UCS 2023 €'000	Total 2023 €'000
Insurance Revenue			
<i>Amounts Relating to the Changes in the LRC:</i>			
-Expected incurred claims and other expenses after loss component allocation	3,956	100,015	103,971
-Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	928	9,033	9,961
-CSM recognised in profit or loss for the services provided	1,635	20,656	22,291
Insurance acquisition cash flows recovery	104	6,735	6,839
Total insurance revenue	6,623	136,439	143,062
Insurance service expenses			
Incurred claims and other directly attributable expenses	(3,998)	(106,510)	(110,507)
Changes that relate to past service – adjustments to the LIC	-	(30,875)	(30,875)
Losses on onerous contracts and reversal of the losses	(215)	(12,213)	(12,429)
Insurance acquisition cash flows amortisation	(104)	(6,735)	(6,839)
Total insurance service expenses	(4,317)	(156,333)	(160,650)
Net income (expenses) from reinsurance contracts Held			
<i>Reinsurance Income/Expense) – Contracts not measured under the PAA</i>			
<i>Amounts relating to changes in the remaining coverage:</i>			
-Expected claims and other expenses recovery	(21)	(75,684)	(75,705)
-Changes in the risk adjustment recognised for the risk expired	(198)	(6,974)	(7,172)
-CSM recognised for the services received	(197)	(3315,455)	(15,651)
Reinsurance income/(expense) – contracts not measured under the PAA	(416)	(98,113)	(98,529)
Other incurred directly attributable expenses			
Effects of changes in the risk of reinsurers non-performance	-	(96)	(96)
Claims recovered	-	77,172	77,172
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	11,513	11,513
Changes that relate to past service – adjustments to incurred claims	-	28,995	28,995
	-	117,584	117,584
Total net income (expenses) from reinsurance contracts Held	(416)	19,471	19,055
Total insurance service result	1,891	(424)	1,467

Notes to the Financial Statements (continued)

20. Amounts determined on transition to IFRS 17

	UWS 2024 €'000	UCS 2024 €'000	Total 2024 €'000
Insurance contracts issued			
Insurance Revenue			
New Contracts	1,934	170,500	172,434
Contracts measured under the fair value approach at transition	5,069	1,477	6,546
Total	7,003	171,977	178,980
CSM at 31 December			
New Contracts	20,331	7,469	27,800
Contracts measured under the fair value approach at transition	17,094	-	17,094
Balance at 31 December	37,425	7,469	44,894
Reinsurance contracts held			
New Contracts	-	(5,154)	(5,154)
Contracts measured under the fair value approach at transition	3,822	(6)	3,816
Balance at 31 December	3,822	(5,160)	(1,338)
Insurance contracts issued			
Insurance Revenue			
New Contracts	901	112,287	113,188
Contracts measured under the fair value approach at transition	5,721	24,153	29,874
Total	6,622	136,440	143,062
CSM at 31 December			
New Contracts	11,201	5,255	16,456
Contracts measured under the fair value approach at transition	19,278	46	19,324
Balance at 31 December	30,479	5,302	35,780
Reinsurance contracts held			
New Contracts	-	(3,680)	(3,680)
Contracts measured under the fair value approach at transition	(1,944)	(40)	(1,984)
Balance at 31 December	(1,944)	(3,720)	(5,664)

Notes to the Financial Statements (continued)

21. Expected recognition of the contractual service margin

Number of years until expected to be recognised As at 31 December 2024	Insurance contracts issued			Reinsurance contracts held		
	UWS	UCS	Total CSM for insurance contracts issued	UWS	UCS	Total CSM for reinsurance contracts held
	2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000
1	2,212	5,833	8,045	532	(3,913)	(3,380)
2	2,999	1,468	4,467	(330)	(1,080)	(1,410)
3	2,038	164	2,202	426	(165)	261
4	1,942	1	1,943	379	-	379
5	1,849	-	1,850	337	-	337
6-10	7,914	2	7,916	1,189	(2)	1,188
>10	18,471	1	18,472	1,289	(1)	1,288
Total	37,425	7,469	44,894	3,822	(5,160)	(1,338)

Number of years until expected to be recognised As at 31 December 2023	Insurance contracts issued			Reinsurance contracts held		
	UWS	UCS	Total CSM for insurance contracts issued	UWS	UCS	Total CSM for reinsurance contracts held
	2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000
1	1,806	3,197	5,003	(104)	(2,333)	(2,437)
2	2,696	1,912	4,608	(860)	(1,240)	(2,100)
3	1,653	191	1,844	(90)	(145)	(235)
4	1,570	2	1,571	(83)	(1)	(84)
5	1,489	-	1,490	(76)	-	(76)
6-10	6,344	-	6,344	(295)	-	(295)
>10	14,920	-	14,920	(438)	-	(438)
Total	30,478	5,302	35,780	(1,946)	(3,719)	(5,665)

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	2024					2023				
	1 year	5	10	15	20	1	5	10	15	20
USD	4.18	4.02	4.07	4.13	4.10	4.76	3.50	3.45	3.49	3.46
GBP	4.46	4.04	4.07	4.23	4.30	4.74	3.36	3.28	3.40	3.43
EUR	2.24	2.14	2.27	2.33	2.26	3.36	2.32	2.39	2.47	2.41
EUR	3.45	3.35	3.48	3.54	3.47	4.70	3.66	3.73	3.81	3.75

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims

	UWS LRC		UWS	UWS	UCS LRC		UCS	UCS
	Excl. Loss component	Loss component	LIC	Total	Excl. Loss component	Loss component	LIC	Total
	2024	2024	2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening insurance contract liabilities	(4,220,310)	(593)	-	(4,220,903)	(18,829)	(7,745)	(302,821)	(329,395)
Opening insurance contract assets	96	-	-	96	-	-	-	-
Net balance at 1 January	(4,220,214)	(593)	-	(4,220,807)	(18,829)	(7,745)	(302,821)	(329,395)
Insurance revenue	7,002	-	-	7,002	171,978	-	-	171,978
Insurance service expenses								
Incurred claims and directly attributable expenses	-	618	(4,485)	(3,867)	-	15,310	(133,209)	(117,899)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-	(1,874)	(1,874)
Losses on onerous contracts and reversal of those losses	-	(4,937)	-	(4,937)	-	(15,484)	-	(15,484)
Insurance acquisition cashflows	(174)	-	-	(174)	(7,672)	-	-	(7,672)
Insurance Service expenses	(174)	(4,319)	(4,485)	(8,978)	(7,692)	(174)	(135,083)	(142,929)
Insurance Service result	6,628	(4,319)	(4,485)	(1,976)	164,306	(174)	(135,083)	29,049
Finance income/(expense) from insurance contracts issued	(411,933)	(83)	-	(412,016)	(2,439)	(18)	(7,869)	(10,326)
Total amounts recognised in comprehensive income	(405,105)	(4,402)	(4,485)	(413,992)	161,867	(192)	(142,952)	18,723
Investment components	437,749	-	(437,749)	-	4	-	(4)	-
Cashflows								
Premiums received	(542,737)	-	-	(542,737)	(175,702)	-	-	(175,702)
Claims and other directly attributable expenses paid	-	-	442,235	442,235	-	-	112,441	112,441
Insurance acquisition cashflows	1,574	-	-	1,574	8,483	-	-	8,483
Total Cashflows	(541,163)	-	442,235	(98,928)	(167,219)	-	112,441	(54,778)
Net balance as at 31 December	(4,728,733)	(4,996)	-	(4,733,728)	(24,177)	(7,937)	(333,335)	(365,450)
Closing insurance contract liabilities	(4,728,847)	(4,950)	-	(4,733,798)	(24,177)	(7,937)	(333,335)	(365,450)
Closing insurance contract assets	115	(45)	-	70	-	-	-	-
Net balance as at 31 December	(4,728,733)	(4,995)	-	(4,733,728)	(24,177)	(7,937)	(333,335)	(365,450)

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	UWS LRC		UWS	UWS	UCS LRC		UCS	UCS
	Excl. Loss component	Loss component	LIC	Total	Excl. Loss component	Loss component	LIC	Total
	2023	2023	2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening insurance contract liabilities	(3,763,424)	(408)	-	(3,763,832)	(14,981)	(5,026)	(238,757)	(258,764)
Opening insurance contract assets	86	-	-	86	-	-	-	-
Net balance at 1 January	(3,763,338)	(408)	-	(3,763,746)	(14,981)	(5,026)	(238,757)	(258,764)
Insurance revenue	6,622	-	-	6,622	136,439	-	-	136,439
Insurance service expenses								
Incurred claims and directly attributable expenses	-	30	(4,028)	(3,997)	-	9,503	(116,013)	(106,510)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-	(30,875)	(30,875)
Losses on onerous contracts and reversal of those losses	-	(216)	-	(216)	-	(12,213)	-	(12,213)
Insurance acquisition cashflows	(103)	-	-	(103)	(6,735)	-	-	(6,735)
Insurance Service expenses	(103)	(185)	(4,028)	(4,316)	(6,735)	(2,710)	(146,888)	(156,334)
Insurance Service result	6,519	(185)	(4,028)	2,306	129,704	(2,710)	(146,888)	(19,894)
Finance income/(expense) from insurance contracts issued	(280,666)	-	-	(280,666)	(3,961)	(9)	(14,071)	(18,041)
Total amounts recognised in comprehensive income	(274,147)	(185)	(4,028)	(278,360)	125,743	(2,719)	(160,959)	(37,935)
Investment components	238,765	-	(238,765)	-	14	-	(14)	-
Cashflows								
Premiums received	(422,777)	-	-	(422,777)	(138,441)	-	-	(138,441)
Claims and other directly attributable expenses paid	-	-	242,793	242,793	-	-	96,909	96,909
Insurance acquisition cashflows	1,282	-	-	1,282	8,836	-	-	8,836
Total Cashflows	(421,495)	-	242,793	(178,702)	(129,605)	-	96,909	(32,696)
Net balance as at 31 December	(4,220,214)	(593)	-	(4,220,807)	(18,829)	(7,745)	(302,821)	(329,395)
Closing insurance contract liabilities	(4,220,310)	(593)	-	(4,220,903)	(18,829)	(7,745)	(302,821)	(329,395)
Closing insurance contract assets	96	-	-	96	-	-	-	-
Net balance as at 31 December	(4,220,214)	(593)	-	(4,220,807)	(18,829)	(7,745)	(302,821)	(329,395)

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

The premium receivables balance forms part of the Liability for Remaining Coverage and the Claims payable balance forms part of the Liability for Incurred Claims. Both balances form part of the Present Value of Future Cashflows.

