



Solvency and Financial Condition Report (SFCR)
For Financial Year Ending 31st December 2025



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Executive Summary

The "Report on Solvency and Financial Condition" ("SFCR") has been prepared in accordance with the requirements in Chapter 3, Public Disclosure of the European Union (Insurance and Reinsurance) Regulation 2015 (S.I. No. 485 of 2015).

Unless otherwise specified, the amounts are expressed in thousands of Euros (€'000).

Business and Performance

BBPM Life dac ("BBPM Life" or the "Company") is an insurance undertaking, incorporated in Ireland and authorised to carry out Class I and Class III life assurance business.

The Company is 100% owned by Vera Vita S.p.A. Vera Vita S.p.A. is 100% owned by the Banco BPM Vita S.p.A., which is 100% owned by Banco BPM S.p.A. In October 2025 Banco BPM Vita S.p.A. and Vera Vita S.p.A. filed for a merger by incorporation that has been approved by IVASS in January 2026. Following the completion of this transaction, currently expected in the first half of 2026 the Company will be fully owned by Banco BPM Vita S.p.A.

The policyholders' assets under management at year-end amounted to €4,845m (2024: €3,429m). The assets under management have increased by 40% in comparison to 2024. The growth in assets under management was driven primarily by net business inflows of €1,292m (2024: €931m) The premiums for the year were €1,728m (2024: €1,148m) while claims for the year were €435m (2024: €217m). The profit for the year is €19.3m (2024: €10.2m).

System of Governance

The Board of Directors ("the Board") holds overall responsibility for the Company's business decisions and ensures compliance with regulatory requirements. It provides effective, prudent and ethical oversight, sets the Company's strategic direction, and ensures that risk and compliance are appropriately managed. The Company's governance framework is supported by four key control functions: Risk Management, Compliance, Internal Audit and Actuarial.

The risk management system is the processes and tools used to implement the Company's risk strategy, enabling a clear understanding of the nature and significance of the risks to which it is exposed. This process involves the identification of risks, the current and forward-looking assessment of risk exposures, the monitoring and reporting of these exposures, and the implementation of risk-mitigating measures. The Company seeks to manage its capital and risk profile so that it can meet all obligations to policyholders in full, even under extreme stress scenarios. In addition, it manages liquidity in line with its risk appetite and conducts continuous monitoring to ensure that liquidity requirements are met at all times.

Risk Profile

The Company's strategy is focused on selling Class III insurance policies, which do not expose the Company to significant insurance risk, and it does not underwrite products with investment guarantees. Given the nature of the business, the primary risks relate to the impact on management charges or the potential loss of business.

The key risks to which the Company is exposed include:

- increases in lapse rates that reduce assets under management and future fee income;
- market shocks that lower the value of assets under management and associated fees;
- lower-than-expected new business volumes, which diminish projected assets under management and future income;
- rising expenses that affect profitability; and potential cash constraints arising from illiquid assets, particularly Italian tax assets.

Valuation for Solvency Purposes

The following table summarises the valuation of assets and liabilities as at 31 December 2025 and the own funds of the Company.

Asset Category	€ 000	Liability Category	€ 000
Property, plant and equipment own use	2,152	Best estimate	4,771,545
Financial Assets at fair value	4,929,391	Risk margin	16,720
Cash and equivalent to cash	27,282	Deferred tax liabilities	10,002
Insurance and intermediaries' receivables	71,318	Financial liabilities other than debts owed to credit institutions	2,247
Receivables	759	Insurance, Trade and Reinsurance payables	52,030
All other assets not mentioned elsewhere	-	All other liabilities not reported elsewhere	881
Total assets	5,030,902	Total liabilities	4,853,425
		Surplus of assets over liabilities	177,477

The valuation of assets and Liability is the same as the valuation for IFRS purposes, except for the removal of the Deferred Acquisition Cost ("DAC"), Deferred Income Liability ("DIL"), discount applied on IFRS 9 Italian tax levy assets and the Deferred Tax impact and the revaluations of the best estimate and risk margin as per Solvency II Delegated Acts.

Capital Management

The following table summarises the Company's capital position as at 31 December 2025 and 31 December 2024:



(€'000)	2025	2024	Difference
Own Funds	177,477	137,039	29%
SCR	65,711	46,715	41%
Solvency Coverage Ratio	270%	293%	(8%)

The Solvency Capital Requirement ("SCR") has increased over the year as outlined in Section E.2 of this Report (driven primarily by an increase in the Market and Life Underwriting Risk capital charges).

The Company monitors its capital position on an ongoing basis. The ORSA is a key tool that ensures the Company maintains a comprehensive understanding of how its own-funds position may develop over time. It provides a forward-looking assessment of the Company's capital needs by analysing the potential evolution of its solvency and capital position over a three-year horizon.



A. Business and Performance

A.1 Business

Company information

BBPM Life is authorised by the Central Bank of Ireland to transact cross-border life assurance business in the European Union under the Third Life Directive, as introduced into domestic Irish legislation by the European Communities (Life Assurance) Framework Regulations, 1994 as amended by the European Union (Insurance and Reinsurance) Regulations 2015.

The Company is subject to supervision by the Central Bank of Ireland, responsible for the prudential supervision of the undertaking.

The External Auditor of the Company is Grant Thornton Ireland, with a registered office in 13 - 18 City Quay, Dublin 2, D02 ED70, Ireland.

Holders of the Company's Equity

As at the 31 December 2025, the immediate parent undertaking and controlling party of the Company is Vera Vita S.p.A., incorporated in Italy.

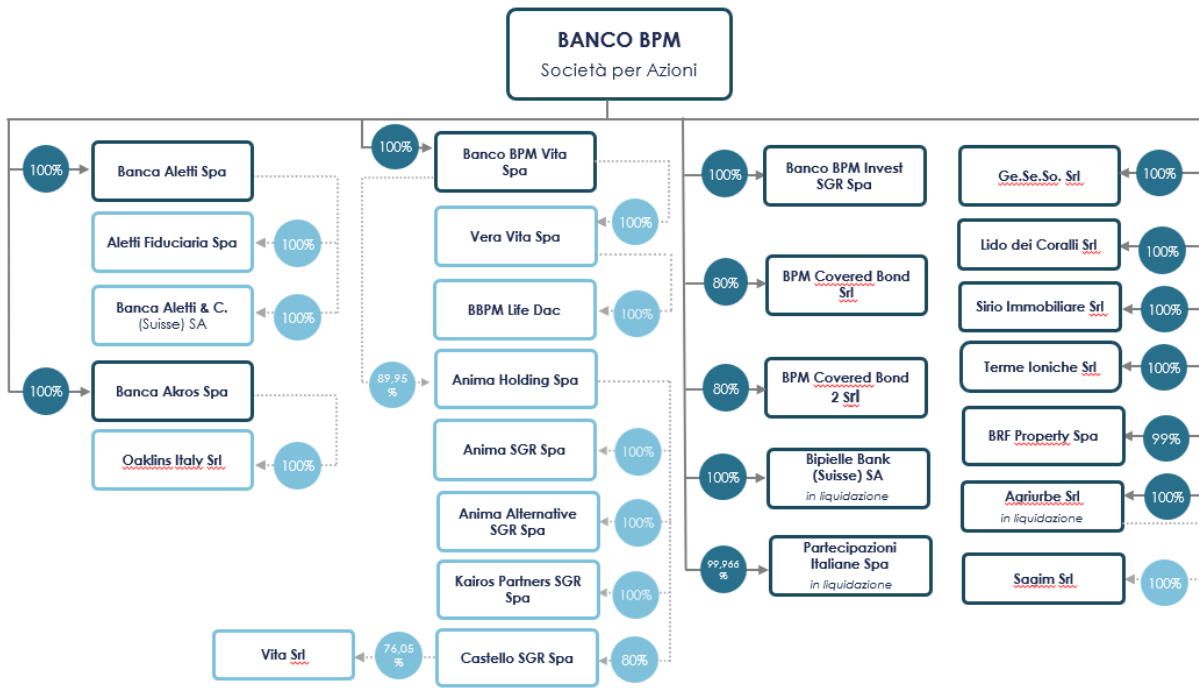
Vera Vita S.p.A. is 100% owned by the Banco BPM Vita S.p.A., incorporated in Italy, which is 100% owned by Banco BPM S.p.A., incorporated in Italy, consolidates these financial statements in its group report. In October 2025 Banco BPM Vita S.p.A. and Vera Vita S.p.A. filed for a merger by incorporation that has been approved by IVASS in January 2026. Following the completion of this transaction, currently expected in the first half of 2026 the Company will be fully owned by Banco BPM Vita S.p.A.

The Insurance consolidated financial statements are available from the Company Secretary, at Banco BPM Vita, via Massaua, 6, 20146 Milano, Italy.

The Financial Conglomerate consolidated financial statement are available from the Company Secretary, at Banco BPM S.p.A, Piazza Filippo Meda no. 4, 20121 Milano, Italy.

The table below shows the corporate structure of the Banco BPM S.p.A. with evidence of the position occupied by the Company within the group itself as at 31 December 2025:

Gruppo BANCO BPM



Areas of Activities

BBPM Life is authorised to sell Life Insurance products and operates in the Line of Business ("LoB") *unit-linked insurance* as defined in Annex I of the Commission Delegated Regulation (EU) 2015/35:

The Company is authorised to sell life insurance products in some European countries and currently operates in the Italian territory on a Freedom of Services regime.

Significant events during the year 2025

New business

In 2025, the Company continued to deliver strong performance throughout the year. Sales reached €1,728 million, an increase of 51% from €1,148 million in 2024. . The Company launched Multi Obiettivo Personal PRO product in August 2025 and the BA³ Insurance product in November 2025.

Policyholder assets

The policyholders' assets as at the end of the year amounted to €4,845m (2024: €3,429m). This was generated through sales in the Italian market which had a positive net impact of €1,292m; mainly due to premiums being higher than claims.

A.2 Underwriting results

This section covers the qualitative and quantitative results of the company. It is considered at an aggregate level as well as for the areas of substantive activities ("Line of business" or "Lob") and substantial geographical areas where the activity takes place during the reporting period. The table below shows the premiums, claims and expenses as per the S.05 Solvency II Quantitative Reporting Template.

Table A1 - Life underwriting results

Insurance linked to indices and shares €'000	2025	2024	Change %
Gross premiums written	1,727,580	1,147,985	50%
Claims incurred	435,269	216,551	101%
Expenses incurred	71,089	53,102	34%

The Company wrote 100% of premiums in Italy on a Freedom of Service basis as shown in the QRT Report S.05.02.01 annexed.

A.3 Investment results

This section shows the results of the Company's investments, broken down by asset class and type of income or expense in the period, as reported in the financial statements.

Details of income and assets and financial liabilities, profits and losses from trading and the investment recoveries and adjustments are reported in the following tables, with separate disclosure of income and expenses related to investments for the benefit of policyholders who bear risk (class III).

Table A2 - Investment income

(€'000)	2025	2024	change %
Financial income and ordinary capital			
Bonds	1,312	437	200%
Cash and equivalent to cash	226	172	31%
Total (a)	1,538	609	153%
Profits on gains			
Bonds	506	1,424	(65%)
Total (b)	506	1,424	(65%)
Total (a + b)	2,044	2,033	0%
Proceeds of policyholders' investments			
Investment funds and market indices	218,281	215,958	1%
Total Class III	218,281	215,958	1%
TOTAL	220,325	217,991	1%

Table A3 - Investment charges

(€'000)	2025	2024	change %
Losses			
Bonds	3	40	(93%)
TOTAL	3	40	(93%)

The Profit recognised in equity is €19.3m.

A.4 Results of other activities

Below are details of other significant income and expenses, which have not already been included in previous sections A.2 and A.3, that the company has supported in the period.

Table A4 – Other Income

(€'000)	2025	2024	change %
Deferred Income Liabilities	(10,635)	(13,594)	(22%)
Total other income	(10,635)	(13,594)	(22%)

Table A5 – Other Expenses

The Company recognises an annual expense in connection with the rental agreement related to the lease of the office premises.

(€'000)	2025	2024	change %
Charges from other financial instruments			
Finance cost of lease liabilities	103	109	(6%)
TOTAL	103	109	(6%)

Table A6 – Income tax charges

(€'000)	2025	2024	change %
Current taxes	2,826	1,509	87%
Pillar Two top-up tax	572	260	120%
Deferred Income Taxes	(5)	30	(117%)
Income tax charges Total	3,394	1,799	89%

A.5 Other information

There is no other relevant information regarding the business and performance of the Company.



