Solvency and Financial Condition Report
2023

Mediolanum International Life, 4th Floor, The Exchange,
George's Dock, IFSC, Dublin 1, D01P2V6

Registration No: 255456
Registration Place: Ireland

Contents

Executive Summary

Mediolanum International Life dac (hereinafter, also "MIL", or "the Company") presents the Company's Solvency and Financial Condition Report ("SFCR") under the Solvency II Directive as at 31 December 2023.

Purpose of the Solvency and Financial Condition Report

The Solvency II Directive was transposed into Irish Law as the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015) as amended and the legislation entered into force on 1 January 2016. This report is intended to assist clients in understanding the capital position of MIL by providing an overview of the Business Model and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management framework.

Our Structure

MIL is the Irish life company of the Banca Mediolanum Insurance Group, authorised by the Central Bank of Ireland ("CBI") to conduct life Insurance business under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015) as amended. MIL has its registered head office in Dublin, Ireland. It also operates through its branches in other countries of the European Union under the right of establishment governed by the relative provisions of law. MIL is authorised to sell classes I, III and IV Insurance products (as per Annex I of S.I. No. 485 of 2015) and is currently selling unit-linked products in Italy and Germany and both index linked and unit linked products in Spain.

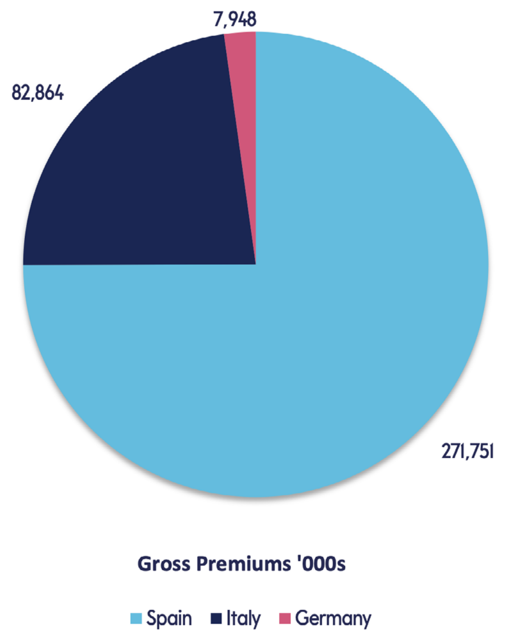
Governance Structure

The Company has in place a robust governance framework that enables us to deliver on our strategy. Strong governance is essential to the sustainable growth of our business; it is at the heart of what we do. The ultimate Administrative Management Supervisory Body that has the responsibility for all of these matters is the Company's Board of Directors, with the help of various governance and control functions that it has put in place to monitor and manage the business. There are more details in section B.1.

Summary Highlights

The financial year 2023 was a profitable one for MIL with profit before tax of €24,974k (2022: €25,977k) while policyholder assets under management ("AUM") increased to €3,175,515k at the end of 2023 in comparison to €3,086,776k. The new business volumes in 2023 were higher in comparison to the previous year. Despite the number of maturities, AUM have increased primarily driven by strong growth in Spain and in equity markets conditions which surged in December 2023, especially in the technology sector.

These factors also had a positive impact on the Best Estimate Liability (BEL) which decreased over the year. Costs were also tightly monitored during the year in line with MIL's commitment to developing its business for the future.



The profit for the year ended 31 December 2023 after taxation as per the Company's Financial Statements was €21,598k (2022: €22,924k).

Business Strategy

Looking ahead, our primary objective remains unchanged, to ensure that our policyholders achieve the long-term outcomes they expect, and we remain fully focused on this goal. We enter the new financial year with a healthy balance sheet and a broad range of capabilities which can adapt to changing policyholder appetites to enable us to remain competitive in rapidly adapting markets.

MIL leverages a proprietary R&D methodology called MedInSynC® to drive product creation. This process is run on a digital platform and allows for collaboration between our internal teams and external parties. This engagement pervades all phases of the product development lifecycle, from the new idea evaluation, through product design, feasibility analysis and validation and finally to product implementation. Utilising this process, MIL launched five new Products during the year (three index-linked and two unit-linked).

We remain focused on growing top line sales while improving bottom-line profitability. In 2023 MIL launched the first tranche of Double Target in the Italian market. This product is aimed at complementing the existing range of products for sales in Italy and replaces the Med Piu range of products currently maturing. In Spain and Germany MIL grew its ESG offering adding Sustainable Finance disclosure regulation (SFDR) article 8 product offerings both to the PIAS product in Spain and German Europension and Premium Plan products. MIL intends to design and launch similar funds in line with commercial appetite. Following the success in previous years MIL launched new index linked funds in the Spanish market. We look forward to developing further offerings to complement the existing range of products.

The Company has continuously complied with all aspects of the Solvency II regulations from the date of first implementation on 1 January 2016. Throughout the year the Company has maintained a solvency ratio above the Solvency II limits.

The Company's SCR coverage ratio reduced from 204% in 2022 to 171% in 2023. The decrease in solvency ratio is mainly driven by an increase in the Market and Underwriting SCR. The increase in Market SCR is attributed to higher asset valuations (leading to larger absolute impacts of SCR shocks) and a decrease in the yield curve compared to last year (which results in a higher projected cost of guaranteed death benefits). Additionally, the symmetric adjustment of the equity capital charge increased during the year due to positive performance in the equity market, which increases the equity SCR. The Underwriting SCR movement is driven largely by the increase in the mass lapse SCR due to an increase in the present value of future profits in the year.

The Minimum Capital Requirement ("MCR") solvency ratio at 31 December 2023 was 683% (2022: 814%).

The below table outlines the eligible amount of own funds to cover the SCR & MCR and are all classified as Tier 1.

Own Fund Item (All Tier 1 Items)	2023	2022	Movement	%
Share Capital	1,395	1,395	0	0.0%
Capital Contribution	58,729	58,729	0	0.0%
Reconciliation Reserve before deduction for participants	271,522	239,519	32,003	13.4%
Available own funds (before foreseeable dividends)	331,646	299,643	32,003	10.7%
Forseeable dividends	(21,382)	(17,193)	(4,189)	24%
Total available own funds to meet the SCR and MCR	**310,264**	**282,450**	**27,814**	**9.8%**
SCR	181,827	138,740	43,087	31%
% SCR	**171%**	**204%**	**-33%**	**-16.2%**
MCR	45,457	34,685	10,772	31%
% MCR	**683%**	**814%**	**-132%**	**-16.2%**
All numbers in €'000				

*Out of the Result for the period ended 31 December 2023 there are dividents proposed of €21,238k (2022: €17,200k) which are pending payment subject to no objection from Central Bank of Ireland

Risk Profile

Section C outlines our risk profile. It provides further details of the Board-approved risk appetite. The SCR is split by risk category in the following table.

SOLVENCY CAPITAL REQUIREMENT (SCR)	2023	2022
Underwriting Risk	125,483	106,291
Counterparty Risk	9,974	7,280
Market Risk	127,011	84,375
Diversification Effects	(59,477)	(44,167)
Operational Risk	4,811	4,780
Deferred Tax	(25,975)	(19,820)
SCR	**181,827**	**138,739**
All numbers in €'000		

Business and Performance

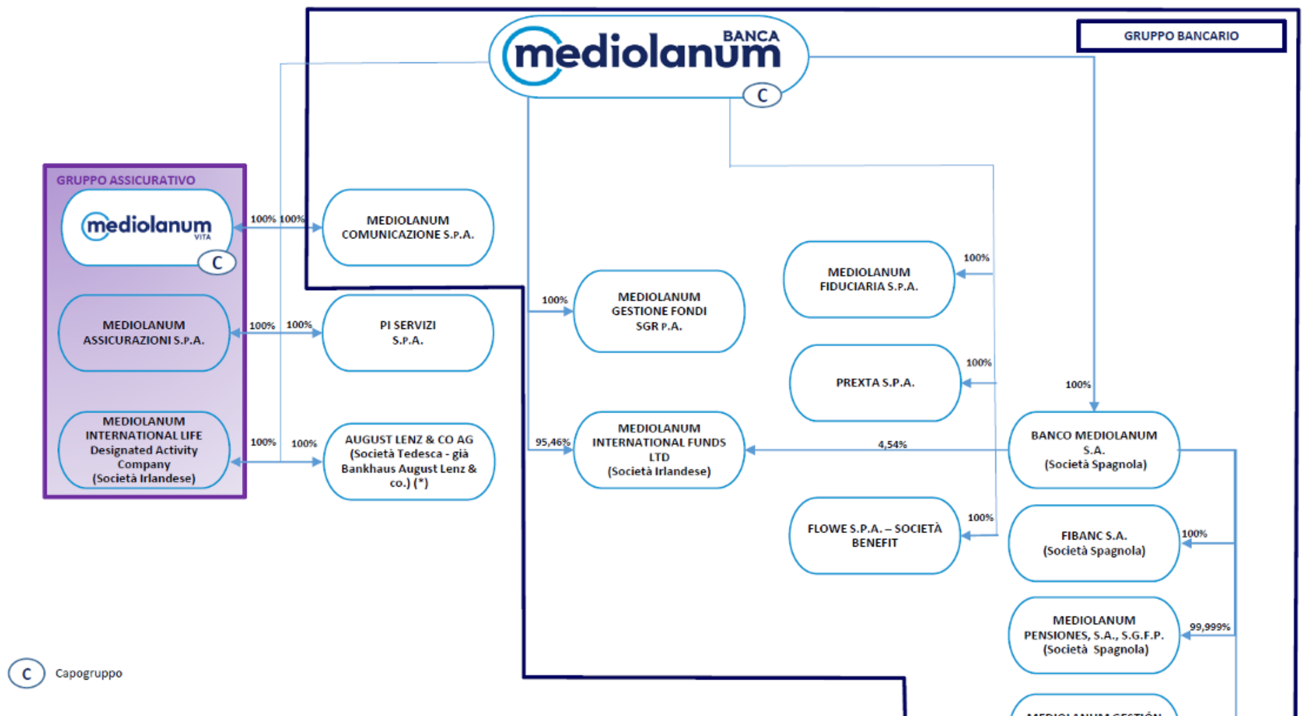
A.1 Business and External Environment

Company Registered Address is:	MIL is regulated by:	MIL's External Auditor is:
Mediolanum International Life dac, 4th Floor, The Exchange Building, IFSC, Dublin 1, Ireland	Central Bank of Ireland, North Wall Quay, Spencer Dock, Dublin 1, Ireland	Pricewaterhouse Coopers, Chartered Accountants & Statutory Audit Firm, 1 Spencer Dock, North Wall Quay, Dublin 1, Ireland

Shareholders

The sole shareholder in the Company is Banca Mediolanum S.p.A. which holds 100% of the share capital of the Company. Banca Mediolanum S.p.A. is listed on the Milan stock exchange, it is a constituent of the FTSE MIB 40, and it is the holding company of the Mediolanum Group (the "Group"). The structure chart of the group is below.

CONGLOMERATO FINANZIARIO MEDIOLANUM - STRUTTURA SOCIETARIA AL 31/12/2023



(*) la società August Lenz & CO AG non fa più parte del Gruppo Bancario Mediolanum a far data dal 7 novembre 2022.
BCE ha riconosciuto l'uscita dal Gruppo Bancario con decisione del 16 febbraio 2023.

A.2 Performance from Underwriting Activities

The Company is currently writing life assurance business in Spain, Germany and Italy on a freedom of establishment basis. The profit for the year ended 31 December 2023 after taxation as per the Company's Financial Statements was €21,598k (2022: €22,924k) and before taxation was €24,974k (2022: €25,977k). The profit for 2023 results from a mixture of new business and the existing unit linked and index linked portfolio. The total assets as at 31 December 2023 were €3,349,018k (2022: €3,262,112k).

The financial statements were prepared in accordance with the accounting standards FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and FRS 103: Insurance Contracts ("FRS 103"), which the company adopted from 1 January 2015 and Irish statute comprising the Companies Acts 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Despite the challenging economic conditions, MIL achieved robust performance in 2023, with premiums reaching €362.6 million. This represents a 6% increase from the previous year. We attribute these premiums to the diligent work carried out in partnership with our distributors and their financial advisors. Not only do they maintain policyholders' confidence in their investments despite market volatility, but they also identify and provide solutions to leverage market dynamics.

Additionally, MIL's Assets under Management finished the year at €3.24 billion, which is 2% higher than the prior year. This growth occurred despite the maturity of several of our Med Piu products during the year.

The figures below are presented on a Solvency II line of business basis, i.e., Index Linked and Unit Linked insurance.

The figures below have been taken from the Company's most recent financial statements which were approved and signed on the 24 of February 2024.

Premium written by class and by territory for the year ended 2023 (with comparatives for 2022) were as follows:

Product Type	Year	Italy	Spain	Germany	Total
Unit Linked	2023	43,330	228,006	7,948	279,284
	2022	46,319	229,517	7,989	283,825
Double Target	2023	39,533	-	-	
	2022	0	-	0	0
Index Linked	2023	-	43,730.0	-	43,730
	2022	-	59,731.0	-	59,731
Total	2023	82,863	271,736	7,948	362,547
	2022	46,319	289,248	7,989	343,556
All numbers in €'000					

The above table reflects the sales in Italy, Spain and Germany in 2023. We can see the strong sales volume in Spanish premiums particularly in our regular premiums business which can be seen below. MIL launched the Double Target product in 2023, the replacement for maturing Med Piu products.