Gross	Premium receivable		Claims payable		Commission payable		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening balance 1 January	16,675	13,204	(11,111)	(9,425)	(2,124)	(1,559)	3,440	2,220
Incurred	718,439	561,218	(534,286)	(323,219)	(14,241)	(12,132)	169,912	225,867
Received	(712,812)	(557,790)	536,871	321,721	14,432	11,571	(161,509)	(224,498)
FX	34	43	(432)	(188)	(7)	(4)	(405)	(149)
Closing balance 31 December	22,336	16,675	(8,958)	(11,111)	(1,940)	(2,124)	11,438	3,440

	UWS	UCS	Total	UWS	UCS	Total
	2024	2024	2024	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000
Insurance Contract Liabilities	4,733,797	365,450	5,099,247	4,220,903	329,395	4,550,298
Premium receivable	-	(22,336)	(22,336)	-	(16,676)	(16,676)
Claims payable	8,651	307	8,958	11,047	64	11,111
Commission payable	-	1,940	1,940	-	2,124	2,124
Closing balance 31 December	4,742,448	345,361	5,087,809	4,231,949	314,908	4,546,858

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(b) Reconciliation of the measurement components of insurance contract balances

	UWS Present value of future cashflows 2024 €'000	UWS Risk adjustment for non-financial risk 2024 €'000	UWS CSM 2024 €'000	UWS Total 2024 €'000	UCS Present value of future cashflows 2024 €'000	UCS Risk adjustment for non- financial risk 2024 €'000	UCS CSM 2024 €'000	UCS Total 2024 €'000
Opening insurance contract liabilities	(4,179,224)	(11,215)	(30,464)	(4,220,903)	(304,958)	(19,136)	(5,302)	(329,395)
Opening insurance contract assets	110	-	(15)	96	-	-	-	-
Net balance at 1 January	(4,179,114)	(11,215)	(30,479)	(4,220,807)	(304,958)	(19,136)	(5,302)	(329,395)
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	-	-	2,096	2,096	-	-	49,314	49,314
Changes in the risk adjustments for non-financial risk expired service	-	1,127	-	1,127	-	10,432	-	10,432
Experience adjustments	(262)	-	-	(262)	(13,339)	-	-	(13,339)
	(262)	1,127	2,096	2,961	(13,339)	10,432	49,314	46,407
Changes that relate to future service								
Changes in estimates that adjust the CSM	(1,539)	(33)	1,572	-	44,842	(825)	(44,017)	-
Changes in estimates that result in onerous contract losses or reversal of losses	(4,631)	-	-	(4,631)	(4,122)	-	-	(4,122)
Contracts initially recognised in the period	9,070	(1,435)	(7,940)	(305)	4,787	(9,166)	(6,983)	(11,362)
	2,900	(1,468)	(6,369)	(4,937)	45,507	(9,991)	(51,000)	(15,484)
Changes that relate to past service								
Changes that relate to past service – adjustments to the LIC	-	-	-	-	(1,120)	(754)	-	(1,874)
Insurance Service Result	2,638	(341)	(4,273)	(1,976)	31,049	(314)	(1,687)	29,049
Finance income/(expense) from insurance contracts issued	(408,806)	(536)	(2,674)	(412,016)	(8,856)	(989)	(481)	(10,326)
Total amounts recognised in comprehensive income	(406,169)	(877)	(6,947)	(413,992)	22,193	(1,302)	(2,167)	18,723
Cashflows								
Premiums received	(542,737)	-	-	(542,737)	(175,702)	-	-	(175,702)
Claims and other directly attributable expenses paid	442,235	-	-	442,235	112,441	-	-	112,441
Insurance acquisition cashflows deducted	1,574	-	-	1,574	8,483	-	-	8,483
Total Cashflows	(98,928)	-	-	(98,828)	(54,778)	-	-	(54,778)
Net balance at 31 December	(4,684,211)	(12,092)	(37,425)	(4,733,728)	(337,543)	(20,438)	(7,469)	(365,450)
Closing insurance contract liabilities	(4,684,281)	(12,092)	(37,425)	(4,733,798)	(337,543)	(20,438)	(7,469)	(365,450)
Closing insurance contract assets	70	-	-	70	-	-	-	-
Net balance at 31 December	(4,684,211)	(12,092)	(37,425)	(4,733,728)	(337,543)	(20,438)	(7,469)	(365,450)

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(b) Reconciliation of the measurement components of insurance contract balances

	UWS Present value of future cashflows 2023 €'000	UWS Risk adjustment for non-financial risk 2023 €'000	UWS CSM 2023 €'000	UWS Total 2023 €'000	UCS Present value of future cashflows 2023 €'000	UCS Risk adjustment for non- financial risk 2023 €'000	UCS CSM 2023 €'000	UCS Total 2023 €'000
Opening insurance contract liabilities	(3,736,280)	(10,263)	(17,290)	(3,763,832)	(238,551)	(15,643)	(4,570)	(258,764)
Opening insurance contract assets	90	-	(4)	86	-	-	-	-
Net balance at 1 January	(3,736,189)	(10,263)	(17,294)	(3,763,746)	(238,551)	(15,643)	(4,570)	(258,764)
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	-	-	1,635	1,635	-	-	20,656	20,656
Changes in the risk adjustments for non-financial risk expired service	-	928	-	928	-	9,033	-	9,033
Experience adjustments	(41)	-	-	(41)	(6,495)	-	-	(6,495)
	(41)	928	1,635	2,522	(6,495)	9,033	20,656	23,194
Changes that relate to future service								
Changes in estimates that adjust the CSM	7,809	(587)	(7,222)	-	11,478	(219)	(11,259)	-
Changes in estimates that result in onerous contract losses or reversal of losses	(46)	-	-	(46)	(4,121)	-	-	(4,121)
Contracts initially recognised in the period	5,839	(899)	(5,109)	(169)	11,499	(9,788)	(9,803)	(8,093)
	13,602	(1,486)	(12,331)	(216)	18,855	(10,007)	(21,062)	(12,214)
Changes that relate to past service								
Changes that relate to past service – adjustments to the LIC	-	-	-	-	(29,188)	(1,687)	-	(30,875)
Insurance Service Result	13,561	(558)	(10,696)	2,306	(16,827)	(2,661)	(406)	(19,895)
Finance income/(expense) from insurance contracts issued	(277,783)	(394)	(2,489)	(280,666)	(16,885)	(831)	(325)	(18,042)
Total amounts recognised in comprehensive income	(264,223)	(952)	(13,185)	(278,359)	(33,712)	(3,493)	(731)	(37,936)
Cashflows								
Premiums received	(422,777)	-	-	(422,777)	(138,441)	-	-	(138,441)
Claims and other directly attributable expenses paid	242,793	-	-	242,793	96,909	-	-	96,909
Insurance acquisition cashflows deducted	1,282	-	-	1,282	8,836	-	-	8,836
Total Cashflows	(178,702)	-	-	(178,702)	(32,695)	-	-	(32,695)
Net balance at 31 December	(4,179,114)	(11,215)	(30,479)	(4,220,807)	(304,958)	(19,136)	(5,302)	(329,395)
Closing insurance contract liabilities	(4,179,224)	(11,215)	(30,464)	(4,220,903)	(304,958)	(19,136)	(5,302)	(329,395)
Closing insurance contract assets	110	-	(15)	96	-	-	-	-
Net balance at 31 December	(4,179,114)	(11,215)	(30,479)	(4,220,807)	(304,958)	(19,136)	(5,302)	(329,395)

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(c) Impact of contracts recognised in the year

	UWS Non-onerous contracts originated 2024 €'000	UWS Onerous contracts originated 2024 €'000	UWS Total 2024 €'000	UCS Non-onerous contracts originated 2024 €'000	UCS Onerous contracts originated 2024 €'000	UCS Total 2024 €'000
Estimates of the present value of future cash outflows	6,994	1,299	8,294	40,682	74,605	115,288
- Insurance acquisition cashflows	1,582	323	1,905	1,931	5,430	7,361
- Claims and other directly attributable expenses	5,412	976	6,388	38,751	69,176	107,927
Estimates of the present value of future cash outflows	6,994	1,299	8,294	40,682	74,605	115,288
Estimates of the present value of future cash inflows	(16,281)	(1,082)	(17,363)	(49,690)	(70,384)	(120,074)
Risk adjustment for non-financial risk	1,346	88	1,435	2,024	7,141	9,166
CSM	7,940	-	7,940	6,983	-	6,983
Increase in insurance contract liabilities from contracts recognised in the year	-	305	305	-	11,362	11,362

	UWS Non-onerous contracts originated 2023 €'000	UWS Onerous contracts originated 2023 €'000	UWS Total 2023 €'000	UCS Non-onerous contracts originated 2023 €'000	UCS Onerous contracts originated 2023 €'000	UCS Total 2023 €'000
Estimates of the present value of future cash outflows	4,481	776	5,257	69,151	61,354	130,505
- Insurance acquisition cashflows	1,109	190	1,299	5,295	5,458	10,753
- Claims and other directly attributable expenses	3,372	586	3,958	63,856	55,896	119,752
Estimates of the present value of future cash outflows	4,481	776	5,257	69,151	61,354	130,505
Estimates of the present value of future cash inflows	(10,442)	(654)	(11,096)	(83,243)	(58,761)	(142,004)
Risk adjustment for non-financial risk	852	47	899	4,289	5,500	9,788
CSM	5,109	-	5,109	9,803	-	9,803
Increase in insurance contract liabilities from contracts recognised in the year	-	169	169	-	8,093	8,093