B. Governance System

B.1 General information on the Governance System

The Company's Governance framework is detailed in BBPM Life Corporate Governance Manual . There have been no material changes in the system of Governance during 2025.

B.1.1 Role and Responsibilities of the Board

Pursuant to the provisions of the Companies Acts 2014 and the Memorandum and Articles of Association of the Company, the Directors are mindful of their obligations to act honestly and in good faith in the best interests of the Company and to exercise care, diligence and skill in the discharge of their duties.

As the Board has overall plenary power, the following is not intended to limit the powers of the Board, but to assist the Board in the exercise of its powers and the fulfilment of its duties.

The role of the Board is to carry out its duties and obligations as set out in the constitution documents and company law.

In performing this role, the Board shall provide strategic guidance for the Company and effective oversight of management.

The Board shall always retain ultimate authority over management of the Company.

The responsibilities of the Board include (but are not limited to):

- Setting the direction, strategies and financial objectives of the Company, supported by professional business advisors such as lawyers, tax advisers and actuaries;
- Oversight of the Company, including its control and accountability systems;
- Monitoring compliance with statutory and regulatory requirements;
- Reviewing and ratifying systems of risk management and internal control;
- Approval of Financial Statements and Report of the Directors;
- Approval of Budget;
- Returns to the Central Bank of Ireland;
- Appointment of Directors;
- Approval of Appointments;
- Monitoring senior management's performance and their implementation of strategies, policies and budgets;
- Ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- Formal approval of principal Company Procedures;
- Approval of investment strategy;
- Approval of investment strategy regarding new product developments and any significant changes thereto;
- Approval of key strategic decisions such as:

In performing its functions, the Board may delegate any of its powers to a Board Committee or to other persons in accordance with the Articles of Association of the Company and the



Terms of Reference, however the Board remains responsible for the oversight of any such powers delegated by it.

The Board has established four committees namely the Audit Committee, the Risk Committee, the Investment Committee, the Nominations and Remuneration Committees. The constitution and terms of reference of the committees and their specific powers shall be approved by the Board of Directors and duly recorded. These constitutions and terms of reference are detailed in the Corporate Governance Manual of the Company under the heading Committees.

B.1.2 Transactions with related parties

The Insurance consolidated financial statements are drawn up by Banco BPM Vita., with headquarters in via Massaua, 6, 20146 Milano. The Financial Conglomerate consolidated financial statement by Banco BPM S.p.A, with headquarters in Piazza Filippo Meda no. 4, 20121 Milano, Italy.

Distribution commission of €52.1m (2024: €34.7m) was incurred during 2025, in relation to the distribution agreement signed with the Banco BPM Group

At year-end investments for the benefit of life assurance Policyholders who bear the investment risk amounted to a total of €4,845m (2024: €3,429m) of which €273.7m (2024: €360.6m) are represented by bonds issued by Banco BPM S.p.A., the Company has received interest of €6.9m (2024: €4.7m) and accrued interest of €2.1m (2024: €2.9m).

At year-end, the Company held cash and cash Equivalents amounting to €27.3m (2024: €22.6m) of which €5.7m (2024: €4.1m) is represented by cash held with Banco BPM S.p.A.. The Company as at 31 December had a credit line with Banco BPM S.p.A. of €42m (2024: €42m), which is yet to be drawn down. For 2025, on this cash positions with Banco BPM S.p.A., the Company received bank interest of €0.1m (2024: €0.1m) and has paid bank charges of €0.3m (2024: €0.2m).

From the 1st of April Anima SGR become 100% part of Banco BPM S.p.A, below are the transactions with Anima SGR during 2025.

Assets Management fee of €4.1m was incurred during 2025 and €1.2m from asset management advisory fees, in relation to the Assets management agreement signed with Anima SGR. At the year-end there is an outstanding amount for Management fees payables of €1.5m.

B.1.3 Role and responsibilities of the key control functions

The following key control functions are established in the Company:

- Internal Audit, which is responsible for assessing the completeness, functionality, reliability and adequacy of the internal control system and risk management. Checking both on an ongoing basis and in relation to specific needs and respecting the international standards, the operation and the suitability, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- Risk Management, which has the responsibility to oversee the identifying, mitigating, measuring, assessing and monitoring of the current and future risks on an ongoing basis



at an individual and aggregate level to which the Company (and their interdependencies) is or could be exposed.

- Compliance Department, including AML Function, which is responsible for assessing, according to a risk-based approach, the adequacy of the procedures, processes, policies and internal organisation in order to prevent the risk of non-compliance, or the risk of incurring legal or regulatory sanctions, material financial losses or reputational damage as a result of violations of mandatory rules (laws, regulations, the Supervisory Authority rulings) and self-regulation (for instance statutes, codes of conduct, codes of corporate governance, internal policies and corporate communication documents).
- Actuarial Function, which has the main task to verify - based on the principles of Solvency II - the adequacy of technical reserves, ensure appropriateness of the methodologies, underlying models and assumptions used in calculation of Technical Provisions, assess the sufficiency and quality of data used in calculation of Technical Provisions, compare best estimates against experience, inform on the reliability and adequacy of the calculation of Technical Provisions, express an opinion on the Overall Risk and Solvency Assessment ("ORSA") report, on the overall underwriting policy, on the adequacy of reinsurance arrangements and contribute to the effective implementation of the risk management system.

As part of the internal control system and risk management, it is essential to ensure the interaction between corporate control functions, as well as regular information flow between these functions and the governing bodies.

The above functions shall report a plan of activities annually to the Board of Directors and inform the Board of Directors on the activities carried out along with the main elements of weaknesses found, and on any proposed interventions. In addition, in the performance of consulting support and proposals relating to the internal control and risk management system, the Risk Committee and the Audit Committee receive a plan and periodic updates by the control functions regarding their activities.

The Actuarial Function reports directly to the Board of Directors and has the necessary independence and separation in the performance of their duties in order to avoid conflicts of interest.

In order to allow the activities to be carried out, the Actuarial Function has unrestricted access to business data and to all relevant information.

The Actuarial Function produces a written report at least annually for the Board of Directors, which documents all the tasks carried out by the same and the relative results, clearly identifying any significant deficiencies, including those relating to data quality, and making recommendations on how to remedy them. The Actuarial function also report promptly to the Board about any findings of the activity that can have a significant impact on the financial position of the Company.



B.1.4 Remuneration policy

The primary objective of the remuneration policy is to ensure fair remuneration, appropriate to the role, responsibility, level of professionalism and individual capabilities. In accordance with the legal and regulatory provisions, the Company's remuneration policies ensure consistency between the remuneration of the recipient and sustainable performance requirements, in accordance with a healthy and prudent risk management policy in line with strategic objectives of the Company. The Company avoids remuneration policies based exclusively or predominantly on short-term results to avoid encouraging excessive risk exposure.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's rank in the Company and professional activity as well as market practice.

The four remuneration components are:

- fixed remuneration;
- performance-based remuneration;
- defined contribution pension schemes;
- other benefits.

The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility, job complexity, performance and local market conditions.

The performance-based remuneration motivates and rewards high performers who perform beyond expectations, generate quality for customers and shareholder value. The Company agreed a pre-defined performance-based amount on each employment contract. That amount is defined in a way so as not to promote excessive risk taking.

Performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. This is done by ensuring:

- an appropriate balance between fixed and performance-based components;
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible;
- that the performance-based component is based on the achievement of pre-agreed KPIs, which reflect the risk appetite of the Company and the nature of the role being undertaken. The KPIs cover the following:
 - profit before tax compared with budget;
 - cost trend;
 - compliance with the Company's framework of control as documented in the internal business procedures.

Pension schemes guarantee employees a basic cover in the event of illness or death, and a suitable pension payment on retirement.

Other benefits may be awarded on the basis of individual employment contracts.



For the members of the Board of Directors of the Company, fixed remuneration is provided, differentiated in relation to the respective offices held within the Board and Committees to which they belong, in addition to the reimbursement of out of pocket expenses incurred due to their duties. Remuneration for members of the Board of Directors employed by companies of the Banco BPM Group is normally managed directly by the company to which they belong. For the members of the Boards of Directors, who do not hold an employment contract with any group entity, there is no variable component of remuneration. The remuneration of executive directors that are employed by the Company is defined in the individual employment contract and it is made up of a fixed component and a variable component in relation to the achievement of set objectives.

In compliance with the provisions in force, the members of the Audit Committee of the Company do not receive variable remuneration

From time to time the Board will review the amount of compensation paid to directors and committee members. In this regard, the Board may request that management

Conduct periodic assessments of the Board's compensation levels to ensure they remain aligned with market practices among peer or similarly situated companies.

B.2 Fit and proper requirements

The Board of Directors has adopted, in accordance with the Central Bank Reform Act 2010 and the Guidance for (Re)Insurance Undertakings on the Fitness and Probity ("the Guidance", the policy on the eligibility requirements for the position (the "Fitness and Probity Policy"). The Policy describes, amongst other things, the procedures for assessing the eligibility requirements for the position, in terms of integrity, professionalism and independence, as well as the absence of impediments, of suspension and of incompatibility, of the key function under Solvency II.

The Policy incorporates the regulatory requirements set forth by the Central Bank (Individual Accountability Framework) Act 2023 (No. 5/2023) (IAF), the 2023 CBI Fitness and Probity Standards, and the 2024 Certification Regulation (S.I. No. 2 of 2024 - Central Bank Reform Act 2010 (Section 21(6)) Regulations 2024).

With regard to the independence requirements of its members, the Board carries out its assessments having regard to the provisions set out in the regulation mentioned above, with particular consideration to the following:

- any financial or other obligation the individual may have to the Company or its Directors;
- whether the individual has been employed by the Company or a group undertaking in the past and if so, in what capacity;
- any additional remuneration received in addition to the director's fee, related Directorships or shareholdings in the Company; and
- any close business or personal relationship with any of the directors or senior employees of the Company.

The Board shall state its reasons if it determines that a director is independent notwithstanding the existence of relationships.

The Company must ensure that a person carrying out a PCF/CF is competent and capable. The person shall have the qualifications, experience, competence and capability appropriate to the relevant function. The person shall also have a sound knowledge of the business, of the specific responsibilities that are to be undertaken and a clear and comprehensive understanding of the regulatory and legal environment appropriate to the function.

The Company must also carry out due diligence in accordance with the Guidance which includes obtaining and keeping:

- Evidence of professional qualification(s);
- Evidence of CPD Self-Certification, where relevant;
- Record of interview and application;
- Record of previous experience;
- Details of concurrent responsibilities (Directorships/employment conflicts).

Individuals proposed for CFs or PCFs must be honest, diligent and independent-minded and must act ethically and with integrity. Probity may also include individuals ensuring that they act without conflicts of interest. The person must be able to demonstrate that his/her ability to perform the relevant function is not adversely affected to a material degree by any of the circumstances ("the Circumstances") listed in the Guidance.

The Company is required to carry out due diligence in accordance with the Guidance to assess a person's probity to perform a CF(s). Such due diligence will include;

- Obtain signed written confirmation from the person performing or proposing to perform a CF as to whether or not any of the Circumstances apply to that person. If any of the Circumstances apply, the person must demonstrate that his or her ability to perform the CF(s) is not adversely affected to a material degree by that matter(s); the Company should require from the person the underlying documents related to the matter and make an assessment, to be documented, as to whether the matter is material to the performance of the CF. It is not required to remove or suspend a person from acting in a CF solely on the basis that one of the Circumstances may have occurred;
- Central Bank's website search (and those of other regulatory authorities, where available) to confirm that the person has not been the subject of sanctions or other regulatory actions;
- Check Companies Registration Office records for restrictions or disqualifications from acting as Company Director;
- Require those performing CFs to confirm whether, to the best of their knowledge, the person, or any business in which the person held a position of responsibility or influence has been or is being, in any jurisdiction, investigated, disciplined, censured, suspended, or criticised by a regulatory or professional body, a court or tribunal or any similar body, whether publicly or privately;
- Check against publicly available sources, if the person is or has been the subject of a bankruptcy petition, whether in the State or elsewhere. If the person has lived outside the State for more than six months in the previous five years, the Company should



request that the person provides a check from a publicly available source in relation to judgement debts from that other jurisdiction(s);

- Check for convictions for criminal offences that could be relevant to the person's ability to perform the relevant function. The Company must ensure that it is satisfied that the person is fit and proper having regard to any conviction for a "relevant" offence; in assessing the impact of the conviction the Company shall consider the circumstances surrounding the conviction, the length of time since the conviction, the explanation offered by the convicted person and any evidence of the individual's rehabilitation.

