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FBD HOLDINGS PLC

2021 SOLVENCY AND
FINANCIAL CONDITION REPORT
(INCORPORATING INFORMATION ON
FBD INSURANCE PLC)



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Introduction

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

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

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

Business and Performance

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

The Business and Performance section highlights the profitability of FBD Holdings plc as the Group recorded a profit before tax of €110.4m (2020: €4.8m). The Group delivered an underwriting profit of €95.2m, compared to the underwriting loss of €4.4m in 2020.

Net claims incurred (Net claims and benefits plus movements in Other provisions) reduced by €85.4m to €145.7m (2020: €231.1m). The main change relates to an increase in positive prior year reserve development from €23.3m in 2020 to €63.6m in 2021. In addition the Business Interruption claims costs of €54.0m in 2020 did not recur in 2021. These have been offset by €13.2m costs for consequential payments following the application of the Central Bank Business Interruption Supervisory Framework to FSPO decisions on Business Interruption complaints.

The Group's expense ratio was 27.9% (2020: 28.1%). Other underwriting expenses were €93.4m, an increase of €4.8m on 2020. The increase in expenses is primarily made up of accelerated amortisation in respect of the policy administration system offset by a higher allocation to claims handling expenses following an updated cost allocation review.

FBD's total investment return for 2021 was 0.3% (2020: 1.3%). 1.3% (2020: 0.9%) is recognised in the Consolidated Income Statement and -1.0% (2020: 0.4%) in the Consolidated Statement of Other Comprehensive Income (OCI). The positive investment return through the Income Statement is largely due to the strong performance of risk assets over the year.

System of Governance

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

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

At 31 December 2021 the Board comprised two Executive Directors and ten Non-Executive Directors, including the Chairman. The Board deemed it appropriate that it should have between 8 and 12 members and that this size is appropriate, being of sufficient breadth and diversity to ensure that there is healthy debate and input. Mr Walter Bogaerts has indicated his intention not to go forward for re-election at the 2022 AGM.

Risk Profile

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

Valuation for Solvency Purposes

The Valuation for Solvency Purposes outlines the difference between the Solvency II Valuation and the financial statements for the Group and FBD Insurance plc. FBD Holdings plc and FBD Insurance plc financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Capital Management

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

At 31 December 2021 the Group Solvency Capital Ratio was 213%. The FBD Insurance plc ratio was 208%.

A. Business and Performance

A1. The Business

A1.1 The Undertaking

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

FBD Holdings plc
FBD House
Bluebell
Dublin 12
D12 YOHE
Ireland

A1.2 Supervisory Authority

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

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

A1.3 Independent Auditors

FBD's independent auditors are:

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
North Wall
Dublin 1
D01 X9R7
Ireland

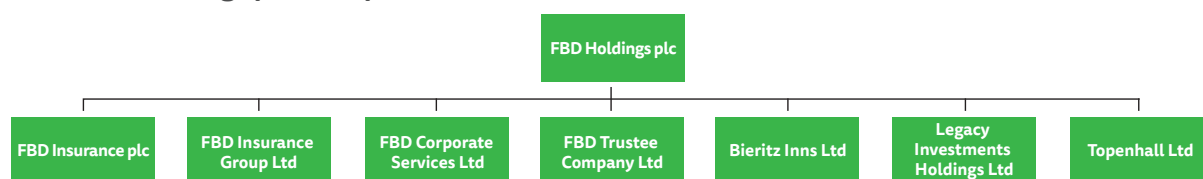
A1.4 FBD Shareholders with qualifying holdings:

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

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

FBD Trust Company Limited	No. of Shares	% of Class	% of Voting Rights
Ordinary shares of €0.60 each	2,984,737	8%	8%
8% Non-Cumulative Preference Shares	2,062,000	58%	5%
Total % Voting Rights			13%

A1.5 FBD Holdings plc Group Structure:



FBD Holdings plc ('FBD' or the 'Group')	Ireland A holding company which is parent to the other Group companies
FBD Insurance plc ('the Company')	Ireland A regulated insurance company which underwrites motor, property, liability and other smaller insurance lines
FBD Insurance Group Ltd t/a FBD Insurance	Ireland FBD Insurance Group Limited is a subsidiary of FBD Holdings plc and it performs the sales and marketing activities of the Group
FBD Corporate Services Limited	Ireland This company employs all staff working for the Group from 1 January 2018
FBD Trustee Company Limited	Ireland The principle activity of this company is to act as Trustee to FBD Insurance plc pension schemes
Non-Principal Subsidiaries (represents less than 1% of FBD Holdings Net Asset Value)	
Bieritz Inns Limited	Ireland The company activities are property investment and development
Legacy Investments Holdings Limited	Ireland A company used for investment purposes
Topenhall Limited	Isle of Man The principal activity is the holding of land in Warwickshire

A1.6 Relevant Operations Transactions Within the Group

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

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

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

A1.7 Material lines of business and geographical areas

FBD Insurance plc underwrites insurance in Commercial, Agri and Consumer segments covering farm, business, home and motor insurance in Ireland.

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

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

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

A1.8 Significant Business or Events during the Reporting Period

The quantum hearing judgement delivered on January 28th 2022 clarified the position for Business Interruption claims in respect of the definition of business closure and on other matters such as allowable wages. The reinsurance recovery levels were agreed with our reinsurers for the expected impacted layers of the catastrophe programme, clarifying the application of our reinsurance contract cover. FBD is ready to move to the next phase of the process and arrange final claims settlements with our public house customers.

FBD made consequential payments to impacted FBD public house customers following the FSPO decisions earlier in the year, in line with the Central Bank of Ireland's Business Interruption Insurance Supervisory Framework. FBD has paid over €11m as at 31 December 2021 with the remaining payments to follow, on receipt of further requested information.

The Personal Injury Guidelines were introduced during the year which have enabled FBD to reduce premiums for our customers as lower costs expected for minor injury claims.

A2. Underwriting Performance

A2.1 The Undertaking

The Group's underwriting income and expenses by Solvency II material lines of business for 2021 and 2020 are set out in the tables below.