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(d) Amounts determined on transition to IFRS 17

	UWS	UWS	UWS	UCS	UCS	UCS
		Contracts measured under the fair value approach at transition	Total	New contracts	Contracts measured under the fair value approach at transition	Total
	New contracts 2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000
<i>Insurance contracts issued</i>						
Insurance Revenue	1,934	5,068	7,002	170,500	1,477	171,977
CSM at 1 January	11,215	19,263	30,479	5,255	46	5,302
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(197)	(1,899)	(2,096)	(48,949)	(365)	(49,314)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	653	(2,225)	(1,572)	43,699	318	44,017
Contract initially recognised in the period	7,940	-	7,940	6,983	-	6,983
	8,594	(2,225)	6,369	50,682	318	51,000
Finance expenses from insurance contracts issued	718	1,956	2,674	481	-	481
Total amounts recognised in comprehensive income	9,312	(269)	9,043	51,163	318	51,481
CSM at 31 December	20,331	17,094	37,425	7,469	-	7,469

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(d) Amounts determined on transition to IFRS 17 (continued)

	UWS	UWS	UWS	UCS	UCS	UCS
		Contracts measured under the fair value approach at transition	Total	New contracts	Contracts measured under the fair value approach at transition	Total
	New contracts 2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000
<i>Insurance contracts issued</i>						
Insurance Revenue	901	5,722	6,623	112,287	24,153	136,439
CSM at 1 January	4,369	12,924	17,294	2,884	1,687	4,570
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(430)	(1,205)	(1,635)	(17,022)	(3,634)	(20,656)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	1,981	5,241	7,222	9,315	1,944	11,259
Contract initially recognised in the period	5,109	-	5,109	9,803	-	9,803
	7,090	5,241	12,331	19,118	1,944	21,062
Finance expenses from insurance contracts issued	153	2,335	2,489	326	(1)	325
Total amounts recognised in comprehensive income	7,243	7,577	14,820	19,444	1,943	21,387
CSM at 31 December	11,182	19,296	30,479	5,306	(4)	5,302

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(e) Reinsurance contracts held

	UWS Remaining Coverage 2024 €'000	UWS Incurred Claims 2024 €'000	UWS Total 2024 €'000	UCS Remaining Coverage 2024 €'000	UCS Incurred Claims 2024 €'000	UCS Total 2024 €'000
Opening reinsurance contract assets	303,020	-	303,020	21,647	250,704	272,351
Opening reinsurance contract liabilities	-	-	-	-	-	-
Net balance at 1 January	303,020		303,020	21,647	250,704	272,351
Net income/(expense) from reinsurance contracts held						
Reinsurance expenses	384	-	384	(123,841)	-	(123,841)
Other incurred directly attributable expenses	-	-	-	-	-	-
Claims recovered	-	5	5	-	84,623	84,623
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	557	557
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	3	-	3	13,976	-	13,976
Effect of changes in the risk of reinsurers non-performance	-	-	-	1	(43)	(42)
Net income/(expense) from reinsurance contracts held	387	5	391	(109,864)	85,137	(24,727)
Finance income from reinsurance contracts Held	16,078	-	16,078	2,047	6,903	8,949
Total amounts recognised in comprehensive income	16,465	5	16,470	(107,818)	92,040	(15,778)
Investment Components	(42,697)	42,697	-	-	-	-
Other charges						
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(368)	-	(368)	111,028	-	111,028
Recoveries from reinsurance	-	(42,701)	(42,701)	-	(71,779)	(71,779)
Total Cashflows	(368)	(42,701)	(43,070)	111,028	(71,779)	39,249
Net balance at 31 December	276,420	-	276,420	24,857	270,965	295,822
Closing reinsurance contract assets	276,420	-	276,420	24,857	270,965	295,822
Closing reinsurance contract liabilities	-	-	-	-	-	-
Net balance at 31 December	276,420	-	276,420	24,857	270,965	295,822

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(e) Reinsurance contracts held (continued)

	UWS Remaining Coverage 2023 €'000	UWS Incurred Claims 2023 €'000	UWS Total 2023 €'000	UCS Remaining Coverage 2023 €'000	UCS Incurred Claims 2023 €'000	UCS Total 2023 €'000
Opening reinsurance contract assets	309,310	-	309,310	18,175	196,257	214,432
Opening reinsurance contract liabilities	-	-	-	-	-	-
Net balance at 1 January	309,310	-	309,310	18,175	196,257	214,432
Net income/(expense) from reinsurance contracts held	-	-	-	-	-	-
Reinsurance expenses	(416)	-	(416)	(98,113)	-	(98,113)
Other incurred directly attributable expenses	-	-	-	-	-	-
Claims recovered	-	-	-	-	77,172	77,172
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	28,995	28,995
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	11,513	-	11,513
Effect of changes in the risk of reinsurers non-performance	-	-	-	(2)	(94)	(96)
Net income/(expense) from reinsurance contracts held	(416)	-	(416)	(86,602)	106,072	19,470
Finance income from reinsurance contracts Held	27,282	-	27,282	1,834	11,914	13,748
Total amounts recognised in comprehensive income	26,866	-	26,866	(84,768)	117,986	33,218
Investment Components	(32,789)	32,789	-	-	-	-
Other charges						
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(367)	-	(367)	88,240	-	88,240
Recoveries from reinsurance	-	(32,789)	(32,789)	-	(63,539)	(63,539)
Total Cashflows	(367)	(32,789)	(33,157)	88,240	(63,539)	24,701
Net balance at 31 December	303,020	-	303,020	21,647	250,704	272,351
Closing reinsurance contract assets	303,020	-	303,020	21,647	250,704	272,351
Closing reinsurance contract liabilities	-	-	-	-	-	-
Net balance at 31 December	303,020	-	303,020	21,647	250,704	272,351

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(f) Reconciliation of the measurement components of reinsurance contract balances

	UWS Present value of future cashflows 2024 €'000	UWS Risk adjustment for non- financial risk 2024 €'000	UWS CSM 2024 €'000	UWS Total 2024 €'000	UCS Present value of future cashflows 2024 €'000	UCS Risk adjustment for non- financial risk 2024 €'000	UCS CSM 2024 €'000	UCS Total 2024 €'000
Opening reinsurance contract assets	299,381	1,695	1,944	303,020	253,977	14,654	3,720	272,351
Opening reinsurance contract liabilities	-	-	-	-	-	-	-	-
Net balance at 1 January	299,381	1,695	1,944	303,020	253,977	14,654	3,720	272,351
Changes that relate to current service								
CSM recognised in profit or loss for the services received	-	-	583	583	-	-	(30,984)	(30,984)
Changes in the risk adjustments for non-financial risk for the risk expired	-	(183)	-	(183)	-	(8,153)	-	(8,153)
Experience adjustments	(12)	-	-	(12)	(82)	-	-	(82)
Changes that relate to future service	(12)	(183)	583	388	(82)	(8,153)	(30,984)	(39,219)
Changes in estimates that adjust the CSM	6,634	(362)	(6,272)	-	(23,728)	724	23,004	-
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	3	3	-	-	13,976	13,976
Contracts initially recognised in the period	-	-	-	-	(2,800)	7,397	(4,597)	-
Changes that relate to past service	6,634	(362)	(6,269)	3	(26,528)	8,121	32,383	13,976
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	281	276	-	557
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	(42)	-	-	(42)
Reinsurance service result	6,622	(545)	(5,686)	391	(26,371)	244	1,400	(24,727)
Finance (income) expenses from reinsurance contracts issued	16,035	124	(80)	16,078	8,133	776	40	8,949
Total amounts recognised in comprehensive income	22,656	(422)	(5,766)	16,469	(18,238)	1,020	1,440	(15,778)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	(368)	-	-	(368)	111,028	-	-	111,028
Recoveries from reinsurance	(42,701)	-	-	(42,701)	(71,779)	-	-	(71,779)
Total cash flows	(43,070)	-	-	(43,070)	39,249	-	-	39,249
Net balance at 31 December	278,968	1,273	(3,822)	276,420	274,988	15,675	5,160	295,822
Closing reinsurance contract assets	278,968	1,273	(3,822)	276,420	274,988	15,675	5,160	295,822
Closing reinsurance contract liabilities	-	-	-	-	-	-	-	-
Net balance at 31 December	278,968	1,273	(3,822)	276,420	274,988	15,675	5,160	295,822

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(f) Reconciliation of the measurement components of reinsurance contract balances (continued)

	UWS Present value of future cashflows 2023 €'000	UWS Risk adjustment for non- financial risk 2023 €'000	UWS CSM 2023 €'000	UWS Total 2023 €'000	UCS Present value of future cashflows 2023 €'000	UCS Risk adjustment for non- financial risk 2023 €'000	UCS CSM 2023 €'000	UCS Total 2023 €'000
Opening reinsurance contract assets	305,189	1,919	2,203	309,310	197,766	12,923	3,743	214,432
Opening reinsurance contract liabilities	-	-	-	-	-	-	-	-
Net balance at 1 January	305,189	1,919	2,203	309,310	197,766	12,923	3,743	214,432
Changes that relate to current service								
CSM recognised in profit or loss for the services received	-	-	(196)	(196)	-	-	(15,455)	(15,455)
Changes in the risk adjustments for non-financial risk for the risk expired	-	(198)	-	(198)	-	(6,974)	-	(6,974)
Experience adjustments	(21)	-	-	(21)	1,488	-	-	1,488
Changes that relate to future service	(21)	(198)	(196)	(416)	1,488	(6,974)	(15,455)	(20,942)
Changes in estimates that adjust the CSM	213	(111)	(102)	-	(4,510)	176	4,334	-
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-	-	-	11,513	11,513
Contracts initially recognised in the period	-	-	-	-	(6,121)	6,533	(412)	-
Changes that relate to past service	213	(111)	(102)	-	(10,631)	6,709	15,435	11,513
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	27,638	1,357	-	28,995
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	(96)	-	-	(96)
Reinsurance service result	192	(309)	(298)	(415)	18,399	1,091	(20)	19,470
Finance (income) expenses from reinsurance contracts issued	27,157	85	40	27,282	13,111	640	(3)	13,748
Total amounts recognised in comprehensive income	27,349	(224)	(258)	28,866	31,510	1,731	(23)	33,218
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	(367)	-	-	(367)	88,240	-	-	88,240
Recoveries from reinsurance	(32,789)	-	-	(32,789)	(63,539)	-	-	(63,539)
Total cash flows	(33,157)	-	-	(33,157)	24,701	-	-	24,701
Net balance at 31 December	299,381	1,695	1,944	303,020	253,977	14,654	3,720	272,351
Closing reinsurance contract assets	299,381	1,695	1,944	303,020	253,977	14,654	3,720	272,351
Closing reinsurance contract liabilities	-	-	-	-	-	-	-	-
Net balance at 31 December	299,381	1,695	1,944	303,020	253,977	14,654	3,720	272,351

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(f) Reconciliation of the measurement components of reinsurance contract balances (continued)

The premium receivables balance forms part of the Present Value of Future Cashflows.

