Utmost Holdings Ireland Limited Solvency and Financial Condition Report Year-End 2019

Month: May 2020
Author: Utmost Holdings Ireland Limited
Owner: Board of Directors

INDEX

Introduction

The harmonised European Union ("EU") wide regulatory regime for insurance companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires reporting and public disclosure arrangements to be put in place by insurers. The objective of the Solvency and Financial Condition Report ("SFCR") is to increase transparency in the insurance market by requiring insurance and reinsurance undertakings to disclose publicly, on at least an annual basis, a report on their solvency and financial condition.

In accordance with the European Union (Insurance and Reinsurance) Regulations S.I. No. 485 of 2015, where a participating insurance or reinsurance undertaking or an insurance holding company so decides, and subject to the agreement of the group supervisor, it may provide a single solvency and financial condition report which shall comprise the following:

(a) the information at the level of the group which must be disclosed in accordance with paragraph 1;
(b) the information for any of the subsidiaries within the group which must be individually identifiable and disclosed in accordance with Articles 51 and 53 to 55.

Utmost Holdings Ireland Limited ("UHIL") has interpreted S.258(3)(b) and 258 (5) of SI 485 2015 European Union (Insurance and Reinsurance) Regulations together to mean that UHIL has an obligation to disclose financial information on all authorised subsidiaries within the overall UHIL group structure. Disclosures with specific financial and non-financial information has been included for all authorised subsidiaries i.e. Utmost PanEurope dac ("UPE"). See Exhibit 1 for a list of all company subsidiaries.

This report has been drafted with consideration given to the UHIL financial position, and also the governance structures in place within UPE. A separate appendix is included which outlines all key information relating to the two now deauthorised entities; Utmost Ireland dac ("UI") and HLI Danube dac ("HLI Danube").

UHIL's financial year runs to 31 December each year and the results are reported in Euro (€).

See glossary at Appendix H.

Summary

BUSINESS AND PERFORMANCE

UHIL, is a wholly owned subsidiary of UIG Holdings (No 1) Limited (''UIG''), a UK incorporated company specialising in the acquisition and consolidation of life assurance businesses. Its principal business is that of a holding company.

As at 31 December 2019, UHIL owned wholly the following subsidiaries:

Exhibit 1 UHIL Subsidiaries

Subsidiary Name	Nature of Business
Utmost PanEurope dac	Life insurance
Utmost Services Ireland Limited	Management and administration services
Utmost Bermuda Limited	Life insurance
Harcourt Life Corporation dac	Life insurance
HLI Danube dac*	Life insurance
Utmost Ireland dac*	Life insurance
Salado Enterprises Ltd**	Property holding
Kernesk Limited***	Property holding
Zeus Investments 1 SPRL**** Zeus Investments 2 SPRL****	Property holding

* Deauthorised by the Central Bank of Ireland("CBoI") in February 2020. HLI Danube and UI were merged by acquisition into Harcourt Life Corporation dac ("HLC") effective 30 April 2020. HLC was deauthorised in August 2018.
** Dissolved 15 January 2020.
*** Sold to a third party 14 February 2020.
**** 80% Group owned. In liquidation since August 2018.

In overall terms, UHIL generated a loss after tax for the 2019 financial year of €24,165k. This compares with a profit after tax for the 2018 financial year of €59,864k. The key drivers of the year on year movements are the amortisation of Acquired Value-in-Force of €23,689k from acquisitions and the operating loss of €6,922k within UPE. Other movements are normal business as usual activity.

Utmost PanEurope dac

UPE accounts for the vast majority of income for UHIL in 2019. UPE accounts for 99% of UHILs earned premium, and 84% of earned premium and fee and commission income combined.

The most significant countries for UPE (by 2019 gross written premium) are Italy, United Kingdom, Finland, Spain and Portugal.

Premiums received during the year relate to Wealth Solutions single and regular premiums, and Corporate Solutions premiums. Total 2019 gross written premiums were €914,857k.

The main driver for UPE's premium income and investment contract sales over the last three financial years has been in the Wealth Protection market. While the majority of the premium from this business line relates to Italian business, it also includes business from UK, Spain, Portugal and other EU countries.

In overall terms, UPE generated a loss after tax for the 2019 financial year of €6,922k. This compares with a loss after tax for the 2018 financial year of €11,684k. The key drivers of the year on year movements are reserve strengthening in the Corporate Solutions business line in addition to adverse foreign exchange and subsidiary movements. These adverse movements are offset by year on year savings in expenses and the release of unit linked reserves and cash reserves.

HLI Danube dac and Utmost Ireland dac

For the purpose of this report all 2019 HLI Danube dac and UI dac activities undertaken prior to 31 October are covered under UPE.

On 31 October 2019, the insurance obligations of UPE's wholly owned subsidiaries UI dac and HLI dac were transferred to UPE via a portfolio transfer scheme under Section 13 of the Assurance Companies Act 1909 ("Project Danube"). HLI dac was then subsequently renamed HLI Danube dac.

On 28 February 2020 UPE received confirmation from the CBoI that UI and HLI Danube had been deauthorised. The merger of HLI Danube, UI and HLC was completed in April 2020.

As at year-end 2019:

- HLI Danube had a SCR coverage ratio of 1460.00% and UI had a SCR coverage ratio of 1459.63%.
- HLI Danube had a profit of €264k and UI had a loss of (€143k).
- HLI Danube had net assets of €3,796k and UI had net assets of €3,790k.

Key financial information relating to HLI Danube and UI is included within Appendix G.

Utmost Services Ireland Limited

On 11 April 2019, The Boards of Directors of Utmost Services Ireland Limited ("USIL") being the "Successor Company" and of Utmost Link the "Absorbed Company", in accordance with the provisions of Chapter 3 of Part 9 of the Companies Act 2014 on Mergers of Companies signed common draft terms of merger.

It was agreed that Utmost Link be merged by absorption with an effective date of 1 March 2019. The balance sheets of both entities were merged as at 28 February 2019.

All UHIL staff, with the exception of certain PCF role holders who are employees of UPE, are employees of USIL. USIL provides UPE with management and administrative services with USIL employees deployed to UPE as required. USIL also provides similar management and administrative services to Utmost Bermuda Limited ("UB") and Utmost Worldwide Limited ("UW").

As at year-end 2019 USIL had a profit of €769k.

Utmost Bermuda Limited

UB's principal activity is that of a run off book. UB specialises in bespoke investment solutions for wealthy individuals in the form of unit linked life assurance policies and a small number of conventional life assurance policies. UB has been closed to new business since 2004 and dedicated policies account for the majority of the funds under management.
In overall terms, UB generated a loss after tax for the 2019 financial year of USD1,186k or €920k.
While UB is included in the overall UHIL figures and assessments, it is not considered a material entity in the context of the wider UHIL group.

Harcourt Life Corporation dac

HLC was deauthorised in August 2018 and has no residual life assurance business. While HLC is included in the overall UHIL figures and assessments, it is not considered a material entity in the context of the UHIL Group.

On 28 February 2020 UPE received confirmation from the CBoI that UI and HLI Danube had been deauthorised.

The merger of HLI Danube, UI and HLC was completed in April 2020.

As at year-end 2019 HLC had a profit of €207k.

HLC paid a dividend of €6,800k to UHIL in May 2019.

SYSTEM OF GOVERNANCE

The UHIL Board of Directors in seeking to apply best practice in corporate governance periodically establishes committees to help it discharge its responsibilities in respect of the regulated entities. The Directors are satisfied that there is sufficient oversight of the Group's activities through the establishment of Audit Committees and other board sub-committees by its principal subsidiary undertakings, such that committees are not also required at the UHIL level.

It is noted that there is common Board of Director membership between UHIL and UPE.

The information provided on the System of Governance is primarily based on the governance structures in place within the authorised subsidiary, UPE.

In accordance with local laws and Solvency II requirements, UPE has established a Risk Management System which is defined as a set of strategies, standards, processes and procedures aimed at identifying, measuring, monitoring and reporting on a continuous basis the risks to which UPE is exposed.

As part of its governance structure UPE has established a series of Board Committees with specific delegated authorities. For further information, please refer to Section B.1.1 of this report.

The Internal Control and Risk Management System is put in place within UPE through a specific on-going process which involves, with different roles and responsibilities, the Board, the Executive Committee ("ExCo") and the organisational structures. The functions involved in the risk management process operate according to the Three Lines of Defence approach:

- First Line of Defence: The operational structures (Risk Owners) are the First Line of Defence.
- Second Line of Defence: The Risk Management, Legal and Compliance and Actuarial Functions represent the second line of defence.
- Third Line of Defence: Internal Audit is the Third Line of Defence.

Further information on the System of Governance is outlined in Section B.

RISK PROFILE

UHIL had a solvency coverage ratio of 155.30% at year-end 2019.

It is noted that solvency is assessed on a Solvency II Standard Formula at group level for UHIL and at UPE level.

UPE is well capitalised relative to the risks that it faces. At year-end 2019 UPE had a solvency coverage ratio of 190.23%.

UB held statutory capital of USD2,335k at year-end 2019. UB solvency methodology is not based on Solvency II and it is noted that the Bermudian Monetary Authority requires UB to maintain a minimum solvency margin of USD500k as the book is in run-off.

HLI Danube had a SCR coverage ratio of 1460.00% and UI had a SCR coverage ratio of 1459.63% at year-end 2019.

Further details on UHIL and UPE's key risks are outlined in Section C.

VALUATION FOR SOLVENCY PURPOSES

UHIL's Solvency II assets and liabilities and technical provisions at 31 December 2019 are outlined below.

Exhibit 2a UHIL Solvency II Assets, Liabilities and Technical Provisions

	31 December 2018 €'000	31 December 2019 €'000
Total Assets	16,746,498	18,592,497
Total Liabilities	16,496,440	18,300,569
Net Technical Provisions	15,715,458	17,432,583

UHIL assets, liabilities and technical provisions increased due to organic growth.

UPE's Solvency II assets and liabilities and technical provisions at 31 December 2019 are outlined below.

Exhibit 2b UPE Solvency II Assets, Liabilities and Technical Provisions

	31 December 2018 €'000	31 December 2019 €'000
Total Assets	10,884,814	18,299,563
Total Liabilities	10,546,218	17,893,981
Net Technical Provisions	10,330,962	17,167,714

UPE's assets, liabilities and technical provisions increased significantly in 2019 primarily due to the completion of Project Danube on 31 October 2019.

Further information on UHIL and UPE's assets and liabilities, including the differences between the Solvency II value and the Statutory Accounts value, is provided in Sections D1 and D3.

CAPITAL MANAGEMENT

Both UHIL and UPE calculate their solvency capital requirement ("SCR") according to the Standard Formula methodology. At 31 December 2019 UHIL had a solvency coverage ratio, calculated using the Standard Formula methodology, of 155.30%. At 31 December 2019 UPE had a solvency coverage ratio, calculated using the Standard Formula methodology, of 190.23%.
UHIL's Own Funds are all classified as Tier 1, with the exception of a GBP 20,000k Loan Note.

UPE's Own Funds are classified as Tier 1, with the exception of a GBP 20,000k Loan Note UPE issued to Utmost Limited, located in the Isle of Man, which was established as a Tier 2 capital instrument. The table below outlines the Own Funds that are eligible to meet the SCR and minimum capital requirement ("MCR").

There were no instances of non-compliance with the SCR or MCR for UHIL or UPE during the reporting period.

Exhibit 3a UHIL Solvency Capital Requirement and Minimum Capital Requirement

	31 December 2018 €'000	31 December 2019 €'000
Solvency Capital Requirement	186,210	203,189
Minimum Capital Requirement	83,795	91,435
Own Funds to Cover SCR	272,319	315,551
Solvency Coverage Ratio	146.24%	155.30%
Own Funds to Cover MCR	266,817	310,216
Minimum Capital Ratio	318.42%	339.27%

Exhibit 3b UPE Solvency Capital Requirement and Minimum Capital Requirement

	31 December 2018 €'000	31 December 2019 €'000
Solvency Capital Requirement	137,917	217,733
Minimum Capital Requirement	62,063	97,980
Own Funds to Cover SCR	360,858	414,204
Solvency Coverage Ratio	261.65%	190.23%
Own Funds to Cover MCR	351,009	409,930
Minimum Capital Ratio	565.57%	418.38%

Further details on UHIL and UPE's capital position are outlined in Section E.

A. Business and Performance

A.1. BUSINESS

Legal Entity Name:
Utmost Holdings Ireland Limited

Registered Office:
Ashford House
Tara Street
Dublin 2
D02 VX67
Ireland
T: (046) 909 9700

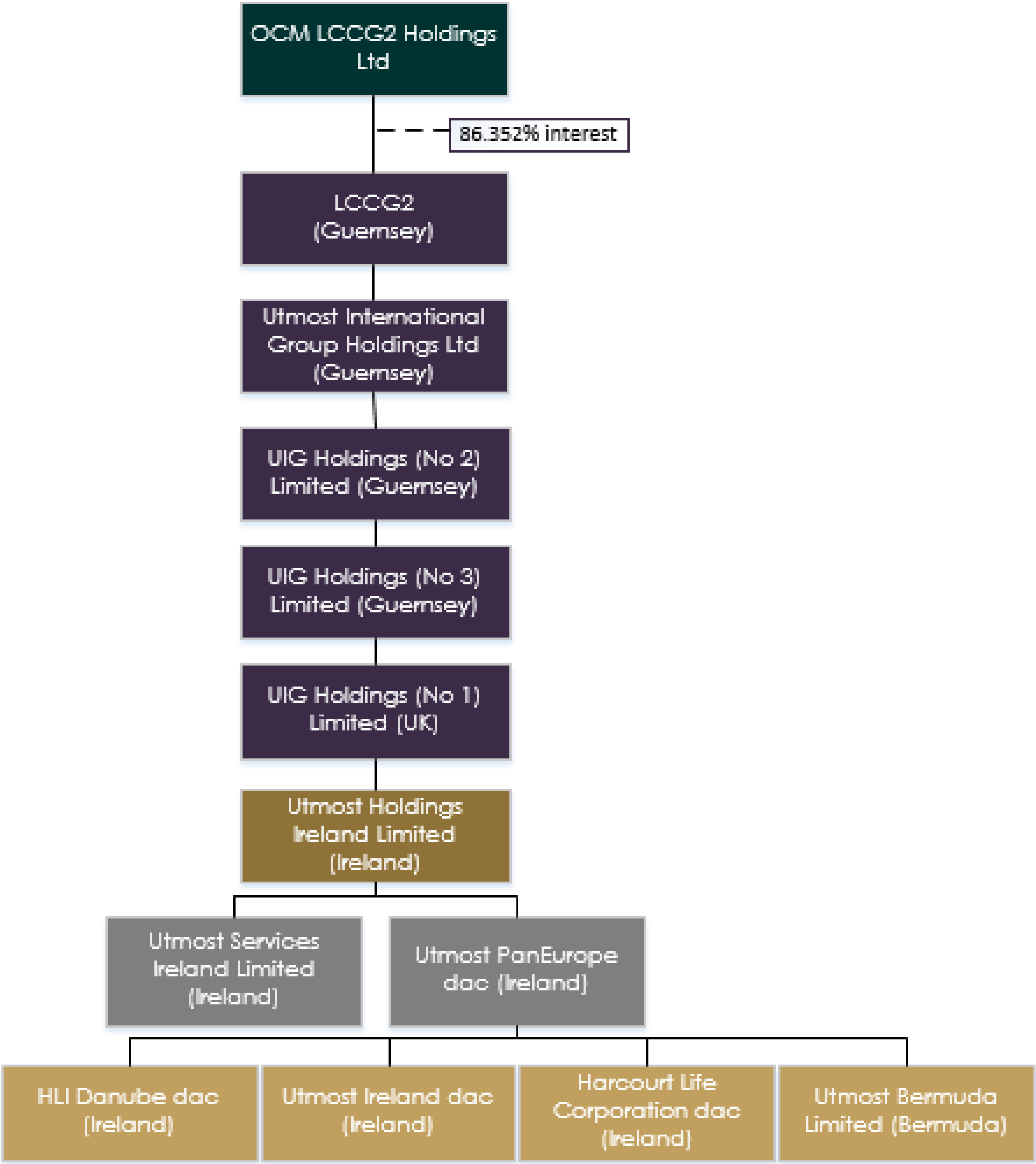
Auditors:
PriceWaterhouseCoopers
Spencer Dock,
North Wall Quay,
Dublin 1
T: (01) 792 6000

Supervisors:
Insurance Supervision Department
Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
T: (01) 224 6000

Exhibit 4 Board of Directors as at 31 December 2019

Name	Position	Nationality	Date Appointed
William Finn	Independent Non-Executive Director	Irish	16 September 2015
Andrew Milton	Independent Non-Executive Director	British	19 June 2018
Tim Madigan	Independent Non-Executive Director	Irish	8 December 2016
Paul Thompson	Non-Executive Director	British	11 November 2014
Ian Maidens	Non-Executive Director	British	11 November 2014
Paul Gillett	Executive Director	British	19 June 2018
Henry O'Sullivan	Executive Director	Irish	26 July 2016

Exhibit 5 UHIL Ownership Structure at 31 December 2019 (100% ownership, unless otherwise stated):



UHIL, is a wholly owned subsidiary of UIG Holdings (No 1) Limited ('UIG'), a UK incorporated company specialising in the acquisition and consolidation of life assurance businesses. Its principal business is that of a holding company.

As at 31 December 2019 UHIL owned wholly the following subsidiaries:

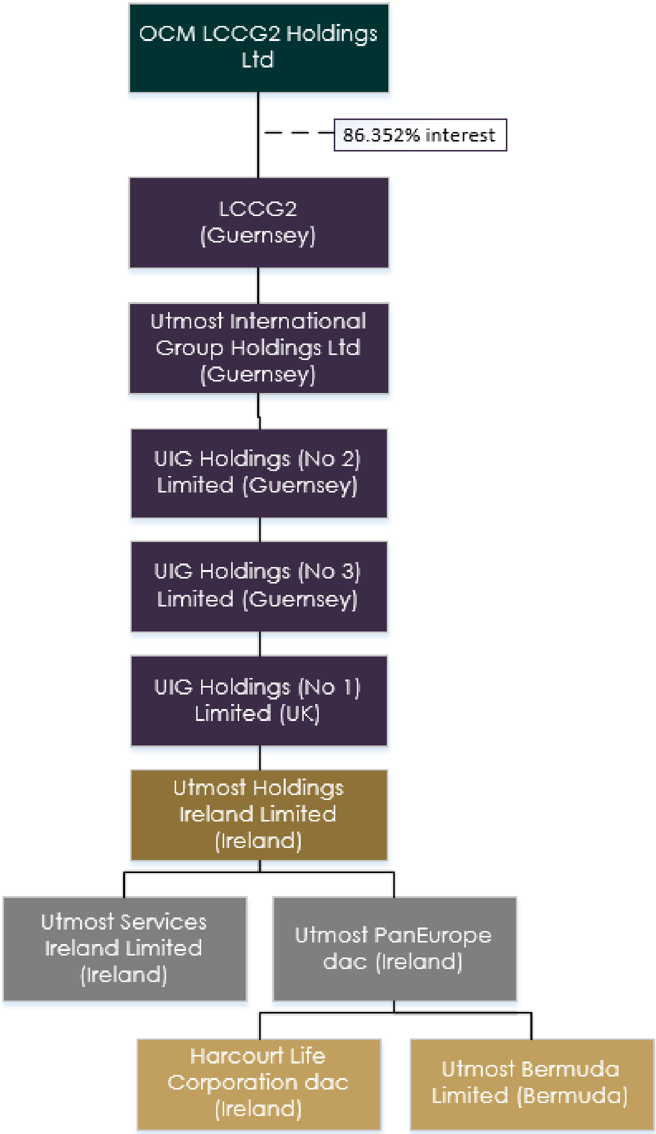
Exhibit 6 UHIL Subsidiaries

Subsidiary Name	Nature of Business
Utmost PanEurope dac	Life insurance
Utmost Services Ireland Limited	Management and administration services
Utmost Bermuda Limited	Life insurance
Harcourt Life Corporation dac	Life insurance
HLI Danube dac*	Life insurance
Utmost Ireland dac*	Life insurance
Salado Enterprises Ltd**	Property holding
Kernesk Limited***	Property holding
Zeus Investments 1 SPRL**** Zeus Investments 2 SPRL****	Property holding

* Deauthorised by the CBoI in February 2020. HLI Danube and UI were merged by acquisition into HLC effective 30 April 2020. HLC was deauthorised in August 2018.
** Dissolved 15 January 2020.
*** Sold to a third party 14 February 2020.
**** 80% Group owned. In liquidation since August 2018.

In overall terms, UHIL generated a loss after tax for the 2019 financial year of €24,165k. This compares with a profit after tax for the 2018 financial year of €59,864k. The key drivers of the year on year movements are the amortisation of Acquired Value-in-Force of €23,689k from acquisitions and the operating loss of €6,922k within UPE. Other movements are normal business as usual activity.

Exhibit 7 UHIL Ownership Structure at 19 May 2020 (100% Ownership, unless otherwise stated):



UPE Business Operations:

UPE's core business lines are as follows:

- Wealth Solutions: Offering insurance solutions, which are aligned to local fiscal and regulatory laws, which may be tailored to meet the unique and exacting requirements of ultra-high-net-worth clients. These solutions are offered through the development and utilisation of UPE's Pan-European network of Private Banking relationships.
- Wealth Accumulation: Offering individuals flexible products for medium to long term financial planning;
- Corporate Solutions: Offering corporate entities alternative and simplified domestic and cross border employee benefit solutions.
- Variable Annuities: In relation to a German variable annuities portfolio, UPE reinsures the policyholder guarantee, however this guarantee is in turn wholly reinsured.
- Transfer from UI: The principal activity of UI has been to sell Delegation Bond and Selection Bond policies to United Kingdom residents under the Utmost Wealth Solutions brand. In addition, UPE also manages two closed books of offshore life assurance bonds.

