

FBD Holdings plc

2023 Full Year Results

8th March 2024



SUPPORT.
IT'S WHAT WE DO.

Forward looking statements

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



2023 FULL YEAR RESULTS

Overview

→ Tomás Ó Midheach, CEO

2023 At a Glance



Profit Before Tax €81m supported
by underwriting performance

COR 80.9%

ROE 15% – 3rd consecutive year of
double-digit returns



GWP €414m up 8.1% on 2022

Increases in **GWP & Written Policy
count** across Farmer, Business &
Retail Sectors



Proposed Ordinary **Dividend 100c**

€4m allocated to possible share
repurchase

Strong **Capital** position with **SCR** of **213%**



€2.5m ESG initiative – The Padraig
Walshe Centre for Sustainable Animal
and Grassland Research

Supporting Farmers to achieve their
climate reduction targets



Relationship **Strategy** continues
to deliver

Farmer and **Business** sectors built
on 2022 momentum



Increased Cash & Bond **income** from
higher interest rates

Risk Assets contributed a **positive
return** in 2023

Strategy Delivering

Delivering consistent returns with predictable yields



Robust Franchise

- Providing our customers with a valued proposition
- Consistently excellent retention levels
- Market Leader in Farmers' insurance
- Relating to customers directly with informed advice



Growing

- Delivering measured profitable growth through Relationship Strategy
- Farmer average customer policy holding up from 3.2 to 3.4 policies – Business up from 2.1 to 2.2
- Partnerships established and delivering



Return

- €143m capital returned since 2022
- 3rd year of Double-digit ROE (15%+ ave.)
- Focus on annual dividend sustainability while maintaining a robust capital position



Well Capitalised

- Solvency Capital Ratio of 213% (unaudited) after ordinary dividend and share repurchase
- Investment Strategy matched with liabilities
- SCR Risk Appetite 150%-170%
- Intent is to move closer to target SCR

Key Highlights

Full year profit of

€81m

before tax



- Underwriting Result €76m (2022: €90m)
- Positive Income Statement investment return of €19m (2022: -€11m)
- €44m reduction in Past Service best estimate
- Ordinary Dividend of 100c proposed

Reported COR

80.9%



- Undiscounted COR 83.3% (2022: 79.1%)
- Current service COR 95.1% (2022: 93.5%)
- Positive motor injury claims trends, offset by higher motor damage & property claims costs
- Successful implementation of IFRS 17

GWP of

€414m



- Gross Written Premium up 8.1%
- Increased levels of insurance cover account for 4.5 percentage points of the 5.4% average premium increase
- Private Motor average premium up 3% in response to Parts, Paint & Labour inflation
- Insurance Revenue €401m includes Gross Earned Premium and Income on instalment premium

Profit supported by continued underwriting discipline and investment return

Key Highlights

Investments



- Income Statement return €19m (2022: -€11m); OCI return €41m (2022: -€90m)
- Book yield of bond portfolios has increased as maturities reinvested at significantly higher yields
- Duration of corporate bond portfolio increased from 2.9 to 3.6 years in line with strategy
- Credit quality corporate bond portfolio A-
- Risk Asset allocation increasing

Capital



- Net Asset Value 1,330c after ordinary and special dividends paid in 2023 (2022: 1,276c)
- Capital ratio (unaudited) after proposed ordinary dividend and share repurchase of 213% (2022: 226%)
- Return on Equity of 15%
- Return on Targeted Equity of 23%

Customer Focus



- Customer focused Strategy delivering – policy count growth of 2.6%, primarily through relationship customers
- Farmer and Business sectors building on 2022 momentum with Premium up 10% and 8% – Added over 2,000 Farm policies
- Farmer average holding up from 3.2 policies in 2021 to 3.4
- Bank of Ireland and An Post Insurance partnerships performing well

Capital position remains strong after distributions



2023 FULL YEAR RESULTS

Financial Performance



→ Kate Tobin, CFO

2023 Full Year Results

	2023	2022*
GWP	€414m	€383m
Underwriting Result	€76m	€90m
Profit before tax	€81m	€66m
EPS	194c	161c
NAV	1,330c	1,276c
ROE	15%	12%
ROTE	23%	21%

	2023	2022
Loss ratio	53.5%	49.1%
Expense ratio	27.4%	27.3%
Combined Operating Ratio	80.9%	76.4%
Total investment return	5.3%	(8.6%)
▪ Income statement	1.7%	(0.9%)
▪ OCI	3.6%	(7.7%)

* restated prior year financials following the adoption of IFRS 17 and IFRS 9



80.9%
Combined Operating
Ratio



15%
ROE

2023 Full Year Results

Income Statement	2023 €'000s	2022* €'000s
Insurance revenue	401,026	379,697
Insurance service expenses	(210,052)	(201,838)
Net expense from reinsurance contracts held	(64,666)	(46,755)
Insurance service result	126,308	131,104
Total investment return	19,094	(10,753)
Net insurance finance expenses	(2,911)	(7,342)
Net insurance and investment result	142,491	113,009
Non-attributable expenses	(34,018)	(33,048)
Finance costs, other provisions	(27,063)	(14,121)
Profit before taxation	81,410	65,840

* restated prior year financials following the adoption of IFRS 17 and IFRS 9



€401m
Insurance Revenue



€81m
Profit before tax

Analysis of Combined Operating Ratio

	2023 %	2022 %
Current Service Combined Operating Ratio	95.1%	93.5%
Past Service Combined Operating Ratio – BI	-6.5%	-0.7%
Past Service Combined Operating Ratio – Non-BI	-7.7%	-16.4%
Reported Combined Operating Ratio	80.9%	76.4%
Undiscounted Combined Operating Ratio	83.3%	79.1%



