

**Pharma International Insurance
Designated Activity Company**

**Solvency and Financial Condition Report
Reporting period ended 31 March 2024**

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SUMMARY

This Report refers to the business of Pharma International Insurance Company Dac ('Pharma', 'the Company'), a captive insurer, authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the year ended 31 March 2024.

Pharma has prepared the report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Ultimate Parent Company of Pharma is Takeda Pharmaceutical Company Ltd ('Takeda') a Company incorporated in Japan (100% share ownership).

The Company's business strategy is to insure part of the property, liability, and marine insurance risk of Takeda Pharmaceutical Company Ltd and its subsidiaries. The impact of insurance risk volatility on the Company's capital base is mitigated through the selection of appropriate limits. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board of Directors made the decision to reinstate the Company's original business plan and to start writing / re-writing coverages that previously expired on 31 December 2019. The new business will be written on a direct basis from 1 April 2024 and under the following lines of business, Fire, and other damage to property (PDBI Top up cover & California Earthquake), Miscellaneous Financial Loss (Non-Damage and Business Interruption), General Liability (Brand Restoration, Clinical Trials Increased Cost of Workings and Product Recall).

The Board has identified the key risks to which Pharma is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Pharma can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals. Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over the business planning period and to better inform decision making within the Company.

There were no other material changes to Pharma business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

The directors have considered as part of their going concern assessment whether events since the balance sheet date have impacted on the company's prospects" and conclude that there has been no impact to the risk profile of the Company due to the ongoing military conflicts in the middle east. Based on the current assessment of the risks posed at the time of approving this report, there are no identified issues with the ability to maintain appropriate capitalisation levels in line with solvency needs.

The Board of Directors have considered climate change, and this will continue to be a key area of focus in the context of the Takeda group. The direct impact on the operations of Pharma has to date been limited.

The Board has overseen the annual Own Risk and Solvency Assessment (ORSA) process for the Company during the reporting period. For the ORSA process, the Board has assumed a three-year business planning period. In conjunction with the actuarial function, solvency needs have been projected over this period under expected conditions, while also considering stresses to the business and alternative programme structuring. Following review of the projections and the adequacy of the solvency position, the Board is satisfied that it has established a sufficiently robust approach to ensure that the Company is in a position to meet its solvency needs on a continuous basis.

As of 31 March 2024, the Company had eligible own funds of USD 503,794m (31 March 2023: USD 442,595m) available to meet its Solvency Capital Requirement (SCR) of USD 218,306m (31 March 2023: 176,376m); resulting in a Solvency Ratio of 231% (31 March 2023: 251%) which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

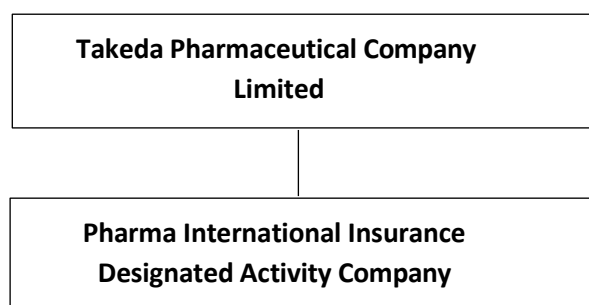
A. BUSINESS & PERFORMANCE

A.1 Business

Pharma International Insurance Company DAC was incorporated in Ireland in 2002 and is licensed as a non-life Insurance undertaking, under the supervision of the Central Bank of Ireland ('CBI'). In line with the requirements of the Companies Act 2014 Pharma converted to a designated activity company (DAC), limited by shares, effective 23 December 2015.

The Company is a wholly owned subsidiary of its parent company, Takeda Pharmaceutical Company Limited, headquartered in Tokyo, Japan (thereafter 'the Group') and was set up to insure solely the risks of the group and is therefore considered to be a captive Insurer Company. The Group is listed on the TSE and NYSE and is a patient-focused, values-based, R&D-driven global biopharmaceutical company committed to bringing Better Health and a Brighter Future to people worldwide.

The position of the Company within the Group is set out below:



Details on other Group subsidiaries and related undertakings are published within Takeda Annual Report and Financial Statements, 2024, which is available to download from; <https://www.takeda.com/investors/>

The operation of the Company is subject to the local regulatory requirements in Ireland, within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimise the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

Pharma conducts all significant business activities from its business address and registered office, 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1, D01 K0Y8, Ireland.

The Company's independent auditor KPMG is located at 1 Harbourmaster Place, International Financial Service Centre, Dublin 1, D01 F6F5, Ireland.

The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland.

The Company has received a licence from the Central Bank of Ireland (CBI) to write the following classes of business:

- 2 - Sickness
- 7 - Goods in Transit
- 8 - Fire and Natural Forces
- 9 - Other damage to Property
- 13- General Liability
- 14 - Credit
- 16- Miscellaneous Financial Loss
- 17-Legal Expenses

Pharma conducts all its significant business activities from its office in Ireland, including:

- underwriting;
- premium invoicing and collection;
- claims reserving and payments; and
- investing.