A record of persons performing CFs and PCFs must be maintained, and all the due diligence undertaken needs to be documented having regard to the obligations under Data Protection law including ensuring that the information is held securely and in an appropriate manner. These records should be made available for review by the Central Bank at their request. The Company must maintain all information collected for the duration during which the person performs CF or PCF as required by the regulation.

Performing due diligence for persons in CFs and PCFs roles is not a one-off obligation; the Company shall require persons performing CFs to notify the Company of any material changes in respect of initial due diligence carried out while the Company shall carry out an audit on an annual basis asking persons in CFs and PCFs to confirm whether they are aware of any material developments in relation to their compliance with the Standards of which the Company ought to be aware.

Where the PCF/CF is outsourced to a regulated third-party service provider (which includes entities authorised in any country by an authority that performs functions comparable to those performed by the Central Bank) and the function is performed according to a written outsourcing agreement, the Standards will not apply.

However, where a PCF/CF is outsourced to an unregulated third-party service provider the Standards will apply. A written agreement must be in place between the Company and the unregulated third-party service provider, and this agreement must identify the individual in the service provider who is responsible for the performance of the PCF/CF.

The unregulated third-party service provider is required to assess whether the person performing the PCF/CF is compliant with the Standards and they must obtain that person's agreement to abide by the Standards. Where the Company enters into an outsourcing arrangement with an unregulated third-party service provider it remains responsible for compliance obligations.

The Board of Directors assesses the requirements on an annual basis, according to the principles and criteria set in the policy.

B.3 Risk management system, including internal assessment of risk and solvency

B.3.1 Risk Management System

The risk management system is the set of processes and tools used to support the risk management strategy of the Company and allows an adequate understanding of the nature and significance of the risks to which the Company is exposed to. The risk management process is defined, into the following phases:

- identification of risks, which is the identification of significant risks, for instance those risks whose consequences may threaten the solvency or reputation of the Company or constitute a serious obstacle to achieving its strategic objectives;
- evaluation of exposure (current and prospective) to risks (Own Risk Solvency Assessment, "ORSA"), which is carried out through the use of methodologies provided by regulations and best practices with regard to the risks for which the measurement is not regulated or defined by high-level principles;
- monitoring of exposure to risks and reporting, implemented system - based on the principles of completeness, timeliness and effectiveness of the information - in order to ensure an early and continuous monitoring of the evolution of the risk profile and compliance with the defined Risk Appetite. This system ensures that the quality and quantity of the information provided are commensurate with the needs of different audiences and complexity of managed business, in order to be used as a strategic and operational tool for the evaluation of the possible impacts of decisions on the risk profile and solvency;
- mitigation of risks, which consists of identifying and proposing actions and interventions necessary and / or useful to mitigate the risk levels present or prospective that are not in line with the risk objectives defined within the company.

In the Risk Management System, the Risk Management has the responsibility to ensure all business units are identifying, mitigating, measuring, assessing and monitoring the current and future risks on an ongoing basis at an individual and aggregate level to which the Company (and their interdependencies) is or could be exposed. The Risk Management is responsible for the design, implementation, development and maintenance of systems for assessing and controlling risks.

The risk management system is based on the logic of Enterprise Risk Management ("ERM"), which is based on an integrated perspective of all current and future risks which the Company is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives.

To pursue these high-level goals, the approach takes into account the need to balance multiple instances from key stakeholders. In particular, the risk management system is designed to reflect:

- the need to safeguard the net worth and reputation;
- the safety and solvency requirements;
- the need to diversify risks and to ensure sufficient liquidity.

Risk Appetite

The Risk Appetite is formalised through the Risk Appetite Statement, indicating the risk that the Company intends to take or avoid, setting the limits in terms of quantity as well as quality criteria to be considered for the management of not quantified risks.

The Risk Appetite can be fixed as a single measure (target) or as a range of possible values (range) and is divided into quantitative and qualitative elements.

The determination of the risk appetite is divided, in quantitative terms, according to the following elements:

- risk capital;
- capital adequacy;
- liquidity.

These are defined as objectives in terms of quality with regard to non-compliance risk, strategic risks, reputational and emerging risks and operational risk.

Risk Appetite Framework

The Risk Appetite fits within a frame of reference, the Risk Appetite Framework ("RAF"). The RAF is defined strictly in line, and in a timely connection with the; business model, strategic plan, ORSA process, budget, organisation and internal control system. The RAF defines the Risk Appetite and other components that allow the management, both in normal conditions, and under stress conditions. These components are:

- the Risk Capacity;
- the Risk Tolerance;
- the Risk Limit (or risk operating limits);
- Risk Profile.

The definition of the RAF components is dynamic over time and reflects the management objectives of the risks related to the Strategic Plan objectives. It is verified annually as part of the process of assigning budget targets. Further analysis for the purpose of preventive control of the Risk Appetite, in particular capital adequacy, is carried out on the occasion of extraordinary transactions (mergers, acquisitions, sales, etc.).

Risk Management Policy

The Risk Management Policy, adopted by the Board of Directors defines the appropriate guidelines for identification, evaluation, monitoring and mitigation of risks and operational limits consistent with the defined Risk Appetite. The company ensures that the Risk Management Policy is implemented in a manner consistent and continuous within the entire Group policy, taking into account the risks of each company inside the perimeter of the supplementary supervision as well as the mutual interdependencies.

As a whole, the principles and processes of the Risk Management System are regulated in the following policies: "Risk Management Policy" and "Operational Risk Management policy".

B.3.2 Internal assessment of risk and solvency

The process for conducting the current and prospective risk assessment is outlined in the current ORSA Policy, adopted by the Board of Directors defines tasks, roles and responsibilities of the function involved.

Through assessment of risk and solvency, the Company intends to pursue the following objectives:

- highlight the link between the business strategy, the process of capital allocation and risk profile;
- give a general overview of all the risks faced by the Company, or that might impact the Company in the future, and its solvency position, current and future;
- provide the Board of Directors and top management feedback on the design and effectiveness of the risk management system and also highlighting any shortcomings and suggesting mitigation actions.

In particular, with reference to the current evaluation, the achievement of these objectives is determined through:

- the measurement of Solvency II capital requirement;
- the assessment of the capital adequacy of the company.

With reference to the valuation perspective, the above objectives are pursued through the ORSA, which allows the analysis of the risk profile of the Company on the strategy, the market scenarios and developments in the business.

When setting the ORSA process, the Company was guided by the following principles:

- the evaluation of the risks for the Company;
- the ORSA, apart from being a regulatory requirement, supports operational and strategic decisions; the ORSA and strategic planning processes are closely linked;
- the estimates taken as reference for the development of the Strategic Plan are at the basis of ORSA prospective evaluation;
- the ORSA evaluation is a support to the preparation/revision of the Strategic Plan;
- the ORSA process considers all the main risks that can lead to a significant reduction in the Own Funds or have impact on the ability to meet commitments towards the policyholders, in line with the risk management policy. For risks not included in the calculation of capital requirements under the first Pillar of Solvency II, the Company provides a qualitative assessment. Therefore, the assessment of these risks is carried out, to verify the effectiveness of control measures in place and the proper functioning of the management and monitoring processes, rather than to quantify the possible loss.
- the ORSA process is carried out in compliance with the standards provided by the Data Quality Management Policy. The evaluation of Risk Tolerances monitors the indicators defined in the Risk Appetite Statement and is carried out at least quarterly and, whenever circumstances that could significantly alter the risk profile arise. Such circumstances are primarily attributable to extraordinary events, that provide evidence of the need to perform additional ORSA assessment compared with the standard schedule.

The preparation of ORSA and the reporting activities starts after the closing of the reporting period and is finalised within timelines set out by the regulations.

The ORSA process is an integral part of the risk management system and decision-making of the Company and therefore has points of contact with other core business processes such as:

- strategic planning and capital allocation;
- definition of Risk Appetite;
- monitoring and mitigation of risks.

The ORSA process goes through a strict governance process involving all aspects of the Company including the business planning process, risk management process and capital management process. The Risk Committee plays a key part in setting and approving the material risks which form the basis of the company specific scenarios in the ORSA. The ORSA is approved by the Board of Directors where all parts of the ORSA are considered before approval including the need for any management actions.

B.4 Internal Control System

The system of internal control and risk management is a key element of the corporate governance system; it consists of a set of rules, procedures and organisational structures which aim to ensure:

- the effectiveness and efficiency of business processes;
- the effective mitigation of current and future risks;
- prevention of the risk that the company is involved, even unintentionally, in illegal activities, especially those related to money laundering, usury and the financing of terrorism;
- prevention and proper management of potential conflicts of interest with Related Parties and Connected Persons, as identified by the relevant regulations;
- verifying the implementation of corporate strategies and policies;
- safeguarding the company's assets, even in the medium to long term, and the good management of those held on behalf of customers;
- the reliability and integrity of information provided to corporate bodies and the market and IT systems;
- the adequacy and timeliness of the business information reporting system;
- the compliance of the company and of the operations carried out on behalf of customers with the law, supervisory regulations, self-regulatory standards and internal rules.

The Company has established a coherent and effective system for internal control and risk management, taking into account the different applicable regulations and the various fields of activity, consistent with the guidelines provided by the Group, with the aim of ensuring that the main risks relating to its activities are properly identified, measured, managed and controlled.

The system of internal control and risk management is an integral part of the Company and must spread through all its areas and functions, involving every resource, each for their own level of competence and responsibilities, to ensure steady and effective risk management.

The system of internal control and risk management is defined in the risk management policy, internal audit policy and Compliance policy.

The Board of Directors is responsible for the internal control system and overall risk management, which periodically carry out checks on the adequacy and effectiveness of its functioning. It approves the policy for the evaluation of the current and perspective risks and management of risks that are the basis of the internal control system and the same risk management. It also ensures that the main business risks are identified, evaluated prospectively and adequately controlled. The Board must also approve an organisational structure that guarantees the separation of roles in the performance of the process activities, the traceability and visibility of the operations and the transparency of the decision-making processes involved in each operating process.

The internal control system and risk management is set according to the guidelines outlined below:

- *separation of duties and responsibilities*: the skills and responsibilities are allocated among the corporate bodies and structures clearly, in order to avoid gaps or overlaps that may affect business functionality;
- *formalisation*: the work of the same administrative bodies should always be documented in order to allow control over the management and the decisions taken;
- *integrity, completeness and correctness of the data stored*: the data recording system and the related reporting procedures must ensure that they have adequate information about the elements that can affect the risk profile of the company and on its solvency;
- *independence of the controls*: the necessary independence of the inspection structures with respect to the operating units must be ensured.

The system of internal control and risk management is regularly subjected to evaluation and review in relation to development of the business and the reference context.

The internal control system and risk management are divided up into several levels:

- First line of defence aimed at ensuring the proper conduct of operations. They are carried out by the operational structures (for instance hierarchical controls, systematic and random), even across different units which report to the heads of operational structures or are executed as part of the back-office; they are incorporated in IT procedures as much as possible. The business units are the first responsible for the risk management process and must ensure compliance with the procedures adopted and compliance with the tolerance level established at risk;
- Second line of defence, controls on risk and compliance, which have the aim of ensuring the correct implementation of the risk management process, the implementation of activities entrusted to them by the risk management process, respect the operational limits for the various functions and compliance with corporate operations standards. The business functions assigned to these controls are distinct from operational ones; they contribute to the definition of governing policies of risks and of the risk management process;

- Third line of defence, internal audit checks on completeness, functionality and adequacy of the internal control system and risk management (including the first and second level) as well as the consistency with company operations thereto.

As part of the internal control system and risk management, the efforts of assessing the organisation and its internal procedures are necessary to prevent the risk of non-compliance – i.e., the risk of incurring legal or administrative sanctions, financial losses and reputational damage as a result of violations of laws, regulations or supervisory authority measures or self-regulation - and is attributed to the Compliance function. The compliance operational process is divided into the following phases:

- regulatory analysis;
- assessment of risk;
- identification of remediation actions;
- monitoring;
- reporting.