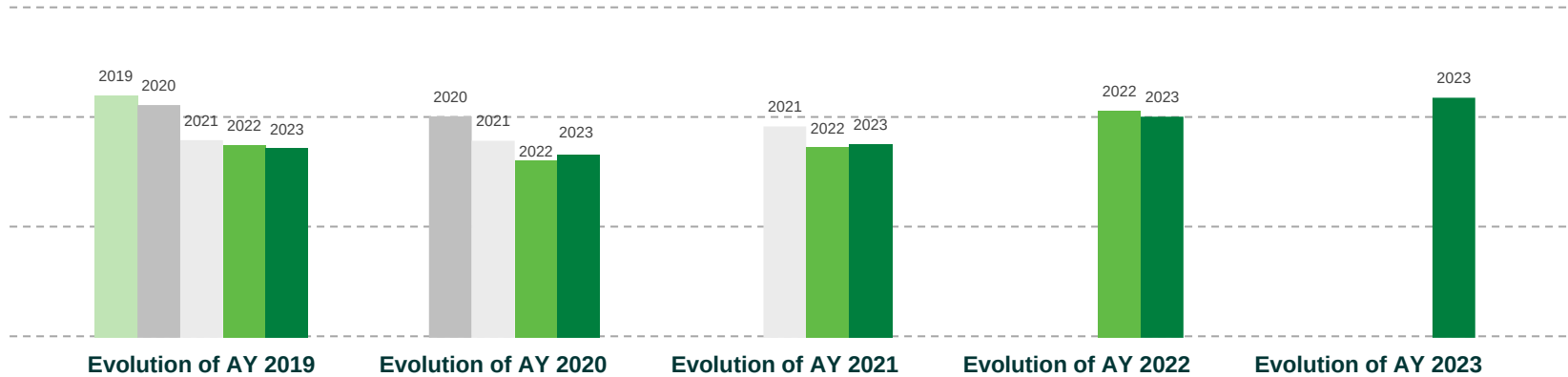
€44m

Best Estimate PY
Release excl. ENID
(2022: €48m)



Over 50% of PY
Release related to BI in
2023 vs 5% in 2022

Best Estimate Claims Reserve Development



- **Net positive** prior year reserve development during 2023
- Favourable movement in **Large Claims**, albeit lower than previous years
- Smaller injury claims showing positive impact from the introduction of the **Personal Injuries Guidelines**
- Current year **frequency** increased on last year but still lower than pre-Covid for some lines of business
- Expectations for future injury claims **inflation** have been allowed for within the reserves

Note: The above graphs include EL, PL and Motor Accident Years ("AY") only

Income Statement returns increasing

Income Statement actual return

1.7%

Equates to €19.1m



Cash, Fixed Income and Risk Assets:

- Positive yielding cash and deposits contribute €3.7m
- Income from bond portfolios continues to increase as maturities reinvested at higher book yields
- Cash & bond income increased to €13.9m from €6.5m
- Risk Asset rebound results in positive returns of €12m

OCI actual return

3.6%

Equates to €41.4m



Corporate and Sovereign Bonds:

- Risk-free rates fell materially year on year - remain volatile
- Credit spreads also narrowed over the course of the year contributing to OCI gains
- €39m unrealised loss on the bond portfolios will unwind over the remaining life as they are held to maturity

Investment Income Analysis vs Prior Year

The following table compares the Income Statement returns for FY 2023 vs FY 2022

	2023	2022
Group Investment Assets	€000	€000
Corporate Bond Income ¹	8,034	4,714
Corporate Bond realised losses ²	(2,299)	(129)
Government Bond Income ¹	2,183	1,744
Deposits and Cash ³	3,728	68
Risk Assets	12,097	(14,570)
Investment Property ⁴	(3,221)	(810)
Expenses	(1,428)	(1,433)
Total	19,094	(10,416)

1. Government and Corporate bond income increased in 2023 as maturities are re-invested at higher interest rates
2. Realised losses on bond portfolios due to risk reduction trades, sale of downgraded bond and opportunity to further enhance book yield
3. Return on Deposits and Cash has increased due to significant increase in interest rates over the last 18 months
4. Investment Property return in 2023 includes write down of €3.1m on commercial property



ECB deposit rate has increased to 4% with rates being passed on



15% of Corporate Bond portfolio matured in 2023. Average duration 3.6 years



11% of Government Bond portfolio matured in 2023. Average duration 3.3 years

Investment Allocation

The following table illustrates the changes to investment allocation over the year:

Group Investment Assets	31-Dec-23		31-Dec-22*	
	€m	%	€m	%
Corporate Bonds	575	49%	563	49%
Government Bonds	281	24%	271	23%
Deposits and Cash	145	12%	175	15%
Risk Assets	161	14%	134	12%
Investment Property	12	1%	15	1%
Total	1,174	100%	1,158	100%

- Corporate bond increase due to mark-to-market gains
- Allocation to BBB rated corporate bonds continues to fall: 38% vs 42% at YE 2022

* restated prior year financials following the adoption of IFRS 17 and IFRS 9



Risk Assets increasing
but underweight vs
Strategic Asset
Allocation



Allocation to
Government Bonds (ex
short term) expected to
reduce in line with
Strategic Asset
Allocation



Lower allocation to
cash due to dividend
payments

2023 FULL YEAR RESULTS

Conclusion

→ Tomás Ó Midheach, CEO



Capital and Dividends



- Given continuing strong capital position, an ordinary dividend of 100c per share is proposed



- Solvency Capital Ratio of 213% (unaudited) after ordinary dividend and share repurchase



- Focus is on annual dividend sustainability while maintaining a robust capital position



- SCR Risk Appetite 150%-170%
- We will continue to engage with our stakeholders and to monitor our capital position with the intention of moving closer to target capital



Summary



- **Profit of €81m** with Reported COR **80.9%**
- **Robust Franchise** providing our customers with a **valued proposition**



- Ordinary **Dividend of 100c** proposed
- **SCR** strong at **213%** (unaudited) after capital return - SCR Risk Appetite 150%-170%



- **Premium** performance from policy count growth and average premium supported by our **loyal and growing** Customer base



- **Guidance:** Combined Operating Ratio low 90s achievable for 2024

IRISH COUNTRY LIVING

WOMEN & AGRICULTURE



CONFERENCE 2023



2023 FULL YEAR RESULTS

Appendix

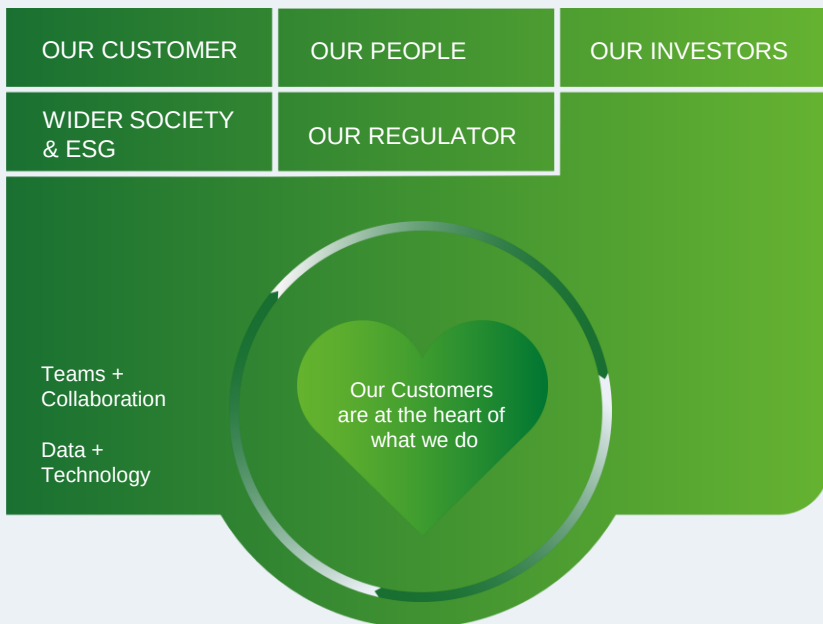


SUPPORT.