- Transfer from HLI: UPE now administers a number of closed books following the portfolio transfer from HLI. This book has two principal sub funds, namely a Shareholder Fund and a long-term with profits fund, which contains all of the book's insurance policies. The business is predominantly single premium investment products, incorporating single premium unit-linked bonds, portfolio bond type investments and unitised with-profit bonds. The investment element of some of the books unitised with-profit policies and some of the unit linked policies are reinsured with Phoenix Life Limited.

Unit-linked income for UPE is in respect of fees which are charged to investment-linked contracts for contract administration services, investment management services, payment of benefits and other services related to the administration of investment-linked contracts. Fees are recognised as revenue for the services provided. Corporate Solutions income is generated from a combination of policy servicing fees and the underwriting performance of existing policies.

Utmost Services Ireland Limited

On 11 April 2019, The Boards of Directors of USIL being the "Successor Company" and of Utmost Link the "Absorbed Company", in accordance with the provisions of Chapter 3 of Part 9 of the Companies Act 2014 on Mergers of Companies signed common draft terms of merger.

It was agreed that Utmost Link be merged by absorption with an effective date of 1 March 2019. The balance sheets of both entities were merged as at 28 February 2019.

All UHIL staff, with the exception of certain PCF role holders who are employees of UPE, are employees of USIL. USIL provides UPE with management and administrative services with USIL employees deployed to UPE as required. USIL also provides similar management and administrative services to UB and UW.

Utmost Bermuda Limited

UB's principal activity is that of a run off book. UB specialises in bespoke investment solutions for wealthy individuals in the form of unit linked life assurance policies and a small number of conventional life assurance policies. UB has been closed to new business since 2004 and dedicated policies account for the majority of the funds under management.

In overall terms, UB generated a loss after tax for the 2019 financial year of USD1,187k or €920k.

A.2. UNDERWRITING PERFORMANCE

UHIL does not receive any direct gross written premium.

The most significant countries for UPE (by 2019 gross written premium) are Italy, United Kingdom, Finland, Spain and Portugal.

Premiums received during the year relate to Wealth Solutions single and regular premiums, and Corporate Solutions premiums. Total 2019 gross written premiums were €1,141,151k.

Exhibit 8a UHIL Consolidated Gross Written Premiums

	31 December 2018 €'000	31 December 2019 €'000
Gross Written Premiums	**1,240,633**	**1,141,151**

Exhibit 8b UPE Consolidated Gross Written Premiums

	31 December 2018 €'000	31 December 2019 €'000
Gross Written Premiums	**1,028,260**	**914,857**

The difference between UHIL and UPE gross written premium relates to top-ups received from UB during 2019 and ten months of GWP from UI and HLI.

The decrease in 2019 gross written premiums was mainly due to reduced Wealth Protection sales, particularly in Italy. Overall sales for UPE were at 92% of plan for 2019.

The UPE and UHIL financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable to companies reporting under IFRS at 31 December 2019.

Detailed information on UHIL's premiums, claims and expenses is included in S.05.01.02 in Section F Quantitative Reporting Templates.

A.3. INVESTMENT PERFORMANCE

The policyholder investments for UHIL are equivalent for those of UPE as policyholder investments reside in the insurance entity UPE only. UHIL does not hold any additional policyholder investments for the benefit of policyholders.

Investments for the Benefit of Life Assurance Policyholders who bear the Investment Risk

The investments linked to insurance policies are selected by policyholders, or their appointed advisers or, where applicable, by asset managers selected by the policyholders and appointed for the purpose by UPE. The assets are owned by UPE. UPE is required to maintain assets to match its policyholder liabilities at all times. The value of assets under management is impacted by new business, asset and currency performance, fee deductions and policies maturing or surrendering each year.

Exhibit 9 UPE Investments for the benefit of life assurance policyholders who bear the investment risk

Policyholder Investments	31 December 2018 €'000	31 December 2019 €'000
Investments	9,082,499	15,328,708
Cash balances and short term deposits	1,354,583	1,920,849
Total	**10,437,082**	**17,249,557**
Breakdown of Investments		
Bonds	1,774,659	1,877,038
Equities	991,686	1,305,494
Funds	6,021,110	11,804,663
Derivatives	1,541	3,064
Other Investments	293,503	338,448
Total Investments	**9,082,499**	**15,328,708**

Total policyholder investments increased from 2018 to 2019 primarily due to Project Danube in addition to new business premiums and financial market performance, offset by lapses.

UHIL Financial Investments

UHIL financial investments are primarily investments in financial assets.

Exhibit 10a UHIL Financial and Subsidiary Investments

UHIL Financial Investments	31 December 2018 €'000	31 December 2019 €'000
Financial Assets		
Debt securities – Fair value through profit or loss	8,120	94,945
Debt securities – Amortised Cost	12,481	12,507
Investment Funds	11,154	101,101
Total Financial Assets	**31,755**	**208,553**
Property	-	2
Total Company Financial Investments	**31,755**	**208,555**

UPE Financial Investments

UPE financial investments are primarily bonds, investment funds and investments in subsidiaries.

Exhibit 10b UPE Financial and Subsidiary Investments

UPE Financial Investments	31 December 2018 €'000	31 December 2019 €'000
Financial Assets		
Debt securities – Fair value through profit or loss	8,120	94,945
Debt securities – Amortised Cost	12,481	12,507
Investment Funds	11,154	101,101
Total Financial Assets	**31,755**	**208,553**
Property	-	2
Total UPE Financial Investments	**31,755**	**208,555**
Investment in Subsidiaries	**124,590**	**11,806**

UPE acquired UI and HLI from UHIL via an in specie transfer in June 2018. On 31 October 2019, as part of Project Danube, the insurance obligations of UI and HLI Danube were transferred to UPE via a portfolio transfer scheme under Section 13 of the Assurance Companies Act 1909. On 28 February 2020, UPE received confirmation from the CBoI that UI and HLI Danube had been deauthorised.

In December 2019, the Directors approved a shareholder asset swap converting Euro denominated shareholder assets to circa £92,000k of GBP denominated assets.

Investment income on UHIL financial investments relates to income on bonds, interest on cash deposits and dividend income. Movements are recognised in the statement of comprehensive income in the period in which they arise.

Exhibit 11a UHIL Investment Income

Investment Income from Policyholder and Company Financial Investments	31 December 2018 €'000	31 December 2019 €'000
Income from financial assets at fair value through profit or loss	(506,167)	1,609,472
Income from financial assets at amortised cost	102	171
Total Investment Income	**(506,065)**	**1,609,643**

Investment income on UPE financial investments relates to income on bonds, interest on cash deposits and dividend income. Movements are recognised in the statement of comprehensive income in the period in which they arise.

Exhibit 11b UPE Investment Income

Investment Income from Policyholder and Company Financial Investments	31 December 2018 €'000	31 December 2019 €'000
Income from financial assets at fair value through profit or loss	(574,110)	1,110,685
Income from financial assets at amortised cost	202	171
Total Investment Income	**(573,908)**	**1,110,856**

A.4. PERFORMANCE OF OTHER ACTIVITIES

Operating expenses for UHIL include administration and finance costs only.

Operating expenses for UPE include acquisition and other commission for direct insurance. The expenses include payroll costs as well as third party administrator related expenditure and office overheads. Depreciation of tangible fixed assets, amortisation of intangible fixed assets, write-off of intangible fixed assets and Auditors' remuneration for the audit of the entity's financial statements are also included. Operating costs are charged through the technical account of the statement of comprehensive income.

Business Events During The Year

On 28 February 2019, the Utmost Group of Companies (UIG Holdings (No 6) Ltd) acquired the entire issued share capital of Generali Link Limited, a shared service provider focused on fund and policy administration as well as Guernsey based Generali Worldwide Insurance Company Limited which offers life-insurance based wealth management and employee benefit solutions globally. Generali Link Limited and Generali Worldwide Insurance Company Limited were both renamed Utmost Link Limited ("Utmost Link") and UW.

On 1 March 2019, UHIL acquired the entire issued share capital of Utmost Link from UIG Holdings (No 6) Ltd. On that date, all employees of Utmost Link were transferred to USIL pursuant to the Transfer of Undertakings (Protection of Employees) Regulations 2003 and seconded back to Utmost Link temporarily for operational reasons.

On 11 April 2019, the Directors agreed and signed a common draft terms of merger identifying the contractual terms on which Utmost Link could be merged by absorption with USIL. The merger was effected using the Summary Approval Procedure and completed on the passing of a Special Resolution of the shareholders of both the merging companies at extraordinary general meeting of the companies convened on 14 May 2019.

For accounting purposes, the merger was deemed effective from 1 March 2019.

On 13 March 2019, UHIL's immediate parent, UIG Holdings (No 1) Limited, subscribed for a further €13,000,000 of share capital in UHIL. On the same date, UHIL received an additional loan for €25,000,000 from its immediate parent, UIG Holdings (No 1) Limited.

On 29 March 2019, UHIL made a €30,000,000 subscription for shares in UPE.

A share capital reduction for HLC, Augura Ireland Limited ("Augura") and Union Heritage Limited ("UHL") and re-registrations from Designated Activity Companies to Private Limited Companies for Augura and UHL was effected on 27 February 2019. On 14 May 2019, a special resolution was passed to give effect to the merger by absorption of Augura and UHL into HLC in accordance with Section 463 of the Companies Act 2014.

Pursuant to an Insurance Portfolio Transfer which was approved by an order of the High Court of Ireland, the entire life assurance business of HLI and UI was transferred to UPE with effect 31st October 2019.

Dividends

In November 2019, UPE paid a €9,000k dividend to its immediate parent UHIL (2018: €2,500k).

It is noted that UHIL received a €9,000k dividend from UPE in November 2019 and €6,800k from HLC in May 2019.

Leasing Arrangements

UHIL and UPE have no material operating leases and no financial leases in place.

On 31 December 2019, a leasehold interest held by UW in respect of a property at Athlumney Business Park, Navan, Co. Meath, Ireland was assigned in full to USIL with an effective date of 1 January 2019. 100% of this lease was capitalised by USIL in accordance with IFRS 16.

A.5. ANY OTHER INFORMATION

Coronavirus (COVID-19) Statement

The coronavirus (COVID-19) pandemic has created turbulence in financial markets and economic uncertainty, which will impact individuals and businesses. The full impact on the insurance industry including the company's business, assets and liabilities is uncertain. The impact of the current uncertainty on individuals, businesses and global markets has led to a reduction in the value of our policyholder investments and new business activities. The fall in asset values experienced to date, if maintained, would adversely impact the level of future profits and the capital position of the business. However, the reduced value of assets has reduced the solvency capital requirement, therefore the Solvency Coverage Ratio has remained within an acceptable range.

The Board of Directors and ExCo are pro-actively assessing the company's risk profile in the light of new developments as they arise, and in particular there is continuous monitoring of the company's solvency and liquidity position, which remain highly resilient even in these adverse circumstances.

UPE's business continuity plans were invoked in March 2020 prioritising employee safety in light of the COVID-19 pandemic with the majority of employees working from home during Q1 and Q2 2020. UPE's approach was to ensure continuity in core function processing, continuity of outsourced processes and minimal disruption to client servicing. Close monitoring of processes and client servicing, including that of outsourcers, is in place as well as heightened fraud awareness.

Fitch Rating

On 30 April 2020 Fitch Ratings affirmed the Insurer Financial Strength Rating of UPE at 'A' (Strong) with a Stable Outlook. The rating affirmation is are based on Fitch's current assessment of the impact of the coronavirus pandemic.

B. System of Governance

The UHIL Board of Directors in seeking to apply best practice in corporate governance periodically establishes committees to help it discharge its responsibilities in respect of the regulated entities. The Directors are satisfied that there is sufficient oversight of the Group's activities through the establishment of Audit Committees and other Board sub-committees by its principal subsidiary undertakings, such that committees are not also required at the UHIL level.

The information provided on the System of Governance will be primarily based on the governance structures in place within the authorised subsidiary, UPE.

B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Corporate Governance represents the sum of the methods, models and planning, management and control systems that are required for the operation of UPE's governing bodies.

UPE's Corporate Governance is based on a number of cornerstones, such as the central role played by the Board, the correct management of situations that present conflicts of interest, transparency in disclosing decisions regarding the management of UPE, and the effectiveness of the Internal Control and Risk Management System.

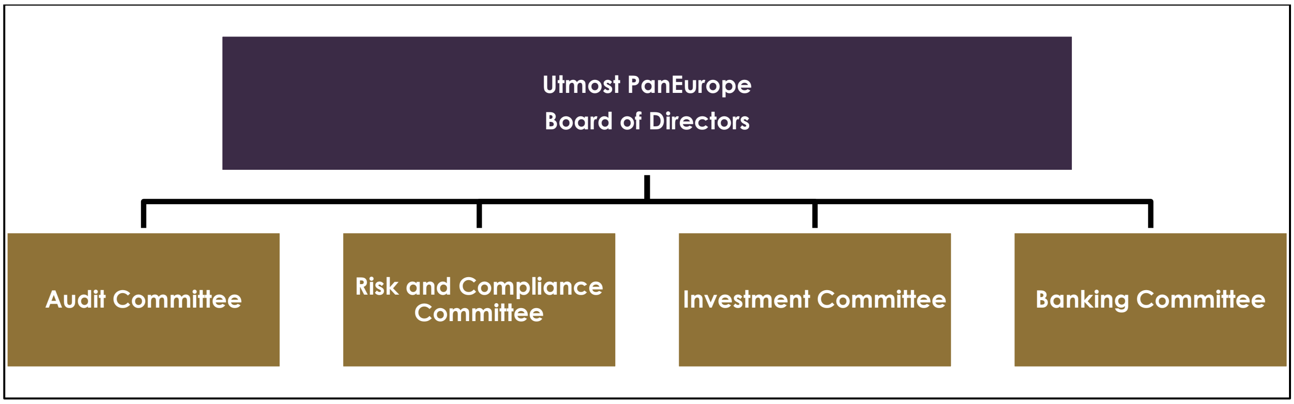
B.1.1. INFORMATION ON GENERAL GOVERNANCE

Risk governance is aimed at establishing an effective organisational structure based on a clear definition of risk roles and responsibilities, and on a set of policies, standards and operating procedures.

On an annual basis a detailed assessment of the System of Governance in place in UPE is undertaken against the European Insurance and Occupational Pensions Authority ("EIOPA") Guidelines on System of Governance. This assessment is then presented to the Risk and Compliance Committee. The most recent assessment was presented to the Risk and Compliance Committee in September 2019 and it was concluded that the System of Governance in place in UPE is appropriate and proportionate to the risks faced by UPE and the Utmost Ireland Group of Companies and supporting evidence and documentation is in place to demonstrate the effective operation of the three lines of defence.

As part of its governance structure, the UPE Board has established a series of Board Committees with specific delegated authorities.

Exhibit 12 UPE Governance Structure



The remit of each of the Committees outlined above is set out in their respective Terms of Reference which are subject to annual review and approval. Furthermore, the performance of each Committee is subject to annual review.

It is noted that Human Resources and Remuneration Committee is a Committee of the UHIL Board.

Exhibit 13 UPE Board Committees

Key Role	Description
Board of Directors	The Board ensures that the Risk Management system identifies, evaluates and controls the most significant Company risks. Within the scope of its typical duties and responsibilities, the Board is ultimately responsible for setting strategies and policies in the area of Risk Management and internal control and ensuring their adequacy and sustainability over time, in terms of completeness, functioning and effectiveness. The Board has established the following Board committees: the Audit Committee, the Risk and Compliance Committee, the Investment Committee and the Banking Committee. In addition, UPE has established a Management Committee. Details on the Board Committees are provided below.
Audit Committee	The Audit Committee takes delegated responsibility on behalf of the Board for ensuring that there is a framework for accountability, examining and reviewing systems and methods of financial control and for ensuring UPE is complying with its constitutional documents together with all aspects of the law and relevant regulations.
Risk and Compliance Committee	The Risk and Compliance Committee has been established by the Board in order to provide leadership, direction, and oversight with regard to UPE's policies and procedures, including those relating to Risk Management and Legal and Compliance. It assists the Board of Directors in fulfilling its Risk Management responsibilities as defined by applicable law and regulations, UPE's constitutional documents and internal regulations as well as considering leading market practice standards.
Investment Committee	The Investment Committee has delegated responsibility for recommending overall strategic investment policy to the Board, and for undertaking oversight of investment activities, seeking to ensure that these are consistent with the approved Investment Policy.
Banking Committee	The Banking Committee is responsible for opening, change in purpose, or closure of all master custodian and corporate bank accounts in the name of UPE. The Committee is also responsible for the review and approval of appointments to the authorised signatory list and their levels of authorisation and approval.

B.1.2. INFORMATION ON RISK MANAGEMENT, INTERNAL AUDIT, COMPLIANCE AND ACTUARIAL FUNCTIONS INTEGRATION INTO THE ORGANISATIONAL STRUCTURE AND THE DECISION MAKING PROCESSES OF THE UNDERTAKING, STATUS AND RESOURCES OF THE FUNCTIONS WITHIN THE UNDERTAKING

In accordance with local laws and Solvency II requirements, UPE has established a Risk Management System which is defined as a set of strategies, standards, processes and procedures aimed at identifying, measuring, monitoring and reporting on a continuous basis the risks to which UPE is exposed.

Risk governance is aimed at establishing an effective organisational structure based on a clear definition of risk roles and responsibilities, and on a set of policies, standards and operating procedures.

In addition, as part of its governance structure UPE has established a series of Board Committees with specific delegated authorities (as outlined within Section B.1.1 of this report).

The Internal Control and Risk Management System is put in place within UPE through a specific on-going process which involves, with different roles and responsibilities, the Board, ExCo and the organisational structures. The functions involved in the risk management process operate according to the Three Line of Defence approach:

- The operational structures (risk owners) are the First Line of Defence. The risk owners are ultimately responsible for risks concerning their area and to define and update the actions needed to make their risk management processes effective and efficient. They control the activity of the risk takers, who deal directly with the market and the internal and external parties and who define activities and programs from which risks may arise. The risk management initiatives defined by the risk owners address the way risk takers undertake risks. In addition, there are a number of support units (e.g. Actuarial) and oversight committees (risk observers) responsible for constantly monitoring specific risk categories, in order to measure and analyse them and to identity risk mitigation actions to the risk owners.
- The Risk Management, Legal and Compliance and elements of the Actuarial Function represent the Second Line of Defence. The Risk Management Function oversees the whole Risk Management System ensuring its effectiveness. It supports the Board and ExCo in defining the Risk Strategy and in the development of the methodologies to identify, take, assess, monitor and report risks. It also supports the operating units implementing and adopting the relevant policies and standards. The Head of Outsourcing (reporting directly to the Chief Risk Officer) is responsible for the overall execution of the outsourcing lifecycle; from the risk assessment to the final management of the agreement and subsequent monitoring activities. The Legal and Compliance Function is in charge of evaluating whether the internal processes are adequate to mitigate compliance risk. The Actuarial Function, through the Head of the Actuarial Function ("HoAF"), challenges the contents and assumptions of the Own Risk Self-Assessment ("ORSA") and provides an assessment on the range of risks, the adequacy of stress scenarios and the appropriateness of the financial projections included within the ORSA process and prepares the annual Actuarial Function Report.
- Internal Audit is the Third Line of Defence. Internal Audit is responsible for independently evaluating the effectiveness of the Internal Control and Risk Management System and for confirming the operational effectiveness of the controls.

The roles and responsibilities of each of the control functions (Risk Management, Legal and Compliance, Actuarial and Internal Audit) and how they interact with the organisation in the execution of that responsibility are set out in their respective charters. The role of the Head of Outsourcing is articulated in the Outsourcing Policy.

As outlined in the Risk Management Policy, the Risk Management Function acts as guarantor for the effective implementation of the risk management system, as required by law and as established by the Board.

The Risk Management Function supports the Board and ExCo in the definition of the risk management strategy and the development of tools for risk identification, monitoring, management and reporting.

B.1.3. INFORMATION ON AUTHORITIES, RESOURCES PROFESSIONAL QUALIFICATIONS, KNOWLEDGE, EXPERIENCE AND OPERATIONAL INDEPENDENCE OF THE FUNCTIONS AND HOW THEY REPORT TO AND ADVISE THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BOARD OF THE INSURANCE UNDERTAKING

UHIL has no directly employed employees and no Pre-Approval Controlled Functions ("PCF") or Controlled Functions ("CF") individuals. UPE employees who are identified as holding PCF are all degree and/or professionally qualified. UPE relies on USIL for the provision of its business operations. The majority of USIL employees are degree and/or professionally qualified and all persons identified as holding PCF or CF in USIL are reviewed annually to ensure they meet the CBoI Fit and Proper requirements.

B.1.4. MATERIAL CHANGES TO THE SYSTEM OF GOVERNENCE

The following appointments and resignations from the UPE Risk and Compliance Committee and ExCo took place during 2019.

- P. Gillett resigned from the UPE Risk and Compliance Committee on 17th September 2019.
- H. O'Sullivan resigned from the UPE Risk and Compliance Committee on 17th September 2019.
- D. Aherne was appointed to the ExCo as Chief Operating Officer 1st April 2019.
- F. Curneen resigned from her position as Head of Human Resources on 19th June 2019.
- Z. Booth was appointed to the ExCo as Head of Human Resources on 9th September 2019.

There were no changes in the Directors for UHIL, UPE or USIL during 2019.

No other material changes to the System of Governance occurred during the year-ended 31 December 2019.