	Premium payable		Ceded claims		Ceded commission		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening balance 1 January	(45,722)	(40,411)	17,736	13,449	6,997	4,658	(20,990)	(22,304)
Incurred	(135,510)	(106,720)	116,298	95,994	21,975	18,632	2,763	7,907
Received	123,674	101,560	(115,198)	(91,758)	(25,446)	(16,307)	(16,970)	(6,505)
FX	(255)	(151)	85	51	15	13	(155)	(87)
Closing balance 31 December	(57,814)	(45,722)	18,921	17,736	3,541	6,997	(35,352)	(20,990)

	UWS	UWS	Total	UWS	UCS	Total
	2024	2024	2024	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000
Insurance contract liabilities / Reinsurance contract assets Per 22 (f)	276,420	295,822	572,242	303,020	272,351	575,371
Premium payable	-	(57,814)	(57,814)	-	(45,722)	(45,722)
Claims receivable	299	18,622	18,921	1,507	16,229	17,736
Commission receivable	-	3,541	3,541	-	6,997	6,997
Closing balance 31 December	276,718	260,171	536,889	304,527	249,855	554,382

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(g) Impact of contracts recognised in the year

	UWS Contracts originated not in a net gain 2024 €'000	UWS Contracts originated in a net gain 2024 €'000	UWS Total 2024 €'000	UCS Contracts originated not in a net gain 2024 €'000	UCS Contracts originated in a net gain 2024 €'000	UCS Total 2024 €'000
Estimates of the present value of future cash outflows	-	-	-	(29,945)	(47,706)	(77,651)
Estimates of the present value of future cash inflows	-	-	-	37,782	42,670	80,451
Risk adjustment for non-financial risk	-	-	-	(1,559)	(5,837)	(7,397)
CSM	-	-	-	(6,277)	10,874	4,597

	UWS Contracts originated not in a net gain 2023 €'000	UWS Contracts originated in a net gain 2023 €'000	UWS Total 2023 €'000	UCS Contracts originated not in a net gain 2023 €'000	UCS Contracts originated in a net gain 2023 €'000	UCS Total 2023 €'000
Estimates of the present value of future cash outflows	-	-	-	(34,954)	(38,490)	(73,443)
Estimates of the present value of future cash inflows	-	-	-	43,963	35,601	79,564
Risk adjustment for non-financial risk	-	-	-	(1,789)	(4,744)	(6,533)
CSM	-	-	-	(7,221)	7,633	412

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(h) Amounts determined on transition to IFRS 17

	UWS	UWS	UWS	UCS	UCS	UCS
		Contracts measured under the fair value approach at transition	Total	New Contracts	Contracts measured under the fair value approach at transition	Total
	New Contracts 2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000
Reinsurance contracts held						
CSM at 1 January	-	1,944	1,944	3,680	40	3,720
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	-	583	583	(30,683)	(301)	(30,984)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	15	(6,284)	(6,269)	36,715	265	36,980
Contract initially recognised in the period	-	-	-	(4,597)	-	(4,597)
	15	(6,284)	(6,269)	32,119	265	32,383
Finance expenses from reinsurance contracts held	-	(80)	(80)	39	2	41
Total amounts recognised in comprehensive income	15	(6,364)	(6,349)	32,157	267	32,424
CSM at 31 December	15	(3,837)	(3,822)	5,154	6	5,160

Notes to the Financial Statements (continued)

22. Analysis of the Utmost Wealth Solutions Segment and Utmost Corporate Solutions Segment (continued)

(i) Amounts determined on transition to IFRS 17

	UWS	UWS	UWS	UCS	UCS	UCS
		Contracts measured under the fair value approach at transition	Total	New Contracts	Contracts measured under the fair value approach at transition	Total
	New Contracts 2023 €'000	2023 €'000	2023 €'000	2023 €'000	2023 €'000	2023 €'000
Reinsurance contracts held						
CSM at 1 January	-	2,203	2,203	2,380	1,362	3,743
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	-	(196)	(196)	(12,220)	(3,235)	(15,455)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	-	(102)	(102)	16,815	(968)	15,847
Contract initially recognised in the period	-	-	-	(412)	-	(412)
		(102)	(102)	16,403	(968)	15,435
Finance expenses from reinsurance contracts held	-	40	40	(2)	(1)	(3)
Total amounts recognised in comprehensive income	-	(62)	(62)	16,402	(969)	15,432
CSM at 31 December	-	1,944	1,944	6,562	(2,842)	3,720

Notes to the Financial Statements (continued)

23. Financial liabilities

	2024 €'000	2023 €'000
11 Year 5% Loan from Utmost International Isle of Man Limited	24,193	23,070
Total	24,193	23,070

In 2018, the Company issued a £20,000,000 loan note to another group company, Utmost Limited. The loan note was transferred to Utmost International Isle of Man Limited on 30 November 2022. The balance outstanding at 31 December 2024 amounted to €24,193,000 (2023: €23,070,000), with interest accrued amounting to €172,000 (2023: €746,000). This loan was listed on the International Stock Exchange on 8 April 2019.

24. Deferred income liability

	2024 €'000	2023 €'000
Balance at 1 January	103,055	109,910
Amortisation	(15,153)	(9,518)
Income deferred in current financial year	8,260	2,663
Balance at 31 December	96,162	103,055

25. Other payables

	2024 €'000	2023 €'000
Amounts due to reinsurers	49,161	22
Amounts due to policyholders	54,485	66,594
Commissions due to intermediaries	1,953	3,924
Other liabilities	21,646	21,481
Total	127,245	92,021

26. Share capital and Non-refundable capital contribution

	2024 €'000	2023 €'000
Authorised:		
350,000,000 ordinary shares of €1.00 each	350,000	350,000
400,000,000 Non-Voting Redeemable Preference Shares of €1.00 each	400,000	400,000
Total	750,000	750,000
Non-refundable capital contribution	81,423	81,423
Issued and fully paid:		
18,757,332 Ordinary Shares of €1.00 each	18,757	18,757
0 Non-Voting Redeemable Preference Shares of €1.00 each	-	-
Total	18,757	18,757

Notes to the Financial Statements (continued)

27. Cash flow statement

The reconciliation of profit before tax to the net cash (outflow)/inflow from operating activities is:

	2024	2023
	€'000	€'000
Profit before tax	43,734	36,401
Adjustments for:		
Dividend income	(1,695)	(5,089)
Interest and similar income	(37,696)	(28,863)
Amortisation of AVIF	15,040	7,774
Finance costs	(1,210)	(1,164)
Changes in working capital:		
Increase in liabilities for investment contract and insurance contracts	4,248,575	2,778,936
(Increase)/Decrease in reinsurance assets	17,518	(52,953)
Net movement in financial assets and investment in subsidiaries	(4,271,805)	(2,727,980)
Change in other working capital items	41,832	30,417
Net cash inflow from operating activities	54,293	37,479

Notes to the Financial Statements (continued)

28. Risk Management

The identification, measurement and management of risk is a priority for the Company. Consequently the Board of directors has established a comprehensive framework covering accountability, oversight, measurement and reporting to ensure maintenance of sound systems of internal control and risk management to ensure the Company operates within its risk appetite. Risk appetite is a measure of the amount and type of risks the Company is willing to accept in pursuit of its objectives. It seeks to encourage a measured and appropriate approach to risk to ensure risks are understood and aligned to the business strategy and objectives.

The Company's governance structure comprises the Board and appropriate Committee structures. The key subsidiary board committees are the Audit Committee, Risk and Compliance Committee and Investment Committee.

The Audit Committee is responsible for reviewing the appropriateness and completeness of the systems of internal control. The Audit Committee also reviews the annual financial statements, consider the significant financial reporting issues and judgements which they contain and make recommendations to the subsidiary boards concerning their content and approval.

The Risk and Compliance Committees are responsible for the review and oversight of the risk and compliance profile of the relevant operating business within the context of the determined risk appetite. The Investment Committees are responsible for the overall asset management strategy and policies of each operating business and for identifying, monitoring, reporting, and controlling the risks connected with investment activities and approving changes to specific investments and changes to appetite or tolerances.

The UPE Banking Committee is responsible for the opening and closure of all master Custodian and Corporate bank accounts and for the review and approval of appointments to the authorised signatory list and their levels of authorisation.

Insurance risk

Insurance risk refers to the risk that the frequency or severity of insured events may be worse than expected and includes expense risk. The Company's contracts include the following sources of insurance risk:

- a) Expenses — Policies cost more to administer than expected;
Lapses — An adverse movement in either surrender rates or persistency rates on policies with guaranteed benefits leading to losses. This includes the risk of greater than expected policyholder option exercise rates giving rise to increased claims costs.
- b) Mortality/longevity — Higher than expected death claims on assurance products and payments for a longer duration for annuity products;
- c) Claims — Higher than expected claims on short term insurance contracts.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Expense Risk

Expense risk is the risk that actual expenses of the Company differ from the levels expected and allowed for within the pricing and reserving process. Expenses are reviewed annually in light of experience and any changes to the market rate of inflation. The following table details the impact to the Company if expenses were to increase by 5%.

