

BNP PARIBAS VARTRY REINSURANCE DESIGNATED ACTIVITY COMPANY

SOLVENCY & FINANCIAL CONDITION REPORT

FOR THE YEAR ENDED 31
DECEMBER 2024

BNP PARIBAS VARTRY
REINSURANCE DAC

SFCR 31 DEC 2024



BNP PARIBAS

The bank
for a changing
world

Classification : Confidential

TABLE OF CONTENTS

Table of Contents

SUMMARY.....	5
A. BUSINESS AND PERFORMANCE	10
A.1 BUSINESS	10
A.1.1 <i>Name and legal form of the company</i>	10
A.1.2 <i>Supervisory Authority</i>	10
A.1.3 <i>External Auditor</i>	10
A.1.4 <i>Qualifying holdings</i>	10
A.1.5 <i>Group Structure</i>	10
A.1.6 <i>Related Undertakings</i>	11
A.1.7 <i>Material Lines of Business and Geographical Areas</i>	11
A.1.8 <i>Significant Business or Other Events</i>	11
A.2 UNDERWRITING PERFORMANCE	12
A.3 INVESTMENT PERFORMANCE	12
A.4 PERFORMANCE OF OTHER ACTIVITIES	12
A.5 ANY OTHER INFORMATION	12
B.1 SYSTEM OF GOVERNANCE	13
B.1.1 <i>Overview of the system of governance</i>	13
B.1.1.1 Board of Directors	14
B.1.1.2 Board Committees	14
B.1.1.3 Key Functions	15
B.1.2 <i>Material Changes to the System of Governance</i>	16
B.1.3 <i>Remuneration Practices</i>	16
B.1.4 <i>Material Transactions</i>	17
B.2 FIT AND PROPER REQUIREMENTS	17
B.2.1 <i>Requirements for Skills, Knowledge and Expertise</i>	17
B.2.2 <i>Process for Assessing the Fitness & Probity of Persons</i>	17
B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT	18
B.3.1 <i>Risk Management System</i>	18
B.3.2 <i>Implementation of the Risk Management System including the Risk Management Function</i>	19
B.3.3 <i>Own Risk & Solvency Assessment ("ORSA")</i>	19
B.3.4 <i>Risk Management System for Internal Model Users</i>	20
B.4 INTERNAL CONTROL SYSTEM	20
B.4.1 <i>Internal Control System</i>	20
B.4.2 <i>Implementation of the Compliance Function</i>	21
B.5 INTERNAL AUDIT FUNCTION	21
B.5.1 <i>Implementation of the Internal Audit Function</i>	21



B.5.2.	<i>Independence of the Internal Audit Function</i>	22
B.6.	ACTUARIAL FUNCTION.....	22
B.7.	OUTSOURCING	23
B.8.	ANY OTHER INFORMATION.....	24
C.	RISK PROFILE	25
C.1.	UNDERWRITING RISK	25
C.1.1.	<i>Material Underwriting Risks</i>	25
C.1.2.	<i>Assessment and Risk Mitigation Techniques used for Underwriting Risks</i>	26
C.2.	MARKET RISK	26
C.2.1.	<i>Material Market Risks</i>	26
C.2.2.	<i>Investments and Prudent Person Principle as applied to Market Risk</i>	27
C.2.3.	<i>Assessment and Risk Mitigation Techniques used for Market Risks</i>	27
C.2.4.	<i>Risk Sensitivity for Market Risks</i>	28
C.3.	CREDIT RISK.....	28
C.3.1.	<i>Material Credit Risks</i>	28
C.3.2.	<i>Prudent Person Principle applied to Credit Risks</i>	29
C.3.3.	<i>Assessment and Risk Mitigation Techniques used for Credit Risk</i>	30
C.3.4.	<i>Risk Sensitivity for Credit Risks</i>	30
C.4.	LIQUIDITY RISK	30
C.4.1.	<i>Material Liquidity Risks</i>	30
C.4.2.	<i>Prudent Person Principle as applied to Liquidity Risks</i>	30
C.4.3.	<i>Assessment and Risk Mitigation Techniques used for Liquidity Risks</i>	31
C.4.4.	<i>Expected Profit included in Future Premiums</i>	31
C.4.5.	<i>Risk Sensitivity for Liquidity Risks</i>	31
C.5.	OPERATIONAL RISK	31
C.5.1.	<i>Material Operational Risks</i>	31
C.5.2.	<i>Assessment and Risk Mitigation Techniques used for Operational Risks</i>	32
C.5.3.	<i>Risk Sensitivity for Operational Risks</i>	32
C.6.	OTHER MATERIAL RISKS	32
C.7.	ANY OTHER INFORMATION.....	33
D.	VALUATION FOR SOLVENCY PURPOSES.....	34
D.1.	ASSETS	34
D.1.1.	<i>Valuation for each Material Class of Asset</i>	34
D.1.2.	<i>Solvency II and Statutory Accounts Valuation Differences by Material Class of Assets</i>	35
D.2.	TECHNICAL PROVISIONS	36
D.2.1	<i>Local GAAP and Solvency II Valuations</i>	36
D.3.	OTHER LIABILITIES	38
D.3.1.	<i>Valuation for each Material Class of Other Liabilities</i>	38
D.3.2.	<i>Solvency II and Statutory Accounts Valuation Differences by Material Class of Other Liabilities</i>	39
D.4.	ALTERNATIVE METHODS FOR VALUATION	39
D.5.	ANY OTHER INFORMATION.....	39



E.	CAPITAL MANAGEMENT	40
E.1.	OWN FUNDS	40
E.1.1.	<i>Information on the Objectives, Policies and Processes for Managing Own Funds</i>	40
E.1.2.	<i>Own Funds classified by Tiers</i>	41
E.1.3.	<i>Eligibility of Own Funds</i>	41
E.1.4.	<i>Material difference between Equity as shown in the Financial Statements and the Excess of Assets over Liabilities calculated for solvency purposes</i>	41
E.2.	SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT 41	43
E.2.1.	<i>Amount of Solvency Capital Requirement and Minimum Capital Requirement</i>	43
E.2.2.	<i>Solvency Capital Requirement split by Risk Modules</i>	43
E.2.3.	<i>Inputs used to calculate the Minimum Capital Requirement</i>	43
E.2.4.	<i>Material Changes to the Solvency Capital Requirement and to the Minimum Capital Requirement</i>	44
E.3.	USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT	44
E.4.	DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED	44
E.5.	Non-compliance with the Minimum Capital Requirement and Non-Compliance with the Solvency Capital Requirement	44
E.6.	Any other information	44
	APPENDIX 1 – QUANTITATIVE REPORTING TEMPLATES – 31 DECEMBER 2024.....	45
	APPENDIX 2 – QUANTITATIVE REPORTING TEMPLATES - 31 DECEMBER 2023.....	55



SUMMARY

BUSINESS AND PERFORMANCE

BNP Paribas Vartry Reinsurance Designated Activity Company (“Vartry” and “the Company”) is a wholly owned subsidiary of the BNP Paribas Group.

Vartry is authorised by the Central Bank of Ireland (“CBI”) to carry out the business of life and non-life reinsurance and has been designated as a low impact undertaking by the CBI under its risk based framework for the supervision of regulated firms, known as PRISM. Vartry is reporting as an individual undertaking for Solvency II.

The Company has undergone a comprehensive review of its business strategy during 2024. It has issued a notification of a change in business strategy to and received approval from the Central Bank of Ireland it has entered into a reinsurance agreement with a third party.

The current Company’s principal activity is to provide life and non-life reinsurance solutions to 3rd parties whilst adhering to BNP Paribas Group mission of contributing to a responsible and sustainable economy. The new business strategy will also assist in maintaining a long-term partnership with BNP Paribas clients and providing leading reinsurers with tailored made protection.

The following table summarises the performance of the Company for the reporting period and the prior year.

INCOME STATEMENT EUR'000s	Dec-24	Dec-23
Underwriting Performance	-	-
Investment Performance	7,757	24,737
Other Income & Expenses	(1,521)	(43)
Net Profit/ (Loss) before Tax	6,236	24,694
Corporation tax	(935)	(3,087)
Net Profit/ (Loss) after Tax	5,301	21,607

Reduction in investment performance is in line with expectations as the Company has changed its business strategy and continues to run off its cat bond portfolio.

The Company declared a dividend of EUR8m in 2024 to its sole shareholder, BNP Paribas Ireland Unlimited Company (2023: Nil). The dividend paid was determined based on the Company’s target solvency cover ratio and existing dividend policy.

System of Governance

Vartry has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines. The following organisation chart summarises the current system of governance of the Company.





Vartry has assessed its system of governance and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

RISK PROFILE

Vartry has implemented effective processes for assessing and mitigating its material risk exposures. The risk profile of the Company has changed during 2024 in line with new business strategy as approved by the Central Bank of Ireland.

Underwriting Risk

In line with its change of strategy, Vartry provides underwriting facilities in respect of risks arising from third parties, principally in respect of reinsurance accepted covering property and casualty, life and health risk.

Market Risk

The Company's material market risk exposure relates to:

- its investment portfolio of CAT bonds and EBRD notes
- its assets and liabilities exposed to interest rate movements
- its assets and liabilities denominated in foreign currencies which are exposed to currency risk

Credit Risk

The Company's exposure to credit (counterparty default) risk is considered to be low and primarily relates to:

- Cash deposits which are all held on demand with BNP Paribas Group companies.
- Fixed spread element of the coupon due on the CAT bonds from the Sponsors of the bonds. Typically the Sponsors of a CAT bond are large (re)insurance undertakings with strong credit ratings. Should a Sponsor default on a coupon payment, the bond would mature early with no further risk exposure.

There is no credit risk associated with EBRD notes or with CAT bond collateral as CAT bonds are fully collateralised. Strict collateral rules exist which are designed to limit credit risks and the cash raised by the CAT bond's initial issuance is typically held as collateral in AAA rated securities. The Company manages and monitors its exposure to reinsurance counterparties (outward and inward) in line with its risk appetite statement, whereby any reinsurance arrangement must meet minimum credit rating criteria.

Liquidity Risk

The Company's exposure to liquidity risk is considered to be low as It maintains a high level of liquidity to meet its liabilities.

Operational Risk

The Company's material operational risk exposures relate to outsourcing, execution, delivery, process management and people.

Environmental, Social & Governance Risk

- Environmental
 - The Company's activities support the BNPP Paribas Group's mission of contributing to a responsible and sustainable economy. Following its change in strategy the Company is expected to carry out a more detailed climate change risk assessment in 2025.
- Social
 - Vartry adheres to the BNP Paribas Group Code of Conduct and its conduct themes of Customers' Interest, Financial Security, Market Integrity, Professional Ethics, Respect for Colleagues, Group Protection & Involvement with Society.
- Governance
 - Vartry has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines to ensure sound and prudent management of the business. The Company and the Board are subject to Individual Accounting Framework and Fitness and Probity.



VALUATION FOR SOLVENCY PURPOSES

The following tables present a summary of the Solvency II valuation of each material class of asset and liability compared to the Statutory Accounts at 31st December 2024 and at 31st December 2023.