B.1.5. REMUNERATION POLICY

The remuneration strategy is based on the following principles, which guide the remuneration programmes and consequent actions:

- All staff are rewarded on the basis of both their individual role and contribution to the delivery of the business strategy.
- It is recognised that financial reward is only one aspect of staff recruitment and retention. The development of talent through non-financial measures, including training and education, is also beneficial and important.
- A performance management process that seeks to encourage performance improvement whilst supporting career development is in place.
- Remuneration packages offer competitive market rates for base pay, variable reward and benefits for all employees.
- Roles and performance are evaluated by Management on a fair and transparent basis which, while taking account of the different specialisms within UPE, seek to apply a consistent and objective methodology.
- Budget and cost discipline is determined on an annual basis subject to overall budget.
- Remuneration and supporting structures promote sound and effective risk management, including Chief Risk Officer ("CRO") review of annual bonus scheme structures.

Balanced Remuneration Package

UPE (via USIL) offers a remuneration package which is proportional in its fixed components, variable components and benefits. It provides an appropriate balance with regard to the variable remuneration for short-term and medium to long-term contracts, in order to avoid adoption of conduct that favours short-term results over medium to long-term goals. The remuneration package is fair and competitive, anticipating the adoption of alternative or additional monetary solutions, such as benefits, with a view to optimising the efficiency of interventions in financial terms. UPE (via USIL) provides employees with pension benefits through a defined contribution pension scheme. Employer and employee pension contribution rates are based on the individual employee job grade.

Target Setting and Appraisal

Each year the Chief Executive Officer ("CEO") defines specific targets, both financial and non-financial, against which performance, and thus any bonus payable, is measured.

UPE's goals and objectives are cascaded to all functions and individual employee goals are established and evaluated annually.

B.1.6. MATERIAL TRANSACTIONS DURING THE REPORTING PERIOD

Please refer to section B.1.4 regarding appointments and resignations during the year.

Please refer to section A.4 for material business activities identified during the year.

The following material transactions were identified for UHIL during year-end 2019:

1. Project Danube: Total value of the transfer of assets from UI and HLI to UPE was €118,057,000k.

2. USIL Service Charges:

- UPE €27,800k
- UI €3,500k
- HLI €1,500k

3. Dividend and Loan Transactions:

- UPE paid a dividend of €9,000k to UHIL.
- UPE had a loan outstanding with Utmost Limited for the full year of £20,000k (€23,600k at year end).
- UHIL has a loan outstanding with UIG Holdings (No 1) Limited with an outstanding balance of €118,600k at year end.

B.2. FIT AND PROPER REQUIREMENTS

A core component of an effective risk culture is the knowledge and skills of UPE employees. In order to confirm that the right resources and skills are in place, UPE has implemented a Fit and Proper Policy and related procedures in order to assess the fitness and probity both initially and on an on-going basis of the individuals who are performing key functions. The policy and procedures have been developed in line with the Solvency II Directive and the associated CBoI Fitness and Probity standards.

B.2.1. DESCRIPTION OF THE SPECIFIC REQUIREMENTS CONCERNING SKILLS, KNOWLEDGE AND EXPERTISE REQUIRED

The Board of UPE has adopted a Fit and Proper Policy in order to define the minimum standards to be applied in terms of fitness and probity to all relevant personnel identified in the Policy.

The Fit and Proper Policy also defines the procedure for assessing the fitness and probity of the relevant personnel (both when being considered for the specific position and on an ongoing basis), and a description of the situations that give rise to a re-assessment of the abovementioned fit and proper requirements. The Human Resource ("HR") Function undertakes due diligence of all persons identified under the Fit and Proper standards to ensure they can perform their duties by carrying out the following assessments of being Competent and Capable, Honest, Ethical and Act with Integrity and Financial Soundness.

The fitness and probity annual self-declaration process and annual background checks are carried out and assessed by the HR Function.

In addition, there is an annual statement of compliance attested to by the CEO, and submitted as part of the annual return process to the CBoI. There is also the annual PCF Confirmation Return, submitted by the Compliance Function to the CBoI via ONR.

The skill set of the Board and Board Committees is reviewed regularly.

B.2.2. PROCESS FOR ASSESSING THE FITNESS AND THE PROBITY OF THE PERSONS

The CBoI has identified a number of PCF roles for which prior approval of the role holder by the CBoI is required.

Pre-Approval Controlled Functions Roles

Exhibit 14 UPE Pre-Approval Controlled Functions Roles

Code	Definition
PCF1	Executive Director
PCF2	Non-Executive Director
PCF3	Chairman of The Board of Directors
PCF4	Chairman of the Audit Committee
PCF5	Chairman of the Risk and Compliance Committee
PCF8	Chief Executive Officer
PCF11	Head of Finance
PCF13	Head of Internal Audit
PCF14	Chief Risk Officer
PCF15	Head of Compliance with responsibility for AML
PCF18	Head of Underwriting
PCF19	Head of Investment
PCF42	Chief Operations Officer
PCF43	Head of Claims
PCF48	Head of Actuarial Function

Controlled Functions Roles

In addition to the above, an assessment of roles which are classified as a CF is completed. UPE is required to undertake due diligence on each CF and the Fitness and Probity requirements are applicable to all staff. The following CF roles are applicable to UPE:

Exhibit 15 Controlled Functions Roles

Code	Definition
CF1	A Chairman of a Committee Company Secretary Executive Committee of UPE
CF2	Executive Committee of UPE All Heads of Departments Senior Management
CF4	Sales Staff who work in UCS

Code	Definition
CF5	Assigned to staff members who assist customers in the making of a claim. This is limited to Pension Administrators and their managers.
CF6	Assigned to staff members who determine the outcome of a claim. This includes both Claim Specialists and Pension Administrators, and their managers.
CF7	Operations Manager, CCS Corporate Solutions Operations Manager
CF8	Head of Operations, CCS Head of Legal and Compliance Qualified members of the Legal and Compliance Team
CF10	Corporate Customer Services Team Leaders
CF11	Middle to Senior Finance employees

HR manage the ongoing maintenance of employee data as it relates to Fitness and Probity, through the PCF and CF process.

B.3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B.3.1. RISK MANAGEMENT SYSTEM

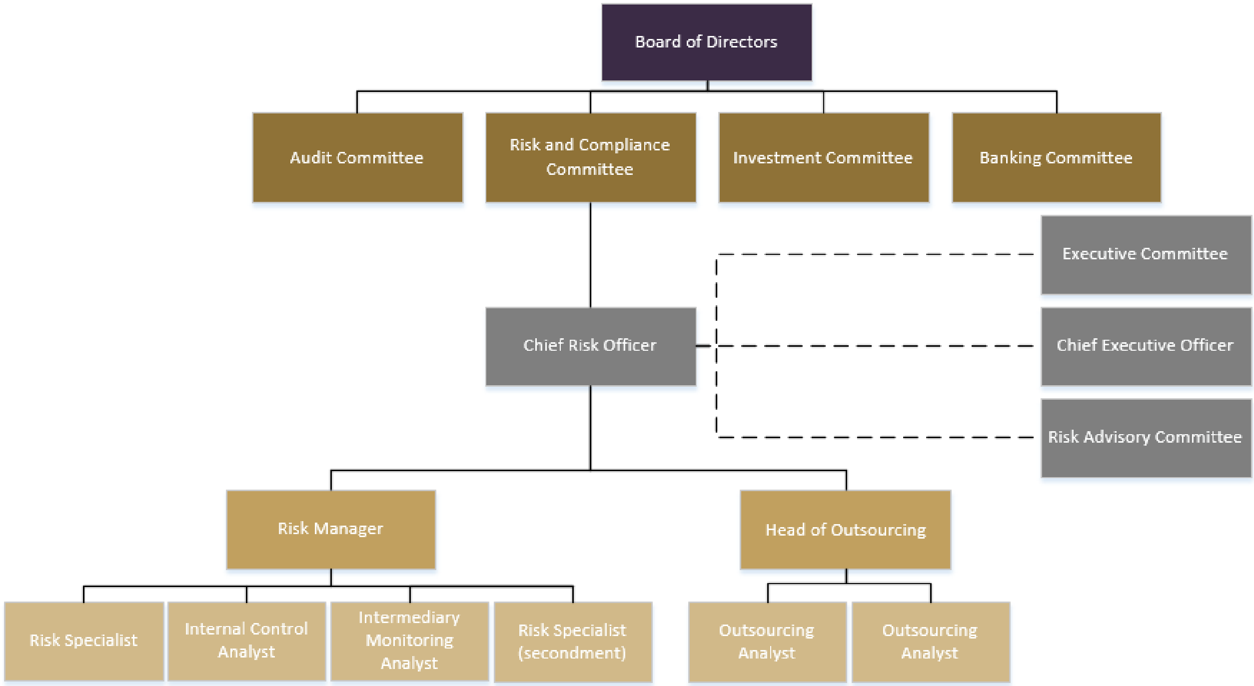
As outlined in the UPE Risk Management Policy, the Risk Management Function acts as guarantor for the effective implementation of the Risk Management System, as required by law and as established by the Board. The UPE Risk Management Function supports the Board and ExCo in the definition of the Risk Management strategy and the development of tools for risk identification, monitoring, management and reporting.

Risk Management Function

The Risk Management Function is separate from the operational business units and does not have operating responsibilities or a direct reporting line to those responsible for the operating activities. The independence of the Risk Management Function is guaranteed through its direct reporting line to the Risk and Compliance Committee. The structure of the function, including its reporting lines and its relationship with the various committees that perform risk management tasks are set out below.

The Risk Management Function consists of the CRO supported by a Risk Manager, two Risk Specialists (one on secondment), an Internal Control Analyst and an Intermediary Monitoring Analyst. The Head of Outsourcing also reports to the CRO and is supported by two outsourcing analysts. The CRO reports to the Board and has a dotted reporting line to the CEO on operational issues. The diagram below illustrates the Risk Management structure and reporting lines:

Exhibit 16 Risk Management Structure and Reporting Lines



The Risk Management Function oversees the sustainability of the risk management system. The Risk Management Function supports the Board, ExCo and departmental managers in defining risk management strategies and the instruments to monitor and measure risks, providing, through an appropriate reporting system, the elements for an assessment of the performance of the risk management system as a whole. The Risk Management Function is responsible in particular for the following activities:

- Defining the risk measurement methodologies and models.
- Cooperating, with the Risk Owners, on the definition of the operating limits attributed to the operating structures and on the definition, with the first level functions (i.e. senior management) in charge of control, of the procedures for the prompt verification of such limits.
- Validating the information flows, prepared by the various Risk Owners, necessary to ensure the timely control of risk exposures and the prompt identification of any operational anomaly.
- Presenting appropriate reports to the Board and the Risk and Compliance Committee on the overall performance of the risk control and management system and its ability, in particular, to react to context and market changes, as well as on the development of risks and any instances in which the operating limits have been exceeded.
- Ensuring that the ExCo reacts to results from the stress tests if unexpected events or results are identified.

The Risk Management, Legal and Compliance and Internal Audit Functions are operationally independent from ExCo and have unfettered access to the Board.

Policy Framework

The documentation tree is structured into:

- First Level Policies (required by art.41 of the Solvency II Directive and approved by the Board).
- Second Level Policies approved by the Board.
- Standards.
- Operating Procedures.

Risk Management System

The purpose of the Risk Management System is to ensure that all risks to which UPE is exposed to are properly and effectively managed on the basis of the risk strategy defined, following a set of processes and procedures and based on clear governance provisions.

The principles defining the Risk Management System are provided in the Risk Management Policy, which is the cornerstone of all risk-related policies and standards. The Risk Management Policy outlines all risks UPE is exposed to, on a current or forward-looking basis.

UPE's Risk Management process is defined in the following phases:

Exhibit 17 Risk Management Process

1. Risk Identification

The purpose of the risk identification phase is to ensure that all material risks to which UPE is exposed are properly identified. For that purpose, the Risk Management Function interacts with the main Business Functions in order to identify the main risks, assess their importance and ensure that adequate measures are taken to mitigate them according to a sound governance process. Within this process, emerging risks are also taken into consideration.

Based on Solvency II risk categories, and for the purpose of SCR calculation, risks are categorised according to the Risk Map below.

Exhibit 18 Risk Map

Financial Risks	Credit Risks	Insurance Risks	Other Risks
Interest Rate Yields	Credit Default*	Mortality CAT	Operational*
Interest Rate Volatility	Counterparty Default*	Mortality no CAT	Liquidity*
Equity Price*		Longevity	Strategic*
Equity Volatility*		Morbidity/Disability	Reputational*
Currency		Life Lapse	Contagion
Concentration		Expense	Emerging*
Property		Health CAT	Regulatory / Compliance*
Spread		Health Claim*	Conduct

* Risks considered as part of the COVID-19 risk. See commentary included in section A5.

2. Risk Measurement

UPE has formally adopted a number of risk assessment methodologies.

In compliance with Solvency II regulation, the SCR is calculated based on the EIOPA Standard Formula. On an annual basis UPE completes an appropriateness assessment of the Standard Formula against UPE's risk profile.

3. Risk Management and Control

UPE operates a sound Risk Management System in line with the established strategy and processes. To ensure that the risks are managed according to the risk strategy, UPE follows the governance defined in the Risk Appetite Statement ("RAS") and Risk Management Governance and Control Framework. This provides a framework for Risk Management embedding in day-to-day and extraordinary business operations, control mechanisms as well as escalation and reporting processes.

The purpose of the RAS is to set the desired level of risk (in terms of risk appetite and risk preferences) and limit excessive risk-taking. Tolerance levels on the basis of capital and liquidity metrics are set accordingly. Should an indicator approach or breach the defined tolerance levels, escalation mechanisms are then activated.

4. Risk Reporting

Risk monitoring and reporting is a key risk management process which allows Business Functions, ExCo, Board and also the CBoI to be aware of, and informed about, the risk profile development, risk trends and any breaches of risk tolerances.

Risk factors are taken into consideration in the following decision making processes: Strategic Planning Process; Capital Allocation and Management; Asset Liability Matching and Investments; Solvency, Liquidity and Funding; Product Pricing, Development and Monitoring; Management Information; and Performance Management.

Risk Culture

A core objective of the Risk Management Function is to embed a positive and open risk management culture within UPE. In support of this objective, risk management and compliance training is provided to all new staff. In addition, the following structures have been established in order to embed a risk culture within UPE:

- ExCo, supported by the Risk Management Function, meet regularly to review risk management issues and to integrate risk management thinking into the decision making process. Furthermore, material risk incidents and the results of risk assessments are reviewed, resulting in the required corrective actions being identified; and
- The Risk Management Function meet regularly with key departments to discuss Operational Risk.

The risk culture is further embedded within UPE through the following:

- The CRO is a member of ExCo and in the execution of his role integrates risk management thinking into the decision making process.
- The strategic planning process must remain consistent with the ORSA in order to include a risk based forward-looking view in the development of the strategic plan.
- The Risk Management Function is involved in the material initiatives which may impact on the risk profile of UPE. The role of the Risk Management Function is to integrate the risk management assessment methodologies into the decision making process by supporting the business in identifying, assessing and managing the risks associated with these initiatives.
- The Risk Management Function meet, on at least a monthly basis, with the First Line of Defence to discuss core Risk Management activities.
- The Risk Management Function works closely with the business units providing advisory services.

B.3.2. INTERNAL MODEL FRAMEWORK: GOVERNANCE, DATA AND VALIDATION

This section is not applicable to UHIL.

B.3.3. ORSA PROCESS

The first UHIL ORSA is scheduled for Q2 2020. UPE has prepared an ORSA regularly since year-end 2016. UPE has prepared an ORSA regularly since year-end 2016.

The ORSA process is a key component of the Risk Management System which is aimed at assessing the adequacy of the solvency position and the risk profile on a current and forward-looking basis.

The ORSA process documents and assesses the main risks UPE is exposed to, or might be exposed on the basis of its Strategic Plan. It includes the assessment of the risks in scope of the SCR calculation, but also the other risks not included in SCR calculation. In terms of risk assessment techniques, stress test and sensitivity analysis are also performed with the purpose of assessing the resilience of UPE risk profile to changed market conditions or specific risk factors.

The ORSA Report is produced on an annual basis. The most recent ORSA Report was approved by the Board of Directors in December 2019. In addition to the annual ORSA Report, a non-regular ORSA Report will be produced if the risk profile of UPE changes significantly. As required by the Solvency II regulations a non-regular ORSA report was completed as part of Project Danube in June 2019.

All results are documented in the ORSA Report and which is reviewed by the UPE Risk and Compliance Committee and the Board. After discussion and approval by the Board, the ORSA Report is submitted to the CBoI. The information included in the ORSA Report is sufficiently detailed to ensure that the relevant results can be used in the decision-making process and business planning process.

UPE's risk profile, including ORSA triggers which would prompt the undertaking of a non-regular ORSA Report, is monitored on an ongoing basis and reported to the Risk and Compliance Committee quarterly.

The Head of Actuarial Function provides an actuarial opinion on the ORSA. The opinion addresses the following areas:

- The range of risks and the adequacy of stress scenarios considered as part of the ORSA process.
- The appropriateness of the financial projections included within the ORSA process.
- Whether the undertaking is continuously complying with the requirements regarding the calculation of Technical Provisions and potential risks arising from the uncertainties connected to this calculation.

B.3.4. RISK EMBEDDING IN CAPITAL MANAGEMENT PROCESS

Capital management, strategic planning and risk management are strongly integrated processes. This integration is deemed essential to ensure alignment between business and risk strategies.

Through the ORSA process, the projection of the capital position and the forward-looking risk profile assessment contributes to the Strategic Planning and Capital Management process.

The UPE ORSA Report also leverages on the Capital Management Plan to verify the adequacy, including the quality, of the Eligible Own Funds to cover the overall solvency needs on the basis of the plan assumptions.

To ensure the on-going alignment of the business strategy to UPE's risk appetite, the Risk Management Function actively supports the strategic planning process. This process includes strategy discussions, initiatives to be implemented, monitoring the business performance and oversight on risk and capital positions.

B.4. INTERNAL CONTROL SYSTEM

The Internal Control and Risk Management System, whose design and structure is approved by the Board, is the system in place to ensure that business activity complies with the law and with the various directives and procedures in place. It also ensures that UPE's processes are efficient and effective and that accounting and management information is reliable and complete.

Internal control comprises a set of tools that helps UPE reach its targets in line with the level of risk selected by ExCo and the Board. Such targets are not restricted solely to business targets, but extend also to those connected with financial reporting as well as compliance with all internal and external rules and regulations, and take on varying importance depending on the risk that has been identified. It follows that the relevant internal control mechanisms take on a varying nature and form too, depending on the particular process or processes under the examination.

It is the responsibility of the Board to encourage the development and spread of the 'culture of control', requiring senior management to make all staff aware of the importance of internal controls and the role that they play, as well as the added value that they represent to the business. Senior management is responsible for implementing both the 'culture of processes' and the 'culture of control' together with ensuring that employees are made aware of their individual roles and responsibilities regarding internal controls. The system of delegated powers and procedures governing the allocation of duties, the operating processes and the reporting channels is duly formalised and employees are sufficiently informed and receive adequate training in relation to such systems.

The effectiveness of the control mechanisms listed above is delivered not only by means of monitoring and control activities carried out throughout the entire organisational structure of the business, but also via suitable channels for reporting any breaches.

As a result, UPE's internal controls are organised on the basis of various operational levels and levels of responsibility, these being regulated and codified:

- The controls that are the duty of the organisational units that form an integral part of each company process and represent the basis of the internal control system.
- The controls carried out by the corporate functions whose main activity is to perform control tasks. These include:
    - The Risk Management Function, which controls the risk profile of UPE and compliance by management with the limits established by the Board and senior management;
    - The Legal and Compliance Function, which represents an additional and independent Line of Defence within the Internal Control and Risk Management System overall, being responsible for assessing whether the organisation of the insurance business and its internal procedures are sufficient to prevent the risk of incurring penalties for regulatory offences or penalties imposed by law and the risk of suffering financial losses or reputational harm to the corporate image of UPE as a result of a breach of the law, of regulations or of measures imposed by the supervisory authorities or self-regulatory provisions
    - The budgeting and controlling activities, with the aim of observing and analysing business performance as far as meeting the targets established at the planning stage is concerned, demonstrating, by measuring specific indicators, any variance between the targets established at the planning stage and performance, and identifying any unusual changes;
    - The Compliance activities in fraud prevention, which work to prevent both internal and external fraud and to identify and suppress the same; and
    - The various inspectorate bodies, which within the sales and claim settlement networks mainly conduct inspections for the supervision, control and monitoring of certain operational areas or some provision of services.

In addition, there are other non-operational functions which, in providing advice to other corporate functions, assist in implementing all internal control objectives (tax advice, advice on privacy issues, legal counsel, etc.).

- The independent assessment carried out by Internal Audit of the quality and effectiveness of the controls put in place by the other corporate functions.

B.4.1. INTERNAL CONTROL FUNCTIONS

The UPE Risk Management, Legal and Compliance and Internal Audit Functions operate within the framework of specific policies that are subject to periodic updates and approval by the Board. Specific regulations stemming from these policies govern in some detail the activities to be performed as part of the specific mission assigned, as well as the powers and responsibilities allocated by the Board. Legal and Compliance and Risk Management Functions are involved where new material processes are drawn up and where changes are made to the organisational structure of the business. In particular, the Legal and Compliance Function must always be involved in the drafting of processes where the issue of compliance is relevant.

B.4.2. LEGAL AND COMPLIANCE FUNCTION

UPE has established a Legal and Compliance Function with the primary aim of facilitating the development of a compliance culture across the business. In this context, one of the core responsibilities of the Legal and Compliance Function is to reinforce and promote ethical standards of behaviour and compliance awareness within UPE.