During the period, the entity renewed the Employer's Liability (Irish) business under the General Liability program and the Excess Marine business under the Goods in Transit program on a direct basis. Total premium written and earned during the period was USD 0.042m and USD 0.110m respectively. All other premium income written and earned during the period was on a fronted basis and totalled USD 14.566m and written under the following programs, Other damage to Property, General Liability (including Cyber Risk) and Goods in Transit. The majority of the fronted business written during the period relates to cover in the US and Japan (40% and 20% respectively of overall written premium amount). As a result, the principle of economic substance over legal form has been applied and these risks have been considered as direct insurance for the purposes of Solvency II.

There have been no other significant events during the reporting period which have had a material impact on the Company.

A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary.

The Group strategy is to maintain a level of risk within the Company that provides the Group with the optimal insurance structure. It is therefore accepted that, in accordance with its business plan, the best strategic option available is for the Company to underwrite certain worldwide risks on a

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direct and proportional insurance basis. During the reporting period, Pharma insured the Group's risks under the following regulatory lines of business:

- General Liability (including Cyber Risk)
- Fire & Other Damage to Property
- Marine, Aviation & Transport

Historically, insurance was provided for medical expenses, credit and suretyship and miscellaneous financial loss risks. However, no new risks have been accepted under this line of business since 2017 and 2019 respectively.

All policies are subject to original policy deductibles, sub-limits and individual aggregates.

Premiums written relate to business inception during the financial year. Provision is made for notified losses on all underwriting years. As Pharma does not purchase any outward reinsurance cover, the gross technical provisions are equal to the net technical provisions.

Profit after tax for the financial year ended 31 March 2024 amounted to USD 56.488m (31 March 2023: USD 32.293m), with a dividend of USD Nil paid to the parent as of 31 March 2024 (31 March 2023: USD Nil).

All premiums resulted from contracts of direct written premium and of proportional reinsurance concluded in the Republic of Ireland and are summarised by line of business below:

Gross Premium Written	31 March	31 March	Variance
Line of Business (USD'000)	2024	2023	
General Liability	342	324	18
Fire & Other Damage to Property	10,500	10,500	0
Marine, Aviation & Transport	3,875	3,879	(4)
Total	14,717	14,703	14

Gross Premium Earned	31 March	31 March	Variance
Line of Business (USD'000)	2024	2023	
General Liability	2,033	2,013	20
Fire & Other Damage to Property	10,500	10,500	0
Marine, Aviation & Transport	3,875	3,878	(3)
Total	16,408	16,391	17

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Premium earned during the period relates to the property and goods in transit policies which inceptioned 1 April 2023 for a 12-month period, and the general liability policy which was inceptioned in June 2019 for a five-year period and is set to expire on 14 June 2024.

Line of Business (USD'000)	Claims & Claims Expenses Paid			Movement in Claims Provisions		
	31 March 2024	31 March 2023	Variance	31 March 2024	31 March 2023	Variance
General Liability	60	308	(248)	(16,472)	(19,763)	3,291
Fire & Other Damage to Property	2,224	1,147	1,077	(1,400)	15,140	(16,540)
Marine Aviation & Transport	3,393	2,220	1,173	949	(3,260)	4,209
Credit and Suretyship	-	-	-	(94)	380	(474)
Total	5,677	3,675	2,002	(17,017)	(7,503)	(9,514)

Included in the gross and net claims paid is an amount paid relating to claims handling expenses USD 0.162m (31 March 2023: USD 0.358m).

The Gross and Net Claims paid during the period amounted to USD 5.677m (31 March 2023: USD 3.675m). A release of the incurred but not reported reserve (IBNR) of USD 14.395m due to the continuing run-off of the older years business was the main contribute to the movement in the claims provision for the period.

Net operating expenses for the financial year ended 31 March 2024 was USD 3.118m (31 March 2023: USD 2.930m).

As the activities of the Company are predominately outsourced, the Company has no employees, other than the directors. Except for the Independent Non-Executive Director, no other Director received any remuneration during the year.

A.3 Investment Performance

The investment position of the Company is monitored by the Board of Directors and the Takeda Group Treasury on a regular basis, to ensure the investment guidelines of the Company are adhered to.

The Company investment portfolio during the reporting period was allocated between cash, a short-term deposit account, US\$ Treasury Liquid Reserves Fund and an intercompany deposit as described on the following page.

Cash: The Company maintains funds for operational purposes with a preapproved financial institution and group relationship bank, being Bank of America Europe Dac, the interest earned in the financial year ended 31 March 2024 was Nil (31 March 2023: Nil).

Cash Deposits and other Investments: The Company had funds in a 32-day notice savings account held with Barclays Bank Plc up to the 5 September 2023. Interest income earned for the 6-month period up to 5 September 2023 amounted to USD 0.685m (31 March 2023: 12 month USD 0.432m).

US\$ Treasury Liquid Reserves Fund (Money Market Fund (MMF)): The Company moved funds from the 32- day notice account held in Barclays Bank Plc to a money market fund ("MMF") account with Goldman Sacs, (US\$ Treasury Liquid Reserves Fund Institutional Class) on 6 September 2023. Interest income earned on the MMF for the 7-month period up to the financial year ended 31 March 2024 amounted to USD 0.997m.