BALANCE SHEET (EUR'000s)						
Assets	31/12/2024			31/12/2023		
	Solvency II Value	Statutory Accounts Value	Difference	Solvency II Value	Statutory Accounts Value	Difference
Non Insurance Asset						
Debt Securities	516,501	515,099	(1,402)	194,385	191,802	(2,583)
Receivables (trade, not insurance)	-	-	-	-	-	-
Cash and cash equivalents	12,460	12,460	-	4,897	4,897	-
Any other assets, not elsewhere shown	888	2,134	1,246	198	2,782	2,583
Insurance Asset						
Reinsurance recoverables	(29,202)	-	67,452	-	-	-
Unearned Premium	-	38,250	-	-	-	-
Debtors (re)insurance operations	-	61,875	61,875	-	-	-
Total Assets	500,647	629,818	129,171	199,480	199,480	-
Liabilities	31/12/2024			31/12/2023		
	Solvency II Value	Statutory Accounts Value	Difference	Solvency II Value	Statutory Accounts Value	Difference
Insurance Liabilities						
Technical Provisions	(34,201)	72,000	106,201	-	-	-
Creditors (re)insurance operations	-	38,250	38,250	-	-	-
Other Liabilities						
Deferred tax liabilities	2,424	-	(2,424)	-	-	-
Loans payable	489,211	488,337	(876)	164,064	163,333	(730)
Payables (trade, not insurance)	565	565	-	2,828	2,828	-
Any other liabilities, not elsewhere shown	477	1,352	876	575	1,305	730
Total Liabilities	458,479	600,505	142,026	167,467	167,467	0
Excess of Assets Over Liabilities	42,168	29,313	(12,855)	32,013	32,013	(0)

Note the following valuation differences between Solvency II and the Statutory Accounts:

- For the Statutory Accounts accrued interest on structured notes is reported as 'Any other asset, not elsewhere shown'. For Solvency II, this accrued interest amount is not reported as a separate item but included in the overall valuation of the structured notes reported.
 - Accrued interest due on loans payable is reported as 'Any other liabilities, not elsewhere shown' for the Statutory Accounts. However, for Solvency II this accrued interest amount due is not reported as a separate item but included in the overall valuation of the loans payable reported.
 - In terms of navigating from Irish GAAP to Solvency, the Vartry calculated insurance/ reinsurance asset/ liability amounts under Irish GAAP were replaced by required Solvency II figures i.e. gross Best Estimate of Liabilities, reinsurance recoverable and the Risk Margin for each of the segments covered under the new business inceptioned from 1 January 2025. Technical provisions are valued for Solvency II by applying adjustments to the Statutory Accounts technical provisions including:
 - Future premiums and associated cashflows are allowed for within the contract boundary
 - Events Not in the Data are allowed for
 - Expenses are included on a going concern basis
 - Discounting using prescribed EIOPA yield curves
 - Risk margin is included
- Note also;
- CAT bonds are classified as structured notes and EBRD notes are classified as government bonds (supra-national) on the Solvency II balance sheet.
 - a deferred tax asset or liability, as appropriate, arises on a Solvency II basis due to the difference in the valuation of assets and technical provisions as outlined above.

Capital Management

The following tables summarises the solvency position of the Company at 31st December 2024 and 2023 which is assessed using the Standard Formula.

All the Company' s own funds are classified as Tier 1 unrestricted and are available to cover the Solvency Capital Requirement and Minimum Capital Requirement.

There were no instances of non-compliance with the Minimum Capital Requirement and the Solvency Capital Requirement for Vartry during the reporting period ended 31st December 2024.

Report Approval

This report was reviewed by the Company' s Audit Committee on 18th March 2025. It was subsequently reviewed and approved by the Board of Directors on 26th March 2025.

Any small differences arising within the tables included within the report are due to rounding.



A. BUSINESS AND PERFORMANCE

A.1 BUSINESS

A.1.1 NAME AND LEGAL FORM OF THE COMPANY

BNP Paribas Vartry Reinsurance Designated Activity Company (“Vartry” and “the Company”) is a private company which is limited by shares.

A.1.2 SUPERVISORY AUTHORITY

Vartry is authorised by the Central Bank of Ireland (“CBI”), New Wapping Street, North Wall Quay, Dublin 1, Ireland to carry out the business of life and non-life reinsurance in accordance with the provisions of the European Union (Insurance & Reinsurance) Regulations 2015.

Vartry has been designated as a low impact undertaking by the CBI under its risk based framework for the supervision of regulated firms, known as PRISM.

Vartry is reporting as an individual undertaking for Solvency II and its identification code is LEI/549300RUVJ1HYI98NN30.

A.1.3 EXTERNAL AUDITOR

The Company’ s current External Auditor is Deloitte Ireland LLP, Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, Ireland.

A.1.4 QUALIFYING HOLDINGS

The Company is a wholly owned subsidiary of BNP Paribas Ireland Unlimited Company, Termini, 3 Arkle Road, Sandyford, Dublin 18, Ireland.

The ultimate parent company is BNP Paribas S.A., a company incorporated in France and listed on the Euronext Paris stock exchange. BNP Paribas S.A.’ s consolidated financial statements are available from the company at 16 Boulevard des Italiens, 75009 Paris, France.

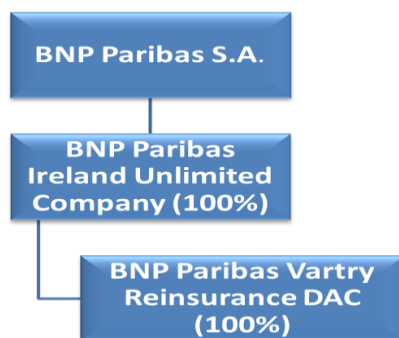
A.1.5 GROUP STRUCTURE

Vartry is reporting as an individual undertaking for Solvency II.

The Company is a wholly owned subsidiary of BNP Paribas Ireland Unlimited Company, a company incorporated in Ireland, with an address of Termini, 3 Arkle Road, Sandyford, Dublin 18, Ireland.

The ultimate parent company is BNP Paribas S.A., a company incorporated in France and listed on the Euronext Paris stock exchange. BNP Paribas S.A.’ s consolidated financial statements are available from the company at 16 Boulevard des Italiens, 75009 Paris, France.

The following is a simplified Group structure.



A.1.6 RELATED UNDERTAKINGS

As a 100% sole member owned company as described in A.1.5, Vartry does not have any related undertakings that it has control of or an obligation to report results on.

A.1.7 MATERIAL LINES OF BUSINESS AND GEOGRAPHICAL AREAS

The current Company's principal activity is to provide life and non-life reinsurance solutions to 3rd parties whilst adhering to BNP Paribas Group mission of contributing to a responsible and sustainable economy. The new business strategy will also assist in maintaining a long-term partnership with BNP Paribas clients and providing leading reinsurers with tailored made protection.

The Company trades as a composite reinsurer, providing underwriting facilities in respect of risks arising from third parties, principally in respect of reinsurance accepted covering property and casualty, life and health risk.

All the activities are carried out in Ireland.

A.1.8 SIGNIFICANT BUSINESS OR OTHER EVENTS

The Company has undergone a comprehensive review of its business strategy during 2024. It has issued a notification of a change in business strategy to and received approval from the Central Bank of Ireland it has entered into a reinsurance agreement with a third party.

A.2 UNDERWRITING PERFORMANCE

The below table summarizes the underwriting performance for the current period. There is no underwriting performance in relation to prior year as the previous strategy of holding and accumulating of CAT bonds has not generated any underwriting activities to report on.

	Line of Business: Non-Proportional Reinsurance			Life Reinsurance Obligations		Total
	Casualty	Marine, Aviation, Transport	Property	Health	Life	
Premium Written						
Gross	19,879	5,306	18,418	5,580	22,817	72,000
Reinsurers' Share	10,561	2,819	9,784	2,964	12,122	38,250
Net	9,318	2,487	8,634	2,616	10,695	33,750
Premium Earned						
Gross	-	-	-	-	-	0
Reinsurers' Share	-	-	-	-	-	0
Net	-	-	-	-	-	0
Claims Incurred						
Gross	-	-	-	-	-	0
Reinsurers' Share	-	-	-	-	-	0

A.3 INVESTMENT PERFORMANCE

The table below summarises the investment performance for the year ended 31st December 2024 and 2023. EBRD notes are classified as Governments (Supra-national) Bonds and CAT bonds are classified as Structured Notes on the Solvency II balance sheet. The below table agrees to audited financial statements. Given the nature of the business of the Company, the loan interest and expense presentation differs in quantitative reporting templates.

Investment Performance 2024 EUR'000s	Income from investments	Unrealised gain / (loss) on investment	Realised gain / (loss) on investment	Premium / Discount	Loan interest expense	Investment expense / charges	Total investment return
Cash and cash equivalents	236	-	-	-	-	-	236
Debt Securities	12,070	5,314	(2,346)	-	(6,220)	(1,297)	7,522
Total	12,306	5,314	(2,346)	-	(6,220)	(1,297)	7,756

Investment Performance 2023 EUR'000s	Income from investments	Unrealised gain / (loss) on investment	Realised gain / (loss) on investment	Premium / Discount	Loan interest expense	Investment expense / charges	Total investment return
Cash and cash equivalents	370	-	-	-	-	-	370
Debt Securities	23,723	17,054	(827)	-	(12,931)	(2,652)	24,367
Total	24,093	17,054	(827)	-	(12,931)	(2,652)	24,737

All realised and unrealised gains and losses are recognised in the Income Statement. The variation in investment returns between 31 December 2024 and 31 December 2023 is line with the change in strategy.

A.4 PERFORMANCE OF OTHER ACTIVITIES

There are no other material income and expenses incurred over the reporting period to report on.

A.5 ANY OTHER INFORMATION

During 2024 the Company declared and paid a dividend of EUR8m to its sole shareholder, BNP Paribas Ireland Unlimited Company (2023: NIL).

B. SYSTEM OF GOVERNANCE

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B.1.1 OVERVIEW OF THE SYSTEM OF GOVERNANCE

Vartry has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines. The following organisation chart summarises the current system of governance of the Company.

Some changes to the Board composition appointments and Committee structure took place during 2024:

- Niall Murphy resigned from the Board of Directors effective 19th January 2024, and was replaced by Mr. Francis O' Higgins 23rd February 2024.
- The Risk Committee has evolved into Risk & Underwriting Committee as part of a change in business strategy and introduction of new underwriting risks.

The following organisation chart summarises the current system of governance of the Company as at the date of approval of this report.



The system of governance is regularly reviewed to ensure its continued appropriateness reflecting changing commercial and regulatory requirements and organisational developments.

B.1.1.1 BOARD OF DIRECTORS

The table below presents the composition of the current Board of Directors of Vartry along with each Director's designation and a summary of the segregation of responsibilities within Board Committees.

Director Name	Director Designation	Board Committee Membership & Responsibilities
Derek Kehoe	Non-Executive Director & Chair	Chairperson
Aidan Williams	Independent Non-Executive Director	Audit Committee Member & Chair of Risk & Underwriting Committee
Stephen Hodgins	Independent Non-Executive Director	Chair of Audit Committee & Risk & Underwriting Committee Member
Siobhan Doohan	Non-Executive Director	Audit Committee Member
Remi Esclattier	Non-Executive Director	Risk & Underwriting Committee Member
Lenka Lyons	Executive Director & General Manager	Risk & Underwriting Committee Member
Francis O' Higgins	Executive Director	

The Board of Directors is responsible for the effective, prudent and ethical oversight of the Company and meets on a quarterly basis or more frequently as required.

The Board is responsible for setting and overseeing:

- the business strategy for the Company
- a robust and transparent organisational structure with effective communication and reporting channels
- the amounts, types and distribution of capital adequate to cover the risks of the Company
- the strategy for the on-going management of material risks
- an adequate and effective internal control framework, that includes well-functioning actuarial, risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework.

