FBD Holdings plc

2023 Solvency and Financial Condition Report
(Incorporating information on FBD Insurance plc)

FBD INSURANCE

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Contents

Introduction

The EU-wide Solvency II Directive came into force with effect from 1 January 2016. This document is the eighth Solvency and Financial Condition Report (SFCR) published under this directive for FBD Holdings plc ('FBD' or the 'Group') which also includes information relating to FBD Insurance plc (the 'Company').

The SFCR provides narrative information in quantitative and qualitative form including quantitative reporting templates (QRTs).

The report covers the Business and Performance of the Group, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

Business and Performance

FBD is one of Ireland's largest property and casualty insurers looking after the insurance needs of Farmers, Businesses and Retail customers through its principal subsidiary, FBD Insurance plc. The Group also has financial services operations including a life and pensions intermediary. The Group is a holding company incorporated in Ireland.

IFRS 17 is effective for insurance contract reporting since 1 January 2023 and IFRS 9 has also been adopted by the Group. Although there is no material impact on Solvency II reporting for the adoption of IFRS 17, there is an impact on IFRS amounts disclosed in this report, and all 2022 comparatives have been restated.

The Business and Performance section highlights the profitability of FBD Holdings plc as the Group recorded a profit before tax of €81.4m (2022: €65.8m). The Group delivered an underwriting result of €76.5m (2022: €89.7m) under IFRS 17 as disclosed in the Alternative Performance Measures (APMs) in the 2023 Annual Report.

The IFRS17 Insurance service result reduced by €4.8m to €126.3m (2022: €131.1m). This reflects an increase in Insurance revenue of €21.3m net of an increase in Insurance service expenses of €8.3m and reinsurance expenses increase of €17.9m.

The Group's IFRS 17 loss ratio (incorporating both Insurance acquisition expenses and Non-attributable expenses) increased by 4.4 percentage points to 53.5% (2022: 49.1%) reflecting increasing claims costs due to inflation, increased frequency in Property and Motor Damage and increased policy count. There was favourable prior year reserve development in 2023 of €44.4m (2022: €48.3m).

The Group's expense ratio is 27.4% (2021: 27.3%). Total expenses of the Group in 2023 were €109.9m (2022: €103.6m). The 6% increase is made up of inflationary impacts on salary costs, IT spend and other utility costs. Commission also increased as our partnerships with intermediaries continue to grow.

FBD's total investment return for 2023 is +5.3% (2022: -8.6%). The investment return recognised in the Consolidated Income Statement is 1.7% (2022: -0.9%) and in the Consolidated Statement of Other Comprehensive Income (OCI) is 3.6% (2022: -7.7%). Despite ongoing volatility, investment markets rebounded from the losses of 2022 with almost all asset classes ending the year in a positive position relative to the previous year.

System of Governance

The Board of FBD Holdings plc is responsible for the long-term success of the Group. The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Group. The Board is assisted by the Executive Management Team and key roles and functions within the business.

The Board has approved a Corporate Governance Framework setting out its role and responsibilities. This is reviewed annually as part of the Board's evaluation of its performance and governance arrangements.

At 31 December 2023 the Board comprised two Executive Directors and nine Non-Executive Directors, including the Chair. This structure was deemed appropriate by the Board.

The Board deem it appropriate that it should have between ten and twelve members and that this size is appropriate, being of sufficient breadth and diversity to ensure that there is healthy debate and input.

Risk Profile

An annual review is completed by the Risk Committee of all major risks to ensure all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of the event occurring. Impact assessments are made against financial, operational, regulatory, reputational and customer impact criteria. The Risk Profile details the Underwriting, Market, Credit and Concentration, Liquidity, Operational, Reputational, Strategy and Other material risks relating to FBD Holdings plc and FBD Insurance plc. For each of the risks, FBD has undertaken stress testing as part of its Own Risk and Solvency Assessment (ORSA). The outcome of the stress and scenario tests indicated that in each case FBD would have sufficient available capital to continue to meet the Solvency Capital Requirement (SCR).

Valuation for Solvency Purposes

The Valuation for Solvency Purposes outlines the difference between the Solvency II Valuation and the financial statements for the Group and FBD Insurance plc. FBD Holdings plc and FBD Insurance plc financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). In 2023, the Group adopted IFRS 17 and IFRS 9 and therefore the 2022 comparative financial statements were restated.

Capital Management

The Capital Management section outlines the SCR and Minimum Capital Requirement (MCR) for the Group and the insurance entity. FBD measures and calculates capital using the Standard Formula. The solvency position is monitored on a regular basis to ensure compliance with the SCR and MCR.

At 31 December 2023 the Group Solvency Capital Ratio was 213%. The FBD Insurance plc ratio was 206%.

A. Business and Performance

A1. The Business

A1.1 The Undertaking

FBD Holdings plc is incorporated in Ireland. The only insurance entity in the Group is FBD Insurance plc, an insurer licensed in Ireland. The address of the Registered Office and Head Office is:

FBD Holdings plc
FBD House
Bluebell
Dublin 12
D12 YOHE
Ireland

A1.2 Supervisory Authority

FBD Holdings plc and FBD Insurance plc are domiciled in Ireland and the supervisory authority responsible for financial supervision of the undertakings is:

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3
Ireland

A1.3 Independent Auditors

FBD's independent auditors are:

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
D01 X9R7
Ireland

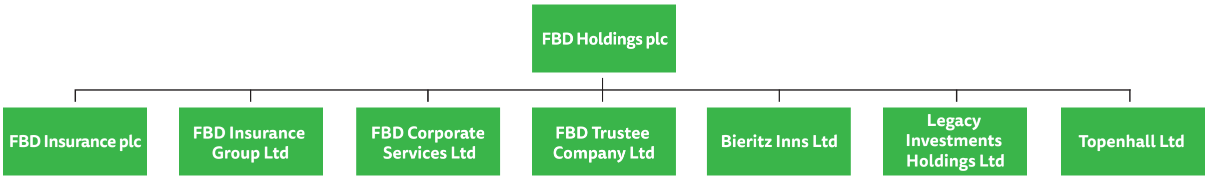
A1.4 FBD shareholders with qualifying holdings:

The shareholders below have interests above 10% in the Group.

Farmer Business Developments plc	No. of Shares	% of Class	% of Voting Rights
Ordinary shares of €0.60 each	8,531,948	24%	21%
8% Non-Cumulative Preference Shares	1,470,292	42%	4%
14% Non-Cumulative Preference Shares	1,340,000	100%	3%
Total % Voting Rights			**28%**

FBD Trust Company Limited	No. of Shares	% of Class	% of Voting Rights
Ordinary shares of €0.60 each	3,732,019	10%	9%
8% Non-Cumulative Preference Shares	2,062,000	58%	5%
Total % Voting Rights			**14%**

A1.5 FBD Holdings plc Group Structure:



FBD Holdings plc ('FBD' or the 'Group')	Ireland A holding company which is parent to the other Group companies.
FBD Insurance plc ('the Company')	Ireland A regulated insurance company which underwrites motor, property, liability and other smaller insurance lines.
FBD Insurance Group Ltd t/a FBD Insurance	Ireland FBD Insurance Group Limited is a subsidiary of FBD Holdings plc and it performs the sales and marketing activities of the Group.
FBD Corporate Services Limited	Ireland This company employs all staff working for the Group.
FBD Trustee Company Limited	Ireland The principal activity of this company is to act as Trustee to FBD Insurance plc pension schemes.

Non-Principal Subsidiaries *(represents less than 1% of FBD Holdings Net Asset Value)*

Bieritz Inns Limited	Ireland The company is dormant and previous activities related to property investment and development.
Legacy Investments Holdings Limited	Ireland The company is dormant and was previously used for investment purposes.
Topenhall Limited	Isle of Man The principal activity is the holding of land in Warwickshire.

A1.6 Relevant operations transactions within the Group

All employees of the Group are employed by FBD Corporate Services Ltd which recharges the costs of the employees to the Group companies being FBD Holdings plc, FBD Insurance plc and FBD Insurance Group Ltd.

All direct general insurance premium for the Group is generated through the intermediary FBD Insurance Group Ltd which is paid commission by FBD Insurance plc for the revenue and incurs expenses related to the sales operations.

Inter-group loans are in place and inter-company transactions arise between the Group companies in the normal course of business.

A1.7 Material lines of business and geographical areas

FBD Insurance plc underwrites insurance for Farmer, Business and Retail customers covering Farm, Business, Home and Motor insurance in Ireland.

For Solvency II purposes the Company reports under the following lines of business:

1. Motor vehicle liability insurance;
2. Other motor insurance;
3. Fire and other damage to property insurance;
4. General liability insurance;
5. Income protection insurance; and
6. Marine, aviation and transport insurance.

Lines of business 5) Income protection and 6) Marine are combined under 'Other insurance' for the tables in this report.

A1.8 Significant Business or Events during the reporting period

There were no significant or other events that occurred over the reporting period that had a material impact on the undertaking.

A2. Underwriting Performance

A2.1 The Undertaking

The Group's underwriting result by Solvency II material lines of business for 2023 and 2022 as per S.05.01 QRT, are set out in the tables below.

	Motor vehicle liability insurance 2023 €000s	Other Motor insurance 2023 €000s	Fire and other damage to property insurance 2023 €000s	General liability insurance 2023 €000s	Other insurance 2023 €000s	Total 2023 €000s
Gross Written Premium	119,134	73,571	136,020	79,123	5,745	**413,593**
Net Earned Premium	98,475	69,857	105,755	70,924	5,177	**350,188**
Net Claims incurred including MIBI	(43,581)	(42,745)	(27,699)	(34,748)	(5,313)	**(154,086)**
Expenses including CHE	(41,712)	(30,048)	(37,072)	(16,789)	(1,363)	**(126,984)**
Underwriting result	**13,182**	**(2,936)**	**40,984**	**19,387**	**(1,499)**	**69,118**

	Motor vehicle liability insurance 2022 €000s	Other Motor insurance 2022 €000s	Fire and other damage to property insurance 2022 €000s	General liability insurance 2022 €000s	Other insurance 2022 €000s	Total 2022 €000s
Gross Written Premium	121,376	60,741	119,680	75,601	5,491	**382,889**
Net Earned Premium	105,129	59,084	97,890	68,802	4,949	**335,854**
Net Claims incurred including MIBI	(33,891)	(36,266)	(44,367)	(21,149)	(4,215)	**(139,888)**
Expenses including CHE	(41,416)	(12,896)	(33,483)	(20,933)	(1,556)	**(110,284)**
Underwriting result	**29,822**	**9,922**	**20,040**	**26,720**	**(822)**	**85,682**

The underwriting result above is per the guidance of QRT S.05.01. FBD Holdings plc discloses underwriting result in line with IFRS 17 reporting in the Annual Report, being €76.5m in 2023 (2022: €89.7m). The main differences relate to discounting and risk margin under IFRS 17.

A2.2 Gross Written Premium

The Group's underwriting activities are conducted in Ireland.

Gross written premium increased to €413.6m in 2023 (2022: €382.7m), primarily delivered from our Farmer and Business customers, with strong growth in Agri including Tractor, Commercial Business and Home products.

Written policy count increased by 2.6% (2022: 2.8%) supported by a strong retention rate, particularly in Farm and Business products.

Increased levels of policy coverage account for 4.5 percentage points of the 5.4% increase in average premium, driven primarily from property lines, as rebuild costs and consequently sums insured have increased in response to inflation in construction and other operational costs in the economic environment. Farm multi-peril average premium increased by 5.6% and Home average premium increased by 10.8% as a result of increases in property elements as sums insured increased due to inflation in construction costs. Commercial Business average premium increased by 5.3% driven by a combination of sums insured increasing due to inflation in construction costs and customers increasing liability cover levels. Private Motor average premium increased by 2.9% and Commercial Motor increased by 3.6%, with rate increases applied to offset the increased cost of Motor Damage claims stemming from inflation in labour, parts and paint costs and the higher costs associated with repair and replacement of advanced technology on newer vehicles. Average Tractor premium increased by 9.1% due to a higher proportion of newer tractors, increasing value of existing tractors and modest rate increases to offset inflation in the cost of Motor Damage claims.

A2.3 Reinsurance

The reinsurance programme for 2024 was successfully renegotiated with some changes to the expiring agreement, as more risk is retained at lower layers. Reinsurance market conditions and pricing increases incurred over recent years have diminished the value of lower layer protection. While the levels of expected reinsurance recoveries will reduce as a result of the changes, the reduced reinsurance premium would mean an expected net benefit to FBD in a typical year. Overall we saw an increase in reinsurance rates for Property of 5.5% and Casualty of 8.5% on the comparable renewed cover.

A2.4 Claims and movement in other provisions

Gross incurred claims increased by €14.3m to €238.1m (2022: €223.8m) reflecting increasing costs due to inflation, increased frequency in Property and Motor Damage and increased policy count. There was favourable net prior year reserve development in 2023 of €44.4m (2022: €48.3m).

The Group's IFRS 17 loss ratio increased by 4.4 percentage points to 53.5% (2022: 49.1%) reflecting increasing claims costs due to inflation, increased frequency in Property and Motor Damage and increased policy count, and favourable net prior year reserve development.

Injury notifications increased 4% year on year largely reflecting increased policy count with a slight increase in frequency. The average cost of injury claims settlements is down 3% in the last 12 months.

Claims being settled under the new guidelines continue to be more than 40% lower in value when compared to the previous Book of Quantum. The level of acceptance of Injuries Resolution Board awards by the end of 2022 across the market was approaching pre-guideline levels at 48%. Higher acceptance rates reduce the number of cases through the courts system attracting higher legal costs. It will take time for the full impact to be known of the new guidelines on claims settled through the litigation process.

Motor Damage notifications increased by 11% and settlement costs also increased by 17%. There remains considerable upward pressure on constituent costs (parts, labour and paint).

The average cost of Property claims increased by 16% since 2022, excluding Business Interruption claims, due to a change in mix of claims and inflation, with double digit increases in Escape of Water, Fire and Storm costs.

Movement in other provisions increased by €9.9m to €18.3m (2022: €8.4m), with the increase relating to the provision for our current estimate of the cost of a constructive obligation arising from the deduction of State subsidies paid to claimants under Business Interruption of €6.2m, as well as the €2.5m Environmental, Social and Governance (ESG) initiative for The Padraig Walshe Centre for Sustainable Animal and Grassland Research. The other elements of the Movement in other provisions are the Motor Insurers Bureau of Ireland (MIBI) levy and the Motor Insurers Insolvency Compensation Fund (MIICF) contribution.

A2.5 Industry Environment

An appeal to the Supreme Court in respect of the Personal Injury Guidelines was heard at the end of February 2023. We are awaiting the Judgement but have no indication as to the timeline for delivery. Court backlogs have eased, with trial dates secured within pre-Covid timelines, however, we note Claimants' Solicitors still have a greater say around the timing of cases being called for trial. Injury claims settlement rates are down 9% year on year.

We still await the outcome of the review to determine if the Judiciary or the Minister of Justice and Equality should be allowed to determine the discount rate and review it at intervals. The delay in this decision may raise the potential of a challenge to the discount rate. The Court & Civil Law (Miscellaneous Provisions) Bill 2022 was signed into law in July 2023. Part 3 of the Act sets out that the indexation of periodic payment orders will no longer be fixed solely on the Consumer Price Index. Instead, the indexation rate will be set by ministerial regulations based on a broad range of more flexible factors. A committee was established to consider and make recommendations on a suitable indexation rate to the Minister. These recommendations and ministerial regulations are still awaited.

The following legislative changes impacting insurance were enacted during 2023:

- Occupiers Liability Act 1995 – amendments were signed into law in July as part of the Courts and Civil Law (Miscellaneous Provisions) Bill 2022. This introduces the concept of "Voluntary Assumption of Risk", which seeks to broaden the circumstances in which an occupier may be relieved of liability. An amendment to the Act changes the "common duty of care" provisions.
- Irish Motor Insurance Database (IMID) - The next phase of the previously named Motor Third Party Liability project (MTPL) requires sharing of additional data on insured vehicles and drivers with Regulatory Authorities.
- The Road Traffic Act (RTA) legislation has been extended to better regulate the use of scramblers/quads and e-bike/e-scooters.
- Assisted Decision Making Act - The Act came into effect on the 26 April 2023. We are working on a number of changes including updating our Vulnerable Customer Policy, scenario testing, reviewing the customer journey and training.

A number of additional changes impacting insurance are progressing through the legislative process:

- The Motor Insurance Directive (MID) primarily deals with the scope of compulsory insurance broadening the potential scenarios where RTA cover will apply.
- Flood Insurance Bill - The purpose of the bill is to provide for fairness in the market for property insurance, which will force insurers to offer flood cover to homes and businesses in flood affected areas.
- Protection of the Collective Interests of Consumers Bill 2023 - Proposed legislation transposes an EU directive and gives designated "Qualified Entities" the power to take enforcement action on behalf of a group of consumers whose rights have been breached in Ireland or in another EU country.
- Consumer Insurance Contracts (Amendment) Bill 2023 - This Bill proposes to ban the use of "clauses of average" in non-life insurance contracts.

A2.6 Weather, Claims Frequency and Large Claims

Net of reinsurance weather losses in 2023 were similar to that in 2022. There was a higher frequency of named Storms in 2023 but a lower number of attritional weather events.

Large injury claims, defined as a value greater than €250k, notified in 2023 are lower than the average of previous pre-Covid years.

A2.7 Expenses

The Group's expense ratio is 27.4% (2022: 27.3%). Total expenses of the Group in 2023 were €109.9m (2022: €103.6m). The 6% increase is made up of inflationary impacts on salary costs, IT spend and other utility costs. Commission also increased as our partnerships with intermediaries continue to grow.