Premiums written can be Single or Regular Premium in nature. Gross premiums written during 2023 and 2022 are represented below:

Gross Premium Written	2023	2022
Single Premium	140,615	122,752
Regular Premium	221,948	220,804
Total	362,562	343,556
All numbers in €'000		

Gross claims during 2023 and 2022 were:

	2023	2022
Claims paid*	497,146	364,203
All numbers in €'000		

**Claims Paid does not include the movement in claims to be paid*

	2023	2022
Death Claims	20,706	20,921
Maturities	327,879	197,141
Surrenders	138,549	133,601
Coupons	10,012	12,540
Claims Paid*	497,146	364,203
All numbers in €'000		

**Claims Paid does not include the movement in claims to be paid*

Of the claims paid in 2023, €327,879k (2022: €197,141k) related to maturities. Maturities increased due to a larger number of Italian Med Piu tranches maturing during 2023.

A.3 Performance from Investment Activities

The Company has appointed as its investment manager Mediolanum International Funds Limited (MIFL), a group company. MIFL provides portfolio management services to the Company with respect to both Shareholder and Policyholder assets.

The Company is required to maintain assets to match its policyholder liabilities at all times. The following investments, cash and cash equivalents, other assets and liabilities are held to cover technical provisions for linked liabilities.

Cash/Assets held to cover linked assets	2023	2022
Investments in UCITS	1,738,486	1,499,027
Management Fees from Unit Linked Funds	(8,550)	(11,378)
Cash/Assets held to cover linked assets	99,223	65,632
- Bonds	1,098,030	1,324,373
- Options	4,774	2,458
- SICAV	129,423	116,604
- Swaps	(31,083)	(25,728)
- Certificates	66,793	54,700
- Forwards	20,251	56,858
- Other Investments	58,166	4,232
Total	**3,175,513**	**3,086,778**
All numbers in €'000		

We also note the Shareholder Assets.

Shareholder Assets	2023	2022
Debt Securities	46,676	61,521
Deposits with credit institutions	17,414	26,316
Linked assets held by Shareholder:		
- Bonds	123	47
- Options	29	3
- Swaps	(39)	(21)
- Certificates	144	107
Total	**64,347**	**87,973**
All numbers in €'000		

In accordance with FRS 102, the investments have been classified as financial assets at fair value through profit and loss.

Investment income comprises dividends, interest and other income receivable, realised gains and losses on investments and unrealised gains and losses. Movements are recognised in the profit and loss account in the period in which they arise. Dividends are accrued on the date notified. Interest is accounted for on a time proportion basis.

Investment income by asset class for 2023 and the comparison for 2022:

Investment Income by Asset Class 2023	Income	Unrealised Gain/Loss	Realised Gain/Loss
Government bonds	4,176	(416)	1,501
Corporate Bonds	59,552	46,515	(42,967)
Collective Investment Undertakings	8,378	214,957	(18,735)
Structured Notes		3,057	525
Cash and Deposits		34,422	(35,747)
Call options		(507)	(10)
Collateralised Securities	1,542	1,861	16
Forwards		(36,663)	46,224
Swaps		2,256	(3)
Other investments	374	(174)	0
Total	**74,022**	**265,308**	**(49,196)**
All numbers in €'000			

Investment Income by Asset Class 2022	Income	Unrealised Gain/Loss	Realised Gain/Loss
Government bonds	2,287	4,320	(9,370)
Corporate Bonds	104,264	(85,233)	(91,241)
Collective Investment Undertakings	5,938	(300,377)	(1,297)
Structured Notes		(4)	(5)
Cash and Deposits		(67,977)	67,014
Call options		(16)	32
Collateralised Securities	20	9	46
Forwards		77,978	(182,109)
Swaps		15	(33)
Other investments	120	(380)	951
Total	**112,631**	**(371,666)**	**(216,012)**
All numbers in €'000			

The investment performance in 2023 in comparison to 2022 saw the following:

- Income has decreased during the year mainly as a result of the decreased in bond portfolio and holdings in Corporate Bonds.
- Higher un-realised gains in comparison to previous year mainly due to significant decrease in global equity market which were strongly positive during 2023.

A.4 Performance from Other Activities

Income for the Company includes a fund management fee which is charged to investment linked contracts for contract administration services and investment management services and other services related to the administration of investment linked contracts. Fees are recognised as revenue for the services provided. A unit trust management fee rebate was also received by the Company. Fund Management Fees have decreased in comparison to 2022 due to the fund maturities during 2023. These fees are shown as follows:

Other Technical Income	2023	2022
Fund Management Fee	23,997	26,313
Unit Trust Management Fee Rebate	16,801	15,821
Other income	4,806	4,109
Total	**45,604**	**46,243**
All numbers in €'000		

A.5 Any Other Disclosures

There are no other material matters in respect of the business or performance of the Company during 2023.

System of Governance

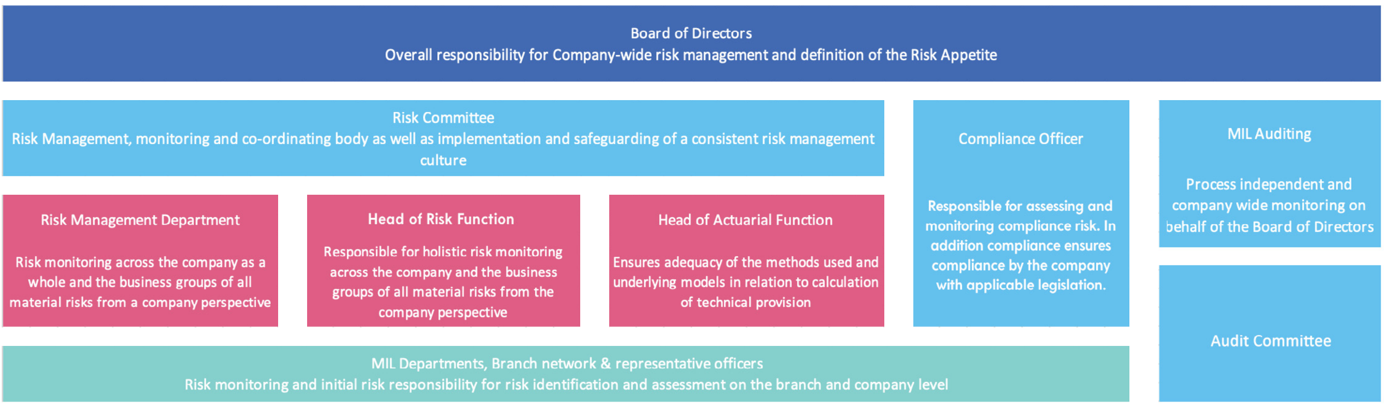
MIL has been authorised for classes I, III and IV of insurance (as per Annex I of S.I. No. 485 of 2015). MIL became a Designated Activity Company in February 2016 and changed its name to Mediolanum International Life dac as required by the Irish Companies Act 2014. Prior to this the company was known as Mediolanum International Life Limited.

B.1 General Governance Arrangements

This document has been prepared in accordance with the Solvency II Directive as transposed into Irish law, EIOPA guidelines and the Central Bank of Ireland's Domestic Actuarial regime and Related Governance Requirements. Other regulatory requirements naturally apply including inter alia, PRIIPS, IDD, Data Protection, AML/CTF, Fitness & Probity Standards, etc.

B.1.1 Organisational Structure

The following chart provides an overview of the central



B.1.2 Board of directors

The Company is managed and supervised by its Board of Directors (also, the "Board"). The composition and operation of the Board adheres to the requirements of the Corporate Governance Requirements for Insurance Undertakings, 2015. There are five Directors, three of whom are Irish residents. The Board comprises one executive director, two non-executive directors and two Independent Non-Executive Directors (one of whom is the Chairperson). The Board of Directors ensures the implementation of a strong internal control system and enterprise-wide risk management framework. The Board develop and approve the strategic vision for the business and empower the executive to implement same.

The Board retain responsibility for strategic business decisions, and delegate day-to-day responsibility for the other managerial functions to the Company's management (in particular to the General Manager), who monitors the operations of the Company.

The responsibilities of the Non-Executive Directors include offering impartial advice on the following:

- Scrutinising the performance management and consolidating agreed goals and objectives of management
- Ensuring that financial information is accurate, and the implemented controls and systems of risk management are robust and defensible
- Playing a central role in appointing and where necessary, removing senior management, along with succession planning
- Representing shareholder interests to manage and mitigate conflicts of interests and any possible agency-principal problems
- Oversight of remuneration process in place

B.I.3 Changes In The System of Governance

During 2023 there were no material changes made during the period to the system of governance. A new Spanish Branch Representative was appointed during 2023 replacing the previous appointment.

B.I. 4 Key Functions: Roles & Responsibilities

Below we identify the key functions within the company and briefly outline their primary roles and responsibilities.

Key Function	Roles & Responsibilities
PCF11 Chief Finance Officer	The Chief Financial Officer (CFO) is responsible for managing and supervising all accounting processes related to the Firm, including: - Accounting and financial matters: Supervise financial analysis performed by the accounting department - Tax matters: Deals with all taxation issues concerning the Company; - Capital: Ensures the company meets its Capital Requirements at all times. The Chief Financial Officer is responsible for the below core activities: - Maintaining adequate accurate and effective accounting processes, ensuring all statutory, regulatory and ad-hoc reporting requirements are implemented. - Manage and Supervise the Key Processes (Tax, Legal) to ensure activities are concluded in a timely and accurate manner. - Engage with CBoI within PRISM framework and ensuring all regulatory returns are completed and provided by the CBoI
PCF12 Head of Compliance	The Compliance Officer ensures compliance with all applicable laws and regulatory requirements ensuring arrangements are adequate to minimize and mitigate all identified compliance risks. The Compliance Officer is an independent function responsible for assisting the Company in complying with it's obligations under all applicable legislation and regulations. In particular, the Compliance Officer is responsible for: (i) identifying and assessing compliance risks, (ii) providing advice on compliance risks, (iii) compliance monitoring and testing, (iv) reporting and escalation and (v) regulatory relationship.
PCF13 Head of Internal Audit	The Head of Internal Audit (Internal Audit) is responsible for assessing the functionality of the entire internal control framework, in terms of appropriateness and effectiveness, as well as identification of breaches of procedures, rules and regulations. The function reports on the status and the outcome of its activities to the Audit Committee and informs the Central Bank of Ireland of its activities by providing the audit reports on demand. Internal Audit Function carries out "third-level" verifications/audit engagements to ensure regular performance of operations and evolution of risks and evaluates the completeness, adequacy, functionality and reliability of the Company's organizational structure and other components of the Internal Control System. The function can also provide, at the request of management, support and advice on the design, operation and improvement of the internal control system of the Company.
PCF14 Chief Risk Officer	The Chief Risk Officer (CRO) reports to the Chair of the Risk Committee and is supported by the Risk Management Function. The objective of the Risk Management Function is to identify, monitor, measure and manage the risks of the company as well as those of the policyholders (with the exception of insurance risk which is measured and monitored by the Head of Actuarial Function). The CRO ensures that adequate procedures for each risk are in place, and that the firm has enough capital to cope with these risks and is responsible for ensuring the ORSA Process is implemented within the company. The CRO provides the Risk Committee and Board of Directors with information providing assurance that all risks to which MIL is exposed are identified, assessed, measured, monitored and treated. This information also enables the committee and Board to assess the adequacy of MIL's Risk Management Framework and the Risk Management Function.
PCF48 Head of Actuarial Function	The Head of Actuarial Function (HoAF) reports directly to the Board of Directors. The function is required to comply with the relevant solvency regulations, Domestic Actuarial Regime and Related Governance Requirements under the Solvency II regulation. The Head of Actuarial Function has a number of responsibilities including: - Co-ordinating calculation of Technical Provisions and assess appropriateness of methodologies and assumptions used; - Contribute to the effective validation and assess data quality used in the Technical Provisions; - preparation and presentation of the HoAF Report, Actuarial Opinion on Technical provisions, review of ORSA; - preparation of the Reporting Actuary's report for financial statements purposes in respect of the year end accounts; - on-going advice and support to the management and Board of MIL on Actuarial related issues;
PCF8 Chief Executive	The Chief Executive of MIL (PCF-8) is responsible for ensuring that the instructions of the Board of Directors are duly implemented in a timely manner. The Chief Executive is also responsible for ensuring continuity and regularity in MIL's daily activities and services and regularly refers to the Board in relation to the activities of the Company. The Chief Executive reports directly to the Board of Directors and he is responsible for: - carrying out the strategic guidelines laid down by the Board and defining rules and accountability; - constantly verifying the organisational structure and ensuring the efficient running of MIL - overseeing the accounting, operational, and administrative activities; - Ensuring arrangements for appropriateness of System of Controls are in place - defining information flows between MIL's internal units and to external parties; - providing strategic investment advice to the Board of Directors
PCF52 Money Laundering Reporting Officer	MIL has appointed a Money Laundering Reporting Officer (MLRO) to ensure that MIL fulfils its obligations pertaining to the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (amended). The MLRO is responsible for: Review any relevant industry updates pertaining to anti money laundering and terrorist financing (MLTF) and the impact to the business. Communicate with relevant authorities all information pertaining to suspected MLTF activities. Ensure compliance with the Criminal Justice Act 2010 as noted above Ensure efficient, risk-based ongoing monitoring processes in place to mitigate the risk of potential MLT activities going undetected. Perform a risk assessment of the Company to MLTF and ensure appropriate control framework and effective activity oversight is in place.