IT'S WHAT WE DO.

FBD of 2028

A digitally enabled, data enriched organisation which delivers an excellent customer and employee experience, while also delivering for our stakeholders.



STRATEGIC AMBITION

OUR CUSTOMER

We have a complete picture of them, understand them and deliver a proposition they value.

WIDER SOCIETY & ESG

We are recognised as the local insurer, supporting and sustaining our local communities. Delivering on our sustainability commitments and supporting our customers in theirs.

OUR PEOPLE

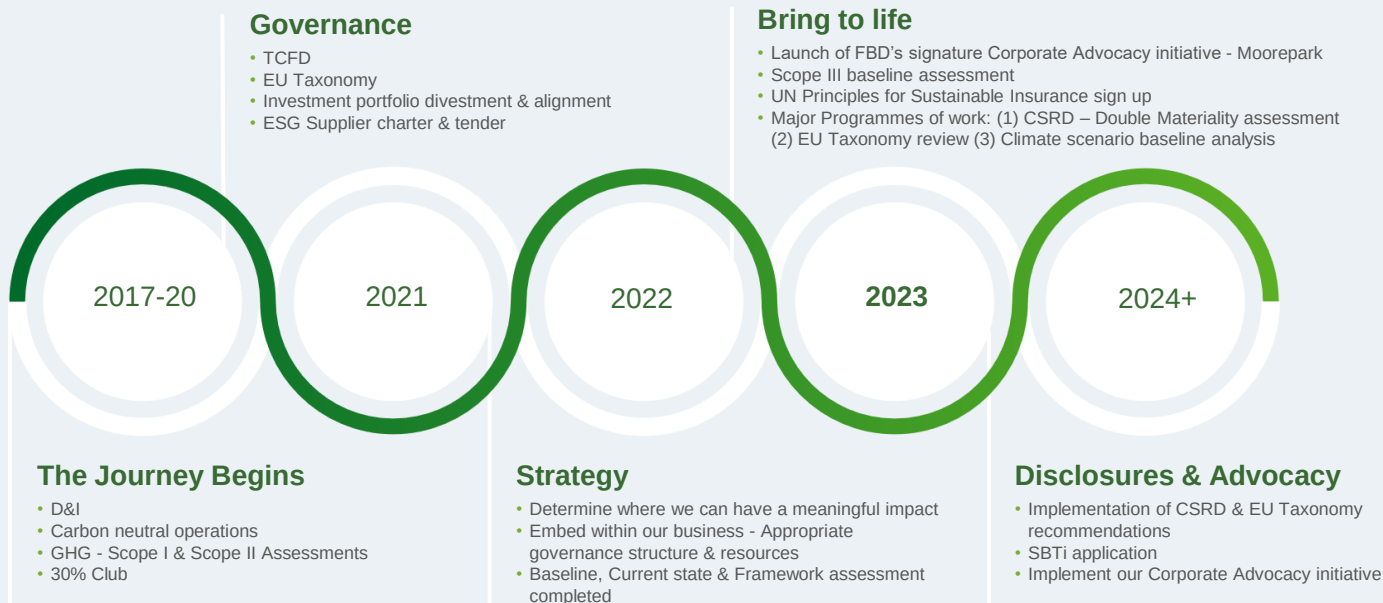
Foster individual and organisational effectiveness.

DELIVERING MEASURED PROFITABLE GROWTH

Through a sharp focus on Value, Growth & Innovation.

FBD's ESG Direction of Travel

ESG Scaling up in FBD



FBD – A local insurer, supporting & sustaining local communities

ESG Initiative

The Padraig Walshe Centre for Sustainable Animal and Grassland Research

- Contribution of €2.5m to new research centre in Moorepark, Fermoy Co Cork
- Centre will support climate-related research and improving the environmental sustainability of Irish agriculture
- FBD has a role in tackling the climate imperatives of our time

The centre will provide:

- Essential research infrastructure and analytical capacity
- Facilitate research that can provide innovative solutions to improve environmental sustainability
- Allow new detailed research techniques to be developed
- Provide infrastructure and facilities to attract and retain world-leading animal and grassland scientists

With this contribution FBD are further supporting our customers and we believe it will be a point of pride for us all

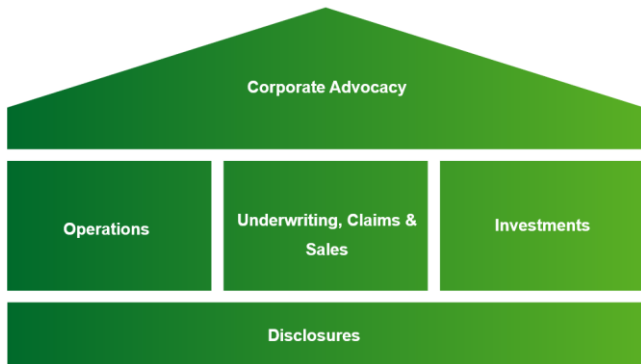


THE PADRAIG WALSH CENTRE
FOR SUSTAINABLE ANIMAL AND
GRASSLAND RESEARCH



ESG Progress in 2023

The pillars of our ESG strategy



SILVER



Corporate Advocacy

- €2.5 million contribution for Sustainable Animal and Grassland Research
- Further alignment with FBD Trust on Strategy, Funding & Key Initiatives

Operations

- Strategic projects launched to support paper reduction objective
- Facilities & Energy management system audit completed with further activities to kick off in 2024

Underwriting, Claims & Sales

- Community sponsorship initiatives - FBD Semple Stadium and Rás Tailteann
- Further integration of ESG into Underwriting policies, product oversight and governance