A3. Investment Performance

A3.1 Investment Return

FBD's total investment return for 2023 was €60.5m (5.3% as a percentage of average assets under management for the year). This compares with -€100.6m for the full year 2022 (-8.6%).

The table below shows the investment return of the Group by asset class:

	2023 €000s	2022 €000s
Actual return		
Corporate bonds	**34,345**	(52,393)
Government bonds	**13,638**	(32,672)
Deposits and cash	**3,728**	68
Investment property	**(3,221)**	(810)
Risk Assets	**11,996**	(14,748)
Total investment income	**60,486**	(100,555)

The returns above are net of investment related expenses attributable to the respective asset class.

Despite ongoing volatility, investment markets rebounded from the losses of 2022 with almost all asset classes ending the year in a positive position relative to the previous year. Interest rate changes remained the dominant driver of market movements with the majority of the gains earned in the fourth quarter as signs of inflation abating and weakening growth projections led to markets pricing in a series of interest rate cuts in major developed markets.

While central banks remained cautious in their guidance, interest rates dropped since the start of the year. The yield on the benchmark German 5 year Bund decreased from 2.5% to 1.9% during 2023 as the market focus turned to ECB interest rate cuts, while credit spreads also narrowed over the year. This resulted in the buy and maintain bond portfolios experiencing significant mark-to-market gains.

The higher interest rate environment experienced since mid-2022 has led to a material increase in returns through the Income Statement from deposits and bonds in 2023. Bond maturities continue to be reinvested at higher interest rates, which is gradually increasing the income earned on these portfolios. During the year, some of this increased return was offset by realised losses on bonds sold to enhance longer term yield and reduce risk. An increase in the duration of these portfolios should lead to further future increases in returns through the Consolidated Income Statement. Risk assets contributed €12m to the overall income return offset by a drop in the valuation of our investment property.

Corporate Bonds

The income on the corporate bond portfolio was lower than expected despite higher yields on reinvestments as these gains were offset by realised losses on bonds sold due to a combination of yield enhancement and risk reduction trading. Mark-to-Market returns were positive as yields fell on expectations the ECB would begin cutting interest rates in 2024 while credit spreads narrowed over the course of the year.

Government Bonds

The income on the sovereign bond portfolio was higher than expected due to higher yields on reinvestments. Mark-to-Market returns were positive as yields fell on expectations the ECB would begin cutting interest rates in 2024.

Deposits and cash

Returns on deposits and cash increased during 2023 due to the ECB deposit rate increases being reflected in Money Market and banking counterparty rates.

Investment Property

The negative return on the Investment Property was due to partial vacancy and a valuation reduction due to a higher capitalisation yield on rental income following interest rate increases.

Risk Assets

Risk Assets rebounded strongly from the 2022 losses with equity funds contributing the highest returns and all the liquid risk asset classes experiencing a positive year. Global Equity returned 21.5%, Sustainable Equity returned 13.3% and Emerging Market Equity returned 5.1% during the year. The Global High Yield Bond fund returned 11.1%, the Emerging Markets Debt Hard Currency Fund returned 6.6%, the Emerging Markets Debt Local Currency Fund returned 11.9% and Absolute Return Fixed Income fund returned 3.1%. The build-up of the private markets allocation continued with the Senior Private Debt, Infrastructure Equity and Global Impact funds returning a combined €1.0m.

This following table shows the allocation of the Group's investment assets.

	31 December 2023		31 December 2022	
	€m	**%**	€m	%
Corporate bonds	**575**	**49%**	563	49%
Government bonds	**281**	**24%**	271	23%
Deposits and cash	**145**	**12%**	175	15%
Risk assets	**161**	**14%**	134	12%
Investment property	**12**	**1%**	15	1%
Total investment assets	**1,174**	**100%**	1,158	100%

The Group adopts a conservative investment strategy to ensure that its technical provisions are matched by cash and fixed interest securities of low risk and similar duration. FBD divested €22m from its government bond portfolio and €10m from its corporate bond portfolio during the year while it added €15m into its risk asset portfolio.

A3.2 Investments in Securitisation

The Group has no investments in securitisation.

A4. Performance of other activities

There are no other activities that are material.

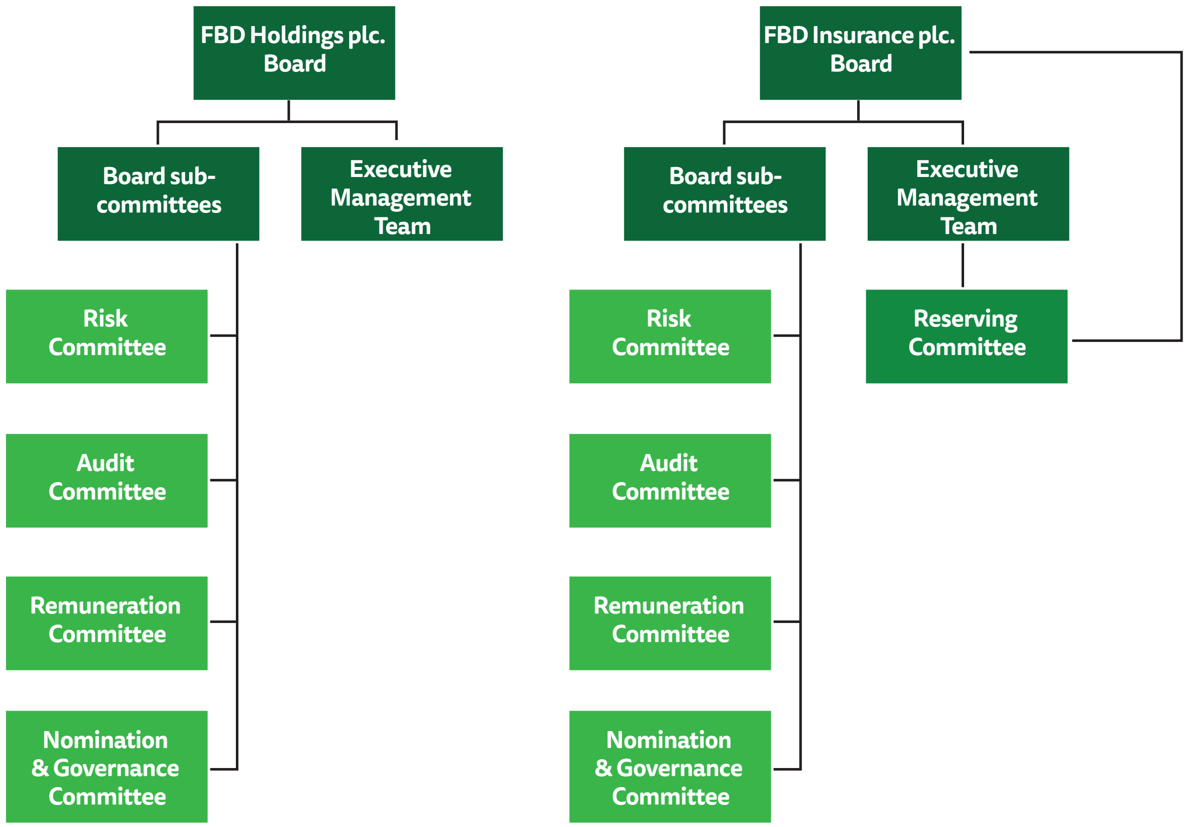
A5. Any other information

No other material information to be disclosed.

B. System of Governance

B1. General Information

B1.1 The Board and Committees Structure



The membership of the Board and Board Committees for FBD Holdings plc and FBD Insurance plc are consistent with different Chairs appointed for each. When referring to the Board and Board Committees below they cover both the FBD Holdings plc and FBD Insurance plc Committees.

The Board

The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Group.

The Board has approved a Corporate Governance Framework setting out its role and responsibilities. This is reviewed annually as part of the Board's evaluation of its performance and governance arrangements. The Framework includes a formal schedule of matters reserved to the Board for its consideration and decision, which includes but is not limited to:

- Approval of the Group's long term objectives and commercial strategy and any material changes;
- Approval of the annual operating and capital expenditure budgets and any material changes;
- Oversight of FBD Group Operations;
- Approval of changes to the Group capital structure, capital projects and approval of the dividend policy;
- Approval of Financial Statements and any significant change in accounting policies or practices;
- Ensuring maintenance of a sound system of internal control and risk management; and
- The appointment of Directors and the Company Secretary.

This schedule ensures that the skills, expertise and experience of the Directors are harnessed to best effect and ensures that any major opportunities or challenges for the Group come before the Board for consideration and decision. The schedule was last reviewed in April 2024.

Other specific responsibilities of the Board are delegated to Board appointed Committees, details of which are given later in this report.

Risk Committee

The Board Risk Committee is the forum for risk governance within FBD. It is responsible for providing oversight and advice to the Board in relation to current and potential future risk exposures of the Group and future risk strategy. This advice includes recommending a Risk Management Framework incorporating strategies, policies, risk appetites and risk indicators to the Board for approval. The Risk Committee oversees the Risk Function, which is managed on a daily basis by the Chief Risk Officer.

The key responsibilities delegated to the Committee include:

- Promoting a risk awareness culture within the Group;
- Ensuring that the material risks and emerging risks facing the Group have been identified and that appropriate arrangements are in place to manage and mitigate those risks effectively;
- Advising the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, the amounts, types and distribution of capital adequate to cover the risks of the Group;
- Reviewing and recommending the annual Compliance Plan and Compliance Framework to the Board for approval;
- Reviewing and recommending the Risk Management Framework to the Board for approval;
- Reviewing and challenging risk information received by the Chief Risk Officer from the business departments to ensure that the Group is not exceeding the risk limits set by the Board; and
- Presenting a profile of the Group's key risks, Risk Management Framework, Risk Appetite and Tolerance and Risk policies at least annually together with a summary of the Committee's business to the Board.

Audit Committee

The objective of the Committee is to assist the Board of the Group in fulfilling its oversight responsibilities for such matters as financial reporting, the system of internal control and management of financial risks, the audit process and the Group's process for monitoring compliance with laws and regulations.

The key responsibilities delegated to the Committee include:

- Reviewing the Group's financial results announcements and financial statements;
- Reviewing significant financial reporting judgements;
- Reviewing the Solvency II returns;
- Overseeing the relationship with the external auditors including reviewing and approving their terms of engagement and fees;
- Reviewing and monitoring the independence and objectivity of the Statutory Auditor and the effectiveness of the audit process;
- Reviewing the findings of the audit with the Statutory Auditor;
- Approving the Internal Audit Annual Work Plan;
- Monitoring and reviewing the activities and effectiveness of the Group's Internal Audit Function;
- Reviewing the independence and scope of the Internal Audit Function; and
- Performing detailed reviews of specific areas of financial reporting as required by the Board or the Committee.

Remuneration Committee

The objective of the Committee is to assist the Board of the Group in ensuring that the level of remuneration in the Group and the split between fixed and variable remuneration are sufficient to attract, retain and motivate Executive Directors and senior management of the quality required to run the Group in a manner which is fair and in line with market norms, while not exposing the Group to unnecessary levels of risk.

The key responsibilities delegated to the Committee include:

- Ensuring that the Group's overall reward strategy is consistent with achievement of the Group's strategic objectives;
- Determining the broad policy for the remuneration of the Group's Executive Directors, Company Secretary and Executive Management;
- Reviewing the on-going appropriateness and relevance of the Remuneration Policy;
- Determining the total remuneration packages for the foregoing individuals, including salaries, variable remuneration, pension and other benefit provision and any compensation on termination of office;
- Ensuring that remuneration schemes promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests;
- Ensuring that the Group operates to recognised good governance standards in relation to remuneration;
- Making awards of shares under the Group's approved share scheme; and
- Preparation of the detailed Report on Directors' Remuneration.

Nomination and Governance Committee

The objective of the Committee is to ensure that the Board and its Committees are made up of individuals with the necessary skills, knowledge and experience to ensure that the Board is effective in discharging its responsibilities.

The key responsibilities delegated to the Committee include:

- Reviewing the structure, size and composition of the Board and making recommendations to the Board for any appointments or other changes;
- Recommending changes to the Board's Committees and the Board;
- Keeping under review the leadership needs of the Group and recommending the appointment of Directors, Executive Management and the Company Secretary to the Board;
- Advising the Board in relation to succession planning both for the Board and the Senior Executives in the Group;
- Monitoring the Group's compliance with corporate governance best practice with applicable legal, regulatory and listing requirements and to recommend to the Board such changes as deemed appropriate; and
- Overseeing, in conjunction with the Board Chair, the conduct of the annual evaluation of the Board, Board Committees, Chair and individual Director Performance.

Reserving Committee

The Executive Management Team established a Reserving Committee for FBD Insurance plc with independent Non-Executive Directors as members, with formal terms of reference and with responsibility, inter alia, for the following:

- On a quarterly basis to review the adequacy of reserves and to recommend to the Board the level of IFRS Reserves and Solvency II Technical Provisions for inclusion in the financial statements and regulatory reporting; and
- The review of all material reports of the Head of Actuarial Function relating to reserves.

The Committee has full access to the Company's Head of Actuarial Function and any other person as deemed necessary by the Committee to effectively carry out its functions.

B1.2 Key Roles

The Chair

The role of the Chair is set out in writing in the Corporate Governance Framework. The Chair is responsible, inter alia, for:

- Setting the Board's agendas and ensuring that they cover the key strategic issues confronting the business;
- Lead the Board, encourage discussions, challenge the Board's mindsets and to facilitate the appropriate level of debate, promoting a culture of openness and debate at Board meetings and ensuring that the Directors apply sufficient challenge to management proposals;
- Nurture relationships founded on mutual respect and open communication inside and outside the Boardroom, between the Non-Executive Directors and Senior Executives;
- Facilitate the effective contribution of Non-Executive Directors in particular and ensure constructive relations between Executive and Non-Executive Directors are maintained;
- Ensure that the Directors receive accurate, timely and clear information;
- Ensure the Board receive adequate training about the operations and performance of the Company to ensure Non-Executive Directors make informed decisions;
- Ensure that the performance of individual Directors and the Board as a whole and its committees is evaluated on an annual basis;
- Leading the Board appointment process in line with the Board Recruitment and Diversity Policy;
- Chair the Annual General Meeting and deal with questions from shareholders; and
- Ensure that there is effective communication with shareholders.

The Group Chief Executive

The role of the Group Chief Executive Officer is set out in writing in the Corporate Governance Framework. They are responsible, inter alia, for:

- Developing a clear strategy for FBD with the Board and providing a formal process for review of strategy;
- Developing clear objectives and plans along with a suitable organisational structure to implement strategy;
- Establishing Key Performance Indicators quantifying individual and organisational goals for the business and the senior management team and evaluating performance accordingly;
- Ensuring that the organisation remains flexible to the changing business environment;
- Growing and motivating a top class management team to meet the challenges of the business;
- Maximising the efficient and effective use of resources;
- Articulating, disseminating and providing leadership in relation to the vision, mission, objectives and values of FBD and maximising morale and efficiency within the organisation;
- Identifying and managing change within FBD and in the market and driving a process of continuous improvement;
- Providing career development and succession throughout the organisation, particularly at management level; and
- Representing FBD externally with shareholders, customers, regulators, media, providers and the public.

The Executive Management Team

The Group Chief Executive has established an Executive Management Team ("EMT") comprising senior Group executives to assist him in the discharge of his responsibilities for the Group's performance, operations and compliance.

The composition of this team is a matter for the decision of the Group Chief Executive and its role and responsibilities include:

- Managing the day to day running of the Group's business;
- Formulating the Group's strategic plans for the approval of the Board;
- Communicating the standards of performance, strategy and goals of the Group to meet the objectives approved by the Board;
- Leading the implementation of the agreed programme of priority development initiatives;
- Reviewing and communicating progress against the goals, providing direction to the Group's employees, removing barriers to achieving the goals and allocating the Group's resources to the areas of greatest importance;
- Advising the Board, through the Group Chief Executive, on all matters concerning organisational strategy and performance.

The Board and senior management have ultimate responsibility for the governance of internal controls in FBD. A number of Board and executive committees have been established with specialised areas of focus such as:

- Board Risk Committee
- Board Audit Committee
- Board Remuneration Committee
- Board Nomination and Governance Committee
- Disclosure Committee (FBD Holdings plc)
- Standing Committee
- Investment Committee
- Reserving Committee (includes at least one independent non-executive Director)
- Executive Risk Committee
- Pricing and Underwriting Committee
- Commercial Trading Committee
- Reinsurance Committee
- IT and Operations Management Committee
- Strategy Oversight Committee
- Sustainability Committee

The executive committees report to the Executive Management Team through the EMT member via the monthly EMT meetings.

B1.3 Authority and independence of key functions

The control functions report regularly to the Board on the effectiveness of the System of Governance including the Internal Control System. The control functions are defined as the Risk Function, Compliance Function, Internal Audit Function, and Actuarial Function.

The Group uses a 'three lines of defence' framework in the delineation of accountabilities for internal control.

- Primary responsibility for risk management rests with line management;
- Line management is supported by the second line Risk, Actuarial and Compliance Functions;
- The third and final line of defence is the Internal Audit function, which provides independent assurance to the Audit Committee of the Board on risk-taking activities.

The second and third line of defence functions have defined Terms of Reference (ToR) reviewed at least annually by the appropriate committee.

Risk Function

The Board has established a Risk Function, headed by an appointed Chief Risk Officer. The Risk Function has independent oversight of the Group risk management activities with specific responsibility for ensuring that the Group's Risk Management Framework is documented and implemented and that its risk management procedures are carried out effectively. The Risk Function acts as a second line of defence in the FBD's Risk Management Framework.