The role and responsibilities of the Board of Directors are clearly documented in its Terms of Reference and Schedule of Reserved Matters which are reviewed on an annual basis by the Board of Directors, taking advice from the Audit Committee who make periodic recommendations to the Board to ensure a high standard of practice is maintained.

B.1.1.2 BOARD COMMITTEES

The Company's Board of Directors have established two Board Committees that meet at least three times a year, or more frequently as required, and report to the Board, namely the Audit Committee and the Risk & Underwriting Committee.

The authority, functions, membership and reporting lines of the committees established by the Board as well as meeting frequency, voting rights and quorums are clearly outlined in the written Terms of Reference established by the Board for each Committee.

The Terms of Reference are reviewed at least annually by the Committees to ensure continuing appropriateness. Recommendations on revisions are provided to the Board for review and approval



where necessary.

Audit Committee

The main roles and responsibilities of the Audit Committee are:

- Review financial statements and other published documents and make recommendations to the Board.
- Monitor the effectiveness, independence and objectivity of the external auditor.
- Monitor the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system.
- Review any significant matters raised by the internal and external auditors.
- Review the effectiveness and appropriateness of the Company's internal controls.
- Review the Company's arrangements for its business functions to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters.
- Review and monitor corporate governance arrangements operating and make recommendations to the Board as required.
- Monitor the effectiveness of the compliance function.

Risk & Underwriting Committee

The main roles and responsibilities of the Risk Committee are:

- Monitor the effectiveness of the Company's risk management system.
- Monitor the implementation of the Company's risk strategy and maintenance thereof.
- Review and make recommendation to the Board on risk appetite and risk management policies across the Company.
- Review capital and solvency position of the Company.
- Oversee the own risk & solvency assessment process.
- Monitoring the effectiveness of the risk management function. Periodically review and propose updates to the Underwriting Policy.
- Review new business proposals.
- Review the performance of major treaties loss ratios.
- Review outward retrocession treaties and risk mitigation arrangements.
- Review overall underwriting performance to compare with budget.
- Review the status and current credit rating of cedants and retrocessionaires.

B.1.1.3 KEY FUNCTIONS

General Manager

Vartry has appointed a General Manager who has overall responsibility for the prudent and efficient operations of the business of the Company.

The General Manager has relevant financial services expertise, qualifications and background to ensure that they have the necessary knowledge, skills and experience required to comprehend fully each of the following:

- the nature of the Company's business activities and related risks
- their individual direct and indirect responsibilities and the Board's responsibilities
- the Company's financial statements.

The General Manager is also a member of the Board of Directors and the Risk Committee. The Audit Committee may invite the General Manager to attend its meetings as required to do so.



Risk Management Function

Vartry has appointed a Chief Risk Officer who is responsible for the risk management function. The Chief Risk Officer role has been outsourced to KPMG.

Refer to section B.3.2 of this report for further information on the implementation of the risk management function.

Compliance Function

Vartry has appointed a Head of Compliance who is responsible for the compliance function. The Head of Compliance role has been outsourced to Marsh Management Services (Dublin) Limited.

Refer to section B.4.2 of this report for further information on the Compliance Function.

Actuarial Function

In line with the requirements of Solvency II, and the CBI's 'Domestic Actuarial Regime and Related Governance Requirements under Solvency II', Vartry has appointed a Head of the Actuarial Function. KPMG has been engaged on an outsourced basis to provide the Head of the Actuarial Function.

Refer to section B.6 of this report for further information on the Actuarial Function.

Internal Audit Function

Vartry has outsourced its internal audit function to an independent BNP Paribas Group Function, Inspection Generale. Vartry had previously appointed the Head of Inspection Generale for the BNP Paribas Group in Ireland as the Company's Head of Internal Audit Function.

Refer to section B.5 of this report for further information on the implementation and independence of the internal audit function.

B.1.2 MATERIAL CHANGES TO THE SYSTEM OF GOVERNANCE

There were changes to the Board composition and Committee Structure as outlined in B.1.1.

B.1.3. REMUNERATION PRACTICES

Principles of remuneration practices

Vartry recognises that the existence of appropriate compensation to attract and retain competent, experienced and skilled people is an essential part of the Company's business strategy but that any compensation provided should align peoples' decision-making and risk-taking behaviour with the Company's business objectives and risk management strategy.

Executive Directors are directly remunerated by the Company for their services. Non-Executive Directors, who are employees of the BNP Paribas Group, are not remunerated by the Company. Independent Non-Executive Directors receive compensation in the form of a fixed Directors fee with no variable component.

Share options, shares or variable components of remuneration

The Company does not offer or operate share participation schemes in its own share stock, nor is there any variable compensation paid by the Company to any Non-Executive Board member, directly employed staff or



indirect agents based on direct Company performance.

Those serving Board members or staff assigned to the Company who are employees of the BNP Paribas Group may, as part of their remuneration arrangements with the BNP Paribas Group, participate in share and / or options schemes operated by the BNP Paribas Group in publicly traded stocks issued by the ultimate parent company.

Supplementary pension or early retirement schemes for the members of the Board of Directors and other key function holders

The Company's remuneration practices do not include any supplementary pension or early retirement schemes for members of the Board of Directors or key function holders.

B.1.4. MATERIAL TRANSACTIONS

During the reporting period no material transactions took place with the Company's shareholder, with persons who exercise a significant influence on the Company, and with members of the Board of Directors:

- During 2024 the Company declared and paid a dividend to its sole shareholder, BNP Paribas Ireland Unlimited Company of EUR8m (2023: NIL).
- The Company entered into a new funding arrangement with BNP Paribas Ireland on an arm's length basis in Q4 2024.

B.2 FIT AND PROPER REQUIREMENTS

B.2.1. REQUIREMENTS FOR SKILLS, KNOWLEDGE AND EXPERTISE

Vartry ensures that the persons who effectively run the Company or have other key functions, including members of the Board, are 'fit' and take account of the respective duties allocated to them to ensure the provision of sound and prudent management through their professional qualifications, knowledge and experience and are proper by being of good repute and integrity.

Vartry ensures that the persons, who effectively run the Company or have other key functions, including members of the Board, collectively possess at least qualification, experience and knowledge about:

- a) insurance and financial markets
- b) business strategy and business model
- c) system of governance
- d) financial and actuarial analysis
- e) regulatory framework and requirements.

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

Vartry has established and implemented a Fitness and Probity Policy, which sets out the process for assessing the fitness & probity of persons, and aligns with the CBI's Fitness and Probity Standards.

Vartry's assessment of the 'Fitness' of persons include:

1. Identification (copy of passport)
2. Compliance with the minimum competency code, where relevant
3. Evidence of professional qualifications
4. Obtain self-certification from the person that they are compliant with any required continuing professional development



5. Record of interview and application where relevant
6. Make all reasonable efforts to obtain references
7. Record of previous experience
8. Record of experience gained outside of Ireland
9. Concurrent responsibilities
 - a) Other directorships
 - b) Other employments
 - c) Other potential conflicts of interest
10. CBI' s Individual Questionnaire as applicable.

Vartry' s assessment of the 'Probity' of persons includes considering whether the individual is of good repute and integrity, including an assessment of their honesty and financial soundness which is based on their reputation, reflecting past conduct, criminal record, financial record and supervisory experience. Probity due diligence will include requesting completion of questions on reputation and character and on financial interest.

In compliance with the requirements of the CBI' s Fitness and Probity Standards, prior approval for the appointment of certain function holders is obtained by Vartry from the CBI.

The Company made enhancements to its current Fitness and Probity requirements in line with the relevant sections of Individuality Accountability Framework which came into effect in December 2023.

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

B.3.1. RISK MANAGEMENT SYSTEM

For its risk management system:

- Vartry has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as presented in section B.1.1 of this report.
- Vartry adopts "3 lines of defence" for risk governance responsible for monitoring the risk appetite and the risk profile. Board Committees and Business Functions have been established, respecting the needed lines of defence. Risk owners and clear allocation of risk responsibilities have been set.
- The Board of Directors has defined its risk appetite through a top-down approach where the Board has set the overall risk appetite and different tolerances in line with the business strategy. Vartry operates within the risk tolerance limits set by the Board considering the Company' s exposure to particular categories of risk, which comprise the risk profile of the Company, which can be controlled, measured and reported. A trigger monitoring and reporting framework based on risk threshold limits (acceptable, warning, immediate action and material deviation) is used to signal activities and reporting requirements. The risk appetite statement and tolerance limits are subject to regular review and amendment to ensure that evolving business strategy, financial capacity, regulatory constraints, other internal/external factors and the needs and input of its stakeholders are appropriately reflected.
- Documented risk & internal control policies have been established to ensure implementation of the risk management strategy and to obtain the benefits of the risk management framework.
- An Own Risk & Solvency Assessment is carried out at least on an annual basis as set out in section B.3.3 of this report.
- The Company has documented its pre-emptive recovery plan which is subject to periodic review as required by the Central Bank regulations on Pre-emptive recovery planning for (re)insurers.

B.3.2. IMPLEMENTATION OF THE RISK MANAGEMENT SYSTEM INCLUDING THE RISK MANAGEMENT FUNCTION

Risk Management Function

Vartry has appointed a Chief Risk Officer who is responsible for the risk management function as set out in section B.1.1.3 of this report. The Chief Risk Officer role has been outsourced to KPMG.

Risk Management Function Responsibilities

The responsibilities of the Risk Management Function include:

- Maintaining and monitoring the effectiveness of the Company's risk management system
- Ensuring the Company has effective processes in place to identify and manage the risks to which the Company is or might be exposed
- Maintaining effective processes to monitor and report the risks to which the Company is or might be exposed
- Facilitation of the setting of the risk appetite by the Board
- Providing comprehensive and timely information on the Company's material risks which enables the Board to understand the overall risk profile of the Company.

The risk management activities are set out in an annual risk management action plan prepared by the Chief Risk Officer which is reviewed by the Risk Committee. The Chief Risk Officer is responsible for the risk management action plan and reports to the Risk Committee and the Board of Directors.

B.3.3. OWN RISK & SOLVENCY ASSESSMENT ("ORSA")

ORSA Process

On at least an annual basis Vartry carries out a regular assessment of its solvency and risks, the ORSA process, which includes:

- The level of own funds that Vartry needs to hold to cover the ORSA own solvency needs & the regulatory solvency capital requirement
- The prospective solvency ratios that Vartry will achieve when realising the business plan over the business planning time horizon
- The resilience of these ratios under stress test scenarios.

Vartry will also carry out a non-scheduled ORSA, outside of the regular annual assessment, if there is a significant change in the risk profile of the Company.

Vartry has established and implemented an ORSA policy which describes how the ORSA is performed, internally documented and reviewed.

ORSA Governance

The Board of Directors has ultimate responsibility for the ORSA and the role of the Board of Directors in the ORSA process is:

- Directing - how the assessment is to be performed and approving the policy
- Challenging - assumptions, methodologies and results
- Decision making - taking into account the output from the ORSA
- Approval - results and report.

The Board of Directors has delegated operational responsibility for the ORSA preparation and certain review processes as follows:

1. The Chief Risk Officer is responsible for the ORSA process
2. The General Manager provides day to day oversight
3. The Risk Committee is responsible for oversight of the ORSA process which is a standing agenda item for all Risk Committee meetings
4. Audit Committee receives updates from Risk Committee Chair on matters arising requiring further consideration.

Final approval of the ORSA process is with the Board.

Determination of Own Solvency Needs

Vartry uses the Standard Formula for its regulatory solvency capital requirement assessment.