Investments

- Completed critical pathway to commit to the Science Based Targets Initiative
- Formalised exclusions within the investment portfolio, and implemented climate transition risk rating limits

Disclosures

- FBD is now a signatory to the UN Principles for Sustainable Insurance
- Significant progress on CSRD double materiality and gap analysis project
- Completed climate risk modelling analysis to further inform our climate scenario baseline

IFRS 17 Principles



- Comprehensive accounting standard for insurance contracts, replacing IFRS 4 and effective from 1 January 2023
- The standard establishes new principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts



Key Principles:

- Best estimate of expected cashflows discounted for time value of money
- Explicit allowance for risk associated with those cashflows in the risk adjustment
- No recognition of profit until services provided
- Timely recognition of expected losses on onerous contracts



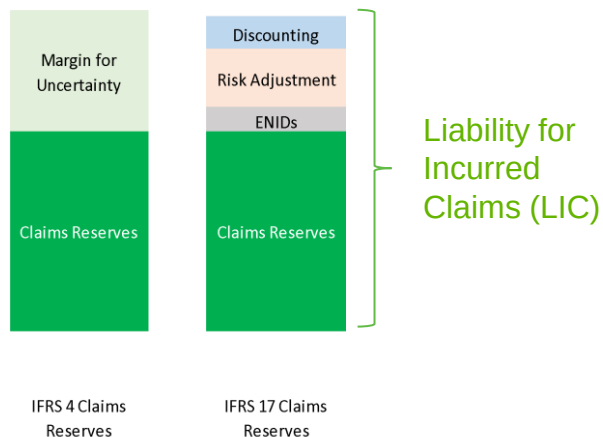
Fundamentals Unchanged:

- No impact on dividend, solvency ratio or cash generation
- No implications for strategy, risk appetite or business plans
- No change to overall profitability, discounting of claims reserves will impact timing of profit recognition
- Modest impact on total equity at transition date. Discounting impact on balance sheet more prevalent in 2022 due to interest rates rises
- FBD eligible for simplified approach of Premium Allocation Approach (PAA) as contracts are less than one year

IFRS 17 Principles contd.

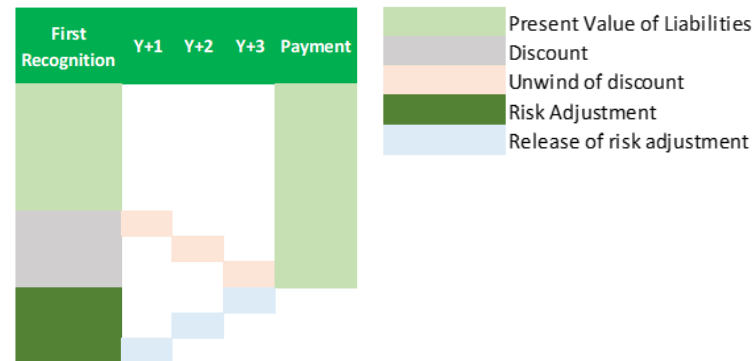
Claims Reserves

- Margin for Uncertainty is removed and Events Not in Data (ENIDs) added
- Claims liabilities are discounted, and a Risk Adjustment (RA) is applied; FBD have targeted a RA between 75% and 80%



Risk Adjustment

- Reflects uncertainty related to timing and amount of cashflows arising from non-financial risk
- Unfavourable impact on current service claims
- Release of risk adjustment on past service has a favourable impact
- FBD have adopted a confidence level approach



IFRS 17 Presentation

IFRS 17 PRESENTATION	
Insurance Revenue	X
Insurance service expenses	(X)
Net expense from Reinsurance contracts held	(X)
Insurance service result	X
Net Investment Income	X
Insurance finance income/expenses	(X)
Reinsurance finance income/expenses	X
Net insurance finance expenses	(X)
Net insurance financial result	X
Other income & expense	(X)
Profit or loss before tax	X
Insurance finance income/ expenses (OCI)	(X)
Reinsurance finance income/ expenses (OCI)	X
Other Comprehensive Income	X
Total comprehensive income	X

IFRS 17 PRESENTATION	
Assets	
Insurance contract assets	
Reinsurance contract assets	
Liabilities	
Insurance contract liabilities	
(LRC + LIC)	
Reinsurance contract liabilities	

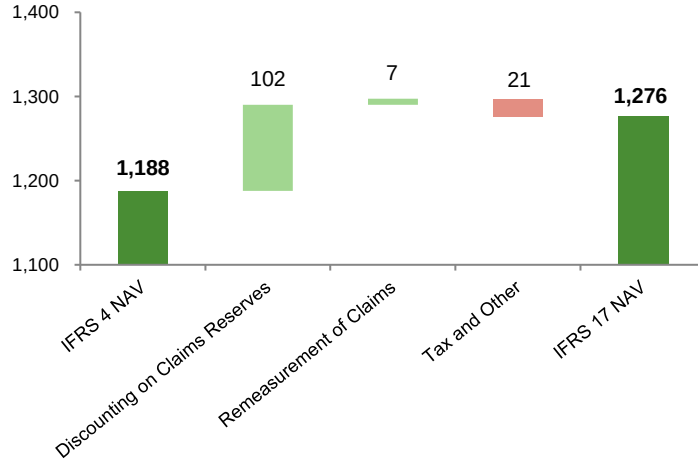
IFRS 4 PRESENTATION	
Gross Written Premium	X
Reinsurance Premiums	(X)
Net Written Premiums	X
Change in provision for unearned premiums	X
Net Earned Premium	X
Net investment return	X
Total Income	X
Net claims and benefits	(X)
Other underwriting expenses	(X)
Other expenses	(X)
Total operating expenses	X
Profit or loss before tax	X
Other comprehensive income	X
Total comprehensive income	X

IFRS 4 PRESENTATION	
Assets	
Deferred acquisition costs	
Insurance debtors (Premiums receivable)	
Reinsurance contract assets	
Liabilities	
Unearned premiums	
Claims Outstanding	
Insurance creditors (Premiums payable to reinsurers)	

- GWP/NWP/NEP no longer on face of P&L
- Income on instalment premium now part of insurance revenue (previously other income)
- Claims incurred discounted for time value of money in insurance service expenses
- Discounting unwound in the insurance finance income and expenses (IFIE)
- FBD have elected to disaggregate IFIE - Changes in discount rate subsequent to initial recognition rate recognised in the IFIE OCI – this is consistent with the treatment of assets (FVOCI)
- Only directly attributable expenses in insurance service result, non-attributable expenses move to other expenses