The Risk Function's terms of reference states that the function shall have full, unrestricted access to all information, explanations, records, and personnel necessary for the purposes of the identification, assessment, monitoring and reporting of risk to the Board Risk Committee and the Board.

Compliance Function

The Board has established a Group Compliance Function, headed by an appointed Head of Compliance. The Compliance Function acts in an advisory, oversight and assurance role to ensure that the Group has the necessary systems and controls in place to ensure adherence, on an on-going basis, to its legal and regulatory requirements. The Compliance Function acts as a second line of defence in the FBD's Risk Management Framework.

The Compliance Framework sets out how regulatory risk is managed in FBD and provides the necessary structures for the identification, assessment, monitoring, management and reporting of regulatory risk including to senior management and the Board.

Actuarial Function

The Board has established an Actuarial Function, headed by an appointed Head of Actuarial Function. The Actuarial Function co-ordinates the calculation of Technical Provisions and provides an Opinion and accompanying report on the Technical Provisions to the Board and the Central Bank of Ireland.

In addition, the Actuarial Function prepares an Opinion on the Underwriting Policy, Reinsurance arrangements and the Own Risk and Solvency Assessment (ORSA). The Actuarial Function acts as a second line of defence in FBD's Risk Management Framework.

Internal Audit Function

The Board has established an Internal Audit Function, headed by an appointed Head of Internal Audit. Internal Audit is an independent function reporting to the Board through the Audit Committee. Internal Audit acts as the third line of defence in the FBD Risk Management Framework and examines and evaluates the functioning of the internal controls and all other elements of the system of governance, as well as the compliance of activities with internal strategies, policies, processes and reporting procedures.

B1.4 Material changes during the period

There were 3 changes to the Board in 2023. The table below sets out the Directors who served during 2023:

Liam Herlihy	Chair
Mary Brennan	Independent Non-Executive Director
Sylvia Cronin	Independent Non-Executive Director
Tim Cullinan	Independent Non-Executive Director
Patrick Murphy	Non-Executive Director (Appointed 1 September 2023)
David O'Connor	Independent Non-Executive Director
John O'Dwyer	Independent Non-Executive Director
John O'Grady	Executive Director and Group Chief Financial Officer (Retired 31 December 2023)
Tomás Ó Midheach	Executive Director and Group Chief Executive Officer
Richard Pike	Senior Independent Non-Executive Director
Jean Sharp	Independent Non-Executive Director
Padraig Walshe	Non-Executive Director (Passed away 1 February 2023)

Kate Tobin was appointed as Executive Director and Group Chief Financial Officer on 1 January 2024.

B1.5 Remuneration policy and practices

The Group's Remuneration Policy is determined by the Board of FBD Holdings plc through the Remuneration Committee.

When determining Executive Director Remuneration policy and practices, the Committee addresses all of the following:

- **Clarity:** remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.
- **Simplicity:** remuneration structures should avoid complexity and their rationale and operation should be easy to understand.
- **Risk:** remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.
- **Predictability:** the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.
- **Proportionality:** a significant part of an Executive's reward is linked to performance with a clear line of sight between business performance and the delivery of shareholder value.
- **Alignment to culture:** the incentive arrangements and the performance measures used are strongly aligned to those that the Board considers when determining the success of the implementation of the Group's purpose, values and strategy.

Remuneration Principles

The Committee aims for the disclosure to be clear to allow shareholders to understand the range of potential values which may be earned under the remuneration arrangements. Please find key principles set out hereunder:

- **Fair:** FBD aims to reward employees fairly and transparently for their contribution and to ensure all employees have equal opportunity to progress their careers and enhance their earning potential and the Diversity Policy is key to ensuring fairness.

- **Performance:** performance management plays a key role in aligning individual objectives with FBDs overall strategy, goals and values. Performance outcomes using a combination of financial objectives and non-financial behaviours which underpin individual remuneration and provide a clear alignment between performance and remuneration.
- **External Factors:** FBD aims to align remuneration with competitors and the relevant sectors for talent assessed against market benchmarks from recognised providers of benchmarking data.
- **Risk Aligned:** remuneration is designed to promote high performance, a strong risk management culture and risk taking which is aligned to FBDs risk appetite. All employees are required to have a risk objective in their performance plan.

The remuneration of the Non-Executive Directors of the Group is determined by the Board. The individual remuneration packages of senior executives are determined by the Remuneration Committee who report to the Board.

B1.5.1 Components of Remuneration

Fixed Remuneration

Base Salary and Allowances

FBD's current remuneration structure predominantly consists of fixed pay elements, i.e. base salary, allowances. Base salary is the principal component of fixed remuneration and is designed to be fair and competitive and set according to appropriate salary ranges which reflect the size and level of responsibilities of each role.

Base salary is normally reviewed annually having regard to personal performance, Group performance and competitive market practice.

Benefits and Wellbeing

FBD provides, depending on role or competitive market practice/business needs, a car allowance. The Group also makes a fixed percentage contribution to the private health insurance costs of all employees.

FBD takes the wellbeing of employees very seriously and provides access to a variety of health and wellbeing initiatives.

Variable Remuneration

Variable remuneration is based on individual and Group performance and is awarded to all permanent employees and varies by amount and structure depending on role but in all cases is designed to encourage and reward enhanced performance.

1. Short Term Incentives

Bonus – Head Office Employees and Management

Annual bonus is based on stretching performance conditions set by the Remuneration Committee at the start of the year. The maximum opportunity level under the Policy for the Group Chief Executive Officer is 120% of base salary and 100% of base salary for other Executive Directors. In a given year, the Committee may determine that a maximum opportunity level below the above Policy levels will be operated.

Annual bonus outcomes will be determined based on performance against Group financial targets and the achievement of defined individual strategic objectives. The Remuneration Committee will determine the performance measures, their weightings and the calibration of targets each year and will clearly disclose these in the Remuneration Report.

Financial targets will determine the majority of the bonus. Financial targets will be set in a manner which will encourage enhanced performance in the best interests of the Group and its shareholders and will be approved by the Remuneration Committee.

In addition, if annual Group profit before tax does not reach a minimum level, to be determined annually by the Remuneration Committee after the budget has been approved, then the bonus may be revised downwards potentially to zero, the ultimate discretion over which rests with the Remuneration Committee following consultation with the Chief Executive Officer.

Individual performance will be assessed against agreed performance objectives, which will include a risk objective to ensure that all employees identify, evaluate and mitigate and control risks as part of our overall objectives to meet the organisation's strategic goals.

The Remuneration Committee has the discretion to override formulaic outcomes in circumstances where it judges it would be appropriate to do so. Any such discretion would be fully disclosed in the relevant annual report.

Any bonus payments are subject to the potential for the Remuneration Committee to apply provisions to withhold, reduce or require the repayment of awards for up to two years after payment if there is found to have been (a) material misstatement of the Group's financial results or (b) gross misconduct on the part of the individual.

30% of any executive bonus will be deferred into FBD shares for a period of three years. This practice will allow the Committee to have flexibility to apply clawback if circumstances warranted.

Bonus – Sales Employees

Sales employees' bonus arrangements are based on the achievement of KPIs which are agreed annually including targets for such matters as gross written premium, retention levels, discretionary discounts ceded, compliance standards and business quality. This bonus is paid quarterly in arrears. Any bonus or variable pay proposals must be in compliance with Central Bank guidelines on variable pay.

2. Long Term Incentives

FBD Holdings plc, the Company's parent, has established the FBD Performance Share Plan ("LTIP") which was approved by its shareholders. Under the LTIP, the Remuneration Committee may, at its sole discretion, make conditional awards of shares to Executives.

Conditional awards of shares under the LTIP are limited to 10% in aggregate with any other employee share plan of the Company's issue ordinary shares of €0.60 each over a rolling 10 year period. The market value of shares which are the subject of a conditional award to an individual may not, in any financial year, normally exceed 150% of the participants base salary as at the date of the grant.

The Remuneration Committee set performance conditions each year, selecting appropriate metrics based on key strategic priorities. The period over which the performance conditions applying to a conditional award under the LTIP are measured may not be less than three years. The extent to which a conditional award may vest in the future will be determined by the Remuneration Committee by reference to the performance conditions set at the time of the reward.

These conditions are designed to ensure alignment between the economic interest of the plan participants and those of shareholders. Different conditions, or the same conditions in different proportions, can be used by the Remuneration Committee in different years under the LTIP rules, provided that the Committee is satisfied that they are challenging targets and that they are aligned with the interest of the Group's shareholders.

Consistent with prior periods, the LTIP rules allow the Remuneration Committee (at its sole discretion) to make awards which may be subject to an additional post vesting holding period. Awards will vest after three years once applicable performance conditions have been achieved and the vested shares (net of tax) will be required to be held for a further two year period to provide continued alignment with shareholders. The Remuneration Committee has the discretion to override formulaic outcomes in circumstances where it judges it would be appropriate to do so and any such discretion will be fully disclosed in the relevant annual report.

The LTIP includes provisions that allow the Remuneration Committee to withhold, reduce or require the repayment of rewards for up to two years after vesting (i.e. up to five years after grant) if there is found to have been (a) material misstatements of the Group's financial results: (b) gross misconduct on the part of the award holder.

B1.5.2 Components of Remuneration

The remuneration of persons who exercise a significant influence on the undertaking and with members of the administrative, management or supervisory body (which comprises the Board of Directors and Company Secretary of FBD Holdings plc and the Group's primary subsidiary, FBD Insurance plc and the members of the Executive Management Team) is as follows:

	2023 €000s	2022 €000s
Short term employee benefits[1]	**5,077**	4,730
Post-employment benefits	**306**	275
Share based payments	**1,436**	1,386
Charge to the Consolidated Income Statement	**6,819**	6,391

1 *Short term benefits include fees to Non-Executive Directors, salaries, and other short-term benefits to all key management personnel.*

B1.5.3 Special Arrangements for Risk, Compliance and Internal Audit Roles

In the case of employees who hold roles in the Risk, Compliance and Internal Audit functions, so as to ensure the independence of these role holders and that their ability to perform their second and third line of defence roles is not in any way compromised, there will be no linkage between Annual Bonus and Group performance targets. In the event that performance related bonuses are paid by the Group in any financial year, those awarded to second and third line employees will be conditional only on the attainment of individual performance objectives.

Remuneration of Key Employee Groups

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board and reflects the time commitment and responsibilities of their role. In setting this level, the Board has regard to the fees payable to the Non-Executive Directors of the other Irish publicly listed companies and also to the developments and policy for the remuneration of the employees in the wider Group.

Non-Executive Directors receive a basic fee. Additional fees are paid for acting as Senior Independent Director, being a member of and/or chairing Board Committees. These fees are reflective of their added responsibilities and time commitment.

Non-Executive Directors are not members of the Group's pension schemes and are not eligible for participation in the Group's long-term incentive schemes.

B1.6 Supplementary Pension

FBD operates a defined contribution pension arrangement for its employees, where both the employee and employer contribute to the retirement fund. FBD also operates a legacy defined benefit arrangement, which is closed to future accrual.

Pension

FBD offers employees a competitive defined contribution pension benefit. Employees are enrolled in the group scheme which provides a standard employer contribution rate of 8%. The pension contribution level for the Group Chief Executive Officer and the Group Chief Financial Officer in 2024 will be 8% of base salary, which is in line with the rate for the wider workforce.

B1.7 Adequacy of System of Governance

The Systems of Governance is considered to be appropriate for FBD, taking into account the nature, scale and complexity of the risks inherent in the business.

B1.8 Material Transactions

There are no material transactions to note.

B2. Fit and proper requirements

B2.1 Fitness and Probity Policy

The Fitness and Probity Regime was introduced by the Central Bank under the Central Bank Reform Act 2010 (the 2010 Act). The core function of the Fitness and Probity Regime is to ensure that individuals in key and customer facing positions (referred to in the legislation as Controlled Functions (CFs) and Pre-Approval Controlled Functions (PCFs)) within a Regulated Financial Service Provider are competent and capable, honest, ethical and of integrity and also financially sound. The Central Bank has issued a number of statutory codes pursuant to its powers under section 50 of the 2010 Act, to set out the minimum standards of Fitness and Probity for individuals performing CFs or PCFs, including the Fitness and Probity Standards for Regulated Firms. The Central Bank (Individual Accountability Framework) Act 2023 amended the Central Bank Reform Act 2010.

As a regulated entity, FBD is subject to the F&P Standards. The annually reviewed and Board approved FBD Fitness and Probity Policy sets out the structures, processes and procedures in place to ensure the initial and ongoing assessment of individuals performing 'Controlled Functions' and 'Pre-Approval Controlled Functions', including Directors, senior management and those employees whose activities have a material impact on the business. The policy includes clear defined roles and responsibilities, due diligence requirements including for outsourced arrangements, escalation processes and record keeping.

FBD considers itself to be in compliance with the F&P Standards. FBD is continuing implementation of the Central Bank (Individual Accountability Framework) Act 2023.

B2.2 Selection due diligence

The Group operates robust HR recruitment and selection controls which ensure that FBD selects only candidates that meet the F&P Standards (i.e. competent and capable, honest ethical and act with integrity and financial soundness). These controls include appropriate screening of candidates and the assessment of completed Fitness and Probity Questionnaires prior to their engagement. This includes screening for amongst other things: educational qualification and work experience, conflicts, bankruptcy and debt judgements and regulatory sanctions, where appropriate.

In addition, our employment contract terms require continuing adherence to all regulatory standards including, amongst others, the F&P Standards and Minimum Competency Code (MCC) obligations.

B2.3 Continuous due diligence

The Group operates a continuous due diligence programme which covers all Directors, senior executives and relevant employees across the Group. Under this programme, training and a Fitness and Probity questionnaire are required to be completed annually by Controlled Function and Pre-Approval Controlled Function role holders. Additionally, each individual is required to complete an F&P Declaration confirming that they remain fit and proper, agree to abide by F&P Standards and to notify FBD immediately if for any reason they no longer believe they comply with the F&P standards.

HR independently undertakes validation and assessment of completed Individual Questionnaires and/or any F&P concern raised. Where this review causes the Chief HR Officer to form the opinion that there is reason to believe or suspect a person's fitness and probity to perform the relevant function, a formal assessment process will be conducted which may result in the person being removed from carrying out the regulated function. Such circumstance may include, but is not limited to, potential issues identified or reported during the normal course of business, material or undeclared judgements; criminal or civil convictions or regulatory censure. In assessing the impact of these circumstances, FBD takes into consideration all relevant matters including the circumstances surrounding the issue; the length of time since the issue; the explanation given; the proposed role and its impact.

B3. Risk management system including the own risk and solvency assessment

B3.1 Risk Management Framework

FBD has adopted an enterprise Risk Management Framework which comprises of strategies, policies, processes and reporting procedures necessary to identify, assess, monitor, manage and report, on a continuous basis the risks, at an individual and at an aggregated level, to which the Group could be exposed. The key elements of the enterprise Risk Management Framework are Risk Appetite, Risk Governance, Risk Process and People. FBD has established procedures to monitor and report on the system of controls and it follows the three lines of defence model outlined previously.

Key components of monitoring and reporting of the system of control include:

- Business Unit Quality Assurance;
- Business Unit Management Information;
- Risk Control Self-Assessment;
- Error Reporting;
- First Line Reviews;
- Second Line Reviews;
- Third Line Internal Audits; and
- Board/Executive Committee Reporting.

B3.2 Risk Implementation and Integration

All staff are expected to demonstrate appropriate standards of behaviour in the development of strategy and the pursuit of objectives. This philosophy is supported by the following guiding principles. Management and employees shall:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit level and Group-level risk profile to consider what's best for their individual business unit and department and what's best for the Group as a whole;
- Support executive management's creation of a Group-level portfolio view of risk;
- Retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- Strive to achieve best practices in enterprise risk management;
- Read and understand all policies and procedures relevant to their role;
- Monitor compliance with policies and procedures and the state of enterprise risk management;
- Leverage existing risk management practices, wherever they exist within the Group;
- Use the Group's Speak up Policy if they have a concern about unlawful conduct, financial malpractice, danger to the public or environment or possible fraud or risks to the Group;
- Document and report all significant risks and enterprise risk management deficiencies; and
- Accept that enterprise risk management is mandatory, not optional.

Roles and Responsibilities

While the Board has ultimate responsibility for all risk-taking activity within the Group, it has delegated some risk governance tasks to a number of committees or key officers. The Group uses a 'three lines of defence' framework in the delineation of accountabilities for risk governance as outlined in B 1.3.

The Risk Management Function maintains a Corporate Risk Register with each risk assigned to a Risk Owner and a Risk Champion/Business Risk Partner in the Business.

Line Management/Risk Owner

The first line of defence within each business and support unit is line management. Line management has primary responsibility for ensuring that the business complies with their specific obligations. In addition, the first line of defence is responsible for working with the Risk Management Function to identify, assess, monitor and report risk. Line management is also responsible for ensuring that all staff members receive appropriate training. Line management must also inform the Risk, Compliance, Actuarial and Internal Audit Functions (where appropriate) of any facts relevant for the performance of their duties.

Risk Champion

Risk Champions report to their departmental manager. These individuals are well placed in FBD to ensure the continuous monitoring and reporting of their risk and control environment. Risk Champions are also responsible for promoting a positive risk culture in the organisation.

Business Risk Partners

These roles act as a 1.5 line of defence in the oversight of risks and controls within the Underwriting, Sales, Claims and IT business areas. The Business Risk Partners are responsible for supporting the Risk Owners in the management of their risks. They promote a positive risk and compliance culture and awareness through the development and roll out of appropriate and tailored training for staff.