For the ORSA, a business planning time horizon of three years is used to project the Solvency II Balance Sheet and solvency capital requirement at each year end of the business planning time horizon. The base case projections are then subjected to a range of stress tests and scenario analysis to assess the resilience of the solvency position of the Company. The results of the assessment are reviewed by the Board and, where appropriate, potential management actions are agreed.

B.3.4. RISK MANAGEMENT SYSTEM FOR INTERNAL MODEL USERS

Vartry does not use a partial or full internal model for its regulatory Solvency Capital Requirement and Minimum Capital Requirement calculation and is therefore not an internal model user for its regulatory Solvency Capital Requirement and Minimum Capital Requirement calculation.

B.4. INTERNAL CONTROL SYSTEM

B.4.1. INTERNAL CONTROL SYSTEM

Vartry has established an internal control system that is the overall framework which aims to ensure:

- The effectiveness and efficiency of the internal operations
- The reliability of internal and external information
- The security of transactions
- The compliance with laws, regulations and internal policies.

The scope of the internal control system covers all activities for which the Company is responsible which includes activities carried out by all departments of Vartry and activities outsourced by the Company to a third party. The internal control processes of Vartry are aligned with the key policies and procedures established and implemented by the Company. These key policies and procedures and internal control processes are regularly reviewed to ensure a continuous improvement.

Vartry's internal controls are composed of permanent controls and the periodic controls as presented in the table below. These two forms of controls are complementary but separated and independent from each other.

Permanent Control	A.1. Controls carried out by operational staff on their operations
	A.2. Controls carried out by other operational staff (cross checks etc.)
	A.3. Controls carried out by line managers
Periodic Controls	B.1. Controls carried out by permanent control functions within the Company
	B.2. Controls carried out by permanent control functions independent of the Company
	C. Controls carried out by Internal Audit

B.4.2. IMPLEMENTATION OF THE COMPLIANCE FUNCTION

Compliance Function

Vartry has appointed a Head of Compliance who is responsible for the compliance function as set out in section B.1.1.3 of this report. The Head of Compliance Function has been outsourced to Marsh Management Services (Dublin) Limited.

Compliance Function Responsibilities

The responsibilities of the Compliance Function include:

- Identifying and assessing the compliance risks impacting the Company
- Assist the Board with ensuring ongoing compliance with legislation and applicable requirements
- Enhancing the Company's awareness of compliance matters
- Monitor the Company's compliance with insurance legislation and applicable requirements and guidelines
- Document any breaches identified, how they were addressed and whether any third party reporting of the breach is required
- Ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company
- Through its opinions, recommendations, supervision and independent controls provide reasonable assurance of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation.
- Provide adequate input to the overall risk management system in respect of compliance risk
- Ensure that the undertaking complies with internal strategies, policies, processes and reporting procedures

The compliance activities are set out in an annual compliance plan prepared by the Head of Compliance which is reviewed by the Audit Committee and Board of Directors. The Head of Compliance is responsible for the compliance plan and monitoring program and reports to the Audit Committee and the Board of Directors.

B.5. INTERNAL AUDIT FUNCTION

B.5.1. IMPLEMENTATION OF THE INTERNAL AUDIT FUNCTION

Internal Audit Function

The internal audit function is an independent function within Vartry, and constitutes an integral element of the Company's control framework, with a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

The Internal Audit function does not hold any executive responsibilities, other key function responsibilities or any accountability for risk management or systems of internal control, other than to appraise their effectiveness.

Vartry has outsourced its internal audit function to an independent BNP Paribas Group Function as set out in section B.1.1.3 of this report.

Internal Audit Function Responsibilities

The responsibilities of the Internal Audit Function include:

- a) Establish, implement and maintain an audit plan setting out the audit work to be undertaken, taking into account all activities and the complete system of governance of the Company
- b) Take a risk-based approach in deciding its priorities

- c) Report the audit plan to the Audit Committee and if requested by the Audit Committee include assignments which are not included in the audit plan
- d) Carry out reviews and submit a written report on its findings and recommendations to the Audit Committee.

Oversight of Internal Audit Function

The Board of Vartry has delegated responsibility for overseeing the internal audit function of Vartry to the Company's Audit Committee.

The Audit Committee considers and records as part of their activities the following matters:

- e) The independence, skill, experience and competency of its internal audit function and internal audit service providers
- f) The terms of reference for the internal audit function
- g) The budget to be allocated for internal audit services
- h) The effectiveness and adequacy of the internal audit plan as proposed by the internal audit function
- i) The arrangements, quality and periodicity of the assurance processes
- j) The report of audit assignments received from the internal audit function
- k) The adequacy of management's response to audit findings and recommendations.

The Audit Committee regularly reviews the organisation, audit plan, audit programme and adequacy of resources to ensure the proper performance of the activities of the internal audit function. The Board and the Audit Committee recognise that from time to time they may request internal audit services from a third party service provider to assist the Company's internal audit function to carry out the reviews required. These engagements are one-off in nature and a separate engagement is agreed with the third party service provider for each individual engagement as applicable.

The Audit Committee through its Chair reports to the Board on the activities of the internal audit function.

B.5.2. INDEPENDENCE OF THE INTERNAL AUDIT FUNCTION

The effectiveness of the internal audit function depends upon its independence from the day-to-day operations of the business, which allows the objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter.

Vartry's Audit Committee, which is composed of a majority of Independent Non-Executive Directors, and Chaired by an Independent Non-Executive Director, ensures that the internal audit function should not be subject to influence from the Board of Directors, Management and Business Functions of the Company that could impair its independence and impartiality.

The internal audit function, along with its BNP Paribas Group reporting responsibilities, reports directly to Vartry's Audit Committee and has direct access to the Chair of the Audit Committee, who is an Independent Non-Executive Director. This reporting structure ensures independence of the internal audit function.

B.6. ACTUARIAL FUNCTION

Actuarial Function

Vartry has appointed a Head of Actuarial Function ("HoAF") as set out in section B.1.1.3 of this report. The Head of Actuarial Function has been outsourced to KPMG.

Actuarial Function Responsibilities

The responsibilities of the Actuarial Function include:

- a) Coordination of the calculation of technical provisions;
- b) Ensuring the appropriateness of the methodologies and underlying models used as well as the
- c) assumptions made in the calculation of technical provisions;
- d) Assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- e) Comparing best estimates against experience;
- f) Informing the Board of the reliability and adequacy of the calculation of technical provisions;
- g) Expressing an opinion on the overall underwriting policy;
- h) Expressing an opinion on the adequacy of reinsurance arrangements; and
- i) Contributing to the effective implementation of the risk-management system.

B.7. OUTSOURCING

Vartry enters into outsourcing arrangements only where there is a sound commercial basis for doing so, and where the risk can be effectively managed.

The Company has established and implemented an outsourcing policy with the objective of:

- Establishing effective oversight of outsourced arrangements to ensure that the use of outsourcing within Vartry does not lead to a decline in the quality of internal controls and operational risk management; and
- Ensuring that Vartry considers the additional risks associated with its outsourcing arrangements and enabling Vartry to mitigate the risk inherent with such outsourcing arrangements and control the outsourced functions.

The Company's outsourcing policy sets out the requirements for the following:

- Roles and Responsibilities
- Assessment of Outsourcing Options / Due Diligence
- Outsourced Contract and Service Level Agreement
- Monitoring Outsourced Arrangements
- Business Contingency Plans, including Exit Strategies
- Intra Group Outsourcing
- Regulatory Notifications.

The table below presents the critical or important operational functions or activities that Vartry has outsourced together with the jurisdiction in which the service providers of such functions or activities are located.

Description of Functions or Activities	Jurisdiction
Head of Actuarial Function	Ireland
Head of Compliance Function	Ireland
Head of Internal Audit Function	Ireland
Chief Risk Officer	Ireland
Administration & Management	Ireland
Company Secretary	Ireland
Investment Consultancy	UK
Custodian	Ireland / France
Legal	Ireland



Finance	Ireland
Tax	Ireland
Facilities, Security & Business Continuity Management	Ireland

B.8. ANY OTHER INFORMATION

Vartry has assessed its system of governance and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.



C. RISK PROFILE

The risk profile of the Company has changed during 2024 in line with new business strategy as approved by the Central Bank of Ireland.

C.1. UNDERWRITING RISK

C.1.1. MATERIAL UNDERWRITING RISKS

Vartry defines underwriting risk as the risk of loss, or of adverse change in the value of insurance liabilities, due to inadequate pricing and reserving assumptions which is the risk that premiums and current reserves are not sufficient to cover future incurred losses.

The table below outlines the material components of the underwriting risk modules as at 31 December 2024:

Underwriting Risk	Basic SCR 2024 €'000
Non-Life	13,844
Health	1,330
Life	5,465

The Company's material underwriting risk exposures relate to pricing risk and reserving risk on the reinsurance products underwritten, principally in respect of reinsurance accepted covering property and casualty, life and health risk

There are a number of material risks that are considered as a result of the Company's (re)insurance underwriting.

The new underwriting risks were introduced in Q4 2024 in line with its change of strategy, whereby Vartry provides underwriting facilities in respect of risks arising from third parties.

Underwriting risk arises from two sources – premium risk (pricing) and adverse claims development (reserve risk).

- For premium risk, the Company has considered the risk of under-pricing of premiums resulting in higher loss ratios than expected. The Board of Directors has approved an underwriting policy that established the standards and limitations' regarding the Company's underwriting activities.
- For reserve risk, the Company has considered the risk of over- and under-reserving of actual and expected claims.

The Company has no appetite for the underwriting of risks outside of its approved underwriting policy.

C.1.2. ASSESSMENT AND RISK MITIGATION TECHNIQUES USED FOR UNDERWRITING RISKS

The Company monitors and develops the management of the underwriting risks in accordance with best practice principles and good underwriting discipline.

Vartry has implemented an effective process for assessing and mitigating underwriting risk which includes the following key elements:

- By establishing and implementing the following policies to direct the underwriting activities:
 - 1) Underwriting policy
 - o Underwriting policy sets out the Company's underwriting principles & process, risk appetite, approach to managing exposure including key controls for the underwriting process and monitoring of the underwriting performance
 - 2) Retrocession policy
 - o Retrocession is used to mitigate the underwriting risk on retained lines, according to the Company's underwriting risk appetite
 - o Retrocession strategy is reviewed at least annually to verify that the levels of protection being ceded are commensurate with any developments in exposure
 - 3) Reserving policy
 - o Reserving is conducted in accordance with the Company's reserving policy
 - o Periodic reviews of the Company's claims provisions and the adequacy thereof are conducted during the year by KPMG
 - o Head of Actuarial Function, which has been outsourced to KPMG, provides an annual Actuarial Opinion and Report on Technical Provision. This opinion confirms the adequacy of the technical provisions.
- By establishing a Risk & Underwriting Committee, with an appropriate representation of executive and non-executive directors, which meets at least three times a year to review underwriting activities.

The risk mitigation strategies and policies outlined above are reviewed regularly by the Risk & Underwriting Committee and/or Board as required to ensure that they are still effective and appropriate for the risk profile of the Company.

C.2. MARKET RISK

C.2.1. MATERIAL MARKET RISKS

Material Market Risks

Vartry defines market risk as the risk of a financial loss (market value and revenue), arising from adverse movements in market parameters which comprise, but are not limited to, foreign exchange rates, bond prices, equity prices, derivatives prices and parameters that can be derived from the previous ones such as interest rates, credit spreads, implied volatility or implied correlation.