	Motor vehicle liability insurance 2021 €000s	Other motor insurance 2021 €000s	Fire and other damage to property insurance 2021 €000s	General liability insurance 2021 €000s	Other insurance 2021 €000s	Total 2021 €000s
Gross Written Premium	124,183	58,051	109,402	69,386	5,306	366,328
Net Earned Premium	109,785	58,984	96,728	63,883	4,867	334,247
Net Claims Incurred including MIBI	(39,768)	(32,965)	(26,784)	(27,588)	(5,168)	(132,273)
Expenses Including CHE	(42,555)	(11,498)	(32,089)	(19,371)	(1,264)	(106,777)
Underwriting Profit/(Loss)	27,462	14,521	37,855	16,924	(1,565)	95,197

	Motor vehicle liability insurance 2020 €000s	Other motor insurance 2020 €000s	Fire and other damage to property insurance 2020 €000s	General liability insurance 2020 €000s	Other insurance 2020 €000s	Total 2020 €000s
Gross Written Premium	123,341	57,099	105,237	67,353	5,200	358,230
Net Earned Premium	107,428	56,553	83,280	63,078	4,893	315,232
Net Claims Incurred including MIBI	(40,486)	(19,489)	(135,543)	(22,214)	(3,406)	(221,138)
Expenses Including CHE	(37,366)	(12,004)	(29,254)	(18,694)	(1,155)	(98,473)
Underwriting Profit/(Loss)	29,576	25,060	(81,517)	22,170	332	(4,379)

A2.2 Gross Written Premium

The Group's underwriting activities are conducted in Ireland.

Gross written premium increased to €366.3m in 2021 (2020: €358.2m) and includes €3.3m of Covid-19 Commercial rebates (2020: €6.0m Motor and €5.8m Commercial rebates). Excluding rebates gross written premium is in line with last year, despite reducing average premium.

Customer policy count increased by 1.3%, with retention rates increasing 0.5% reaching the highest level in the last five years.

Average premium reduced by 1.3% across the book. Average premium for Private Motor reduced by 13.9% as rates reduced to reflect the Personal Injury Guidelines and benign injury claims trends. Average premium on Farm was flat with strong retention levels. Home average premium increased by 1.2% reflecting a change in cover and mix. Average premium for Commercial increased by 8.5% almost entirely due to a change in mix.

A2.3 Reinsurance

The reinsurance programme for 2022 was successfully renegotiated with a similar structure to the expiring programme. The negotiation of the 2022 renewal reflects market rate increases that incorporate recent global events and overall there was an increase in reinsurance rates of 7%.

A2.4 Claims

Net claims incurred (Net claims and benefits plus movements in Other provisions) reduced by €85.4m to €145.7m (2020: €231.1m). The main change relates to an increase in positive prior year reserve development from €23.3m in 2020 to €63.6m in 2021. In addition the Business Interruption claims costs of €54.0m in 2020 did not recur in 2021. This has been offset by €13.2m costs for consequential payments following the application of the Central Bank Business Interruption Supervisory Framework to FSPO decisions on Business Interruption complaints.

The positive prior year reserve development of €63.6m is coming from the reduction in the Business Interruption best estimate, reduced number of large claims and lower attritional claims frequency and severity in recent accident years.

Motor damage and injury claims frequency, while similar to 2020, has been lower than pre-Covid levels primarily due to the Government restrictions on movement. Excluding Business Interruption claims, Property claims frequency remained relatively consistent with the 2020 experience. There were no significant weather events in 2021; Storm Barra in December was a minor event incurring claims costs of approximately €4m.

The average cost of injury claims settlements continues to be slightly lower than that experienced pre-Covid. This is due to a change in the mix of settled cases affected by court closures and the inability to engage in pre-trial negotiation, with a backlog of cases building up in the courts system. In addition the introduction of the Personal Injuries Guidelines have had the desired impact of reducing the awards by approximately 40% for more minor injuries. As a result FBD has reflected the impact of this in premium reductions. It has yet to be seen what impact the new guidelines will have on claims settled after the PIAB process has been completed. The average cost of property claims increased 27% due to a change in mix and inflation, with further inflation expected on domestic building costs. Motor damage claims continue to experience high inflation of 8% in the year as costs of parts, paint and average labour hours per repair increase.

The increase in the movement in other provisions of €12.5m primarily relates to the FSPO consequential payments. The Motor Insurers Bureau of Ireland (MIBI) levy and Motor Insurers Insolvency Compensation Fund (MIICF) contribution combined totalled €9.0m (2020: €9.7m).

A2.5 Claims Environment

Covid-19 continued to affect the claims environment throughout 2021. Social distancing restrictions have had a material impact on the courts, with lengthy delays experienced. While there were six new judicial appointments recently, FBD notes there remains a backlog in the court system. Restrictions on our ability to arrange settlement talks have also impacted on settlement rates which are showing a marked decline on pre-Covid rates.

The introduction of the new Personal Injury Guidelines continues to bring caution to the approach of claimant solicitors, who are reluctant to engage in settlements for such cases and instead are anxious to determine the attitude of the courts to the adoption of the guidelines. FBD is experiencing a build-up of older, higher value injury claims as a result of slowdowns.

Whilst the changes to Personal Injuries Guidelines introduced in April are a positive move for the customer and the insurance industry, there are a number of uncertainties, namely, the extent of cost changes for future settlements and legal fees, the impact on the PIAB acceptance rate, and the potential for newly classified injuries to increase costs. FBD continues to track injury settlements and note there have been no court awards as yet.

There are a number of challenges to the Personal Injury Guidelines before the courts over the constitutionality of the laws underpinning the guidelines. The applicants' claims include that the application of the guidelines breaches the separation of powers between the legislature and the judiciary and their constitutional right to bodily integrity, property and equality. Whatever the outcome it is likely to be appealed to the Supreme Court due to the novelty of the constitutional issues involved.

FBD welcomes all initiatives in place to reduce the cost of claims including capping of general damages introduced in April and the passing of legislation dealing with perjury in injury claims. Submissions were invited regarding the reform of PIAB, in which Insurance Ireland engaged and FBD awaits the outcome from the consultation on the determination of who should decide on the appropriate discount rate.

A2.6 Weather, Claims Frequency and Large Claims

No significant weather events of note occurred during 2021 which is consistent with the experience of the previous two years. December's Storm Barra brought with it the highest number of property claims in any month of 2021 with a claims cost of €4m. Overall weather claims costs of approximately €9m were very similar to the weather costs experienced in 2020.

As a result of the Covid-19 pandemic and the restrictions put in place by the Government there continued to be a significant reduction in Motor and Liability claims during the year when compared to pre-Covid norms. This was particularly evident in the first two months of the year when the country was at Level 5 lockdown. Frequency of Motor claims remained below normal levels in the second half of the year, albeit at much higher levels than those observed at the beginning of the year. Frequency for liability claims has reverted back close to pre-Covid norms over the last few months of the year. The frequency of claims relating to Farm activities remained relatively stable throughout the year.