	UWS		UCS	
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
	2024	2024	2024	2024
	UWS	UWS	UCS	UCS
	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	(753)	(659)	(656)	(574)
Reinsurance contract assets	(1)	(1)	108	95
Net insurance contract liabilities	(754)	(660)	(548)	(479)
Investment contract balances	-	-	-	-
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
	2023	2023	2023	2023
	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	(292)	(256)	(626)	(548)
Reinsurance contract assets	-	-	88	77
Net insurance contract liabilities	(292)	(255)	(538)	(471)
Investment contract balances	(3,346)	(2,928)	-	-

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Lapse and claim rates

The assumed rates for surrender and voluntary premium discontinuance in the participating business depend primarily on the length of time a policy has been in force. Withdrawal rates used in the valuation of unitised with-profit policies are based on observed experience and adjusted when it is considered that future policyholder behaviour will be influenced by different considerations than in the past. In particular, it is assumed that withdrawal rates for unitised with-profit contracts will be higher on policy anniversaries on which Market Value Adjustments do not apply.

The following table details the impact to the Company if a 20% mass lapse were to occur:

	UWS		UCS	
	Impact to:	Equity	Impact to:	Equity
	Profit before tax	2024	Profit before tax	2024
	2024	2024	2024	2024
	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	(1,229)	(1,075)	859	752
Reinsurance contract assets	28	24	(764)	(669)
Net insurance contract liabilities	(1,201)	(1,051)	95	83
Investment contract balances	(1,485)	(1,299)	-	-
	Impact to:	Equity	Impact to:	Equity
	Profit before tax	2023	Profit before tax	2023
	2023	2023	2023	2023
	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	(1,037)	(907)	891	779
Reinsurance contract assets	(298)	(261)	(895)	(783)
Net insurance contract liabilities	(1,335)	(1,168)	(4)	(4)
Investment contract balances	(7,157)	(6,262)	-	-

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Mortality and longevity rates

Mortality rates are based on published tables, adjusted appropriately to take account of changes in the underlying population mortality since the table was published, group experience and forecast changes in future mortality. Where appropriate, a margin is added to assurance mortality rates to allow for adverse future deviations. Annuitant mortality rates are adjusted to make allowance for future improvements in pensioner longevity. A 10% increase to mortality rates, a reduction of 10% in based for annuitant mortality rates has been estimated to have the below impacts:

	UWS		UCS	
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
Mortality 10% increase	2024	2024	2024	2024
	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	(83)	(73)	(21,552)	(18,858)
Reinsurance contract assets	(27)	(23)	17,380	15,207
Net insurance contract liabilities	(110)	(96)	(4,172)	(3,651)
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
	2024	2024	2024	2024
Longevity 10% reduction in base	€'000	€'000	€'000	€'000
Insurance contract liabilities (including reinsurance contract liabilities)	77	67	19,555	17,111
Reinsurance contract assets	31	27	(15,934)	(13,942)
Net insurance contract liabilities	108	94	3,621	3,169

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Mortality and longevity rates (continued)

	UWS		UCS	
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
	2023	2023	2023	2023
	€'000	€'000	€'000	€'000
Mortality 10% increase				
Insurance contract liabilities (including reinsurance contract liabilities)	(25)	(22)	(20,131)	(17,615)
Reinsurance contract assets	(73)	(64)	16,262	14,230
Net insurance contract liabilities	(98)	(86)	(3,869)	(3,385)
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
	2023	2023	2023	2023
	€'000	€'000	€'000	€'000
Longevity 10% reduction in base				
Insurance contract liabilities (including reinsurance contract liabilities)	23	20	17,835	15,606
Reinsurance contract assets	84	73	(14,952)	(13,083)
Net insurance contract liabilities	107	93	2,883	2,523

Policyholder options and guarantees

Some of the Company's products give potentially valuable guarantees, or give options to change policy benefits which can be exercised at the policyholders' discretion. Most unitised with-profit contracts give a guaranteed minimum payment on death. Some with-profit bonds pay a guaranteed minimum surrender value, expressed as a percentage of the original premium, on a specified anniversary or anniversaries of commencement. Annual bonuses, when added to unitised with-profit contracts, usually increase the guaranteed amount.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Objectives and policies for mitigating insurance risk

The Company mitigates these risks primarily through the use of reinsurance agreements with third party reinsurers'.

The profitability of the run-off of the Company's closed long-term insurance businesses depends to a significant extent on the values of claims paid in the future relative to the assets accumulated to the date of claim. Typically, over the lifetime of a contract, premiums and investment returns exceed claim costs in the early years and it is necessary to set aside these amounts to meet future obligations. The amount of such future obligations is assessed on actuarial principles by reference to assumptions about the development of financial and insurance risks.

It is therefore necessary for the Board to make decisions, based on actuarial advice, which ensure an appropriate accumulation of assets relative to liabilities. These decisions include investment policy, bonus policy and, where discretion exists, the level of payments on early termination.

Reinsurance Risk

The Company is exposed to credit risk as a result of insurance risk transfer contracts with reinsurers. This also gives rise to concentration of risk with individual reinsurers, due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. At both 2024 and 2023 year-end positions, the Company's material reinsurance counterparties have a credit rating of either AAA, AA-, A- and BBB.

2024	AAA €'000	AA €'000	A/BBB €'000	Not rated €'000	Total €'000
Reinsurance contract assets	-	267,981	304,261	-	572,242
Reinsurance contract liabilities	-	-	-	-	-
Maximum credit risk exposure	-	267,981	304,261	-	572,242

2023	AAA €'000	AA €'000	A/BBB €'000	Not rated €'000	Total €'000
Reinsurance contract assets	-	293,842	274,128	7,401	575,371
Reinsurance contract liabilities	-	-	-	-	-
Maximum credit risk exposure	-	293,842	274,128	7,401	575,371

Underwriting risk

Prior to or at inception, short-term insurance contracts under which the Company accepts significant risk are subjected to an underwriting process. This aims not only to ensure that business is correctly priced, but also to ensure that risk concentrations are identified and exposure limits are not breached. Where necessary, risk is transferred using reinsurance.

	2024	2023
Individual Unit-linked	4,682,865	4,178,132
Life and disability	337,543	304,958
Protection	1,346	982
Total	5,021,754	4,484,072

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Management of financial and other risks

The Company is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and policyholder liabilities. A key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from contracts with policyholders. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. It manages these positions within an asset liability management framework (ALM) that has been developed to achieve investment returns in excess of obligations under insurance contracts. The Company produces regular reports at portfolio and asset and liability class level that are circulated to the Company's key management personnel and Investment Committees on a quarterly basis. The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders. Separate portfolios of assets are maintained for non-linked business and unit-linked business. The Company's ALM is also integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. The Company does not currently use hedge accounting.

In 2013, as part of the ALM process, the Company identified a requirement to hold long dated bonds to match certain technical provisions. The 'Amortised cost' bond portfolio is now in place to meet this requirement. The notes below explain how financial risks are managed using the categories utilised in the Company's ALM framework.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

The following tables reconcile the statement of financial position to each distinct category of liabilities:

2024 Assets	Insurance Contract €'000	Investment Contract €'000	Shareholder €'000	Total €'000
Debt securities-at fair value through profit or loss	1,571,509	3,109,186	74,750	4,755,445
Debt securities-amortised cost	-	-	8,352	8,352
Equity securities-at fair value through profit or loss	430,354	3,142,334	1,925	3,574,613
Other securities-at fair value through profit or loss	2,079,652	17,948,473	146,257	20,174,382
Cash at bank	208,523	1,643,482	98,491	1,950,496
Insurance debtors and other assets	536,959	-	347,010	883,969
Total assets	4,826,997	25,843,475	676,786	31,347,257

2024 Liabilities

Investment contract liabilities	-	25,690,365	-	25,690,365
Insurance contract liabilities	5,087,810	-	-	5,087,810
Reinsurance contract liabilities	-	-	-	-
Other liabilities	-	-	303,890	303,890
Total liabilities	5,087,810	25,690,365	303,890	31,082,065

2023 Assets	Insurance Contract €'000	Investment Contract €'000	Shareholder €'000	Total €'000
Debt securities-at fair value through profit or loss	1,304,317	2,431,910	23,369	3,759,596
Debt securities-amortised cost	-	-	10,133	10,133
Equity securities-at fair value through profit or loss	350,335	2,568,202	3,242	2,921,779
Other securities-at fair value through profit or loss	1,911,798	15,801,591	136,646	17,850,035
Cash at bank	193,256	1,318,802	75,988	1,588,046
Insurance debtors and other assets	554,477	-	334,833	889,310
Total assets	4,314,183	22,120,505	584,211	27,018,899

2023 Liabilities	Insurance Contract €'000	Investment Contract €'000	Shareholder €'000	Total €'000
Investment contract liabilities	-	21,982,742	-	21,982,742
Insurance contract liabilities	4,546,858	-	-	4,546,858
Reinsurance contract liabilities	-	-	-	-
Other liabilities	-	-	232,248	232,248
Total liabilities	4,546,858	21,982,742	232,248	26,761,848

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Interest rate risk

Interest rate risk has a material impact across the assets and liabilities categorised in the Company's ALM framework. The Company manages these positions within the ALM framework that has been developed to ensure that assets are matched to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained. Any gap between the maturity date of the assets and the anticipated maturity date of the liabilities is minimised by means of buying and selling fixed interest securities of different durations.

Changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. Movements in interest rates affect the return on term deposits held and are a factor in price fluctuations on debt securities. Returns on unit-linked contracts, whether classified as insurance or investment contracts, are at the risk of the policyholder, however, the Company is exposed to fluctuations in so far as they impact the amount of fee income received.