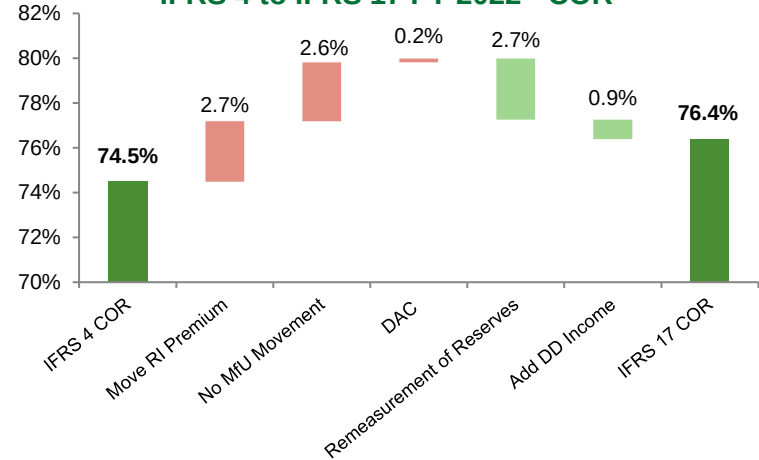
NAV and COR Bridge – FY 2022

IFRS 4 to IFRS 17 FY 2022 - NAV



- Claims reserves discounted as the weighted time to settle is >greater than one year
- Requirement to allow for the time value of money is a change from the previous practice (not discounted under IFRS 4)
- The introduction of the explicit risk adjustment as an allowance for uncertainty replaces the Margin for Uncertainty under IFRS 4

IFRS 4 to IFRS 17 FY 2022 - COR



- Reinsurance premium moves to numerator of ratio
- Service Charge on instalment premium now included in Insurance Revenue (denominator)
- Claims now discounted for time value of money – initial discounting part of reserve measurement in COR
- IFRS 17 incorporates a more prescribed approach in determining the Deferred Acquisition Costs (DAC) asset compared to IFRS 4

Underwriting Environment

New Legislation signed into law in 2023

- **Irish Motor Insurance Database (IMID):**
Information sharing with Department of Transport to combat uninsured driving
- **Amendments to Occupiers Liability Act**
Changes to amend the “common duty of care” provisions in the Occupiers’ Liability Act 1995
- **Road Traffic and Roads Act 2023:**
Makes changes to RTA legislation to better regulate use of scramblers/quads and e-bikes/e-scooters
- **Protection of the Collective Interests of Consumers:**
Transposes an EU directive giving designated “Qualified Entities” the power to take enforcement action on behalf of consumer groups

Other Legislative Developments

- Monitoring each of these as they progress through the legislative process to assess portfolio impacts
 - Motor Insurance Directive
 - Flood Insurance Bill
 - CICA Bill 2023



Claims Environment and Emerging Trends

Injury



- Injuries Resolution Board settlement rates higher than 2022 however Direct with Solicitor and Claimant remains lower
- Challenge to the Personal Injuries Guidelines heard by the Supreme Court in February 2023 - we await the Judgement
- Legal costs in both the High and Circuit Courts are continuing to increase as a proportion of settlement costs

Progress on Claims Reform



- Personal Injury Guidelines
 - Consistent reductions of 40%-45% versus Book of Quantum
 - Court awards in excess of Injuries Resolution Board continue to be seen
 - FBD fully support the work of the Government and the insurance reform agenda
- PPO legislation was signed into law in July – we await the recommendations on a suitable indexation rate

Motor & Property



- Motor Damage notifications increasing and are materially up on pre-Covid levels – substantial Parts, Paint & Labour inflation continue to be observed
- Property notifications up on last year. The average claims cost increased due to a change in mix of claims and inflation, with double digit increases in Escape of Water, Fire and Storm costs
- Settlement rates for Property and Motor Damage are ahead of 2022

Claims Trends



Motor Damage and **Property** average Claims costs have **increased by 17% and 25%** respectively in 2023, and are now up **50% and 52%** on 2019, due to disrupted supply lines, skills shortages, materials & parts inflation and business interruption settlements



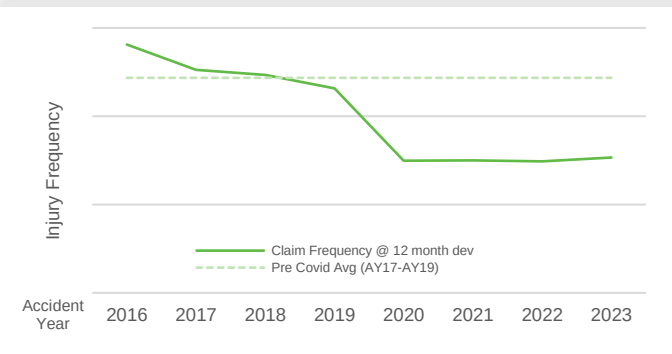
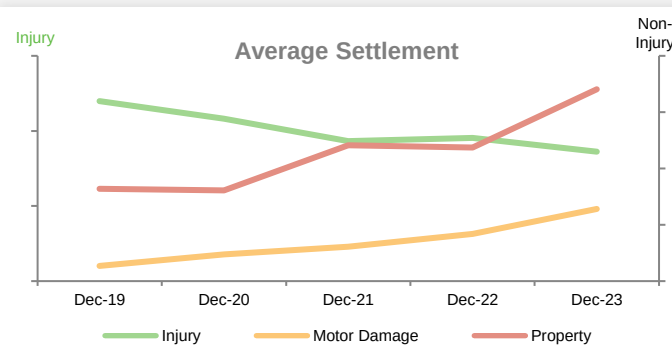
Average **Injury** Claims costs are **down 3%** in 2023, continuing the **positive trend** seen since the introduction of the personal injury guidelines in 2021. Injuries Resolution Board acceptance rates are in line with 2022



Injury **settlement activity** is **down 9%** on 2022 and **32% on 2019**, with claimant solicitor engagement on the new injury guidelines a feature to these trends