The Legal and Compliance Function seeks to achieve this objective through the delivery of training to the Board and UPE staff relating to key compliance risks including:

- Anti-Money Laundering and Counter Terrorism Financing;
- Data Protection, including General Data Protection Requirements;
- Code of Conduct;
- Financial Sanctions;
- Anti-Fraud;
- Conflicts of Interest;
- New laws and regulations (upstream risk);
- Processes for the management of obligations arising out of contracts; and
- Managing claims and obligations arising from actual and potential/threatened legal claims and litigation.

The Legal and Compliance Function works closely with the business in order to assist in identifying, assessing and managing compliance and legal risks. Through the facilitation of dedicated training and working closely with the business, the Legal and Compliance Function promotes a positive compliance culture within UPE.

The Head of Legal and Compliance reports to the Board and Risk and Compliance Committee and has a dotted reporting line to the CEO on operational issues. The Legal and Compliance Function is operationally independent from ExCo and has unfettered access to the Board.

UPE's Legal and Compliance Function monitors compliance with all corporate legal and regulatory requirements which apply to its business activities. These requirements include current legislation, regulations, regulatory standards and codes of practices. The scope of the requirements embraces both the country of establishment where UPE is regulated and supervised and also the countries of sale where its products are distributed to customers.

To support this process, the Compliance Function presents a Compliance Monitoring Plan to the Risk and Compliance Committee and assesses progress against the plan on an ongoing basis. The Legal and Compliance Function conducts routine monitoring and surveillance over the First Line of Defence and reports the results to the Risk and Compliance Committee. The monitoring completed includes the following:

- AML ("Anti Money Laundering") and CTF ("Counter Terrorism Financing"): Conducting reviews of policyholder documentation for AML and CTF purposes. Performing AML and CTF risk assessments.
- Transaction Monitoring: Monitoring transactions for potentially suspicious activity and filing STRs.
- Regulatory and legislation monitoring: Monitoring and recording legislative requirements and conduct of business obligations that apply to UPE.
- Data Protection: Conducting Data Protection monitoring and risk assessments.
- Online Training: Rolling out companywide training in areas such as Anti Money Laundering, Data Protection and supporting the Code of Conduct training.
- Legal cases: Monitoring and reporting on-going and recently closed legal cases.
- Complaints: Monitoring and reporting on complaints.
- Financial Sanctions: Monitoring by the Head of Financial Crime.

B.5. INTERNAL AUDIT FUNCTION

The Internal Audit Function ("IAF") is an independent, effective and objective function established by the Board to examine and evaluate the adequacy, functioning, effectiveness and efficiency of the internal control system and all other elements of the System of Governance, with a view of improving the efficacy and efficiency of the internal control system, of the organization and of the governance processes. This is set out in the Internal Audit Policy, Internal Audit Charter and Audit Committee terms of reference.

The IAF supports the Board in identifying the strategies and guidelines on internal control and risk management, ensuring they are appropriate and valid over time and provides the Board with analysis, appraisals, recommendations and information concerning the activities reviewed. IAF also carries out assurance and advisory activities for the benefit of the Board, ExCo and other departments.

IAF's authority is enshrined in the Internal Audit Charter which is reviewed and approved annually by the Audit Committee and Board. Per the Internal Audit Charter IAF has full, free, unrestricted and timely access to any and all the organisation's records, physical properties, and personnel pertinent to carry out any engagement, with strict accountability for confidentiality and safeguarding records and information.

The IAF governs via the Utmost Internal Audit methodology. This methodology is aligned with the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of auditing and for evaluating the effectiveness of the audit activity's performance. Given the delicate and important nature of the assurance role carried out within the business, all the personnel of the IAF must have specific fit and proper requirements as requested by the Fit and Proper Policy.

The activity of IAF remains free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude. On an annual basis the Group Head of Internal Audit ("GHoIA") confirms his independence and that of the IAF to the Audit Committee.

On an annual basis, the GHoIA presents a proposed 12-month Internal Audit plan to the Audit Committee requesting approval.

This plan is developed based on an audit universe using a risk-based methodology, taking into account all past audit activities, the complete System of Governance output, the expected developments of activities and innovations and including input of Top management and the Board. The GHoIA reviews the Internal Audit plan on an ongoing basis and adjusts the plan in response to changes in the organisation's business, risks, operations, programs, systems, controls and findings. This review is informal and any change to the Internal Audit plan is first approved by the Chair of the Audit Committee.

Following the conclusion of each Internal Audit engagement, a written audit report is prepared and issued to the auditee and the auditee's hierarchy. The GHoIA, on a quarterly basis, provides the Audit Committee with a report on activities, status of open and overdue audit issues, any significant issues and audit reports issued during the period. However, in the event of any particularly serious situation, such as the emergence of a conflict of interest, the GHoIA will immediately inform the Audit Committee and Board.

B.6. ACTUARIAL FUNCTION

The Actuarial Function is an oversight ("Second line of Defence") role that is required under Solvency II. The purpose and scope of the Actuarial Function is to perform the specified tasks as set out in Article 48 of the Solvency II Directive.

The key responsibilities of the Actuarial Function are to review and validate the calculation of the Technical Provisions, to provide opinions on the underwriting and reinsurance policies and to assist the Risk Management Function with certain tasks.

The UPE Actuarial Function reports to the UPE Board. The Actuarial Function is led by the HoAF. The HoAF reports to the UPE Chief Financial Officer ("CFO").

The Actuarial Function is responsible for the following activities:

- Coordinating the calculation of technical provisions;
- Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- Comparing best estimates against experience;
- Informing the Board of the reliability and adequacy of the calculation of technical provisions;
- Overseeing the calculation of technical provisions in the cases where approximations need to be used due to insufficient and/or inadequate data;
- Expressing an opinion on the overall underwriting policy;
- Expressing an opinion on the adequacy of reinsurance arrangements; and
- Contributing to the effective implementation of the risk management system referred to in Article 44, in particular with respect to the risk modelling underlying the calculation of the capital requirements in the ORSA.

The Board receives an annual report from the HoAF which assesses the adequacy, appropriateness and reliability of technical provisions, underwriting, reinsurance, contributions to Risk Management and conflicts of interest. The report clearly identifies any deficiencies or areas for improvement and provides recommendations as to how such improvements could be implemented.

All First Line of Defence actuarial activities are carried out by a separate Actuarial team e.g. product development and product pricing.

The Actuarial Function works very closely with the UPE Risk Management Function in UPE and has contributed to the Risk Management System in the following ways:

- Contributed to and reviewed UPE's ORSA policy and provided feedback to UPE's CRO.
- Reviewed UPE's ORSA reports and provided feedback to the CRO on these reports, in particular on the range of risks and adequacy of the stress scenarios. This activity is now officially part of a wider local regulatory requirement for the HoAF on ORSA items.
- Contributed to and reviewed the various narrative Solvency II submissions made to date by Risk Management.
- Reviewed UPE's Underwriting Policy and associated documents. This review included a review of the alignment to UPE's Risk Appetite Statement.
- Reviewed UPE's Reinsurance Policies and provided comments and recommendations to UPE on possible enhancements. This review included a review of the alignment to UPE's Risk Appetite Statement.
- Attended and actively contributed to:
    - Risk and Compliance Committee, in particular review and consideration of Risk Incidents; and
    - Investment Committee and Asset-Liability Matching activities.
- Assessed the appropriateness of the Standard Formula.
- Advised on the risks associated with product design.

With effect from the start of 2016, the HoAF is required to provide to the Board and CBoI a separate opinion on every ORSA produced.

During 2019 the Actuarial Function has reviewed:

- The calculation of the Best Estimate Liabilities ("BEL");
- The Capital Requirements (including a review of the model, methodology and assumptions used);
- The calculation of the Risk Margin; and
- The 2019 ORSA Report.

B.7. OUTSOURCING

UPE's operating model relies heavily on Outsourced Service Providers ("OSP") to provide key service elements. A failure of a critical OSP could result in a material disruption in service delivery for UPE clients.

In order to mitigate the risks associated with outsourcing, ExCo, in conjunction with the Risk Management Function and the Head of Outsourcing has implemented an Outsourcing Management Framework. This framework includes a process for both the selection and the ongoing review and monitoring, of outsourced service providers' performance. A due diligence process, which addresses all material factors that could impact on the potential service provider's ability to perform the business activity, is undertaken prior to the appointment of all outsourcing.

UPE has established an Outsourcing Policy to establish the requirements for identifying, justifying and implementing material outsourcing arrangements. The Outsourcing Policy sets out minimum mandatory outsourcing standards, assigns main outsourcing responsibilities and ensures that appropriate controls and governance structures are established within any outsourcing provision.

The Outsourcing Policy introduces a risk-based approach, adopting a proportionality principle to apply requirements according to the risk profile (distinguishing between critical and non-critical outsourcing) and the materiality of each outsourcing agreement. The outsourcing of critical or important operational functions or activities is managed in compliance with the relevant CBoI guidelines and processes.

UPE has implemented an outsourcing oversight process which is co-ordinated by the Head of Outsourcing. The output of the oversight process for critical outsourcing arrangements is reported to the Risk and Compliance Committee on a quarterly basis and for non-critical outsourcing arrangements on an annual basis.

Information on the critical / important UPE OSPs, along with the services they provide, is provided below.

Exhibit 19 Critical / Important Outsourcers For UPE

Critical OSP	Core Services
Utmost Services Ireland Limited	All UHIL staff, with the exception of certain PCF role holders who are employees of UPE, are employees of USIL. USIL provides UPE with management and administrative services with USIL employees deployed to UPE as required. USIL also provides similar management and administrative services to UB and UW.
Utmost Administration Limited	Utmost company, that provides policy administration and associated services in respect of open and closed books (Ex UI and HLI lines of business) Services also include hosting services.
Utmost Worldwide (sub-outsourcer of USIL)	Utmost company that provides hosting infrastructure, policy administration and associated services on a sub-outsourced basis to USIL. (Currently in respect of Wealth Accumulation line of business). USIL also provides reciprocal policy administration services to UW in respect of Unit Linked, Portfolio Bond and Global Wealth lines of business.
DST/Phoenix (PGMSI)	DST provides end to end policy administration services for the ex-SMI lines of business, which was acquired from PGMSI). PGMSI has the outsourcing agreement in place with DST. UPE has a TSA in place with PGMSI to ensure a smooth transition of the services which includes the oversight of the outsourcing agreement with DST.
Capita	Capita provides end to end policy administration and associated services in respect of closed book in respect of Ex-UI line of business
Marsh Ireland	Marsh administers the Housing Financing Authority scheme which provides life and disability covers for people with a Local Authority mortgage in Ireland. Marsh provides premium collection, limited claims admittance, claims telephony and complaints management services.
Hienfeld	The following activities performed over the Corporate Solutions book of business based in the Netherlands: • Premium Administration. • Renewals of Schemes/Policies. • Pricing and Underwriting. • Complaints Management Process.
Cuna	Cuna provide the following services with regards policy administration for UPE's Corporate Solutions line of business, in respect of Irish Credit Unions who provide Group Life Benefits to their members, directors, volunteers and employees: • Premium Administration; • Renewals of Schemes/Policies; and • Pricing and Underwriting.
NordEuropa	NordEuropa is a Stockholm based Managed General Agent (MGA) and acts as the master agent distributing Group Risk products through Swedish brokers to companies/unions based in Sweden.
Nordic Loss Adjusting / Sedgwick	NLA work alongside NordEuropa and provide claims and servicing administration services.

B.8. ANY OTHER INFORMATION

B.8.1. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE TO THE NATURE, SCALE AND COMPLEXITY OF THE RISKS INHERENT IN THE BUSINESS

The UPE Board, as part of the ORSA process, has assessed its Corporate Governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of UPE.

B.8.2. OTHER MATERIAL INFORMATION REGARDING THE SYSTEM OF GOVERNANCE

The following additional processes are implemented under the UPE System of Governance.

Business Continuity

UPE has a Board approved Business Continuity Policy and maintains comprehensive business continuity plans to ensure that critical business activities can be recovered in the event that a disruptive incident were to occur. This includes department specific business continuity plans and an IT Disaster Recovery Run Book which details the technical tasks required to recover IT critical business applications and services in the event that a disruption event was to impact core IT Systems.

Senior management have agreed a comprehensive testing schedule to ensure that the procedures are robust and in line with the business continuity objectives. Some improvements to the BCM System have been included in a cyber-resilience strengthening programme, which is under way currently.

UPE also has a business continuity Pandemic Plan in place which outlines the roles and responsibilities and steps to be taken in the event of a pandemic. In light of the recent outbreak of COVID-19 the business continuity Incident Management Team has met on a daily basis to ensure that plans are put in place to minimise the impact of the outbreak on staff, policyholders and partners. The Incident Management Team have also provided regular communications to all staff with specific updates also provided to ExCo.

Information Technology and Cyber Security

UPE has implemented an Information Technology and Cyber Security framework, designed to safeguard the management and treatment of information. The adoption and design of security controls is carried out following a control framework that incorporates all activities and technologies (managing servers, storage systems, networks and premises).

UPE is completing a review to satisfy itself that the Information Security and Cyber Security standards in place within both UPE and existing vendors/third parties are appropriate and effective. The results of all assessments are reported to the Board.

UPE has a Board approved Information Security Policy and is in the process of developing an Information Security Management System ("ISMS") conforming to ISO27001.

C. Risk Profile

It is noted that solvency is assessed on a Solvency II Standard Formula at Group level for UHIL and at UPE level.

UHIL, as a holding company, derives the majority of its risk from the life insurance subsidiary, UPE. UHIL had a solvency coverage ratio of 155.30% at year-end 2019.

At 31 December 2019, UPE had a solvency coverage ratio, calculated using the Standard Formula methodology, of 190.23%.

HLI Danube had a SCR coverage ratio of 1460.00% and UI had a SCR coverage ratio of 1459.63% at year-end 2019.

The primary difference between the UHIL and UPE risk profile is driven by the intercompany loan on the UHIL balance sheet, which is the key driver for the difference in Market Risk. This also results in a reduction in Currency Risk SCR and interest rate SCR.

Further information on the SCR breakdown can be seen in section E.2.2. and UPE's key risks are outlined below.

C.1. UNDERWRITING RISK

C.1.1. LIFE UNDERWRITING RISK

Life underwriting risks including health, relate the risk of unfavourable underwriting and expense experience relative to assumptions and expectations resulting in reduced profitability for UHIL.

UHIL's exposure to life underwriting risk is solely through the insurance contracts sold by UPE.

As a life insurance company, UPE is at risk from the uncertainty in the assumptions used in the calculation of its liabilities. Assumptions are necessary for expectations of future claims (life or health claims), lapse rates and expenses among other items.

C.1.2. RISK EXPOSURE AND ASSESSMENT

The Risk Map, outlined in Section B.3.1, outlines the Life and Health risks which UPE is exposed to. The key Life and Health Underwriting Risks UHIL is exposed to include:

- Lapse Risk, defined as the change in liabilities due to changes in the exit rates being different than expected. Exits can happen from either a partial or full surrender of a policy. This also includes the risk of a catastrophic event with a mass lapse of policies resulting;

- Expense Risk, defined as a change in the value of liabilities resulting from changes in the expenses incurred in servicing insurance contracts;
- Mortality Risk, defined as a change in the value of liabilities resulting from mortality rates being higher than expected leading to an increase in the value of insurance liabilities. Mortality Risk also includes Mortality Catastrophe Risk, defined as a change in the value of the liabilities, resulting from extreme or irregular mortality events; and
- Health Risk, defined as the change in the value of liabilities resulting in the level of health claims being higher than expected. It also includes Health Catastrophe Risk defined as the change in the value of liabilities, resulting from extreme or irregular events for the health insurance business.

The SCR amounts are calculated as prescribed by EIOPA.

- For Lapse Risk, the measurement is done via the application of a permanent and a catastrophic stress to the underlying lapse rates.
- Expense Risk is measured through the application of stresses to the amount of expenses and expense inflation that the company expects to incur in the future.
- For the Mortality Risks, the uncertainty in insured population mortality and its impact on the Company is measured by applying permanent and catastrophe stresses to the policyholders' death rates.
- For the Health Risks, the uncertainty in insured population sickness or morbidity and its impact on the company is measured by applying permanent or catastrophic stresses to the policyholders' morbidity incidence and recovery rates.

UHIL's life underwriting risk capital requirement was €138,941k and health risk capital requirement was €8,796k at year end 2019.

UPE's life underwriting risk capital requirement increased by circa €50,546k at year-end 2019 relative to year-end 2018 due primarily to the completion of Project Danube on 31 October 2019.

C.1.3. RISK MANAGEMENT AND MITIGATION

UPE Reinsurance Strategy

UPE has a number of reinsurance objectives which include:

- To provide both balance sheet and income statement protection against material losses and events in accordance with the UPE risk appetite statement;
- To manage volatility in UPE's financial performance;
- To provide support to emerging portfolios in new geographic territories or new product lines, and
- To provide protection against concentrations of risk, particularly on the group risk portfolio.

UPE's reinsurance arrangements are monitored in relation to the limits and strategy as per the Underwriting Policy and Reinsurance Policy and in conjunction with the company's overall business strategy.

There is no further reinsurance in place outside of the reinsurance treaties on the UPE business.

Product Approval Process

The Underwriting Policy outlines the following product preferences for UPE:

- A strong preference towards biometric risks (e.g. death, disability, critical illness),
- A strong preference towards unit-linked products (often viewed as offering to client a good hedge against inflation),
- No preference for products including financial guarantees (e.g. pure traditional savings products),
- No preference for products including longevity options/ guarantees (e.g. life annuities).

UPE has a detailed product design and approval process in place which sets out the framework for product prioritisation, development, approval and management and this process ensures that there are appropriate governance practices over product development.

C.1.4. RISK SENSITIVITY FOR UNDERWRITING RISKS

UPE carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material underwriting risks. The results of this analysis showed that the most material impact on the SCR cover was in the lapse and expense stress which is consistent with lapse and expense risks being key drivers of the overall SCR, and that the impact from the mortality and morbidity stresses was relatively small, consistent with the reinsurance risk mitigation in place.

C.1.5. NON-LIFE UNDERWRITING RISK

This section is not applicable to UHIL.

C.2. MARKET RISK

UHIL's market risk capital requirement is mainly driven by UPE's exposure to market risks from both protection and unit-linked business and in relation to its Shareholder Funds.

The primary difference between the UHIL and UPE market risk is driven by the intercompany loan (GBP denominated) on the UHIL balance sheet. This loan is between UHIL and its parent company Utmost International Group Holdings Ltd ("UIGH"). UHIL has hedged the currency exposure arising from this loan within UPE, so the inclusion of this loan in the UHIL accounts results in a decrease in market risk compared to UPE.

For the protection business there is a general asset position held directly to cover the liabilities. These assets are mainly government, corporate and EU supranational bonds, as well as cash or cash equivalents. A large amount of bonds held by UPE are GBP denominated bonds which give rise to Currency Risk exposure. The loan liability on the UHIL balance sheet as described above offsets this exposure at a UHIL level. UPE is also exposed to interest rate risk and credit spread risk through its sovereign and corporate bond holdings.

In the case of unit-linked business UPE typically invests the premiums collected in financial instruments but does not bear the market risk directly. However, UPE is exposed with respect to its earnings as fees are the main source of profits for UPE from this business line. Adverse developments in the markets directly affects the profitability of UPE as fee income is reduced. The main risks that UPE's unit-linked business is exposed to are equity, currency and credit spread risks.

C.2.1. RISK EXPOSURE AND ASSESSMENT

The key market risks that UPE is exposed to include:

- Equity Risk: a reduction in equity values reduces asset values and hence reduces future fee income.
- Interest Rate Risk: i) where movements in interest rates directly impacts the value of an asset as well as the value of a liability and hence future fee income, and ii) where movements in the interest rate risk of loss resulting from changes in interest rates, including changes in the shape of yield curves.
- Currency Risk: where the movement in exchange rates can reduce the value of an asset and hence reduce future fee income.
- Spread Risk: is defined as the risk of adverse changes in the market value of the assets due to changes in the market value of non-defaulted credit assets. The market value of an asset can decrease because of spreads widening either because the market's assessment of the creditworthiness of the specific obligor decreases, which is typically accompanied by a credit rating downgrade, or because there is a market-wide systemic reduction in the price of credit assets.
- Property Risk: where movements in property values reduce asset values and future fee income.

UHIL's market risk capital requirement was €96,500k at year end 2019.

UPE's market risk capital requirement increased by circa €40,047k at year-end 2019 relative to year-end 2018. The main movements were primarily due to the completion of Project Danube on 31 October 2019.

C.2.2. RISK MANAGEMENT AND MITIGATION

The following Risk Management and mitigation activities are in place for UHIL:

- UHIL is exposed to Currency Risk through its GBP loan from its parent company. This Currency Risk is hedged through GBP government bond exposures in UPE resulting in a lower Currency Risk SCR at UHIL level.

The following Risk Management and mitigation activities are in place for UPE:

- Asset and liability monitoring and reporting
- The assets held by UPE's Shareholder Fund follow a strict investment mandate with asset type and counterparty limits in place.
- Quarterly monitoring and reporting against the investment limits outlined in the RAS.

C.2.3. RISK SENSITIVITY FOR MARKET RISKS

UPE carries out stress and scenario testing as part of the UPE ORSA process which includes stress testing for the material market risks. This analysis indicated that UPE can withstand a severe market risk shock. It is noted that the first UHIL ORSA is scheduled for Q2 2020.

C.3. CREDIT RISK

C.3.1. RISK EXPOSURE AND ASSESSMENT

UHIL is mainly exposed to credit risk through UPE. UPE's counterparty default risk is 98% of UHIL's. Additional counterparty risk arises through cash balances held outside of UPE.