Large injury claims notified in 2021 are 31% lower than the average of previous pre-Covid years, defined as a value greater than €250k, with Covid-19 affecting frequency and possibly impacting the normal flow of information.

A2.7 Expenses

The Group's expense ratio was 27.9% (2020: 28.1%). Other underwriting expenses were €93.4m, an increase of €4.8m on 2020. The increase in expenses is primarily made up of accelerated amortisation in respect of the policy administration system offset by a higher allocation to claims handling expenses following an updated cost allocation review.

The expense ratio reduced by 0.2% as a result of higher earned premium and additional costs allocated to claims handling expenses offset by accelerated amortisation on the policy administration system. Excluding the accelerated amortisation the expense ratio would be 26.1%.

A3. Investment Performance

A3.1 Investment Return

FBD's total investment return for 2021 was €3.5m (0.3% as a percentage of average assets under management for the year). This compares with €14.9m for the full year 2020 (1.3%).

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

	2021 €000s	2020 €000s
Actual return		
Corporate bonds	(2,599)	3,965
Government bonds	(4,625)	5,792
Deposits and cash	(387)	(197)
Investment property	130	(188)
Equities	8,830	4,658
Other risk assets	2,128	862
Total investment income	3,447	14,892

Investment markets benefited from the strong economic recovery, particularly in developed markets, following the successful vaccine roll-out and reopening of societies. Global equity markets outperformed expectations although there were bouts of volatility due to the emergence of new variants and concerns around the impact of inflation and interest rates on valuations with the tech sector being particularly at risk. After a strong start to the year, emerging market equities suffered from a regulatory crackdown in China as well as both the US and China increasing barriers to overseas listing of Chinese firms.

The buy and maintain bond portfolios experienced mark-to-market losses as risk free rates soared in the final quarter as persistent inflation increased expectations for tighter monetary policy. While a combined €12m loss flowed through the OCI, these were gains that were expected to unwind as the bonds neared maturity and the portfolios still carried an unrealised gain of €9.2m at year-end.

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

Corporate Bonds

The book yield on the corporate bond portfolio was in line with expectations however the overall income return was higher than budgeted due to gains realised on trading undertaken in Q1 to implement the ESG strategy. Mark to Market returns were negative as interest rates rose while credit spreads remained relatively stable on a strong economic outlook.

Government Bonds

The income on the Sovereign Bond portfolio was in line with expectations while Mark to Market returns were negative as yields rose due to the impact of inflation and potential unwinding of monetary stimulus.

Deposits and Cash

Returns on deposits and cash remain low due to the low interest rate environment with major institutions increasingly passing the full negative rates onto clients.

Investment Property

The negative return on the Investment Property – due to partial vacancy and a valuation decrease - was offset by a gain on the sale of the legacy Warwickshire property held by Topenhall Limited.

Equities

Equity markets had a strong return due to the economic recovery with the Global equity investment returning 20.3% (as a % of average assets invested during the period), Sustainable equity returning 20.7% and the Emerging Markets equities returning 3.9%.

Other Risk Assets

The Global High Yield Bond fund returned 4.9% offsetting losses on the Emerging Markets Debt and Absolute Return Fixed Income funds while the private markets funds have started to generate income with a return of €0.9m.

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

	31 December 2021		31 December 2020	
	€m	%	€m	%
Corporate bonds	589	48%	552	47%
Government bonds	303	25%	311	26%
Deposits and cash	175	14%	180	15%
Other risk assets	88	7%	68	6%
Equities	50	4%	49	4%
Investment property	16	2%	17	2%
	1,221	100%	1,177	100%

The Group adopts a conservative investment strategy to ensure that its technical reserves are matched by cash and fixed interest securities of low risk and similar duration. FBD invested an additional €40m into its corporate bond portfolio during the year. The additional cash resulted from the non-payment of dividends and slower than usual payment of claim settlements. The risk asset fund saw an increase of €10m as excess cash was allocated to the low-volatility Absolute Return Fixed Income fund before being switched to Emerging Market Debt as part of a rebalancing towards the long-term strategic allocation. Further increases to risk assets were delayed given the uncertainty around the outcome of the Business Interruption case and the lack of buying opportunities due to high valuations so the Group remains underweight the target allocation and the risk budget.

Other risk assets at 31 December 2021 consisted of Global High Yield Bonds, Emerging Market Debt, Absolute Return Fixed Income, Senior Private Debt and Infrastructure Equity funds.

A3.2 Investments in Securitisation

The Group has no investments in securitisation.

A4. Performance of other activities

There are no other activities that are material.