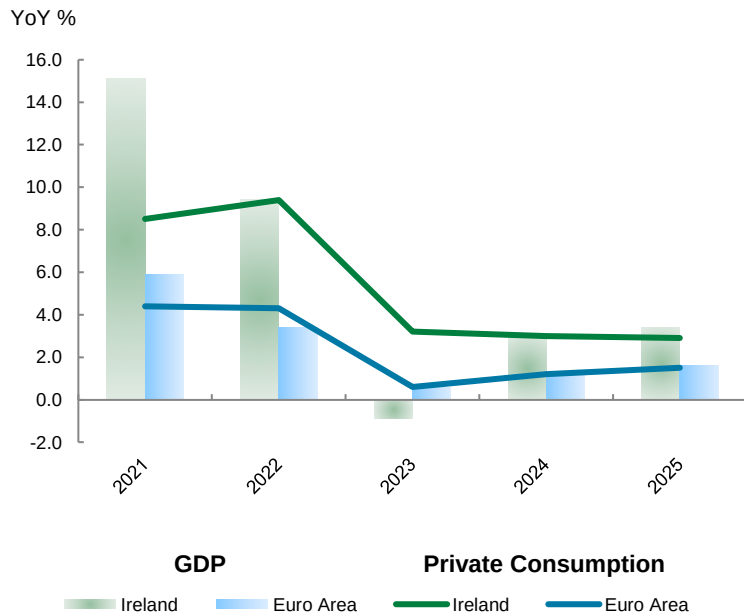
Private Motor Injury Frequency remains below pre-Covid levels however increases continue to be observed in **Motor Damage** Loss Ratios & Frequency in 2023, with similar trends seen in Commercial & Agri Motor



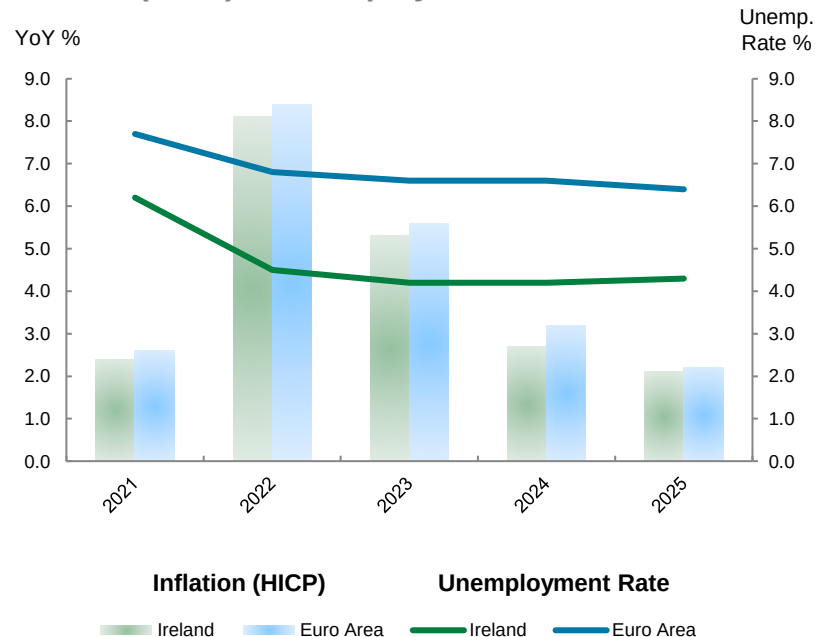
* Claimants with settlement payments up to and including €250,000 are included