B.1.5 MIL Commitiee's

The current committees in operation in the Company are as follows:

Risk Committee	Authorised by the Board of Directors ("Board") with the purpose of assisting the Board in providing leadership, direction and oversight of MIL's risk appetite, tolerance, risk strategy and risk management framework and of the risk aspects of major investments and corporate transactions. Its primary function is the on-going monitoring and control of all financial, operational and insurance risks associated with the activities of the company. The board of MIL acts as the risk committee as allowed under the Insurance Corporate Governance. The committee is governed by Terms of Reference which is approved by the Board
Audit Committee	Responsible for assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Group's process for monitoring compliance with laws and regulations and the business principles. The board of MIL acts as the audit committee as allowed under the Insurance Corporate Governance. The committee is governed by Terms of Reference which is approved by the Board
Product Committee	Plays a pivotal role in terms of the Governance and internal support structure behind MIL's product development process, MedInSynC®. This development process ensures MIL's core brand values of Client Centricity, Investment Quality and Excellence in Execution are embedded in each and every Insurance solution tailored for our retail client needs. The product committee supports ideation, product development and ongoing monitoring review as well as the evolution of our product solutions.
Operations Committee	Established to ensure smooth and efficient operational flows from the ongoing activities of the company. It ensures processes are both in place and implemented in order to monitor and control on an ongoing basis the branch and third party administrator operations. It is also responsible for ensuring that any other business strategies or actions and recommendations as a result of the monitoring program in place are submitted by the Committee to the Board of Directors. The Committee also ensures compliance with the regulations and laws as established by the Central Bank of Ireland, and it considers also specific local rules applied in the foreign markets where the company branches are based.
Projects Committee	Support departments invovled in new / ongoing projects. The Committee refers to Mediolanum Project Management Framework (MPMF) which is a project managemetn methodology that seeks to control the key components of a project, namely: Roles & responsibilities, Cost Resources, Scope, Time and Process. Each stage of a project concludes with a formal governance control point where the initiative is scrutinised and evaluated by the Project Committee. The Organisation Department ensures projects are set up and documented correctly, and works with Project Committee to ensure that the approproate governance control points are adhered to.

The Risk Committee and Audit Committee are Board Sub Committees and report directly to the Board. The Product, Operations and Projects Committee are internal Management committees.

B.1.6 Remuneration Policy & Arrangements In Place

The MIL Remuneration Policy reflects the Company's objective of ensuring that all key identified staff carefully evaluate the risks inherent in all decision making and ensuring that decisions are in line with the Company's business strategy and values. It ensures that the Company is able to attract, develop and retain high-performing and motivated employees in a competitive and international market. It endeavors to ensure that employees are offered a competitive remuneration package in order to ensure the company meets its long terms business objectives. The policy is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking and defines performance goals and objectives for all employees that are aligned with the business.

There are two remuneration components (i) Fixed remuneration is determined on the basis of the position and role of the particular employee, including responsibility and job complexity, performance and local market conditions, (ii) Variable remuneration is performance based which motivates and rewards employees who strengthen long term client relations and generates income and shareholder value. It promotes sound risk management and does not encourage excessive risk taking.

MIL operates a deferral aspect to variable pay where Variable Remuneration exceeds the incentive threshold. The current threshold is €50,000 or 1/3 of total remuneration and where this threshold is exceeded, the bonus of the relevant individual is subject to a deferred payout process. Other additional benefits include company pension plan, life assurance and permanent health insurance. MIL has a maximum ratio of Variable Remuneration to Fixed Remuneration and this is set out within the Policy.

The Independent Non-Executive Directors approve the Remuneration Policy each year and review versus previous years to ensure it is consistent with and promotes a sound and effective risk management framework and does not encourage excessive risk taking.

B.1.7 Group Interaction

MIL is part of the Mediolanum Insurance Group and adopts Mediolanum Group methodologies and processes pertaining to the Solvency II process, wherever possible. Nevertheless, the Solvency II processes at a local legal entity level has full regard to MIL as a stand-alone legal entity and takes into account the expectations of the Central Bank of Ireland as the lead supervisor of MIL.

B.1.8 Material Transactions

The Directors approved the declaration of a dividend of €21,382k on the 24 February 2024 (2022: €17,200k) to be paid to its shareholder, Banca Mediolanum S.p.A.

B.2 Fit and Proper Requirements

MIL incorporates the provisions of the Central Bank Reform Act 2010 Part III in its recruitment process along with associated Fitness and Probity Guidance issued by the Central Bank. This includes incorporation of the Fit and Proper requirements under Article 42 of Solvency II Directive and Article 273 of Commission Delegated Regulation 2015/35 where MIL ensures that these are incorporated within its internal governance regime.

The requirements under Fitness and Probity were taken into consideration as part of the new requirements under the Central Bank (Individual Accountability Framework) Act 2023 (the IAF Act). IAF is a regulatory framework introduced by the Central Bank of Ireland in 2023 to enhance governance, performance, and accountability in the financial services sector.

All proposed appointments which are prescribed PCFs by the Central Bank's Fitness and Probity Standards (the "Standards") require prior approval from the Central Bank of Ireland. There is no requirement for prior approval to be received in relation to those proposed appointments which fall within the definition of Controlled Functions ("CF") prescribed by the Standards however MIL must be satisfied that all such appointments are meeting fitness and probity standards set out by the Central Bank. The Standards require that persons performing CF and PCF roles:

- are competent and capable of performing the role;
- act honestly, ethically and with integrity;
- are financially sound.

MIL has a Fit and Proper Policy which is approved by the Board annually. It incorporates the prescribed appointments process required by the Central Bank of Ireland and identifies who is in scope, how fitness and propriety will be assessed for both new employees and on an ongoing basis and the governance arrangements in relation to individuals being approved as being fit and proper (including MIL's requirements concerning skills, knowledge and expertise applicable to persons who effectively run the business).

Approved Function
PCF1 - Executive Director
PCF2A - Non-executive Director
PCF2B – Independent Non-executive Director
PCF3 - Chair of the Board
PCF4 - Chair of the Audit Committee
PCF5 - Chair of the Risk Committee
PCF8 - Chief Executive
PCF11 - Chief Finance Officer
PCF12 - Head of Compliance
PCF13 - Head of Internal Audit
PCF14 - Chief Risk Officer
PCF16 - Branch Manager of branches in other EEA countries
PCF48 - Head of Actuarial Function
PCF52 - Money Laundering Reporting Officer

Policy as at 31 December 2023.

In addition to the Directors (INEDs PCF2B and NEDs PCF 2A), the following officers have also been approved by the Central Bank of Ireland and are all subject to the MIL Fit and Proper Policy as at 31 December 2023.

The Company has in place a policy which identifies roles that are "Control Function" and ensures that these designated individuals are fully aware of their responsibilities.

B.3 Risk Management System including Own Risk and Solvency Assessment

The Solvency II Directive requires insurers, as part of their risk management system, to perform an own risk and solvency assessment (ORSA). This assessment requires MIL to properly determine its overall solvency needs to cover both short and long-term risks. The risk-based approach requires, amongst other things, that MIL holds an amount of funds commensurate with the risks to which it may be exposed and thus the ORSA represents MIL's opinion and understanding of its risks, overall solvency needs and own funds held.

The intention of MIL's ORSA is to enhance awareness of the interrelationships between the risks MIL is currently exposed to, or may face in the long term, and the associated capital requirements. As a management tool it is designed to enhance risk awareness in the decision-making processes, forming an integral part of the overall business strategy and to assist MIL in obtaining a real and practical understanding of the risks it is assuming. MIL's ORSA helps to ensure that the company can continuously meet its regulatory capital requirements, as well as the internal capital targets in the face of changes to our risk profile and business plans, as well as the impact of developments in the external environment. The ORSA is prepared giving consideration to the local MIL business requirements however the results also feed into the Group ORSA.

The MIL ORSA process provides a review of the Solvency assessment for the company and the key risks impacting its business model over the short to medium term.

A risk identification exercise is performed to highlight those risks that should be captured within our Risk Appetite Framework.

Our framework uses the Standard Formula Approach. The capital requirement is determined as the 99.5% confidence level. This analysis is supplemented by a suite of portfolio stress tests which target key risks present within the asset portfolio at any one time. The stress tests performed will vary over time as the composition of the asset portfolio, and hence risk profile of the company, changes. The results of the stress testing analysis form a key input to risk management and investment decisions.

A further important component of the ORSA process is the forward-looking risk assessment. Here an analysis is performed which considers risks and extreme scenarios that could render the business model non-viable. The analysis captures both quantitative and qualitative factors and provides a framework by which the impact of all identified events can be mapped to our business plan and capital requirements.

The ORSA includes consideration of the suitability of the standard formula capital calculation. At this time Management believe that the standard formula calculation adequately captures the risk profile of MIL and that development of an internal model is not required. While an annual ORSA report is produced, the ORSA process is continuous and helps inform our business strategy and capital requirements over time.

The Board is involved throughout the ORSA process, and partakes in setting the risk appetite, approving both long-term and short-term capital planning, and approving the suite of stresses that should be applied to our business model. The Risk appetite statement and Risk Register are subject to annual Board review to assess the on-going appropriateness of the business' risk profile and whether it is reflected accurately in the ORSA. The ORSA is formally approved by the Board on an annual basis or more frequently if required. The Group entity and MIL organisational units are also involved in the ORSA process.

B.3.1 ORSA Process And Risk Management System

The Board of Directors has implemented a risk governance framework that ensures an integrated and aligned approach between the following:

- the areas where it considers the institution to be especially vulnerable;
- the risk mapping and appetite of the institution; and
- the risk management system of the institution.

Our Risk Framework, policies and procedures governing the system of limits and thresholds for material risks governing MIL, describe the central elements of our risk management system. The ORSA Process and risk management system are subject to a continuous cycle of planning, action, control and improvement. Systematic risk identification, analysis, measurements, steering and monitoring as well as risk reporting are especially crucial to the effectiveness of the system as a whole.

The Risk Management framework describes, amongst other things, the major tasks, roles and responsibilities and the risk control process. The rules implemented additionally take account of the regulatory minimum requirements for risk management as well as international standards and developments relating to appropriate risk management.

The Risk Management Framework is designed to identify, measure, manage, monitor and report significant risks to the achievement of our business objectives. It is inherently linked to the ORSA Process.

The core elements of our framework are as follows:

- • Risk Management Framework & ORSA Process
- • Risk Identification, Mapping and Assessment
- • Risk Appetite & Strategy
- • Risk Register and Key Risk Indicators
- • Communication and Culture
- • Monitoring & Reporting
- • Solvency II Capital Management
- • Board & Committee Engagement

B.3.2 Risk Strategy & Objectives

The MIL risk appetite framework articulates the risk capital of the business available for deployment in pursuit of its strategic objectives. It defines the type of risk which MIL is willing to take on, and the level of risk that is considered appropriate for each of the main areas of risk that the Company faces.

The Company is only willing to take the minimum level of risk necessary to carry out its business and to be profitable. MIL will not take on risks in areas where the risks are considered to be excessive, or risks where the consequences of failure are deemed to be too severe.

The Risk Strategy is consistent with the Company Strategy and Business Plan. MIL seeks to constantly maintain and develop a holistic Risk management system to identify, control and promote awareness of all pre-existing and emerging risks. Analysing risks on a quantitative and qualitative basis enables MIL to ensure that risks are within our prescribed appetite, and these are monitored and controlled accordingly. It is also MIL's intention to maintain a risk management system which is commensurate to the nature, scale and complexity of the risks faced and to foster a suitable risk culture in the company.

Data Governance Framework

MIL, in order to ensure the quality of the data used for the measurement and management of risk exposure, in line with the requirements of the regulations and internal processes has implemented a data governance policy that allows compliance with the requirements of accuracy, completeness and appropriateness of the data used. The Data Governance policy sets out details of the Data Governance framework being followed within MIL.

In conjunction with the Risk framework, the Data Governance Framework was enhanced in 2019 under the responsibility of a Head of Data Governance.

The Data Governance Framework adopted in this document is a set of guidelines to be followed during the data lifecycle from data creation to disposal. The framework covers the following key areas and guidance on each.

- Data Governance Principles
- Data Governance Working group
- Data Quality
- Data Lifecycle
- Data Usage
- Data Governance Steering Committee
- Data Protection

Risk Management Process

The company places a high degree of importance in ensuring that our Risk Management process continues to keep pace with best-in-class solutions and practices available in the industry. We strive to keep abreast of the latest technological developments in risk management and integrate appropriate platforms where we identify an opportunity to enhance value to our existing Investment Risk Process. The company has recently added both an industry leading GRC and climate risk quantitative assessment tool to its existing suite of solutions.

B.3.3 Risk Appetite and Tolerance

The MIL Risk appetite is articulated in the Statement of Risk Appetite which is owned by the Board and reviewed at least annually or every time there is a material change of the risk profile of the business. MIL operates within the risk management system of the Group entity.

The risk appetite statement sets out various risk tolerances, which are in turn translated into risk limits that are observed by the business. The risk limits are documented in key policy documentation which are approved by the Board on the recommendation of the Risk Committee. These are maintained on an ongoing basis and reviewed not less than annually.

The methodology for defining the Risk Appetite and Capacity, adopted by MIL, is consistent with the Insurance Group methodology. MIL has reviewed this methodology and is satisfied that it is appropriate to the local legal entity and chooses to adopt a local risk-based approach were deemed appropriate. MIL has established a Strategic Solvency Target and incorporated two buffers ("level of confidence") around this to ensure deviations from appetite are effectively monitored and an acceptable tolerance level is in place.

The Risk Capacity is defined as the capital required in order to ensure sufficient coverage of the Solvency Capital Requirement, as defined by the Solvency II standard formula approach.

B.3.4 Risk Identification, Analysis & Assessment

MIL assesses its underlying risk profile and whether these risks are within the risk appetite on an on-going basis. A Risk Mapping assessment is conducted to determine the risks applicable to the Company and ensure there is sufficient understanding and appropriate mitigation of same across the business. These are then mapped to the MIL Risk Register.