Risk Appetite Framework

Risk appetite is a measure of the amount and type of risks FBD is willing to accept or not accept over a defined period of time in pursuit of its objectives. The Risk Appetite Framework defines FBD's appetite for each main risk category describing at a high level the type of risk it is willing to take.

The Group's appetite is to maintain sustainable profit and a strong capital position while acting in the best interests of consumers. The risk appetite in FBD is driven by an overarching desire to protect the solvency of the Group at all times. Through the proactive management of risk, FBD ensures that it does not currently have or will not take on an individual risk or combination of risks that could threaten the solvency of the Group. This ensures that FBD has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as these liabilities fall due.

The management of risks are outlined further in Section C of this report. The Risk Appetite Framework is reviewed and approved at least annually by the Board and is monitored and reported by the Risk Function in order to support and embed risk in the decision making process of the Group.

Risk Policies

The Group has developed a number of risk management policies which clearly set out the following:

- Definition of risk;
- Objective;
- Roles and Responsibilities;
- Processes; and
- Reporting procedures to be applied.

The risk policies are reviewed at least annually by the Board or more frequently if the system, or area concerned, undergoes significant change.

B3.3 The Own Risk and Solvency Assessment (ORSA) Process

B3.3.1 ORSA Process Overview

The ORSA is a continuous process and FBD considers the process outputs when managing Capital risk. The key elements of the ORSA process include the following;

- An assessment of the Group's risk profile;
- An assessment of the appropriateness of the Standard Formula for FBD;
- The calculation of Capital projections based on the Group's Business Plan;
- Stress and Scenario testing;
- A review of the Capital Recovery Plan; and
- A review of the Capital Risk Appetite Statement and tolerance limits.

The ORSA process is an integral part of the business strategy. When making strategic decisions the ORSA process is considered. The ORSA process is fully integrated into the following decisions;

- Setting Shareholder Dividend Policy;
- Setting Investment Strategy;
- Purchasing Reinsurance Programmes;
- Setting Underwriting Policy;
- Or, in any other business decision where there may be a Capital impact.

Where relevant to decisions, Board Papers include information on the capital implications of that decision.

B3.3.2 ORSA Approval by the Administrative, Management or Supervisory Body (AMSB)

The ORSA is a top-down process owned by the Board. It is an ongoing process, which ensures that the business is managed soundly and prudently by identifying, assessing and monitoring current and future solvency needs in light of all the risks faced. FBD must submit at least one ORSA Report to the Central Bank of Ireland each year.

The ORSA is a very important process as it provides the Board with a comprehensive understanding of the Group's key risks. These risks include both current and emerging risks. FBD's overall solvency needs are assessed having considered these risks.

The ORSA Supervisory Report is prepared by the Chief Risk Officer and is subject to Board Risk Committee and Board approval prior to submission to the Central Bank.

B3.3.3 Overall Solvency Needs

FBD's overall solvency needs are assessed at least annually as part of the ORSA process. The assessment takes into account the specific risk profile, approved risk tolerance limits and the business strategy of the Group.

A key part of this assessment is to review the significance of any deviation between the risk profile of FBD and the assumptions underlying the Standard Formula SCR calculation.

As part of the overall solvency needs assessment, the Group's Strategy and Business Plan is also considered. Base case financial projections covering the FBD planning cycle period are developed. Based on these financials the Group's capital position is projected. This capital projection is then subjected to a number of stress tests, reverse stress tests and scenario analyses. Based on the outputs of these tests the Group reviews the appropriateness of their Capital Risk Appetite.

The Risk Function with input from key stakeholders develops the stress and scenario tests. The stress and scenarios chosen take into account the material risks facing the Group, external environment and likelihood of occurring based on historical analysis. These tests are presented to the Board Risk Committee for review and challenge and to the Board for review, challenge and approval.

B4. Internal control system

B4.1 Internal Control Environment

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The system which operates in FBD is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with the Financial Reporting Council (FRC) guidance for directors on internal control published in July 2018, the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

The key risk management and internal control procedures which cover all material controls include:

- Skilled and experienced management and staff in line with fit and proper requirements;
- Roles and responsibilities including reporting lines clearly defined with performance linked to Group objectives;
- An organisation structure with clearly defined lines of responsibility and authority;
- The maintenance of proper accounting records;
- A comprehensive system of financial control incorporating budgeting, periodic financial reporting and variance analysis;
- A Risk Committee of the Board and a Risk Management Framework comprising a Risk Function headed by a Chief Risk Officer, a clearly stated Risk Appetite and Risk Strategy supported by approved risk management policies and processes;
- An Executive Risk Committee comprising of senior management whose main role includes reviewing and challenging key risk information and to assist the Board Risk Committee, described earlier, in the discharge of its duties between meetings;
- IT Risk and Operational Resilience Risk Committee reporting to the Executive Risk Committee. This Committee is comprised of Executive and Senior Management with responsibility for the oversight of IT risks and Operational Resilience risk and the control environment in place to manage these risks;
- IT and Operations Management Committee reporting to the Executive Management Team;
- A Consumer and Culture Committee comprising of senior management whose main role includes supporting the Risk Function in ensuring it has an appropriate and achievable mandate to roll-out the Consumer Risk Framework, consumer risk limits and reporting structure to all business functions.
- The risk strategy, framework and appetite are articulated in a suite of policies covering all risk types and supported by detailed procedural documents. Each of these documents is subject to annual review and approval by the Board;
- Performance of an ORSA linking to risk management, strategy and capital management;
- A Group Internal Audit Function;
- A Group Compliance Function;
- A Data Protection Officer;

- An Audit Committee whose formal terms of reference include responsibility for assessing the significant risks facing the Group in the achievement of its objectives and the controls in place to mitigate those risks;
- An IT Disaster Recovery Framework is in place and is regularly tested;
- A Business Continuity Framework is in place and is regularly tested;
- An IT Risk Management Framework which sets out the Framework for the management of Information Technology (IT) risk within the Group;
- An Operational Resilience Framework is in place and a self-assessment completed;
- A number of key Group policies in place include a Corporate Governance Framework, Fitness and Probity Policy, Speak Up Policy and Code of Conduct.

The Annual Budget, Half-Yearly Report and Annual Report are reviewed and approved by the Board. Financial results with comparisons against budget are reported to Executive Directors on a monthly basis and are reported to the Board quarterly.

The risk management, internal control, reporting and forecasting processes are important to the Board in the exercise of its Governance and Oversight role. The Board constantly strives to further improve their quality. The Group has established a Speak Up Policy for workers* (as defined by the Protected Disclosures (Amendment) Act 2022), the purpose of which is to ensure that:

- Workers* are aware of the arrangements and protection in place for raising concerns in respect of wrongdoing in the Group.
- Workers* are aware that it is safe and appropriate for all employees to raise a concern.
- FBD take appropriate measures to ensure concerns are appropriately investigated and to safeguard workers* who:
  - Raise genuine concerns; or
  - Are the subject to an investigation; or
  - Were the subject to an investigation and where no evidence of wrongdoing was discovered.

The Speak Up Policy and supporting procedures are reviewed annually and the Policy is available on the FBD Group website and all employees receive annual mandatory training.

**Workers as defined by the Protected Disclosures (Amendment) Act 2022.*

Internal Controls over Financial Reporting

The main features of the Internal Control Framework which supports the preparation of the consolidated financial statements are as follows:

- A comprehensive set of accounting policies are in place relating to the preparation of the interim and annual financial statements in line with IFRS;
- A number of policies and controls are in place to support the delivery of the annual report and half yearly report including a Financial Reporting Policy and Internal Control Policy;
- An appropriately qualified and skilled Finance team is in place operating under the supervision of experienced management who are compliant with fit and proper requirements;
- Appropriate financial and accounting software is in place;
- A control process is followed as part of the interim and annual financial statements preparation, involving the appropriate level of management review of the significant account line items, and where judgments and estimates are made, they are independently reviewed to ensure that they are reasonable and appropriate. This ensures that the consolidated financial information required for the interim and annual financial statements is presented fairly and disclosed appropriately;

- Preparation and review of key account reconciliations;
- The Audit Committee members attend a series of meetings in the lead up to the annual financial statements to consider and review the financial statements in detail and to have early sight of key uncertainties and judgements;
- Detailed papers are prepared for review and approval by the Audit Committee covering all significant judgmental and technical accounting issues together with any significant presentation and disclosure matters; and
- The Audit Committee has a number of responsibilities delegated to it under its Terms of Reference. On an annual basis an assessment is carried out of the Committee's compliance with its Terms of Reference.

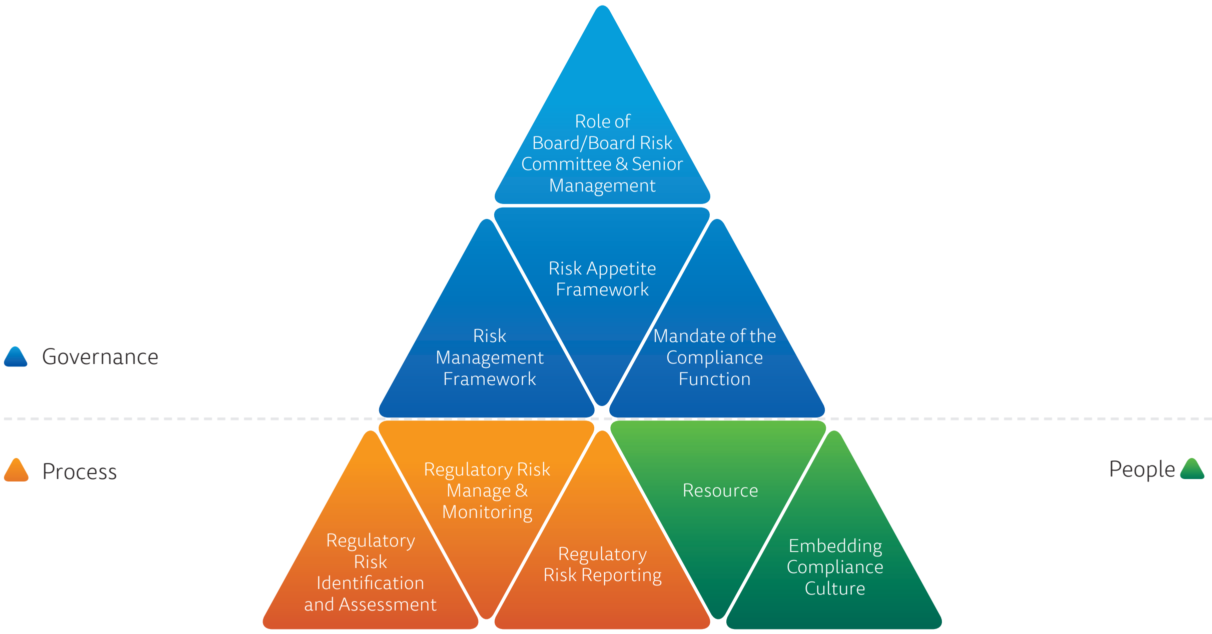
The Board confirms that it has reviewed the effectiveness of the Group's Systems of Internal Control for the year ended 31 December 2023. The 2023 internal control assessment provides reasonable assurance that the Group's controls are effective, and that where control weaknesses are identified, they are subject to management oversight and action plans.

B4.2 Compliance Function Implementation

Compliance Framework

The Compliance Function operates in the second line of defence and through the Head of Compliance develops and implements the Board approved Compliance Framework. The Compliance Framework sets out how regulatory risk is managed in FBD under the headings of governance, process and people. The framework outlines the various compliance related activities which are undertaken and provides a structure and clarity over compliance activities.

The key elements of the Compliance Framework are illustrated below:



The Annual Compliance Plan is developed by the Head of Compliance and approved by the Board.

B5. Internal Audit function

B5.1 How the Internal Audit Function is implemented

The Internal Audit Function is the third line of defence in the risk governance structure operated by the Group. Internal Audit provides independent assurance to the Board through the Audit Committee on risk-taking activities. The Internal Audit Function is formally established through its Charter, which is reviewed and approved by the Audit Committee annually. The Internal Audit Charter states that Internal Audit is to operate in compliance with the International Standards for the Practice of Internal Auditing issued by the Institute of Internal Auditors ("IIA"), the IIA's Internal Audit Financial Services Code of Practice and the IIA's Code of Ethics. The Standards, Code of Practice, together with the Code of Ethics, encompass all mandatory elements of the International Professional Practices Framework ("IPPF"); therefore, conformance with the Code of Ethics and the Standards demonstrates conformance with all mandatory elements of the International Professional Practices Framework.

B5.2 Maintaining independence and objectivity

The Head of Internal Audit (HIA) has a direct reporting line to, with direct and unlimited access to, the Chair of the Board Audit Committee. The Board Audit Committee is responsible for the appointment and removal of the HIA. The Internal Audit Charter notes that Internal Audit is specifically prohibited from performing management activities, including:

- Performing Operational duties; including operation of policies and procedures;
- Initiating or approving accounting transactions; and
- Undertaking consulting engagements where the primary aim includes process improvement, implementation of systems, or advising on operating practices.

The Charter also notes that in order to minimise the risk of conflicts of interest the HIA will, where possible taking into account the size of the audit team, rotate members of audit team assigned to audits that they have participated in previously. Lastly, the Internal Audit Manual states: "To maintain independence Internal Audit staff are required to refrain from auditing operations for which they were responsible within the preceding 12 months and specific operations where there is a personal conflict of interest".

B6. Actuarial function

B6.1 Description

The Actuarial Function is part of the second line of defence within the "three lines of defence" model operated by the Group. The Actuarial Function is responsible for calculating the Best Estimate Technical Provisions and expressing an Opinion on the Technical Provisions, the Underwriting Policy, the adequacy of reinsurance arrangements and the ORSA.

The Actuarial Function annual activities are prescribed within a Terms of Reference which is included in the Actuarial Function Report that is reviewed by the Board annually. The Actuarial Function shall have full, unrestricted access to all information, explanations, records, and personnel necessary for the completion of those activities.

B6.2 Reporting

The Head of Actuarial Function reports directly to the Chief Financial Officer. Also, the Head of Actuarial Function has access to the Independent Non-Executive Directors of the Reserving Committee.

The Head of Actuarial Function presents all Opinions to the necessary Board Committee's and the Board on an annual basis. In addition, results from quarterly reserving analyses and other material analyses are reported to the Reserving Committee, Audit Committee and the Board.

B7. Outsourcing

FBD outsources a number of processes, services and activities to service providers to assist in achieving its strategic objectives and delivering a high level of service to its customers. FBD has an Outsourcing Policy in place, the purpose of which is to provide guidance governing the definition of outsourcing and criticality of outsourcers and includes sections on:

- Outsourcing strategy;
- Roles and responsibilities;
- Onboarding process;
- Due diligence;
- Business continuity;
- Contract agreements;
- Risk appetite and framework;
- Outsourcing templates; and
- Outsourcing log.

The outsourcing arrangements in place for the Group are reviewed annually in line with the policy and the Board approve all "Critical Outsourcing" arrangements.

Critical Outsourcing Service Provided	Jurisdiction
Co-location of the data centre, System Monitoring and Data Backup/Restores	Ireland
Management of the Corporate Bond Portfolio	UK*
Management of the Sovereign Bond Portfolio	Ireland
Management of the collective investment schemes	Ireland
Batch, print and dispatch of customer documentation	Ireland

* *FBD is contracted with a UK legal entity to provide asset management services on its Corporate Bond Portfolio. The asset manager has its headquarters based in an EU27 country.*

B8. Any other information

No other material information to be disclosed.

C. Risk Profile

In accordance with Group policy, business unit management has primary responsibility for the effective identification, management, monitoring and reporting of risks. There is an annual review by the Risk Committee of all major risks to ensure all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of the event occurring. Impact assessments are made against financial, operational, regulatory and reputational criteria. All amounts included in this section are reported on IFRS basis.

C1. Underwriting risk

Underwriting

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks written and within each of the types of cover, to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The principal insurance covers provided by the Group include Motor, Employers' and Public Liability and Property.

The Group manages these risks through its underwriting strategy, proactive claims handling and its reinsurance arrangements. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks written and to reduce the variability of the expected outcome by each risk category. The only significant concentration of insurance risk is that all of the Group's underwriting business is conducted in Ireland. Within Ireland there is no significant concentration risk in any one area.

The Group's underwriting strategy is incorporated in the overall corporate strategy which is approved by the Board of Directors and includes the employment of appropriately qualified underwriting personnel; the targeting of certain types of business that conform with the Group's risk appetite and reinsurance treaties; constant review of the Group's pricing policy using up-to-date statistical analysis and claims experience; and the surveying of risks carried out by experienced personnel. All risks underwritten are within the Group's underwriting policies.

Reserving

While the Group's underwriting risk appetite is constantly reviewed and managed, there is no certainty that the cost of claims will not rise due to abnormal weather events, increased claims frequency, increased severity, changes in regulatory environment, change in economic activity or any other reason. Such an increase could have a material impact on the results and financial condition of the Group.

The Group establishes provisions for unpaid claims, legal costs and related expenses to cover its ultimate liability in respect of both reported claims and incurred but not reported (IBNR) claims. These provisions take into account both the Group's and the industry's experience of similar business, historical trends in reserving patterns, loss payments and pending levels of unpaid claims and awards, as well as any potential changes in historic rates arising from market or economic conditions. The provision estimates are subject to rigorous review and challenge by senior management, the Reserving Committee and the Board.