Ireland & Euro Area Economic Environment

GDP & Private Consumption

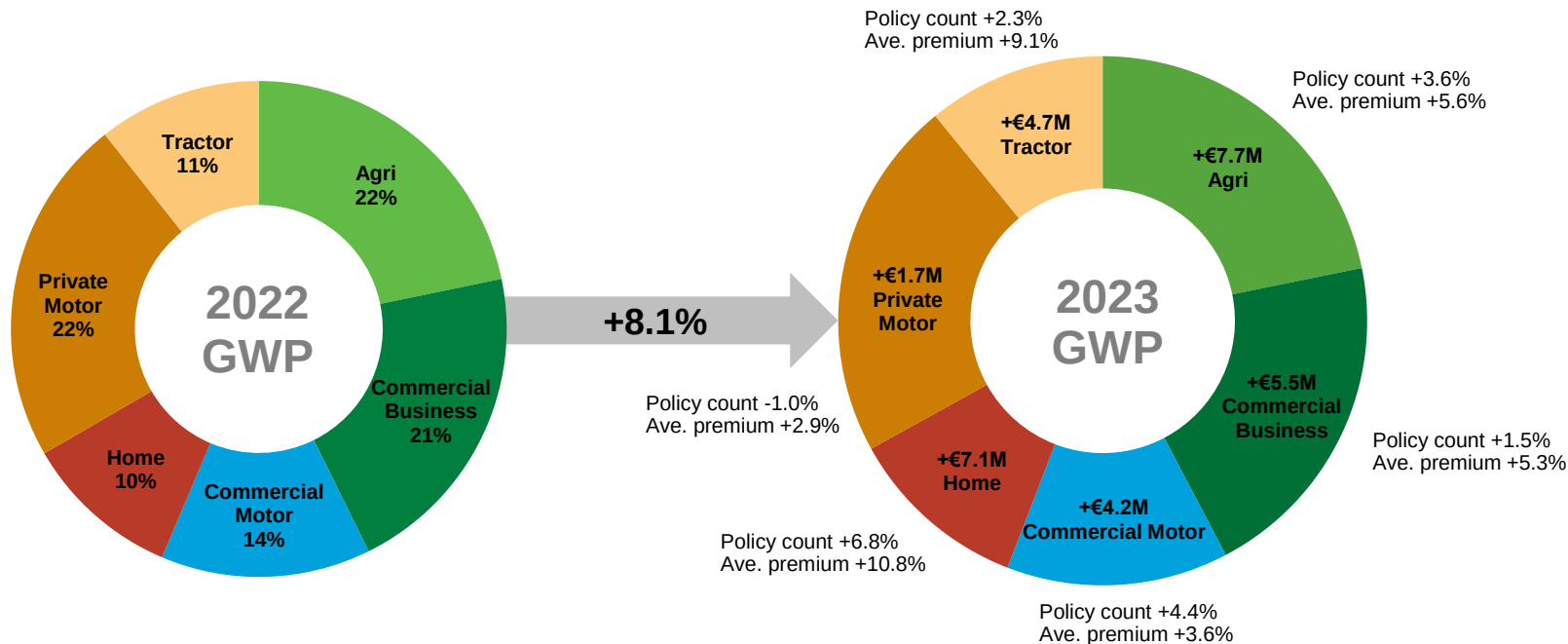


Inflation (HICP) & Unemployment Rate



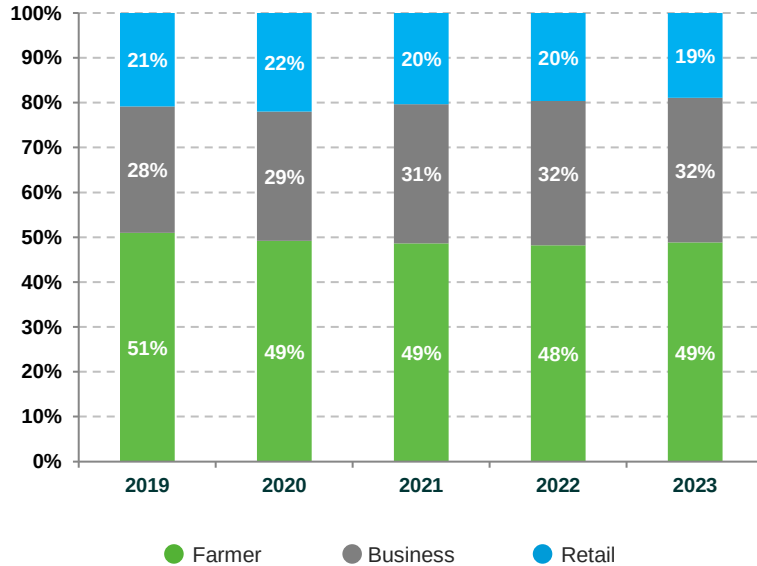
Source: European Commission Autumn Economic Forecast

Premium Performance by Product

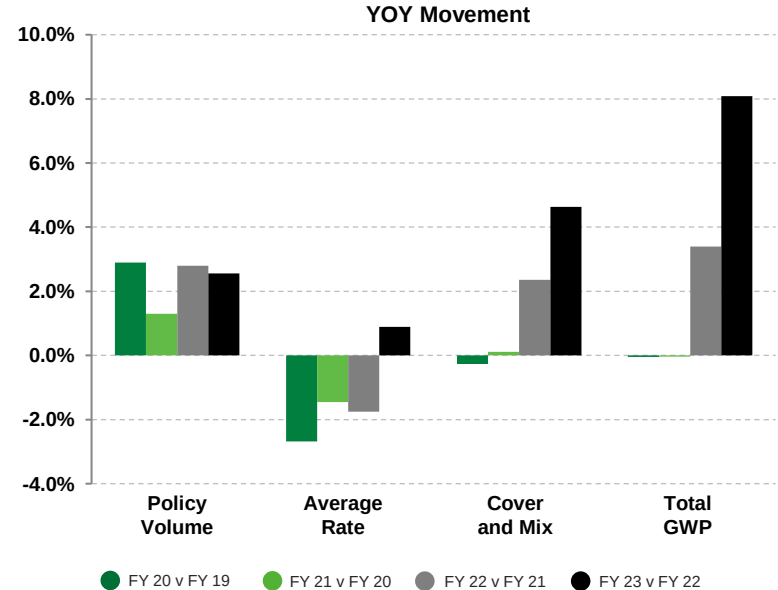


Premium Analysis

Premium by Customer Sector



Change in GWP



Customer Sectors



Farmer

- Farmer sector retention remains very strong and improved further in 2023
- Average premium increases supported by our Inflation protection campaign
- Net Policy growth was evident across the year in line with our strategy
- Cross-selling in our Farmer sector has resulted in an increased policy ratio



Business

- GWP up on last year across both channels
- Strong renewal retention and new business conversions supporting policy count growth
- Renewal premium growth aided by increases to property sums insured and indexation

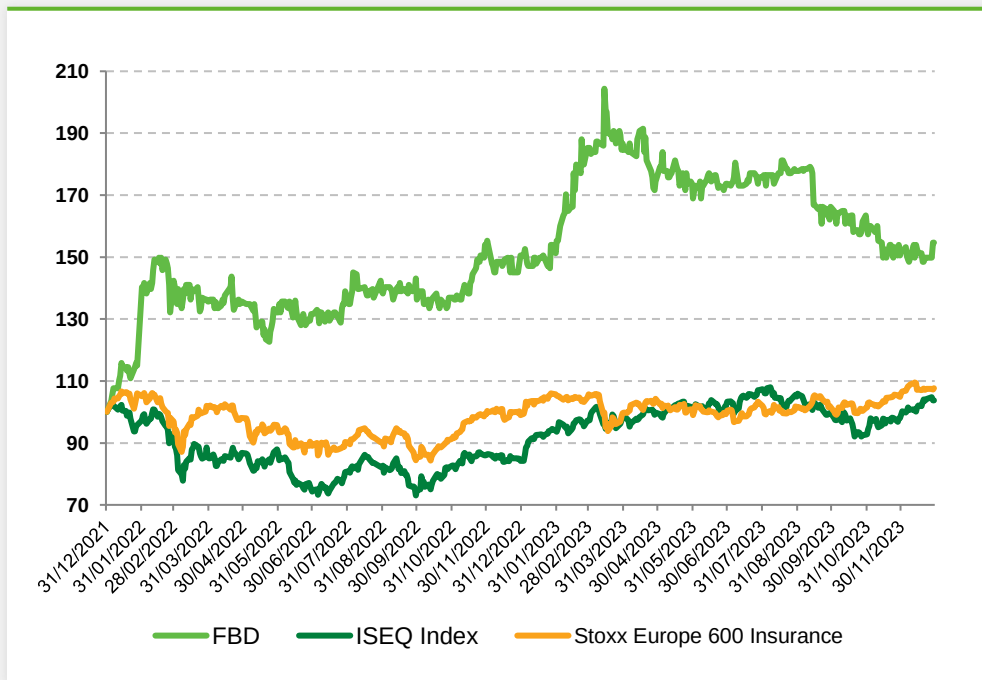


Retail

- Marginal growth in what continues to be a competitive market
- Strong Private Motor and Home retention rates maintained in 2023
- Bank of Ireland partnership is up and running
- An Post Insurance continued its growth trajectory in the second half of the year



FBD Share Price Performance



Glossary

Acquisition

The total of net commission and operating expenses incurred in the generation of net earned premium and often expressed as a percentage of net earned premium. The operating expenses are after the transfer of direct costs for claims settlement expenses which are included in net incurred claims expense.