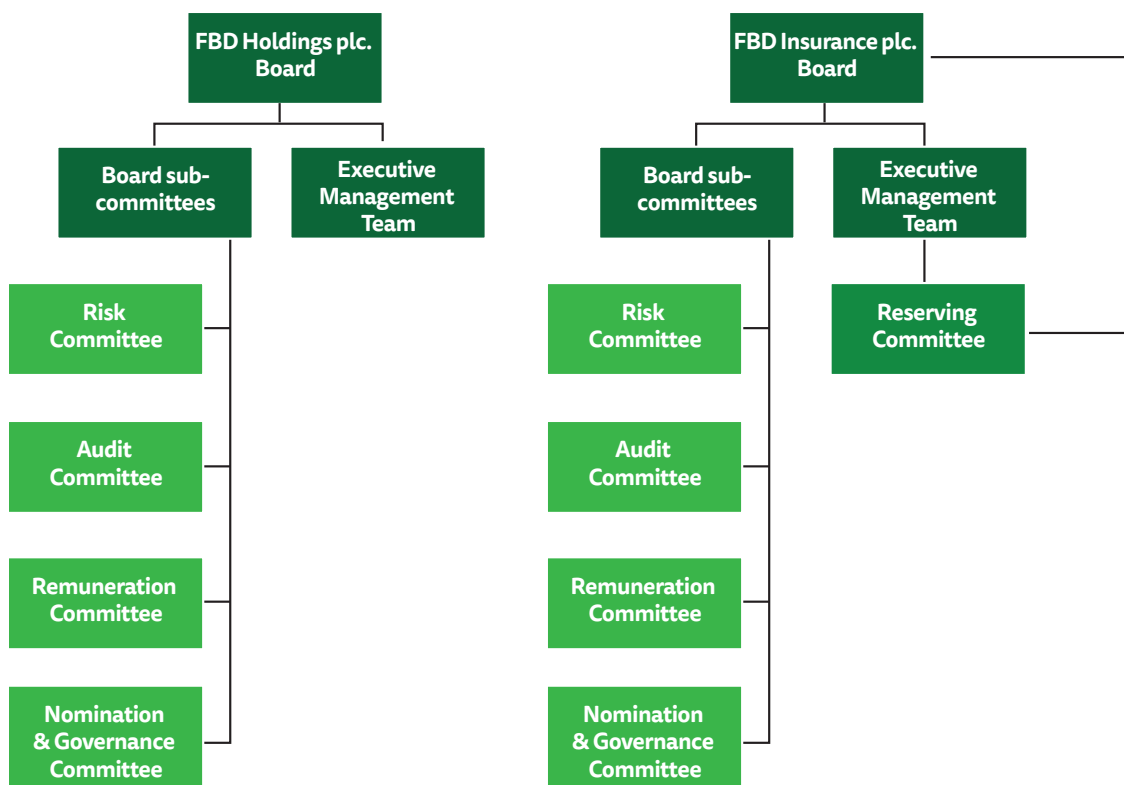
A5. Any other information

No other material information to be disclosed.

B. System of Governance

B1. General Information

B1.1 The Board and Committees Structure



FBD implemented a change to the Board structure appointing separate Chairpersons for FBD Holdings plc and FBD Insurance plc. The membership of the Board Committees for Holdings and Insurance are consistent with different Chairpersons appointed for each Committee. When referring to the Board and Board Committees below they cover both the FBD Holdings plc and FBD Insurance plc Committees.

The Board

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

The Board has approved a Corporate Governance Framework setting out its role and responsibilities. This is reviewed annually as part of the Board's evaluation of its performance and governance arrangements. The Framework includes a formal schedule of matters reserved to the Board for its consideration and decision, which includes:

- the approval of the Group's objectives and strategy;
- approval of the annual budget including capital expenditure and the review of the Group's systems of internal control;
- maintenance of the appropriate level of capital, the allocation thereof and decisions as to the recommendation of payment of dividends;
- approval of financial statements; and
- the appointment of Directors and the Company Secretary.

This schedule ensures that the skills, expertise and experience of the Directors are harnessed to best effect and ensures that any major opportunities or challenges for the Group come before the Board for consideration and decision. The schedule was last reviewed in October 2021.

Other specific responsibilities of the Board are delegated to Board appointed Committees, details of which are given below.

Risk Committee

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

The key responsibilities delegated to the Committee are to:

- promote a risk awareness culture within the Group;
- ensure that the material risks and emerging risks facing the Group have been identified and that appropriate arrangements are in place to manage and mitigate those risks effectively;
- advise the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, the amounts, types and distribution of capital adequate to cover the risks of the Group;
- review and challenge risk information received by the Chief Risk Officer from the business departments to ensure that the Group is not exceeding the risk limits set by the Board;
- present a profile of the Group's key risks, risk management framework, risk appetite and tolerance and risk policies at least annually together with a summary of the Committee's business to the Board.

Audit Committee

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

The key responsibilities delegated to the Committee include:

- reviewing the Group's financial results announcements and financial statements;
- reviewing the Solvency II returns;
- overseeing the relationship with the external auditors including reviewing and approving their terms of engagement and fees;
- reviewing and monitoring the independence and objectivity of the Statutory Auditor and the effectiveness of the audit process;
- reviewing the scope, resources, results and effectiveness of the Group's internal audit function; and
- performing detailed reviews of specific areas of financial reporting as required by the Board or the Committee.

The Committee members have been selected to ensure that the Committee has available to it the range of skills and experience necessary to discharge its responsibilities.

Remuneration Committee

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

The key responsibilities delegated to the Committee include:

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

Nomination and Governance Committee

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

The key responsibilities delegated to the Committee include:

- reviewing the structure, size and composition of the Board and making recommendations to the Board for any appointments or other changes;
- recommending changes to the Board's Committees;
- advising the Board in relation to succession planning both for the Board and the Senior Executives in the Group;
- monitor the Group's compliance with corporate governance best practice with applicable legal, regulatory and listing requirements and to recommend to the Board such changes as deemed appropriate; and
- overseeing, in conjunction with the Board's Chairman, the conduct of the annual evaluation of the Board, Board Committees, Chairman and individual Director Performance.

Reserving Committee

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

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

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

B1.2 Key Roles

The Chairman

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

- setting the Board's agendas and ensuring that they cover the key strategic issues confronting the business;
- promoting a culture of openness and debate at Board meetings and will make sure that the Directors apply sufficient challenge to management proposals;
- facilitate the effective contribution of Non-Executive Directors in particular and ensure constructive relations between Executive and Non-Executive Directors are maintained;
- ensuring that the Directors receive accurate, timely and clear information;
- leading the Board appointment process in line with the Board Recruitment and Diversity Policy; and
- ensure that there is effective communication with shareholders.

The Group Chief Executive

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

- running the Group's business and reporting regularly on the progress and performance of the Group;
- proposing, developing and executing the Group's strategy and overall objectives in close consultation with the Chairman and the Board; and
- implementing the decisions of the Board and its Committees.

The Executive Management Team

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

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

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

B1.3 Authority and independence of key functions

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

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

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

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

Risk Function

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

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

Compliance Function

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

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

Actuarial Function

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

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

Internal Audit Function

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

B1.4 Material Changes During the Period

There were 4 changes to the Board in 2021. The table below sets out the Directors who served during 2021:

Liam Herlihy	Chairman
Walter Bogaerts	Independent Non-Executive Director
Mary Brennan	Independent Non-Executive Director
Sylvia Cronin	Independent Non-Executive Director
Tim Cullinan	Independent Non-Executive Director
Paul D'Alton	Interim Chief Executive Officer and Executive Director (Resigned 4 January 2021)
David O'Connor	Independent Non-Executive Director
John O'Dwyer	Independent Non-Executive Director (Appointed 31 August 2021)
John O'Grady	Group Chief Financial Officer
Tomás Ó Midheach	Group Chief Executive Officer (Appointed 4 January 2021)
Richard Pike	Senior Independent Non-Executive Director
Jean Sharp	Independent Non-Executive Director (Appointed 16 August 2021)
Padraig Walshe	Non-Executive Director

Our Chief Executive Officer Tomás Ó Midheach joined the Board on 4 January 2021. Tomás has brought his considerable knowledge of the Irish and international financial services landscape to FBD and has been instrumental in reviewing and setting FBD's strategic direction.