Intercompany Deposit: Available funds are invested, as deemed prudent by the Board of Directors, in one intercompany deposit with a wholly owned subsidiary of Takeda Pharmaceutical Company Limited. The interest income earned for the financial year ended 31 March 2024 amounted to USD 38.268m (31 March 2023: USD 20.036m). Interest payable is equal to the USD Short Term Rate (SOFR) plus a margin of 200 basis points.

All investment income is recognised in the Company's income statement.

A.4 Performance of other activities

Pharma does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5 Any other information

There are no other material items to report in this section.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

In order to meet the requirements for sound corporate governance, ensure efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

The Board of Directors of the Company (thereafter 'the Board') acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities. The Board is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company.

All authority emanates from the Board and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision and that business is undertaken in a controlled and responsible manner.

The overriding goal of the Company's risk management strategy is to control and to achieve, as much as possible, a reduction in the Company's risk exposure as a means of minimising the impact of undesired and/or unexpected events.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1. A Governance Framework aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2. A Risk Management System which details the Company's strategic objectives in documented Risk Policies. Limits and operational checkpoints as well as functional identification, mitigation and monitoring processes are documented for each risk.
3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4. A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategic objectives.

The Board annually reviews the governance framework, the risk appetite framework setting out tolerance limits and operational limits for all risk categories, the risk management policies for all risk categories and the risk register for the Company.

The Board members have:

- The necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties;
- A full understanding of the nature of the Company's business, material activities and related risks;
- A full understanding of their individual direct and indirect responsibilities and collective responsibilities; and
- An understanding of the Company's financial statements and key performance drivers.

The Company comprises the following senior personnel who have been selected to ensure that the Company is being run by individuals of appropriate expertise and integrity and who meet the criteria set out above:

Pam Joshi (Chair)

Denis (Tony) Ahern

Vincent Barrett

Tanguy Gaidoni

There have been no material changes in the system of governance since the prior reporting period. Given the limited scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board is satisfied that the system of governance in place is adequate.

The Board undertake responsibility for performing the equivalent function of an Audit Committee in relation to the reporting period ended 31 March 2024.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

Remuneration and material transactions

The members of the Board of Directors with the exception of the Independent Non-Executive Director receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid.

As a captive insurer, all Pharma's inward premiums flows and outward claims payments relate to insured risks of the shareholder group. In addition, the Company has an Intercompany Deposit

with a Group subsidiary, Shire Ireland Finance Trading Limited. The management of the treasury function of Pharma has been outsourced also to Shire Ireland Finance Trading Limited under the supervision of the Board of Directors. In line with the service level agreement, an agreed fee is invoiced on an annual basis for the services acquired. Other than these transactions which arise in the normal course of business, the Company had no other material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit and proper requirements

Pharma has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions. The policy is following regulation around the area of Fitness and Propriety as maybe issued by the CBI from time to time (including the Individual Accountability Framework).

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered.

For those roles which are prescribed by the CBI as Controlled Functions (CFs) and Pre-approval Controlled Functions (PCFs), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI.

Pharma is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification to enable them to carry out their respective duties.

B.3 Risk Management System including the own risk and solvency assessment

The Company has taken appropriate actions in order to:

- embed risk management as a key function within its governance structure; and
- develop and maintain effective processes and reporting procedures to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the Company is exposed.

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

To achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

In addition to these, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been documented.

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') process annually in order to provide its Board of Directors with a forward-looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account. The approach may be summarised as follows:

Define the Stress scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital is sufficient in expected and stressed situations.

Business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Board of Directors to ensure that these are appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan. Related solvency capital requirements and solvency ratios are then calculated for each year, resulting in a stressed financial plan and the solvency impact of adverse scenarios. This exercise is conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the stress scenarios. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital need on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to solvency capital requirements	Gathers information about projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that the ORSA is integrated in the Company's decision making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensure that risk exposures are measured on a regular basis triggering exception report to the Board.

In line with CBI requirements, the Head of Actuarial Function provides an actuarial opinion to the Board of Directors in respect of the ORSA once the results of the ORSA process are presented to the Board for review and challenge.

The capital risk appetite for Pharma is to sustain its capital at a level sufficient to always meet the Regulatory Solvency Capital Requirement. The Board of Directors maintains a prudent approach to capital to ensure that Pharma is in a comfortable position to meet this obligation.

Takeda would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in Pharma so that solvency capital compliance can be demonstrated. Takeda is expected to continue to have ample capacity to provide this support to Pharma.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved. To achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
Control Environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight by the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the Company's Governance Manual.
Risk Assessment	Procedures and policies are detailed and formalised in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
Reporting Channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
Monitoring Process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
Control Activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

To set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

The items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed by the Board as often as necessary, but at least once a year.

Tasks and actions are shared between the key functions of the Company. This serves to clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company's Compliance Function reports directly into the Board of Directors.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risk faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;
- identification and communication throughout the Company the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

Purpose and Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's internal control system by facilitating an objective and independent assessment.

It assists the Company in achieving its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes of the Company. The audit approach is risk based and in line with an annual audit plan which is provided by the Head of Internal Audit to the Board of Directors.