Key risk indicators, mitigating actions plans and controls are in place to manage the identified risks are detailed in the risk register, which is maintained by the Risk Department and is subject to annual review at a minimum. Risk identification is important for ensuring that our risk management consistently remains up to date. Emerging risks are also considered on a regular basis to anticipate the trends and evolutions that could impact the business profile of the company.

In principle, every risk that is identified and considered material is quantitatively assessed. Only risk types for which quantitative risk measurement is currently not possible or difficult are qualitatively assessed (for instance Business Model or Reputational Risk).

B.3.5 The ORSA Process

1. Perform an initial assessment which encompasses:

- Review of Business Objectives and Business Plan
- Identification of risks to meeting the Business Objectives and Plan
- Review of Risk Profile against the Risk Appetite
- Consideration of appropriate scenario/stress tests to be applied to each risk area and whether the tests applied by the Solvency II standard model agree with MIL's risk profile
- Apply more appropriate scenario/stress tests where appropriate / required

2. Consider the results of the ORSA conducted (based on the initial assessment) to determine if the Board is satisfied with the outcome or if additional analysis is required

3. Determine if the required regulatory capital is sufficient to ensure MIL has capital to mitigate its risks as identified in the ORSA process, or if additional capital review should be applied to ensure risk mitigation.

4. The Board approves the ORSA report.

5. The Central Bank of Irelands' ORSA template is completed and submitted using their portal.

The Risk Committee also assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems;
- The implementation of the Company's risk strategy and maintenance thereof;
- The oversight of Solvency II developments;
- The oversight of investment issues;
- The timely reporting of material deviations from defined risk appetite; and
- Monitoring the effectiveness, independence and objectivity of the Risk function

B.3.6 Risk Communication and Culture

MIL is very cognisant of the role played by culture in influencing behaviours within a business and the attitude of various business units to risk drivers and an appropriate management of these. The key starting point for MIL is having a high calibre Board in situ who are intimately au fait with the business model and operating environment of MIL and associated challenges. This is evidenced by the calibre of individuals sitting on the Board and both the experience and breadth of experience they bring to the process. Key factors considered by the Board in defining the business strategy for the company include:

- Ensuring alignment of the tone at the top with tone at the middle
- Ensuring ownership and accountability are adopted as priority behaviours for all staff
- Ensuring the forums exist to promote effective challenge and communication at all levels of the business

Risk communication within the business takes the form, for example, of internal and external risk reports, information on risk activities via the MedUncovered program and training opportunities for staff. The regular sharing of information between risk-steering and risk-monitoring units is also fundamental to the proper functioning of risk management.

B.3.7 Risk Monitoring & Reporting

The monitoring off all identified material risks is a core task of the Risk Management function. This includes, inter alia, monitoring execution of the risk framework as well as adherence to the defined limits and thresholds and to risk-related methods and processes. Risk mitigating measures are implemented where necessary.

The results of the risk management monitoring exercise are captured within reporting packs that are provided to the business, including senior management. This pack also forms a recurring agenda item at the Risk Committee. The board receives a Management Information pack, which includes a risk section, extracts from the above monitoring exercises and comments on key trends over the period. An ongoing "Early Warning System" using Key Risk Indicators is also included to feed the Risk Register summary presented to each Risk Committee meeting.

Selected themes are also discussed at the Risk committee with the minutes forming part of the discussion.

Our risk reporting provides systematic and timely information about all material risks and their potential implications.

The central risk reporting system consists primarily of regular risk reports, for example on the overall risk situation, adherence to the parameters defined in the risk appetite. Complementary to the regular risk reporting, immediate internal reporting on material risks that emerge on short notice takes place as necessary.

B.3.8 Risk Mitigation

On a product-level, product design and underwriting processes help to identify and mitigate the behavioural risks and any possible anti-selection that may be exercised at the expense of MIL.

MIL ensures that currently implemented risk mitigation activities and processes remain suitable by monitoring their continued effectiveness via a structured control framework.

The primary elements of the MIL risk mitigation techniques are identified further in the Risk Profile section.

B.3.9 Solvency Capital Management

The above process helps to determine the Solvency requirements given the company risk profile and any consideration of risks identified during the process. The Risk Management Process also takes into account the Capital management activities of MIL. Consideration of capital and dividends are formally reviewed within the Capital Management and Dividend policy.

In the interests of our shareholders and clients, we ensure that our risks remain commensurate with our capital resources. Our quantitative and qualitative risk management provides a uniform framework for the evaluation and steering of all risks affecting the company. The central component in risk management is the economic capital which is calculated according to market-consistent measurement principles under Solvency II using the standard formula. MIL's economic capital reflects all risks that influence the development of the economic capital. They are split into underwriting risk, market risks, counterparty default and operational risks.

The Capital Management and Dividend policy sets out the principles used to direct and control capital management within MIL. The policy aligns with the Risk Appetite Statement, Capital and Business Plan, ORSA Process and related risk policies. The Company's key capital management objectives are to:

- Ensure that all capital management actions are consistent with MIL's Risk Appetite, business and risk strategy.
- Ensure the timely identification of any non-adherence to the policy.
- Ensure at all times that MIL's own funds are correctly classified and remain within established guidelines and limits as laid down by the CBI/Solvency II.
- Ensure that the issuance of own funds is in accordance with the medium-term capital management plan
- Ensure that the terms and conditions of any own funds item are clear and unambiguous.
- Ensure that any statement in respect of dividends takes the Company's capital position into account.
- Identify instances when distributions of own funds are expected to be deferred or cancelled.
- Preserve capital and where prudent contribute to the growth of surplus for the benefit of the shareholder.

The Company seeks to maintain a capital buffer in excess of its SCR to cover contingencies. It is intended that this buffer will enable the Company to withstand significant equity shocks and reduction in sales volumes without the need to raise further capital in the medium term. The intended size of the capital buffer is specified by the Risk Committee and approved by the Board, with details of the approved Capital Buffer outlined in the Risk Appetite Statement.

B.3.10 Risk Committee

As outlined above within the Organisational structure, the Risk Committee is responsible for the operational risk management, monitoring and co-ordinating risk management as well as fostering a suitable risk culture.

Risk Committee
Risk Management, monitoring and co-ordinating body as well as implementation and safeguarding of a consistent risk management culture

Risk Management Department	Head of Risk Function	Head of Actuarial Function
Risk monitoring across the company as a whole and the business groups of all material risks from a company perspective	Responsible for holistic risk monitoring across the company and the business groups of all material risks from the company perspective	Ensures adequacy of the methods used and underlying models in relation to calculation of technical provision

Risk

The Risk Committee is responsible for:

- Recommending MIL's overall risk appetite and tolerance to the Board for approval;
- Reviewing MIL's risk framework and approving risk policies, standards and limits within the overall appetite and tolerance approved by the Board;
- Reviewing the MIL processes for determining risk appetite tolerance, monitoring compliance with approved risk tolerance levels and policies and the resultant action in respect of policy breaches;
- Reviewing the material risk exposures, including insurance, market, credit, operational, liquidity, reputational and economic and regulatory capital risks against the risk methodologies and management's actions to monitor and control such exposures;
- Reviewing the stress testing and monitoring management's response to the results;
- Receiving notification of material breaches of risk limits and approving the proposed remedial actions;
- Reviewing and approving any new transaction to be executed which meets the criteria established by the Board and applicable policies;
- Advising the Board on the risk inherent in strategic transactions and business plans and the impact on the Group's risk appetite and tolerance.

B.4 Internal Control System

The Board of Directors is responsible for ensuring a sufficient control system is in force by establishing, implementing and maintaining adequate internal control mechanisms designed to secure compliance with decisions, policies and procedures at all levels.

In order to be compliant with the provisions of all applicable laws, MIL maintains a permanent and effective control system to ensure the regularity of its services and activities, which provides for an effective internal reporting and communication of information at all relevant levels of the Company.

Responsibilities are based on a three-layered approach as detailed below:

-**1st Line of Responsibility:** The first level is the risk management level, which is the responsibility of the business unit managers. These are the people responsible for making the primary decisions in relation to risk. They are the people deciding which products to sell, what controls to put in place and they have the initial responsibility for managing risk. They are responsible for reporting any instances of non-compliance with policies and processes to the Compliance Function. They should provide the risk management, Internal audit, Compliance and actuarial functions with all of the facts relevant for the performance of their duties.

-**2nd Line of Responsibility:** This is covered by the Risk and Compliance functions.

The risk management function is responsible for providing risk oversight and risk management assistance to the first line including monitoring of breaches. The Compliance Function is responsible for ensuring compliance with applicable legislation and monitoring compliance of the underlying policies and processes.

-**3rd Line of Responsibility:** This is covered by MIL Internal Audit Function who is responsible for providing independent assurance to the Audit Committee on the adequacy and effectiveness of the risk management framework, internal control system, operations and other elements of the system of governance. The Internal Audit activity evaluate the effectiveness and contribute to the improvement of the risk management processes. The Internal Audit Function will report any identified Risk, Control and Governance issue to the Audit Committee.

The Compliance function, the Risk Management function and the Internal Audit function are collectively known as the Internal Control functions. There are formal channels for these to communicate with each other, and reports to be made to their corresponding functions within the company. Proper information flows are in place in order to keep the Board of Directors informed of the outcome of the activities of the control system.

B.4.1 Compliance Function

Primary responsibility for the overall Compliance Program resides with the Head of Compliance, an independent function from the first line of defence and acting in an advisory capacity to the company in assisting its compliance with requirements under applicable legislation. The Head of Compliance is responsible for ensuring that arrangements are adequate to manage and mitigate identified compliance risks.

The main responsibilities include:

- execution of the Compliance Plan including monitoring plan approved annually by the Board;
- acting in an advisory capacity to the firm whilst at the same time maintaining independence
- working independently and objectively to monitor and manage compliance risks
- preparing quarterly reports for the Board outlining status of activities undertaken in the previous quarter,
- ongoing engagements with and reporting to Insurance Group Head of Compliance and MIL second and third lines of defence
- key point of contact with the Central Bank of Ireland
- Monitor for changes in applicable legislation

MIL Compliance Policies include:

- Complaints Handling
- Third Party Management Framework
- Conflicts of Interest
- Record Retention
- Inducements
- Data Protection

The MIL Compliance Manual provides an overview of the role of compliance and monitoring undertaken along with an overview of the compliance management process. The Compliance Department maintains responsibility to update and enforce the compliance policies. The policies once updated are submitted for approval to the Board and available to all staff via Metricstream.

Legislative changes that took place in 2023 included the introduction of IAF/SEAR and SFDR.

B.5 Internal Audit Function

MIL Internal Audit Function is independent of business management activities. It is not involved directly in revenue generation, or in the management and financial performance of any business line. Internal auditors have neither direct responsibility for, nor authority over, any of the activities they review. Nor does their review and appraisal relieve others of their responsibilities.

The Function reports functionally to the Audit Committee and administratively to the Chief Executive. The main responsibilities include:

- execution of a risk-based audit plan approved annually by the Audit Committee and the Board;
- distributing audit reports to those in the company who are required to take corrective actions;
- working independently and objectively to assess whether the risk management, governance and internal control processes are appropriately designed and operate effectively; and,
- preparing quarterly reports for the Audit Committee summarizing audit activity in the quarter, identifying material weaknesses in the internal controls environment, recommendations to remedy material weaknesses and updates on previously reported findings.

The Audit Committee:

- annually reviews and approves the Internal Audit Policy, where the purpose, scope authority and responsibilities of the Function are set out;
- reviews and recommends the appointment/removal of the Head of Internal Audit Function to the Board;
- annually assesses the performance and the effectiveness of the Internal Audit function; and,
- annually reviews and approves the function's organisational and reporting structure, budget and resources.

B.6 Actuarial Function

The Actuarial Function is outsourced to Milliman via an engagement letter and the pre-approved Control function PCF48 position of "the Head of Actuarial Function (HOAF)" is held by a senior actuary within Milliman. The HOAF reports directly to the Board of Directors. The majority of the work carried out by the HOAF is required in order for the Company to comply with the relevant solvency regulations and the Domestic Actuarial Regime and Related Governance Requirements under the Solvency II regulation issued by the Central Bank of Ireland and to comply with the obligations set out in the relevant actuarial standards of practice issued by the Society of Actuaries in Ireland.

The actuarial function is required to:

- Co-ordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the Board of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in cases where there is insufficient data quality;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the Own Risk and Solvency Assessment.

The calculation of the Technical Provisions is outsourced to Mediolanum Vita, a Group Company.

B.7 Outsourcing / Service Provision

Due to its nature, scale and complexity of its business activities, MIL may enter into service agreements with third parties, where appropriate, in order to assist the Company to achieve its business objectives by delivering a consistent and quality service to its policyholders. Mediolanum's Third-Party Management Policy describes the arrangements and oversight controls the Company has put in place over its outsourced service providers ("OSPs") and its Critical or Important service providers ("CSPs"). MIL ensures that the potential risks arising from the delegation of activities or functions to third party service providers are suitably and appropriately managed in accordance with its legislative and regulatory requirements. In doing so, it describes MIL's process for the selection, monitoring and assessment of service providers - from inception to termination of the relationship - following a risk-based approach.

MIL incorporates the legislative and regulatory definition and indicia of "outsourcing" in Solvency II and Guidelines on Outsourcing in its process for appropriately categorising the nature of its service providers, taking into account its business model. MIL identifies its service providers that perform activities or functions which are classified as Critical or Important to ensure continuity in MIL's delivery of agreed services to policyholders.