During 2021 the Committee reviewed the Board skills and identified further skill sets that would benefit the existing knowledge and experience of the Board. An independent external executive search specialist firm, Odgers Berndtson, was engaged to assist it in the search for new independent Non-Executive Directors in line with the Board requirements. Following a thorough search process against specific and defined criteria, Ms Jean Sharp and Mr John O'Dwyer joined our Board in August 2021. The Board was delighted to welcome both Ms Sharp and Mr O' Dwyer who have extensive experience in the life and general insurance industries. Their knowledge and skills will be of great benefit to our Board skill set and we look forward to working with them into the future.

Mr Bogaerts has indicated his intention not to go forward for re-election at the 2022 AGM. Mr Bogaerts has been a Member of the Board since 2016 and has served on the Board of FBD Insurance plc since 2013. We acknowledge the strong contribution Mr Bogaerts has made to the Board and planning for his succession will be carried out in line with the Board Succession Plan.

The Committee led the search for a new Group Company Secretary. Odgers Berndtson had assisted in the recruitment process against defined criteria. The Board was pleased to welcome Ms Nadine Conlon to FBD. The Board thanked Mr Derek Hall for his valued contribution in his role as Group Company Secretary. Mr Derek Hall left this position to focus on his role as Chief Risk Officer.

B1.5 Remuneration Policy and Practices

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

When determining executive director remuneration policy and practices, the Committee addresses all of the following:

- **Clarity:** remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
- **Simplicity:** remuneration structures should avoid complexity and their rationale and operation should be easy to understand;

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

Remuneration Principles

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

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

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

B1.5.1 Components of Remuneration

Fixed Remuneration

Base Salary and Allowances

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

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

Benefits and Wellbeing

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

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

Variable Remuneration

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

1. Short Term Incentives

Bonus – Head Office Employees and Management

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

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

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

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

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

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

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

50% of any executive bonus will be deferred into FBD shares for a period of three years. This practice will allow the committee to have flexibility to apply clawback if circumstances warranted.

The Remuneration Committee has determined that given management of unprecedented uncertainties due to Covid-19, the application of the deferral of bonus will be postponed to the bonus outcome for Chief Executive Officer and Chief Financial Officer. However, from 2022 onwards, 50% of any bonus payment will be deferred in line with the Remuneration Policy

Bonus – Sales Employees

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

2. Long Term Incentives

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

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

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

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

Consistent with prior periods, the LTIP rules allow the Remuneration Committee (at its sole discretion) to make awards which may be subject to an additional post vesting holding period. Awards will vest after three years once applicable performance conditions have been achieved and the vested shares (net of tax) may be required to be held for a further two year period to provide continued alignment with shareholders. The Remuneration Committee has the discretion to override formulaic outcomes in circumstances where it judges it would be appropriate to do so and any such discretion will be fully disclosed in the relevant annual report. In 2022 the Remuneration Committee will make it a requirement that awards made to Executive Directors are subject to a two year holding period post vesting.

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

B1.5.2 Components of Remuneration

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

	2021 €000s	2020 €000s
Short term employee benefits ¹	4,131	3,801
Post-employment benefits	262	295
Share based payments	1,346	1,012
Charge to the Consolidated Income Statement	5,739	5,108

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

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

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

Remuneration of Key Employee Groups

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board, and reflects the time commitment and responsibilities of their role. In setting this level, the Board has regard to the fees payable to the Non-Executive Directors of the other Irish publicly listed companies and also to the developments and policy for the remuneration of the employees in the wider Group. Non-Executive Directors receive a basic fee. Additional fees are paid for acting as Senior Independent Director, being a member of and/or chairing Board Committees. These fees are reflective of their added responsibilities and time commitment. Non-Executive Directors are not members of the Group's pension schemes and are not eligible for participation in the Group's long-term incentive schemes.

B1.6 Supplementary Pension

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

Pension

FBD offers employees a competitive defined contribution pension benefit. Employees are enrolled in the group scheme which provides a standard employer contribution rate of 8%. The pension contribution level for the Chief Executive Officer in 2022 will be 8% of base salary, which is in line with the rate for the wider workforce. The pension contribution rate for the Chief Financial Officer will be 15%. The Remuneration Committee intends to bring the Chief Financial Officer's contribution rate into line with that of the wider workforce by the end of 2022.

B1.7 Adequacy of System of Governance

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

B1.8 Material Transactions

There are no material transactions to note.

B2. Fit and proper requirements

B2.1 Fitness and Probity Policy

The Central Bank of Ireland published its Regulations and Standards of Fitness and Probity (the F&P Standards), issued under Part 3 of the Central Bank Reform Act 2010 ('the 2010 Act'), on 1 September 2011. These statutory standards came into effect on 1 December 2011.

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

FBD considers itself to be in compliance with the F&P Standards.

B2.2 Selection Due Diligence

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

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

B2.3 Continuous Due Diligence

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

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

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

B3.1 Risk Management Framework

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

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

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

B3.2 Risk Implementation and Integration

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

- consider all forms of risk in decision-making;
- create and evaluate business-unit level and Group-level risk profile to consider what's best for their individual business unit and department and what's best for the Group as a whole;
- support executive management's creation of a Group-level portfolio view of risk;
- retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- strive to achieve best practices in enterprise risk management;
- monitor compliance with policies and procedures and the state of enterprise risk management;
- leverage existing risk management practices, wherever they exist within the Group;
- document and report all significant risks and enterprise risk management deficiencies; and
- accept that enterprise risk management is mandatory, not optional.

Roles and Responsibilities

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

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

Line Management/Risk Owner

The first line of defence within each business and support unit is line management. Line management has primary responsibility for ensuring that the business complies with their specific obligations. In addition, the first line of defence is responsible for working with the Risk Management Function to identify, assess, monitor and report risk. Line management is also responsible for ensuring that all staff members receive appropriate training.

Risk Champion

Risk Champions report to their departmental manager. These individuals are well placed in FBD to ensure the continuous monitoring and reporting of their risk and control environment.