The Board has developed effective policies and practices and will take appropriate corrective action in response to any weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function is independent of the operational activities audited and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence ensures that the Internal Audit Function reports directly to the Board of the Company.

B.6 Actuarial Function

The Company has established an effective Actuarial Function, including a nominated Head of Actuarial Function ('HoAF'), Mr Edward Longdon approved by the CBI, which carries out the following key tasks:

- coordinate the calculation of technical provisions;
- identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- explain any material effects of changes of data, methodologies or assumptions between valuation dates on the amount of technical provisions;
- assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function will provide recommendations on internal procedures to improve data quality;
- take into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions, when providing its opinion;
- report in writing at least annually to the Board of Directors. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
 - i. details of the technical provisions
 - ii. methodologies & assumptions
 - iii. data sufficiency & quality
 - iv. experience analysis
 - v. report to the Board on reliability & adequacy
 - vi. opinion on Underwriting Policy
 - vii. opinion on reinsurance arrangements.

Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- contribute to the effective implementation of the risk management system in particular:
 - i) with regard to risk modelling underlying the calculation of the Solvency and Minimum Capital Requirement; and
 - ii) the ORSA process.
- think critically and organise the execution of actuarial approaches
- provide an Actuarial Opinion to the Board of Directors in respect of the ORSA

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7 Outsourcing

The objectives of Pharma's Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over, key functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All functions and activities of the Company are eligible to be outsourced provided that specific criteria are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business.

The Board is responsible for ensuring notification to the CBI is made in a timely manner prior to the outsourcing of critical or important functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities, carrying out the appropriate due diligence on the outsourced

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service provider and for reviewing the performance of outsourced service providers against their agreed and documented Service Level Agreements ('SLA').

The management of the Company is coordinated and carried out at its place of business in Ireland. Pharma engages outsourced service providers in order to access the expertise and strength and depth of resources necessary to manage the specific requirements of a regulated captive insurance company.

The following critical or important functions / activities are outsourced:

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting administration	Aon Insurance Managers (Dublin) Limited (AIMD)	Ireland
Claims administration	AIMD	Ireland
Finance and accounting	AIMD	Ireland
Compliance Function	AIMD	Ireland
Risk Management Function	AIMD	Ireland
Actuarial Function	Aon UK Limited (Aon UK)	United Kingdom
Internal Audit Function	Aon Commercial Services Ireland Limited (ACSIL)	Ireland

B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. RISK PROFILE

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to variation in the Company's performance over the short term. Whilst considerable judgment is involved, the Directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of the statistical and accounting data to be considered in both premium pricing and loss reserving exercises.

As the Company is a captive insurer, it is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations and nature of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer-term nature of the liability risks which the Company underwrites.

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The Company manages these risks through its Underwriting and Clams Committee with the support of external expertise to assist in the review of the pricing adequacy. The Company also monitors emerging issues and factors for their potential impact on the Company's pricing and claims reserving.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification are provided by the Company's Actuarial Function.

As part of the Company's 2023 ORSA process, stress, and scenario testing, High severity Property and Marine claims reverse stress test to result in a 120% solvency ratio was considered using the 31 March 2023 audited solvency II results as the base case. The scenario results, resulted in an increase to the Solvency Capital Requirement (SCR) of USD 25,509M and a decrease to the available capital of USD 200.000M. The Company also included a test scenario, increasing the cyber risk retention by the Company participating in a primary layer of programme, retaining USD 25.000m in the annual aggregate. The results reflected a non-material change to the SCR and available capital.

The Company maintains short term liquid investments and an intercompany deposit that is repayable on demand either in full or on an appropriate basis at the request of the Board of Directors in order to increase the capital surplus and assist in alleviating the stress posed by significant large claims.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in gross claims reserves for financial statements purposes and holding all other assumptions constant.

There were no material changes to the measures used to assess the market risk exposure or the material risks over the reporting period.

	Gross and net claims reserve USD,000	Impact on PBT for the year USD'000	Impact on equity for the year USD'000
31 March 2024			
Increase in Reserves by 10%	82,172	(7,470)	(6,536)
Decrease in Reserves by 10%	67,231	7,470	6,536
31 March 2023			
Increase in Reserves by 10%	100,890	(9,172)	(8,025)
Decrease in Reserves by 10%	82,547	9,172	8,025

C.2 Market risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. The Company diversifies its portfolio to reduce the exposure to market fluctuations and market risk concentrations.

Pharma has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

There were no material changes to the measures used to assess the market risk exposure or the material risks over the reporting period.

Given the short-term cash nature of the assets and the Intercompany deposit, the impact of interest rate risk is limited. The exposure is kept under review. An increase of 100 basis points in interest rates during the period would have increased profit before tax for the financial year by USD 5,315 (31 March 2023: USD 5,025).

The Company is exposed to currency risk to the extent its assets and liabilities are denominated in a currency different from its functional currency. The Company's principal transactions are carried out in US dollar and its exposure to foreign exchange risk arises primarily with respect to euro. The Company seeks to mitigate currency risk by matching the assets and liabilities which arise in different currencies. The ultimate settlement of loss reserves may be in currencies other than the USD.