The approach adopted by the Compliance Department, according to the assessment: (i) is related to the enactment of new regulations, new projects, products or processes; (ii) relates to provisions external regulations or self-regulation in force.

Evaluations of the first type (ex-ante evaluations) are primarily designed to support senior management in the activity of adaptation in the face of new projects / products / processes / regulations, while those of the second type (ex-post evaluations) are designed to represent the level of compliance of the procedures, processes, policies and internal organisation of the Group Companies to the applicable law, as well as the risk of non-compliance.

Ex-ante evaluations

Ex-ante evaluations are carried out for the following

- external events, such as the enactment of new regulations applicable to undertakings by the European Legislator National Supervisory Authorities, etc
- for internal events, such as the proposal made by the management of new projects, new products or the development of new operating processes.

These evaluations are usually provided as part of the annual planning of the Compliance Function and scope of intervention is chosen on a basis of priority that aims to favour the significance and nature of impacts (including reputational) of the regulations (or process innovations or product provided) with respect to the organisation and to the company's business model. Ex-ante evaluations may also be undertaken in the face of extraordinary requests from the Supervisory Authority, the governing bodies or management.

Ex-post evaluations

ex-post evaluations are carried out on business processes ("process assessment") or external supervisory regulations and self-regulation. These evaluations are usually provided as part of the annual planning process, according to a criterion of priority that aims to focus on:

- the need to "cover" all business processes;
- the results of previous ex-ante and ex-post evaluations;
- the need to "cover" the supervisory regulations, in consideration of the importance and complexity of the same;
- risk assessment in relation to regulations which are the subject of particular attention by regulators and supervisory authorities, or that could be subject to sanction;
- the time elapsed since the last analysis carried out by the Compliance and Anti-Money Laundering Control Function and other functions in relation to the relevance of the legislation in question;
- data on complaints received and sanctions, if any.

The ex-post checks can be initiated to cover findings by the Supervisory Authority, the governing bodies or management.

B.5 Internal Audit Function

The Internal Audit Function is an independent and objective assurance and consulting activity designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic and disciplined approach to evaluation while also improving the effectiveness of risk management, control and governance processes. The Internal Audit Function is established by the Audit Committee, a sub-committee of the Board of Directors. The ongoing monitoring, reporting and control of the Internal Audit Function within the Company is the responsibility of the Head of Internal Audit who reports to the Board of Directors through the Audit Committee. At each individual audit, the Internal Audit Function should:

- draw up the audit objectives to be conducted on the process being audited;
- where necessary, hold a kick-off meeting with the process owner(s) for the audited process;
- carry out process analysis work and conduct relevant testing;
- draw up the draft Audit Report;
- where necessary, hold an exit meeting with the process owner(s) for the audited process in order to discuss any findings which have come to light and to ask management to commit to fixing deficiencies detected, indicating due dates and the responsible person(s);
- send the official Audit Report to the process owner(s);
- periodically monitor the status of the arrangements to which management has committed;

- carry out relevant follow-up and report progress to each audit committee meeting of the intervening audit in order to check that the corrective actions have actually been implemented;

The Internal Audit Function will remain free from interference by any element of the Company, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement. Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. The Head of Internal Audit will confirm to the Board of Directors through the Audit Committee, at least annually, the independence of the Internal Audit Function.

B.6 Actuarial Function

The Company has appointed an Actuary employed by Willis Towers Watson, working in the capacity of external actuarial consultant and Actuarial Function Holder for BBPM Life dac.

The Solvency II requirements of the Actuarial Function, as specified in Article 48 of the Solvency II Directive, are as follows:

- Coordinate the calculation of the Technical Provisions;
- Ensure appropriateness of the methodologies, underlying models and assumptions used in calculation of Technical Provisions;
- Assess the sufficiency and quality of data used in calculation of Technical Provisions;
- Compare best estimates against experience;
- Inform on the reliability and adequacy of the calculation of Technical Provisions;
- 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.

The additional major tasks carried out by the BBPM Life Actuarial Function are:

- calculate the Solvency Capital Requirement ("SCR"), the Minimum Capital Requirement ("MCR") and the Risk Margin on an outsourced basis;
- Carrying out independent validation of the base financial projections included in the ORSA;
- Express an opinion on the ORSA;
- Contributing to the preparation of the financial statements;
- Contributing to new product development.

The Solvency II Delegated Regulation (EU) 2015/35 require that the Actuarial Function should prepare a report for the Board, at least annually, documenting the tasks, and their results, carried out by the Actuarial Function.



In addition, the Central Bank of Ireland requires that the Actuarial Function should provide an opinion to the Board of the Company regarding:

- The Technical Provisions;
- The sufficiency and quality, including appropriateness, completeness and accuracy, of data used in the calculation of Technical Provisions;
- The Underwriting Policy of the Company;
- Adequacy of Reinsurance arrangements; and
- ORSA process.
- .

The Chief Risk Officer (CRO) is responsible for the overview of the outsourced Actuarial Function. The CRO will contribute to discussions on methodology and assumptions used in calculating the Technical Provisions and SCR of the Company. The CRO will also review the calculations of the Technical Provisions, Risk Margin and SCR.

B.7 Outsourcing

The guidelines for outsourcing are defined in the policy on outsourcing ("Outsourcing Policy") of the Company.. The policy rules the decision making, the responsibilities, the tasks and controls expected in terms of outsourcing of activities and business functions.

The policy specifically states:

- criteria for the identification of activities to outsource;
- criteria for the qualification of activities as essential or important and important operational functions;
- burden on outsourcing;
- the selection criteria of the Outsourcer;
- the decision-making process to outsource functions or company's processes;
- the minimum content of the outsourcing contracts and the criteria to define service levels of outsourced activities;
- internal information flows to ensure that the various functions have full knowledge and governance of risk factors related to the outsourced functions;
- guidelines to follow in case the service providers do not comply with the agreement, including guidance on contingency plans and exit strategies in case of outsourcing of essential or important activities;
- Supervisory Authority notification.

Essential or important functions or activities are those that meet at least one of the following conditions:

i) an anomaly in their execution or their failed execution may severely damage:

- the financial results, the solidity of the Company or the continuation and the quality of the provided services;
- or



- the ability of the Company to continue to comply with the requirements for keeping its authorisation for carrying out its activity or with the requirements set by the applicable supervisory rules;

ii) concern operational processes of the corporate supervisory functions or have a significant impact on the management of the company's risks.

For the purpose of categorising the activities or functions as essential or important, the economic activity importance and the volumes of the same compared to the total volumes and the degree of autonomy of the supplier in the performance of activities included in the outsourcing contract can be taken into account as additional elements for assessment.

The Company may enter into outsourcing agreements provided that the nature and quantity of activities to outsource, as well as the conditions of the assignment do not:

- result in the Company being drained of activity;
- delegate its responsibility or liability of corporate bodies;
- compromise the quality of the internal supervisory and governance systems of the Company;
- outsource corporate control functions outside the Group;
- modify the relationship and obligations towards customers;
- jeopardize its ability to fulfil its obligations under the regulatory provisions or be in a position to violate the reservations of activities provided by law;
- impede the supervision of the Company;
- outsource the underwriting of risks.

The outsourcing of critical and important functions, identified according to the criteria mentioned above, must be previously notified to the Supervisory Authority.

The table below gives information related to the essential or important functions or activities outsourced and the jurisdiction in which the suppliers of those functions or activities are located.



Table B1 – List of critical and important Outsourced Activities

Outsourced essential or important activities	Name of the provider	Jurisdiction
Third Party Administrator	FNZ (Europe) dac	Ireland
Actuarial Function	Willis Towers Watson	Ireland
IT Network Administrator	Ekco Cloud Limited	Ireland
Asset Management	Anima SGR S.p.A.	Italy
IT Disaster Recovery	Savenet Solutions LTD	Ireland
Front End Services	Be Shaping The Future DigiTech Solutions S.p.A	Italy
Policy Administration	FDM Business Services S.r.l. a socio univ	Italy
Subscription and redemption of Funds	Allfunds Bank S.A.U.	Spain
Cloud services	Microsoft Ireland Operations Limited	Ireland

B.8 Other Information

The Board of Directors examined the adequacy of the organisational, administrative and accounting structures and, in particular, the Internal Control System and the Company's risk management, based on the periodic reports of the management. The board and committees pack are usually made available to the Directors in the days before the meetings, with appropriate highlighting of the main contents on the agenda (Executive Summary), except in cases of urgency and / or precautionary confidentiality requirements. Such documentation is made available in computer readable form which allows a more efficient management both in terms of saving time and high standards of confidentiality.

C. Risk Profile

C.1 Life Underwriting risk

Life Insurance Technical Risks

The underwriting risk for life insurance is the risk arising from life insurance obligations, taking into consideration the covered events and the processes used in the activity.

The portfolio of the Company consists exclusively of Unit-Linked Life Insurance products and the total Best Estimate as at the 31 December 2025 is €4,772m.

The Company's portfolio is exposed to the following risk factors:

- **mortality risk:** linked to an unfavourable deviation in the demographic bases resulting from experience (over-mortality) with respect to what was used in the determination of the pricing;
- **lapse risk:** linked to adverse changes in the level or volatility of the incidence of lapses, withdrawals, early surrenders and terminations in the payment of premiums;
- **expense risk:** linked to adverse changes in the value of expenses related to insurance policies with respect to what was used in the determination of the pricing;
- **catastrophe risk:** resulting from an unforeseeable event that consequentially strikes multiple people, producing a number of claims significantly higher than expected.

The Company evaluates the solvency capital requirement using the SII Standard Formula approach. With reference to the year-end 31 December 2025 you may find below the details of the Life Risk sub-modules of the SCR.

Table C1 - SCR – Life Risk Sub-Modules

Risk Sub-Modules (€'000)	2025	2024	Change %
Mortality Risk	1,763	941	87%
Longevity Risk	-	-	
Disability-Morbidity Risk	-	-	
Lapse Risk	35,938	27,393	31%
Expenses Risk	9,180	5,884	56%
Revision Risk	-	-	
Catastrophic Risk	591	434	36%
Total Sub-Modules	47,472	34,652	37%
Diversification Effect	(5,865)	(3,709)	58%
Total Life SCR	41,607	30,943	34%

The main source of risk within the Life Risk sub-module is Lapse Risk, which accounts for 76% of the non-diversified Life Insurance Risk. In comparison with previous year the main change in the sub module is represented by an increase to the lapse risk due to an increase in the value-in-force (VIF) of the Company which when stressed increases the mass lapse risk.

Risk mitigation techniques

The company has a limited appetite for mortality risk, the terms of which are set out in the policy documentation. These are based on age and an overall limit per individual. The mortality risk within the products is reviewed by the Actuarial Function and Board and mortality



assumptions included as part of product pricing are based on actuarial data. In addition, the company reinsures part of this risk which limits the mortality risk to the Company for any one policy and any one policyholder.

C.2 Market risk

Market risk refers to all the risks which result in impairment of financial investments or Property due to adverse developments of the relevant market variables:

- **Interest rate risk:** the risk of a loss in value of a financial asset in the portfolio in relation to movements in market interest rates;
- **Equity risk:** the risk linked to losses due to movements in share prices;
- **Exchange rate risk:** the risk of possible losses on foreign currency positions in the portfolio due to changes in exchange rates;
- **Spread Risk:** the risk associated to a possible increase of spreads required by the market to a debtor;
- **Concentration risk:** additional risk due to limited diversification of financial asset portfolio leading to high exposure to default risk from individual financial instruments issuers; and
- **Property risk:** is the risk linked to losses due to adverse movement in the prices of assets classified as property.

The Policyholder financial portfolio at 31 December 2025 is made up of 18% bonds, 9% of which are government bonds. Investment in Undertakings for the Collective Investment of Transferable Securities is 80% of the portfolio with the remaining 2% held in cash.

Table C2 – Financial Portfolio Composition

	2025 (€'000)	% Exposure to PTF Total	2024 (€'000)	% Exposure to PTF Total	Difference
Property, Plant & Equipment held for own use	2,152	0%	2,340	0%	(8%)
Bonds	84,728	2%	72,702	2%	17%
Government Bonds	84,728		72,702		17%
Investments for the benefit of policyholders who bear risk (class III)	4,844,663	98%	3,429,462	98%	41%
Total	4,932,543	100%	3,504,504	100%	41%

All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, shall be invested in a way that ensures the security, quality, liquidity and profitability of the portfolio as a whole.