The Company's material market risk exposure relates to:

- o its investment portfolio of CAT bonds and EBRD notes
- o its assets and liabilities exposed to interest rate movements
- o its assets and liabilities denominated in foreign currencies which are exposed to currency risk

Vartry is cautious in accepting the following risks which it recognises are inherent in its business and cannot be fully eliminated and manages them considering risk management framework parameters.



The table below outlines the material components of the market risk module as at 31 December 2024:

Market Risk Sub-Module	€ 000
Equity	439
Concentration	-
Spread	-
Interest Rate	575
FX	309

Concentration/ Counterparty Default (Credit) Risk

- The Company's investment portfolio and cash are exposed to concentration risk which is the sensitivity to an accumulation of exposures on single name counterparties
- The Company has set up its risk appetite with minimum credit ratings for its counterparties

Interest rate risk

- The Company's investment portfolio as applicable, drives the exposure to interest rate risk which arises from asset values being impacted by changes in interest rates
- The valuation of technical provisions is also exposed to interest rate risk as the discount rates applied to projections are impacted by changes in interest rates

Currency risk

- The majority of Company's business is conducted in Euro and hence the exposure to currency risk is low in the context of the business

Foreign exchange risk in relation to USD denominated CAT bonds is managed by matching the currency of its assets and liabilities, and in accordance with the Company's FX policy.

C.2.2. INVESTMENTS AND PRUDENT PERSON PRINCIPLE AS APPLIED TO MARKET RISK

Vartry applies the prudent person principle when managing the Company's market risk exposure by adhering to the requirements of the Board approved risk appetite for its investment activities which stipulates:

- Due diligence process to be adhered to when considering a new investment opportunity
- The aggregate portfolio limits and sub limits that must be complied with to ensure a well-diversified portfolio with no over concentration to a particular risk.

C.2.3. ASSESSMENT AND RISK MITIGATION TECHNIQUES USED FOR MARKET RISKS

Vartry has implemented an effective process for assessing and mitigating market risk which includes the following key elements:

- Investments
 - Investment policy
 - The investment policy sets the overall investment strategy, investment appetite and limits, as well as minimum investment credit ratings (as applicable)
 - Investment Consultant

- Vartry has engaged an Investment Consultant to assist with implementing its investment strategy
- Investment Due Diligence
 - Each bond investment is subject to fundamental bottom-up analysis on a standalone basis. This process is supplemented by a top-down portfolio assessment where the aggregate of all assumed risks are analysed. Comprehensive risk management and monitoring are applied to ensure that capacity is directed to the most attractive segments of the market.
- All individual investments must be approved by Vartry's Board.
- Limited recourse funding facility
 - Vartry has funded its investment activities through a limited recourse loan facility with BNP Paribas Ireland Unlimited Company.
- Currency Risk
 - Matching of foreign currency assets and liabilities thus minimising currency risk
 - Net monthly foreign currency income received is converted to Euros through the use of spot foreign exchange transactions.

The risk mitigation strategies and policies outlined above are reviewed quarterly by the Board as required to ensure that they are still effective and appropriate for the risk profile of the Company.

The strategies, policies and processes for mitigating this risk were reviewed and updated during this reporting period in line with the Company's change in business strategy.

C.2.4. RISK SENSITIVITY FOR MARKET RISKS

Considering the effectiveness of the risk mitigation strategies in place the Company's primary risk sensitivity is to fair value movements in the investment portfolio. Vartry carries out stress and scenario testing as part of the ORSA process which includes stress testing for adverse movement in the fair value of its investments.

C.3. CREDIT RISK

C.3.1. MATERIAL CREDIT RISKS

Material Credit Risks

Vartry defines credit risk as the risk of loss, or of adverse change in the financial situation resulting from fluctuations in the credit standing of counterparties and any debtors Vartry is exposed.

Vartry has limited appetite for accepting credit risk which it recognises is a risk inherent in its business activities and cannot be fully eliminated. Vartry accepts exposure to credit risk to the extent that the acceptance of the risk optimises the business performance against objectives.

The Company's exposure to credit (counterparty default) risk is considered to be low and primarily relates to:

- Cash deposits which are all held on demand with BNP Paribas Group companies.
- Fixed spread element of the coupon due on the CAT bonds from the Sponsors of the bonds. Typically the Sponsors of a CAT bond are large (re)insurance undertakings with strong credit ratings. Should a Sponsor default on a coupon payment, the bond would mature early with no further risk exposure. Credit risk to CAT bond Sponsors relates to the payment of the fixed spread element of the coupon.

- There is no credit risk associated with EBRD notes or with CAT bond collateral as CAT bonds are fully collateralised. Strict collateral rules exist which are designed to limit credit risks and the cash raised by the CAT bond's initial issuance is typically held as collateral in AAA rated securities.
- There is no counterparty default risk as part of the inclusion of the new business, as the reinsurance recoverable is negative (and thus represents a payable instead of a receivable) and as there is no risk mitigating effect, as the risk mitigation on a default scenario is covered by the Limited Recourse Loan (LRL), and the counterparty risk on the LRL is nil.

The following tables provide information regarding the aggregated credit risk exposure, based on credit quality steps, relating to the Company's material credit risk exposures at 31st December 2024 and 31st December 2023.

31 st December 2024 EUR'000s	Total	Credit Quality Step							
		0	1	2	3	4	5	6	9
Cash and Cash Equivalents	12,460	-	-	12,460	-	-	-	-	-
Accrued CAT Bond Coupon	846	-	364	481	-	-	-	-	-

31 st December 2023 EUR'000s	Total	Credit Quality Step							
		0	1	2	3	4	5	6	9
Cash and Cash Equivalents	4,897	-	-	4,897	-	-	-	-	-
Accrued CAT Bond Coupon	2,583	-	398	1,836	245	-	-	-	104

The following table details the mapping of Standard and Poor's ("S&P"), Moody's and Fitch issuer ratings scale to the equivalent Credit Quality Step ("CQS").

Credit Quality Step	S&P Rating	Moody's Rating	Fitch Rating
1	AAA	Aaa	AAA
1	AA	Aa	AA
2	A	A	A
3	BBB	Baa	BBB
4	BB	Ba	BB
5	B	B	B
6	CCC	Caa	CCC
6	CC	Ca	CC
6	N/A	C	C
9	Not rated	Not rated	Not rated

No amounts due at 31st December 2024 were classed as past due, impaired or aged greater than three months.

There were no material changes in the Company's credit risk exposure in the reporting period.

Credit Risk Concentration

The Company does not have any material concentration of credit risk exposures outside of BNP Paribas Group.

C.3.2. PRUDENT PERSON PRINCIPLE APPLIED TO CREDIT RISKS

Vartry applies the prudent person principle when managing the Company's credit risk exposure to counterparties by:

- Only placing cash and cash equivalents on call with financial institutions with strong credit ratings.
- Noting that credit risk exposure to the Sponsors of CAT bonds is considered to be low as the Company has invested in multiple CAT bonds with multiple different Sponsors with strong credit ratings.

C.3.3. ASSESSMENT AND RISK MITIGATION TECHNIQUES USED FOR CREDIT RISK

Vartry has implemented an effective process for assessing and mitigating credit risk which includes the following key elements:

- Credit risk exposure to financial institutions is managed by adherence to the Board approved investment policy which includes that cash deposits should only be placed with financial institutions that have a minimum Standard & Poor's credit rating of A.
- Credit risk associated with CAT bond Sponsors is minimal and typically limited to 3 months of coupon
 - If a Sponsor defaults on a coupon payment, the bond will mature early at par with no further risk exposure
 - Typically the Sponsors of a CAT bond are large (re)insurance undertakings with strong credit ratings.

The strategies, policies and processes for managing this risk were reviewed and updated during this reporting period in line with the Company's change in business strategy.

C.3.4. RISK SENSITIVITY FOR CREDIT RISKS

Given that credit risk is not a material risk for the Company; no specific risk sensitivity is provided.

C.4. LIQUIDITY RISK

C.4.1. MATERIAL LIQUIDITY RISKS

Material Liquidity Risks

Vartry defines liquidity risk as the risk of not being able to fund its cash flow requirements as they fall due arising from the company holding insufficient liquid or other financial resources.

The Company's exposure to liquidity risk is considered to be low as it maintains a high level of liquid assets to meet its liabilities. The strong liquidity position is maintained by applying an investment policy which seeks to maintain sufficient financial resources to meet its obligations when they fall due. This is achieved through hedging its liability profile with suitable investments to ensure it can meet its liabilities as they fall due.

The Company's liquidity policy and risk exposure were reviewed and updated during this reporting period in line with the Company's change in business strategy.

Liquidity Risk Concentrations

The Company's material liability, and any related liquidity risk, relates to the loans and interest payable amounts which is all due to Vartry sole shareholder, BNP Paribas Ireland Unlimited Company and outward premium payable to third party reinsurer.

C.4.2. PRUDENT PERSON PRINCIPLE AS APPLIED TO LIQUIDITY RISKS

Vartry applies the prudent person principle when managing the Company's liquidity risk by:

- Ensuring a sizeable level of cash funding is held on call in bank accounts at all times
- Matching the maturity of loan and interest payments with the maturity of Bonds and coupon receipts

C.4.3. ASSESSMENT AND RISK MITIGATION TECHNIQUES USED FOR LIQUIDITY RISKS

Vartry has no appetite for liquidity risk and being unable to meet liabilities as they fall due and has implemented an effective process for managing liquidity risk which includes the following key elements:

- A sizeable level of funding is maintained as cash in bank accounts at all times
- Matching the maturity of loan and interest payments with the maturity of Bonds and coupon receipts

The strategies, policies and processes for managing this risk were reviewed and updated during this reporting period in line with the Company's change in business strategy.

C.4.4. EXPECTED PROFIT INCLUDED IN FUTURE PREMIUMS

At 31st December 2024 the expected profit included in future premiums ("EPIFP") is EUR 39.2 m (2023: NIL).

C.4.5. RISK SENSITIVITY FOR LIQUIDITY RISKS

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

C.5. OPERATIONAL RISK

C.5.1. MATERIAL OPERATIONAL RISKS

Material Operational Risks

Vartry defines operational risk as the risk of loss resulting from inadequate or failed processes, people and systems or from external events (whether deliberate, accidental or triggered by natural occurrence).

Vartry has limited appetite for accepting operational risk which it recognises is a risk inherent in its business activities and cannot be fully eliminated. The Company's material operational risk exposures relate to:

- i. Outsourcing - risk of failure, non-performance, ineffective management and/or oversight of an outsourced service provider
- ii. Execution, Delivery and Process Management - risk to a service provision arising from a failure to carry out operational processes in an accurate, timely and complete manner
- iii. People - risk of inadequate recruitment practices, development, management or retention of employees

As per the Central Bank of Ireland Cross-Industry Guidance on Operational Resilience, the Company carried out its initial operational resilience risk assessment during 2023. This is refreshed on an annual basis. The Company specific assessment concluded that the Company does not provide any critical business services to external end users. The Company carried out preparatory assessment and work in relation to Digital Operational Resiliency Act (DORA) which came into effect on 17 January 2025.

There were no material changes in the Company's operational risk exposure in the reporting period.

Operational Risk Concentrations

The Company does not have any material concentration of operational risk exposures.