The credit risks that UPE is exposed to include:

- Default Risk: defined as the risk of incurring losses because of the inability of a counterparty to honour its financial obligations. Prescribed stresses are applied to model default risk in the bond portfolio (referred to as Credit Default Risk) and the default risk arising from the default of counterparties in cash deposits, risk mitigation contracts (including reinsurance), and other type of exposures subject to credit risk (referred to as Counterparty Default Risk).

UPE's main exposures to default risk include:

- The exposure that UPE has to the Italian Revenue relating to the Italian Tax Asset. This is a prepayment of policyholder capital gains tax that UPE makes to the Italian Revenue. The Italian Revenue hold it for 5 years when UPE can then reclaim it either from:
    - Deductions from future payments to the Italian Revenue; or
    - Directly from the Italian Revenue.
- The exposure to reinsurance companies defaulting on their obligations.
- UPE's counterparty default exposure from cash deposits.

UHIL's credit risk capital requirement was €41,398k at year end 2019.

C.3.2. RISK MANAGEMENT AND MITIGATION

The UPE Board monitors UPE's solvency position with the Italian Tax Asset both included and excluded from UPE's Own Funds and the SCR. The Board has imposed internal hard and soft solvency ratio limits with the Italian Tax Asset excluded from UPE's Own Funds and SCR. An escalation process is required to be followed in the event of a breach of the hard or soft limits.

C.3.3. RISK SENSITIVITY FOR CREDIT RISKS

UPE carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material credit risks. As part of UPE's capital policy, the solvency coverage ratio is monitored net of the Italian Tax Asset (i.e. impact of a full default of the Italian Revenue).

C.4. LIQUIDITY RISK

Liquidity Risk refers to the risk that UHIL and its subsidiaries will not be able to meet both expected and unexpected cash flow requirements.

Liquidity is actively managed by the UPE insurance company. UPE manages Liquidity Risk to meet its own obligations and cash commitments due to unexpected contingent market situations, through an ongoing monitoring of actual and expected cash flows, and the availability of assets that can be sold easily without loss in the event of need. This activity aims at maintaining a high financial robustness both in the short, medium and long term horizons, which helps to mitigate UPE's Liquidity Risk and is the basis for the evaluation of the adequacy of the adopted measures.

UPE has a Liquidity Risk Policy in place which is reviewed and approved at least annually by the Board. The policy outlines the strategies, principles and processes to identify, assess and manage present and forward-looking Liquidity Risks to which UPE is exposed.

It defines in particular:

- The processes and procedures to be followed to ensure an effective Liquidity Risk mitigation and management;
- The System of Governance in place, including roles and responsibilities; and
- The internal and external reporting requirements.

The CFO is responsible for managing the on-going liquidity requirements of UPE.

C.4.1. RISK EXPOSURE AND ASSESSMENT

Liquidity monitoring is completed by the insurance company rather than at the holding company level. When considering Liquidity Risks, key elements are Wealth Solutions Italian Tax Asset ("ITA") payments and Wealth Accumulation new business commission strain. The Wealth Solutions business does not suffer from new business cash strain. However, the majority of UPE's income is sourced from this business line, and is generated by issuing quarterly fee invoices to the custodians. As a result, prompt fee collection is a key liquidity key performance indicator for UPE.

C.4.2. RISK MANAGEMENT AND MITIGATION

UPE manages Liquidity Risk to meet its own obligations and cash commitments along with unexpected contingent market situations, through the monitoring of actual and expected cash flows, and the availability of assets that can be sold easily without loss in the event of need. This activity is aimed at maintaining a high level of financial robustness both in the short and long term, which helps to mitigate UPE's liquidity risk and is the basis for the evaluation of the adequacy of the adopted measures.

The own fund assets of UPE are predominantly comprised of the ITA asset, investments in the subsidiaries, and a portfolio of AAA, AA, A, BBB rated sovereign, corporate and supranational bonds, investment funds and money market funds.

UPE maintains sufficient liquidity levels with specified limits relating to the minimum amount of shareholder assets invested in short term liquid investments such as deposit accounts or short term bonds.

UPE carries out annual rolling 5-year cash flow projections based on the Strategic Plan targets. These cash flow projections include a number of liquidity stress scenarios.

C.5. OPERATIONAL RISK

C.5.1. RISK EXPOSURE AND ASSESSMENT

Operational Risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. Losses from events such as fraud, litigation, damages to premises, cyber-attacks and failure to comply with regulations are therefore covered in the definition. It also includes financial reporting risk but excludes strategic and reputational risks.

The Operational Risk SCR has increased year-on-year due primarily due to the completion of Project Danube on 31 October 2019.

The prescribed Operational Risk SCR calculation is based on premium and insurance contract expense and technical provisions, as a result UHIL's Operational Risk is equal to UPE's.

Operational Risk is monitored at a UHIL level through the Risk Management Function within UHIL as described in Section B.3.

In line with industry practices, UPE adopts the following Operational Risk classification categories:

- Internal fraud – defined as the losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy, excluding diversity/discrimination events, which involves at least one internal party.
- External fraud – defined as the losses due to acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party.
- Employment Practices and Workplace Safety – defined as the losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/discrimination events.
- Clients, Products and Business Practices – defined as the losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product.
- Damage to Physical Assets – defined as the losses arising from loss or damage to physical assets from natural disaster or other events.
- Business disruption and system failures – defined as the losses arising from disruption of business or system failures.
- Execution, Delivery and Process Management – defined as the losses from failed transaction processing or process management, from relations with trade counterparties and vendors.

Following best industry practices, UHIL's framework for Operational Risk management includes as main activities the risk incident reporting and loss data collection process, risk assessment and scenario analysis.

The risk incident reporting and loss data collection process involves the collection of losses incurred as a result of the occurrence of Operational Risk events and provides a backward-looking view of the historical losses incurred due to Operational Risk events.

The risk assessment and scenario analysis processes provide a forward-looking view on the Operational Risks UPE is exposed to. The Annual Operational Risk and Compliance Assessment provides a high-level evaluation of the forward-looking inherent and residual Operational Risks faced by UHIL. The outcomes of the assessment drive the scenarios assessed as part of the scenario analysis. Scenario analysis is a recurring process which provides a detailed evaluation of the key Operational Risks faced by UPE and their potential impact.

UHIL's Operational Risk capital requirement was €14,879k at year end 2019.

C.5.2. RISK MANAGEMENT AND MITIGATION

All operational activities reside within the insurance company, UPE, and as such UHIL Operational Risks reside primarily within this entity. UPE has identified the following key Operational Risks for the year-ended 31 December 2019:

Exhibit 21 UPE Key Operational Risks

Risk Category	Risk Summary	UPE Mitigating Activities
Outsourcing Risk	The risk that entities providing services to UPE do not perform to the required standards. The risk includes a failure by UPE itself to adequately manage, monitor and oversee those outsourcing arrangements.	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • Outsourcing Management Framework, co-ordinated by the Head of Outsourcing, which includes a process for both the selection of and the ongoing review and monitoring of outsourced service providers' performance. • Annual review and approval of the Outsourcing Policy and Outsourcing Management Process. • Risk assessments (including site visits where required) over all new Outsourced Service Providers. • Quarterly assessments and full annual review over all Outsourced Service Providers. • Management of Outsourced Agreement Repository. • Quarterly reporting to both ExCo and the Risk and Compliance Committee. • Business Continuity Capabilities: Evidence of / Contractual requirement to perform business continuity testing.
Business Continuity and Cyber Risk	The unavailability of staff, IT infrastructures or buildings relates to the risk that a business continuity or disaster recovery event could cause disruption, interruption or loss of products or services and have a material impact on the Company. Cyber Risk is defined as the threat, vulnerabilities and consequences that could arise if logical data is not protected. It can be caused by external attacks to the IT systems in order to steal and manipulate data or make business	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • Board Approved Information Security Policy in place. • Cyber Resilience Programme ongoing to develop an Information Security Management System conforming to ISO27001. • Business continuity and disaster recovery planning and testing. • Independent third party testing of the external defences along with the internal systems and

Risk Category	Risk Summary	UPE Mitigating Activities
	services unavailable. Information technology is fundamental to the operations of the financial services sector and this dependency increases the risks associated with cyber-attacks.	access controls benchmarked against industry best practice.
Regulatory Risk	Risk of non-compliance with existing or future regulations.	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • Regulatory monitoring framework to identify new or changing regulations. • Formal processes and procedures in place for existing regulations. • Legal and Compliance and Product and Technical Services Teams. • Use of external legal providers, as required. • Training to the Board and UPE staff relating to key compliance risks.
Conduct Risk	Conduct Risk is defined (by the CBoI) as 'the risk the firm poses to its customers from its direct interaction with them'. Firms need to ensure that they are putting the customer and the integrity of markets at the heart of their business models and strategies. This includes making strategic cultural changes which promote good conduct, establishing oversight around the design and innovation of products and services; and ensuring they are transparent in their dealings with customers. Failure to meet these requirements could result in regulatory scrutiny and fines, reputational loss and potential loss of revenues. Over recent years there has been an increasing onus on firms to define and manage Conduct Risk explicitly as part of their Risk Management Framework and it is considered to be a central part of a firm's Enterprise Risk Management and Strategy.	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • A Conduct Risk Framework based on EIOPA's guidelines on Product Oversight and Governance arrangements by insurance undertakings and insurance distributors. • An Intermediary Monitoring Programme to oversee the performance and conduct of UPE's agents and brokers. • An Operational Control department to oversee the performance and conduct of UPE's investment partners.

Risk Category	Risk Summary	UPE Mitigating Activities
Policy Administration Risk	Risk of errors or delays in administration of policyholder assets including investment and claims management	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • Formal processes and procedures in place. • Internal Control Framework. • Risk assessments and themed reviews. • Partner and outsourcing framework. • Operational risk incident reporting and escalation process.
External Fraud Risk	Risk of fraud by a third party resulting in a financial loss to UPE. Fraud occurs when an individual deceives another by inducing them to do something or not do something that results in a financial loss. The fraud can be committed either online, in person on via correspondence.	UPE has the following controls/processes in place to reduce the inherent risk to within tolerance: • Anti-Fraud Policy in place. • Anti-Fraud training provided to all staff in 2019. • Code of conduct, whistleblowing and ethics training provided to staff in 2019. • Suspicious transaction reporting training provided to relevant staff. • Fraud reporting process in place. • Fraud risk and control assessment completed in 2019.

C.6. OTHER MATERIAL RISKS

C.6.1. RISK CONCENTRATION

Concentration Risk is a concentration of risk exposures within particular areas (such as intermediaries, counterparties, clients and territories) which might give rise to a potential loss which could threaten the solvency or the liquidity position of the company, thus substantially impacting the company's risk profile. UPE seeks to limit Concentration Risk by assigning concentration limits to counterparties, sectors and industries where appropriate.

UHIL's material risk concentrations are as follows:

- Italian Tax Asset – a material proportion of UPE's Own Funds are comprised of the Italian Tax Asset.
- Reinsurance Counterparties – UPE reinsurance counterparties are concentrated in a small number of reinsurers.
- Her Majesty's UK Government – UPE invests in a significant number of UK government bonds.

UPE mitigates the risk of the Concentration Risk of the Italian Tax Asset by monitoring UPE's solvency position including and excluding the Italian Tax Asset.

The UPE Board has imposed internal hard and soft solvency ratio limits with the Italian Tax Asset excluded from UPE's Own Funds. An escalation process is required to be followed in the event of a breach of the hard or soft limits.

UPE mitigates the concentration risk from reinsurers by implementing and monitoring exposures against Board approved concentration limits. UPE's exposure against these limits is reported to the Risk and Compliance Committee on a quarterly basis.

The UK government bonds held by UPE are highly rated, liquid bonds. The credit risk associated with them under the SCR calculation is zero. These bonds are held to hedge the GBP liability exposure on the UHIL balance sheet.

C.6.2. REPUTATIONAL RISK

UPE defines Reputational Risk as the possibility of a potential decrease in UPE's value or worsening of its risk profile, due to a reputational deterioration or to a negative perception of UPE's image among its stakeholders. In particular, Reputational Risk is managed mainly as a second level risk originated from a first level risk (as for example an operational or a financial risk).

C.6.3. EMERGING RISKS

Emerging Risks arising from new trends or risks difficult to perceive and quantify, although typically systemic. These usually include changes to the internal or external environment, social trends, regulatory developments, technological achievements, etc. UPE mitigates these risks through investigation and monitoring of management actions. Emerging Risks can be described as follows:

- Perceived as potentially significant, but not fully understood;
- Their impacts not clearly defined in monetary terms;
- Inefficiency of conventional approaches in projecting their relative frequencies and distributions;
- Difficulties establishing nexus between the emerging risk's source and its consequences;
- Typically, outside the company's range of control; and
- Systemic such as climate change and ageing population.

Emerging Risks are considered, assessed and reported by using a 'PESTLE' analysis. PESTLE stands for political, economic, social, technological, legal and environmental, and by using this method, the company assesses potential emerging risks across six key macro and micro economic themes. UPE reviews the Emerging Risk Register on a quarterly basis and reports to the Risk and Compliance Committee.

C.6.4. STRATEGIC RISK

Strategic Risk is defined as the possible source of loss that might arise from the pursuit of an unsuccessful business plan.

For example, Strategic Risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.

UPE ExCo and Board are involved in the strategic planning process of UPE, starting from the target setting phase through to the monitoring of processes. UPE has a number of specific strategic risk preferences and these are actively monitored through the RAS.

The UHIL Board is involved in the strategic planning process of UHIL, starting from the target setting phase through to the monitoring of processes.

C.6.5. CONTAGION RISK

UHIL defines Contagion Risk to be the probability that significant economic changes in one country will spread to other countries. Contagion can refer to the spread of either economic booms or economic crises throughout a geographic region. This risk is mitigated through the diversification of UHIL's business operations and products.

C.7. ANY OTHER INFORMATION

In June 2019 rating agency Fitch Ratings assigned UPE with an Insurer Financial Strength (IFS) Rating of "A" with a Stable Outlook. On 30 April 2020 Fitch Ratings affirmed the IFS rating of UPE at 'A' (Strong) with a Stable Outlook. The rating affirmation is based on Fitch's current assessment of the impact of the coronavirus pandemic.

C.7.1. EXPECTED PROFIT INCLUDED IN FUTURE PREMIUMS

The total expected profits for UPE included in future premiums is €11,722k at 31 December 2019, compared with €12,105k at 31 December 2018.

D. Valuation for Solvency Purposes

D.1. ASSETS

D.1.1. VALUATION OF ASSETS FOR SOLVENCY II BALANCE SHEET

The following paragraphs describe the value of assets for solvency and financial statements purposes, along with the valuation criteria and the common methodology used for the determination of fair value of assets and liabilities. The following sections are covered in the report below:

- Valuation of assets – explanation of differences between the financial statements and Solvency II balance sheet.
- Fair value hierarchy – explanation of methods used to classify assets into three levels, based on the inputs used in valuation techniques to increase consistency and comparability of fair value measurements.
- Guidance on fair value measurement approach – UHIL reviews its financial investments and classifies them in accordance with IFRS 13 'Fair Value Measurement'. The same approach is taken for investments held on behalf of life assurance policyholders who bear the Investment Risk.
- Valuation techniques – the methods used to maximise the use of observable inputs.

Exhibit 22a UHIL Solvency II Assets Valuation

	31 December 2018 €'000	31 December 2019 €'000
Solvency II Valuation	16,746,498	18,592,497
Statutory Accounts Valuation	16,928,491	18,764,182
Difference	**(181,993)**	**(171,684)**

UHIL's assets increased due to organic growth of the business during the year.

Exhibit 22b UPE Solvency II Assets Valuation

	31 December 2018 €'000	31 December 2019 €'000
Solvency II Valuation	10,884,814	18,299,563
Statutory Accounts Valuation	10,951,017	18,391,282
Difference	**(66,203)**	**(91,720)**

UPE's assets increased significantly in 2019 primarily due to the completion of Project Danube on 31 October 2019.

Valuation of Assets

The UPE and UHIL financial statements have been prepared in accordance with IFRS as adopted by the EU and applicable to companies reporting under IFRS at 31 December 2019.

Certain assets are excluded or measured at fair value to comply with Solvency II principles. In particular, the exceptions and non-applicable items for UHIL are summarised in below.

Exhibit 23a UHIL Asset Exceptions under Solvency II

Valuation of Assets	Solvency II	Statutory Accounts	Difference
31 December 2019	**€'000**	**€'000**	**€'000**
Deferred tax assets	30,989	6,296	24,692
Deferred acquisition costs	-	22,679	(22,679)
Fixed assets	11,235	11,235	-
Intangible assets	-	173,740	(173,740)
Investments (other than assets held for index-linked and unit-linked funds)	214,805	213,644	1,161
Assets held for index-linked and unit-linked funds	17,509,151	17,509,151	-
Ceded reinsurance reserves	583,106	584,226	(1,119)
Receivables	51,325	51,325	-
Cash and cash equivalents	47,147	47,147	-
Withholding tax asset	144,739	144,739	-
Total Assets	**18,592,497**	**18,764,182**	**(171,685)**

Certain assets are excluded or measured at fair value to comply with Solvency II principles. In particular, the exceptions and non-applicable items for UPE are summarised in below.

Exhibit 23b UPE Asset Exceptions under Solvency II

Valuation of Assets	Solvency II	Statutory Accounts	Difference
31 December 2019	**€'000**	**€'000**	**€'000**
Deferred tax assets	19,432	6,163	13,269
Deferred acquisition costs	-	66,330	(66,330)
Fixed assets	109	109	-
Intangible assets	-	38,507	(38,507)
Investments (other than assets held for index-linked and unit-linked funds)	221,330	220,361	968
Assets held for index-linked and unit-linked funds	17,249,557	17,249,557	-

Ceded reinsurance reserves	583,106	584,226	(1,119)
Receivables	50,410	50,410	-
Cash and cash equivalents	30,879	30,879	-
Withholding tax asset	144,739	144,739	-
Total Assets	**18,299,563**	**18,391,282**	**(91,720)**

The primary objective for valuation as set out in Article 75 of L1 - Dir (EIOPA guidelines) requires an economic, market-consistent approach to the valuation of assets and liabilities. According to the approach for Solvency II, when valuing balance sheet items on an economic basis, undertakings need to consider the risks that arise from a particular balance sheet item, using assumptions that market participants would use in valuing the asset or the liability.

Assets should be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

This valuation section describes the value of assets for Solvency II purposes and for financial statements, valuation criteria and the methodology used by UHIL for the determination of fair value of assets and liabilities.

The following analysis is included for UHIL:

Deferred Tax Asset

Deferred taxation is provided in the financial statements on timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the statement of financial position date. Deferred tax is not discounted.

In the Solvency II balance sheet, deferred tax assets and liabilities arise because there are differences between the value ascribed to an asset or a liability for tax purposes, and its value in accordance to the Solvency II principles.

A deferred tax asset ("DTA") should be recognised in the following cases:

- The Solvency II balance sheet value of an asset is lower than the related carrying value for tax purposes; or
- The Solvency II balance sheet value of a liability is higher than the related carrying value for tax purposes.

A DTA is a tax credit which should be recovered in the future because of an expected loss (decrease of the net asset value). The adjustments that gave rise to a deferred tax asset are set out in the table below. As a result, the DTA for Solvency II increased by €24,692k.

Exhibit 24 UHIL Solvency II Balance Sheet Adjustments and Deferred Tax Asset Impact

Solvency II Balance Sheet Adjustments	Adj to Balance Sheet	Deferred Tax Asset Impact
31 December 2019	**€'000**	**€'000**
Elimination of deferred acquisition costs	(22,679)	2,835
Elimination of intangible assets	(173,740)	21,718
Reinsurers share of technical provisions	(1,119)	140
Total	**(197,538)**	**24,692**

Deferred Acquisition Costs ("DAC")

Commission costs incurred in the acquisition of new business are deferred as an explicit DAC asset. This asset is amortised against future revenue margins on the related policies. The DAC asset is reviewed for recoverability at the end of each accounting period against future revenue margins expected to arise from the related policies. They are the part of acquisition costs allocated to future reporting periods. DAC is recognised under IFRS but is disallowed for Solvency II asset valuation purposes. As a result, the DAC asset for Solvency II decreased by €22,679k.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the original cost of these assets over their estimated useful lives in equal instalments at the following rates:

Exhibit 25 Fixed Assets

Asset Category	Rate of Depreciation	Basis of Depreciation
Fixtures and Fittings	20%	Straight Line
Computer Equipment	50%	Straight Line

There is no valuation difference under Solvency II and the financial statements.

Intangible Assets

Intangible assets of €173,740k represents the acquired value of in-force business ("AVIF") on the acquisition of UPE and the Athora book of business. Key assumptions include future lapse, renewal and expense assumptions. The AVIF is amortised in line with the projected run-off of the Solvency II best estimate liabilities. The AVIF is reviewed for impairments at each reporting date by reference to the value of future profits in accordance with Solvency II principles. Intangible assets are valued at nil under Solvency II, which resulted in an assets decrease of €173,740k.

Investments including assets held for index-linked and unit-linked funds

In the statutory financial statements UHIL has classified its financial assets into the following categories:

- Assets held at fair value through profit or loss

Financial assets held to back investment contracts and one of UPE's solvency portfolios have been designated upon initial recognition as at fair value through profit or loss and are carried at fair value. The basis of this designation is that financial assets and liabilities in connection with investment contracts are managed and evaluated together on a fair value basis. This designation eliminates or significantly reduces a measurement inconsistency that would otherwise occur if these financial assets were not measured at fair value and the changes in fair value were not recognised in the statement of comprehensive income account. There is no valuation difference under Solvency II and the financial statements.