The following table shows a summary of the sensitivity analysis carried out on key risks including interest rate risk and the impact on the Profit or Loss and Equity of the company;

2024	UWS		UCS	
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
Interest rates 1% increase				
Insurance contract liabilities (including reinsurance contract liabilities)	90,107	78,843	18,386	16,088
Reinsurance contract assets	(3,052)	(2,670)	(15,213)	(13,312)
Net insurance contract liabilities	87,055	76,173	3,173	2,776
Shareholder financial assets	(1,271)	(1,112)	-	-
Insurance contract financial assets	(87,439)	(76,509)	-	-
Investment contract financial assets	(387,306)	(338,893)	-	-
Financial assets	(476,016)	(416,514)	-	-
Investment contract balances ¹	386,616	338,289	-	-
	Impact to:		Impact to:	
	Profit before tax	Equity	Profit before tax	Equity
Interest rates 1% decrease				
Insurance contract liabilities (including reinsurance contract liabilities)	(90,335)	(79,043)	(21,551)	(18,857)
Reinsurance contract assets	2,902	2,539	17,900	15,663
Net insurance contract liabilities	(87,433)	(76,504)	(3,651)	(3,194)
Shareholder financial assets	1,519	1,329	-	-
Insurance contract financial assets	87,439	76,509	-	-
Investment contract financial assets	387,307	338,893	-	-
Financial assets	476,264	416,731	-	-
Investment contract balances ¹	(386,617)	(338,289)	-	-

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Interest rate risk (continued)

2023	UWS		UCS	
	Profit before tax	Equity	Profit before tax	Equity
Interest rates 1% increase				
Insurance contract liabilities (including reinsurance contract)	92,500	80,937	16,176	14,154
Reinsurance contract assets	(2,632)	(2,303)	(13,596)	(11,896)
Net insurance contract liabilities	89,867	78,634	2,580	2,258
Shareholder financial assets	(1,217)	(1,065)	-	-
Insurance contract financial assets	(89,685)	(78,474)	-	-
Investment contract financial assets	(384,607)	(336,531)	-	-
Financial assets	(475,509)	(416,070)	-	-
Investment contract balances ¹	384,104	336,091	-	-
Interest rates 1% decrease				
Insurance contract liabilities (including reinsurance contract)	(92,769)	(81,173)	(18,903)	(16,540)
Reinsurance contract assets	2,660	2,328	15,591	13,957
Net insurance contract liabilities	(90,109)	(78,845)	(2,952)	(2,583)
Shareholder financial assets	1,681	1,471	-	-
Insurance contract financial assets	89,685	78,474	-	-
Investment contract financial assets	384,607	336,531	-	-
Financial assets	475,974	416,477	-	-
Investment contract balances ¹	(387,424)	(338,996)	-	-

¹: Investment contract balances consists of balances which are related to investment contracts written by the Company. The Company consider these to be: AVIF, DAC, DTA, investment contract liabilities, DTL and DIL.

Equity risk

The Company is exposed to equity price risk as a result of its holdings in equity investments to the extent that these are not matched by liabilities to policyholders. The Company is also exposed to adverse movements in the value of Unit Linked Assets which would reduce the future profitability of the Company in terms of having an adverse impact on fee income.

Changes in the fair value of equity securities will fluctuate because of changes to market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

An equity price sensitivity analysis was not considered necessary as all equities held are part of assets held to cover linked liabilities and any movement in value will be offset by a corresponding increase or decrease in the investment contract liabilities where the investment risk is borne by the policyholders ("Unit-linked").

The following table shows a summary of the sensitivity analysis carried out on key risks including equity prices risk and the impact on the Profit or Loss and Equity of the company;

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Equity risk (continued)

2024	UWS		UCS	
	Profit before tax	Equity	Profit before tax	Equity
Equity prices 10% increase				
Insurance contract liabilities (including reinsurance contract liabilities)	(212,339)	(185,796)	-	-
Reinsurance contract assets	11,562	10,117	-	-
Net insurance contract liabilities	(200,777)	(175,679)	-	-
Shareholder financial assets	(156)	(137)	-	-
Insurance contract financial assets	200,642	175,561	-	-
Investment contract financial assets	1,430,835	1,251,980	-	-
Financial assets	1,631,321	1,427,404	-	-
Investment contract balances ¹	(1,428,285)	(1,249,750)	-	-
Equity prices 10% decrease				
Insurance contract liabilities (including reinsurance contract liabilities)	212,306	185,768	-	-
Reinsurance contract assets	(11,566)	(10,120)	-	-
Net insurance contract liabilities	200,740	175,648	-	-
Shareholder financial assets	156	137	-	-
Insurance contract financial assets	(200,642)	(175,562)	-	-
Investment contract financial assets	(1,430,834)	(1,251,980)	-	-
Financial assets	(1,631,320)	(1,427,405)	-	-
Investment contract balances ¹	1,428,285	1,249,749	-	-

1: Investment contract balances consists of balances which are related to investment contracts written by the Company. The Company consider these to be: AVIF, DAC, DTA, investment contract liabilities, DTL and DIL.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Equity risk (continued)

2023	UWS		UCS	
	Profit before tax	Equity	Profit before tax	Equity
Equity prices 10% increase				
Insurance contract liabilities (including reinsurance contract liabilities)	(183,129)	(160,238)	-	-
Reinsurance contract assets	12,099	10,587	-	-
Net insurance contract liabilities	(171,030)	(149,651)	-	-
Shareholder financial assets	(287)	(251)	-	-
Insurance contract financial assets	171,194	149,795	-	-
Investment contract financial assets	1,190,919	1,042,053	-	-
Financial assets	1,361,826	1,191,598	-	-
Investment contract balances ¹	(1,189,361)	(1,040,691)	-	-
Equity prices 10% decrease				
Insurance contract liabilities (including reinsurance contract liabilities)	183,151	160,257	-	-
Reinsurance contract assets	(12,102)	(10,590)	-	-
Net insurance contract liabilities	171,049	149,668	-	-
Shareholder financial assets	287	251	-	-
Insurance contract financial assets	(171,194)	(149,795)	-	-
Investment contract financial assets	(1,190,918)	(1,042,053)	-	-
Financial assets	(1,361,825)	(1,191,597)	-	-
Investment contract balances ¹	1,187,854	1,039,372	-	-

¹: Investment contract balances consists of balances which are related to investment contracts written by the Company. The Company consider these to be: AVIF, DAC, DTA, investment contract liabilities, DTL and DIL.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Currency risk

The Company generally invests in assets denominated in the same currencies as its policyholder's liabilities, which mitigates the foreign currency exchange rate risk. Additionally, the Company has a portfolio of GBP denominated government and government agency bonds and is also invested in a GBP denominated Money Market Fund and the GBP share class of the Oaktree Senior European Loan Fund, which results in some currency risk exposure. This is not hedged.

2024	UWS		UCS	
	Impact to: Profit before tax	Equity	Impact to: Profit before tax	Equity
FX 20% increase GBP				
Insurance contract liabilities (including reinsurance contract liabilities)	79,975	69,978	1,864	1,631
Reinsurance contract assets	(14,820)	(12,968)	(1,572)	(1,376)
Net insurance contract liabilities	65,155	57,010	292	255
Shareholder financial assets	(3,828)	(3,350)	-	-
Insurance contract financial assets	(64,687)	(56,601)	-	-
Investment contract financial assets	(976,708)	(854,619)	-	-
Financial assets	(1,045,223)	(914,570)	-	-
Investment contract balances ¹	972,936	851,319	-	-
FX 20% decrease GBP				
Insurance contract liabilities (including reinsurance contract liabilities)	(80,010)	(70,009)	(1,864)	(1,631)
Reinsurance contract assets	14,803	12,952	1,572	1,376
Net insurance contract liabilities	(65,207)	(57,057)	(292)	(255)
Shareholder financial assets	3,828	3,350	-	-
Insurance contract financial assets	64,751	56,657	-	-
Investment contract financial assets	976,707	854,619	-	-
Financial assets	1,045,286	914,626	-	-
Investment contract balances ¹	(972,936)	(851,319)	-	-

¹: Investment contract balances consists of balances which are related to investment contracts written by the Company. The Company consider these to be: AVIF, DAC, DTA, investment contract liabilities, DTL and DIL.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Currency risk

2023	UWS		UCS	
	Profit before tax	Equity	Profit before tax	Equity
FX 20% increase GBP				
Insurance contract liabilities (including reinsurance contract	81,954	71,710	665	582
Reinsurance contract assets	(17,066)	(14,932)	(678)	(594)
Net insurance contract liabilities	64,888	56,777	(14)	(12)
Shareholder financial assets	(8,093)	(7,082)		
Insurance contract financial assets	(64,405)	(56,355)		
Investment contract financial assets	(900,154)	(787,635)		
Financial assets	(972,652)	(851,071)	0	0
Investment contract balances ¹	894,326	782,535		
FX 20% decrease GBP				
Insurance contract liabilities (including reinsurance contract	(81,933)	(71,691)	(665)	(582)
Reinsurance contract assets	17,053	14,921	679	594
Net insurance contract liabilities	(64,880)	(56,770)	14	12
Shareholder financial assets	8,093	7,082	-	-
Insurance contract financial assets	64,405	56,355	-	-
Investment contract financial assets	900,153	787,634	-	-
Financial assets	972,652	851,070	-	-
Investment contract balances ¹	(897,040)	(784,910)	-	-

¹: Investment contract balances consists of balances which are related to investment contracts written by the Company. The Company consider these to be: AVIF, DAC, DTA, investment contract liabilities, DTL and DIL.

Unit-linked contracts Risk

Assets held on behalf of policyholders are subject to market risk, including price and foreign exchange risk, credit risk, liquidity risk and funding risk. Any change in the value of these assets is offset by a corresponding change in the value of investment contract liabilities. The Company's exposure to market risk on unit linked funds is limited to the extent that income arising from asset management charges in certain funds, and its ability to collect that income, is based on the cash flows arising and the value of the assets in the fund, and to changes in the value of any units in funds the Company may hold. In many funds the asset management charge is based on the higher of premiums paid or fund value, further limiting this risk.