C.5.2. ASSESSMENT AND RISK MITIGATION TECHNIQUES USED FOR OPERATIONAL RISKS

Vartry has implemented an effective process for managing operational risk:

- By establishing an internal control system that covers all activities for which the Company is responsible which includes activities carried out by all departments of Vartry and activities outsourced by the Company to a third party; and
- By ensuring that the internal control processes of Vartry are aligned with the key policies and procedures established and implemented by the Company. These key policies and procedures and internal control processes are regularly reviewed to ensure a continuous improvement.

There were no material changes to the strategies, policies and processes for managing this risk during the reporting period.

C.5.3. RISK SENSITIVITY FOR OPERATIONAL RISKS

During the ORSA process a qualitative assessment of material operational risks is carried out by assessing the impact of a number of scenarios that could impact on the Company. This allows the Company to assess its risk mitigation plans and develop contingency plans as applicable.

C.6. OTHER MATERIAL RISKS

Compliance Risk

Vartry defines compliance risk as the risk of legal, administrative or disciplinary sanctions, together with the financial loss that the company may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to insurance and financial activities (including instructions given by the Board, particularly in application of guidelines issued by a supervisory body).

Vartry has no appetite for failure to comply with legal or regulatory requirements and has implemented an effective process for managing compliance risk which includes the following key elements:

- By established a compliance function with an appointed Head of Compliance
- By ensuring that intended compliance activities are set out in an annual compliance plan prepared by the Head of Compliance which is reported on at each quarterly Board meeting
- By engaging an external tax advisory firm to assist and advise Vartry with ongoing tax compliance matters. In addition, specific tax reviews and studies are carried out, with the assistance of expert advisors, on specific tax topics as required.

Environmental, Social & Governance Risk

- Environmental
 - The Company's activities support the BNPP Paribas Group's mission of contributing to a responsible and sustainable economy. Following its change in strategy the Company is expected to carry out a more detailed climate change risk assessment in 2025.
- Social
 - Vartry adheres to the BNP Paribas Group Code of Conduct and its conduct themes of Customers' Interest, Financial Security, Market Integrity, Professional Ethics, Respect for Colleagues, Group Protection & Involvement with Society.

■ Governance

- Vartry has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines to ensure sound and prudent management of the business. The Company and the Board are subject to Individual Accounting Framework and Fitness and Probity.

C.7. ANY OTHER INFORMATION

There is no other information to disclose.



D. VALUATION FOR SOLVENCY PURPOSES

D.1. ASSETS

D.1.1. VALUATION FOR EACH MATERIAL CLASS OF ASSET

The following table presents a summary of the Solvency II valuation of each material class of asset compared to the Statutory Accounts at 31st December 2024 and at 31st December 2023 which are prepared on an Irish GAAP basis.

BALANCE SHEET (EUR'000s)	31/12/2024			31/12/2023		
	Solvency II Value	Statutory Accounts Value	Difference	Solvency II Value	Statutory Accounts Value	Difference
Assets EUR'000s						
Non-Insurance Asset						
Debt Securities	516,501	515,099	(1,402)	194,385	191,802	(2,583)
Receivables (trade, not insurance)	-	-	-	-	-	-
Cash and cash equivalents	12,460	12,460	-	4,897	4,897	-
Any other assets, not elsewhere shown	888	2,134	1,246	198	2,782	2,583
Insurance Asset						
Reinsurance recoverables	(29,202)	-	67,452	-	-	-
Unearned Premium	-	38,250	-	-	-	-
Debtors (re)insurance operations	-	61,875	61,875	-	-	-
Total	500,647	629,818	129,171	199,480	199,480	-

The change in total and individual assets is driven by change in the Company's strategy.

The following describes the bases, methods and main assumptions used by the Company for the valuation of each material class of asset for solvency purposes:

- Supra-national (EBRD notes)
 - EBRD notes are deemed to be a private placement supranational notes with the fair value of the EBRD Notes being determined by applying bid prices from quoted markets or as advised by investment brokers.
- Structured Notes
 - Structures notes held are CAT bonds, valued in an active market with daily prices available.
 - No significant estimates or judgements are used in the valuation of these investments, as the structured notes are valued at market available prices.
- Receivables (trade, not insurance)
 - Receivables (trade, not insurance) are carried at cost, which is the fair value of the consideration to be received in the future.
 - No significant estimates or judgements are used in the valuation of these assets.
- Debtors Arising out of Reinsurance Operations
 - Debtors arising out of reinsurance operations are carried at cost, which is the fair value of the consideration to be received in the future.
 - No significant estimates or judgements are used in the valuation of these assets.
- Reinsurance recoverables
 - Reinsurance recoverables are comprised of the reinsurer's share of unearned premiums and a provision for amounts recoverable from the related reinsurance contract
 - Adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates). An adjustment for reinsurer default is then applied.

- Cash and cash equivalents

- Cash and cash equivalents represent balances held in bank accounts at the BNP Paribas Group.
- Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives statements to confirm the balances held.
- No significant estimates or judgements are used in the valuation of these assets.

The Company:

- Does not have any intangible assets.
- Is not party to any financial and/or operating leases.
- As a 100% sole member owned company Vartry does not have any related undertakings that it has control of or an obligation to report results on.

The change in total and individual assets driven by change in the Company's strategy, in turn has resulted in changes to the recognition and valuation bases used by the Company for the valuation of assets for solvency purposes during the reporting period. The application of these changes are detailed above.

D.1.2. SOLVENCY II AND STATUTORY ACCOUNTS VALUATION DIFFERENCES BY MATERIAL CLASS OF ASSETS

Note the following valuation differences between Solvency II and the Statutory Accounts:

- For the Statutory Accounts accrued interest on structured notes is reported as 'Any other asset, not elsewhere shown'. For Solvency II, this accrued interest amount is not reported as a separate item but included in the overall valuation of the structured notes reported.
- Accrued interest due on loans payable is reported as 'Any other liabilities, not elsewhere shown' for the Statutory Accounts. However, for Solvency II this accrued interest amount due is not reported as a separate item but included in the overall valuation of the loans payable reported.
- In terms of navigating from Irish GAAP to Solvency, the Vartry calculated insurance/ reinsurance asset/ liability amounts under Irish GAAP were replaced by required Solvency II figures i.e. gross Best Estimate of Liabilities, reinsurance recoverable and the Risk Margin for each of the segments covered under the new business incepted from 1 January 2025. Technical provisions are valued for Solvency II by applying adjustments to the Statutory Accounts technical provisions including:
 - f) Future premiums and associated cashflows are allowed for within the contract boundary
 - g) Events Not in the Data are allowed for
 - h) Expenses are included on a going concern basis
 - i) Discounting using prescribed EIOPA yield curves
 - j) Risk margin is included

- Note also;

- CAT bonds are classified as structured notes and EBRD notes are classified as government bonds (supra-national) on the Solvency II balance sheet.
- a deferred tax asset or liability, as appropriate, arises on a Solvency II basis due to the difference in the valuation of assets and technical provisions as outlined above.



D.2. TECHNICAL PROVISIONS

D.2.1 LOCAL GAAP AND SOLVENCY II VALUATIONS

The valuation of liabilities for Solvency II has been determined in accordance with Articles 75-86 of the Solvency II Directive 2009/138/EC and related guidance.

The table below shows an analysis of the technical provisions as at 31 December 2024:

Technical Provisions EUR'000s	31/12/2024		
	Solvency II Value	Statutory Accounts Value	Difference
Assets EUR'000s			
Non-Insurance Asset			
Technical provisions - non-life	(20,714)	43,603	(64,317)
Best Estimate	(22,621)		
Risk Margin	1,907		
Technical provisions - life(excluding health)	(10,836)	22,817	(33,652)
Best Estimate	(11,833)		
Risk Margin	998		
Technical provisions - health (similar to life)	(2,651)	5,580	(8,231)
Best Estimate	(2,895)		
Risk Margin	244		
Total Technical Provisions	(34,201)	72,000	(106,201)

Solvency II classes of business: Classes of business have been allocated to Solvency II line of business on the following basis:

Class of Business as per Local GAAP	Solvency II Class of Business
Non Life – Casualty Reinsurance	Non-Proportional casualty reinsurance
Non Life – Marine, Aviation & Transport Reinsurance	Non-Proportional Marine, Aviation & Transport reinsurance
Non Life – Property Reinsurance	Non-Proportional property reinsurance
Health Similar to Life Techniques (SLT) Reinsurance	Health reinsurance
Life Reinsurance	Life reinsurance

The GAAP accounts of the Company include provisions for claims incurred and claims incurred but not reported, which consider all reasonably foreseeable best estimates. An unearned premium reserve is also included, relation to gross premiums written that have not yet expired by the end of the financial period by reference to the full term of the insurance policies to which such premiums written relate.

A number of adjustments were made to the GAAP provisions in order to obtain the Solvency II technical provisions. Key points to note are as follows:

- The Technical Provisions are calculated as the sum of a best estimate liability plus a Risk Margin in accordance with the Solvency II Directive and associated texts
- The Solvency II BEL is the sum of the Premium Provision and Claims Provision
- Provisions are discounted by the yield curves as published by EIOPA.
- An implicit allowance for ENID's ("Events not in Data – allowance for possible events that have not historically occurred, but could impact the claims experience)" is included as part of both the claims projections, as part of the calculation of the Premium Provision

Risk Margin

Following the requirements set out in the Solvency II Delegated Regulation, the Risk Margin for the Company has been estimated by projecting the future SCR, by aggregating the risks for each year by applying their corresponding correlation matrixes, by discounting each future total SCR by applying the discount rates published by EIOPA, and by applying a 6% Cost of Capital to the outcome of the previous steps.

No simplifications have been applied when estimating the Risk Margin.

D.2.2 UNCERTAINTY ASSOCIATED WITH THE VALUE OF TECHNICAL PROVISIONS

All estimates of unpaid loss reserves are inherently uncertain. The key areas of uncertainty of the technical provisions are driven by the uncertainty of the underlying booked reserves. The valuation of technical provisions is generally based on estimates of future experience, including claims, lapses, investment returns, interest rates and expenses. In some cases, the available experience on which to base these estimates is limited, and thus there is uncertainty in relation to them. In others, previous experience is not an appropriate guide to the future. Future experience will always differ from estimates for a range of reasons including, but not limited to, inherent randomness, the prevailing economic and commercial environment, changes in regulation and the conduct of operations.

D.2.3 SOLVENCY II AND LOCAL GAAP VALUATION DIFFERENCES OF TECHNICAL PROVISIONS BY MATERIAL LINE OF BUSINESS

See analysis in Section D.2.1.

D.2.4 The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

D.2.5 The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

D.2.6 The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

D.2.7 The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.2.8 RECOVERABLES FROM REINSURANCE AND SPECIAL PURPOSE VEHICLES

Total reinsurance recoverables at 31 December 2024 were (€29.2m). An analysis of the components of same together with an overview of the Solvency II valuation bases has been provided in Section D.1.1.

D.2.9 MATERIAL CHANGES IN RELEVANT ASSUMPTIONS MADE IN THE CALCULATION OF TECHNICAL PROVISIONS

This is the first year that there are Technical Provisions compared to the previous reporting period. Details of the calculation of the technical provisions is detailed in D.2.1 above.

D.3. OTHER LIABILITIES

D.3.1. VALUATION FOR EACH MATERIAL CLASS OF OTHER LIABILITIES

The following table presents a summary of the Solvency II valuation of each material class of other liabilities compared to the Statutory Accounts at 31st December 2024 and at 31st December 2023 which are prepared on an Irish GAAP basis.