- Amortised cost investments

UPE holds a solvency portfolio which consists of relatively long dated bonds (or fixed income securities) which are held for asset-liability matching purposes. UPE has classified these as amortised cost investments and has the positive intention and ability to hold them to maturity. After initial measurement, these investments are measured at amortised cost using the effective interest rate method, less impairment. The amortisation, and any impairment, is included as investment income. In the Solvency II balance sheet these assets are revalued on a fair value basis. As a result, on a fair value basis the valuation for Solvency II increased by €1,161k.

- Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value are recognised immediately in the statement of comprehensive income account. Fair values are obtained from the quoted market prices in active markets. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Listed investments are valued at current mid-price on the statement of financial position date. Unlisted investments for which a market exists are also stated at the current mid-price on the statement of financial position date or the last trading day before that date.

The value of other unlisted investments, for which no active market exists, are established at directors' best estimate of fair value, based on third party information or valuations provided by counterparties, or valued at cost and reviewed for impairment at the statement of financial position date. There is no valuation difference under Solvency II and the statutory financial statements.

Ceded reinsurance reserves

This amount represents the reinsurers' share of technical reserves. The ceded reinsurance reserves for Solvency II decreased by €1,119k. Please refer to section D.1 for detailed narrative on the valuation of technical liabilities.

Receivables

Receivables represent amounts owing to UPE. Receivables are held at initial book value in UHIL's financial statements and are recoverable within one year. There is no valuation difference under Solvency II and the statutory financial statements.

Cash and cash equivalents

Cash is a liquid asset and comprises cash holdings in current accounts. Balances are held at initial book value in UHIL's financial statements. There is no valuation difference under Solvency II and the statutory financial statements.

Italian Tax Asset

UPE, as an Italian Tax Agent is required to make an annual tax prepayment to the Italian Tax Authorities of 0.45% of the Italian assets under administration at 31 December. Contributions to the Italian Revenue are recognised as a tax prepayment asset. There is no valuation difference under Solvency II and the statutory financial statements.

Fair Value Hierarchy

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

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or the liability, either directly or indirectly.

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Guidance on Fair Value Measurement Approach

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

A fair value measurement requires an entity to determine all of the following:

- The particular asset or liability that is the subject of the measurement (consistently with its unit of account);
- For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use);
- The principal (or most advantageous) market for the asset or for the liability; and
- The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or the liability and the level of the fair value hierarchy within which the inputs are categorised.

IFRS 13 provides further guidance on the measurement of fair value, including the following:

- An entity takes into account the characteristics of the asset or the liability being measured that a market participant would take into account when pricing the asset or the liability at measurement date (e.g. the condition and location of the asset and any restrictions on the sale and use of the asset);
- Fair value measurement assumes an orderly transaction between market participants at the measurement date under current market conditions;
- Fair value measurement assumes a transaction taking place in the principal market for the asset or the liability, or in the absence of a principal market, the most advantageous market for the asset or the liability;

- A fair value measurement of a non-financial asset takes into account its highest and best use;
- A fair value measurement of a financial or non-financial liability or an entity's own equity instruments assumes it is transferred to a market participant at the measurement date, without settlement, extinguishment, or cancellation at the measurement date;
- The fair value of a liability reflects non-performance risk (the risk the entity will not fulfil an obligation), including an entity's own credit risk and assuming the same non-performance risk before and after the transfer of the liability; and
- An optional exception applies for certain financial assets with offsetting positions in market risks or counterparty credit risk, provided conditions are met (additional disclosure is required).

Valuation Techniques

An entity uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell the asset would take place between market participants and the measurement date under current market conditions. Three used valuation techniques are:

- Market approach – uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets/liabilities or a group of assets/liabilities (e.g. a business).
- Cost approach – reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost).
- Income approach – converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts.

In some cases, a single valuation technique will be appropriate, whereas in other cases multiple valuation techniques will be appropriate.

Further information on UPE’s assets is included in S.02.01.02 in Section F.

D.2. TECHNICAL PROVISIONS

The Life Technical Provisions as at 31 December 2019 have been assessed adopting methodology and techniques which are compliant with the Solvency II framework and are proportionate to the nature, scale and complexity of the business in question.

Life Technical Provisions results as at 31 December 2019 are set out in the table below. The table below shows that UPE accounts for 98.5% of UHIL technical provisions.

Exhibit 26a UHIL Main Technical Provisions Results

Entity	31 December 2018 €'000	31 December 2019 €'000
Best Estimate of Liabilities	16,121,167	17,929,415
Risk Margin	86,288	86,275
Gross Technical Provisions	**16,207,456**	**18,015,690**
Reinsurance Recoverable	(491,997)	(583,106)
Net Technical Provisions	**15,715,458**	**17,432,583**

UHIL's technical provisions increased in line with projected growth over 2019.

Exhibit 26b UPE Main Technical Provisions Results

Entity	31 December 2018 €'000	31 December 2019 €'000
Best Estimate of Liabilities	10,336,473	17,664,546
Risk Margin	58,806	86,275
Gross Technical Provisions	**10,395,279**	**17,750,820**
Reinsurance Recoverable	(64,317)	(583,106)
Net Technical Provisions	**10,330,962**	**17,167,714**

UPE's technical provisions increased proportionately during 2019 primarily due to the completion of Project Danube on 31 October 2019.

The difference between IFRS reserves and SII technical provisions is due to the methodological differences between the two valuations. The valuation of the IFRS reserves is based on technical provisions calculated in accordance with local accounting principles. The Solvency II valuation, instead, is based on the projection of future cash flows performed using best estimate assumptions, and discounting using the current interest rate term structure. Moreover, under the Solvency II framework, the valuation of technical provisions includes the risk margin which is not included in the valuation of IFRS reserves

The main factors that have an impact on the technical provisions are set out below:

- The Best Estimate assumptions;
- The application of contract boundaries; and
- Projected SCRs: The risk margin is a constituent part of the total technical provisions. As the risk margin is based on projected SCRs the method and assumptions used in projecting these SCRs can have a sizeable impact on the resulting risk margin.

In calculating the technical provisions, UPE has made material judgments in relation to:

- The choice of what are deemed to be best estimate assumptions;

- The use of certainty equivalent deterministic calculations;
- The choice of method used in calculating the risk margin; and
- The application of contract boundaries.

Best Estimate of Liabilities

The BEL is defined as the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the relevant risk-free interest rate term structure.

The projected future cash flows typically include:

- Regular premium receipts (subject to contract boundaries);
- Claims payments with an allowance for any early discontinuance charges;
- Expenses;
- Commissions;
- External fund charges;
- Costs associated with the Italian Tax Asset; and
- Profit share payments.

These cash flows are then discounted using the relevant risk-free rates provided by EIOPA to obtain the gross BEL.

Reinsurance Recoverable

Reinsurance recoverable is defined as the present value of the future cash flows arising from the reinsurance contractual agreements.

Risk Margin

In addition to the best estimate liabilities, Solvency II technical provisions include a risk margin to cover the cost of capital held each year in respect of non-hedgeable risks.

Description of the Level of Uncertainty of Life Technical Provisions Valuation

The key sources of uncertainty for the company are expenses, lapses and potential costs arising out of litigation. It is noted that no significant simplified methods were used to calculate technical provisions, including those used for calculating the risk margin.

UHIL and UPE does not apply a volatility adjustment, as referred to in Article 77d of Directive 2009/138/EC.

No Basic Own Fund items have been subject to transitional arrangements.
Further information on the technical provisions is included in S.02.01.02 in Section F.

D.3. OTHER LIABILITIES

D.3.1. VALUATION OF LIABILITIES FOR SOLVENCY II BALANCE SHEET

The following paragraphs describe the valuation criteria and the common methodology used by UPE for the determination of fair value of other liabilities.

Valuation of Liabilities

In the Solvency II environment, fair value should be generally determined in accordance with IFRS. Certain liabilities are excluded or fair valued to comply with Solvency II principles. In particular, the exceptions and non-applicable items for UHIL are as follows.

- Technical liabilities;
- Deferred taxes;
- Financial liabilities;
- Deferred income liability;
- Other liabilities; and
- Contingent liabilities (not applicable for UPE).

Exhibit 27a UHIL Solvency II Liabilities Valuation

	31 December 2018 €'000	31 December 2019 €'000
Solvency II Valuation	16,496,440	18,300,569
Statutory Accounts Valuation	16,666,552	18,514,012
Difference	**(170,112)**	**(213,443)**

UHIL's liabilities UHIL's liabilities increased in line with projected growth over 2019.

Exhibit 27b UPE Solvency II Liabilities Valuation

	31 December 2018 €'000	31 December 2019 €'000
Solvency II Valuation	10,546,218	17,893,981
Statutory Accounts Valuation	10,749,583	18,175,770
Difference	**(203,365)**	**(281,789)**

UPE's liabilities increased significantly in 2019 primarily due to the completion of Project Danube on 31 October 2019.

Exhibit 28a UHIL Value of Liabilities

Values of Liabilities 31 December 2019	Solvency II Value	Statutory Accounts Value	Difference
	€'000	€'000	€'000
Technical liabilities - life (including index-linked and unit-linked)	18,015,690	18,222,999	(207,309)
Deferred tax liabilities	47,562	16,904	30,658
Financial liability - group loan	118,615	118,615	-
Financial liability - Bank Overdraft	154	154	-
Deferred income liability	-	36,792	(36,792)
Other liabilities	94,926	94,926	-
Subordinated liability	23,623	23,623	-
Total Liabilities	**18,300,569**	**18,514,012**	**(213,443)**

Exhibit 28b UPE Value of Liabilities

Values of Liabilities 31 December 2019	Solvency II Value	Statutory Accounts Value	Difference
	€'000	€'000	€'000
Technical liabilities - life (including index-linked and unit-linked)	17,750,820	17,958,333	(207,513)
Deferred tax liabilities	40,421	-	40,421
Financial liability - group loan	-	-	-
Financial liability – derivatives	-	-	-
Financial liability - Bank Overdraft	154	154	-
Deferred income liability	-	114,697	(114,697)
Other liabilities	78,963	78,963	-
Subordinated liability	23,623	23,623	-
Total Liabilities	**17,893,981**	**18,175,770**	**(281,789)**

The valuation section describes the value of liabilities for solvency purposes and for financial statements, valuation criteria and the common methodology used by UHIL for the determination of fair value of assets and liabilities.

The following analysis is included for UHIL:

Technical Liabilities

The technical liabilities comprise the technical provisions for life assurance policies where the investment risk is borne by the policyholders, the provision for claims, the life assurance provision and the provision for unearned premiums.

Under Solvency II, technical provisions comprise the BEL and risk margin. The BEL recognises the cash flow required to meet policyholder liabilities, while the risk margin represents a prudent margin for unavoidable uncertainty. The technical provisions liability for Solvency II decreased by €207,513k.

Please refer to section D2 for detailed narrative on the valuation of technical provisions.

Deferred Tax Liability

In the Solvency II balance sheet, deferred tax assets and liabilities arise because there are differences between the value ascribed to an asset or a liability for tax purposes, and its value in accordance to the Solvency II principles.

Therefore, a deferred tax liability ("DTL") should be recognised in the following cases:

- The Solvency II Balance Sheet value of an asset is higher than the related carrying value for tax purposes; or
- The Solvency II Balance Sheet value of a liability is lower than the related carrying value for tax purposes.

A DTL is the recognition of a tax debt to be paid at a later date because of a future profit which is already anticipated in the economic balance sheet. This profit (i.e. the difference between the market value and the book value) leads to an increase of the net asset value. A DTL will be recognised for unrealised taxable gains such as an increase of a financial asset value, or a decrease of the value of Technical Provisions when shifting from book value to market value. The adjustments that gave rise to a DTL are set below. The DTL for Solvency II increased by €30,658k at year-end 2019.

Exhibit 29 UHIL Solvency II Balance Sheet Adjustments and Deferred Tax Liability Impact

Solvency II Balance Sheet Adjustments 31 December 2019	Adjustment to Balance Sheet	Deferred Tax Liability Impact
	€'000	€'000
Investments – FV of HTM Bonds	1,161	(145)
Technical Provisions	207,513	(25,914)
Elimination of Deferred Income Liability	36,792	(4,599)
Total	**245,466**	**(30,658)**

Financial Liabilities

In 2018 UPE issued a GBP 20,000k loan to another group company, Utmost Limited. The balance outstanding at 31 December 2019 amounted to €23,623k. There is no valuation difference between the Solvency II and the statutory financial statements. Note that the GBP 20,000k Loan Note issued by UPE to Utmost Limited was established as a Tier 2 Capital instrument. There is a UPE liability for this on the Solvency II Balance sheet of €23,623k declared as a Subordinated Liability in Basic Own Funds.

Deferred Income Liability

A portion of the unit-linked front-end fees received at the inception of a contract and anticipated future margins such as actuarial funding is deferred and presented as a deferred income liability ("DIL"), gross of tax, in the financial statements. The liability is amortised over the expected term of the contract. DIL is recognised under IFRS but is disallowed under Solvency II.

Other Liabilities

Other liabilities represent amounts owing by UPE. Other liabilities are held at initial book value in UHIL's financial statements. There is no valuation difference between the Solvency II and the statutory financial statements

Contingent Liabilities

UPE does not have any contingent liabilities.

Fair Value Measurement Approach

The fair value measurement approach for other liabilities is outlined above.

Further information on UPE's liabilities is included in S.02.01.02 in Section F.

D.4. ALTERNATIVE METHODS FOR VALUATION

UHIL and UPE does not use any alternative methods for valuation.

D.5. ANY OTHER INFORMATION

No other information noted.

E. Capital Management

E.1. OWN FUNDS

According to the Article 87 of the Directive 2009/138/EC (hereinafter 'Directive' or 'L1 – Dir"), Own Funds comprise the sum of Basic Own Funds, referred to in Article 88 and Ancillary Own Funds referred to in Article 89.

E.1.1. CAPITAL MANAGEMENT POLICIES

UPE has a Capital Management policy in place which is approved on an annual basis by the Board and includes the following:

- A description of the procedure to ensure that own fund items, both at the time of issue and subsequently, meet the requirements of the applicable capital and distribution regime and are classified correctly as the applicable regime requires;
- A description of the procedure to monitor the issuance of Own Fund items according to the medium-term capital management plan;
- A description of the procedure to ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the criteria of the applicable capital regime; and
- A description of the procedures to:
  - ensure that any policy or statement in respect of ordinary share dividends is taken into account in consideration of the capital position; and
  - identify and document instances in which distributions on an own funds item are expected to be deferred or cancelled.

In addition to the Capital Management policy, UPE prepares a Capital Management Plan which is approved by the Board on an annual basis. The purpose of the Capital Management Plan is to outline the capital requirements of UPE.

Planning and managing own funds are a core part of the strategic planning process.

Basic Own Funds

According to Article 88 of L1-Dir, Basic Own Funds is defined as the sum of the excess of assets over liabilities (reduced by the amount of own shares held by the insurance or reinsurance undertaking) and subordinated liabilities.

The components of the excess of assets over liabilities are valued in accordance with Article 75 and Section 2 of the Directive, which states that all assets and liabilities must be measured on market consistent principles.

Basic Own Fund items shall be classified into three tiers, depending on the extent to which they possess specific characteristics. Article 69 of Delegated Acts issued at October 2014 (hereinafter 'L2 – DA' or 'DA"), outlines Tier 1 capital, with Article 72 and Article 76 covering Tier 2 and Tier 3 capital respectively.

UHIL's Basic Own Funds includes ordinary share capital, capital contributions and reconciliation reserve. UHIL holds mainly Tier 1 Capital, with a small element of Tier 2 Capital.

Exhibit 30a UHIL Total Eligible Own Funds to meet the SCR

	31 December 2018	31 December 2019
	€'000	€'000
Tier 1 Unrestricted	250,058	291,929
Tier 1 Restricted	-	-
Tier 2	22,261	23,623
Tier 3	-	-
Total	**272,319**	**315,551**

Tier 1 Basic Own Funds

Basic Own Fund items are classified into three tiers, depending on the extent to which they possess specific characteristics. Details on the composition of UHIL's Own Funds assets are outlined above.

UPE's Basic Own Funds includes ordinary share capital, capital contributions and reconciliation reserve. UPE holds mainly Tier 1 Capital, with a small element of Tier 2 Capital.

Exhibit 30b UPE Total Eligible Own Funds to meet the SCR

	31 December 2018	31 December 2019
	€'000	€'000
Tier 1 Unrestricted	338,597	390,581
Tier 1 Restricted	-	-
Tier 2	22,261	23,623
Tier 3	-	-
Total	**360,858**	**414,204**

Basic Own Fund items are classified into three tiers, depending on the extent to which they possess specific characteristics. Generally, assets which are free from any foreseeable liabilities are available to absorb losses due to adverse business fluctuations on a going-concern basis or in the case of winding-up. UPE's excess of assets over liabilities, is valued in accordance with the principles set out in L1 - Dir, and treated as Tier 1. Details on the composition of UPE's Own Funds assets are outlined above.

UHIL Ordinary Share Capital:

Exhibit 31a UHIL Ordinary Share Capital 31 December 2019

	2019 €'000
Authorised:	
300,000,000 (2018: 300,0000,000) Ordinary Shares of €1.00 each	300,000
Total	**300,000**
Allotted, Called Up and Fully Paid:	
187,850,001 (2018: 174,850,001) Ordinary Shares of €1.00 each	187,850
Total	**187,850**

UPE Ordinary Share Capital:

On 18 September 2019, the Board passed a number of ordinary and special resolutions which effected changes to the authorised and issued share capital.

These changes are as follows:

Exhibit 31b UPE Ordinary Share Capital 31 December 2019

	2019 €'000
Authorised:	
350,000,000 Ordinary Shares of €1.00 each	350,000
400,000,000 Non-Voting Redeemable Preference Shares of €1.00 each	400,000
Total	**750,000**
Issued and Fully Paid:	
91,134,868 Ordinary Shares of €1.00 each	91,135
0 Non-Voting B Ordinary shares at €1.00 each	-
Total	**91,135**

Exhibit 32 Ordinary Share Capital 31 December 2018

	2018 €'000
Authorised:	
6,000,000 Ordinary Shares of €1.269666 each	7,618
300,000,000 Non-Voting B Ordinary Shares of €1.00 each	300,000
400,000,000 Non-Voting Redeemable Preference Shares of €1.00 each	400,000
Total	**707,618**
Issued and Fully Paid:	
500,000 Ordinary Shares of €1.269738 each	635
60,500,000 Non-Voting B Ordinary Shares of €1.00 each	60,500
Total	**61,135**

Capital Contribution:

Capital contributions arise when funds are provided to a company by way of a non-refundable and unconditional gift. Non-refundable capital contributions for UPE amounted to €93,971k, none noted for UHIL.

Reconciliation Reserve:

The excess of assets over liabilities are divided into amounts that correspond to capital items in the financial statements and a reconciliation reserve. The reconciliation reserve may be positive or negative. For UPE, the reconciliation reserve is made up of the revenue reserves as per the financial statements and adjustments to assets and liabilities for Solvency II purposes, as outlined in sections D1 and D3.

Tier 2 Basic Own Funds

During 2018, UPE issued a loan note for GBP 20,000k to Utmost Limited. This loan was established as a Tier 2 capital instrument and is included on the Solvency II balance sheet at €23,623k. In addition, this is declared as a Subordinated Liability in Basic Own Funds in Section D.3.1.

Tier 3 Basic Own Funds

This does not apply to UPE or UHIL.

Reconciliation between Equity in the Financial Statements and Basic Own Funds - UHIL

Basic Own Funds is valued at €291,929k, while the shareholders' equity per the statutory accounts is €250,170k. The table below reconciles the movement from shareholders' equity to Basic Own Funds.

Exhibit 33a UHIL Reconciliation to Shareholders' Equity

Reconciliation of Shareholders Equity to Basic Own Funds	31 December 2019 €'000
Shareholder Equity - Called up share capital	187,850
Shareholder Equity - Retained Earnings	62,320
Total Shareholder Equity	**250,170**
Elimination for Deferred Acquisition Costs & Deferred Income Liability	14,113
Elimination of Intangible Assets	(173,740)
SII Valuation of Technical Provisions	206,190
SII Valuation of Investments	1,161
Deferred Taxes	(5,966)
Excess of Assets over Liabilities	**291,929**
Subordinated liabilities	23,623
Total Eligible Own Funds	**315,551**

Reconciliation between Equity in the Financial Statements and Basic Own Funds - UPE

Basic Own Funds is valued at €390,581k, while the shareholders' equity per the statutory accounts is €215,512k. The table below reconciles the movement from shareholders' equity to Basic Own Funds.

Exhibit 33b UPE Reconciliation to Shareholders' Equity

Reconciliation of Shareholders Equity to Basic Own Funds	31 December 2019 €'000
Shareholder Equity - Called up share capital	91,135
Shareholder Equity - Non-refundable capital contribution	93,971
Shareholder Equity - Retained Earnings	30,406
Total Shareholder Equity	**215,512**
Elimination for Deferred Acquisition Costs & Deferred Income Liability	48,367
Elimination of Intangible Assets	(38,507)
SII Valuation of Technical Provisions	206,394
SII Valuation of Financial Liabilities	-
SII Valuation of Investments	968
SII Valuation of Withholding Tax Asset	-
Deferred Taxes	(27,153)
Foreseeable Dividends	(15,000)
Excess of Assets over Liabilities – Net of Dividend	**390,581**
Subordinated liabilities	23,623
Total Eligible Own Funds	**414,204**

Own Funds increased by €53,346k in 2019 primarily due to the completion of Project Danube on 31 October 2019, strong investment returns in the first half of the year improving the expected income from in-force policies, and changes to the expense assumptions related to the introduction of the new MSA and new assumptions for UPE direct expenses. This has been partially offset by assumed dividends paid and accrued.