The company maintains a Third-Party Register of its service providers classifying all its service level agreements, highlighting those considered Outsourcing arrangements, and service agreements in respect of critical or important functions or activities. Where outsourced arrangements are in place in respect of critical or important functions or activities, MIL ensures that the terms of a written outsourcing agreement are consistent with its obligations under Solvency II and associated EIOPA guidance. Such a written agreement must also ensure that, irrespective of whether or not a service provider is located in the EU, MIL's supervisory authorities will be able to assess how it complies with its obligations.

- Providers that MIL has signed letters of engagement/agreements with include the following categories of function:
- Administrator
- AML Services support
- Control Function / PCF Services (Actuarial)
- Custodial Services
- Distribution Services
- IT Services Provider
- Regulatory Reporting Services
- Risk Management

Critical Service Providers	Category of the Outsourced function	Outsource Provider	Jurisdiction	Connected Group Entity
Mediolanum International Funds limited (MIFL)	Service provided to Mediolanum International Life DAC: IT; Operations; HR; Legal; Organisation/Project Management; Compliance; AML; Risk; Product; Marketing	Yes	Ireland	Yes
Banca Mediolanum SpA	Group Distributor - Distribution of insurance products in Italy	No	Italy	Yes
Banco Mediolanum SA	Group Distributor - Distribution of insurance products in	No	Spain	Yes
1) Apella AG 2) BlauDirekt 3) DBFP -Deutsche Beratungsgesellschaft Fur Finanzplanung GMBH 4) DEMA Deutsche Versicherungsmakler AG 5) Deutsches Maklerforum AG 6) Fondsnet Assekuranzmakler GmbH 7) FP Finanzpartner in Bayern AG 8) Jung, DMS & Cie Pro Gmbh 9) Kapitalwerk Private Finance GmbH 10) NVS Netfonds Versicherungsservice AG 11) Patriarch Multi-Manager GmbH 12) pma Finanz- und Versicherungsmakler GmbH 13) TELIS FINANZ Vermittlung AG	Non-Group Distribution Services	No	Germany	No
SS&C Wealth & Insurance	Administrator	Yes	Ireland	No
Refinitiv Ireland Limited	AML Services support	No	Ireland	No
Refinitiv Limited	AML Services support	No	UK	No
Mediolanum Vita SpA ('MedVita')	AML Services support; Internal Audit Support and Risk	Yes	Italy	Yes
Banca Mediolanum SpA	AML Support Services and Italian Branch Support Services	Yes	Italy	Yes
Banco Mediolanum SA	AML Support Services and Spanish Branch Support Services	Yes	Spain	Yes
Milliman Limited	Control Function /PCF Services [Actuarial]	Yes	Ireland	No
BNP Paribas S.A.,	Custodial Services	No	Ireland	No
Jung, DMS & Cie Pro Gmbh	German Branch Support Services	Yes	Germany	No
Accenture Limited	Provider of the Life Policy admin system	Yes	Italy	No
Fairmat	Regulatory Services	Yes	Ireland	No
Arkk Consulting Ltd t/a ARKK	Regulatory Reporting Services	Yes	Ireland	No
Cedacri S.p.A	IT Services Provider	No	Italy	No

B.8 Assessment of Governance

Reviews of the effectiveness of the Board and associated committees of MIL are carried out on a regular basis, taking into account the requirements of the Corporate Governance Code and Solvency II requirements.

Internal audits, external audits and PRISM engagement from the Central Bank of Ireland provide independent evaluation of the company's system of governance. Recommendations from these are considered by the Board of Directors and implemented proportionate to the business risks. The company also considers relevant Group guidance and implements Group policies and processes locally where applicable on a risk-based approach and ensures continued compliance to the Insurance Group methodology.

The results of the ORSA conducted during 2023 show that the Company has sufficient capital to meet its Solvency II capital obligations in the event of a variety of reasonably foreseeable scenarios. Continuous Board engagement, various internal compliance reviews, audits of the ORSA process and reviews of the IT cycle (including data governance) all contribute to ensure an effective governance framework.

The Company adopted a recovery plan in 2022 and updated this in 2023 to reflect the YE 22 balance sheet position. This shows that the Company is resilient even in severe stress scenarios and that it has a range of recovery options to maintain its regulatory capital position in such scenarios.

Risk Profile

C.1 Risks Covered

The MIL risk appetite framework articulates the risk capital of the business available for deployment in pursuit of its strategic objectives. It defines the type of risk which MIL is willing to take on, and the level of risk that is considered appropriate for each of the main areas of risk that the Company faces.

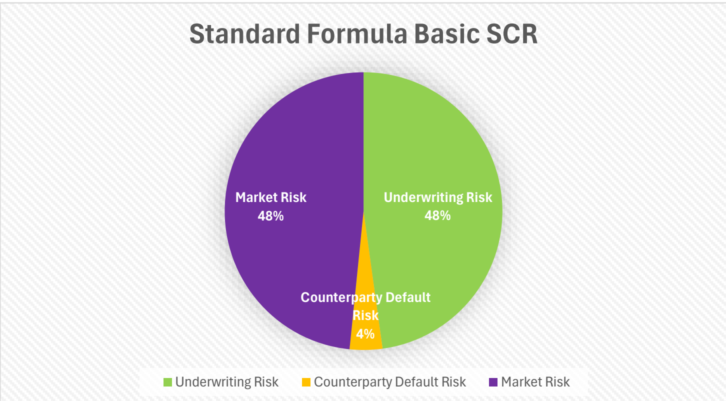
The Company is only willing to take the minimum level of risk necessary to carry out its business and to be profitable. MIL will not take on risks in areas where the risks are considered to be excessive, or risks where the consequences of failure are deemed to be too severe. As such, the risk appetite statement (as well as being approved by the Board at least annually) is subject to update for each instance of a material change of the company risk profile. Any deviations from the risk profile will be communicated to the Risk Committee for consideration and subsequently notified to the Board of Directors.

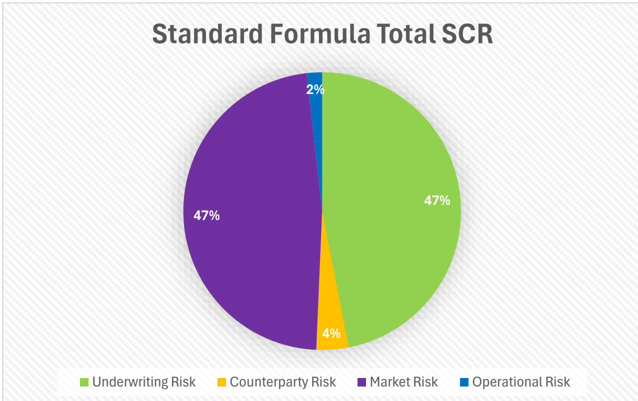
The MIL business model is supported by a robust risk management framework that ensures that risk is well managed and understood. This is facilitated through both a quantification and qualification of all risks and a culture that promotes the importance of the Risk Management Process. Determining the prevailing landscape within the company allows the Board and Risk Committee to assess MIL's appetite for each emerging risk and to ensure that all are managed consistently within the Risk Appetite.

The parameters and decisions of the Board with respect to the risk appetite of MIL, which are based on the calculations of risk-bearing capacity, are fundamental to the acceptance of risks. Through our business operations, we are able to effectively allocate our capital in light of opportunity and risk considerations. Crucial importance attaches to our risk management in order to ensure that, among other things, the primary risks remain calculable and even potential exceptional major losses do not have an unduly adverse impact on the result.

The Risk Framework and major guidelines and policies derived from it are reviewed at least once per year. In this way the company can ensure that we keep our risk management system up-to-date. The company does not utilise special purpose vehicles in conducting its business.

The resulting metrics for both the basic and Standard Solvency Capital Requirement risk profiles for MIL as at 31st December 2023 are:





The standard formula SCR risk profile mainly comprises market and underwriting risk. More specifically the material risks within these - Lapse and Equity risk, have been identified as the dominant components of the SCR.

C.2 Underwriting Risk

The Company's business is focused on Class III products with the aim of providing investment solutions of different risk profiles and time horizons to clients. Insurance risk is defined as current or prospective risk to earnings and capital arising from adverse developments in policyholder movements and expenses.

The main insurance (underwriting) risks which the Company is willing to accept, although with the objective of maintaining the risk exposure to within the Risk Appetite Statement, are mortality and lapse risks which have been identified as part of the Company's Risk Classification Process. These risks are monitored by the Head of Actuarial Function and the Risk Function. The insurance risks are taken into account when calculating the technical provisions of the Company which is outlined in the Company's Underwriting and Reserving Policies. This policy ensures amongst other things, that the Company's underwriting activities are consistent with the Risk Appetite, the risks arising from the insurance obligations are identified and that there is adequate premium income to cover expected claims and expenses.

The Underwriting Risk component of the Solvency Capital Requirement (SCR) accounted for 47% of the Total SCR (before allowance for diversification) as at 31st December 2023.

Insurance risks are mitigated through strict underwriting criteria and product design. Assumptions utilised in the projections are determined using historical experience, or best practice where historical experience is not available.

The nature of the business written by MIL ensures that there is moderate mortality exposure given the relatively low death benefits provided. The materiality of the mortality risk exposure is low in comparison to other insurance risks with the Mortality SCR comprising approximately 2.2% of the total Life Underwriting SCR.

Lapse Risk has been identified as a key risk for the company. An increase in lapses would reduce the Company's future income and this loss would be recognised immediately on the Solvency II balance sheet. There is also the risk that increases in lapses result in expenses being spread over fewer policies which could lead to the remaining policies not being able to bear the level of expense being levied on them. On the other hand, low lapse rates, for products that don't produce ongoing margins, could mean that the Company incurs expenses and mortality risks for a longer time period than was assumed in pricing with lower levels of surrender penalties being received.

Monitoring and controlling of underwriting risks are conducted via various methods including:

- Maintenance of a company Risk Register with supporting Key Risk Indicators which are assessed on a regular basis and monitored via the risk framework process
- Monitoring lapse rates and actual lapse experience vs expected experience on a regular basis. Surrender penalties on some products are a key control of Lapse risk
- Product design and pricing aims to minimise adverse selection and use appropriate factors to differentiate between different levels of risk
- Maintaining limits on the death benefits offered by the Company.
- Adhering to the Company's underwriting policy which is reviewed on an annual basis.
- Lapse Risk is mitigated via the product design, including surrender penalties and policyholder bonuses
- Regular reporting highlights performance of key underwriting metrics
- The ORSA process includes stress and scenario testing which is used to assess the risks under stressed conditions
- Experience investigations are conducted and included in the annual reserving process
- Mortality risk is mitigated through product design, and is closely monitored
- Dashboards produced and provided to Senior Management / Board of Directors containing relevant metrics used in forming controls and mitigations for insurance risks

Assumptions and appropriateness of key factors which impact the Technical Provisions are monitored, including:

- Surrender rates and their change
- Expenses and expense inflation
- Paid up rate: the proportion of premium paying policies that convert to "paid up" status
- Contract boundaries and their appropriate setting
- Mortality rates and assumptions based on these
- Interest rates used and any other adjustments (for example volatility adjustment or matching adjustment)

In addition to the above, the underwriting policy considers

- The sufficiency of the premiums to be earned to cover future claims and expenses,
- Consideration of the underlying risks (including underwriting risks)
- Impact of options and guarantees included in insurance and reinsurance contracts on the sufficiency of premiums
- Effect of inflation, legal risk, change in the composition of the undertaking's portfolio, and of systems which adjust the premiums policy-holders pay upwards or downwards depending on their claims history (bonus-malus systems) or similar systems, implemented in specific homogeneous risk groups
- Progressive tendency of a portfolio of insurance contracts to attract or retain insured persons with a higher risk profile
- Sustainability risk where this is defined as the impact of the environmental, social and governance factors on the Company's assets and liabilities

Risk Concentration

Our Insurance concentration risks take a number of forms:

- We operate within Italy, Spain and Germany. A significant portion of the our client base lives in the major population centres in Italy and Spain. Our insurance risk exposure can be relatively concentrated to specific places in Italy and Spain. We accept this risk and do not seek to reduce it.
- Individual policyholders with large sums assured can lead to some concentration risk. This risk is accepted by the Company and is monitored and reported on a regular basis.

C.3 Market Risk

Faced with a challenging capital market climate, particularly high importance attaches to preserving the value of assets under management and the stability of the return. MIL's portfolio is therefore guided by the principles of a balanced risk/return profile and diversification. Market risks include equity risk, interest rate risk and currency risk. Equity risk has been identified as a primary risk for the company.

The Market Risk component of the Solvency Capital Requirement (SCR) accounted for 47% of the Total SCR (before allowance for diversification) as at The company is exposed to currency risk via the sensitivity of the value of assets, liabilities and financial instruments to changes in the level in, or volatility of currency exchange rates. The vast majority of unit linked investments are invested in funds whose underlying assets denominated in Euro. For a portion of the policyholder portfolio, non-Euro denominated currency exposure exists. This is primarily to USD and GBP. As such a depreciation of foreign currencies relative to the Euro will lead to a reduction in the value of these assets held. There is also minor exposure in the Shareholder portfolio where a residual amount of assets may be held for short periods of time for the purpose of structuring new products or dealing with redemptions from the Policyholder portfolio.