Risk Appetite Framework

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

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

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

Risk Policies

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

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

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

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

B3.3.1 ORSA Process Overview

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

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

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

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

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

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

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

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

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

B3.3.3 Overall Solvency Needs

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

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

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

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

B4. Internal Control

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

In accordance with the revised Financial Reporting Council (FRC) guidance for directors on internal control published in September 2014, "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting", the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

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

- skilled and experienced management and staff in line with fit and proper requirements;
- roles and responsibilities including reporting lines clearly defined with performance linked to Group objectives;
- an organisation structure with clearly defined lines of responsibility and authority;
- the maintenance of proper accounting records;
- a comprehensive system of financial control incorporating budgeting, periodic financial reporting and variance analysis;
- a Risk Committee of the Board and a risk management framework comprising a risk function headed by a Chief Risk Officer, a clearly stated risk appetite and risk strategy supported by approved risk management policies and processes;
- an Executive Risk Committee comprising Senior Management whose main role includes reviewing and challenging key risk information and to assist the Board Risk Committee, described earlier, in the discharge of its duties between meetings;

- the risk strategy, framework and appetite are articulated in a suite of policies covering all risk types and supported by detailed procedural documents. Each of these documents is subject to annual review and approval by the Board;
- performance of an ORSA linking to risk management, strategy and capital management;
- a Group Internal Audit function;
- a Group Compliance function;
- a Data Protection Officer;
- an Audit Committee whose formal terms of reference include responsibility for assessing the significant risks facing the Group in the achievement of its objectives and the controls in place to mitigate those risks;
- a disaster recovery framework is in place and is regularly tested;
- a business continuity framework is in place and is regularly tested;
- a number of key Group policies in place include a Corporate Governance Framework, Fitness and Probity Policy, Financial Reporting Policy, Speak Up Policy and Code of Conduct.

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

The risk management, internal control, reporting and forecasting processes are important to the Board in the exercise of its Governance and Oversight role. The Board constantly strives to further improve their quality.

The Group has established a Speak Up Policy for employees, the purpose of which is to reassure employees that it is safe and appropriate to raise any concern that they may have about malpractice and to enable them to raise such concerns safely and properly. This policy is reviewed annually and circulated thereafter to all Group employees.

Internal Controls over Financial Reporting

The main features of the internal control framework which supports the preparation of the consolidated financial statements are as follows:

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

- The Audit Committee hold a number of meetings in the lead up to the annual financial statements and the half year financial statements to have early sight of key judgements and uncertainties;
- Summary and detailed papers are prepared for review and approval by the Audit Committee covering all significant judgemental and technical accounting issues together with any significant presentation and disclosure matters;
- The Audit Committee has a number of responsibilities delegated to it under its Terms of Reference. On an annual basis an assessment is carried out of the Committee’s compliance with its Terms of Reference.

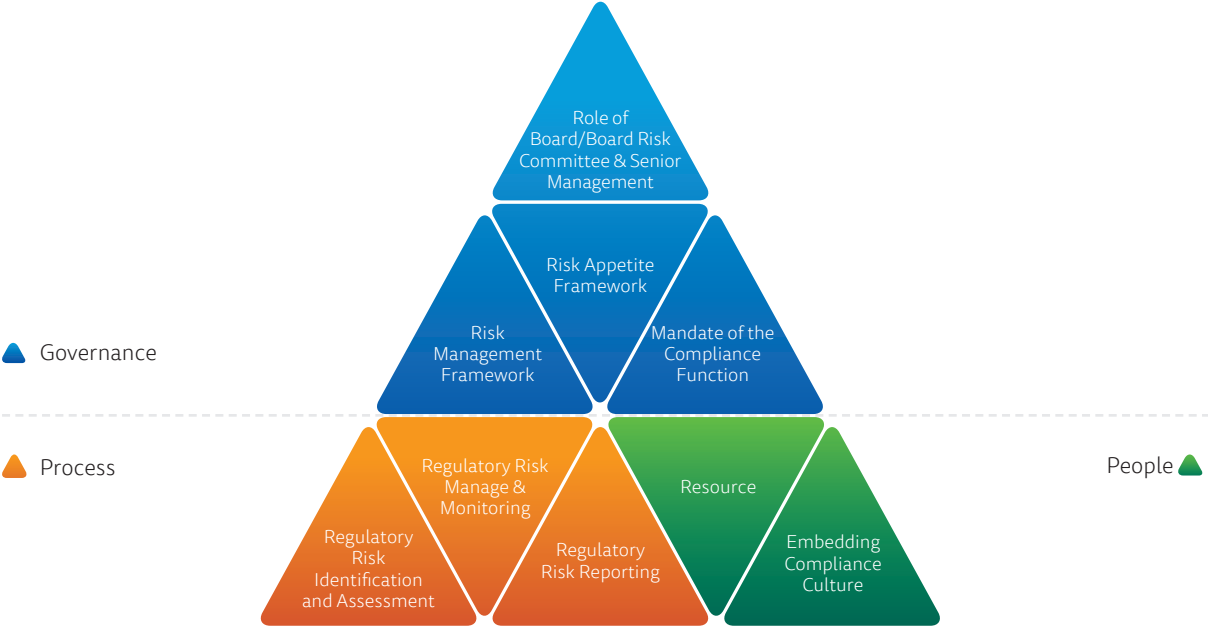
The Board confirms that it has reviewed the effectiveness of the Group’s Systems of Internal Control for the year ended 31 December 2021. The 2021 internal control assessment provides reasonable assurance that the Group’s controls are effective, and that where control weaknesses are identified, they are subject to management oversight and action plans.

B4.2 Compliance Function Implementation

Compliance Framework

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

The key elements of the Compliance Framework are illustrated below:



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

B5. Internal Audit function

B5.1 How the Internal Audit Function is Implemented

The Internal Audit Function is the third line of defence in the risk governance structure operated by the Group. Internal Audit provides independent assurance to the Board through the Audit Committee on risk-taking activities. The Internal Audit Function is formally established through its Charter, which is reviewed and approved by the Audit Committee annually. The Internal Audit Charter states that Internal Audit is to operate in compliance with the International Standards for the Practice of Internal Auditing issued by the Institute of Internal Auditors (“IIA”), the IIA’s Internal Audit Financial Services Code of Practice and the IIA’s

Code of Ethics. The Standards, Code of Practice, together with the Code of Ethics, encompass all mandatory elements of the International Professional Practices Framework (“IPPF”); therefore, conformance with the Code of Ethics and the Standards demonstrates conformance with all mandatory elements of the International Professional Practices Framework.

B5.2 Maintaining Independence and Objectivity

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

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

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

B6. Actuarial function

B6.1 Description

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

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

B6.2 Reporting

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

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

B7. Outsourcing

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

- Policy principles;
- Roles and responsibilities;
- Business case;

- Due diligence;
- Business continuity;
- Contract agreements;
- Relationship Management Framework;
- Management of Outsourced Activity; and
- Outsourcing records.