Deduction from Own Funds

The deduction rule from Own Funds does not apply to UHIL.

Ancillary Own Funds

Ancillary Own Funds do not apply to UHIL.

E.1.2. ELIGIBLE OWN FUNDS

Exhibit 34a UHIL Own Funds Assets

31 December 2019	Total €'000	Tier 1 Unrestricted €'000	Tier 1 Restricted €'000	Tier 2 €'000	Tier 3 €'000
Total Eligible Own Funds to Meet the MCR	311,278	291,929	-	19,349	-
Total Eligible Own Funds to Meet the SCR	315,551	291,929	-	23,623	-

UHIL maintains an efficient capital structure to meet its regulatory requirements. UHIL is required to hold sufficient capital to cover the SCR. The SCR at 31 December 2019 was €203,189k. UHIL's Own Funds at that date were €315,551k. This represents a solvency ratio of 155.30%.

Most of UHIL's Own Funds are classified as Tier 1, with €23,623kk classified as Tier 2. All of the Own Funds are eligible to cover the SCR, but there is a restriction on eligible own funds to cover the MCR.

Exhibit 34b UPE Own Funds Assets

31 December 2019	Total €'000	Tier 1 Unrestricted €'000	Tier 1 Restricted €'000	Tier 2 €'000	Tier 3 €'000
Total Eligible Own Funds to Meet the MCR	409,930	390,581	-	19,349	-
Total Eligible Own Funds to Meet the SCR	414,204	390,581	-	23,623	-

UPE maintains an efficient capital structure to meet its regulatory requirements. UPE is required to hold sufficient capital to cover the SCR. The SCR at 31 December 2019 was €217,733k. UPE's Own Funds at that date were €414,204k. This represents a solvency ratio of 190.23%.

Most of UPE's Own Funds are classified as Tier 1, with €23,623k classified as Tier 2. All of the Own Funds are eligible to cover the SCR, but there is a restriction on eligible Own Funds to cover the MCR.

E.1.3. ELIGIBLE OF OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT

All of UHIL's Own Funds are classified as Tier 1 or Tier 2 and are eligible to meet the SCR.

E.1.4. ELIGIBLE OF OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT

All of UHIL's Own Funds Tier 1 capital is eligible to meet the MCR, but the Tier 2 Capital is restricted as a result of EIOPA guidelines. Further information on the Own Funds is included in S.23.01.01 in Section F.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E.2.1. SCR AND MCR VALUES

The UHIL SCR at year-end 2019 was €203,189k. The MCR at year-end 2019 was €91,435k. The calculations of the capital follow EIOPA's Standard Formula regime. The Directive 2009/138/EC and the Delegated Regulation (EU) 2015/35 describe the process to be followed by companies applying the Standard Formula approach, defined by EIOPA.

The UPE SCR at year-end 2019 was €217,733k. The MCR at year-end 2019 was €97,980k. The calculations of the capital follow EIOPA's Standard Formula regime. The Directive 2009/138/EC and the Delegated Regulation (EU) 2015/35 describe the process to be followed by companies applying the Standard Formula approach, defined by EIOPA.

The MCR is taken as a percentage of the SCR for both UHIL and UPE, where the percentage used is 45%.

Neither UPE or UHIL use any simplified calculations for any risk submodule in the SCR. No undertaking specific parameters or capital add-ons are used in the calculation.

Exhibit 35a UHIL SCR and MCR Values

	31 December 2018 €'000	31 December 2019 €'000
Solvency Capital Requirement	186,210	203,189
Minimum Capital Requirement	83,795	91,435
Own Funds to Cover SCR	272,319	315,551
Solvency Coverage Ratio	146.24%	155.30%
Own Funds to Cover MCR	266,817	310,216
Minimum Capital Ratio	318.42%	339.27%

The main movements in UHIL SCR are explained by:

- The change in Life Underwriting Risk is driven by changes in UPE's expense assumptions as a result of a new agreement with its service provider USIL. The Market Risk SCR is driven by an increase in Currency Risk SCR, due to the purchase of GBP government bonds. While these bonds now hedge the shareholder loan exposure to GBP, previously this loan reduced the exposure to GBP that arises from policyholder assets invested in GBP.
- The increase in Counterparty Default Risk is driven by an increased exposure to reinsurers and other exposures such as receivables and the Italian Tax Asset.

Exhibit 35b UPE SCR and MCR Values

	31 December 2018 €'000	31 December 2019 €'000
Solvency Capital Requirement	137,917	217,733
Minimum Capital Requirement	62,063	97,980
Own Funds to Cover SCR	360,858	414,204
Solvency Coverage Ratio	261.65%	190.23%
Own Funds to Cover MCR	351,009	409,930
Minimum Capital Ratio	565.57%	418.38%

The primary reason for changes in UPE capital requirements from 2018 to 2019 is the capital requirements from the investment in UI and HLI Danube.

In addition to monitoring the SCR and MCR, the company aims to hold a solvency ratio net of the Italian Tax Asset, meaning that UPE will hold sufficient Own Funds excluding the Italian Tax Asset in excess of SCR. UPE management has set internal restrictions on the Italian Tax Asset and monitor these on a quarterly basis. The below table shows the solvency coverage ratio gross and net of the Italian Tax Asset.

The reduction in market risk SCR in UHIL is driven by the GBP Currency Risk hedging between the loan liability on the UHIL balance sheet and the GBP assets on the UPE balance sheet. UHIL's exposure to interest rate risk is also hedged through the loan. Outside of UPE, there are no other significant market risks or exposures in UHIL.

There is a slight increase in counterparty default risk as a result of the additional cash balances within UHIL.
The value of UHIL's loss-absorbing capacity of deferred taxes is calculated using a prescribed formula based on the loss-absorbing capacity of UPE.

Exhibit 36 SCR Coverage Excluding ITA - UPE

SCR Coverage *Excluding ITA*		31 December 2018 €'000	31 December 2019 €'000
Total Eligible Own Funds (net of ITA)	(1)	206,680	269,465
Solvency Capital Requirement (net of ITA)	(2)	130,298	212,809
Solvency Coverage Ratio (net of ITA)	(3) = (1) / (2)	158.62%	126.62%

The solvency coverage ratio (net of ITA) excludes the Italian Tax Asset from the own funds and the SCR.

E.2.2. SCR BREAKDOWN

A summary of UHIL SCR is provided below with further detail provided in S.25.01.21 in Section F.

Exhibit 37a UHIL SCR Breakdown *

	31 December 2018 €'000	31 December 2019 €'000
Life Underwriting Risk	127,404	138,941
Health Underwriting	2,476	8,796
Non-Life Underwriting	-	-
Market Risk	88,234	96,500
Counterparty Risk	35,815	41,398
Operational Risk	10,536	14,879
Diversification	(66,581)	(77,782)
Adjustment for the loss-absorbing capacity of deferred taxes	(11,674)	(19,543)
Solvency Capital Requirement	**186,210**	**203,189**

* SCR Breakdown is allowing for Level 3 (Diversification within Risk) and Level 2 (Diversification within Risk Category)

Exhibit 37b UPE SCR Breakdown *

	31 December 2018 €'000	31 December 2019 €'000
Life Underwriting Risk	88,395	138,941
Health Underwriting	2,444	8,822
Non-Life Underwriting	-	-
Market Risk	79,344	119,391
Counterparty Risk	26,937	40,431
Operational Risk	7,109	14,879
Diversification	(52,743)	(83,743)
Adjustment for the loss-absorbing capacity of deferred taxes	(13,569)	(20,989)
Solvency Capital Requirement	**137,917**	**217,733**

* SCR Breakdown is allowing for Level 3 (Diversification within Risk) and Level 2 (Diversification within Risk Category)

E.3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

This section is not applicable to UHIL or UPE.

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

This section is not applicable to UHIL or UPE.

E.5. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND SOLVENCY CAPITAL REQUIREMENT

UHIL has complied with the MCR and SCR at all times.

UPE has complied with the MCR and the SCR at all times.

E.6. ANY OTHER INFORMATION

No additional information required.

F. Quantitative Reporting Templates

UTMOST HOLDINGS IRELAND LIMITED

F.1.S.02.01.02 BALANCE SHEET

		Solvency II Value
		C0010
Assets		
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	30,988,661
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	11,235,255
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	214,805,079
Property (other than for own use)	**R0080**	1,891
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities – listed	**R0110**	0
Equities – unlisted	**R0120**	0
Bonds	**R0130**	113,702,115
Government Bonds	**R0140**	108,613,505
Corporate Bonds	**R0150**	5,088,610
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	101,101,073
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	0

		Solvency II Value
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	17,509,151,129
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	583,106,461
Non-life and health similar to non-life	**R0280**	0
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	133,300,643
Health similar to life	**R0320**	74,587,638
Life excluding health and index-linked and unit-linked	**R0330**	58,713,006
Life index-linked and unit-linked	**R0340**	449,805,818
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	10,668,383
Reinsurance receivables	**R0370**	16,024,175
Receivables (trade, not insurance)	**R0380**	144,739,118
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	47,147,067
Any other assets, not elsewhere shown	**R0420**	24,632,004
Total assets	**R0500**	18,592,497,333
Liabilities		
Technical provisions – non-life	**R0510**	0
Technical provisions – non-life (excluding health)	**R0520**	0
Technical provisions calculated as a whole	**R0530**	0

		Solvency II Value
Best Estimate	**R0540**	0
Risk margin	**R0550**	0
Technical provisions - health (similar to non-life)	**R0560**	0
Technical provisions calculated as a whole	**R0570**	0
Best Estimate	**R0580**	0
Risk margin	**R0590**	0
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	258,062,624
Technical provisions - health (similar to life)	**R0610**	102,387,089
Technical provisions calculated as a whole	**R0620**	0
Best Estimate	**R0630**	101,889,455
Risk margin	**R0640**	497,634
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	155,675,534
Technical provisions calculated as a whole	**R0660**	0
Best Estimate	**R0670**	154,930,817
Risk margin	**R0680**	744,717
Technical provisions – index-linked and unit-linked	**R0690**	17,757,627,060
Technical provisions calculated as a whole	**R0700**	0
Best Estimate	**R0710**	17,672,594,734
Risk margin	**R0720**	85,032,326
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	47,561,870
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	153,786

		Solvency II Value
Financial liabilities other than debts owed to credit institutions	**R0810**	118,614,681
Insurance & intermediaries payables	**R0820**	15,225,629
Reinsurance payables	**R0830**	30,573,827
Payables (trade, not insurance)	**R0840**	49,126,688
Subordinated liabilities	**R0850**	23,622,652
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	23,622,652
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	18,300,568,816
Excess of assets over liabilities	**R1000**	291,928,517

F.2.S.05.01.02 PREMIUMS, CLAIMS AND EXPENSES BY LINE OF BUSINESS

		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	**R1410**	44,178,980	54,713	1,048,233,116	48,684,494					1,141,151,303
Reinsurers' share	**R1420**	35,250,372	0	411,468	37,094,911					72,756,752
Net	**R1500**	8,928,608	54,713	1,047,821,648	11,589,582	0	0	0	0	1,068,394,551
Premiums earned										
Gross	**R1510**	42,771,868	54,713	1,048,233,116	47,962,499					1,139,022,196
Reinsurers' share	**R1520**	34,499,241	0	411,468	36,610,820					71,521,529
Net	**R1600**	8,272,627	54,713	1,047,821,648	11,351,679	0	0	0	0	1,067,500,667
Claims incurred										
Gross	**R1610**	76,514,634	5,548,709	1,179,935,897	40,410,340					1,302,409,580
Reinsurers' share	**R1620**	60,995,568	509,114	43,296,850	30,840,456					135,641,988
Net	**R1700**	15,519,066	5,039,595	1,136,639,047	9,569,884	0	0	0	0	1,166,767,592
Changes in other technical provisions										

		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**
Gross	**R1710**	-974,256	-3,151,150	-1,418,846,707	-974,256					-1,423,946,369
Reinsurers' share	**R1720**	0	-118,191	13,936,335	0					13,818,144
Net	**R1800**	-974,256	-3,032,958	-1,432,783,042	-974,256	0	0	0	0	-1,437,764,513
Expenses incurred	**R1900**	6,275,880	572,337	72,687,652	7,820,219	0	0	0	0	87,356,088
Administrative expenses										
Gross	**R1910**	1,257,926	0	6,092,218	1,257,926					8,608,070
Reinsurers' share	**R1920**	0	0	0	0					0
Net	**R2000**	1,257,926	0	6,092,218	1,257,926	0	0	0	0	8,608,070
Investment management expenses										
Gross	**R2010**	0	0	0	0					0
Reinsurers' share	**R2020**	0	0	0	0					0
Net	**R2100**	0	0	0	0	0	0	0	0	0
Claims management expenses										

		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**
Gross	**R2110**	0	0	0	0					0
Reinsurers' share	**R2120**	0	0	0	0					0
Net	**R2200**	0	0	0	0	0	0	0	0	0
Acquisition expenses										
Gross	**R2210**	2,782,233	0	33,743,536	2,947,051					39,472,820
Reinsurers' share	**R2220**	1,918,315	0	0	1,653,786					3,572,100
Net	**R2300**	863,918	0	33,743,536	1,293,266	0	0	0	0	35,900,720
Overhead expenses										
Gross	**R2310**	4,154,036	572,337	32,851,898	5,269,027					42,847,298
Reinsurers' share	**R2320**	0	0	0	0					0
Net	**R2400**	4,154,036	572,337	32,851,898	5,269,027	0	0	0	0	42,847,298
Other expenses	**R2500**									3,138,362
Total expenses	**R2600**									90,494,450

		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**
Total amount of surrenders	**R2700**									0

F.3.S.05.02.01 PREMIUMS, CLAIMS AND EXPENSES BY COUNTRY

		Home country	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)		Total for top 5 countries and home country (by amount of gross premiums written)
			ES	FI	GB	IT	PT		
		C0220	C0230	C0230	C0230	C0230	C0230		C0280
Premiums written									
Gross	**R1410**	75,874,004	75,301,649	85,141,887	446,690,702	419,758,422	16,348,200		1,119,114,863
Reinsurers' share	**R1420**	55,080,029	0	0	8,714,833	176,536	0		63,971,398
Net	**R1500**	20,793,975	75,301,649	85,141,887	437,975,869	419,581,885	16,348,200		1,055,143,466
Premiums earned									
Gross	**R1510**	73,862,515	75,301,649	85,141,887	446,795,512	419,760,747	16,348,200		1,117,210,510
Reinsurers' share	**R1520**	53,962,424	0	0	8,819,643	178,862	0		62,960,929
Net	**R1600**	19,900,091	75,301,649	85,141,887	437,975,869	419,581,885	16,348,200		1,054,249,581
Claims incurred									
Gross	**R1610**	163,267,192	25,843,851	15,406,980	407,546,692	593,818,169	18,486,707		1,224,369,591
Reinsurers' share	**R1620**	85,576,315	244	0	30,578,135	138,581	0		116,293,275
Net	**R1700**	77,690,877	25,843,608	15,406,980	376,968,557	593,679,587	18,486,707		1,108,076,316
Changes in other technical provisions									
Gross	**R1710**	4,899,892	-109,116,829	-93,985,964	-678,598,866	-518,926,942	-39,671,813		-1,435,400,521
Reinsurers' share	**R1720**	0	0	0	14,518,255	0	0		14,518,255
Net	**R1800**	4,899,892	-109,116,829	-93,985,964	-693,117,121	-518,926,942	-39,671,813		-1,449,918,776
Expenses incurred	**R1900**	53,444,547	223,089	8,160,094	23,930,105	694,676	538,414		86,990,926
Other expenses	**R2500**								3,138,362

		Home country	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)		Total for top 5 countries and home country (by amount of gross premiums written)
			ES	FI	GB	IT	PT		
Total expenses	**R2600**								90,129,288

F.4.S.23.01.01 OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	187,850,007	187,850,007			
Non-available called but not paid in ordinary share capital at group level	**R0020**	-				
Share premium account related to ordinary share capital	**R0030**	-				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	-				
Subordinated mutual member accounts	**R0050**	-				
Non-available subordinated mutual member accounts at group level	**R0060**	-				
Surplus funds	**R0070**	-				
Non-available surplus funds at group level	**R0080**	-				
Preference shares	**R0090**	-				
Non-available preference shares at group level	**R0100**	-				
Share premium account related to preference shares	**R0110**	-				
Non-available share premium account related to preference shares at group level	**R0120**	-				
Reconciliation reserve	**R0130**	104,078,510	104,078,510			
Subordinated liabilities	**R0140**	23,622,652			23,622,652	
Non-available subordinated liabilities at group level	**R0150**	-				
An amount equal to the value of net deferred tax assets	**R0160**	-				
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	-				
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	-				
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	-				
Minority interests (if not reported as part of a specific own fund item)	**R0200**	-				
Non-available minority interests at group level	**R0210**	-				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	315,551,169	291,928,517	-	23,622,652	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	-				
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	-				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	315,551,169	291,928,517	-	23,622,652	-
Total available own funds to meet the minimum consolidated group SCR	R0530	315,551,169	291,928,517	-	23,622,652	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	315,551,169	291,928,517	-	23,622,652	
Total eligible own funds to meet the minimum consolidated group SCR	R0570	310,215,565	291,928,517	-	18,287,049	
Consolidated Group SCR	R0590	203,189,428				
Minimum consolidated Group SCR	R0610	91,435,243				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	1.55				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	3.39				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	315,551,169	291,928,517	-	23,622,652	-
SCR for entities included with D&A method	R0670					
Group SCR	R0680	203,189,428				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1.55				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	291,928,517				
Own shares (held directly and indirectly)	R0710					
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	187,850,007				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Other non available own funds	R0750					
Reconciliation reserve	R0760	104,078,510				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770	11,722,199				
Expected profits included in future premiums (EPIFP) - Non-life business	R0780					
Total Expected profits included in future premiums (EPIFP)	R0790	11,722,199				

F.5.S.25.01.22 SOLVENCY CAPITAL REQUIREMENT – STANDARD FORMULA

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	**R0010**	96,499,681	96,499,681	
Counterparty default risk	**R0020**	41,397,973	41,397,973	
Life underwriting risk	**R0030**	138,940,654	138,940,654	
Health underwriting risk	**R0040**	8,796,199	8,796,199	
Non-life underwriting risk	**R0050**			
Diversification	**R0060**	-77,782,007	-77,782,007	
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	207,852,502	207,852,502	
Calculation of Solvency Capital Requirement				

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	**R0120**	
Operational risk	**R0130**	14,879,439
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	-19,542,513
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	203,189,428
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	203,189,428
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
		Value
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation*	**R0450**	

Net future discretionary benefits	**R0460**	
Minimum consolidated group solvency capital requirement	**R0470**	91,435,243
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	**R0530**	
Capital requirement for non-controlled participation requirements	**R0540**	
		Value
Capital requirement for residual undertakings		
Overall SCR		
SCR for undertakings included via D and A	**R0560**	
Solvency capital requirement	**R0570**	203,189,428

F.6.S.32.01.22 UNDERTAKINGS IN SCOPE OF THE GROUP

							Ranking criteria (in the group currency)								
Identification code of the undertaking MANDATORY	Country*	Legal Name of the undertaking	Type of undertaking *	Legal form	Category (mutual/non mutual)*	Supervisory Authority	Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies	Underwriting performance	Investment performance	Total performance	Accounting standard*
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170
LEI/213800MAFVNU25U13S34	IE	Utmost Ireland Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	3,789,668			226,021,686		418,591,796	420,133,348	1,541,552	1
LEI/635400JJABPWV2JJPE32	IE	Utmost Holdings Ireland Limited Company	5		2				1,572,539		-113,259				1
LEI/549300OQOA5TQJ2HLN47	BM	Utmost Bermuda Limited	11		2				266,918,169		46,858,574				1
LEI/213800T6YFCRZP2ATO07	IE	Harcourt Ireland Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	3,796,775			246,578		23,640,000	23,958,000	318,000	1
LEI/549300KWXY72RJWYSG13	IE	Utmost PanEurope Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	18,299,562,703			842,126,288		1,109,224,341	1,102,564,562	6,659,779	1
SC/635400JJABPWV2JJPE32IE00002	IE	Harcourt Life Corporation Dac	11		2				1,392,548		314,794				1
SC/635400JJABPWV2JJPE32IE00001	IE	Utmost Services Ireland Limited	10		2				16,422,241		36,633,083				1

							Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code of the undertaking MANDATORY	Country*	Legal Name of the undertaking	Type of undertaking*	Legal form	Category (mutual/non mutual)*	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence*	Proportional share used for group solvency calculation	Yes/No*	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/213800MAFVNU25U13S34	IE	Utmost Ireland Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	1	1	1		1	1	1		1
LEI/635400JJABPWV2JJPE32	IE	Utmost Holdings Ireland Limited Company	5		2		1	1	1		1	1			1
LEI/549300OQOA5TQJ2HLN47	BM	Utmost Bermuda Limited	11		2		1	1	1		1	1			1
LEI/213800T6YFCRZP2ATO07	IE	Harcourt Ireland Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	1	1	1		1	1	1		1
LEI/549300KWXY72RJWYSG13	IE	Utmost PanEurope Designated Activity Company	1	Incorporated company limited by shares or by guarantee or unlimited	2	Central Bank Of Ireland	1	1	1		1	1	1		1
SC/635400JJABPWV2JJPE32IE00002	IE	Harcourt Life Corporation Dac	11		2		1	1	1		1	1			1
SC/635400JJABPWV2JJPE32IE00001	IE	Utmost Services Ireland Limited	10		2		1	1	1		1	1			1