Monitoring, controlling and mitigating market risks is conducted via various methods including:

- Regular monitoring of market risk, which, together with the results of regular profitability analyses, could trigger consideration of changes to product design or pricing.
- Maintenance of a company Risk Register and associated Key Risk Indicators which asessessed on a regular basis and monitored via the risk framework process
- The ORSA includes stress and scenario testing which is used to assess market risks under stressed conditions.
- Monitoring of the FX exposure of the underlying funds is conducted by the Asset Manager
- For interest rate, treasury assets are restricted to a mix of high-quality short duration fixed income securities, and structured products generally have a maximum duration of less than 5 years and are designed to be held to maturity
- Currency, interest rate and credit risk in treasury assets are controlled via the Credit Risk policy which dictates the investible universe of permitted instruments

Market risk is mitigated through adherence to the Company's investment and credit policies in respect of its shareholder assets and through the definition of investment guidelines for its unit linked funds with regular monitoring to ensure adherence to these.

Risk Concentration

Significant elements of the Company's shareholder funds may be invested in Italy, and in deposit accounts with Banca Mediolanum. The Company maintains a cap on the total of such investments so as to mitigate its overall exposure.

C.4 Credit, Counterparty Default & Concentration Risk

Exposure to credit risk whereby there is a risk that a borrower will default on any type of debt by failing to make required payments is inherent in the MIL portfolio. In addition, risk concentrations ("Concentration Risk") arise whereby there is additional risk exposure stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issues. The counterparty default risk consists primarily of the risk of complete or partial failure of the counterparty and the associated default on payment through deteriorating credit worthiness. The policyholder is primarily exposed to these risks.

The Counterparty Default Risk component of the Solvency Capital Requirement (SCR) accounted for 5.5% of the Total SCR as at 31st December 2023 (2022: 5.2%), whilst spread risk (as contained within the Market Risk module) was 1.3% of the Total SCR (2022: 2.9%).

Risk Concentration

MIL is primarily exposed to concentration risk via particular geographical and counterparty concentration within the policyholder portfolio. This can also give rise to network credit risk amongst groups where high concentration exists

The company monitors the credit concentration, has limits in place to ensure sufficient coverage of concentration and credit risk, and has monitoring processes in place to ensure any concerns are highlighted. These are all contained within the Policies and Procedures underlying the monitoring of Credit and Concentration risk.

Collateral Management

The default risk mentioned above is mitigated for the derivative portfolio through the implementation of a credit support annex which results in the company receiving collateral when there is an exposure in favour of the policyholder. To ensure credit risk mitigation techniques per the usage of derivative instruments, the company collateralises these instruments and concludes contracts only with counterparties of eligible stature. These contracts are valued on a daily basis with weekly collateralisation. This collateral is not sold or re-pledged by MIL and is governed by the Collateral Support Annexes (CSA) in place with the relevant counterparties. These CSA's contain further information on the terms and conditions associated with the collateral arrangements in place.

Monitoring and controlling of liquidity risk are conducted via various methods including:

- Credit ratings are an instrument used in the assessment of credit risks. The company utilises external rating agencies to provide relative information and where a rating does not exist for shareholder funds, then an internal credit assessment is conducted on the entity which is reviewed circa every 2 years and provided to the Board of Directors.
- A Credit Concentration analysis is conducted on certain products and this information is provided to the Distributors to ensure they are informed on the credit risk associated with the relevant portfolios

- Company credit risk is monitored on a regular basis via risk dashboards which are provided to the Board of Directors and internal Committees for review.
- A Credit Risk Policy is in place to ensure the company credit risk is maintained within its risk appetite.

C.5 Liquidity Risk

Liquidity risk arises where a company is unable to redeem investments and other assets in order to settle financial obligations when they fall due. For Policyholder Assets, this risk is relevant in relation to the company's ability to sell assets at no significant discount. For MIL, there is no mismatch between the assets and liabilities as the Policyholder assets match the financial obligation to the clients (excluding any related death benefit). The company monitors the liquidity of the underlying funds that the Policyholder assets are invested in.

Liquidity risk management is supported by the Liquidity monitoring program in place, and for Investment funds underlying the Unit-Linked products, assurance of adherence to and compliance with UCITS / AIFMD liquidity requirements.

The Company has some liquidity risk in relation to the Italian substitute tax regime. Under this regime the Company pays 0.50% of the value of the Italian policies in force at each year-end to the Italian revenue as a prepayment of policyholder tax (this rate will increase to 0.60% from 1 January 2024). The Italian tax asset decreased from approximately €30,704k in 2022 to €25,262k in 2023. This item is assessed within the ORSA process and its growth kept under review. As the Company's Italian tax asset is at the level of the cap set out in legislation (and given the cap has not increased in line with the change in the tax rate), this may not have a material impact for MIL.

Monitoring and controlling of liquidity risk are conducted via various methods including:

- The Credit risk policy dictates the instruments permitted for investment of shareholder assets - the company ensures they are highly liquid instruments with short duration and carry a low concentration risk
- Liquidity risk is monitored via the Company's risk register and associated Key Risk Indicators which are assessed on a regular basis and reported to the Board
- The liquidity profile of underlying assets assessed within the MIL portfolio is conducted on a regular basis to ensure the Fund Manager is satisfied with such
- Stress testing is conducted on underlying assets within the MIL portfolio on a regular basis
- Dashboards analysing and noting the shareholder liquidity are presented on a regular basis to the Board of Directors
- The ORSA process also considers liquidity risk and carries out sufficient scenario analysis to ensure the Company has sufficient liquidity to meet cashflow requirements as per Solvency II requirements.

Risk Concentration

The main area of risk concentration relates to the Italian Tax Asset. This risk is managed through adhering to the limits in the Company's liquidity policy.

C.6 Operational Risk

The company defines Operational risk as the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events. The operational risk management objective is to measure and monitor operational risks which could cause a disruption to business activities, damage to physical assets or may incur possible loss of capital, so that said risks can be managed appropriately and efficiently (accepted, reduced, transferred or eliminated).

The company has a regulatory requirement pertaining to having an Operational Risk Process in place and calculates an Operational Risk Capital charge via the Solvency II Standard Formula calculation.

The Operational Risk component of the Solvency Capital Requirement (SCR) accounted for 3% of the Total SCR as at 31st December 2023 (2022: 3%).

The assessment of Operational Risk is facilitated through both the Risk Self-Assessment Process and Loss Event Collection Process, the output of which is to determine if the company requires holding of additional capital to complement that already prescribed by the Standard Formula.

In contrast to underwriting risk, whereby MIL enters in a deliberate and controlled manner in the context of our business activities, operational risks are an invisible part of our business activities. The focus is therefore on risk avoidance and risk minimisation. With the aid of a Risk Self-Assessment for Operational risk, we conduct a series of reviews and from these determine any remedial actions. Within the overall framework of operational risks, we consider, in particular, business process, compliance risks, outsourcing risk, information technology (including Cyber Risk),and business interruption risks.

Data quality is also an important factor with regard to operational risk and the company has acknowledged the importance of this key aspect. As a consequence, the company has established both a Data Governance Framework and a "Head of Data Governance" role with the overriding goal of our data quality management being the sustainable improvement and safeguarding of data quality within MIL.

The primary operational risks identified as part of the RSA process for the business include:

- External Fraud: IT and cyber security; Theft and Fraud
- Business disruption and system failures: systems downtime internally or by an Outsourcing provider
- Execution, Delivery and Process management: Monitoring and reporting; Operational processing errors internally or by an Outsourcing provider.

Monitoring, controlling and mitigating operational risks are conducted via various methods including:

- Maintenance of a company Risk Register with supporting Key Risk Indicators which are assessed on a regular basis and monitored via the risk framework process

- Risk and control assessments - the "Risk Self-Assessment" framework within the company requires all teams to carry out a risk assessment which would highlight any operational risk issues that require remediation action when assessing the risk profile of the business
- Collation and review of all operational events and action plan implementation ensures mitigation and control of operational events
- Emerging risk process and related workshops are important to ensure the company is aware of the trends and evolutions on any potential emerging risks that may impact the operations
- Control Assurance Monitoring is performed by Operational Risk across all business units on an annual basis using a risk based approach to look at some of the high rated risks that were identified in the Risk Self-Assessment process and to analyse some of the key controls the business units have in place to mitigate those risks.
- The Solvency Capital Requirement includes an assessment and quantification of the operational risk exposure
- Communication and engagement with the business on operational risk aspects in various forms including presentations, committee dashboards, one-to-one training/ engagement on the process are all tools used to ensure the risk culture within MIL associated with operational risk is harmonised
- The Operational Risk Policy ensures operation of best practice with the identification, assessment and mitigation techniques utilised when mitigating operational risks across the business.

Risk Concentration

In terms of maintaining its operations, the Company has concentration risk in respect of the provision of outsourced services. Such risks are managed and mitigated through the outsourcing agreements, where business continuity plans are required to be in place.

C.7 Other Material Risks

Regulatory Risk

MIL is part of the Mediolanum Insurance Group and has branches in Spain, Germany and Italy on a freedom of establishment basis and are subject to conduct of business obligations in those jurisdictions. MIL as an insurance undertaking subject to supervision by the Central Bank of Ireland.

MIL is authorized pursuant to European Union Insurance and Reinsurance Regulations 2015 as amended (Solvency II) which remains subject to on-going review Other key legislation applicable to MIL includes PRIIPS, IDD, Corporate Governance Code for insurance undertakings.

A change in the regulatory, legal or political environment in the above jurisdictions may have consequences on the company's business model, operations and financial position.

Strategic / Business Model Risk

Strategic risks derive from a possible imbalance between a firm's corporate strategy and the constantly changing business environment. Such an imbalance may be caused for example, by unclear strategic policy decisions, a failure to consistently implement the defined strategies and business plans, an incorrect allocation of resources, lack of foresight for business plan projections or a changing regulatory environment (see below).

The company regularly reviews its business plan relative to its business strategy and adjusts the processes and resulting guidelines as and when required. With the approval of the MIL 5 Year Business plan the company has at its disposal a tool that assists them with the planning, elaboration and management of strategic objectives and measures and safeguards their overall perspective on the company and its strategic risk. In addition, the management of strategic risks is assessed annually as part of the monitoring of business process risks. MIL also has in place a Product Oversight and Governance Arrangements Process which ensures that there is oversight and linkage of the Product Development process to the business model and strategy.

Conduct Risk

MIL views any activities or processes that the firm might engage in which would jeopardise consumer protection, market integrity or competition as elements of conduct risk. Owing to the nature of MIL's business model and the fact that MIL presently has in excess of 128,000 policyholders with over 150,000 policies in force, conduct risk is an issue which is ever present. MIL's core markets are Italy, Spain and Germany where it operates under Freedom of Establishment rules. Distribution agreements are in place in each of the key markets to facilitate the sale and intermediation of MIL's product suite. Compliance with these is managed via the company's process for monitoring critical service providers.

MIL does not have an appetite for conduct risk however is cognisant that because this is not a risk which can be mitigated entirely, the approach taken regarding effective management of this risk is via the establishment of sound and adequate systems of governance and internal control as well as placing the consumer at the heart of our decision making.

MIL has implemented both a Conduct Risk Framework Policy and a Product Oversight and Governance Policy to ensure effective management and mitigation of conduct risk.

Naturally, this is an aspect of the business which requires a programme of continuous enhancement to ensure that the business continues to remain aware of emerging developments and best practice.

C.8 Risk Sensitivities

Stress tests are conducted in order to be able to map both extreme scenarios and normal market scenarios for the purpose of calculating the capital required to mitigate against such events and determine the sensitivity to such risks. In this context, the loss potentials for shareholder equity are simulated on the basis of already occurred or notional extreme events.

The parameters set for such stresses are determined by the Board of Directors and are directly linked to the company's risk- bearing capacity. The impacts of the stress tests are mapped directly to the capital requirements to determine if existing capital allocated provides sufficient risk coverage or if additional capital alongside the Solvency II regulatory capital is required.

The suite of stress tests conducted target key risks present within the portfolio at any one time. As such the stress tests performed will vary over time as the composition of the portfolio and / or business model changes. The results of the stress testing analysis form a key input into Risk and Investment decisions.

The table below shows the sensitivity test results as they impact the SCR coverage ratio as determined under the Company's ORSA projections. These sensitivities have been selected on the basis of MIL's key risk exposures and are calibrated to the 95th percentile.

Risk	Solvency Ratio Decrease (Percentage points)
Lapses increase	<5%
Expenses increase	5% to 10%
Interest rates decrease & credit spreads widen.	15% to 20%
Equity markets & currency decrease	<5%

A further important component of the ORSA process is the forward-looking risk assessment. Here an analysis is performed which considers risks and extreme scenarios that could render the business model as non-viable. The analysis captures both quantitative and qualitative factors and provides a framework by which the impact of all identified events can be mapped to our business plan and capital requirements. The range of stress tests included in the ORSA cover the main risks the business is exposed to over the 5 year horizon of the ORSA including financial market, demographic (insurance) and other risks.

C.9 Prudent Person Principle

Article 132 of the Solvency II Directive defines the prudent person principle. MIL considers this as being as much a behavioural standard as an assessment of judgements and investment decisions. In line with this principle, and embedded within the investment policy all MIL employees consider a number of risk indicators before entering into new investments to ensure that:

- Investments are of a suitable quality and security to meet policyholder liabilities;
- Assets are only invested in which can be suitably modelled and valued;
- Consideration is given to the duration, currency and linkage of liabilities when making investment decisions;

MIL has outsourced its Investment Management activity to MIFL which executes the Investment Management activity in line with the MIL Investment Risk Policy. The Investment Manager provides MIL on a regular basis information pertaining to its investment management activity. However, MIL still retains responsibility for the overall implementation of the prudent person approach.