The company uses the SII standard formula to calculate Market Risk. The results of the market risk calculation as at 31 December 2025 are shown below: .

Table C3 – SCR – Market Risk Sub-Modules

Risk Sub-Modules (€'000)	2025	2024	Difference
Interest Rate	7,652	3,417	124%
Equity Risk	35,164	24,289	45%
Property Risk	9	5	70%
Spread	2,902	1,502	93%
Currency	13,947	8,244	69%
Concentration			
Total Sub-Modules	59,674	37,457	59%
Diversification Effect	(15,284)	(8,351)	83%
Total Market SCR	44,389	29,106	53%

The market risk component of the SCR is primarily due to the impact of market stresses on the unit-linked portfolios. The difference between 2025 and 2024 is mainly as a result of:

- The increase in Equity Risk is mainly as a result of an increase in assets under management; and
- The increase in the Currency risk module because the most recent products launched have a greater exposure to currency risk (increased holdings in non-euro assets).

Risk mitigation techniques

The Company does not have any appetite for market risk linked to policyholders' assets other than the indirect exposure via the link between the level of assets under management and the annual management fees received by the Company. The market risk associated with the unit linked assets is borne by the policyholders which is set out in detail in the policyholders' documentation.

The products documentation specifically outlines that the policyholders are subject to any movements in the value of the asset and therefore are subject to the market risk.

C.3 Credit risk

The Credit Risk (Counterparty Default Risk) identifies the risk that a debtor or guarantor fails to comply, fully or partially, to its financial obligation accrued to the Company. Credit risk thus reflects the potential loss due to an unexpected default of the counterparties and debtors of insurance and reinsurance companies in the next 12 months.

The methodology adopted to assess the risk of default is the Solvency II Standard Formula. The portfolio exposed to the Counterparty Default Risk as at 31 December 2025 consists almost exclusively of cash deposited with banks.

Below is the value of the Solvency Capital Requirement in relation to credit risk as at 31 December 2025:

Table C4 – SCR – Credit Risk

Exposure Type	2025			2024			Difference
	Exposure	SCR	% Total TPF	Exposure	SCR	% Total TPF	
Type 1	42,012	2,600	64%	30,422	1,847	66%	41%
Type 2	11,487	1,723	42%	7,443	1,116	40%	54%
Diversification		(267)	(6%)		(179)	(6%)	49%
Total	53,499	4,056	100%	37,865	2,784	100%	46%

The contingency plan to manage risk of counterparty default includes diversification of the counterparties used.

C.4 Liquidity risk

Liquidity risk represents the risk of not having the liquid resources needed to meet the financial obligations without having to suffer economic losses from forced asset sales in the event of adverse scenarios.

The Company faces liquidity risk in two specific scenarios, lack of sufficient liquid assets to meet day to day operational liabilities and payment of the Italian substitute tax and stamp duty where the Company does not generate sufficient liquidity through new business and profits on existing business to ensure payment of the tax.

The Company does not seek to take on liquidity risk as a strategic risk. The liquidity risk faced by the firm is in the normal course of its activities as a cross border life assurance undertaking.

The Company strives to maintain liquidity levels to meet the cash requirements arising from day-to-day trading activity and to meet the cash requirements that arise from the payment of the Italian substitute tax and stamp duty.

The main mitigation to safeguard the ability to make the payments of day-to-day expenditure such as corporation tax, exit tax payments, salaries etc is matching of the bond portfolio with the liabilities as they fall due.

There is also a line of credit in place which ensures that this risk is further mitigated and alleviated. However, the main mitigation is holding sufficient levels of liquid assets to pay the liabilities as they fall due as the use of the line of credit is an expensive form of mitigating the risk. The exposure to the liquidity risk associated with the Italian substitute tax is mitigated by a binding agreement in place with Group which ensures that if there is any shortfall in the exit tax due from policyholders then the Group will meet this shortfall.

The time horizon of the liquidity risk can be split into two main areas i) the short term - ongoing potential delay in bank settlements where the counterparty is not able to settle the trade in

the agreed timeframe and ii) the longer-term - payment of the Italian substitute tax where the Company does not generate sufficient liquidity through new business and profits emerging on existing business to ensure payment of the tax.

Gains expected in future premiums

The expected profit included in future premium in accordance with Article 260, paragraph 2 of the Delegated Regulation (EU) 2015/35 is not calculated as the Company does not have policies with regular premium.

C.5 Operational risk

Operational risk means the risk of loss as a result of inadequate or failed internal processes, people or systems, external events such as fraud or the activities of service providers. Part of the operational risks, in terms of the identification and quantitative assessment, are the legal risk, the risk of non-compliance and IT risk, while strategic risk and reputational risk are not included.

As part of the Internal Control System and risk management, the operational risk management system facilitates the achievement of the following high-level goals:

- Preservation of the capital of the Company;
- Improvement of the overall efficiency of the processes ensuring that the potential operational risk is identified, measured, controlled and managed in accordance with methodologies defined and consistent within the Group.

The Company calculates the capital requirement for operational risk through the use of the SII standard formula as reported in the Delegated Regulation (EU) 2015/35.

Below shows the capital requirement for operational risk calculated as at 31 December 2025:

Table C5 – SCR - Operational Risk

Risk module (€'000)	2025	2024	Change %
Operational Risk	5,702	4,949	15%

The identification of operational risk is based on the collection of information on potential events or actual events from all relevant sources of information and classified in a coherent and coordinated way in order to represent a continuous overall database on operational risk.

The identification activity consists of gathering as much information as possible about the event risk, its possible causes and effects. This activity aims to increase the knowledge of risk exposure of the different business areas, assess the adequacy of controls and identify the best solutions for the management of any critical situations.

The process of collection of the *business expert opinion*, carried out through the Risk Self-Assessment (RSA) method, is based on meetings with management in order to identify and assess the potential operational risk events that can occur, as well as to assess the adequacy of the control system and identify the best solutions to manage potential critical situations.

The data collected includes the impact of the estimated risk event and the estimate of the expected frequency of the occurrence of events considered on an annual basis. The information collected on operational risk events is divided according to the concept of cause

- event - effect, in order to accurately describe the chain of events that caused the economic impact due to said risk event.

In summary the phases in which the operational risk identification activities can be divided are the following:

- Analysis of processes, verification of the applicable regulations and collection of the information derived from previous analysis or analysis performed by the controlling functions;
- Identification of possible operational risks, the possible causes and the existing controls;
- Verification of the completeness of the analysis with respect to the model of the event type;
- Validation of the collected data and control of the quality of the performed analysis.

As part of the operational risk, the evaluation of the impacts resulting from the interruption of business processes following the occurrence of a disastrous event (i.e. risk of continuity) is significant.

For this purpose, the Company has a Business Continuity process, with the aim to minimize the impact of disastrous events on the relevant services, whether they are caused by events of sectoral, corporate, local or extended scope (Business Continuity Management).

The Company will manage operational risk to an acceptable level through a combination of sound corporate and risk governance, strong systems and controls and, where applicable, limit and tolerance structures. Regular updating of the risk register is one of the primary methods of mitigating the operational risk and ensuring that operational risks are recognised, measured and reported to the Board of Directors.

C.6 Other substantial risks

As for other risks, the Company identifies the following risks as significant:

- Reputational risk: the current or prospective risk to affect income or capital arising from a negative perception of the company by its major stakeholders.
- Strategic risk: the current or future risk of a decline in profits or capital due to external factors such as changes in the operating environment and / or lack of responsiveness to changes in the competitive environment, or internal factors such as adverse business decisions and / or inadequate decisions. The Board of Directors monitors these risks with a pro-active approach to identify possible trends to prevent emerging risks and take advantage of future business opportunities.
- Group Risk: the risk related to belonging to the Group or risk of "contagion" is the risk that as a result of the interlinked nature of the Group's other entities, difficult situations that arise in an entity of the same group can spread with negative effects on the solvency itself; it also includes the risk of conflict of interests.
- Regulatory Risk: the risk of incurring legal or regulatory sanctions, material financial losses or reputational damages as a result of violations of mandatory rules (laws, regulations) or self-regulations (i.e. statutes, codes of conduct, codes of self-regulation); it may also derive from unfavourable changes in the regulatory framework or legal guidelines. The



Compliance Function evaluates the adequacy of the organisation and internal procedures for the prevention of such risk and determines their level.

Sensitivity analysis

In order to monitor the sensitivity of the Company's solvency position to risks and material events, the Company has prepared sensitivity analysis. This analysis investigates the sensitivity of the Company's solvency ratio to a selection of key risk exposures.

Sensitivity 1 – Lapse Rates

To analyse the impact of a reduction in the lapse rates, the Value-in-force (VIF) and Solvency Capital Requirements (SCR) were re-calculated under a scenario whereby lapse rates are reduced by 50%.

Sensitivity 2 – Policyholder funds under management

To analyse the impact of an instantaneous reduction in the policyholder funds under management, the VIF and SCR were re-calculated under a scenario whereby market movements lead to an instantaneous reduction in the value of policyholder funds under management of 25%. The Company's solvency position is exposed to a reduction in the funds under management because its future income is a function of the funds under management. The Company's insurance related mortality costs and fund related expenses are also a function of the funds under management.

Sensitivity 3 – Administration Expense Base

To analyse the impact of an increase in the expenses of the company, the VIF and SCR were re-calculated under a scenario whereby the permanent administration expense base is increased by 20%. An increase in expenses will erode future profits that are recognised on the solvency II balance sheet and as a result reduce solvency coverage.

Results of the sensitivities

Table C6 – Sensitivity Results

Scenario	Impact on the central scenario	Impact % on Solvency II VIF (i.e future profits)	Impact % on SCR
Demographic risk - Lapse rates	(50%)	+19%	+24%
Market risk – Unit liability	Instantaneous reduction of 25%	(43%)	(25%)
Life underwriting risk – Administration expense base	+20%	(15%)	(5%)

Sensitivity 1 – Lapse Rates

Under a scenario where lapses rates are reduced by 50%, there is an increase in the Company's SCR. The increase in SCR is primarily as a result of the increase in the future expected profits. The reduction in lapse rates leads to policies remaining in force longer. This results in increased AMC income, but also increased fund related expenses. Surrender penalty income reduces given that lapses are lower. The increased SCR is driven primarily by the greater exposure of the Company to expenses, given that policies are expected to remain in force longer. Equity, spread and lapse stresses (the most material stresses to the Company's SCR) also increase as the Company has a greater level of expected future profits.

Sensitivity 2 – Policyholder funds under management

Under a scenario where market movements lead to an instantaneous reduction in the value of policyholder funds under management of 25%, there is a reduction in the Company's SCR. This reduction in SCR is primarily due to the reduction in the Company's projected future profits (driven by the reduction in policyholder funds under management). This results in reduced AMC and surrender penalty income, offset somewhat by reduced fund related expenses. The reduced projected future income drives reductions in the equity and lapse stresses (the most material stresses to the Company's SCR).

Sensitivity 3 – Administration Expense Base

Under a scenario where the permanent administration expense base is increased by 20%, there is a reduction in the Company's SCR. This reduction in SCR is primarily due to the reduction in the Company's projected future profits (driven by the reduction in policyholder funds under management). This drives reductions in the equity, currency and lapse stresses (the most material stresses to the Company's SCR). However, this is partly offset by an increase in the expense stress.

D. Evaluation for solvency purposes

The calculation of the solvency capital requirement laid down in the SII Directive is determined as the economic capital that insurance and reinsurance undertakings must hold to ensure that the undertakings in question will still be able, with a probability of at least 99.5%, to meet their obligations towards policyholders and beneficiaries over the following twelve months. The capital is evaluated with a balance sheet prepared on the basis of "Market Consistent" criteria, specifically identified in the Regulation. These criteria are generally based on the *fair value* evaluation as defined by international accounting standards (IFRS 13), to be determined on the basis of the following hierarchy:

- i) quoted prices in active markets for the same assets and liabilities;
- ii) quoted prices in active markets for similar assets and liabilities, suitably adjusted to take account of the differences with the assets and liabilities listed;
- iii) evaluations derived from internal valuation models ("*Mark to Model*"). The data used in these models must derive as far as possible from information implicit in the market valuations of the previous points.