As of 31 March 2024,, the Intercompany deposit was secured by a parental guarantee by the Parent Company. This allowed Pharma to use the credit rating when calculating the concentration risk and spread risk charges due to this exposure. The rating of Takeda Pharmaceutical Company Limited at the time of reporting was BBB+.

The Company stress tested the impact of a theoretical downgrade of the credit rating of Takeda's long-term issuer credit and senior unsecured debt rating downgraded to BB from its current rating BBB+ in the 2023 ORSA reporting. While this scenario resulted in an increase in the Company's solvency capital requirement and the solvency ratio falling to 116%, this could be remedied by investing a significant portion of the Company's liquid assets with other appropriately rated non-group counterparties.

C.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Financial Investments
- Cash and cash equivalents
- Intercompany Deposit with a Takeda Group subsidiary
- Insurance amounts due (Intra Group)

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

The Company has Standby Letters of Credit (SBLC's) in place that are used to support the technical provisions due to various third-party insurance companies (the beneficiaries) under reinsurance contracts entered by the Company. The SBLCs are Non-Collateralised do not constitute the assets of the Company. Total value of the SBLCs on 31 March 2024 is USD 40.700m (31 March 2023: USD 38.200m).

The Company's other non-collateralised instrument is a SBLC held for beneficiary Inland Revenue for USD 0.075m (31 March 2023: USD 0.075m).

There were no material changes to the measures used to assess the credit risk exposure or the material risks over the reporting period.

C.4 Liquidity risk

The Company is exposed if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company has the potential to be exposed to calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring material costs or penalties.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has its investments held in highly liquid assets which it can access immediately or within a very short time frame without incurring material costs or penalties.

There were no material changes to the measures used to assess the liquidity risk exposure or the material risks over the reporting period.

The total amount of expected profits included in the future premiums for the financial year ended 31 March 2024 USD 10.453m (31 March 2023: USD 1.937m).

C.5 Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss. The Company has a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk.

In addition, Pharma is subject to Internal and External Audit review.

Pharma maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. To ensure the quality of the outsourced functions is as high as possible, Pharma puts in place service level agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed regularly.

The Company does not consider that it is exposed to material residual risk in this area due to the formality that has been created around the Company's processes and procedures including those for financial and regulatory reporting. There is no specific risk concentration associated with this category as internal controls include appropriate segregation of duties.

There were no material changes to the measures used to assess the operational risk exposure or the material risks over the reporting period.

C.6 Other material Risks

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually of the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified. The Board of Directors will ensure continuing appropriateness, at least annually and revisions shall be affected where necessary.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

Sensitivity Risk

The Actuarial Function assesses annually the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations.

No other material risks have been identified.

C.7 Any other information

There has been no impact to the risk profile of the Company due to the ongoing military conflict in the middle east. Based on the current assessment of the risks posed at the time of approving this report, there are no identified issues with the ability to maintain appropriate capitalisation levels in line with solvency needs.

The Board of Directors have considered climate change, and this will continue to be a key area of focus in the context of the Takeda group. The direct impact on the operations of Pharma has to date been limited.

There are no other material items to report in this section.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Pharma prepares its financial statements on a going concern basis in accordance with the Financial Reporting Council of the UK, including financial reporting standard applicable in UK and Republic of Ireland (FRS 102 & FRS 103), the provisions of the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Pharma uses the historical cost convention. Pharma has the following classes of assets:

- Other Investments - US\$ Treasury Liquid Reserves Fund (MMF)
- Cash and cash equivalents
- Intercompany deposit
- Insurance debtors (intra group)
- Accrued Interest
- Deferred acquisition costs
- Other Assets (Tax receivable)

Other Investments, US\$ Treasury Liquid Reserves Fund is stated at market value for both solvency and financial statement purposes. Interest is capitalised daily on the fund and therefore there was no accrued interest receivable at the end of the reporting period.

Cash at bank and in hand are current accounts with daily liquidity. The Company utilises custodians deemed to be of high credit quality to hold its cash. Carrying amounts approximate fair value due to the high liquidity of the instruments.

The intercompany deposit to Shire Ireland Finance Trading Limited a subsidiary of Takeda registered in Ireland, is stated at market value for both regulatory and financial statement purposes, the only difference being the inclusion of accrued interest for Solvency II valuation purposes. Accrued Interest is disclosed as a separate line item in the financial statements.

The treatment of future cash flows relating to Insurance debtors is dealt with as part of the calculation of technical provisions (Section D2 below). Deferred acquisition costs are not an admissible asset for Solvency II valuation purposes.

Other assets relate to an overpayment of corporation tax and has been discounted the future cash flows to derive a market value.

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A reconciliation of the valuation for Solvency II purposes is as follows:

USD'000	Financial			Fair Value
Assets	Statements	Solvency II	Reclass.	Adj.
Other Investment –				
US\$ MMF	33,497	33,497	-	-
Cash and cash				
equivalents	86	86	-	-
Intercompany				
Deposit	534,545	537,911	3,366	
Accrued Interest	3,366	-	(3,336)	-
Insurance Debtors	508	90	(418)	-
Deferred acquisition				
costs & Prepayments	89	-	(89)	-
Total	572,091	571,584	(507)	-

D.2 Technical Provisions

Provision is made for notified losses on all underwriting years. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for insurance contract liabilities are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not reported ('IBNR').