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

Critical Outsourcing Service Provided	Jurisdiction
Co-location of the data centre, Managed Services including System Monitoring, Data Backup/ Restores, Web Hosting for E-commerce and Security	Ireland
Management of the Corporate Bond Portfolio	UK*
Management of the Sovereign Bond Portfolio	Ireland
Management of the Collective Investment Schemes	Ireland
Claims Registration/Investigation/Handling/Payment processes for property claims	Ireland

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

B8. Any other information

The Board of FBD is ultimately responsible for decision making within the Group including the oversight of climate related risks. The Board has responsibility for oversight of climate related risk and for monitoring and mitigating this risk. It is responsible for the Group’s climate strategy. The newly established FBD Sustainability Committee reports to the Board through the Chief Executive Officer. There will be a climate risk agenda item on all regular Board meetings, starting in 2022, where Directors will be kept informed of all developments in this area.

FBD’s Sustainability Committee is comprised of its Executive Management Team (EMT) and is chaired by the Chief Executive Officer. The Committee is scheduled to meet at least quarterly. The Committee is tasked with coordinating the Group’s strategy for climate related risk mitigation and for driving the climate agenda across the Group. Supporting the Sustainability Committee will be the Sustainability Working Group. This is comprised of key personnel from across the business including representatives from Investments, Underwriting, Facilities, Claims, HR and Risk. Relevant departments will be required to implement FBD’s strategy for climate risk management supported by reliable metrics.

The Risk function will be represented on the FBD Sustainability Committee and will be the second line function which monitors and oversees the implementation and integration of sustainability initiatives throughout the Group.

C. Risk Profile

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

C1. Underwriting risk

Underwriting

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

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

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

Reserving

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

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

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

Catastrophe Risk

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

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

C1.1 Concentration Risk

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

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

Receivables arising out of direct insurance operations and other receivables have no significant concentration of risk.

C1.2 Risk Sensitivity for Underwriting Risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for material underwriting risks. For the 2021 ORSA, the solvency position at 30 September 2021 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

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

C2. Market risk

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

C2.1 Interest Rate and Spread Risk

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

At 31 December 2021, the Group held the following deposits and quoted debt securities:

	2021		2020	
	Market Value €000s	Weighted average interest rate %	Market Value €000s	Weighted average interest rate %
Time to maturity				
In one year or less	167,088	1.19	140,609	0.84
In more than one year, but not more than two years	140,867	0.95	201,410	1.13
In more than two years, but not more than three years	79,179	1.28	161,056	1.00
In more than three years, but not more than four years	103,619	1.04	83,953	1.21
In more than four years, but not more than five years	165,158	1.02	64,299	1.13
More than five years	236,584	0.82	251,741	1.17
Total	892,495		903,068	

C2.2 Other Market Risks

The Group is subject to equity price risk due to its holdings in collective investment schemes which invest in equities. The amounts exposed to equity price risk at the reporting date are:

	2021 €000s	2020 €000s
Equity exposure	50,019	48,931

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

	2021 €000s	2020 €000s
Property exposure	16,055	17,051

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

	2021 €000s	2020 €000s
Other risk asset exposure	87,527	67,998

These assets comprise of High Yield Bonds, Emerging Market Debt, Absolute return fixed income strategies, Senior Private Debt and Infrastructure. These assets are mainly subject to foreign exchange, interest rate and spread risk.

C2.3 Risk Sensitivity for Market Risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material market risks. For the 2021 ORSA, the solvency position at 30 September 2021 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

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

C3. Credit risk

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

Credit risk is measured separately for:

- Reinsurance assets;
- Other receivables (policyholders, agents and intermediaries);
- Cash and Cash equivalents; and
- Listed debt securities.

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

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

FBD Holdings plc	2021		2020	
	Market Value €000s	Weighted Average Duration	Market Value €000s	Weighted Average Duration
Government Bonds				
AAA	21,205	1.6	47,166	1.5
AA+	8,056	1.2	8,113	2.2
AA	92,484	4.9	69,101	4.6
A+	40,072	0.2	40,700	1.2
BBB+	70,307	5.1	72,624	6.0
BBB	48,509	4.9	-	0.0
BBB-	22,376	4.8	73,171	5.8
Total	303,009	4.0	310,875	4.2
Corporate Bonds				
AAA	-	0.0	915	0.7
AA+	2,031	6.2	3,046	1.4
AA	7,373	2.0	11,688	2.4
AA-	32,421	2.9	39,454	2.0
A+	72,825	3.3	55,059	2.4
A	59,667	2.7	76,189	2.5
A-	134,036	3.1	91,141	2.7
BBB+	122,694	3.0	117,030	2.7
BBB	118,984	3.0	118,484	3.0
BBB-	39,455	2.7	39,187	2.4
Total	589,486	3.0	552,193	2.6

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

C3.1 Risk Sensitivity for Credit Risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material credit risks. For the 2021 ORSA, the solvency position at 30 September 2021 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

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

C4. Liquidity risk

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

The following tables provide an analysis of assets and liabilities into their relevant maturity groups based on the remaining period to contractual maturity/expected settlement. The contracted value below is the undiscounted cash flow.

FBD Holdings plc Assets – 2021	Carrying Value total €000s	Contracted Value €000s	Cashflow within 1 year €000s	Cashflow 1-5 years €000s	Cashflow after 5 years €000s
Available for sale investments	893,715	904,983	186,080	490,641	228,262
Investments held for trading	137,547	137,547	123,661	-	13,886
Reinsurance assets	196,960	196,960	124,363	66,604	5,993
Loans and receivables	58,624	58,624	58,624	-	-
Cash and cash equivalents	164,479	164,479	164,479	-	-
Total	1,451,325	1,462,593	657,207	557,245	248,141
Liabilities – 2021	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	985,404	985,404	422,486	473,404	89,514
Payables	41,657	41,657	41,657	-	-
Other provision	13,492	13,492	13,492	-	-
Subordinated bond	49,603	67,500	2,500	10,000	55,000
Total	1,090,156	1,108,053	480,135	483,404	144,514
FBD Holdings plc Assets – 2020	Carrying Value total €000s	Contracted Value €000s	Cashflow within 1 year €000s	Cashflow 1-5 years €000s	Cashflow after 5 years €000s
Available for sale investments	863,068	862,204	100,381	533,786	228,037
Investments held for trading	116,930	116,930	108,198	-	8,732
Deposits	40,000	40,000	40,000	-	-
Reinsurance assets	123,793	123,793	101,398	19,723	2,672
Loans and receivables	66,003	66,003	66,003	-	-
Cash and cash equivalents	129,535	129,535	129,535	-	-
Total	1,339,329	1,338,465	545,515	553,509	239,441
Liabilities – 2020	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	978,957	978,957	351,962	533,641	93,354
Payables	44,729	44,729	44,729	-	-
Other provision	12,067	12,067	12,067	-	-
Subordinated bond	49,544	70,000	2,500	10,000	57,500
Total	1,085,297	1,105,753	411,258	543,641	150,854