Consequently, the preparation of the Market Consistent Balance Sheet (MCBS) of the Company was made through the following phases:

- restatement of the individual assets and liabilities of the Company on the basis of the classification criteria for compiling the QRT S.02.01 (Balance Sheet);
- evaluation of individual assets and liabilities under the criteria of the Regulations, in accordance, where applicable, with the assessments set out on the purpose of the consolidated financial statements prepared in accordance with IAS / IFRS principles.

Below is the content of the QRT S.02.01.02 (MCBS) prepared with reference to 31 December 2025, which contains a valuation of the assets and liabilities of the Company to market consistent values (Solvency II Value) and a consistent evaluation with that adopted by the Company to prepare its financial statements (Statutory Account).

Table D1 - Market Consistent Balance Sheet (MCBS): Assets

	Solvency II Value	Statutory Account Value
Goodwill		
Deferred acquisition costs		54,518
Deferred tax assets		45
Property, plant and equipment held for own use	2,152	2,152
Investments (other than assets held for contracts index-linked and unit-linked)	4,844,663	4,844,663
Bonds		
<i>Government bonds</i>	84,728	84,728
Assets held for contracts index-linked and unit-linked		
Insurance and intermediaries' receivables	71,318	70,810
Receivables (trade, not insurance)	759	758
Reinsurance receivables		
Cash and cash equivalent	27,282	27,282
All other assets not mentioned elsewhere		
Total assets	5,030,901	5,084,956

Table D2 - Market Consistent Balance Sheet (MCBS): Liabilities

	Solvency II Value	Statutory Account Value
<i>Technical provisions - index-linked and unit-linked</i>	4,788,265	4,863,282
Technical provisions calculated as a whole		
<i>Best estimate</i>	4,771,545	
<i>Risk margin</i>	16,720	
Deferred tax liabilities	10,002	46
Financial liabilities other than debts owed to credit institutions	2,247	2,247
Insurance payables and to intermediaries	50,567	50,567
Reinsurance payables	204	204
Payables (trade, not insurance)	1,259	1,259
All other liabilities not reported elsewhere	881	59,882
Total liabilities	4,853,501	4,977,487

Comments on the main differences between the two evaluations are given in the following paragraphs.

D.1 Assets

D.1.1 Evaluation criteria

In this section the criteria, methods and models used by the Company for the detection and measurement of assets in MCBS are illustrated.

Financial assets – Investments and Assets held for index-linked and unit linked contracts.

The financial assets are measured at fair value, in accordance with IFRS and there is no change in the valuation approach for Solvency II. .

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and under market conditions (exit price).

The fair value is a market measurement and not an entity-specific measurement; as such, the valuations must be made on the basis of the assumptions and models mainly used by market participants, including assumptions about the risk of the asset or liability being measured. When a market price is not observable, the measurement methods which maximise the use of observable parameters and minimise the use of non-observable parameters must mainly be used.

IFRS defines a fair value hierarchy based on the level of observability of the inputs contained in measurement techniques used to measure fair value.

Cash and cash equivalent

The company values Cash and cash equivalent at their fair value as per IFRS and there is no difference in the MCBS.

Property, plant & equipment held for own use

This is a right of use assets in relation to the office lease and is value under IFRS.

Insurance and intermediaries' receivables

Receivables are recorded at their fair value, as per IFRS and there is no difference in the MCBS.

Deferred Taxes assets

The calculation of deferred taxes recognised in MCBS was made by applying the criteria identified by the International Accounting Standards).

Other assets

For all other activities not included in the categories outlined above, the book value reported in the MCBS is, given its nature, consistent with the value used for the specific purposes of the consolidated financial statements, as determined by applying the relevant IAS/IFRS standards.

These assets mainly consist of receivables (trade receivables unrelated to insurance activities) and other assets not otherwise classified, which primarily include current tax assets as presented in the financial statements under IFRS rules.

D.1.2 Quantitative information on the valuation of assets

Intangible assets

The Company, in line with the regulatory requirements of the Directive, does not attribute value to goodwill, deferred acquisition cost or other intangible assets, for solvency purposes, as a quotation on an active market for similar assets is not available.

Table D3 - Intangible Assets

	Solvency II	Financial statements	Difference
Goodwill	-	-	-
Deferred acquisition costs	-	54,518	54,518
Intangible assets	-	-	-
Total	-	54,518	54,518

The company held no intangible assets as at end December 2025.

Under IFRS, the Company may defer acquisition costs relating to investment contracts only to the extent that such costs are recoverable from the future revenue margins associated with those contracts. These deferred costs are then amortised through the Statement of Profit or Loss over an appropriate period. Deferred Acquisition Costs ("DAC") is not recognised in accordance with Article 12 of Solvency II Delegated Acts.

Table D4 - Tangible Assets

	Solvency II	Financial statements	Difference
Property, plants and equipment held for own use	2,152	2,152	-
Total	2,152	2,152	-

Note that for other tangible assets (ie, property plant and equipment, leases, motor vehicles, etc.), the book value reported in the MCBS is consistent with the carrying amount recognised in the financial statements. Given the nature and materiality of these assets, this carrying amount is considered to provide an adequate representation of their fair value.

For Solvency II reporting purposes, the right-of-use asset arising from the office lease agreement and recognised under IFRS has been included within the above category of "Property, plant and equipment held for own use." The treatment of this right-of-use asset under Solvency II is aligned with its treatment under IFRS.

Table D5 - Financial Assets with Investment Risk borne by Policyholders

	Solvency II	Financial statements	Difference
Assets held for contracts on an index-linked and unit-linked	4,844,663	4,844,663	-
Total	4,844,663	4,844,663	-

MCBS requires that "Assets held for index-linked and unit-linked funds" include all financial assets recognised in the statutory balance sheet under the category "Financial assets at fair value through profit or loss," corresponding to those financial assets for which the investment risk is borne by policyholders (i.e., unit-linked and index-linked contracts).



These assets are valued at fair value also in the financial statements, consequently there are no differences compared to the corresponding values recorded in the MCBS.

100% (2024: 100%) of the Policyholders' Funds have been valued individually † using quoted prices obtained from a active markets or from current quoted prices from a market that may not be active. No Policyholders' Funds are valued using significant unobservable inputs.

Table D6 - Other Financial Investments

	Solvency II	Financial statements	Difference
Government bonds	84,728	84,728	-
Total	84,728	84,728	-

These assets are valued at fair value also in the financial statements, consequently there are no differences compared to the corresponding values recorded in the MCBS.

Table D7 - Other Assets

	Solvency II	Financial statements	Difference
Insurance and intermediaries receivables	71,318	70,810	508
Total	71,318	70,810	508

Insurance and intermediaries receivables includes Italian tax assets, management fee receivables and other debtors.

Italian tax assets are prepayments by the Company of policyholders' taxes levied by the Italian fiscal authority. It is recoverable from future Italian tax liabilities of Italian policyholders payable on surrender, partial surrender, and maturity of policies. The Italian policyholders' tax liability is calculated and retained by the Company until the amount of the prepayment is fully recovered. Any amount not recovered after five years from the date of the prepayment can be set against future liabilities for the Italian tax prepayment or can be surrendered to an Italian Group Company, to be recovered from its tax liabilities. Any amounts which have no future prospect of recovery from policyholders or a group Company can be reclaimed from the Italian fiscal authority.

The Italian government introduced changes to the Italian tax levy regime from 1st January 2025. The change requires withholding tax agent to quantify the total amount of accrued levy collected from policyholders as at 31st December 2024. The amount is due for payment over 4 years with 50% paid in June 2025, 20% payable in June 2026 and June 2027 and 10% in June 2028.

For contracts classified as IFRS 9 the Company have discounted the 50% payment in June 2025 net of recoveries related to this payment. The present value of recoveries was calculated using the expected recovery pattern of the portfolio at an individual policy level. The recovery pattern is the expected time taken for the tax to be recovered using mortality and lapse assumptions. The recoveries are then discounted using the EIOPA risk free rate spot curve. The



calculation is projected for the whole lifetime of each individual policy, which is assumed to be age 100 for whole of life policies. The discount is booked in the Financial Statements while the asset is held at face value for Solvency II reporting. The discount is the reason for the valuation difference in the above table.

Deferred Taxes

The calculation of deferred taxes recognised in MCBS was made by applying the criteria identified by the International Accounting Standards (IAS 12).

Deferred tax is provided on temporary differences between the carrying value of assets and liabilities in the MCBS and their value for tax purposes.

Table D7 - Deferred Tax Assets and Liabilities

	Solvency II	Financial statements	Difference
Deferred tax assets	-	45	(45)
Deferred tax liabilities	10,002	46	9,956
Net total	10,002	(1)	9,911

The differences compared to the amounts recorded in the financial statements arise from the deferred tax effect of temporary differences resulting from adjustments of assets and liabilities valuations commented in paragraphs D.1, D.2 and D.3.

Below is a table summarizing what the deferred tax differences result from for Solvency II valuation purposes.

At the reference date, there are no tax losses or unused tax credits for which the corresponding deferred tax asset were not recognised.

Table D8

Assets / (Liabilities) detail Deferred Tax recognised in the MCBS by temporary differences	Corporate Tax	Timeframes required for the reversal of temporary differences
Technical reserves net life (IFRS adjustments and SII)	9,377	Temporary differences arising from adjustments between statutory account and MCBS
Other assets and liabilities	534	Deferred income and expense over the amortisation period of the products
Total	9,911	

D.2 Technical Reserves

D.2.1 Evaluation criteria

Technical provisions for each material line of business

The Best Estimate and the Risk Margin as at the 31 December 2025 are €4,771 m (2024: €3,385m) and €16.7m (2024: €10.3m) respectively.

Methodology

In accordance with what is defined in the SII Directive, the technical provisions are determined as the sum of a best estimate (Best Estimate of Liability or BEL) and a margin of risk (Risk Margin).

The best estimate liability is made up the following components:

- the policyholder value of best estimate liabilities (i.e. the unit liabilities)
- the value of future profits on the in-force business (i.e. the non-unit liability)

The technical provisions within the Quantitative Reporting Templates (QRTs) also include all pending policyholder claims.

The policyholder unit liabilities are the sum of the value of the unit liabilities for each policy. The value of the unit liability is calculated as the product of the number of units deemed allocated at the valuation date to each policy and the valuation price per unit. The technical provisions also include all pending policyholder claims. This amounts to €15.5m as at 31 December 2025.

The value of future profits is calculated as the expected future shareholder income less outgoings discounted using the relevant term structure of risk-free interest rates. The income is the annual management charge and surrender penalties arising from policyholder lapses. The outgoings comprise of management expenses, investment costs that are met by the shareholder, and cost of mortality claims. The value of future profits has been updated to allow for the cost of future Italian tax prepayments. The tax asset is valued at face value on the Solvency II balance sheet.

The risk margin is an addition to the BEL designed to ensure that the technical provisions reflect the amount that insurance undertakings would require to assume and fulfil the insurance obligations. The risk margin is equal to the sum of the discounted costs of capital, where the capital requirement corresponds to the Solvency Capital Requirement. The Risk Margin component of technical provisions is calculated using a cost of capital approach. Under the cost of capital approach, the annual cost of capital is set at 6% of the required capital for each future year.

The Risk Margin is calculated based on the following input:

- SCR for operational risk;
- SCR relative to credit risks;
- SCR relative to Technical Life Insurance risks quantified according to the different methods of risk assessment;
- estimation of the projected run-off of the above SCR components;
- the risk-free yield curve.

The SCR for market risk is excluded from the calculation as it is assumed that the market risk is hedgeable when calculating the risk margin.

BBPM Life has not developed an internal model. All Solvency II calculations are based on the standard formula approach.



Main assumptions

The key assumptions influencing the technical provisions are:

- Expenses
- Lapses/partial encashments
- Projection term

Mortality assumptions are also used in the calculation of the technical provisions but given the product design mortality is not a key assumption.

Expenses:

Expense assumptions are set according to the Company's expense budget and are split into maintenance and acquisition related expenses. Maintenance expenses are further divided into expenses that relate to the size of funds under management and those that are not fund related. Fund related expenses are calculated as a percentage of the funds under management. The balance of the maintenance expenses is allocated at an individual policy level basis with some expenses being allocated on an aggregate basis.

Expense inflation takes into account the market forecast price inflation based on the ECB long-term inflation forecast with a margin for salary inflation.

Lapses/partial encashments:

The lapse and partial surrender experience over prior years is analysed by the Actuarial Function and BBPM Life management and the results of this analysis are used in determining best estimate future assumptions.

Projection term:

The projection term is set at the term of each product for fixed term policies.