Amounts under unit-linked contracts are generally repayable on demand and the Company is responsible for ensuring there is sufficient liquidity within the asset portfolio to enable liabilities to unit-linked policyholders to be met as they fall due. However, the terms of funds investing in less liquid assets permit the deferral of redemptions for predefined periods in circumstances where there are not sufficient liquid assets within the fund to meet the level of requested redemptions.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. Key areas where the Company is exposed to credit risk are government bonds, corporate bonds, EU supranational bonds, bank deposits, the Italian withholding tax asset, the reinsurers' share of insurance liabilities, amounts due from reinsurers in respect of claims already paid and amounts due from insurance intermediaries.

To mitigate credit risk of counterparties the Company has adopted and complies with the Risk Appetite Statement and Investment Policy. These place hard and soft strategic asset allocation boundaries on the Company's credit and market exposures. There is a minimum allocation to concentration charge exempt securities of 25% of its total marketable securities and investment funds, including cash. This includes exempt Government and exempt international institution bonds and CIC 27 covered bonds with a rating of AAA or AA. In the case of UK and US government bonds, for example, the Company can invest up to a hard limit of 70%, with a soft limit of 50%. It can invest up to a hard limit of 20% in sovereign debt rated AAA, with a soft limit of 15%, up to a hard limit of 15% in sovereign debt rated AA, with a soft limit of 7.5%, and up to hard limit of 5% in sovereign debt rated A, with a soft limit of 3%.

The Company can also invest in non-government bonds, to a maximum allocation of 50% of its total marketable securities and investment funds, excluding cash, which includes a maximum hard limit of 5% for all AAA to A rated, with a soft limit of 3%, and a hard limit of 3% in debt rated BBB, with a soft limit of 1.5%.

In addition, the Company can also invest in Fixed Income and Loans via Investment Funds up to a maximum of a hard limit of 25% for AAA – High Yield rated, with soft limit of 20%.

Finally, for the non-OECD and non-EU regions, there is a 2% hard concentration limit on all bonds based on the country of the ultimate parent.

Risk exposures are monitored against limits and reported to the Investment Committee who are responsible for oversight of Company investments.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is monitored against reinsurance indicators, including credit ratings and Solvency Capital Ratios, as set out in the Risk Appetite Statement on a quarterly basis.

Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by management. An analysis of policyholders and reinsurers is produced periodically.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Credit risk (continued)

Credit risk for unit-linked assets is borne by the policyholder. The following tables set out the credit risk exposure and ratings of financial and other assets which are most susceptible to credit risk as at 31 December 2024 and 31 December 2023:

2024	AAA	AA	A	BBB	Unrated	Unit-Linked Funds	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Debt securities	19,561	31,985	15,770	15,786	-	-	83,102
Investment in Subs	-	-	-	-	1,925	-	1,925
Other securities	-	-	55,672	-	25,108	65,478	146,258
Unit-linked	-	-	-	-	-	28,281,508	28,281,508
Cash at bank	-	-	98,491	-	-	1,852,004	1,950,495
Insurance contract assets	-	-	70	-	-	-	70
Reinsurance contract assets	-	267,981	263,221	5,687	-	-	536,889
Insurance debtors and other assets	-	-	21,554	131,468	193,988	-	347,010
Total	19,561	299,966	454,778	152,941	221,021	30,198,990	31,347,257
2023	AAA	AA	A	BBB	Unrated	Unit-Linked Funds	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Debt securities	11,347	12,793	7,413	1,949	-	-	33,502
Investment in Subs	-	-	-	-	3,242	-	3,242
Other securities	41,587	-	-	-	24,760	70,299	136,646
Unit-linked	-	-	-	-	-	24,368,153	24,368,153
Cash at bank	-	-	75,988	-	-	1,512,058	1,588,046
Insurance contract assets	-	-	96	-	-	-	96
Reinsurance contract assets	-	293,842	253,139	7,401	-	-	554,382
Insurance debtors and other assets	-	-	23,755	109,357	201,720	-	334,832
Total	52,934	306,635	360,390	118,707	229,722	25,950,510	27,018,899

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able efficiently to meet both expected and unexpected cash flow requirements. All admissible assets must be redeemable within approved periods. In the event assets may not be redeemable, the Company has entered into agreements with the policyholders to manage such risks.

The following tables below set out the liquidity risk exposure of the Company's financial assets and liabilities as at 31 December 2024:

Financial Assets	2024	2024	2024	2024	2024
	Within 1	1-5 years	Over 5	Unit-linked	Total
	Year	1-5 years	years	funds	Total
	€'000	€'000	€'000	€'000	€'000
Debt securities	4,544	65,889	12,669	-	83,102
Investment in Sub's	-	-	1,925	-	1,925
Other securities	81,098	-	-	65,160	146,258
Unit-linked	-	-	-	28,281,508	28,281,508
Cash at bank	98,491	-	-	1,852,004	1,950,495
Insurance contract assets	-	-	70	-	70
Reinsurance contract assets	101,204	198,902	236,783	-	536,889
Insurance debtors and other assets	86,089	162,074	98,847	-	347,010
Total	371,426	426,865	350,294	30,198,672	31,347,257
Financial Liabilities	2024	2024	2024	2024	2024
	Within 1	1-5 years	Over 5	Unit-linked	Total
	Year	1-5 years	years	funds	Total
	€'000	€'000	€'000	€'000	€'000
Financial liabilities under investment contracts	-	-	-	25,690,365	25,690,365
Insurance contract liabilities	405,234	1,318,667	3,363,909	-	5,087,810
Other liabilities	125,897	50,262	127,731	-	303,890
Total	531,131	1,368,929	3,491,640	25,690,365	31,082,065

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Liquidity risk (continued)

The tables below set out comparative risk data as at 31 December 2023:

Financial Assets	2023	2023	2023	2023	2023
	Within 1	1-5 years	Over 5	Unit-linked	Total
	Year		years	funds	
	€'000	€'000	€'000	€'000	€'000
Debt securities	19,070	7,817	6,615	-	33,502
Investment in Sub's	-	-	3,242	-	3,242
Other securities	66,697	-	-	69,949	136,646
Unit-linked	-	-	-	24,368,153	24,368,153
Cash at bank	75,988	-	-	1,512,058	1,588,046
Insurance contract assets	-	-	96	-	96
Reinsurance contract assets	99,422	181,008	273,952	-	554,382
Insurance debtors and other assets	77,925	155,887	101,019	-	334,831
Total	339,102	344,712	384,924	25,950,160	27,018,898
Financial Liabilities	2023	2023	2023	2023	2023
	Within 1	1-5 years	Over 5	Unit-linked	Total
	Year		years	funds	
	€'000	€'000	€'000	€'000	€'000
Financial liabilities under investment contracts	-	-	-	21,982,742	21,982,742
Insurance contract liabilities	353,828	1,100,813	3,092,217	-	4,546,858
Other liabilities	92,378	13,671	126,199	-	232,248
Total	446,206	1,114,484	3,218,416	21,982,742	26,761,848

Fair value hierarchy

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company's financial investments, as detailed in Note 11, comprise debt securities and investments funds and two investments in subsidiaries. At each reporting date, the Company reviews its financial investments and classifies them in accordance with IFRS 13. If the Company considers that there has been a change in measurement basis due to a change in inputs, it will reclassify the relevant financial investment to the appropriate level and separately disclose this transfer. There were no changes in valuation techniques during the year.

Similarly, for investments for the benefit of unit-linked policyholders, the Company reviews these investments at each year end and classifies them according to IFRS13. If the Company considers that there has been a change in measurement basis due to a change in inputs, it will reclassify the relevant financial investment to the appropriate level and separately disclose this transfer. There were no changes in valuation techniques during the year.

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Fair value hierarchy (continued)

Level 2 investments consist of investment funds, derivatives and other structured products. These are fair valued, by the Company, using valuations received from Morningstar for investment funds and structured products and from custodians for derivatives.

A number of investments for the benefit of unit linked policyholders who bear the investment risk have been classified as Level 3 as they typically consist of unlisted or private securities and the Company relies on unobservable inputs for these assets. The value of assets for which significant unobservable inputs were present in 2024 amounted to €530,457,000 (2023: €458,169,000) and typically consisted of valuations based on unaudited financial statements or valuations provided by a third-party administrator. Movements in investments with Level 3 inputs, during the year are disclosed below.

Due to the nature of the Level 3 investments, the Company does not consider that there are any interrelationships between significant unobservable inputs and other unobservable inputs used in the fair value measurement. In addition, the Company does not consider that there are any significant sensitivities to the fair value of the Level 3 investments should there be a change in the unobservable inputs.

The following table presents an analysis of the Company's financial investments and investments for the benefit of life assurance policyholders who bear the investment risk as at 31 December 2024:

Fair value hierarchy	2024	2024	2024	2024	2024
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Cash €'000	Total Balance €'000
Financial assets at fair value through profit or loss:					
- other	-	146,430	204	-	146,634
- debt securities	74,469	-	-	-	74,469
Debt securities – amortised cost	7,944	-	-	-	7,944
Unit-linked	11,816,290	15,934,851	530,253	1,852,004	30,133,398
Total	11,898,703	16,081,281	530,457	1,852,004	30,362,445

The table below sets out comparative data for the Fair Value Hierarchy as at 31 December 2023:

Fair value hierarchy	2023	2023	2023	2023	2023
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Cash €'000	Total Balance €'000
Financial assets at fair value through profit or loss:					
- other	-	136,813	173	-	136,986
- debt securities	23,176	-	-	-	23,176
Debt securities – amortised cost	9,587	-	-	-	9,587
Unit-linked	9,496,997	14,413,020	457,996	1,512,058	25,880,071
Total	9,529,760	14,549,833	458,169	1,512,058	26,049,820

Notes to the Financial Statements (continued)

28. Risk Management (continued)

Fair value hierarchy (continued)

The table below sets out the movement in investments with Level 3 inputs:

Assets measured at fair value based on valuation techniques which comprise unobservable inputs: (Level 3)

	2024	2023
	€'000	€'000
Balance at 1 January	458,169	250,190
Investment income	60,463	383
Premiums	38,834	172,495
Surrenders	(37,587)	(31,728)
Transfer from Level 1 into Level 3	2,392	21,722
Transfer from Level 2 into Level 3	8,186	45,107
Balance at 31 December	530,457	458,169

Notes to the Financial Statements (continued)

29. Capital Management

The Company maintains an efficient capital structure consistent with its regulatory requirements. The Company is required to hold sufficient capital to cover the Central Bank of Ireland's Required Minimum Solvency Margin. This Required Minimum Solvency Margin is calculated on a basis prescribed by EU Directives. The Company has additional capital resources available to cover risk exposures in addition to the capital required to meet regulatory requirements. The Company uses the Standard Formula approach to calculate its solvency requirements. Own Funds is financed by shareholders' funds, measured on a Solvency II basis.