The investment risk pertaining to Unit-linked policies is borne by the policyholders however the company has guidelines in place with the Investment Manager and monitoring controls to ensure investment of unit-linked policies are aligned with the terms and conditions provided to the Policyholder. These controls include but are not limited to:

- Investment Guidelines
- Investment Performance Reporting
- Key Information Documents ("KIID")
- underlying funds actively managed within established limits
- Internal Controls developed in line with the PRIIPS & IDD legislation.

For Treasury Credit Risk / Counterparty Default, Counterparties are selected by taking into account factors including the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty and MIL ensures only counterparties with a high enough credit rating are used. In addition, MIL uses multiple counterparties to avoid concentration risk.

For managing the liquidity risk, the investment assets are prudently invested taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.10 Any other disclosure

There have been no material / significant changes over the reporting period pertaining to the risks or measures used to assess risks.

The risk profile and risk appetite is updated periodically to reflect the business plan and risk environment. Monitoring and control enhancements are regular in nature to ensure the full breadth of the monitoring program in place to ensure these are in line with the business.

The company has no further material information to note regarding the risk profile.

Valuation for Solvency Purposes

D.1 Assets

The valuation principles applied to the Company's assets are consistent with FRS 102 and FRS 103: Insurance contracts. The Company classifies its investments into financial assets at fair value through profit and loss, held-to-maturity financial assets, loans and other receivables and available-for-sale financial assets.

For ease of reference the Balance Sheet is presented in the Solvency II format:

As at 31st December 2023 with comparison at 31st December 2022 the Company held the following assets:

Asset Class 2023	Financial Statements Value	Adjustment Required	Solvency II Value	Explanations
Deferred Acquisition costs	186	(186)	-	(1)
Intangible Assets	208	(208)	-	(2)
Tangible Assets	44		44	(3)
Investments (Ex assets held for index-linked and unit-linked funds)	64,415		64,415	(4)
Assets held for index-linked and unit-linked funds	3,175,515		3,175,515	(5)
Insurance & intermediaries' receivables	962		962	(6)
Receivables (trade, not insurance)	14,674		14,674	(6)
Cash and cash equivalents	64,765		64,765	(7)
Any other assets, not elsewhere shown	28,319		28,319	(6)
Total	**3,349,088**	**(394)**	**3,348,694**	
All numbers in €'000				

Asset Class 2022	Financial Statements Value	Adjustment Required	Solvency II Value	Explanations
Deferred Acquisition costs	254	(254)	-	(1)
Intangible Assets	178	(178)	-	(2)
Tangible Assets	66		66	(3)
Investments (Ex assets held for index-linked and unit-linked funds)	87,995		87,995	(4)
Assets held for index-linked and unit-linked funds	3,086,776		3,086,776	(5)
Insurance & intermediaries' receivables	630		630	(6)
Receivables (trade, not insurance)	14,612		14,612	(6)
Cash and cash equivalents	38,593		38,593	(7)
Any other assets, not elsewhere shown	33,029		33,029	(6)
Total	**3,262,133**	**(432)**	**3,261,701**	
All numbers in €'000				

(1) **Deferred Acquisition Costs** - there is no concept of deferred acquisition costs in Solvency II as the premium provision only allows for future expense cash flows.

(2) **Intangible Assets** - Intangible assets represent Software tailored to MIL's needs and some "off the shelf" software licences. To be consistent with Article 75 of Directive 2009/138/EC for Solvency II purposes these are valued at zero.

(3) **Tangible Assets** are stated at cost or valuation less accumulated depreciation.

(4) **Investments (other than assets held for index-linked and unit-linked funds)** - these consist of:

– Investments are of a suitable quality and security to meet policyholder liabilities;
– Assets are only invested in which can be suitably modelled and valued;

(5) **Assets held for index-linked and unit-linked funds** are financial assets designated at fair value through the profit and loss and acquire this designation at inception. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets, at the close of business on the balance sheet date.

(6) **Insurance & intermediaries' receivables/Reinsurance receivables/Receivables (trade, not insurance)/Any other assets not elsewhere shown** - Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market and that the Company has no intention of trading. Receivables, subsequent to initial recognition, are held at cost less allowance for incurred impairment losses. These amounts include withholding tax on technical reserves paid to the Italian authorities, which is expected to be reclaimed in the future on maturity of the relevant policies. These prepayments are recovered from tax payable upon policyholder's exit in the event of a gain on the underlying policy. The carrying amounts disclosed in the balance sheet for other receivables reasonably approximate fair values at balance sheet date.

(7) **Cash and cash equivalents** - Deposits with credit institutions, valued at the amount held at the year end.

There have been no changes made to the recognition and valuation bases used of assets unless disclosed above. No changes have been made to estimations used in the year-end 2023 financial statements nor have there been any changes made to assumptions and judgements used in the financial statements process.

D.2 Technical Provisions

Value of Technical Provisions

The following table shows the value of the technical provisions as at 31st December 2023 and as at 31st December 2022 for comparison. All business is classified as "index-linked and unit-linked" (Line of Business 31) under Solvency II .

Technical Provisions	2023	2022
Unit Liability	3,175,103	3,086,381
Best Estimate Liability	(302,674)	(261,678)
Risk Margin	86,875	72,242
Total	**2,959,304**	**2,896,945**
All numbers in €'000		

Methodology And Assumptions

The Unit Liability is calculated as a whole, and the value of the liability is set equal to the value of units deemed allocated to policyholders and is matched by corresponding unit assets held on behalf of policyholders.

The Best Estimate Liability ("BEL") represents the projected cash-flows on the business. The projected cash-flows are calculated using cash-flow projection models developed in Risk Agility an actuarial valuation model. Full policy-by-policy cash-flow projections are carried out, allowing in each case for the terms of the contractual policy conditions, the policy data as at the valuation date and assumptions regarding future experience. These cash-flows are then discounted using the relevant risk-free rates provided by EIOPA. A single deterministic projection is carried out.

The Company does not apply the matching adjustment, volatility adjustment or any transitional provisions in the calculation of the technical provisions. The Company does not have any reinsurance arrangements in place.

The risk margin is calculated using the cost of capital approach set out in the Directive. The steps involved in this calculation are set out below.

- Firstly, the Solvency II capital requirement - the Solvency Capital Requirement relating to non-hedge-able risks - is projected for each future year (until the expiry of all contracts) using risk drivers.
- The SCR in each future year is then multiplied by the prescribed cost of capital rate to get the cost of holding the Solvency II capital requirement in each future year.
- These cost-of-capital figures are then discounted to a single present value using the risk-free yield curve to determine the overall risk margin.

The key assumptions used in relation to the calculation of the best estimate liabilities are as follows:

- Surrender rates (including partial surrender rates);
- Paid-up rates;
- Maintenance expenses
- Mortality rates;
- Inflation;
- Discount rates and investment growth.

Surrender and paid-up rates are based on MIL specific experience at a product level. Mortality rates are determined at a country level based on MIL specific experience for Spain and Germany products. For Italian products, the rates are calculated for three age cohorts, reflecting MIL's parent's experience (Mediolanum Vita) who has a much larger book of business in Italy and therefore more credible experience. Maintenance expense assumptions are determined using company specific experience. Discount rates and investment growth rates are determined by the euro risk-free structure specified by EIOPA. Inflation is based on relevant market data.

The increase in unit liabilities is due to new business and market movement during the period, which has a positive impact on the BEL. A number of assumptions were updated at year-end 2023. The premium and expense inflation assumptions were reduced which resulted in the BEL increasing by €4,552k, primarily due to lower projected premiums. The impact of updating the surrender rate assumptions decreased the BEL by €2,647k. There was a reduction in the yield curve during 2023 which increased the BEL by €2,152k. The per policy expense assumptions decreased over the course of the year, which decreased the BEL by €579k. The change in asset mix has reduced the BEL by €10,674K. Other assumption changes did not have a material impact on the BEL. These changes have resulted in overall reduction in BEL when compared to last year.

The increase in risk margin was primarily caused by an increase in the mass lapse SCR during the year, which increased from €98,833k at end 2022 to €116,860k at end 2023. This increase was driven by the increase in future profits (the decrease in the BEL described above).

Uncertainty of Technical Provisions

Uncertainty arises primarily in relation to the key assumptions specified above and the development of experience against these assumptions

Material Differences with the Financial Statements

The table below outlines the technical provisions included in the Solvency II balance sheet relative to those included in the financial statements at end 2023 and at end 2022:

2023			
	Solvency II		**Financial Statements**
Unit Liability	3,175,103	Unit Liability	3,175,103
Best Estimate Liability	(302,674)	Technical Provisions - Life Assurance Provision	44,738
Risk Margin	86,875	Technical Provisions - Claims outstanding	13,227
Total Technical Provisions	**2,959,304**	**Total Technical Provisions**	**3,233,068**
All numbers in €'000			

2022			
	Solvency II		**Financial Statements**
Unit Liability	3,086,381	Unit Liability	3,086,484
Best Estimate Liability	(261,678)	Technical Provisions - Life Assurance Provision	39,376
Risk Margin	72,242	Technical Provisions - Claims outstanding	15,107
Total Technical Provisions	**2,896,945**	**Total Technical Provisions**	**3,140,967**
All numbers in €'000			

There are significant differences between the Solvency II technical provisions and those included in the financial statements. Solvency II BEL reflects all future profits, whereas the technical provisions included in the financial statements contain a reserve to smooth the recognition of future bonus payments. The technical provisions within the financial statements are also floored at zero on a product basis and there are some individual products where additional positive cash reserves are held. No risk margin is held within the financial statements.

Claims Outstanding are considered under technical provisions for financial statement purposes, but under Solvency II they are included Provisions other than technical provisions.

The assumptions are generally consistent between financial statements and Solvency II, with the financial statement assumptions containing some additional margins for prudence that are not included in the Solvency II assumptions.

D.3 Other Liabilities

As at 31 December 2023 and 2022 the Company recorded the following classes of other liabilities for Solvency II purposes:

Liability 2023	Financial Statements Value	Adjustment Required	Solvency II Value	Explanations
Provisions other than technical provisions	13,227		13,227	(2)
Deferred tax liabilities		(32,542)	32,542	(3)
Insurance & intermediaries payables	2,016		2,016	(4)
Derivatives	39		39	(5)
Payables (trade, not insurance)	7,454		7,454	(6)
Any other liabilities, not elsewhere shown	2,659	193	2,466	(7)
Total	**25,395**	**(32,349)**	**57,744**	
All numbers in €'000				

Liability 2022	Financial Statements Value	Adjustment Required	Solvency II Value	Explanations
Provisions other than technical provisions	15,107		15,107	(2)
Deferred tax liabilities		(28,594)	28,594	(3)
Insurance & intermediaries payables	4,763		4,763	(4)
Derivatives	22		22	(5)
Payables (trade, not insurance)	15,161		15,161	(6)
Any other liabilities, not elsewhere shown	1,769	0	1,769	(7)
Total	**36,822**	**(28,594)**	**65,416**	
All numbers in €'000				

Liabilities, other than Technical Provisions, are prepared under the historical cost convention modified by the valuation of investments.

(1) **Provisions other than technical provisions** - this represents claims to be paid. Provision is made for the estimated cost of all claims notified but not settled at the balance sheet date (including death claims, surrenders, coupons and maturities). Reinsurance recoveries are accounted for in the same period as the related claim.

(2) **Deferred Tax liabilities** - this is 12.5% of all differences recorded between those assets and liabilities valued on a Financial Statements basis versus a Solvency II basis.

(3) **Other creditors arising out of direct insurance operations** - the carrying amounts disclosed in the balance sheet for other creditors reasonably approximate fair values at balance sheet date.

(4) **Other creditors and accruals including tax** - includes Irish and foreign taxes, withholding tax on Italian technical reserve and a balance relating to Collateral Lending, which is linked to a corresponding offsetting amount in Deposits, these are recorded at reasonably approximate fair values at balance sheet date.

(5) **Any other liabilities, not elsewhere shown** - Deferred Income Liabilities (DIL) of €193k (2022: €268k). There is no concept of DIL in Solvency II, therefore this is excluded.

(6) **Derivatives** - Negative shareholder liability have been reclassified to liabilities for the Solvency II Balance Sheet.

D.4 Alternative Valuation Methods

The Solvency II Directive sets out how to value assets and liabilities, other than technical provisions. It says that, unless otherwise stated, the default reference framework should be the international accounting standards, as adopted by the European Commission in line with Regulation (EC) No 1606/2002.

In most cases those accounting standards and Solvency II give consistent valuations. Our annual statutory financial statements are in line with FRS 102 and FRS 103. For our regulatory reporting we follow Central Bank guidelines.

In line with the amendments of FRS 102 and FRS 103, the Company has disclosed its financial instruments held at fair value to be on the basis of a fair value hierarchy consistent with EU-adopted IFRS.

For investments carried at fair value, we have categorised the measurement basis into a "fair value hierarchy". A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

- **Level 1**: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

- **Level 3:** Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. This includes options and certificates.

For MIL, level 3 assets are when prices are valued based on assumptions or financial models and are received from relevant counterparties. The main assets which we consider level 3 relate to index linked. These assets are valued by the individual counterparties using their own internal models. MIL uses an independent third-party valuations provider who provides MIL with valuations, effectively benchmarking prices with those received from our external counterparties each month.

D.5 Any Other Information

The Directors have reasonable expectations, having made appropriate enquiries that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors 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.

The new business volumes in 2023 were higher in comparison to the prior year, this was mainly due to market conditions as it was attractive to structure index linked products. The ORSA and its scenario testing demonstrate that the financial position is expected to be maintained.

In making this assessment the directors considered the potential impacts of the ongoing Russia/ Ukraine and Israel/ Palestine conflicts and inflation, on the company's business over the period of assessment.