Solvency II Technical Provisions

The Solvency II technical provisions are comprised of a Best Estimate of Liabilities ('BEL') and a Risk Margin ('RM').

The Solvency II BEL is comprised of a provision for claims outstanding ('PCO') and a premium provision ('PP'). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ('BBNI') at the end of the reporting period. The PCO is derived from an actuarial estimate of Pharma's unpaid claim liabilities. The adjustment of the estimate of unpaid claim liabilities, between the financial statements reserving basis and the Solvency II valuation basis, requires that unpaid claim liabilities per the financial statements are discounted to a present value basis. The evaluation of the best estimate outstanding claims reserves ('OSCR') is used as the starting point to evaluate the Solvency II technical provisions. The actuary utilises the basic risk-free rate curves with no volatility adjustment as of 31 March 2024, as published by EIOPA, to discount the cash flows underlying the PCO. These interest rates are utilised to discount all cash flows underlying the calculation of the Solvency II technical provisions. A provision for

expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the financial statements estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that Pharma will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations. The BEL is calculated as the sum of the PCO and the PP. Actuarial methods used include Loss Ratio, Chain Ladder, Incurred Bornhuetter-Ferguson and the Generalised Cape Cod. The actuarial reserves are “best estimates” in the sense that they represent the average of all possible outcomes. The actual amounts required to meet future claim payments may differ, even significantly, from estimates. This estimation error can arise for a number of reasons, such as model specification error, parameter error and random error.

Risk Margin

The Solvency II risk margin is intended to represent an amount that Pharma would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running off the existing liabilities.

The technical provisions on 31 March 2024 by line of business are as follows:

Line of Business (USD'000)	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Marine, Aviation & Transport	4,497	(427)	4,070	530	4,600
Fire & Other Damage to Property	30,963	(8,563)	22,400	3,648	26,048
General Liability	31,087	(234)	30,853	3,663	34,516
Credit and Suretyship	275	-	275	32	307
Miscellaneous financial loss	-	70	70	-	70
Total	66,822	(9,154)	57,668	7,873	65,541

The reconciliation between the value of technical provisions for solvency purposes and the financial statements on 31 March 2024 is as follows:

	Value (in USD '000)
Booked Technical Provisions (Statutory Reserves)	74,701
Adjustment to best estimate	(5,434)
Allowance for ENID	1,010
Premium cash flows	(43,417)
Claims cash flows	33,485
Expected expenses	2,497
Unpaid Expenses	1,012
Unearned Premium Reserve	349
Undiscounted technical provisions	64,203
Discounting on claims provision	(5,154)
Discounting on premium provision	(1,381)
Discounted technical provisions	57,668
Risk Margin	7,873
Solvency II technical Provisions	65,541

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

The Company is satisfied that it has access to sufficient historical claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Pharma has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other liabilities

Deferred Tax of USD 1.130m (31 March 2023: USD 0.457m) arises due to the valuation difference on the technical provisions, debtors, and creditors between the Financial Statement Balance Sheet and Solvency II Balance Sheet, multiplied by the applicable tax rate (12.5%). There is no deferred tax liability in the financial statements.

Other creditors of USD 0.388m (31 March 2023: Nil) in the Solvency II Balance Sheet is classified as payables (trade not insurance), consisting of Corporation Tax Payable for the current year.

Other liabilities of €0.731m relate to accrued expenses and are classified as any other liabilities, not elsewhere shown for solvency purposes. For 31 March 2024 the amount is reflecting €0.015m lower than that disclosed in the financial statements (€0.746m) due to the application of discounting future cash flows to derive a market value.

D.4 Alternative methods for valuation

No alternative methods were used.

D.5 Any other information

There is no other information to report.

E. CAPITAL MANAGEMENT

E.1 Own funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

On an annual basis the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). A 3 year forward looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the shareholder. There have been no material changes to this approach from the prior year.

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted on a monthly basis to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends from time to time will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period. No dividends were paid during the reporting period ended 31 March 2024 (31 March 2023: Nil).

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

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Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2024	2023
	USD'000	USD'000
Ordinary paid up share capital	95,000	95,000
Reconciliation reserve	408,794	347,595
Total basic own funds	503,794	442,595

The movement in basic own funds reflects the increase in retained profits during the year. The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principals.

The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

	2024
	USD'000
Equity per the Company's financial statements	495,884
Adjustments to technical provisions	9,509
Reallocation of insurance creditors & debtors to technical provisions	(3)
Removal of deferred acquisition costs	(89)
Removal of prepayments	(400)
Discounting of balance sheet items	23
Deferred tax liability	(1,130)
Own funds (excess of assets over liabilities for solvency purposes)	503,794

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. This results in insurance debtor and creditor balances relating to unpaid premium/claim balances are included within the technical provision calculation, given that they are all within credit terms. Accrued liabilities have been discounted. Deferred acquisition costs are not an admissible asset for Solvency II valuation purposes. Deferred tax liability is provided on these adjustments at the applicable tax rate. The adjustments are reflected in the Company's reconciliation reserve.