Other Liabilities EUR'000s	31/12/2024			31/12/2023		
	Solvency II Value	Statutory Accounts Value	Difference	Solvency II Value	Statutory Accounts Value	Difference
Insurance Liabilities						
Technical Provisions	(34,201)	72,000	106,201	-	-	-
Creditors (re)insurance operations	-	38,250	38,250	-	-	-
Other Liabilities						
Deferred tax liabilities	2,424	-	(2,424)	-	-	-
Loans payable	489,211	488,337	(875)	164,064	163,333	(730)
Payables (trade, not insurance)	565	565	-	2,828	2,828	-
Any other liabilities, not elsewhere shown	477	1,352	875	575	1,305	730
Total	458,478	600,504	142,026	167,467	167,467	0

The following describes the bases, methods and main assumptions used by the Company for the valuation of each material class of other liabilities for solvency purposes:

- Loans payable
 - Loan amounts payable balances represent amounts due to the Company's sole shareholder.
 - The amounts payable are recognised and carried at the original loan amount which is the fair value of the consideration to be paid in the future, save in circumstances where due to any material bond impairment arising that is not likely to reverse, the Company is only liable to repay the sole shareholder to the extent of what it can recover from the impaired bonds and amounts payable are stated at the assessed NPV.
 - In relation to the loan supporting the reinsurance contract, the original loan amount is recognised at fair value. The Company is not obligated to repay the loan in the events of claims on the reinsurance contract.
 - No significant estimates or judgements are used in the valuation of these liabilities.
- Payables (trade, not insurance)
 - Payables (trade, not insurance) are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the Company.
 - No significant estimates or judgements are used in the valuation of these liabilities.
- Any other liabilities, not elsewhere shown
 - Any other liabilities, not elsewhere shown represent amounts due to Group companies
 - The amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for services received, whether or not invoiced to the Company.
 - No significant estimates or judgements are used in the valuation of these liabilities.

The Company is not exposed to:

- Liabilities for financial and operating leases
- Liabilities for employee benefits.

The change in total and individual assets driven by change in the Company's strategy, in turn has resulted in changes to the recognition and valuation bases used by the Company for the valuation of liabilities for solvency purposes during the reporting period. The application of these changes are detailed above.

D.3.2. SOLVENCY II AND STATUTORY ACCOUNTS VALUATION DIFFERENCES BY MATERIAL CLASS OF OTHER LIABILITIES

Due to a change in strategy, new assets and their valuation and recognition were introduced as per accounting and Solvency II technical standards.

Note that for the Statutory Accounts accrued interest due on loans payable is included as 'other creditors'. For the table at section D.3.1 above this accrued interest due on loans payable from the Statutory Accounts is included as 'Any other liabilities, not elsewhere shown'. However, for Solvency II this accrued interest amount due is not reported as a separate item but included in the overall valuation of the loans payable reported.

D.4. ALTERNATIVE METHODS FOR VALUATION

The Company does not use any alternative methods for valuation.

D.5. ANY OTHER INFORMATION

Refer to the appendices of this report for the following quantitative reporting templates:

- S.02.01.02 - Balance Sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life Insurance Claims Information
- S.23.01.01 - Own Funds
- S.25.01.21 - Basic Solvency Capital Requirement
- S.28.01.02 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

In making the going concern assessment, the Directors considered the principal risks faced by the Company, its existing financial and operational resources and its overall solvency position. In making this assessment the directors considered the potential impact of inflation risk and interest rate increases on the insurance industry and the wider company's business, including:

- a) the company's capital position and the surplus over its required solvency capital ratio and minimum capital ratio;
- b) the company's assessment of the impact on its business and investments;
- c) the company's access to the limited recourse facility;
- d) the company's liquidity position and
- e) the company's future directions.

The directors have concluded that the going concern basis of accounting is appropriate and the Company's solvency capital coverage remains strong at 258% at 31 December 2024 (2023: 1371%).

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

E.1.1. INFORMATION ON THE OBJECTIVES, POLICIES AND PROCESSES FOR MANAGING OWN FUNDS

Capital Management Objective

Vartry seeks at all times to hold sufficient eligible capital over its business planning time horizon of 3 years:

- to meet its current and projected business activities
- to ensure it can continue its business on a going concern basis
- to comply with the regulatory requirements set by the Central Bank of Ireland
- to maximise the return to its sole shareholder

The Board has determined for its risk appetite that Vartry should always hold own funds at a higher level than the Solvency Capital Requirement to ensure that the Company is always holding surplus own funds.

Dividends

As part of its capital management strategy the Company considers on an annual basis its ability to pay a dividend to its sole shareholder, BNP Paribas Ireland Unlimited Company.

The dividend policy of the Company is to pay on an annual basis a dividend corresponding to the retained realised earnings of its statutory accounts at the previous year end. A dividend will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the acceptable risk appetite tolerance limit for solvency margin cover.

Prior to declaring any dividends, the Company will obtain the necessary approvals from its Board and Shareholder as required.

Monitoring and Reporting

Vartry's solvency position is assessed at each quarter end and reported to Management, Risk & Underwriting Committee and the Board of Directors.

The Company's Board approved risk appetite statement contains a trigger monitoring and reporting framework based on risk appetite tolerance limits (acceptable, warning, immediate action and material deviation) which is used to signal activities and the escalation of reporting requirements. The risk appetite statement contains tolerance limits for solvency margin cover.

As part of its annual Own Risk and Solvency Assessment the Board considers the following over the business planning time horizon of 3 years:

- the capital management plan
- the application of the dividend policy
- the scenarios that could trigger it seeking capital from its sole shareholder.

E.1.2. OWN FUNDS CLASSIFIED BY TIERS

The tables below presents own funds at 31st December 2024 by tiers. All the Company' s own funds are classified as tier 1 unrestricted.

Tier 1 Unrestricted - Own Funds EUR'000s	Opening Balance at 01/01/2024	Movement in Period	Closing Balance at 31/12/2024
Ordinary Share Capital	15,000	-	15,000
Share premium account related to ordinary share capital	9,000	-	9,000
Reconciliation Reserve	8,013	10,156	18,169
Total Tier 1 Unrestricted Own Funds	32,013	10,156	42,169

The table above summarises the increase in own fund items of EUR10.1m in the period which is due to the following movements on the reconciliation reserve.

Movement in Reconciliation Reserve in Period EUR'000s	
Dividend paid in 2024	(8,000)
Retained earnings for year ended 31/12/2024	5,301
Other differences in the period on the valuation of assets, technical provisions and other liabilities on the adjustment from the Statutory Accounts to Solvency II for solvency purposes	12,855
Movement in Reconciliation Reserve	10,156

E.1.3. ELIGIBILITY OF OWN FUNDS

The Company' s own funds are all classified as tier 1 unrestricted and are available to cover the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR").

None of the Company' s own fund items are subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds items and there are no restrictions affecting their availability and transferability.

E.1.4. MATERIAL DIFFERENCE BETWEEN EQUITY AS SHOWN IN THE FINANCIAL STATEMENTS AND THE EXCESS OF ASSETS OVER LIABILITIES CALCULATED FOR SOLVENCY PURPOSES

The tables below presents the material difference between equity as shown in the financial statements prepared on an Irish GAAP basis and the excess of assets over liabilities calculated for solvency purposes at 31st December 2024.

Own Funds 31st December 2024 EUR'000s	Statutory Accounts Balance Sheet Equity	Adjustments for Solvency Purposes	Solvency II Balance Sheet Excess of Assets over Liabilities
Ordinary Share Capital	15,000	-	15,000
Share premium account related to ordinary share capital	9,000	-	9,000
Retained Earnings	5,314	-	5,314
Difference in the valuation of assets	-	(129,171)	(129,171)
Difference in the valuation of technical provisions	-	144,451	144,451
Difference in the valuation of other liabilities	-	(2,424)	(2,424)
Total	29,314	12,855	42,169

Reconciliation Reserve

The table below presents the reconciliation reserve which comprises the excess of assets over liabilities of the Solvency II Balance Sheet less issued share capital and related share premium account.

Reconciliation Reserve 31st December 2024	EUR'000s
Solvency II Balance Sheet - Excess of assets over liabilities	42,169
Ordinary Share Capital	(15,000)
Share premium account related to ordinary share capital	(9,000)
Reconciliation Reserve	18,169
Represented by	
Difference in the valuation of assets	(129,171)
Difference in the valuation of technical provisions	144,451
Difference in the valuation of other liabilities	(2,424)
Retained earnings from Statutory Accounts	5,314
Reconciliation Reserve	18,169

Adjustment for Solvency Purposes

The following summarises the adjustment for solvency purposes of EUR12.9m above:

- Difference in valuation of assets of (EUR129m)
 - Refer to section D.1. of this report
- Difference in valuation of technical provisions of EUR144m
 - Refer to section D.2. of this report
- Difference in valuation of other liabilities of (EUR2.4m)
 - Refer to section D.3. of this report

E.1.6 None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.7 There are no ancillary own funds items.

E.1.8 No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E.2.1. AMOUNT OF SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The table below presents the SCR and MCR at 31st December 2024 and at 31st December 2023.

Capital Requirement (EUR'000s)	Dec-24	Dec-23
Solvency Capital Requirement	16,318	2,334
Minimum Capital Requirement	4,080	3,900

The SCR has significantly increased compared to year end 2023 primarily due to the change in business strategy.

E.2.2. SOLVENCY CAPITAL REQUIREMENT SPLIT BY RISK MODULES

The table below presents the SCR at 31st December 2024 and at 31st December 2023 split by risk modules.

SCR Risk Modules (EUR'000s)	Dec-24	Dec-23
Market Risk	880	1,840
Counterparty Default Risk	984	559
Life Underwriting Risk	5,465	-
Health Underwriting Risk	1,330	-
Non-Life Underwriting Risk	13,844	-
Diversification	(6,529)	(347)
Basic Solvency Capital Requirement	15,974	2,052
Operational Risk	345	616
Loss Absorbing Capacity of Deferred Taxes	-	(333)
Solvency Capital Requirement	16,318	2,334

Undertaking specific parameters or simplified calculations are not used for any of the risk modules or sub-modules.

E.2.3. INPUTS USED TO CALCULATE THE MINIMUM CAPITAL REQUIREMENT

The table below shows the inputs into the MCR calculation as at 31st December 2024 and at 31st December 2023.

Overall MCR Calculation (EUR'000s)	Dec-24	Dec-23
Linear MCR	3,257	-
SCR	16,318	2,334
MCR cap	7,343	1,051
MCR floor	4,080	584
Combined MCR	4,080	584
Absolute floor of the MCR	4,080	3,900
Minimum Capital Requirement	4,080	3,900
Solvency Capital Requirement	16,318	2,334

All the Company's own funds are classified as Tier 1 unrestricted and are available to cover the Solvency Capital Requirement and Minimum Capital Requirement.

E.2.4. MATERIAL CHANGES TO THE SOLVENCY CAPITAL REQUIREMENT AND TO THE MINIMUM CAPITAL REQUIREMENT

The Company has recently undergone a significant change on its business by providing both life and non-life reinsurance solutions to 3rd parties, while its existing cat bond portfolio has kept running off over the period. As a result of the change in strategy, new reinsurance assets and liabilities, coupled with the reduced cat bond portfolio, both the MCR and SCR has changed materially. The Company's solvency capital coverage remains strong at 258% at 31 December 2024 (2023: 1371%)

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

Vartry uses the Standard Formula to calculate its SCR and MCR and does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

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

Vartry uses the Standard Formula, and not an internal model, to calculate its SCR and MCR.

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

There were no instances of non-compliance with the MCR and the SCR for Vartry during the reporting period ended 31st December 2024.