For products with an open-ended term the projection term is set by the company based on its best estimate of the duration of this business.

For whole-of-life products the calculation of technical provisions assumes that they remain in force to age 100.

Mortality:

Mortality is not a material assumption in the context of calculating the technical provisions. Standard mortality tables are used in determining mortality assumptions for the purpose of calculating the technical provisions.

Level of uncertainty:

Uncertainty relates primarily to how actual experience will differ from best estimate assumptions used to calculate technical provisions. The key areas where expert judgements have been used and therefore where there is a level of uncertainty in setting the assumptions relates to setting the following assumptions:

- Lapses - Whilst historic lapse experience has been analysed in setting the assumptions there are various historic factors that may have impacted historic lapse experience, including economic environment and product design, that may not necessarily be repeated in the future.
- Expenses - The breakdown between acquisition and maintenance expenses and the determination of the expenses applied at an individual policy level has also relied on the application of expert judgement. The assumptions are regularly monitored to ensure they remain appropriate and to ensure that the areas of uncertainty are understood and appropriately reflected in the technical provisions.



- The technical provisions included in this report were calculated based on data available as at 31 December 2024. One potential situation that could cause uncertainty:
 - The current economic environment of above target inflation. Inflation is assumed to reduce over the projection period and if this reduction takes longer than expected then this could increase the expenses in the technical provisions.

Solvency II and IFRS valuation differences of technical provisions

The IFRS technical provisions differ from the Solvency II technical provisions for the purposes of the returns to the Central Bank of Ireland. The key points of difference are the following:

- The entire portfolio is subject to SII but under IFRS a portion of the portfolio is subject to IFRS 9 (investment contracts) and the remainder is subject to IFRS17 (insurance contracts).
- Solvency II recognises all expected future profits on the balance sheet whereas under IFRS only those contracts classified as Insurance are future profits are allowed for. For those contracts classified as Investment no future profits are allowed for.
- For Insurance contracts a Contractual Service Margin (CSM) is calculated to represent this future profit, and release is gradually over the lifetime of the contract. Under SII the future profit is released as it is realised.
- Under SII there is a Risk Margin but for IFRS insurance contracts there is a Risk Adjustment and for investment contracts there is no such Risk Adjustment. The Risk Adjustment is lower than the Risk Margin.

Other comments

The technical provisions do not include an allowance for the matching adjustment, volatility adjustment (which would reduce the value of guaranteed liabilities) or any transitional measures (used by some companies to reduce the initial impact from moving to Solvency II).

Reinsurance

BBPM Life currently uses reinsurance in relation to the mortality risk exposures on its in-force business. In 2025 and 2024 the risk was reinsured by RGA.. Taking account of the short duration of the business, the duration of the reinsurance contract and the low levels of mortality risk, reinsurance has not been allowed for within the actuarial models on the grounds of materiality.

D.2.2 Quantitative information on the valuation of assets

Technical Reserves Life

The value recorded in the MCBS of the technical reserves of Life corresponds to their *fair value* determined on the basis of the described methods.

Below are the values of the technical reserves Life divided into LoB (Line of Business).

The increase in the technical reserves of Life is due to the Positive net new business during 2025.

Table D9 – Segmentation in LoB of reserves relative to Life business

	2025 Insurance linked to index- linked and unit-linked	2025 Total	2024 Insurance linked to index- linked and unit-linked	2024 Total	Difference
Technical reserves calculated as a single element	-	-	-	-	-
Gross Best Estimate	4,771,545	4,771,545	3,384,618	3,384,618	41%
Risk Margin	16,720	16,720	10,348	10,348	62%
Amounts recoverable from reinsurance			-	-	
Total	4,788,265	4,788,265	3,394,966	3,394,966	41%

The table below summarises the differences between the amounts measured in accordance with Solvency II and those recognised for financial statement purposes, in respect of the present value of future cash flows for insurance-classified contracts and the unit liabilities of investment-classified contracts (for both direct and indirect business, gross of reinsurance).

Table D10 – Technical Reserves Life

	Solvency II	Financial statements	Difference
Technical Provisions – Index linked and unit linked	4,788,265	4,863,283	(75,018)
Total	4,788,265	4,863,283	(75,018)

D.2.3 Information on the volatility adjustment.

The Company does not apply the volatility adjustment.

D.3 Other Liabilities

D.3.1 Evaluation Criteria

Financial Liabilities other than debts owed to credit institutions

The Financial Liabilities other than debts owed to credit institutions relates to Lease Liabilities, these are measured under Solvency II in a manner consistent with the requirement of IFRS.

Insurance and Intermediaries payables

This amount consists primarily of commission payable and is measured at fair value.

Deferred tax liabilities

A Deferred tax is recognised in accordance with the IFRS requirements. In line with Article 15 of the Solvency II delegated Acts, deferred tax are recognised and measured with respects all assets and liabilities, including technical provisions, that are recognised for solvency or tax purposes in accordance with Article 9.

Other liabilities

For all other liabilities not included in the categories set out in the previous paragraphs, considering its characteristics, the entry value in the MCBS is consistent with the value of the same determined for the purposes of the Financial Statement prepared in accordance with the International Financial Reporting Standards (IFRS) and the Group's consolidated financial statements with the exception being the Deferred Income Liability ("DIL") that is valued at nil.

This section includes payables (trade, not insurance), reinsurance payable and any other liabilities, not elsewhere shown in the Solvency II Balance sheet .

The following table shows the differences between other liabilities reported in the MCBS and the corresponding evaluations of the same in the balance sheet.

Table D11 - Any Other liabilities, not elsewhere shown

	Solvency II	Financial statements	Difference
All other liabilities not reported elsewhere	881	59,958	59,001
Total	881	59,958	59,001

The differences disclosed under Any other liabilities, not elsewhere shown arises from differing approaches applied under IFRS and the identification and evaluation of the same under Solvency II to the recognition and measurement of DIL.

The company in its Financial Statements, under IFRS, can defer the front-end fees received at the inception of an investment contracts only and hence amortise those income through the Statement of Profit and Loss over the anticipated period for which the services will be provided, over the expected term of the contract.

DIL is not recognised in accordance with Article 12 of Solvency II Delegated Acts.

D.4 Alternative evaluation methods

No alternative methods of evaluation have been used for the Assets and Liabilities.

D.5 Other Information

Other relevant information on the assessment for the solvency position of the insurance may be found below.

E. Capital Management

E.1 Own funds

E.1.1 Scope

Own Funds (the "Own Funds" or "OF") represent the financial resources permanently acquired by the Company and available to absorb losses and to address the risks generated by the business.

The process of calculation of own funds eligible to cover the capital requirements (SCR and MCR) develops primarily in the determination of available own funds. These are then restated according to the eligibility criteria laid down in the Regulations, in order to get eligible own funds.

The Directive divides the Own Funds available in Basic Own Fund and Ancillary Own Fund.

The Basic Own Funds are constituted by the excess of assets over liabilities, both measured at fair value in accordance with art. 75 of the Directive. The constituent elements are classified into 3 levels (Tier 1, Tier 2, Tier 3) based on their technical characteristics with the aim of stability and absorption losses.

The reconciliation reserve, within Tier 1, is equal to the amount which is the total surplus of assets over liabilities, reduced by the value of:

- the own shares of the Company;
- expected dividends;
- Own Funds of Tier 2 and Tier 3;
- the elements of Tier 1 different from the reconciliation reserve itself;
- surplus of Own Funds on the notional SCR of Ring Fenced Funds.

The Company does not have any Ring-Fenced Fund.

Ancillary Own Funds (which the Company does not have as at 31 December 2025 are based on elements, which can be called up to absorb losses.

Included within this category are:

- share capital or initial fund unpaid and uncalled;
- letters of credit and guarantees;
- any other legally binding commitments received by the Company.

Such elements, whose inclusion is subject to approval by the supervisory authority, cannot be computed in the Tier 1 and are not eligible to cover the MCR.

The eligibility limits used are those established by art. 82 of the Regulations, which provides the following criteria to satisfy the solvency capital requirement (SCR):

- the proportion of Tier 1 must be at least equal to 50% of the SCR;
- the amount of the elements belonging to Tier 3 must be less than 15% of the SCR;
- the sum of the elements of Tier 2 and Tier 3 cannot be higher than 50% of the SCR.

To cover the minimum solvency capital requirement (MCR), art. 82 of the Regulation provides for more restrictive requirements. In particular the:

- share of Tier 1 capital must be at least equal to 80% of the MCR;
- amount of the elements belonging to the Tier 2 must be less than 20% of the MCR;

The elements of Tier 3 and Ancillary Own Funds are not allowed to cover the MCR. Within the limits of the above, subordinated liabilities belonging to Tier 1 (defined as "Tier 1 restricted") may not exceed the limit of 20% of the total of the elements of Tier 1. The elements that should be included in higher Tier levels, but more than limits referred to above, they can be classified in the lower levels.

E.1.2 Capital management policy

The Company's capital management policy approved by the Board of Directors sets out the Company's aim to hold own funds to meet its capital requirement on an ongoing basis. The Capital planning process sets out the main needs of capital management, the sources of Capital management if required and the role and responsibilities in the capital management process for the three years of the planning period. There have been no material changes on over the reporting period.

E.1.3 Information on Company's Own Funds

Annual Movements of own funds of the Company

The table below summarises the situation of the basic and eligible own funds in the Company, according to the tier level, between the date of the 01 January 2025 and the situation at 31 December 2025.

Table E1 – Basic and Eligible Own Funds 2025

	2025 Opening position	Issues	Refunds	Adjustments for valuation movements	Adjustments for regulatory interventions	2025 Closing Position
Total own funds	137,039			40,438		177,477
Of which Tier 1 unrestricted	137,039			40,438		177,477
Total eligible own funds to cover the SCR	137,039			40,438		177,477
Of which Tier 1 unrestricted	137,039			40,438		177,477

The table below summarises the situation of the basic and eligible own funds in the Company, according to the tier level, between the date of the 01 January 2024 and the situation at 31 December 2024.

Table E2 – Basic and Eligible Own Funds 2024

	2024 Opening Position	Issues	Refunds	Adjustments for valuation movements	Adjustments for regulatory interventions	2024 Closing Position
Total own funds	103,263	-	-	33,776	-	137,039
Of which Tier 1 unrestricted	103,263	-	-	33,776	-	137,039
Total eligible own funds to cover the SCR	103,263	-	-	33,776	-	137,039
Of which Tier 1 unrestricted	103,263	-	-	33,776	-	137,039

The following table shows in detail the annual movement of the core capital of the Company during 2025 divided by type:

Table E3

	2025 Opening Position	Issues	Refunds	Adjustments for valuation movements	Adjustments for regulatory interventions	2025 Closing Position
Ordinary share capital paid	803	-	-	-	-	803
Reconciliation reserve	74,458	-	-	40,438	-	114,895
Other elements of own funds approved by the supervisory authority	61,778	-	-	-	-	61,778
Total "Tier 1 unrestricted"	137,039	-	-	40,438	-	177,477
Total own funds	137,039	-	-	40,438	-	177,477

The changes during the period are derived exclusively from adjustments to valuation movements. During 2025 no own funds were issued or refunded.

Composition and characteristics of the Company Own Funds

The following are the substantive conditions underlying the individual elements of the own funds of the Company.

The ordinary share capital corresponds to the amount paid by the shareholders of the Company which, in the right level of stability of the same and the capacity to absorb losses, qualify as equity-type "Tier 1 unrestricted".

The reconciliation reserve, based on the provisions of art. 69 of the Regulations, is the residual amount of own funds of the Company that qualifies as an element of own funds Type "Tier 1 unrestricted". The reconciliation reserve is determined by making some deductions to the amount of the difference between assets and liabilities resulting from MCBS. The table below shows the detail of the calculation of the reconciliation reserves.

Table E4 - Reconciliation Reserve

	2025 Tier 1 unrestricted	2024 Tier 1 unrestricted	Difference
Surplus of assets over liabilities (A)	177,477	137,039	30%
Own Shares (held directly and indirectly) (B)	-	-	
Dividends, distributions and predictable costs	-	-	
Other elements of core capital (D)	62,581	62,581	0 %
Adjustments for items of their limited funds in relation to portfolios subject to separate fairness and equity adjustment (E)	-	-	
Reconciliation reserve (A-B-C-D-E)	114,895	74,458	54%

In 2025 the Company did not pay any dividend (2024: €0m).