Pharma has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2 Solvency capital requirement and minimum capital requirement

At the end of the current reporting period, Pharma SCR and MCR have been calculated as USD 218.306m and USD 54.576m respectively.

The SCR is intended to correspond to the capital the Company needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur less than once in every 200 years. The SCR calculated at the end of the current reporting period, relates to the capital required to support the business over the prospective 12 months; covering both existing liabilities and business written during 2024/2025 financial and underwriting year. Based on the Company's eligible own funds of USD 503,794m the Company has a solvency ratio at 31 March 2024 of 231% (31 March 2023: USD 442,595m / 251%).

The SCR has been calculated using the standard formula and without the application of any undertaking specific parameters. In the non-life risk module, the risk margin on technical provisions has been calculated using the second simplification provided in EIOPA's technical specifications. This is considered appropriate given the nature of the Company's business as a captive insurer.

The Split of SCR by risk modules is shown below, together with the 31 March 2023 comparative:

Risk Charge	31 Mar 2024 USD'000	31 Mar 2023 USD'000	Variation
Premium/Reserve Risk	19,908	18,926	983
Catastrophe Risk	92,566	37,752	54,814
Lapse Risk	4,202	918	3,284
<i>Diversification Benefit</i>	(17,158)	(11,319)	(5,839)
Non-Life Underwriting Risk	99,518	46,276	53,242
Counterparty Default Risk	31,587	29,371	2,217
Interest Rate Risk	33,714	29,899	3,815
Spread Risk	36,684	43,787	(7,104)
Currency Risk	651	181	470
Concentration Risk	142,923	132,771	10,153
<i>Diversification Benefit</i>	(62,537)	(63,649)	1,112
Market Risk	151,436	142,990	8,446
<i>Diversification Benefit</i>	(65,966)	(44,804)	(21,162)
BSCR	216,576	173,832	42,743
Operational Risk	1,730	2,544	(814)
SCR	218,306	176,376	41,930
Available Capital to meet SCR	503,794	442,595	61,199

Surplus/(Deficit)	285,488	266,219	19,269
SolvencyRatio	231%	251%	-20%
MCR	54,576	44,094	10,482
Available Capital to meet MCR	503,794	442,595	61,199

The premium and reserve risk charge increased by USD 0.983m since the prior year's valuation. The increase is driven by the new lines of business that was bound but not incepted on 31 March 2024 and the General Liability policy that is set to expire during 2024, will be renewed again for another 5-year period.

The increase in the premium volume measure is offset by the reductions in the reserve volume measure, with net claims provisions decreasing, resulting in a lower reserve risk charge. The decrease is driven by the release of reserves over the last 12 months following a better-than-expected claims experience on the older and expired risks.

The increase in the catastrophe risk charge and Lapse risk charge is primarily driven by the increased exposure arising from the new policies that was incepted but not bound on 31 March 2024.

The counterparty default risk charge has increased in line with the movement during the period on the intercompany deposit.

The movement in the market risk charge is attributable to the intercompany deposit and duration of the agreement.

The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of Pharma, as a non-life captive insurer this absolute floor is EUR 4,000,000. Having carried out the calculations and applied the relevant limits, the resultant MCR on 31 March 2024 for the Company is USD 54.576m (31 March 2023: USD 44.094m)

E.3 Use of duration-based equity risk sub module in calculation of the solvency capital requirement

There was no use of duration-based equity risk sub module in the calculation of the SCR.

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

Pharma used the standard formula in determining its SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with the Minimum Capital Requirement and noncompliance with the Solvency Capital Requirement

There are no issues with non-compliance with the MCR and SCR.

E.6 Any other information

There is no other information to report.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.04.05.21 – Premiums, claims and expenses

S.05.01.02 - Premiums, claims and expenses by country

S.17.01.02 – Non-Life technical provisions*

S.19.01.21 – Claim development triangles*

S.23.01.01 – Own funds*

S.25.01.21 – SCR using standard formula*

S.28.01.01 – MCR*

*templates subject to external audit.

Amounts are in USD'000

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	33,497
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	33,497
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	537,911
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	537,911
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	90
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	86
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	571,584

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	65,541
R0520	Technical provisions – non-life (excluding health)	65,541
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	57,668
R0550	Risk margin	7,873
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	1,130
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	388
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	731
R0900	Total liabilities	67,790
R1000	Excess of assets over liabilities	503,794

S.04.05.21 - Premiums, claims and expenses by country (In thousands of USD)

Non-life insurance and reinsurance obligations							
	R0010	Home country	Top 5 countries: non-life				
			BM	GB	CH	OTH	
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020	41			110		
Gross Written Premium (proportional reinsurance)	R0021	10,500	3,764	301			
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030	41			110		
Gross Earned Premium (proportional reinsurance)	R0031	10,500	3,764	1,993			
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040	-15,482		-94		7	
Claims incurred (proportional reinsurance)	R0041	703	4,335	-972			
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050	5			14		
Gross Expenses Incurred (proportional reinsurance)	R0051	1,782	776	738			
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