E.6. ANY OTHER INFORMATION

There is no other material information regarding the capital management of Vartry that has not been disclosed in section E above.

Refer to the appendices to this report for the following quantitative reporting templates:

- S.02.01.02 – Balance Sheet
- S.05.01.02 – Premiums, claims and expenses by line of business
- S.12.01.02 – Life and Health SLT Technical Provisions
- S.17.01.02 – Non-Life Technical Provisions
- S.19.01.21 – Non-Life Insurance Claims Information
- S.23.01.01 – Own Funds
- S.25.01.21 – Basic Solvency Capital Requirement
- S.28.01.02 – Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

APPENDIX 1 – QUANTITATIVE REPORTING TEMPLATES – 31 DECEMBER 2024

S.02.01.02

Balance sheet

S.02.01.02.01

Balance sheet

		Solvency II value	
		C0010	
Assets			
Goodwill	R0010		
Deferred acquisition costs	R0020		
Intangible assets	R0030	-	
Deferred tax assets	R0040	-	
Pension benefit surplus	R0050	-	
Property, plant & equipment held for own use	R0060	-	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	516,501	
Property (other than for own use)	R0080	-	
Holdings in related undertakings, including participations	R0090	-	
Equities	R0100	-	
Equities - listed	R0110	-	
Equities - unlisted	R0120	-	
Bonds	R0130	516,501	
Government Bonds	R0140	450,556	
Corporate Bonds	R0150		
Structured notes	R0160	65,945	
Collateralised securities	R0170		
Collective Investments Undertakings	R0180		
Derivatives	R0190		
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230	-	
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	-	29,202
Non-life and health similar to non-life	R0280	-	17,686
Non-life excluding health	R0290	-	17,686
Health similar to non-life	R0300		
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-	11,516
Health similar to life	R0320	-	2,264
Life excluding health and index-linked and unit-linked	R0330	-	9,252
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360		
Reinsurance receivables	R0370		
Receivables (trade, not insurance)	R0380	124	
Own shares (held directly)	R0390		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	12,460	
Any other assets, not elsewhere shown	R0420	764	
Total assets	R0500	500,647	
Liabilities			
Technical provisions - non-life	R0510	-	20,714
Technical provisions - non-life (excluding health)	R0520	-	20,714
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	-	22,621
Risk margin	R0550	1,907	
Technical provisions - health (similar to non-life)	R0560		
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580		
Risk margin	R0590		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-	13,487
Technical provisions - health (similar to life)	R0610	-	2,651
Technical provisions calculated as a whole	R0620		
Best Estimate	R0630	-	2,895
Risk margin	R0640	244	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	-	10,836
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670	-	11,833
Risk margin	R0680	998	
Technical provisions - index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750		
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780	2,424	
Derivatives	R0790		
Debts owed to credit institutions	R0800		
Financial liabilities other than debts owed to credit institutions	R0810	489,211	
Insurance & intermediaries payables	R0820		
Reinsurance payables	R0830		
Payables (trade, not insurance)	R0840	565	
Subordinated liabilities	R0850		
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870		
Any other liabilities, not elsewhere shown	R0880	477	
Total liabilities	R0900	458,478	
Excess of assets over liabilities	R1000	42,169	

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								-
Gross - Non-proportional reinsurance accepted	R0130					19,879	5,306	18,418	43,603
Reinsurers' share	R0140					10,561	2,819	9,784	23,164
Net	R0200					9,318	2,487	8,634	20,439
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								-
Reinsurers' share	R0240								
Net	R0300								-
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								-
Gross - Non-proportional reinsurance accepted	R0330								-
Reinsurers' share	R0340								
Net	R0400								-
Expenses incurred	R0550					91	24	84	200
Balance - other technical expenses/income	R1210								8,152
Total technical expenses	R1300								8,351

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best Estimate

Gross Best Estimate

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Best estimate minus recoverables from reinsurance/SPV and Finite Re - total

Risk Margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Technical provisions - total

	Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
	Contracts without options and guarantees	Contracts with options or guarantees			
	C0060	C0070	C0080	C0090	C0100
	C0150				
R0010				-	-
R0020				-	-
R0030				-11,833	-11,833
R0080				-9,252	-9,252
R0090				-2,581	-2,581
R0100				998	998
R0110					
R0120					
R0130					
R0200				-1,584	-1,584

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
C0200	C0210

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best Estimate

Gross Best Estimate

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Best estimate minus recoverables from reinsurance/SPV and Finite Re - total

Risk Margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Technical provisions - total

	C0200	C0210
R0210	-	-
R0220	-	-
R0030	-2,895	-2,895
R0080	-2,264	-2,264
R0090	-632	-632
R0100	244	244
R0110		
R0120		
R0130		
R0200	-388	-388

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after
the adjustment for expected losses due to counterparty
default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM
Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after
the adjustment for expected losses due to counterparty
default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after
the adjustment for expected losses due to counterparty
default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

Total Best estimate - net

Risk margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

	Accepted non-proportional reinsurance			Total Non-Life obligation
	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0150	C0160	C0170	C0180
R0010	-	-	-	-
R0050	-	-	-	-
R0060	-10,313	-2,752	-9,555	-22,621
R0140	-8,063	-2,152	-7,471	-17,686
R0150	-2,250	-600	-2,084	-4,935
R0160				
R0240				
R0250				
R0260	-10,313	-2,752	-9,555	-22,621
R0270	-2,250	-600	-2,084	-4,935
R0280	869	232	806	1,907
R0290	-9,444	-2,520	-8,750	-20,714
R0300	-8,063	-2,152	-7,471	-17,686
R0310	-1,380	-368	-1,279	-3,028

Annex I
S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year /
Underwriting year

Z0010	
--------------	--

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

	Year	Development year										In Current year	Sum of years (cumulative)		
		0	1	2	3	4	5	6	7	8	9			10 & +	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100			C0110	
Prior	R0100												R0100	C0170	C0180
N-9	R0160												R0160		
N-8	R0170												R0170		
N-7	R0180												R0180		
N-6	R0190												R0190		
N-5	R0200												R0200		
N-4	R0210												R0210		
N-3	R0220												R0220		
N-2	R0230												R0230		
N-1	R0240												R0240		
N	R0250												R0250		
	Total												R0260		

Non-life Insurance Claims Information

(absolute amount)

[illegible]

S.23.01.01

Own funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	15,000	15,000			
Share premium account related to ordinary share capital	R0030	9,000	9,000			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	18,169	18,169			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	42,169	42,169			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	42,169	42,169			
Total available own funds to meet the MCR	R0510	42,169	42,169			
Total eligible own funds to meet the SCR	R0540	42,169	42,169			
Total eligible own funds to meet the MCR	R0550	42,169	42,169			
SCR	R0580	16,318				
MCR	R0600	4,080				
Ratio of Eligible own funds to SCR	R0620	258%				
Ratio of Eligible own funds to MCR	R0640	1034%				

S.23.01.01.02

Z Axis:

VG/Solvency II

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	42,169
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	24,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	18,169
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	15,464
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	23,751
Total Expected profits included in future premiums (EPIFP)	R0790	39,215

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

S.25.01.21.01

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	880	
Counterparty default risk	R0020	984	
Life underwriting risk	R0030	5,465	
Health underwriting risk	R0040	1,330	
Non-life underwriting risk	R0050	13,844	
Diversification	R0060	-	6,529
Intangible asset risk	R0070	-	-
Basic Solvency Capital Requirement	R0100	15,973	

S.25.01.21.02

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	345
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	16,318
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	16,318
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

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

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR _{NL} Result	R0010	3,250

S.28.01.01.02

Z Axis:

VG/Solvency II

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		9,319
Non-proportional marine, aviation and transport reinsurance	R0160		2,487
Non-proportional property reinsurance	R0170		8,635

S.28.01.01.03

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR _L Result	R0200	7

S.28.01.01.05

Z Axis:

VG/Solvency II

Overall MCR calculation

		C0070
Linear MCR	R0300	3,257
SCR	R0310	16,318
MCR cap	R0320	7,343
MCR floor	R0330	4,080
Combined MCR	R0340	4,080
Absolute floor of the MCR	R0350	3,900
Minimum Capital Requirement	R0400	4,080

APPENDIX 2 – QUANTITATIVE REPORTING TEMPLATES - 31 DECEMBER 2023

S.02.01.02
Balance sheet

S.02.01.02.01
Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	194,385
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	194,385
Government Bonds	R0140	-
Corporate Bonds	R0150	-
Structured notes	R0160	194,385
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	-
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	-
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	4,897
Any other assets, not elsewhere shown	R0420	198
Total assets	R0500	199,480
Liabilities		
Technical provisions - non-life	R0510	-
Technical provisions - non-life (excluding health)	R0520	-
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	-
Risk margin	R0550	-
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions - index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	-
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	164,064
Insurance & intermediaries payables	R0820	-
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	2,828
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	575
Total liabilities	R0900	167,467
Excess of assets over liabilities	R1000	32,013

S.05.01.02

Premiums, claims and expenses by line of business

S.05.01.02.01

Z Axis:
VG/Statutory accounts
DI/Year to Date

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Total
		C0200
Premiums written		
Gross - Direct Business	R0110	
Gross - Proportional reinsurance accepted	R0120	
Gross - Non-proportional reinsurance accepted	R0130	
Reinsurers' share	R0140	
Net	R0200	
Premiums earned		
Gross - Direct Business	R0210	
Gross - Proportional reinsurance accepted	R0220	
Gross - Non-proportional reinsurance accepted	R0230	
Reinsurers' share	R0240	
Net	R0300	
Claims incurred		
Gross - Direct Business	R0310	
Gross - Proportional reinsurance accepted	R0320	
Gross - Non-proportional reinsurance accepted	R0330	
Reinsurers' share	R0340	
Net	R0400	
Expenses incurred	R0550	
Balance - other technical expenses/income	R1210	15,626
Total technical expenses	R1300	15,626

S 23.01.01
Own funds

S 23.01.01.01
Z Axis:
VG/Solvency II

Own funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	15.000	15.000			
Share premium account related to ordinary share capital	R0030	9.000	9.000			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	8.013	8.013			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	32.013	32.013			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	32.013	32.013			
Total available own funds to meet the MCR	R0510	32.013	32.013			
Total eligible own funds to meet the SCR	R0540	32.013	32.013			
Total eligible own funds to meet the MCR	R0550	32.013	32.013			
SCR	R0580	2.334				
MCR	R0600	3.900				
Ratio of Eligible own funds to SCR	R0620	1371%				
Ratio of Eligible own funds to MCR	R0640	621%				

S 23.01.01.02
Z Axis:
VG/Solvency II

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	32.013
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	24.000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	8.013
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

S.25.01.21.01

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	1,840	
Counterparty default risk	R0020	559	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	-	
Non-life underwriting risk	R0050	-	
Diversification	R0060	- 347	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	2,052	

S.25.01.21.02

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	616
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	- 333
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	2,334
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	2,334
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

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

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR _{NL} Result	R0010	0

S.28.01.01.02

Z Axis:

VG/Solvency II

Background information

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

S.28.01.01.03

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR _L Result	R0200	0

S.28.01.01.05

Z Axis:

VG/Solvency II

Overall MCR calculation

		C0070
Linear MCR	R0300	-
SCR	R0310	2,334
MCR cap	R0320	1,051
MCR floor	R0330	584
Combined MCR	R0340	584
Absolute floor of the MCR	R0350	3,900
Minimum Capital Requirement	R0400	3,900