Solvency II came into effect on 1 January 2016. The Solvency Capital Requirement ("SCR") at 31 December 2024 was €326,179,000 (2023: €296,526,000) and the Minimum Capital Requirement ("MCR") was €146,781,000 (2023: €133,437,000). The Company's available own funds at that date, after allowing for the foreseeable dividend of €11,000,000 (2023: €15,000,000), were €492,514,000 (2023: €456,887,000). The Company's ratio of Eligible Own Funds to SCR was 151% (2023: 154%), and to MCR was 336% (2023: 342%).

Capital management policies and objectives

The Company's objectives in managing its capital are to:

- match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- maintain financial strength to support new business growth;
- satisfy the requirements of its policyholders, regulators and rating agencies;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- allocate capital efficiently to support growth; and
- manage exposures to movement in exchange rates.

The Company has a number of sources of capital available to it and seeks to optimise its debt-to-equity structure in order to ensure that it can consistently maximise returns to shareholders. The Company considers not only the traditional sources of capital funding (see Note 26) but the alternative sources of capital including reinsurance and securitisation, as appropriate, when assessing its deployment and usage of capital.

Capital resource sensitivities

The capital position of the Company at this stage of the development of the business is most sensitive to the following items:

- Capital requirements of the various business categories;
- Sales volumes;
- Business retention levels;
- Costs; and
- Valuation of the Italian withholding tax prepayment.

The Company's sensitivity to these risks is reduced by:

- A clear understanding of the impact of these risks on the capital position of the Company;
- Regular reviews of the capital position; and
- Analysis of the capital position for any new ventures in advance of agreeing to proceed with any such initiatives.

The Company uses a number of sensitivity test-based risk management tools to understand the volatility of earnings and its capital requirements, and to manage its capital more efficiently. Primarily, the Solvency & Financial Condition Report (SFCR) and the Own Risk Solvency Assessment (ORSA) are used. Sensitivities to economic and operating experience are regularly produced on all of the Company's financial performance measurements to inform the Company's decision-making and planning processes and as part of the framework for identifying and quantifying the risks to which the Company is exposed.

Notes to the Financial Statements (continued)

29. Capital Management (continued)

During the period, the Company complied with externally imposed capital requirements to which it is subject under Solvency II.

The Company does not use transitional deduction on its technical provisions referred to in Article 308d of Directive 2009/138/EC.

Movement in eligible own funds	2024	2023
	€'000	€'000
Opening eligible own funds at 1 January	456,887	415,296
Prior year equity adjustment	(15,000)	19,296
Profit recognised since prior financial year	38,141	32,767
Elimination of deferred acquisition costs and deferred income liability	(8,777)	(8,664)
Elimination of intangible assets amortisation	15,041	7,774
Solvency II valuation of receivables	(475)	(801)
Solvency II valuation of technical provisions	19,741	5,456
Solvency II valuation of investments	277	218
Deferred tax adjustment	(3,444)	62
Subordinated Liability	1,123	483
Foreseeable dividends	(11,000)	(15,000)
Closing eligible own funds at 31 December	492,514	456,887

30. Ultimate parent Company

Utmost PanEurope dac ('UPE'), part of the Utmost International business, is a subsidiary of Utmost Holdings Ireland Limited ('UHIL'), an indirectly owned subsidiary of Utmost International Group Holdings Limited ('UIGHL'), a UK incorporated company specialising in the acquisition and consolidation of life assurance businesses and is indirectly owned by Utmost Group plc ('UGP').

The ultimate parent company which maintains a majority controlling interest in the group is recognised by the directors as OCM Utmost Holdings Limited, a Cayman incorporated entity. OCM Utmost Holdings Limited is an investment vehicle owned by funds which are managed and advised by Oaktree Capital Management L.P., a subsidiary of the ultimate controlling party OakTree Capital Group LLC.

Notes to the Financial Statements (continued)

31. Related party disclosures

(a) Related party transactions

The Company enters into transactions with related parties in its normal course of business. In 2018, the Company issued a £20,000,000 loan note to another group company, Utmost Limited. The loan note was transferred to Utmost International Isle of Man Limited on 30 November 2022. The balance outstanding at 31 December 2024 amounted to €24,193,000 (2023: €23,070,000). Interest accrued amounted to €172,000 (2023: €746,000). This loan was listed on the International Stock Exchange on 8 April 2019.

The Company is owed €2,817,000 at year end (2023: €6,178,000) by Utmost International Isle of Man Limited. €2,800,000 of which is in respect of funds held on its behalf to discharge a policyholder settlement case.

The Company is charged a management services fee from Utmost Services Ireland Limited on a quarterly basis, and is recharged monthly for other expenses paid on its behalf. The Company owed €380,000 at year end (2023: €602,000).

The Company received income of €1,126,000 (2023: €199,000) from Utmost Services Ireland Limited as premium income for providing Group Life and Income Protection cover to Utmost Services Ireland Limited employees, and as reimbursement for supplier invoices paid by the Company on behalf of Utmost Services Ireland Limited.

The Company is charged an administration services fee from Utmost Administration Limited on a monthly basis. The Company owed €623,000 at year end (2023: €1,750,000).

The Company is charged for project costs, sales commissions and other services from Utmost Services Limited. The Company owed €186,000 at year end (2023: €59,000).

The Company is charged project costs from Utmost Worldwide Limited, and pays some invoices on its behalf. The Company owed €9,000 at year end (2023: owed by UW €88,000).

The Company is charged a salary recharge from Utmost International Group Holdings Ltd on a quarterly basis. The Company owed €144,000 at year end (2023: €146,000).

The Company is charged a marketing recharge from Utmost Switzerland GmbH on a quarterly basis. The Company owed €nil at year end (2023: € nil).

The Company is charged for sales costs from Utmost International Middle East Limited. The Company owed €34,000 at year end (2023: € nil)

The Company owed Utmost Bermuda Limited €nil at year end (2023: €257,000).

Notes to the Financial Statements (continued)

31. Related party disclosures (continued)

The costs associated with all the above related party transactions are included below:

	2024	2024	2023	2023
	Expense Incurred €'000	Payable at Year end €'000	Expense Incurred €'000	Payable at Year end €'000
Fellow Subsidiaries	44,989	11,030	43,207	10,005
Total	44,989	11,030	43,207	10,005

(b) Dividends

The Company paid total dividends of €30,000,000 in 2024 to its parent Utmost Holdings Ireland Limited (2023: €37,500,000).

(c) Compensation of Key Management Personnel

The following disclosures are made in accordance with the provisions of IAS 24 Related Party Disclosures, in respect of the compensation of Key Management Personnel. Under IAS 24, Key Management Personnel are defined as comprising Executive and Non-Executive Directors together with Senior Executive Officers.

Included in administration expenses are key management emoluments:	2024 €'000	2023 €'000
Short term benefits	1,929	2,306
Post employment benefits	161	176
Non- executive directors' emoluments	185	189
Total	2,276	2,671

The Key Management Personnel of the Company are also the Key Management Personnel of several other group companies.

Prior to September 2024, all Key Management Personnel compensation was paid by USIL on behalf of other group companies. The expenses incurred by USIL were recharged to the group companies. With effect from September 2024, some Key Management Personnel are now paid through the Company with no longer a recharge from USIL to the Company.

Notes to the Financial Statements (continued)

32. Directors' and Secretary's interests

On 31 December 2024 the directors and secretary in office, and their spouses and minor children, had no beneficial interest in the shares of the Company. The directors' interests in the parent and holding companies as are detailed below:

		Paul	
		Thompson	Ian Maidens
31 December 2024			
Utmost Topco Limited	C ordinary shares	2,530	2,530
Utmost Topco Limited	D ordinary shares	5,000	5,000
Utmost Topco Limited	S ordinary shares	50	50
Utmost Topco Limited	8% preference shares	16,081,049	16,081,049

		Paul	
		Thompson	Ian Maidens
31 December 2023			
Utmost Topco Limited	C ordinary shares	2,530	2,530
Utmost Topco Limited	D ordinary shares	5,000	5,000
Utmost Topco Limited	S ordinary shares	50	50
Utmost Topco Limited	8% preference shares	16,081,049	16,081,049

33. Financial commitments

The Company had no financial commitments at 31 December 2024.

34. Contingent Liability

The Company is involved in defending a legal case on which further disclosure is considered appropriate.

The legal case being defended along with fellow group company Utmost International Isle of Man and another insurer was served in the Isle of Man Courts in May 2023. The claimants are seeking to recover investment losses in respect of insurance policies issued by each defendant. The claims remain at an early stage with initial claims management conferences being held. It is therefore difficult to identify the timeline over which the claims may progress. Under this claim as issued, there are a total of 314 claimants who appear to be claiming £112m against the Company (although the claim form acknowledges that this figure does not take account of the actual retained value of the investments which are linked to the claimants' policies, the value of which will vary). The majority of these claims relate to policies held by professional corporate trustee companies. The costs of this case are being expensed as incurred and no provision for any future spend is included in these financial statements. The Company believes that these claims are without merit, and it has strong prospects of success to defend the claims against it, and therefore no provision for the value of the claims has been included in the financial statements. The Company does have the benefit of professional indemnity insurance and continues to keep its insurers up to date with developments in the claim.

Notes to the Financial Statements (continued)

35. Subsequent Events

There have been no events since the statement of financial position date up to the approval of these financial statements which require adjustment to or disclosure in these financial statements.

36. Approval of financial statements

The board of directors approved and authorised for issue the financial statements on 19 March 2025.