The estimation and measurement of claims provisions is a major determining factor in the Group's results and financial position. The Group uses statistical and actuarial methods to calculate the quantum of claims provisions and uses independent actuaries to review its liabilities to ensure that the carrying amount of the liabilities is adequate. Where the liabilities, net of any related deferred acquisition costs, are deemed to be inadequate, the deficiency is recognised immediately in the Income Statement. There is no certainty that the amount provided is sufficient – further claims could arise or settlement costs could increase as a result of claims inflation, periodic payments or the size of court awards. Such an increase could have a material impact on the results and financial condition of the Group.

Catastrophe Risk

The Group purchases reinsurance protection to limit its exposure to single large claims and the aggregation of claims from catastrophic events. The Group's reinsurance is approved by the Board of Directors on an annual basis.

The Group has purchased a reinsurance programme which has been developed to meet the local domestic risk profile and tailored to the Group's risk appetite. The programme protects, Motor, Liability, Property and other classes against both individual and cumulative large losses and events.

C1.1 Concentration risk

Concentration risk is the risk of loss due to over-dependence on a singular investment or category of business. While all of the Group's underwriting business is conducted in Ireland, with a significant focus on the agri sector, it is spread over a wide geographical area with no concentration in any one county or region. The resultant concentration risk from adverse weather events, i.e. floods, storms or freezes in Ireland, are mitigated by a flood mapping solution and an appropriate reinsurance strategy.

Receivables have no significant concentration of risk.

C1.2 Risk sensitivity for underwriting risks

The Group carries out stress and scenario testing as part of the ORSA process which includes stress testing for material underwriting risks. For the 2023 ORSA, the solvency position at 30 September 2023 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C2. Market risk

The Group has invested in term deposits, listed debt securities, investment property and externally managed collective investment schemes which provide exposure to a broad range of asset classes. These investments are subject to market risk, whereby the value of the investments may fluctuate as a result of changes in market prices, changes in market interest rates or changes in the foreign exchange rates of the currency in which the investments are denominated. The extent of the exposure to market risk is managed by the formulation of, and adherence to, an Investment Policy incorporating clearly defined investment limits and rules, as approved annually by the Board of Directors, and employment of appropriately qualified and experienced personnel and external investment management specialists to manage the Group's investment portfolio. The overriding philosophy of the Investment Policy is to protect and safeguard the Group's assets and to ensure its capacity to underwrite is not put at risk. The Group abides by the Prudent Person Principle meaning that it will only invest in assets the risk of which can be properly identified, measured, monitored, managed, and controlled.

C2.1 Interest rate and spread risk

Interest rate and spread risk arises primarily from the Group's investments in listed debt securities and deposits and their movement relative to the Group's liabilities. The Group reviews its exposure to interest rate and spread risk on a quarterly basis by conducting an asset liability matching analysis. As part of this analysis it monitors the movement in assets minus liabilities for defined interest rate stresses and ensures that they remain within set limits as laid out in its Asset Liability Management Policy. Similar monitoring is done for spread risk.

At 31 December 2023, the Group held the following deposits and listed debt securities:

	2023		2022	
	Market Value €000s	Weighted average interest rate %	Market Value €000s	Weighted average interest rate %
Time to maturity				
In one year or less	**72,619**	**1.14**	115,842	0.96
In more than one year, but not more than two years	**126,160**	**1.07**	82,389	1.23
In more than two years, but not more than three years	**206,202**	**1.05**	131,223	1.11
In more than three years, but not more than four years	**152,803**	**1.12**	203,391	1.09
In more than four years, but not more than five years	**113,674**	**1.46**	145,160	1.18
More than five years	**187,416**	**2.22**	165,860	1.44
Total	**858,874**		843,865	

C2.2 Other Market Risks

The Group is subject to equity price risk due to its holdings in collective investment schemes which invest in listed equities.

The amounts exposed to equity price risk at the reporting date are:

	2023 €000s	2022 €000s
Equity exposure	**47,982**	41,612

The Group is subject to property price risk due to its investment property holdings. The amounts exposed to property price risk at the reporting date are:

	2023 €000s	2022 €000s
Investment property exposure	**11,953**	15,052
Owner occupied property exposure	**14,074**	15,984
Total property exposure	**26,027**	31,036

The Group has the following holdings in other risk assets, primarily held in collective investment schemes, as at the reporting date:

	2023 €000s	2022 €000s
Other risk asset exposure	**113,194**	91,353

These assets comprise of High Yield Bond, Emerging Market Debt, Absolute Return Fixed Income, Senior Private Debt, Infrastructure Equity and Global Impact Funds. These assets are mainly subject to foreign exchange, interest rate and spread risk.

C2.3 Risk sensitivity for market risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material market risks. For the 2023 ORSA, the solvency position at 30 September 2023 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C3. Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

Credit risk is measured separately for:

- Reinsurance contracts held;
- Other receivables;
- Cash and Cash equivalents; and
- Listed debt securities.

The Group purchases reinsurance protection to limit its exposure to single claims and the aggregation of claims from catastrophic events. The Group only places reinsurance with companies that it believes are strong financially and operationally. Credit exposures to these companies are closely monitored by senior management. All of the Group's current reinsurers have a credit rating of A- or better. The Group has assessed these credit ratings and security as being satisfactory in diminishing the Group's exposure to the credit risk of its reinsurance receivables.

Financial assets are graded according to current credit ratings issued by the main credit rating agencies. Investment grade financial assets are classified within the range of AAA to BBB ratings. Financial assets which fall outside this range are classified as speculative grade. All of the Group's bank deposits are with financial institutions which have a minimum A- rating. The Group holds the following listed government bonds (average credit rating: A) and listed corporate bonds (average credit rating: A-), with the following credit profile:

FBD Holdings plc	**2023**		**2022**	
	Market Value €000s	**Weighted Average Duration**	**Market Value €000s**	**Weighted Average Duration**
Government Bonds				
AAA	**15,489**	**0.0**	20,706	0.6
AA+	**25,975**	**2.3**	32,902	2.5
AA	**50,969**	**3.2**	87,099	4.2
AA-	**51,386**	**4.5**	-	-
A-	**43,549**	**4.5**	-	-
BBB+	**64,705**	**3.3**	60,909	4.0
BBB	**—**	**0.0**	41,797	5.3
BBB-	**29,009**	**2.8**	27,599	3.7
Total	**281,082**	**3.3**	271,012	3.8
Corporate Bonds				
AAA	**14,852**	**5.7**	6,414	4.4
AA+	**8,684**	**4.5**	4,970	4.2
AA	**8,391**	**5.1**	9,592	1.4
AA-	**41,358**	**4.9**	44,319	3.5
A+	**90,527**	**4.1**	69,279	3.6
A	**55,764**	**3.0**	59,107	2.7
A-	**132,116**	**3.7**	134,086	3.2
BBB+	**119,510**	**3.4**	104,602	2.8
BBB	**74,035**	**2.6**	98,230	2.6
BBB-	**29,670**	**1.6**	32,252	1.9
Total	**574,907**	**3.6**	562,851	3.0

The extent of the exposure to credit risk is managed by the formulation of, and adherence to, an Investment Policy incorporating clearly defined investment limits and rules, as approved annually by the Board of Directors. The Group employ appropriately qualified, experienced personnel and external investment management specialists to manage the investment portfolio. The overriding philosophy of the Investment Policy is to protect and safeguard the Group's assets and to ensure its capacity to underwrite is not put at risk.

C3.1 Concentration risk

Concentration risk is the risk of loss due to over-dependence on a singular investment or category of business. The main concentration risks to which the Group is exposed, and how they are mitigated, are as follows:

- Exposure to a single country, counterparty or security as part of its sovereign or corporate bond portfolio. The Group mitigates this risk by placing limits on these exposures with its investment managers which are continuously monitored.
- Exposure to a single counterparty as part of its cash and deposit holdings. The Group mitigates this risk by placing limits on its total exposures to banking counterparties as set out in the Group's Investment Policy, which is approved annually by the Board of Directors.
- While all of the Group's underwriting business is conducted in Ireland, with a significant focus on the agri-sector, it is spread over a wide geographical area with no concentration in any one county or region. The resultant concentration risk from adverse weather events, i.e. floods, storms or freezes in Ireland, are mitigated by a flood mapping solution and an appropriate reinsurance strategy.

Receivables have no significant concentration of risk.

C3.2 Risk sensitivity for credit risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material credit risks. For the 2023 ORSA, the solvency position at 30 September 2023 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C4. Liquidity risk

The Group is exposed to daily calls on its cash resources, mainly for claims payments. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring that the maturity profile of its financial assets is well matched to the maturity profile of its liabilities and maintaining a minimum cash amount available on short term access at all times.

The following tables provide a maturity analysis of the Group's insurance and reinsurance contracts, which reflects the dates on which the cashflows are expected to occur. Liabilities for remaining coverage measured under the premium allocation approach have been excluded from this analysis.

2023 **FBD Holdings plc**	**Up to 1 year** **€000s**	**1-2 years** **€000s**	**2-3 years** **€000s**	**3-4 years** **€000s**	**4-5 years** **€000s**	**5+ years** **€000s**	**Total** **€000s**
Gross liability for incurred claims	208,514	115,054	81,578	60,198	42,084	71,062	578,490
Reinsurance liability for incurred claims	(36,262)	(13,276)	(11,189)	(8,036)	(5,395)	(17,410)	(91,568)

2022 (restated) **FBD Holdings plc**							
Gross liability for incurred claims	256,371	132,601	82,010	58,232	42,409	69,451	641,074
Reinsurance liability for incurred claims	(59,812)	(35,894)	(8,752)	(7,352)	(5,305)	(14,702)	(131,817)

2023 FBD Insurance plc	Up to 1 year €000s	1-2 years €000s	2-3 years €000s	3-4 years €000s	4-5 years €000s	5+ years €000s	Total €000s
Gross liability for incurred claims	208,514	115,054	81,578	60,198	42,084	71,062	578,490
Reinsurance liability for incurred claims	(36,262)	(13,276)	(11,189)	(8,036)	(5,395)	(17,410)	(91,568)

2022 (restated) FBD Insurance plc							
Gross liability for incurred claims	256,371	132,601	82,010	58,232	42,409	69,451	641,074
Reinsurance liability for incurred claims	(59,812)	(35,894)	(8,752)	(7,352)	(5,305)	(14,702)	(131,817)

The following tables summarise the maturity profile of financial assets and liabilities of the Group based on remaining undiscounted contractual cash flows, including interest receivable:

2023 FBD Holdings plc	Up to 1 year €000s	1-2 years €000s	2-3 years €000s	3-4 years €000s	4-5 years €000s	5+ years €000s	Total €000s
Cash and cash equivalents	142,399	—	—	—	—	—	**142,399**
Equity and debt instruments at FVTPL	113,257	—	—	—	—	47,921	**161,178**
Debt instruments at FVOCI	90,819	147,730	224,171	160,665	125,548	209,771	**958,704**
Deposits	2,933	—	—	—	—	—	**2,933**
Loans and other receivables	17,786	—	—	—	—	—	**17,786**
Other payables	35,352	—	—	—	—	—	**35,852**
Other provisions	20,083	—	—	—	—	—	**20,083**
Subordinated debt	2,500	2,500	2,500	2,500	2,500	50,000	**62,500**

2022 (restated) FBD Holdings plc	Up to 1 year €000s	1-2 years €000s	2-3 years €000s	3-4 years €000s	4-5 years €000s	5+ years €000s	Total €000s
Cash and cash equivalents	165,240	—	—	—	—	—	**165,240**
Equity and debt instruments at FVTPL	105,419	—	—	—	—	28,675	**134,094**
Debt instruments at FVOCI	132,451	78,167	154,202	224,522	167,751	194,453	**951,546**
Deposits	10	10,010	—	—	—	—	**10,020**
Loans and other receivables	16,608	—	—	—	—	—	**16,608**
Other payables	35,628	—	—	—	—	—	**35,628**
Other provisions	11,103	—	—	—	—	—	**11,103**
Subordinated debt	2,500	2,500	2,500	2,500	2,500	52,500	**65,000**

2023 FBD Insurance plc	Up to 1 year €000s	1-2 years €000s	2-3 years €000s	3-4 years €000s	4-5 years €000s	5+ years €000s	Total €000s
Cash and cash equivalents	145,284	—	—	—	—	—	**145,284**
Equity and debt instruments at FVTPL	113,257	—	—	—	—	47,920	**161,177**
Debt instruments at FVOCI	90,819	147,730	224,171	160,665	125,548	209,771	**958,704**
Loans and other receivables	17,800	—	—	—	—	—	**17,800**
Other payables	35,386	—	—	—	—	—	**35,386**
Other provisions	17,583	—	—	—	—	—	**17,583**
Subordinated debt	2,500	2,500	2,500	2,500	2,500	50,000	**62,500**

2022 (restated) FBD Insurance plc	Up to 1 year €000s	1-2 years €000s	2-3 years €000s	3-4 years €000s	4-5 years €000s	5+ years €000s	Total €000s
Cash and cash equivalents	147,786	—	—	—	—	—	**147,786**
Equity and debt instruments at FVTPL	105,419	—	—	—	—	28,675	**134,094**
Debt instruments at FVOCI	115,842	78,167	154,202	224,522	167,751	194,453	**934,937**
Deposits	10	10,010	—	—	—	—	**10,020**
Loans and other receivables	13,379	—	—	—	—	—	**13,379**
Other payables	35,627	—	—	—	—	—	**35,627**
Other provisions	11,103	—	—	—	—	—	**11,103**
Subordinated debt	2,500	2,500	2,500	2,500	2,500	52,500	**65,000**

C4.1 Expected Profit included in Future Premium

The expected profit included in future premiums (EPIFP) is €8.6m net of reinsurance.

C4.2 Risk sensitivity for liquidity risks

Given that liquidity is not a material risk for FBD, no specific risk sensitivity is provided.

C5. Operational risk

Operational risk could arise as a result of inadequately controlled internal processes or systems, human error or from external events. Operational risks are regularly assessed against financial, operational, regulatory and reputational criteria.

This definition is intended to include all risks to which the Group is exposed and that are not considered elsewhere. Hence, operational risks include for example, information technology, information security, human resources, project management, outsourcing, taxation, legal, fraud and regulatory risks. Business Unit Management has primary responsibility for the effective identification, management, monitoring and reporting of operational risks which are overseen by the second and third line functions.

FBD Insurance plc is regulated by the Central Bank of Ireland and must ensure that it conducts its business in accordance with regulatory requirements at all times. FBD Insurance plc has no appetite for confirmed and quantified breaches of compliance with regulatory requirements and has an embedded Compliance Framework with regular reporting to the Board which provide assurance that compliance controls are operating effectively in the Group.

The success of the Group depends upon its ability to retain, attract, motivate and develop talent. FBD are committed to providing employees at all levels with appropriate training, development and education relevant to their role. Training needs are identified through performance management and operational planning. A Talent Management and Succession Plan is in place and reviewed regularly. This ensures that FBD develops and retains key talent and is best placed to replace key roles in a seamless manner should the need arise.

The Group relies significantly on information technology to support the business and as such may be susceptible to risks associated with information security, be that through security breaches, cyber-attacks or other failures or malfunctions. Information technology controls are in place across the Group, including a dedicated IT security team with overall responsibility for managing information technology security standards, which together with on-going employee training and regular cyber-risk reviews are used to mitigate such information technology risks.

In addition, the Group has taken significant steps to minimise the impact of Business Interruption that could result from a major external event. Formal Business Continuity and Disaster Recovery plans are in place for both workspace recovery and retrieval of communications, IT systems and data. If a major event occurs, these plans will enable the Company to either move the affected operations amongst its various sites or invoke remote working from home. FBD carries out two minor and one major Business Continuity/Disaster Recovery exercises per year. An Operational Resilience Framework has been developed incorporating important business services and associated impact tolerances.

C5.1 Risk sensitivity for operational risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material operational risks. For the 2023 ORSA, the solvency position at 30 September 2023 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses. The stress and scenarios chosen has taken into account the material operational risks facing the Group including cyber and IT risk.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C6. Other material risks

C6.1 Strategy Risk

Strategy risk is a risk that the strategy adopted by the Board is incorrect or not implemented appropriately resulting in sub-optimal performance and impact on profitability. The Group has a strategic planning cycle which commences with a fundamental review of strategy at least every 5 years (normally every 3 years). Further supporting this is an annual review of the strategy by the Board to determine the continuing relevance. To ensure the strategy is implemented effectively, the Group engages in a robust business planning and review process that results in an annual plan including key initiatives and budget along with the development of a Strategic Risk Policy.

The Group also has a 2024-2028 Strategy in place which notes the importance of developing a clear ESG strategy, as well as having defined metrics and targets to ensure FBD is making a meaningful impact on wider ESG considerations.

C6.2 Reputational Risk

Reputational risk is the risk of reputational or brand damage arising from inadequate or failed processes and systems or badly executed strategy/poorly executed communication. The Group's Board and senior management set the ethical and behavioural tone for the Group. In support of this a number of Group policies are utilised which influence employee behaviour, including a Reputational Risk Policy, Fitness & Probity Policy, an Anti-Fraud Policy, Code of Conduct Policy, Conflicts of Interest Policy and a Speak Up Policy.

The Group has established a Corporate Governance Framework which is in full compliance with the requirements of the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings and the UK Corporate Governance Code. The Group has aligned its Environmental, Social and Governance (ESG) initiatives to assist it focus and influence on improving the lives of our customers and wider Irish society.

C6.3 Climate Change

The management of climate risk is strategically important to FBD, from both a commercial and Stakeholder perspective. It is an area of focus for the Group and under active consideration, particularly;

- Physical risks to property and person from variable weather patterns and long-term climate change, and
- Transition risks from the process of adjustment to a low carbon economy.

The Group manages climate risk primarily through the quarterly Risk and Control Self-Assessments process. The process ensures that each Business Area has appropriately captured the risks related to Climate Risk (both transition risks and physical risks) and has supporting mitigating controls in place.