Life insurance and reinsurance obligations							
	R1010	Home country	Top 5 countries: life and health SLT				
		C0010	C0020	C0021	C0022	C0023	C0024
Gross Written Premium	R1020						
Gross Earned Premium	R1030						
Claims incurred	R1040						
Gross Expenses Incurred	R1050						

S.05.01.02 - Premiums, claims and expenses (In thousands of USD)

		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								151
Gross - Prop reinsurance accepted	R0120								14,566
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	0	0	0	0	0	14,717
Premiums earned									
Gross - Direct Business	R0210								151
Gross - Prop reinsurance accepted	R0220								16,257
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	0	0	0	0	0	16,408
Claims incurred									
Gross - Direct Business	R0310								-15,568
Gross - Prop reinsurance accepted	R0320								4,066
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	-11,502
Expenses incurred	R0550								3,316
Balance - other technical	R1210								
Total technical expenses	R1300								3,316

S.17.01.02 - Non Life technical provisions (In thousands of USD)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensatio n insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060						-426	-8,563	-234				70
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	-426	-8,563	-234	0	0	0	70
Claims provisions													
Gross	R0160						4,497	30,963	31,087	275			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	4,497	30,963	31,087	275	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	4,071	22,400	30,853	275	0	0	70
Total Best estimate - net	R0270	0	0	0	0	0	4,071	22,400	30,853	275	0	0	70
Risk margin	R0280						530	3,648	3,663	32			
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	4,601	26,048	34,515	308	0	0	70
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	4,601	26,048	34,515	308	0	0	70

S.17.01.02 - Non Life technical provisions (In thousands of USD)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
<u>Premium provisions</u>						
Gross	R0060					-9,154
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	-9,154
<u>Claims provisions</u>						
Gross	R0160					66,822
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	66,822
Total Best estimate - gross	R0260	0	0	0	0	57,668
Total Best estimate - net	R0270	0	0	0	0	57,668
Risk margin	R0280					7,873
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	65,541
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	65,541

S.19.01.21 - Claim development triangles (In thousands of USD)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100												0	0
N-9	R0160			20	80						3		3	103
N-8	R0170		2,464	1,000	-1,771	-218	2,523						0	3,998
N-7	R0180		10,473	-10	200		200						0	10,863
N-6	R0190	2	432	420	1,648	50		3					3	2,555
N-5	R0200			1,398		564	622						622	2,584
N-4	R0210		272		639								0	911
N-3	R0220	882	1,456	1,960	21								21	4,318
N-2	R0230	2,891	84	1,287									1,287	4,262
N-1	R0240	71	3,466										3,466	3,537
N	R0250	113											113	113
Total													5,515	33,243

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100											320	
N-9	R0160		21,388	14,809	9,157	5,905	5,425	1,606	987	683	482		
N-8	R0170	39,249	24,342	18,259	13,427	12,679	3,580	2,389	1,666	1,091			
N-7	R0180	5,684	39,406	27,919	25,814	8,096	7,315	5,059	3,845				
N-6	R0190	72,449	48,286	45,180	17,025	10,738	7,929	4,945					
N-5	R0200	61,821	53,788	30,540	21,887	14,491	8,898						
N-4	R0210	849	42,805	30,533	21,007	14,941							
N-3	R0220	7,259	6,663	263	7								
N-2	R0230	9,686	4,926	2,118									
N-1	R0240	34,709	27,805										
N	R0250	7,524											
Total													

S.23.01.01 - Own funds (In thousands of USD)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	95,000	95,000			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	408,794	408,794			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	503,794	503,794	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of USD)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	503,794	503,794	0	0	0
Total available own funds to meet the MCR	R0510	503,794	503,794	0	0	
Total eligible own funds to meet the SCR	R0540	503,794	503,794	0	0	0
Total eligible own funds to meet the MCR	R0550	503,794	503,794	0	0	
SCR	R0580	218,306				
MCR	R0600	54,576				
Ratio of Eligible own funds to SCR	R0620	2.307744203				
Ratio of Eligible own funds to MCR	R0640	9.230976854				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	503,794
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	95,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	408,794
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	10,453
Total Expected profits included in future premiums (EPIFP)	R0790	10,453

S.25.01.21 - SCR using standard formula (In thousands of USD)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	151,436		
Counterparty default risk	R0020	31,587		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	99,518		
Diversification	R0060	-65,966		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	216,576		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	1,730
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	218,306
Capital add-on already set	R0210	0
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	218,306
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	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	Not applicable

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

S.28.01.01 - MCR (In thousands of USD)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	7,139

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	4,071	3,875
Fire and other damage to property insurance and proportional reinsurance	R0080	22,400	10,500
General liability insurance and proportional reinsurance	R0090	30,853	342
Credit and suretyship insurance and proportional reinsurance	R0100	275	
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	70	
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

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

Overall MCR calculation		C0070
Linear MCR	R0300	7,139
SCR	R0310	218,306
MCR cap	R0320	98,238
MCR floor	R0330	54,576
Combined MCR	R0340	54,576
Absolute floor of the MCR	R0350	4,324
Minimum Capital Requirement	R0400	54,576