UTMOST PANEUROPE

F.7. S.02.01.02 BALANCE SHEET

		Solvency II Value
		C0010
Assets		
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	19,432,136
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	108,751
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	221,329,602
Property (other than for own use)	**R0080**	1,891
Holdings in related undertakings, including participations	**R0090**	11,613,132
Equities	**R0100**	0
Equities – listed	**R0110**	
Equities – unlisted	**R0120**	
Bonds	**R0130**	108,613,505
Government Bonds	**R0140**	108,613,505
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	101,101,073
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	17,249,557,090
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	583,106,461
Non-life and health similar to non-life	**R0280**	0
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	133,300,643
Health similar to life	**R0320**	74,587,638
Life excluding health and index-linked and unit-linked	**R0330**	58,713,006
Life index-linked and unit-linked	**R0340**	449,805,818
Deposits to cedants	**R0350**	0

		Solvency II Value
Insurance and intermediaries receivables	R0360	10,668,383
Reinsurance receivables	R0370	16,024,175
Receivables (trade, not insurance)	R0380	144,739,117
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	30,879,178
Any other assets, not elsewhere shown	R0420	23,717,810
Total assets	R0500	18,299,562,703
Liabilities		
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	255,610,928
Technical provisions - health (similar to life)	R0610	102,387,089
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	101,889,455
Risk margin	R0640	497,634
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	153,223,838
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	152,479,121
Risk margin	R0680	744,717
Technical provisions – index-linked and unit-linked	R0690	17,495,209,355
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	17,410,177,029
Risk margin	R0720	85,032,326
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	40,421,404
Derivatives	R0790	0
Debts owed to credit institutions	R0800	153,786
Debts owed to credit institutions resident domestically	ER0801	

		Solvency II Value
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	153,786
Debts owed to credit institutions resident in rest of the world	ER0803	
Financial liabilities other than debts owed to credit institutions	R0810	0
Debts owed to non-credit institutions	ER0811	0
Debts owed to non-credit institutions resident domestically	ER0812	
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	
Debts owed to non-credit institutions resident in rest of the world	ER0814	
Other financial liabilities (debt securities issued)	ER0815	
Insurance & intermediaries payables	R0820	33,273,366
Reinsurance payables	R0830	30,573,827
Payables (trade, not insurance)	R0840	15,116,211
Subordinated liabilities	R0850	23,622,652
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	23,622,652
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	**R0900**	17,893,981,529
Excess of assets over liabilities	**R1000**	405,581,174

F.8. S.05.01.02 PREMIUMS, CLAIMS AND EXPENSES BY LINE OF BUSINESS

		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	**R1410**	44,173,730	8,762	822,084,734	48,589,724					914,856,950
Reinsurers' share	**R1420**	35,250,372		385,379	37,094,911					72,730,662
Net	**R1500**	8,923,358	8,762	821,699,355	11,494,813	0	0	0	0	842,126,288
Premiums earned										
Gross	**R1510**	42,766,618	8,762	822,084,734	47,867,729					912,727,843
Reinsurers' share	**R1520**	34,499,241		385,379	36,610,820					71,495,439
Net	**R1600**	8,267,376	8,762	821,699,355	11,256,910	0	0	0	0	841,232,403
Claims incurred										
Gross	**R1610**	76,514,634	820,381	833,884,699	40,321,205					951,540,920
Reinsurers' share	**R1620**	60,995,568	99,895	5,260,184	30,840,456					97,196,103
Net	**R1700**	15,519,066	720,487	828,624,515	9,480,749	0	0	0	0	854,344,818
Changes in other technical provisions										
Gross	**R1710**	-974,256	-1,010,277	-1,082,466,111	-974,256					- 1,085,424,901
Reinsurers' share	**R1720**	0	-59,163	14,062,150	0					14,002,987

		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
Net	R1800	-974,256	-951,114	-1,096,528,261	-974,256	0	0	0	0	-1,099,427,888
Expenses incurred	R1900	6,210,484	0	41,550,504	6,639,832	0	0	0	0	54,400,819
Administrative expenses										
Gross	R1910	1,257,926		6,092,218	1,257,926					8,608,070
Reinsurers' share	R1920									0
Net	R2000	1,257,926	0	6,092,218	1,257,926	0	0	0	0	8,608,070
Investment management expenses										
Gross	R2010									0
Reinsurers' share	R2020									0
Net	R2100	0	0	0	0	0	0	0	0	0
Claims management expenses										
Gross	R2110									0
Reinsurers' share	R2120									0
Net	R2200	0	0	0	0	0	0	0	0	0
Acquisition expenses										

		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**
Gross	**R2210**	2,782,233		12,457,982	2,947,051					18,187,266
Reinsurers' share	**R2220**	1,918,315		0	1,653,786					3,572,100
Net	**R2300**	863,918	0	12,457,982	1,293,266	0	0	0	0	14,615,165
Overhead expenses										
Gross	**R2310**	4,088,640		23,000,304	4,088,640					31,177,584
Reinsurers' share	**R2320**									0
Net	**R2400**	4,088,640	0	23,000,304	4,088,640	0	0	0	0	31,177,584
Other expenses	**R2500**									224,221
Total expenses	**R2600**									54,625,040
Total amount of surrenders	**R2700**									0

F.9. S.05.02.01 PREMIUMS, CLAIMS AND EXPENSES BY COUNTRY

		Home country	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)	Country (by amount of gross premiums written)		Total for top 5 countries and home country (by amount of gross premiums written)
			ES	FI	GB	IT	PT		
		C0220	C0230	C0230	C0230	C0230	C0230		C0280
Premiums written									
Gross	**R1410**	75,606,260	75,301,649	85,141,887	220,664,092	419,758,422	16,348,200		892,820,510
Reinsurers' share	**R1420**	55,054,717	0	0	8,714,833	176,536	0		63,946,085
Net	**R1500**	20,551,543	75,301,649	85,141,887	211,949,260	419,581,885	16,348,200		828,874,424
Premiums earned									
Gross	**R1510**	73,594,771	75,301,649	85,141,887	220,768,903	419,760,747	16,348,200		890,916,157
Reinsurers' share	**R1520**	53,937,112	0	0	8,819,643	178,862	0		62,935,617
Net	**R1600**	19,657,659	75,301,649	85,141,887	211,949,260	419,581,885	16,348,200		827,980,540
Claims incurred									
Gross	**R1610**	146,750,958	21,097,300	15,406,980	101,729,347	593,601,354	18,179,599		896,765,537
Reinsurers' share	**R1620**	84,321,752	244	0	7,537,161	138,581	0		91,997,738
Net	**R1700**	62,429,206	21,097,056	15,406,980	94,192,186	593,462,772	18,179,599		804,767,799
Changes in other technical provisions									
Gross	**R1710**	5,004,348	-109,116,829	-93,985,964	-334,418,179	-518,926,942	-39,671,813		-1,091,115,379
Reinsurers' share	**R1720**	0	0	0	14,518,255	0	0		14,518,255
Net	**R1800**	5,004,348	-109,116,829	-93,985,964	-348,936,434	-518,926,942	-39,671,813		-1,105,633,634
Expenses incurred	**R1900**	41,774,832	223,089	8,160,094	2,644,551	694,676	538,414		54,035,657
Other expenses	**R2500**								224,221
Total expenses	**R2600**								54,259,878

F.10. 12.01.02 LIFE AND HEALTH SLT TECHNICAL PROVISIONS

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0	0	0	0	0	0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	0	0			0			0	0	0	0	0	0	0	0			0	0	0
Technical provisions calculated as a sum of BE and RM																					
Best Estimate																					
Gross Best Estimate	R0030	87,548,293		17,407,507,173	2,669,856		64,930,829	0	0	0	0	0	0	0	17,562,656,150		101,889,455	0	0	0	101,889,455
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	5,500,500		447,507,702	2,561,738		53,282,830	0	0	0					508,852,769		74,643,594	0	0	0	74,643,594
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	5,500,500		447,507,702	2,561,738		53,282,830	0	0	0					508,852,769		74,643,594	0	0	0	74,643,594
Recoverables from SPV before adjustment for expected losses	R0060	0		0	0		0	0	0	0					0		0	0	0	0	0
Recoverables from Finite Re before adjustment for	R0070	0		0	0		0	0	0	0					0		0	0	0	0	0

		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			Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations			Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
expected losses																					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	5,486,132		447,247,198	2,558,620		53,226,873	0	0	0	0	0	0	0	508,518,824		74,587,638	0	0	0	74,587,638
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	82,062,160		16,960,259,975	111,236		11,703,955	0	0	0					17,054,137,327		27,301,818	0	0	0	27,301,818
Risk Margin	R0100	427,591	85,032,326			317,126				0	0	0	0	0	85,777,043	497,634			0	0	497,634
Amount of the transitional on Technical Provisions																					
Technical Provisions calculated as a whole	R0110	0	0			0			0	0					0	0			0	0	0
Best estimate	R0120	0		0	0		0	0	0	0					0		0	0	0	0	0
Risk margin	R0130	0	0			0			0	0					0	0			0	0	0
Technical provisions – total	R0200	87,975,884	17,495,209,355			65,247,955			0	0					17,648,433,193	102,387,089			0	0	102,387,089
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	82,489,751	17,045,403,537			12,021,081			0	0	0	0	0	0	17,139,914,370	27,799,452			0	0	27,799,452
Best Estimate of products with a surrender option	R0220	87,548,293	17,410,177,029			64,930,829			0	0					17,562,656,150	101,889,455			0		101,889,455
Gross BE for Cash flow																					
Cash out-flows																					
Future guaranteed and discretionary benefits	R0230		16,719,551,041			63,301,132			0						16,868,976,856	95,097,261			0	0	95,097,261
Future guaranteed benefits	R0240	51,935,622								0					51,935,622						

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Future discretionary benefits	R0250	34,189,060								0					34,189,060						
Future expenses and other cash out-flows	R0260	5,490,224	1,059,518,951			1,775,978			0	0					1,066,785,153	6,815,494			0	0	6,815,494
Cash in-flows																					
Future premiums	R0270	0	316,991,114			146,282			0	0					317,137,396	23,300			0	0	23,300
Other cash in-flows	R0280	4,066,614	51,901,848			0			0	0					55,968,462	0			0	0	0
Percentage of gross Best Estimate calculated using approximation	R0290	0	0			0										0					
Surrender value	R0300	90,573,324	17,647,085,407			247,561			0	0					17,737,906,292	0			0	0	0
Best estimate subject to transitional of the interest rate	R0310	0	0			0			0	0					0	0			0	0	0
Technical provisions without transitional on interest rate	R0320	0	0			0			0	0					0	0			0	0	0
Best estimate subject to volatility adjustment	R0330	0	0			0			0	0					0	0			0	0	0
Technical provisions without volatility adjustment and without others transitional measures	R0340	0	0			0			0	0					0	0			0	0	0
Best estimate subject to matching adjustment	R0350	0	0			0			0	0					0	0			0	0	0
Technical provisions without matching adjustment and without all the others	R0360	0	0			0			0	0					0	0			0	0	0

F.11. S.23.01.01 OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	91,134,869	91,134,869		0	
Share premium account related to ordinary share capital	**R0030**	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0	0		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Surplus funds	**R0070**	0	0			
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	205,475,561	205,475,561			
Subordinated liabilities	**R0140**	23,622,652		0	23,622,652	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	93,970,744	93,970,744	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**	0				
Total basic own funds after deductions	**R0290**	414,203,826	390,581,174	0	23,622,652	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0				
Unpaid and uncalled preference shares callable on demand	**R0320**	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	0				
Other ancillary own funds	**R0390**	0				
Total ancillary own funds	**R0400**	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	414,203,826	390,581,174	0	23,622,652	0
Total available own funds to meet the MCR	**R0510**	414,203,826	390,581,174	0	23,622,652	
Total eligible own funds to meet the SCR	**R0540**	414,203,826	390,581,174	0	23,622,652	0
Total eligible own funds to meet the MCR	**R0550**	409,930,240	390,581,174	0	19,349,066	
SCR	**R0580**	217,733,252				
MCR	**R0600**	97,979,963				
Ratio of Eligible own funds to SCR	**R0620**	2				
Ratio of Eligible own funds to MCR	**R0640**	4				
Reconciliation reserve						
		C0060				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	405,581,174				
Own shares (held directly and indirectly)	**R0710**					
Foreseeable dividends, distributions and charges	**R0720**	15,000,000				
Other basic own fund items	**R0730**	185,105,613				
Adjustment for restricted own fund items in respect of ring fenced funds due to ring fencing	**R0740**					
Reconciliation reserve	**R0760**	205,475,561				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	11,722,199				
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**					
Total Expected profits included in future premiums (EPIFP)	**R0790**	11,722,199				

F.12. S.25.01.21 SOLVENCY CAPITAL REQUIREMENT – STANDARD FORMULA

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	119,391,227	119,391,227	0
Counterparty default risk	R0020	40,431,439	40,431,439	0
Life underwriting risk	R0030	138,940,654	138,940,654	0
Health underwriting risk	R0040	8,822,407	8,822,407	0
Non-life underwriting risk	R0050	0	0	0
Diversification	R0060	-83,742,646	-83,742,646	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	223,843,081	223,843,081	
Calculation of Solvency Capital Requirement				
		Value		
		C0100		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0		
Operational risk	R0130	14,879,439		
Loss-absorbing capacity of technical provisions	R0140	0		
Loss-absorbing capacity of deferred taxes	R0150	-20,989,268		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
Solvency capital requirement excluding capital add-on	R0200	217,733,252		
Capital add-on already set	R0210	0		
Solvency capital requirement	R0220	217,733,252		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400	0		

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	0		
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0		
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation*	**R0450**	4	*Method used to calculate the adjustment due to RFF/MAP nSCR aggregation 1 Full recalculation 2 Simplification at risk sub-module level 3 Simplification at risk module level 4 No adjustment	
Net future discretionary benefits	**R0460**	0		
Approach to tax rate				
		Yes/No		
		C0109		
Approach based on average tax rate*	**R0590**	2	*Approach based on average tax rate 1 Yes 2 No 3 Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)	
Calculation of loss absorbing capacity of deferred taxes				
		Before the shock	**After the shock**	**LAC DT**
		C0110	C0120	C0130
DTA	**R0600**	19,432,136	0	
DTA carry forward	**R0610**	15,632,947		

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
DTA due to deductible temporary differences	**R0620**	3,799,189		
DTL	**R0630**	40,421,404		
LAC DT	**R0640**			-20,989,268
LAC DT justified by reversion of deferred tax liabilities	**R0650**			0
LAC DT justified by reference to probable future taxable economic profit	**R0660**			-20,989,268
LAC DT justified by carry back, current year	**R0670**			0
LAC DT justified by carry back, future years	**R0680**			0
Maximum LAC DT	**R0690**			-20,989,268

F.13. S.28.01.01 LINEAR FORMULA COMPONENT FOR LIFE INSURANCE AND REINSURANCE OBLIGATIONS

Linear formula component for non-life insurance and reinsurance obligations		MCR components	
		C0010	
MCRNL Result	R0010	0	
Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	**R0020**		
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**		
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**		
Fire and other damage to property insurance and proportional reinsurance	**R0080**		
General liability insurance and proportional reinsurance	**R0090**		
Credit and suretyship insurance and proportional reinsurance	**R0100**		
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		
Linear formula component for life insurance and reinsurance obligations		C0040	

MCRL Result	**R0200**	124,216,319	
Total capital at risk for all life (re)insurance obligations		**Net (of reinsurance/SPV) best estimate and TP calculated as a whole**	**Net (of reinsurance/SPV) total capital at risk**
		C0050	**C0060**
Obligations with profit participation - guaranteed benefits	**R0210**	47,873,100	
Obligations with profit participation - future discretionary benefits	**R0220**	34,189,060	
Index-linked and unit-linked insurance obligations	**R0230**	16,960,371,211	
Other life (re)insurance and health (re)insurance obligations	**R0240**	39,005,773	
Total capital at risk for all life (re)insurance obligations	**R0250**		6,687,322,567
Overall MCR calculation		**C0070**	
Linear MCR	**R0300**	124,216,319	
SCR	**R0310**	217,733,252	
MCR cap	**R0320**	97,979,963	
MCR floor	**R0330**	54,433,313	
Combined MCR	**R0340**	97,979,963	
Absolute floor of the MCR	**R0350**	3,700,000	
Minimum Capital Requirement	**R0400**	97,979,963	

G. Deregulated Subsidiary Key Information

G.1. UTMOST IRELAND KEY INFORMATION YEAR END 2019

GWP Breakdown	31-Dec-19 €'000
Gross Written Premium	**226,022**

Investment Income from Policyholder and Company Financial Investments	31-Dec-19 €'000
Income from financial assets at fair value through profit or loss	420,134
Total Investment Income	**420,134**

Income and Expenses	31-Dec-19 €'000
Income	13,213
Expenses	(11,672)
Profit Before Tax	**1,541**
Tax	(1684)
Loss After Tax	**(143)**

	31 -Dec-19 €'000
Total Assets	3,790
Total Liabilities	80
Net Technical Provisions	-

Values of Liabilities	Solvency II Value	Statutory Accounts Value	Difference
31-Dec-19	€'000	€'000	€'000
Other liabilities	80	80	-
Total Liabilities	**80**	**80**	**-**

Valuation of Assets	Solvency II	Statutory Accounts	Difference
31-Dec-19	€'000	€'000	€'000
Cash and cash equivalents	3,790	3,790	-
Total Assets	**3,790**	**3,790**	**-**

SCR and MCR	31-Dec-19 €'000
Solvency Capital Requirement	254
Minimum Capital Requirement	3,700
Own Funds to Cover SCR	3,710
Solvency Coverage Ratio	1459.63%
Own Funds to Cover MCR	3,710
Minimum Capital Ratio	100.26%

SCR Breakdown	31-Dec-19 €'000
Life Underwriting Risk	-
Health Underwriting	-
Non-Life Underwriting	-
Market Risk	-
Counterparty Risk	254
Diversification	-
BSCR	254
Operational Risk	-
Adjustment for the loss-absorbing capacity of deferred taxes	-
Solvency Capital Requirement	**254**

Total Eligible Own Funds to Meet the SCR	31-Dec-19 €'000
Tier 1 Unrestricted	3,710
Tier 1 Restricted	0
Tier 2	0
Tier 3	0
Total	**3,710**

G.2. HLI DANUBE KEY INFORMATION YEAR END 2019

GWP Breakdown	31-Dec-19 €'000
Gross Written Premium	**247**

Investment Income from Policyholder and Company Financial Investments	31-Dec-19 €'000
Income from financial assets at fair value through profit or loss	23,958
Total Investment Income	**23,958**

Income and Expenses	31-Dec-19 €'000
Income	3,607
Expenses	(3,342)
Profit Before Tax	**265**
Tax	-
Profit After Tax	**265**

Values of Liabilities	Solvency II Value	Statutory Accounts Value	Difference
31-Dec-19	€'000	€'000	€'000
Other liabilities	86	86	-
Total Liabilities	**86**	**86**	**-**

	31-Dec-19 €'000
Total Assets	3,797
Total Liabilities	86
Net Technical Provisions	-

Valuation of Assets	Solvency II	Statutory Accounts	Difference
31-Dec-19	€'000	€'000	€'000
Cash and cash equivalents	3,796	3,796	-
Total Assets	**3,796**	**3,796**	**-**

SCR and MCR	31-Dec-19 €'000
Solvency Capital Requirement	254
Minimum Capital Requirement	3,700
Own Funds to Cover SCR	3,711
Solvency Coverage Ratio	1460.00%
Own Funds to Cover MCR	3,711
Minimum Capital Ratio	100.29%

SCR Breakdown	31-Dec-19 €'000
Life Underwriting Risk	-
Health Underwriting	-
Non-Life Underwriting	-
Market Risk	-
Counterparty Risk	254
Diversification	-
BSCR	254
Operational Risk	-
Adjustment for the loss-absorbing capacity of deferred taxes	-
Solvency Capital Requirement	**254**

Total Eligible Own Funds to Meet the SCR	31-Dec-19 €'000
Tier 1 Unrestricted	3,711
Tier 1 Restricted	-
Tier 2	-
Tier 3	-
Total	**3,711**

H. Glossary

Abbreviation	Definition
AML	Anti-Money Laundering
Augura	Augura Ireland Limited
AVIF	Acquired Value of In-Force Business
BEL	Best Estimate of Liabilities
CEO	Chief Executive Officer
CF	Controlled Functions
CFO	Chief Financial Officer
CRO	Chief Risk Officer
CTF	Counter Terrorism Financing
DAC	Deferred Acquisition Costs
DIL	Deferred Income Liability
DTA	Deferred Tax Asset
DTL	Deferred Tax Liability
EIOPA	European Insurance and Occupational Pensions Authority
EU	European Union
ExCo	Executive Committee
GHoIA	Group Head of Internal Audit
HLC	Harcourt Life Corporation dac
HLI Danube dac	HLI Danube
HoAF	Head of Actuarial Function
HR	Human Resources
IAF	Internal Audit Function
IFRS	International Financial Reporting Standards
ITA	Italian Tax Asset
MCR	Minimum Capital Requirement
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
PCF	Pre-Approval Controlled Functions
RAS	Risk Appetite Statement
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SMS	Security Management System
UB	Utmost Bermuda Limited
UGI	Utmost Group Ireland
UHIL	Utmost Holdings Ireland Limited
UHL	Union Heritage Limited
UI	Utmost Ireland dac
UIGH	Utmost International Group Holdings
UPE	Utmost PanEurope dac

Abbreviation	Definition
USIL	Utmost Services Ireland Limited
Utmost Link	Utmost Link Limited
UW	Utmost Worldwide Limited