The quarterly review also ensures that risks and controls related to climate consider the time horizon and double materiality impact. This approach ensures that climate risk is evaluated and managed within a defined Framework subject to ongoing challenge and validation, ongoing analysis, monitoring and reporting of it are in place and embedded within governance structures as it evolves. The Group has also engaged the support of an external consultant to assist with CSRD requirements. As part of this project, the external consultant will also provide support to the Group with determining a baseline scenario and its double materiality assessment. The review of risks and opportunities related to Climate Change is ongoing.

Climate risk has been integrated into capital planning as part of the Own Risk and Solvency Assessment (ORSA) process.

C6.4 Inflation and Geopolitical Risk

Inflation may have peaked in early 2023 with temporary factors such as energy prices and supply chain issues subsiding. While double-digit inflation passed, the ECB projects it to remain above their 2% target up until 2025. The short-term outlook for growth in the euro area has deteriorated as monetary policy tightening and adverse credit supply conditions feed through to the real economy and as fiscal support is gradually withdrawn. Medium-term growth forecasts remain weak which increases the risk of the stagflation scenario. Declining inflation and growth forecasts have led to markets pricing in a series of interest rate cuts in major developed markets over the next few years, however, these are subject to a high degree of uncertainty.

The Group experienced material gains on its bond portfolios during 2023 as interest rates fell, however, it still carries large unrealised losses on the portfolios. Due to the buy and maintain strategy of the portfolios the accumulated unrealised losses will unwind as the bonds approach maturity while the higher yields, relative to recent history, on reinvestments will have a materially positive impact on investment income over the coming years.

High inflation not only impacts on market risk but also reserving and underwriting risk. The high levels of inflation during 2023 has a resultant impact on reserving for future claims and pricing of written business. The Group's Actuarial team is continually monitoring the rate of inflation for the purposes of reserving and pricing.

The rising cost of building materials and labour during 2022 and 2023 meant the risk of underinsurance for property policyholders was a significant risk. The Group continued to bring underinsurance to the attention of policyholders through 2023. In addition the Group ran an inflation protection offer in which a €50 rebate was offered against the additional premium associated with increasing sums insured.

Throughout 2023 there was also significant inflation in relation to Motor Damage claims. The Group continues to monitor the factors driving Motor Damage inflation which include new car manufacturing not returning to pre Covid levels, manufacturers seeking to maximise return on parts, impact of advanced technology on repair costs, shortage of labour skills and delays in the availability of replacement parts particularly for electric vehicles.

Geopolitical risks have increased globally in the last year. The conflict in Palestine and Israel has increased overall geopolitical risk although it has mostly been contained for now with minimal impact on investment markets. However, the risk of the war broadening remains a significant risk with the potential impact on energy prices being a particular concern. There is also no end in sight in the ongoing war between Ukraine and Russia. There are other flash points in the world where geopolitical risk is elevated also. An escalation in these risks may impact the Group in the form of market risk and inflation risk.

C6.5 Emerging Risks

An emerging risk is a risk which may or may not develop, is difficult to quantify, may have a high loss potential and is marked by a high degree of uncertainty. We have a defined process in place for the identification of and response to emerging risks, which is informed through the use of subject matter experts, workshops, Risk and Control Self-Assessments and consulting a range of external resources.

Key emerging risks are monitored regularly by the Board and Risk Committees to assess whether they might become significant for the business and require specified action to be taken.

Key Emerging Risks include:

- An increased frequency of cyber attacks, and the impact that these factors may have on society's future insurance needs and claims types and frequencies.
- Accelerated adoption and advances in the use and misuse of artificial intelligence.
- Hiring and attracting the right talent.
- Stricter Emission Targets and ESG driven market change.
- Technological advances changing the shape of the insurance industry and competitive environment.
- Changes in customer behaviour including the potential expectation to communicate largely through mobile channels or the expectation of self-service and self-solve.
- Global deterioration in economic conditions and particularly in Ireland may lead to a reduction in revenue and profits.
- Global socio-political uncertainty that may cause an adverse impact on profitability.
- Evolving regulatory and legislative landscape. We continuously monitor developments at both a local and EU level to ensure continued compliance with legislative and regulatory requirements.
- Availability of reinsurance may be restricted due to macroeconomic, environmental and/or market developments.

C6.7 Off Balance Sheet positions

The Group does not have any risk exposure arising from Off Balance Sheet positions.

C6.8 Special Purpose Vehicles

The Group does not have any risk exposure arising from Special Purpose Vehicles.

C7. Any other information

No other material information to be disclosed.

D. Valuation for Solvency Purposes

This section contains information regarding the valuation of the Balance Sheet items. For each material asset class the bases, methods and main assumptions used for valuation for solvency purposes are described. Each material class of asset includes a quantitative and qualitative explanation of any material difference between the valuation for solvency purposes and the valuation in the financial statements. There are some small rounding differences as the figures are agreed to the Quantitative Reporting Templates (QRTs) prepared at a more granular level.

FBD Holdings plc Balance Sheet	**Solvency II value 31 December 2023 €000s**	**IFRS 31 December 2023 €000s**
Intangible assets	-	27,735
Deferred tax assets	5,144	493
Pension benefit surplus	-	7,044
Property, plant & equipment held for own use	20,821	20,821
Policy Administration System	3,220	17,926
Property (other than for own use)	11,953	11,953
Right of use assets	3,503	3,503
Financial Assets- Equities	1,128	1,128
Financial Assets- Government Bonds	283,484	281,082
Financial Assets Corporate Bonds	578,697	574,907
Financial Assets- Collective investments schemes	231,416	160,050
Deposits (including cash and cash equivalents)	75,505	145,284
Loans and mortgages	478	478
Reinsurance recoverables	80,049	97,520
Receivables (trade, not insurance)	9,695	8,525
Any other assets, not elsewhere shown	2,434	8,625
Total assets	**1,307,527**	**1,367,074**

	Solvency II value 31 December 2023 €000s	**IFRS 31 December 2023 €000s**
Technical provisions- non- life	719,070	775,401
Provisions other than technical provisions	19,977	20,083
Deferred tax liabilities	2,732	-
Reinsurance payables	2,816	-
Payables (trade, not insurance)	42,857	38,082
Lease liability	3,828	3,828
Subordinated liabilities	50,000	49,721
Any other liabilities, not elsewhere shown	-	
Total liabilities	**841,280**	**887,115**
Excess of assets over liabilities	**466,247**	**479,959**

FBD Insurance plc Balance Sheet	Solvency II value 31 December 2023 €000s	IFRS 31 December 2023 €000s
Intangible assets	-	27,735
Deferred tax assets	4,978	178
Pension benefit surplus	-	4,513
Property, plant & equipment held for own use	16,974	16,974
Policy Administration System	3,222	17,926
Property (other than for own use)	13,447	13,447
Right of use assets	3,184	3,184
Financial Assets- Equities	1,127	1,127
Financial Assets- Government Bonds	283,484	281,082
Financial Assets Corporate Bonds	578,697	574,907
Financial Assets- collective investments schemes	220,452	160,050
Deposits (including cash and cash equivalents)	61,852	121,745
Loans and mortgages	77	77
Reinsurance recoverables	80,049	97,520
Receivables (trade, not insurance)	10,566	9,276
Any other assets, not elsewhere shown	2,332	8,524
Total assets	**1,280,441**	**1,338,265**

	Solvency II value 31 December 2023 €000s	IFRS 31 December 2023 €000s
Technical provisions- non- life	719,070	775,401
Provisions other than technical provisions	17,477	17,583
Deferred tax liabilities	3,197	-
Reinsurance payables	2,816	-
Payables (trade, not insurance)	41,634	37,816
Lease liability	3,482	3,482
Subordinated liabilities	50,000	49,721
Any other liabilities, not elsewhere shown	-	-
Total liabilities	**837,676**	**884,003**
Excess of assets over liabilities	**442,765**	**454,262**

D1. Assets

Solvency II Valuation for each material class of asset is listed below. The FBD Holdings plc (Group) financial statements and FBD Insurance plc (Company) financial statements are prepared in line with IFRS. The differences in the Financial Statement valuations to Solvency II are detailed below.

D1.1 Intangible Assets

Intangible assets are valued at cost less accumulated amortisation and less any accumulated impairment losses. Intangible assets comprise computer software and these assets are amortised over expected useful lives on a straight-line basis over a five-year period. Intangible assets are not recognised in the Solvency II framework and are therefore removed under Solvency II.

D1.2 Deferred Tax Asset

The Group has recognised a deferred tax asset under Solvency II and IFRS. Under IFRS deferred tax assets and liabilities are shown on a net basis, however under Solvency II deferred tax assets and liabilities are shown separately.

D1.3 Pension Benefit Surplus

The pension surplus is not recognised in the Solvency II framework and is therefore removed.

D1.4 Property, plant and equipment

D1.4.1 Property

In the Group, Property (other than for own use) comprises of an investment property held for rental in Ireland. In the Company there are additional properties occupied by Group companies recognised as Property (other than for own use).

Properties were valued at fair value at 31 December 2023 by independent external professional surveyors, CB Richard Ellis, Valuation Surveyors. The valuation was prepared in accordance with RICS Valuation – Global Standards 2022 (Red Book) incorporating the IVSC International Valuation Standards issued January 2022. The valuers confirm that they have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuations competently.

The valuation statement received from the external professional valuers state that the valuations have been prepared on the basis of "Market Value" which they define as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

D1.4.2 Plant and equipment

Plant and equipment is stated in the IFRS financial statements at cost less accumulated depreciation and accumulated revaluation profits/(losses). Plant and equipment is stated at fair value under Solvency II as assessed by the Board on an annual basis. FBD Holdings plc has higher property, plant and equipment held for own use than the Company as it includes the properties occupied by the Group companies.

Depreciation is provided in respect of all plant and equipment and is calculated to write off the cost or valuation of the assets over their expected useful lives. The useful life of plant and equipment is estimated to be three to ten years dependent on the asset. Depreciation on assets in development commences when the assets are ready for their intended use.

D.1.4.3 Policy Administration System

Under IFRS the Policy Administration System is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided in respect of the Policy Administration System and is calculated in order to write off the cost of the asset over its expected useful life on a straight line basis over a five to ten year period. The Policy Administration System is reported under Solvency II at €3.2m with no value given to the database, middleware and policy administration application for Solvency II purposes.

D1.5 Right of Use Assets

On adoption of IFRS 16, the Group recognised a lease liability and a right of use asset for each of the leases which had previously been classified as 'operating leases' under the principles of IAS17 Leases. The right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the IFRS Statement of Financial Position as at 31 December 2023. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. There is no difference between the IFRS valuation and the Solvency II valuation.

D1.6 Financial Assets

Financial assets are quoted investments in active markets which are stated at fair value. They are recognised on a trade date basis at fair value and are revalued at subsequent reporting dates at fair value, using the closing bid price.

The Group assumes that the quoted closing bid price for these assets is the price that would be achievable had the assets been sold at the time of valuation.

The total value of the financial assets in the financial statements is the same as the Solvency II valuation, however there are some classification differences in the reporting of the assets. Certain corporate bonds in the financial statements are classified as government bonds for Solvency II.

Accrued income on bonds is reflected on the bond line for Solvency II but is shown in other assets in the financial statements.

D1.7 Deposits, cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and money market funds with maturities of 3 months or less held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Deposits with banks and cash and cash equivalents are valued at amortised cost. The money market funds are valued at fair value through profit and loss. The Directors believe that this represents fair value and that the above values are the recoverable amounts. Accrued interest on deposits and accrued interest on cash and cash equivalents are reflected in the deposits and cash and cash equivalent lines for Solvency II but are shown in other assets in the Group and Company financial statements.

D1.8 Trade receivables

Trade receivables are valued at amortised cost using the effective interest rate method. The Directors believe that this represents fair value and that the above values are the recoverable amounts. There is no difference between the IFRS valuation and the Solvency II valuation.

D1.9 Any other assets, not elsewhere shown

As described in above sections, accrued income and accrued interest are included in Any other assets for IFRS however for the Solvency II valuation accrued income and accrued interest are reflected in the Bond lines and Cash/Deposit lines respectively.

D1.10 Reinsurance recoverables

Reinsurance recoverables are stated at a discounted best estimate value in line with Solvency II rules.

D2. Technical provisions

D2.1 Technical Provision by material line of business

The table below shows the Technical Provisions as at 31 December 2023 by line of business. FBD Holdings plc and FBD Insurance plc (both prepared under IFRS) have the same Technical Provisions listed below.

Technical Provisions 2023	Motor Vehicle Liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General Liability insurance €000s	Other Insurance €000s	Total €000s
Gross Best Estimate Liab.	307,909	27,976	92,722	250,309	9,141	688,057
Risk Margin	10,691	2,672	4,363	12,762	525	31,013
Gross Technical Provisions	**318,600**	**30,648**	**97,085**	**263,071**	**9,666**	**719,070**
Recoverables	(57,889)	0	(12,834)	(9,305)	(21)	(80,049)
Net Technical Provisions	**260,711**	**30,648**	**84,251**	**253,766**	**9,645**	**639,021**

Technical Provisions 2022	Motor Vehicle Liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General Liability insurance €000s	Other Insurance €000s	Total €000s
Gross Best Estimate Liab.	290,812	22,983	171,433	244,632	7,190	737,050
Risk Margin	10,331	2,070	4,631	11,709	452	29,192
Gross Technical Provisions	**301,143**	**25,052**	**176,064**	**256,341**	**7,642**	**766,242**
Recoverables	(44,311)	-	(75,693)	(7,049)	596	(126,458)
Net Technical Provisions	**256,832**	**25,052**	**100,371**	**249,291**	**8,237**	**639,783**

D2.2 Methodology

The Company values Technical Provisions using the methodology prescribed by the Solvency II Directive and the regulations made under the Directive.

The Company uses homogeneous risk groups in the calculation of Technical Provisions. The groupings are based on type of business giving rise to the claim (Line of Business) and the size of the claim. When determining groupings, the credibility of data is balanced against homogeneity. The modelling approach for each group is similar, though assumptions may vary.

Claims provisions represent the estimation of the cost of claims outstanding under insurance contracts written. Actuarial techniques such as Chain Ladder Methods, Frequency Severity Methods, Cashflow projections and loss ratio methods which form part of a statistical analysis of past experience are used to calculate the estimated cost of claims outstanding at year end. The key uncertainties which have been addressed within the methodologies above or adjustments to these methods are Inflation and the Personal Injuries Guidelines.

FBD have now received the final judgement in relation to the Covid-19 Business Interruption test case. This has provided more certainty on the measurement of losses. FBD have issued communications to all affected policyholders and are in the process of completing final settlement of their claims. FBD has received information from more than 700 policyholders to assess the claims and has been making interim payments based on these assessments. This data has provided reasonable certainty in respect to a number of assumptions underlying the best estimate of Covid-19 Business Interruption losses and will continue to improve as FBD continue final settlements.

The calculation of the reinsurance asset for Business Interruption has been based on the agreements made with reinsurers for the expected impacted layers of the catastrophe programme.

Ultimate gross claims for earned premium are converted to net of reinsurance utilising reinsurance treaty information. At the valuation date 31 December 2023, the Company had both incepted unearned business and business that was bound but not incepted. The ultimate gross claims, expenses and reinsurance recoveries for the unearned business are taken from the Company's premium reserve model. This is a deterministic model that calculates ultimate loss and expense ratios on a gross and net basis.

Reserves are added to liabilities in respect of earned and unearned business to account for events that may occur but have not been seen historically. A binary modelling approach using frequency and severity expectations around each event is used to determine reserves.

Best estimate of the claims, premiums and expense cash flows are discounted to give best estimate liabilities. A risk margin is added to best estimate liabilities to arrive at the Technical Provisions. FBD recognise an asset relating to deferred acquisition cashflows, which is not recognised in the Solvency II framework and is therefore removed under Solvency II.

D2.3 Key areas of uncertainty

D2.3.1 Estimation of outstanding loss reserves ("OSLR")

While information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

The calculations are particularly sensitive to the estimation of the ultimate cost of claims for each class of business and the estimation of future claims handling costs. Actual claims experience may differ from the assumptions on which the actuarial best estimate is based and the cost of settling individual claims may exceed that assumed.

The actual amount recovered from reinsurers is sensitive to the same uncertainties as the underlying large claims. To the extent that the underlying claim settles at a lower or higher amount than that assumed will have a direct influence on the associated reinsurance asset.

D2.3.2 Estimation of losses relating to claims

Estimation of the losses relating to claims which have been incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

D2.3.3 Unexpired Risks

Estimation of claims arising on business which has not yet expired ("unexpired risks") is uncertain as the claims have not yet been incurred but are expected to be incurred on the business which the Company has written.

D2.3.4 Market environment

Changes in the market environment increase the inherent uncertainty affecting the business. In particular, claims inflation, the Personal Injuries Guidelines, COVID-19, discount rate changes, Periodic Payment Orders (PPO) legislation and the Consumer Insurance Contracts Act have impacted the market environment in recent years or may impact the market environment in the coming years.

D2.3.5 Events not in data ('ENID loading')

Estimating a provision for events not in data is subject to considerable uncertainty as the events being considered have not been observed.

D2.3.6 Run-off expenses

The estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

D2.3.7 Risk Margin

The Risk Margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run-off expenses provision considered at D.2.3.6, as well as the inherent uncertainties around forecasting future solvency capital requirements.