Notwithstanding these events, given the nature of the Company's business, the directors do not believe these events had a material negative impact on the fee income during the period and will not have in the future the directors do not believe there has been a financial impact on the Company which would affect the going concern assumption.

Given the unit-linked nature of the business, any reduction in the value of the policyholder asset would be offset by a similar movement in the value of the linked liabilities with minimal impact on shareholder funds.

The Directors do not consider that there is any further information which should be disclosed regarding the valuation of assets for solvency purposes.

Capital Management

E.1 Own Funds

The Company classifies its own funds as tier 1, tier 2 or tier 3 capital depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The below provides a description of how the Company manages its capital and an analysis of the disposition and constraints over the availability of capital to meet risks and regulatory requirements.

The objectives of the Company in managing its capital includes the following;

- Ensuring that all capital management actions are consistent with MIL's Risk Appetite Statement.
- Ensuring at all times that MIL's own funds are correctly classified and remain within established guidelines and limits as laid down by the Central Bank of Ireland / Solvency II.
- Ensuring that the issuance of own funds is in accordance with the medium-term capital management plan.
- Ensuring that any statement in respect of dividends takes the Company's capital position into account.
- Identifying instances when distributions of own funds are expected to be deferred or cancelled.
- Preserving capital and where prudent contributing to the growth of surplus for the benefit of the shareholder.

MIL's own funds include paid up share capital, reconciliation reserve and capital contributions and have also been designated as Tier 1 unrestricted capital. The capital position of the Company and the composition of the Company's own funds will be monitored on a regular basis with regular reports to the Risk Committee and Board.

The following are the minimums / limits apply to own funds in terms of meeting capital requirements:

	Condition 1	Condition 2
Solvency test	T1 + T2 +T3 ≥ SCR	Tier 1 + Tier 2 Basic ≥ MCR
For SCR	Tier 1 ≥ 50% of SCR	Tier 3 < 15% x SCR
For MCR	Tier 1 ≥ 80% of MCR	N/A

The Company's capital management policy states that the Company will maintain a capital buffer in excess of its SCR to cover contingencies. It is intended that this buffer will enable the Company to withstand significant equity shocks and reduction in sales volumes without the need to raise further capital in the medium term. The Company undertakes an ORSA exercise at least annually, or when the risk profile of the Company changes. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon. This figure will be reviewed each year in light of the outcomes of the ORSA process and the preparation of any business / capital plans which could shed light on any potential capital shortfalls.

The Company was in compliance with its capital requirements expectations of the Central Bank of Ireland and has met all of its capital management objectives throughout the financial year. Throughout 2023 MIL has maintained a ratio of eligible funds to SCR above the Solvency II limits and in excess of the Company's minimum limit in the Risk Appetite Statement.

The Company's Solvency Coverage percentage at 31st December 2023 was 171% (2022: 204%).

The Company's total eligible Own Funds to cover the SCR and MCR at 31st December 2023 and comparison for 2022 are as follows:

	2023	2023	2022	2022
Basic Own Funds (All Tier 1 Items)	**Amount**	**%**	**Amount**	**%**
Share Capital	1,395	0.4%	1,395	0.5%
Capital Contribution	58,729	18.9%	58,729	20.8%
Reconciliation Reserve	250,140	80.6%	222,326	78.7%
Total eligible Own Funds	**310,264**		**282,450**	
All numbers in €'000				

Capital Contribution represents "Other items approved by supervisory authority as basic own funds", this was approved by the CBI on 26th November 2016.

The reconciliation reserve at the year-end was €250,140k increasing by €27,814 from €222,326k in 2022.

The reconciliation reserve represents retained earnings and reconciliations adjustments from the financial statements Balance Sheet to Solvency II Balance Sheet.

2023				
Reconciliation Reserve	**FS Value**	**Adjustment Required**	**Solvency II Value**	**Explanations**
Retained Earnings	43,726	-	43,726	
Adjustments to Assets		(394)	(394)	(1)
Adjustments to Technical Provisions	-	260,539	260,539	(2)
Adjustments to Other Liabilities	-	(32,349)	(32,349)	(3)
Foreseeable Dividend	-	(21,382)	(21,382)	(4)
Total	**43,726**	**206,414**	**250,140**	
All numbers in €'000				

2022				
Reconciliation Reserve	**FS Value**	**Adjustment Required**	**Solvency II Value**	**Explanations**
Retained Earnings	39,329	-	39,329	
Adjustments to Assets		(432)	(432)	(1)
Adjustments to Technical Provisions	-	228,914	228,914	(2)
Adjustments to Other Liabilities	-	(28,594)	(28,594)	(3)
Foreseeable Dividend	-	(17,193)	(17,193)	(4)
Total	**39,329**	**182,695**	**222,024**	
All numbers in €'000				

(1) **Adjustments to Assets** - an amount of €186k for deferred acquisition costs and an amount of €208k for intangible assets is adjusted to financial statement equity balance to show on a Solvency II basis.

(2) **Adjustments to Technical Provisions** - this adjustment to the reconciliation reserve shows the impact of the technical provisions being calculated under Solvency II principles (Best Estimate Liability and risk margin) and the Financial Statement accounting standards

(3) **Adjustments to Other Liabilities** - there is a €32,349k decrease on the Solvency reconciliation reserve in relation to deferred tax liability other than the adjustments to technical provisions.

(4) **Foreseeable Dividend** - there is €21,382k dividends to be paid out of current year profits. This amount was approved by the Board of Directors on 24th February 2024 and in accordance with the accounting standards not included in year ended 31st December 2023 financial statements

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MCR figures at year-end are as follows:

Capital Requirements	2023	2022
SCR	181,827	138,739
MCR	45,457	34,685
All numbers in €'000		

The SCR is calculated using the standard formula and the split of the SCR by risk module is as follows:

SOLVENCY CAPITAL REQUIREMENT (SCR)	2023	2022
Underwriting Risk	125,483	106,291
Counterparty Risk	9,974	7,280
Market Risk	127,011	84,375
Diversification Effects	(59,477)	(44,167)
Operational Risk	4,811	4,780
Deferred Tax	(25,975)	(19,820)
SCR	**181,827**	**138,739**
All numbers in €'000		

The Company does not use simplified calculations or any company specific parameters in the calculation of the SCR. The SCR is reduced to reflect the loss absorbing capacity of deferred taxes ("LACDT"). LACDT is set equal to the Irish corporation tax rate times the gross SCR, noting that the actual tax rate paid by the Company is slightly higher in practice because of taxation within the branches.
There are currently no capital add-ons applied by the Central Bank of Ireland.

MCR Inputs

The inputs used in the calculation of the MCR are as follows:

- The technical provisions (excluding the risk margin) equal to €2,872,429k.
- The total capital at risk is equal to €539,917k.
- SCR amount as calculated for the Company. Details of the SCR amounts are set out above. The MCR is capped and floored at 25% and 45% of the SCR.

Material movements In MCR And SCR over the year

The SCR increased to €181,827k at end 2023 from €138,739k at end 2022. The increase in SCR is largely due to an increase in Market SCR. The Market SCR increased by €42,636k (50.5%) to €127,011k, which is attributed to higher asset valuations (leading to larger absolute impacts of SCR shocks) and a decrease in the yield curve compared to last year (which results in a higher projected cost of guaranteed death benefits). The symmetric adjustment of the equity capital charge increased during the year due to positive performance in the equity market, increasing the equity shock as prescribed by EIOPA. Overall the equity SCR increased by €35,304k (59.1%) to €95,044k from €59,740k in 2022. The underwriting SCR increased by €19,192k (18.05%) to €125,483k. The movement is driven largely by the increase in the mass lapse SCR of €18,027k (18.2%) which is driven by an increase in future profits in the year (i.e., a decrease in BEL).

The MCR increased to €45,457k from €34,685k driven by the increase in SCR. The MCR was calculated as 25% of the SCR at both year-ends.

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

The company is not using this approach in the calculation of the Solvency Capital Requirement.

E.4 Internal Model Information

The company is not using an internal model in the calculation of the Solvency II Requirement.

E.5 Non Compliance with the MCR and Non Compliance with the SCR

The Company maintained capital sufficient to meet its minimum capital requirement and solvency capital requirement throughout the period covered in this report.

E.6 Any Other Information

The Directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company.

Appendix

Quantative reporting templates (QRTs) 2023

Amounts in the tables that follows are in €'000s.

Balance Sheet (000's) - 2023

Assets		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	44
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	64,415
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	46,972
Government Bonds	R0140	46,811
Corporate Bonds	R0150	17
Structured notes	R0160	144
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	29
Deposits other than cash equivalents	R0200	17,414
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	3,175,515
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	962
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	14,674
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	64,765
Any other assets, not elsewhere shown	R0420	28,319
Total assets	**R0500**	**3,348,694**

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	2,959,304
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	2,872,429
Risk margin	**R0720**	86,875
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	13,227
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	32,542
Derivatives	**R0790**	39
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	2,016
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	7,454
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	2,465
Total liabilities	**R0900**	**3,017,047**
Excess of assets over liabilities	**R1000**	**331,647**

Premiums, claims and expenses by country (000's) - 2023

Home country: Life insurance and reinsurance obligations

		Country	R1010		
		Home Country	Top 5 countries: life and health SLT		
		C0030	C0040	C0040	C0040
		Ireland (IE)	Germany (DE)	Italy (IT)	Spain (ES)
Gross Written Premium	**R1020**		7,948	82,864	271,751
Gross Earned Premium	**R1030**		7,948	82,864	271,751
Claims incurred	**R1040**		14,745	415,207	65,314
Gross Expenses Incurred	**R1050**	10,291	4,250	39,900	41,456

Premiums, Claims and Expenses by line of Business (000's) - 2023

	Line of Business for: life insurance obligations						Life reinsurance obligations		
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written									
Gross			362,563						**362,563**
Reinsurers' share									-
Net			**362,563**						**362,563**
Premiums earned									
Gross			362,563						**362,563**
Reinsurers' share									-
Net			**362,563**						**362,563**
Claims incurred									
Gross			495,266						**495,266**
Reinsurers' share									
Net			**495,266**						**495,266**
Expenses incurred			95,897						**95,897**
Other expenses									
Total expenses									**95,897**

Life and Health SLT Technical Provisions (000's) - 2023

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, including Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150
Technical provisions calculated as a whole	**R0010**														
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020														
Technical provisions calculated as a sum of BE and RM															
Best Estimate															
Gross Best Estimate	**R0030**			2,872,429											2,872,429
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040														
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050														
Recoverables from SPV before adjustment for expected losses	R0060														
Recoverables from Finite Re before adjustment for expected losses	R0070														
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080														
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090			2,872,429											2,872,429
Risk Margin	**R0100**		86,875												86,875
Amount of the transitional on Technical Provisions															
Technical Provisions calculated as a whole	R0110														
Best estimate	R0120														
Risk margin	R0130														
Technical provisions - total	**R0200**		2,959,304												2,959,304

Own Funds (000's) - 2023

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds						
Ordinary share capital (gross of own shares)	R0010	1,395	1,395			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve before deduction for participations	R0130	250,139	250,139			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	58,729	58,729			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	310,263	310,263			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	310,263	310,263			
Total available own funds to meet the MCR	R0510	310,263	310,263			
Total eligible own funds to meet the SCR	R0540	310,263	310,263			
Total eligible own funds to meet the MCR	R0550	310,263	310,263			
SCR	R0580	181,827				
MCR	R0600	45,457				
Ratio of Eligible own funds to SCR	R0620	171%				
Ratio of Eligible own funds to MCR	R0640	683%				
Reconciliation reserve						
Excess of assets over liabilities	R0700	331,647				
Own shares (included as assets on the balance sheet)	R0710					
Foreseeable dividends, distributions and charges	R0720	21,382				
Other basic own fund items	R0730	60,123				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Reconciliation reserve before deduction for participations	R0760	250,139				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770	145,479				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780					
Total Expected profits included in future premiums (EPIFP)	R0790	145,479				

Solvency Capital Requirement - for undertakings on Standard Formula (000's) - 2023

		Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0040	C0050	C0080	C0090
Market risk	R0010	127,011			
Counterparty default risk	R0020	9,974			
Life underwriting risk	R0030	125,483			
Health underwriting risk	R0040				
Non-life underwriting risk	R0050				
Diversification	R0060	(59,477)			
Intangible asset risk	R0070				
Basic Solvency Capital Requirement	**R0100**	**202,991**			

Calculation of Solvency Capital Requirement

		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Total capital requirement for operational risk	R0130	4,811
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(25,975)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	**R0200**	**181,827**
Capital add-on already set	R0210	
Solvency capital requirement	**R0220**	**181,827**
Solvency capital requirement		**181,827**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Linear formula component for life insurance and reinsurance obligations (000's) - 2023

		C0040
MCR_L Result	**R0200**	20,485

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	
		C0050	C0060	
Obligations with profit participation - guaranteed benefits	**R0210**			3.70%
Obligations with profit participation - future discretionary benefits	**R0220**			-5.20%
Index-linked and unit-linked insurance obligations	**R0230**	2,872,429		0.70%
Other life (re)insurance and health (re)insurance obligations	**R0240**			2.10%
Total capital at risk for all life (re)insurance obligations	**R0250**		539,917	0.07%

Overall MCR calculation

		C0070
Linear MCR	**R0300**	20,485
SCR	**R0310**	181,827
MCR cap	**R0320**	81,822
MCR floor	**R0330**	45,457
Combined MCR	**R0340**	45,457
Absolute floor of the MCR	**R0350**	4,000

		C0070
Minimum Capital Requirement	**R0400**	45,457