Within the category 'Other basic own fund items', the Company includes the paid-up share capital and the share premium reserve, both classified as Tier 1 unrestricted, together with other elements of own funds approved by the supervisory authority. Part of the entry that includes the other elements of the original own funds ("Other basic own fund items") are included the amount of the paid-up share capital and the share premium reserve classified as "Tier 1 unrestricted" (€m), and the amount of Other elements of own funds approved by the supervisory authority (€m).

Additional evaluation within the reconciliation reserves include the following amounts:

- own shares held directly or indirectly by the Company;
- expected dividends.

No further deductions, beyond those already reflected in the reconciliation reserve, were identified as necessary to adjust core capital for any material restrictions affecting the availability or transferability of own funds within the Company at the reporting date. **Own funds eligible**

The structures and the importance of the Own Funds to cover the SCR and the MCR, determined for 2025 are shown in the following table:

Table E5 - Own funds available and eligible for coverage of the SCR

	2025			2024	Difference
	Own funds available ("available")	Adjustments for eligibility	Own funds eligible ("eligible")	Own funds eligible ("eligible")	
Tier 1 unrestricted	177,477		177,477	137,039	29%
Tier 1 restricted					
Tier 2					
Tier 3					
Total OF	177,477		177,477	137,039	29%
Total SCR	65,711		65,711	46,715	41%
Surplus / (deficit)	111,766		111,766	90,324	24%

Table E6 - Own funds available and eligible for coverage of the MCR

	2025			2024	Difference
	Own funds available ("available")	Adjustments for eligibility	Own funds eligible ("eligible")	Own funds eligible ("eligible")	
Tier 1 unrestricted	177,477		177,477	137,039	29%
Tier 1 restricted					
Tier 2					
Total OF	177,477		177,477	137,039	29%
Total MCR	29,570		29,570	21,022	41%
Surplus / (deficit)	147,894		147,894	116,017	27%

Reconciliation with the equity from financial statements

The MCBS as of 31 December 2025 closed with a surplus of assets over liabilities, amounting to €70m compared to shareholders' equity in the financial statements of the Company. This difference is due to the different evaluation of the equity components, as evidenced by the following statement of reconciliation:

Table E7 – Reconciliation of equity -financial statements and MCBS

A	Equity from financial statements	107,470
	Adjustments for type assets or liabilities	
1	Deferred acquisition cost	(54,518)
2	Deferred income liability	59,001
3	Other assets	507
4	Reinsurance Reserves Non-Life	
5	Non-Life Reserves	
6	Life Reserves	75,018
7	Reinsurance Reserves Life	
8	Financial liabilities	
9	Other activities	
10	Provisions	
11	Other liabilities	
12	Deferred taxes	(10,001)
	Total adjustments	70,007
B	Equity from MCBS	177,477

Section D sets out the evaluation criteria adopted for the purposes of preparing the MCBS, as well as quantitative information of greater detail about the comparison with the balance of values.

E.2 Solvency Capital Requirement and the Minimum Capital Requirement

The amount of the Company's SCR and MCR at the end of the reporting period are €65,711m and €29,570m respectively (2024: €46,715 and €21,022 respectively). The increase in SCR is largely driven by the increase in VIF of the Company due to the increase in new business and therefore assets under management.

Table E8 - SCR - Standard Formula

Risk Modules	2025	2024	Difference
Technical Risks Insurance Life	41,607	30,943	34%
Market Risks	44,389	29,107	53%
Credit Risk	4,056	2,784	46%
Benefit of diversification	(20,656)	(14,395)	43%
BSCR	69,396	48,439	43%
Operational Risk	5,702	4,949	15%
ALAC TP	-	-	
ALAC DT	(9,387)	(6,673)	41%
SCR - Standard Formula	65,711	46,715	41%

The most material change in the SCR is related to the *Life Risk* and *Market Risk* sub-modules. The increase in both modules is primarily due to the increase in VIF of the Company.



The MCR is calculated according to article 248 of the of the Commission Delegated Regulation (EU) 2015/35 and it is equal to % of the SCR.

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

The company is not using the sub module on the equity risk sub art. 304 for the calculation of the SCR.

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

The company calculates its Solvency Capital Requirement by Standard Formula only.

E.5 Non-compliance with the minimum capital requirements and non-compliance with the Solvency Capital Requirement

During the year, there were no periods in which the Company has not covered its Solvency Capital Requirement, or its minimum capital.

E. 6 Other information

There has been no additional material information on the company's capital management.

Attachments

Balance Sheet (S.02.01.02)

Premiums, claims and expenses by country (S.04.05.21)

Premiums, claims and expenses by country (S.05.02.01)

Life and Health STL Technical Reserves (S.12.01.02)

Own funds (S.23.01.01)

SCR - Undertakings for using the formula (S.25.01.21 standard)

MCR - Only life or only non-life insurance or reinsurance activity (S.28.01.01)

Annex I
S.02.01.02
Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
 Property (other than for own use)
 Holdings in related undertakings, including participations
Equities
 Equities - listed
 Equities - unlisted
Bonds
 Government Bonds
 Corporate Bonds
 Structured notes
 Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
 Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
 Non-life and health similar to non-life
 Non-life excluding health
 Health similar to non-life
 Life and health similar to life, excluding health and index-linked and unit-linked
 Health similar to life
 Life excluding health and index-linked and unit-linked
 Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	2,152
R0070	84,728
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	84,728
R0140	84,728
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	
R0210	
R0220	4,844,663
R0230	
R0240	
R0250	
R0260	
R0270	
R0280	
R0290	
R0300	
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	71,318
R0370	
R0380	759
R0390	
R0400	
R0410	27,282
R0420	
R0500	5,030,902

Annex I
S.02.01.02
Balance sheet

	Solvency II value
	C0010
Liabilities	
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
TP calculated as a whole	4,788,265
Best Estimate	R0700
Risk margin	R0710
TP calculated as a whole	4,771,545
Best Estimate	R0720
Risk margin	16,720
Contingent liabilities	R0740
Provisions other than technical provisions	R0750
Pension benefit obligations	R0760
Deposits from reinsurers	R0770
Deferred tax liabilities	R0780
Derivatives	10,002
Debts owed to credit institutions	R0790
Financial liabilities other than debts owed to credit institutions	R0800
Insurance & intermediaries payables	2,247
Reinsurance payables	50,567
Payables (trade, not insurance)	204
Subordinated liabilities	1,259
Subordinated liabilities not in BOF	R0840
Subordinated liabilities in BOF	R0850
Any other liabilities, not elsewhere shown	R0860
Total liabilities	R0880 881
Excess of assets over liabilities	R0900 4,853,425
	R1000 177,477

Annex I
Premiums, claims and expenses by country
S.04.05.21

Home country: Life insurance and reinsurance obligations							
		Home Country	Top 5 countries: life				
			C0031	C0032	C0033	C0034	C0035
			IT				
		C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020		1,727,580				
Gross Earned Premium	R1030		1,727,580				
Claims incurred	R1040		435,269				
Gross Expenses Incurred	R1050	11,368	59,720				

Annex I
Premium, claims
and expenses by
line of business
S.05.01.02.02

Line of Business for: life insurance obligations						Life reinsurance obligations		Total
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	
C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written								
Gross	0	0	1,727,580	0	0	0	0	1,727,580
Reinsurers' share	0	0	269	0	0	0	0	269
Net	0	0	1,727,310	0	0	0	0	1,727,310
Premiums earned								
Gross	0	0	1,727,580	0	0	0	0	1,727,580
Reinsurers' share	0	0	269	0	0	0	0	269
Net	0	0	1,727,310	0	0	0	0	1,727,310
Claims incurred								
Gross	0	0	435,268	0	0	0	0	435,268
Reinsurers' share	0	0	64	0	0	0	0	64
Net	0	0	435,204	0	0	0	0	435,204
Expenses incurred								
	0	0	71,088	0	0	0	0	71,088
Balance - other technical expenses/income								
Total expenses								
Total amount of surrenders								
	0	0	366,763	0	0	0	0	366,763



Annex I
S.12.01.02
Life and Health SLT Technical
Provisions

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)			
		Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees				Contracts without options and guarantees	Contracts with options or guarantees						
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole																
Technical provisions calculated as a sum of BE and RM Best Estimate																
Gross Best Estimate			4,771,544							4,771,544						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total			4,771,544							4,771,544						
Risk Margin		16,720								16,720						
Amount of the transitional on Technical Provisions																
Technical Provisions calculated as a whole																
Best estimate																
Risk margin																
Technical provisions - total		4,788,265								4,788,265						



Annex I
S.23.01.01
Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R001	803	803			
0					
R003					
0					
R004					
0					
R005					
0					
R007					
0					
R009					
0					
R011					
0					
R013	114,896	114,896			
0					
R014					
0					



An amount equal to the value of net deferred tax assets

Other own fund items approved by the supervisory authority as basic own funds not specified above

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

R016 0				
R018 0	61,778	61,778		
R022 0				
R023 0				
R029 0	177,477	177,477		
R030 0				
R031 0				
R032 0				
R033 0				
R034 0				
R035 0				
R036 0				



Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

Excess of assets over liabilities

R037 0					
R039 0					
R040 0					
R050 0	177,477	177,477			
R051 0	177,477	177,477			
R054 0	177,477	177,477			
R055 0	177,477	177,477			
R058 0	65,711				
R060 0	29,570				
R062 0	270%				
R064 0	600%				
R070 0	177,477				



Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business

Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

R071		
0		
R072		
0		
R073	62,581	
0		
R074		
0		
R076	114,896	
0		
R077		
0		
R078		
0		
R079		
0		

Annex I
S.25.01.21
Solvency Capital Requirement - for
undertakings on Standard Formula

Market risk
 Counterparty default risk
 Life underwriting risk
 Health underwriting risk
 Non-life underwriting risk
 Diversification
 Intangible asset risk
Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk
 Loss-absorbing capacity of technical provisions
 Loss-absorbing capacity of deferred taxes
 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
 Total amount of Notional Solvency Capital Requirement for remaining part
 Total amount of Notional Solvency Capital Requirements for ring fenced funds
 Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
 Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP		Simplifications	
		C0110	C0090	C0120	
R0010	44,389				
R0020	4,056				
R0030	41,606				
R0040					
R0050					
R0060	-20,655				
R0070					
R0100	69,396				

R0130	5,702
R0140	
R0150	-9,387
R0160	
R0200	65,711
R0210	
R0220	65,711
R0400	
R0410	
R0420	
R0430	
R0440	



Approach to tax rate

Approach based on average tax rate

R0590

Calculation of loss absorbing capacity of deferred taxes

LAC DT

R0640

LAC DT justified by reversion of deferred tax liabilities

R0650

LAC DT justified by reference to probable future taxable economic profit

R0660

LAC DT justified by carry back, current year

R0670

LAC DT justified by carry back, future years

R0680

Maximum LAC DT

R0690

Yes/No C0109
2 - No
LAC DT
C0130
-9,387
-9,387



Annex I

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010			
Medical expense insurance and proportional reinsurance				
Income protection insurance and proportional reinsurance				
Workers' compensation insurance and proportional reinsurance				
Motor vehicle liability insurance and proportional reinsurance				
Other motor insurance and proportional reinsurance				
Marine, aviation and transport insurance and proportional reinsurance				
Fire and other damage to property insurance and proportional reinsurance				
General liability insurance and proportional reinsurance				
Credit and suretyship insurance and proportional reinsurance				
Legal expenses insurance and proportional reinsurance				
Assistance and proportional reinsurance				
Miscellaneous financial loss insurance and proportional reinsurance				
Non-proportional health reinsurance				
Non-proportional casualty reinsurance				
Non-proportional marine, aviation and transport reinsurance				
Non-proportional property reinsurance				

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200	33,581		
Obligations with profit participation - guaranteed benefits				
Obligations with profit participation - future discretionary benefits				
Index-linked and unit-linked insurance obligations				
Other life (re)insurance and health (re)insurance obligations			4,771,545	
Total capital at risk for all life (re)insurance obligations				257,297



Overall MCR calculation

	C0070		
Linear MCR	R0300	33,581	
SCR	R0310	65,711	-
MCR cap	R0320	29,570	-
MCR floor	R0330	16,428	
Combined MCR	R0340	29,570	
Absolute floor of the MCR	R0350	4,000	
-	-	C0070	
Minimum Capital Requirement	R0400	29,570	