D2.4 Risk Management

The Group manages the risks around these uncertainties via the following actions:

- On-going monitoring of claims, including regular reviews of claims handling functions;
- Maintaining a number of reinsurance arrangements to limit the impact of adverse claims development;
- Internal controls through the Reserving Committee and Actuarial Function which monitor claims development and reinsurance arrangements; and
- Regular external actuarial reviews.

D2.5 Transition from IFRS to Solvency II

The changes required to transition from IFRS accounts to Technical Provisions for solvency purposes are consistent for all lines of business and are noted below.

D2.5.1 Claims provisions

The Company makes adjustments in line with section D2.5.5 below to the projected claims provisions used in its IFRS accounts in recording the claims provisions for solvency purposes. Gross claims provisions as at 31 December 2023 are €587.9m.

D2.5.2 Reinsurance share of claims provisions

The Company makes adjustments in line with section D2.5.5 below to the reinsurance recoveries in its IFRS accounts in recording the reinsurance share of claims provisions for solvency purposes. The reinsurance share of claims provisions as at 31 December 2023 is €91.6m.

D2.5.3 Unexpired risks

The Group has estimated the claims which will be payable on unexpired risks, termed "premium provisions", based on the ultimate loss and expense ratios from the claims provisions and premium rate adjustments related to the unearned book of business. Gross premium provisions as at 31 December 2023 are €100.1m. The net premium provisions as at 31 December 2023 are €111.6m.

D2.5.4 Risk Margin

The Risk Margin has been considered to ensure that the value of the Technical Provisions is equivalent to the amount that would be expected to have to be paid to a third party insurance company in order to take over and meet the insurance obligations of the Company. The Risk Margin has been calculated based on the estimated capital requirements to run-off the Company's obligations and applying a cost of capital of 6%.

The Risk Margin is calculated using a simplified method allowed under Article 58 of Commission Delegated Regulation 2015/35. The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk, reinsurance counterparty risk and operational risk. The Company approximates the whole SCR for each future year by using a ratio of the best estimate liabilities at each future year to the best estimate liabilities at the valuation date. This results in a Risk Margin of €31.0m.

D2.5.5 Other

Other than the ENID, expenses and discounting adjustments already mentioned above, the Company has made further adjustments for cheques outstanding, premium rebates (if any), outstanding reinsurance balances, reinstatement premiums and counterparty default.

D2.6 Adjustments not applied

The Company has not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its Technical Provisions.

D2.7 Changes in Assumptions

The ultimate cost of claims continues to be adjusted for the impacts of inflation and Personal Injuries Guidelines. The assumptions for each of these external factors were revised at year-end 2023.

D2.8 Special Purpose Vehicles

The Company does not have any Special Purpose Vehicles.

D3. Other liabilities

D3.1 Provision other than Technical Provisions

Provisions other than Technical Provisions include a provision for Motor Insurers' Bureau of Ireland ("MIBI"), Motor Insurers' Insolvency Compensation Fund ("MIICF"), Consequential Payments, a constructive obligation arising from the deduction of State subsidies paid to claimants for Business Interruption, and a provision for an ESG initiative for The Padraig Walshe Centre for Sustainable Animal and Grassland Research. The provisions are included under IFRS at fair value and are not discounted. The MIBI provision is discounted for the Solvency II valuation.

D3.2 Deferred Tax Liabilities

The Group and the Company have recognised a deferred tax liability under Solvency II. Under IFRS deferred tax assets and liabilities are shown a net basis however they are shown separately under Solvency II. The deferred tax liability under Solvency II is a result of the revaluation of the Technical Provisions.

D3.3 Reinsurance payables

Reinsurance payables relate to expected payments to reinsurers at the reporting date. Under IFRS these amounts are included in reinsurance technical provisions.

D3.4 Payables (trade, not insurance)

Payables (trade, not insurance) and debts owed to credit institutions as they are held at fair value under IFRS and Solvency II. The difference between the two is due to outstanding payments being included in Cash and Cash Equivalents under IFRS but in payables under Solvency II.

D3.5 Lease liability

On adoption of IFRS 16, the Group recognised a lease liability and a right of use asset for each of the leases which had previously been classified as 'operating leases' under the principles of IAS17 Leases. The right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the IFRS Statement of Financial Position as at 31 December 2023. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. There is no difference between the IFRS valuation and the Solvency II valuation.

D3.6 Subordinated liabilities

The amount relates to €50,000,000 Callable Dated Deferrable Subordinated Notes due 2028. The coupon rate on the notes is 5%. Finance costs recognised in the Consolidated Income Statement total €2,559,000 in 2023 (2022: €2,559,000). Finance costs are made up of interest costs associated with the subordinated notes totalling €2,500,000 (2022: €2,500,000) which were incurred and recognised in the year, amortisation in the year of €59,000 (2022: €59,000) and adjusted for accrued amounts at each year end, €nil in 2023 (2022: €nil).

	2023 €000s	2022 €000s
Balance at 1 January	**49,662**	49,603
Amortised during the year	**59**	59
Balance at 31 December	**49,721**	49,662

All figures stated in the table above are IFRS values.

D3.7 Reconciliation of Total Liabilities to Solvency II Balance Sheet

The following are the material movements for the Group;

- Technical Provisions, Deferred tax liabilities and Subordinated Liabilities are revalued for the Solvency II valuation as explained above.
- Provisions other than Technical Provisions include a Solvency II reclassification and are also subject to discounting for the Solvency II valuation.

The following are the material movements for FBD Insurance plc;

- Technical Provisions, Deferred tax liabilities and Subordinated Liabilities are revalued for the Solvency II valuation as explained above.
- Provisions other than Technical Provisions include a Solvency II reclassification and are also subject to discounting for the Solvency II valuation.

D4. Alternative methods for valuation

The Group does not use any alternative valuation methods.

D5. Any other information

No other material information to be disclosed.

E. Capital Management

E1. Own funds

E1.1 Objectives, policies and processes for managing own funds

The solvency objective is to ensure that the Group has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as these liabilities fall due. This means the Group must hold an appropriate amount and quality of capital to meet regulatory requirements as well as a buffer relevant to the specific capital needs given its risk profile, financial condition, business model and strategies, overall complexity, sensitivity to changing conditions and other factors that may arise from time to time. The Group believes that maintaining a strong capital position is imperative to being able to continue to operate through periods of severe stress.

FBD measures and calculates capital using the Standard Formula. The Solvency Capital Requirement (SCR) measures the amount of capital which is required to be held to cover a 1/200 year event over a 1 year horizon and reflects the risk profile of the Group. The MCR, lower than the SCR, is the minimum level of regulatory capital required.

The ORSA considers the key risks associated with managing own funds. It reviews the Group's Capital Risk Appetite. The Risk Appetite sets a desired level of own funds that ensures a level of SCR coverage where the likelihood of a Regulatory breach is low. The ORSA also includes SCR projections that assist in managing own funds over the business planning period.

The Medium-Term Capital Management Plan is updated at least annually in accordance with the most up to date SCR calculations and capital position is monitored on an on-going basis with regard to performance and emerging trends. Any issues arising are highlighted to the Executive Management Team (EMT) and the Board as appropriate. As part of the overall strategy the Group prepares financial forecasts over the business planning period. These financial forecasts include projected Solvency Capital Ratios and are presented to both the EMT and the Board.

The Group has a Recovery Plan. The Recovery Plan details a list of feasible recovery options that could be used to increase own funds after a stress event. The Recovery Plan also includes a set of Recovery Indicators that are designed to identify emerging stresses so that management actions can be taken early reducing any impact on own funds.

E1.2 Information on the structure, amount and quality of own funds

FBD Holdings plc	Tier 1 €000s	Tier 2 €000s	Tier 3 €000s	Total €000s
1 January 2023	426,137	52,923	2,135	481,195
Movement during year	(5,365)	-	277	(5,088)
31 December 2023	420,772	52,923	2,412	476,107[1]
Eligible amount to cover the SCR	420,772	52,923	2,412	476,107
Eligible amount to cover MCR	420,772	18,100	-	438,872
1 January 2022	439,296	52,923	-	492,219
Movement during year	(13,159)	-	2,135	(11,024)
31 December 2022	426,137	52,923	2,135	481,195[2]
Eligible amount to cover the SCR	426,137	52,923	2,135	481,195
Eligible amount to cover MCR	426,137	17,769	-	443,906

1 Own funds available to cover SCR have been reduced by the foreseeable dividends of €36.1m and share repurchase of €4.0m.

2 Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.9m.

FBD Insurance plc	Tier 1 €000s	Tier 2 €000s	Tier 3 €000s	Total €000s
1 January 2023	406,720	50,635	1,688	459,043
Movement during year	(2,228)	-	93	(2,135)
31 December 2023	404,492	50,635	1,781	456,908[1]
Eligible amount to cover the SCR	404,492	50,635	1,781	456,908
Eligible amount to cover MCR	404,492	18,100	-	422,592
1 January 2022	422,718	50,635	-	473,353
Movement during year	(15,998)	-	1,688	(14,310)
31 December 2022	406,720	50,635	1,688	459,043[2]
Eligible amount to cover the SCR	406,720	50,635	1,688	459,043
Eligible amount to cover MCR	406,720	17,769	-	424,489

1 Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.9m.

2 Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.7m.

E.1.2.1 Ordinary share capital

FBD Holdings plc has fully paid up ordinary share capital of €21.7m (2022: €21.6m). FBD Insurance plc has fully paid up ordinary share capital of €74.2m (2022: €74.2m). This is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations. This share capital satisfies all the requirements of Tier 1 own funds as set out in article 71 of the Commission Delegated Regulations (EU) 2015.

E.1.2.2 Reconciliation reserve

The reconciliation reserve is equal to the total excess assets over liabilities reduced by the other basic own fund items. The reconciliation reserve is fully available to absorb losses.

FBD Holdings plc	2023 €000s	2022 €000s
Excess of assets over liabilities	**466,247**	467,065
Foreseeable dividends, distributions and charges	**(40,139)**	(35,869)
Other basic own fund items	**(27,080)**	(26,642)
Reconciliation reserve	**399,028**	404,554

FBD Insurance plc	2023 €000s	2022 €000s
Excess of assets over liabilities	**442,765**	444,765
Foreseeable dividends, distributions and charges	**(35,857)**	(35,722)
Other basic own fund items	**(76,602)**	(76,509)
Reconciliation reserve	**330,306**	332,534

E1.2.3 Preference share capital

FBD Holdings plc has fully paid-up preference share capital of €2.9m (2022: €2.9m). FBD Insurance plc has fully paid-up preference share capital of €0.6m (2022: €0.6m). It is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations with the exception of ordinary share capital. It satisfies all the requirements of Tier 2 own funds as set out in article 73 of the Commission Delegated Regulations (EU) 2015. It does not fully meet the requirements to be classified as Tier 1 capital, as they do not comply with article 71, part 4(d), whereby there is an obligation to make a distribution on the preference share capital if a distribution has been made on the ordinary share capital of the Group.

E1.2.4 Subordinated Liabilities

Included within Tier 2 of both FBD Holdings plc and FBD Insurance plc €50,000,000 of Callable Dated Deferrable Subordinate Notes due 2028. The agreed coupon for the notes is 5%. This subordinated bond satisfies all the requirements of Tier 2 own funds as set out in article 73 of the Commission Delegated Regulations (EU) 2015.

E1.2.5 Ancillary own funds

The Group has no ancillary own funds.

E1.2.6 Analysis of material changes in each Tier

FBD Holdings plc reflects a €5.4m decrease in the 2023 Tier 1 Own Funds. The decrease is due to a decrease in the Reconciliation Reserve primarily driven by a special dividend of €36m paid in 2023 and foreseeable dividend of €36m payable in 2024 and €4m share repurchase. This is offset by the operating profit reported in 2023.

FBD Insurance plc reflects a €2.2m decrease in the 2023 Tier 1 Own Funds. The decrease is primarily driven by a special dividend of €36m paid in 2023 and foreseeable dividend of €36m payable in 2024. This is offset by the operating profit reported in 2023.

There is no change in the Tier 2 Own Funds for both FBD Holdings plc and FBD Insurance plc.

FBD Holdings plc reflects a €0.3m increase in the 2023 Tier 3 Own Funds. The increase is due to additional net deferred tax asset being recognised in 2023.

FBD Insurance plc reflects a €0.1m increase in the 2023 Tier 3 Own Funds. The increase is due to additional net deferred tax asset being recognised in 2023.

E1.2.7 Difference between Equity shown in the financial statements and the Solvency II value of excess assets over liabilities

FBD Holdings plc	**2023 €000s**	**2022 (restated)* €000s**
Equity per financial statements		
Ordinary share capital	**21,744**	21,583
Retained Earnings	**455,292**	432,423
Preference Share Capital	**2,923**	2,923
Financial Liabilities at amortised Cost	**49,721**	49,662
Total Equity (including Tier II debt)	**529,680**	506,591
Adjustment to Total Equity from IFRS 17 to IFRS 4 for 2022	**-**	(31,217)
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	**(823)**	44,624
Pension benefit surplus not recognised	**(7,044)**	(8,499)
Deferred tax	**1,919**	(5,956)
Provisions other than technical provisions	**(7,485)**	11,522
Solvency II value of excess assets over liabilities (Including Tier II Debt)	**516,247**	517,065

** Note: FBD adopted IFRS 17 and IFRS 9 from 1 January 2023. As a result, the 2022 "Equity per financial statements" have been restated for this change.*

FBD Insurance plc	2023 €000s	2022 (restated)* €000s
Equity Per financial statements		
Ordinary share capital	**74,187**	74,187
Retained Earnings	**379,440**	357,372
Preference Share Capital	**635**	635
Financial Liabilities at amortised Cost	**49,721**	49,662
Total Equity (including Tier II debt)	**503,983**	481,856
Adjustment to Total Equity from IFRS 17 to IFRS 4 for 2022	-	*(31,496)*
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	**(823)**	44,624
Pension benefit surplus not recognised	**(4,513)**	(5,365)
Deferred tax	**1,603**	(6,344)
Provisions other than technical provisions	**(7,485)**	11,490
Solvency II value of excess assets over liabilities (Including Tier II Debt)	**492,765**	494,765

** Note: FBD adopted IFRS 17 and IFRS 9 from 1 January 2023. As a result, the 2022 "Equity per financial statements" have been restated for this change.*

E1.2.8 Transitional Arrangements

There are no own funds items subject to transitional arrangements.

E2. Solvency Capital Requirement and Minimum Capital Requirements

E2.1 Solvency Capital Requirement (SCR) Net

The Group solvency ratio stood at 213% (FBD Insurance plc ratio 206%) as at 31 December 2023 and is based on the Standard Formula.

The Directive prescribes two methods for the calculation of the Group solvency:

- Method 1 – standard method based on the consolidation of financial statements
- Method 2 – alternative method based on deduction and aggregation

FBD Holdings plc applies method 1 for the determination of the Group solvency.

The table below shows the inputs into the Solvency Capital Requirement (SCR) calculation as at 31 December 2023.

Solvency Capital Requirement **FBD Holdings plc**	**2023 Net SCR €000s**	**2022 Net SCR €000s**
Non-life Underwriting Risk	178,899	172,345
Health Underwriting Risk	3,675	3,349
Market Risk	100,690	88,392
Counterparty Default Risk	7,206	8,948
Undiversified BSCR	290,470	273,033
Diversification Credit	(60,110)	(55,491)
Basic SCR	230,360	217,542
Operational Risk	20,641	22,111
Loss absorbing capacity of technical provisions and deferred tax	(27,103)	(26,870)
Solvency Capital Requirement	**223,898**	**212,783**

FBD Insurance plc	**2023 Net SCR €000s**	**2022 Net SCR €000s**
Non-life Underwriting Risk	178,899	172,345
Health Underwriting Risk	3,675	3,349
Market Risk	97,342	85,452
Counterparty Default Risk	6,345	6,933
Undiversified BSCR	286,261	268,079
Diversification Credit	(58,499)	(53,431)
Basic SCR	227,762	214,647
Operational Risk	20,642	22,111
Loss absorbing capacity of technical provisions and deferred tax	(27,103)	(26,870)
Solvency Capital Requirement	**221,301**	**209,888**

E2.2 Minimum Capital Requirement

The table below shows the inputs into the Minimum Capital Requirement (MCR) calculation as at 31 December 2023.

Minimum Capital Requirement **FBD Holdings plc**	**2023 €000s**	**2022 €000s**
Linear MCR	90,501	88,847
SCR	223,898	212,783
Combined MCR	90,501	88,847
Minimum Capital Requirement	**90,501**	**88,847**

Minimum Capital Requirement **FBD Insurance plc**	**2023 €000s**	**2022 €000s**
Linear MCR	90,501	88,847
SCR	221,301	209,888
Combined MCR	90,501	88,847
Minimum Capital Requirement	**90,501**	**88,847**

E2.3 Simplified calculations

The Group does not use simplified calculations for risk modules and sub-modules of the Standard Formula.

E2.4 Compliance with the MCR and the SCR

The solvency position is monitored on a regular basis to ensure compliance. The Group was compliant with both the MCR and SCR throughout 2023.

E2.5 Material changes in MCR & SCR during the year

The MCR has increased in the year from €89m to €91m for both FBD Insurance plc and FBD Holdings plc. The primary reason for this movement is premium growth experienced during the year.

The SCR has increased in the year from €210m to €221m for FBD Insurance plc and from €213m to €224m for FBD Holdings plc. The increase in SCR is driven by increased retention following the 2024 reinsurance renewal, premium growth experienced over the year, increase in spread risk due to increased asset values (from a decrease in interest rates) and duration (strategic asset allocation), and an increase in equity risk.

E3. Use of duration-based equity sub-module in the calculation of the Solvency Capital Requirement

The Group does not use the duration-based equity sub-module in the calculation of the Solvency Capital Requirement.