Best Estimate

The actuary's expectation of future cost to settle all outstanding claims net of any margin for uncertainty, representing a 50% probability that the reserves are adequate to settle all future claims.

Casualty Insurance

Insurance that is primarily concerned with the losses resulting from injuries to third persons or their property (i.e. not the policyholder) and the resulting legal liability imposed on the insured. It includes, but is not limited to, general liability, employers' liability, workers' compensation, professional liability, public liability and motor liability insurance.

Catastrophe Reinsurance

A reinsurance contract (often in the form of excess of loss reinsurance) that, subject to specified limits and retention, compensates the ceding insurer for losses in related to an accumulation of claims resulting from a catastrophe event or series of events.

Claim

The amount payable under a contract of insurance or reinsurance arising from a loss relating to an insured event.

Claims Handling Expense (CHE)

Costs incurred in the investigation, assessment and settlement of a claim.

Claims Incurred

The aggregate of all claims paid during an accounting period adjusted by the change in the claims provision for that accounting period.

Claims Provision

The estimate of the most likely cost of settling present and future claims and associated claims adjustment expenses plus a risk margin to cover possible fluctuation of the liability.

Combined Operating Ratio

The sum of the loss ratio and expense ratio. A combined operating ratio below 100% indicates profitable insurance results. A combined operating ratio over 100% indicates unprofitable results.

Deferred Acquisition Costs

Acquisition costs relating to the unexpired period of risk of contracts in force at the balance sheet date which are carried forward from one accounting period to subsequent accounting periods.

Directly Attributable Expenses

Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs

Events Not in Data (ENID)

Insurers are required to allow for all possible events when setting their technical provisions, including those that may not have been historically realised. This is done by allowing for events not in data when calculating technical provisions.

Excess of Loss Reinsurance

A form of reinsurance in which, in return for a premium, the reinsurer accepts liability for claims settled by the original insurer in excess of an agreed amount, generally subject to an upper limit.

Expense Ratio

Insurance acquisition expenses and non-attributable expenses as a percentage of insurance revenue.

Glossary

Fair Value through Other Comprehensive Income (FVOCI)	Financial assets classified and measured at fair value through other comprehensive income.
General Insurance	Generally used to describe non-life insurance business including property and casualty insurance.
Gross Claims Incurred	The amount of claims incurred during an accounting period before deducting reinsurance recoveries.
Gross Earned Premium (GEP)	The total premium on insurance earned by an insurer or reinsurer during a specified period on premiums underwritten in the current and previous underwriting years.
Gross Written Premium (GWP)	The total premium on insurance underwritten by an insurer or reinsurer during a specified period, before deduction of reinsurance premium.
Incurred but not Reported (IBNR)	Claims arising out of events that have occurred before the end of an accounting period but have not been reported to the insurer by that date.
Insurance Finance Income or Expenses (IFIE)	IFRS 17 permits an entity to choose to present insurance finance income or expenses either in profit or loss or disaggregated between profit or loss and OCI. This choice is made on a portfolio-by-portfolio basis.
Insurance Service Result	Insurance revenue less Insurance service expenses less Net expenses from reinsurance contracts held.
Long-tail	Classes of insurance business involving coverage for risks where notice of a claim may not be received for many years and claims may be outstanding for more than one year before they are finally quantifiable and settled by the insurer.
Loss Ratio	Claims incurred net of reinsurance result as a percentage of insurance revenue.
Margin for Uncertainty	The margin held over and above the actuarial best estimate in order to provide greater certainty that claims reserves will be sufficient to settle all outstanding claims as they fall due.
Net Asset Value (NAV)	Net Asset Value is the net value of an entity's assets less its liabilities, divided by the number of shares outstanding.
Net Claims Incurred	The amount of claims incurred during an accounting period after deducting reinsurance recoveries.
Net Claims Ratio	Net claims incurred as a percentage of net earned premium.
Net Earned Premium (NEP)	Net written premium adjusted by the change in net unearned premium for a year.
Net Investment Income	Gross investment income net of foreign exchange gains and losses and investment expenses.
Net Written Premium (NWP)	The total premium on insurance underwritten by an insurer during a specified period after the deduction of premium applicable to reinsurance.
Other Comprehensive Income (OCI)	Other comprehensive income consists of revenues, expenses, gains, and losses that, under IFRS standards, are excluded from net income on the income statement.

Glossary

Outstanding Claims Provision	The amount of provision established for claims and related claims expenses that have occurred but have not been paid.
Personal Lines	Insurance for individuals and families, such as private motor vehicle and homeowners insurance.
Policyholders' Funds	Those financial assets held to fund the insurance provisions of the Group.
Premium	Amount payable by the insured or reinsured in order to obtain insurance or reinsurance protection.
Premium Allocation Approach (PAA)	The Premium Allocation Approach is a simplification of the General Model for measuring insurance contract assets and liabilities during the coverage period. It is allowed as an optional measurement approach under IFRS 17, mainly intended for contracts of short duration.
Risk Adjustment (RA)	The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts
Short-tail	Classes of insurance business involving coverage for risks where claims are usually known and settled within 12 months.
Recoveries	The amount of claims recovered from reinsurance, third parties or salvage.
Reinsurance	An agreement to indemnify a primary insurer by a reinsurer in consideration of a premium with respect to agreed risks insured by the primary insurer. The enterprise accepting the risk is the reinsurer and is said to accept inward reinsurance. The enterprise ceding the risks is the cedant or ceding company and is said to place outward reinsurance.

Reinsurer	The insurer that assumes all or part of the insurance or reinsurance liability written by another insurer.
Retention	That amount of liability for which an insurance company will remain responsible after it has completed its reinsurance arrangements.
Return on Equity (ROE)	Profit after Tax as a percentage of average current year and prior year Equity attributable to ordinary equity holders of parent
Return on Targeted Equity (ROTE)	Profit after Tax as a percentage of IFRS Ordinary Shareholder Funds, at the SCR Risk Appetite
Underwriting	The process of reviewing applications submitted for insurance or reinsurance coverage, deciding whether to provide all or part of the coverage requested and determining the applicable premium.
Underwriting Expenses	The aggregate of policy acquisition costs, and administrative, general and other expenses attributable to underwriting operations.
Underwriting Result	Insurance service result less non-attributable expenses and movement in other provisions.
Underwriting Year	The year in which the contract of insurance commenced or was underwritten.
Unearned Premium	The portion of a premium representing the unexpired portion of the contract term as of a certain date.
Written Premium	Premiums written, whether or not earned, during a given period.