E4. Differences between the standard formula and any internal model used

The Group does not use an internal model to calculate the SCR.

E5. Non-compliance with the Minimum Capital Requirements and non-compliance with the Solvency Capital Requirements

There is no foreseeable risk of non-compliance with the SCR and the MCR. The ORSA document includes a number of stress and scenario tests. None of the stressed positions breached the SCR or the MCR.

E6. Any other information

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out Section A as is the financial position of the Group. In addition, Section B3 and Section C include the Group's policies and processes for risk management.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future being a period of at least twelve months from the date of this report.

In making this assessment the Directors considered the Group's Budget for 2024 and forecast for 2025, which take into account foreseeable changes in the trading performance of the business, key risks facing the business and the medium term plans approved by the Board. In addition the ORSA process monitors current and future solvency needs. The scenarios were projected as part of the ORSA process as well as a number of more extreme stress events. In all scenarios the Group's capital ratio remained in excess of the Solvency Capital Requirement.

On the basis of the scenarios projected by the Group and the additional ORSA scenarios carried out, the Directors are satisfied that there are no material uncertainties which cast significant doubt on the ability of the Group or Company to continue as a going concern over the period of assessment being not less than 12 months from the date of this report. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

F. Appendices

FBD Holdings plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

S.05.01.02 – Premiums, claims and expenses by line of business

S.05.02.04 – Premiums, claims and expenses by country

S.23.01.22 – Own Funds

S.25.01.22 – Solvency Capital Requirement – for Groups on Standard Formula

S.32.01.22 – Undertakings in the scope of the Group

FBD Insurance plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

S.05.01.02 – Premiums, claims and expenses by line of business

S.17.01.02 – Non-Life Technical Provisions

S.19.01.21 – Non-Life Insurance Claims

S.23.01.01 – Own Funds

S.25.01.21 – Solvency Capital Requirement – for Undertakings on Standard Formula

S.28.01.01 – Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

FBD HOLDINGS PLC

General Information

Participating undertaking name	FBD Holdings Plc
Group identification code	635400HNBZBITDHQJG48
Type of code of group	LEI
Country of the group supervisor	IE
Language of reporting	en
Reporting reference date	31 December 2023
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

S.05.01.02 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

S.05.02.04 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

S.23.01.22 - Own Funds

S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula

S.32.01.22 - Undertakings in the scope of the group

FBD HOLDINGS PLC

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	5,144
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	27,544
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,163,315
R0080	*Property (other than for own use)*	11,953
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	1,130
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	1,130
R0130	*Bonds*	862,182
R0140	*Government Bonds*	283,484
R0150	*Corporate Bonds*	578,697
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	231,416
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	56,635
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	478
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	478
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	80,049
R0280	*Non-life and health similar to non-life*	80,049
R0290	*Non-life excluding health*	80,049
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	9,695
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	18,870
R0420	Any other assets, not elsewhere shown	2,433
R0500	**Total assets**	1,307,527

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	719,070
R0520	*Technical provisions - non-life (excluding health)*	709,433
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	678,944
R0550	*Risk margin*	30,489
R0560	*Technical provisions - health (similar to non-life)*	9,637
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	9,114
R0590	*Risk margin*	523
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	19,977
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	2,732
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	2,816
R0840	Payables (trade, not insurance)	46,687
R0850	Subordinated liabilities	50,000
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	50,000
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	841,281
R1000	**Excess of assets over liabilities**	466,247

FBD HOLDINGS PLC

S.05.01.02

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Total
		C0020	C0040	C0050	C0060	C0070	C0080	C0200
	Premiums written							
R0110	**Gross - Direct Business**	5,725	119,134	73,571	20	136,020	79,123	413,593
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	432	16,730	1,713	0	21,418	6,139	46,432
R0200	Net	5,293	102,404	71,858	20	114,602	72,984	367,160
	Premiums earned							
R0210	Gross - Direct Business	5,590	115,280	71,570	19	127,074	77,063	396,596
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	432	16,805	1,713	0	21,318	6,139	46,408
R0300	Net	5,158	98,475	69,857	19	105,755	70,924	350,188
	Claims incurred							
R0310	Gross - Direct Business	5,305	60,470	42,745	0	-12,267	36,502	132,756
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-8	16,889	0	1	-39,966	1,755	-21,330
R0400	Net	5,313	43,581	42,745	0	27,699	34,748	154,086
R0550	**Expenses incurred**	1,407	42,115	30,445	5	37,329	17,111	128,412
R1210	**Balance - other technical expenses/income**							
R1300	**Total technical expenses**							128,412

FBD HOLDINGS PLC

S.05.02.04

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	413,593						413,593
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	46,432						46,432
R0200	Net	367,160						367,160
	Premiums earned							
R0210	Gross - Direct Business	396,596						396,596
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	46,408						46,408
R0300	Net	350,188						350,188
	Claims incurred							
R0310	Gross - Direct Business	132,756						132,756
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-21,330						-21,330
R0400	Net	154,086						154,086
R0550	**Expenses incurred**	128,412						128,412
R1210	**Balance - other technical expenses/income**							
R1300	**Total technical expenses**							128,412

FBD HOLDINGS PLC

S.23.01.22

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					
R0010	Ordinary share capital (gross of own shares)	21,744	21,744		0	
R0020	*Non-available called but not paid in ordinary share capital to be deducted at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts to be deducted at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds to be deducted at group level*	0				
R0090	Preference shares	2,923		0	2,923	0
R0100	*Non-available preference shares to be deducted at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	399,028	399,028			
R0140	Subordinated liabilities	50,000		0	50,000	0
R0150	*Non-available subordinated liabilities to be deducted at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	2,412				2,412
R0170	*The amount equal to the value of net deferred tax assets not available to be deducted at the group level*	0				
R0180	Other own fund items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests at group level	0				
R0210	*Non-available minority interests to be deducted at group level*	0				
R0220	**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**					

		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					
	Deductions					
R0230	**Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	0				
R0270	**Total of non-available own fund items to be deducted**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	476,108	420,772	0	52,923	2,412
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds to be deducted at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated undertakings carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

		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					
	Own funds when using the D&A, exclusively or in combination with method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A method)	476,108	420,772	0	52,923	2,412
R0530	Total available own funds to meet the minimum consolidated group SCR	473,696	420,772	0	52,923	
R0560	Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A method)	476,108	420,772	0	52,923	2,412
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	438,873	420,772	0	18,100	
R0610	**Minimum consolidated Group SCR**	90,501				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	484.93%				
R0660	**Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	476,108	420,772	0	52,923	2,412
R0680	**Total Group SCR**	223,898				
R0690	**Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A**	212.64%				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	466,247
R0710	Own shares (held directly and indirectly)	
R0720	Foreseeable dividends, distributions and charges	40,139
R0730	Other basic own fund items	27,080
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	399,028
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	14,864
R0790	**Total Expected profits included in future premiums (EPIFP)**	14,864

FBD HOLDINGS PLC

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	100,690		
R0020	Counterparty default risk	7,206		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	3,675		
R0050	Non-life underwriting risk	178,899		
R0060	Diversification	-60,111		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	230,360		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	20,642
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-27,103
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on**	223,898
R0210	Capital add-ons already set	0
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	0
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	0
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	0
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	0
R0220	**Consolidated Group SCR**	223,898

USP Key

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

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

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
	Other information on SCR			
R0400	Capital requirement for duration-based equity risk sub-module	0		
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0		
R0470	Minimum consolidated group solvency capital requirement	90,501		
	Information on other entities			
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0		
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0		
R0520	*Institutions for occupational retirement provisions*	0		
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0		
R0540	Capital requirement for non-controlled participation requirements	0		
R0550	Capital requirement for residual undertakings	0		
R0555	Capital requirement for collective investment undertakings or investments packaged as funds	0		
	Overall SCR			
R0560	SCR for undertakings included via D&A method	0		
R0570	**Total group solvency capital requirement**	223,898		

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	IE	635400HQZXKIXB5YCS61	LEI	FBD INSURANCE PLC	Non life insurance undertaking	Incorporated companies limited by shares or by guarantee or unlimited	Non-mutual	THE CENTRAL BANK OF IRELAND
2	IE	140134	Specific code	FBD INSURANCE GROUP	Credit institution, investment firm and financial institution		Non-mutual	THE CENTRAL BANK OF IRELAND
3	IE	155113	Specific code	BIERITZ INNS LIMITED	Other		Non-mutual	
4	IE	51715	Specific code	LEGACY INVESTMENT HOLDINGS LIMITED	Other		Non-mutual	
5	GB	7010V	Specific code	TOPENHALL LIMITED	Other		Non-mutual	
6	IE	635400HNBZBITDHQJG48	LEI	FBD HOLDINGS PLC	Other		Non-mutual	
7	IE	614936	Specific code	FBD CORPORATE SERVICE LIMITED	Other		Non-mutual	
8	IE	510146	Specific code	FBD TRUSTEE COMPANY LTD	Institution for occupational retirement provision		Non-mutual	THE PENSIONS AUTHORITY

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% 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
Row	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
2	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
3	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC
4	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC
5	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC
6	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC
7	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC
8	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		No inclusion in the scope of the group supervision as defined in Art. 214 Directive 2009/138/EC

FBD INSURANCE PLC

General Information

Undertaking name	FBD Insurance Plc
Undertaking identification code	635400HQZXKIXB5YCS61
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2023
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

S.05.01.02 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

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

S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

FBD INSURANCE PLC

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	4,978
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	19,852
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,154,401
R0080	*Property (other than for own use)*	16,974
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	1,128
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	1,128
R0130	*Bonds*	862,182
R0140	*Government Bonds*	283,484
R0150	*Corporate Bonds*	578,697
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	220,452
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	53,665
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	77
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	77
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	80,049
R0280	*Non-life and health similar to non-life*	80,049
R0290	*Non-life excluding health*	80,049
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	10,566
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	8,186
R0420	Any other assets, not elsewhere shown	2,332
R0500	**Total assets**	1,280,441

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	719,070
R0520	*Technical provisions - non-life (excluding health)*	709,433
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	678,944
R0550	*Risk margin*	30,489
R0560	*Technical provisions - health (similar to non-life)*	9,637
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	9,114
R0590	*Risk margin*	523
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	17,477
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	3,197
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	2,816
R0840	Payables (trade, not insurance)	45,117
R0850	Subordinated liabilities	50,000
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	50,000
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	837,676
R1000	**Excess of assets over liabilities**	442,765

FBD INSURANCE PLC

S.05.01.02

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	
		C0020	C0040	C0050	C0060	C0070	C0080	C0200
	Premiums written							
R0110	Gross - Direct Business	5,725	119,134	73,571	20	136,020	79,123	413,593
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	432	16,730	1,713	0	21,418	6,139	46,432
R0200	Net	5,293	102,404	71,858	20	114,602	72,984	367,160
	Premiums earned							
R0210	Gross - Direct Business	5,590	115,280	71,570	19	127,074	77,063	396,596
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	432	16,805	1,713	0	21,318	6,139	46,408
R0300	Net	5,158	98,475	69,857	19	105,755	70,924	350,188
	Claims incurred							
R0310	Gross - Direct Business	5,305	60,470	42,745	0	-12,267	36,502	132,756
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-8	16,889	0	1	-39,966	1,755	-21,330
R0400	Net	5,313	43,581	42,745	0	27,699	34,748	154,086
R0550	**Expenses incurred**	1,400	41,743	30,342	5	43,164	16,665	133,318
R1210	**Balance - other technical expenses/income**							
R1300	**Total technical expenses**							133,318

FBD INSURANCE PLC

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Total Non-Life obligation
		C0030	C0050	C0060	C0070	C0080	C0090	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0
R0050	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							0
	Technical provisions calculated as a sum of BE and RM							
	Best estimate							
	Premium provisions							
R0060	Gross	2,425	29,476	20,475	0	32,782	14,958	100,116
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		-801			-8,722	-1,999	-11,522
R0150	**Net Best Estimate of Premium Provisions**	2,425	30,277	20,475	0	41,504	16,957	111,638
	Claims provisions							
R0160	Gross	6,689	278,434	7,501	27	59,940	235,351	587,942
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	58,690		20	21,557	11,304	91,571
R0250	**Net Best Estimate of Claims Provisions**	6,689	219,744	7,501	6	38,383	224,047	496,371
R0260	**Total best estimate - gross**	9,114	307,909	27,976	27	92,722	250,309	688,057
R0270	**Total best estimate - net**	9,114	250,020	27,976	7	79,887	241,004	608,008
R0280	**Risk margin**	523	10,691	2,672	1	4,363	12,762	31,013

		Direct business and accepted proportional reinsurance						
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Total Non-Life obligation
		C0030	C0050	C0060	C0070	C0080	C0090	C0180
R0320	Technical provisions - total	9,637	318,600	30,648	28	97,085	263,071	719,070
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	57,889	0	20	12,834	9,305	80,049
R0340	Technical provisions minus recoverables from reinsurance/ SPV and Finite Re - total	9,637	260,711	30,648	8	84,250	253,766	639,021

FBD INSURANCE PLC

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year/underwriting year** **Accident Year**

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
	Year	**Development year**													
		0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**		**In Current year**	**Sum of years (cumulative)**
R0100	Prior											3,276		3,276	3,276
R0160	-9	108,443	53,116	34,142	35,163	19,641	15,148	6,233	9,705	3,793	3,324			3,324	288,708
R0170	-8	71,898	51,885	27,103	19,448	24,658	13,761	6,956	9,897	4,469				4,469	230,075
R0180	-7	64,393	34,644	19,270	15,659	11,307	7,303	5,227	5,011					5,011	162,815
R0190	-6	59,730	38,034	16,636	10,942	9,888	7,894	4,908						4,908	148,032
R0200	-5	67,651	35,742	14,020	10,050	10,304	9,783							9,783	147,550
R0210	-4	56,231	24,454	11,649	8,918	10,894								10,894	112,146
R0220	-3	67,706	62,772	23,603	21,584									21,584	175,665
R0230	-2	65,366	40,778	7,235										7,235	113,379
R0240	-1	71,545	40,903											40,903	112,448
R0250	0	89,031												89,031	89,031
R0260													**Total**	200,419	1,583,127

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
	Year	Development year												Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											26,465		25,062
R0160	-9	0	0	139,635	96,299	67,427	46,108	38,749	26,900	21,298	15,418			14,582
R0170	-8	0	167,912	161,153	132,607	81,860	63,646	53,506	35,650	23,556				22,289
R0180	-7	163,399	122,928	90,673	63,039	44,297	35,198	27,848	20,355					19,249
R0190	-6	156,049	111,452	79,258	67,573	53,244	37,791	28,194						26,684
R0200	-5	164,638	117,130	91,970	73,879	55,602	35,226							33,293
R0210	-4	143,809	114,022	74,590	59,711	46,859								44,339
R0220	-3	282,268	230,242	182,102	89,232									85,196
R0230	-2	152,826	92,274	93,435										88,434
R0240	-1	145,661	97,802											92,674
R0250	0	142,611												136,139
R0260													**Total**	587,942

FBD INSURANCE PLC

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					
R0010	Ordinary share capital (gross of own shares)	74,187	74,187		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	635		0	635	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	330,305	330,305			
R0140	Subordinated liabilities	50,000		0	50,000	0
R0160	An amount equal to the value of net deferred tax assets	1,781				1,781
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	456,908	404,492	0	50,635	1,781
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
		C0010	C0020	C0030	C0040	C0050
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	456,908	404,492	0	50,635	1,781
R0510	Total available own funds to meet the MCR	455,127	404,492	0	50,635	
R0540	Total eligible own funds to meet the SCR	456,908	404,492	0	50,635	1,781
R0550	Total eligible own funds to meet the MCR	422,592	404,492	0	18,100	
R0580	**SCR**	221,301				
R0600	**MCR**	90,501				
R0620	**Ratio of Eligible own funds to SCR**	206.46%				
R0640	**Ratio of Eligible own funds to MCR**	466.95%				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	442,765
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	35,857
R0730	Other basic own fund items	76,602
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	330,305
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	14,864
R0790	**Total Expected profits included in future premiums (EPIFP)**	14,864

FBD INSURANCE PLC

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	97,341		
R0020	Counterparty default risk	6,345		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	3,675		
R0050	Non-life underwriting risk	178,899		
R0060	Diversification	-58,499		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	227,762		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	20,642
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-27,103
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	221,301
R0210	Capital add-ons already set	0
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	0
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	0
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	0
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	0
R0220	**Solvency capital requirement**	221,301

USP Key

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

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

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
	Other information on SCR			
R0400	Capital requirement for duration-based equity risk sub-module	0		
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0		

		Yes/No
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	No

		LAC DT
	Calculation of loss absorbing capacity of deferred taxes	C0130
R0640	LAC DT	-27,103
R0650	LAC DT justified by reversion of deferred tax liabilities	-7,950
R0660	LAC DT justified by reference to probable future taxable economic profit	-19,153
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	-31,003

FBD INSURANCE PLC

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	90,501

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	9,114	5,293
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	250,020	102,404
R0060	Other motor insurance and proportional reinsurance	27,976	71,858
R0070	Marine, aviation and transport insurance and proportional reinsurance	7	20
R0080	Fire and other damage to property insurance and proportional reinsurance	79,887	114,602
R0090	General liability insurance and proportional reinsurance	241,004	72,984
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		

		C0070
	Overall MCR calculation	
R0300	Linear MCR	90,501
R0310	SCR	221,301
R0320	MCR cap	99,585
R0330	MCR floor	55,325
R0340	Combined MCR	90,501
R0350	Absolute floor of the MCR	2,700
R0400	**Minimum Capital Requirement**	90,501

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