FBD Insurance plc Assets - 2021	Carrying Value total €000s	Contracted Value €000s	Cashflow within 1 year €000s	Cashflow 1-5 years €000s	Cashflow after 5 years €000s
Available for sale investments	893,714	904,983	186,080	490,641	228,262
Investments held for trading	137,547	137,547	123,661	-	13,886
Reinsurance assets	196,960	196,960	124,363	66,604	5,993
Loans and receivables	54,985	54,985	54,985	-	-
Cash and cash equivalents	152,575	152,575	152,575	-	-
Total	1,435,781	1,447,050	641,664	557,245	248,141

Liabilities - 2021	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	985,404	985,404	422,486	473,404	89,514
Other provisions	13,492	13,492	13,492	-	-
Payables	41,675	41,675	41,675	-	-
Subordinated bond	49,603	67,500	2,500	10,000	55,000
Total	1,090,174	1,108,071	480,153	483,404	144,514

FBD Insurance plc Assets - 2020	Carrying Value total €000s	Contracted Value €000s	Cashflow within 1 year €000s	Cashflow 1-5 years €000s	Cashflow after 5 years €000s
Available for sale investments	863,067	862,204	100,381	533,786	228,037
Investments held for trading	116,930	116,930	108,198	-	8,732
Deposits	40,000	40,000	40,000	-	-
Reinsurance assets	123,793	123,793	101,398	19,723	2,672
Current tax asset	60,113	60,113	60,113	-	-
Loans and debtors	123,498	123,498	123,498	-	-
Total	1,327,401	1,326,538	553,588	553,509	239,441

Liabilities - 2020	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	978,957	978,957	351,962	533,641	93,354
Other provisions	12,067	12,067	12,067	-	-
Payables	44,135	44,135	44,135	-	-
Subordinated bond	49,544	70,000	2,500	10,000	57,500
Total	1,084,703	1,105,159	410,664	543,641	150,854

C4.1 Expected Profit Included in Future Premium

The expected profit included in future premiums (EPIFP) is €9.9m net of reinsurance.

C4.2 Risk Sensitivity for Liquidity Risks

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

C5. Operational risk

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

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

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

The Group is dependent upon the quality, ability and commitment of key personnel in order to sustain, develop and grow its business. The success of the Group depends upon its ability to retain, attract, motivate and develop talent. FBD is committed to providing employees at all levels with appropriate training, development and education relevant to their role.

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

In addition, the Group has taken significant steps to minimise the impact of business interruption that could result from a major external event. Formal Business Continuity and Disaster Recovery plans are in place for both workspace recovery and retrieval of communications, IT systems and data. If a major event occurs, these plans will enable the Group to either move the affected operations amongst its various sites or invoke remote working from home. The Business Continuity and Disaster Recovery plans are tested regularly.

C5.1 Risk Sensitivity for Operational Risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material operational risks. For the 2021 ORSA, the solvency position at 30 September 2021 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses. The stress and scenarios chosen has taken into account the material operational risks facing the Group including cyber and IT risk.

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

C6. Other material risks

C6.1 Covid-19

Following a High Court decision in February 2021, FBD commenced interim claim payments to relevant customers related to Covid-19 pandemic Business Interruption claims. Final claims costs can now be estimated with greater confidence following the outcome of a 'Quantum module' of the test case in January 2022. In arriving at the Business Interruption best estimate of €44m, FBD has assessed all available and up to date information which may impact on ultimate costs. It is acknowledged that there remains some degree of uncertainty in arriving at the best estimate of likely costs as the outcome of a follow up hearing to clarify some remaining matters is still to conclude. The remaining uncertainties have been considered in the margin for uncertainty.

Markets continued to rebound strongly throughout 2021 despite the ongoing Covid-19 pandemic due to the continued unprecedented stimulus provided by Central Banks and Governments of developed countries, the intermittent reopening of society as well as economies adapting to the new environment. Asset valuations remain high and the trajectory and impact of monetary policy is uncertain and may diverge across regions meaning market risk will also remain high for the foreseeable future. Future financial market movements and their impact on balance sheet valuations, pension surplus and investment income are unknown and are being closely monitored.

The restrictions put in place to fight the Covid-19 pandemic continued to result in the need for current business processes and distribution models to be re-imagined by all. FBD has been able to continue to adapt to the changing environment with substantially all employees working from home throughout 2021. The majority of functions have again largely been able to maintain business as usual. From a third party risk management perspective, alternative processes put in place with many providers to ensure continuity of service while under restricted movement continued to operate. As the country re-opens, FBD has developed its own transition plan. Pre-planned actions aim to ensure operational resilience and the safety of staff and customers through extra health and security measures.

C6.2 Climate Change

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

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

FBD is managing climate risk operationally through a dedicated Emerging Risk process which integrates risks as they mature and are understood into the wider Risk Management system for ongoing mitigation and reporting including TCFD disclosures and the EU Taxonomy.

This approach ensures that climate risk is evaluated and managed within a defined Framework subject to ongoing independent challenge and validation, meaning ongoing analysis, monitoring and reporting of it are in place and embedded within governance structures as it evolves.

Climate risk has also already been integrated into capital planning as part of the Own Risk and Solvency Assessment (ORSA) process. Risks associated with actions aimed at limiting temperature increases and risks associated with temperatures increasing have been modelled.

In terms of transition risk, FBD has worked with Investment Managers to establish exposures to assets with high or excessive transition risk ratings. Stress tests have also been calibrated and performed on asset values to help determine the financial risk associated with these exposures.

Notwithstanding the ongoing work and analysis in this area, going forward FBD will continue to develop and enhance its approach. The Group will continue to develop the skills of its people through regular training, updates and role specific initiatives to ensure appropriate management of this risk going forward.

C6.3 Russia/Ukraine War

The recent Russian invasion of Ukraine has impacted investment markets which had led to reductions in the valuation of our bond and risk asset holdings. While we are monitoring developments closely, to date our solvency capital ratio has not been materially affected. The impact of higher fuel prices and other inflationary increases on the frequency and severity of claims is as yet unknown. This will be kept under continuous review during 2022.

C6.4 Emerging Risks

An Emerging Risk is a risk which may or may not develop, is difficult to quantify, may have a high loss potential and is marked by a high degree of uncertainty. FBD has a defined process in place for the

identification of and response to emerging risks, which is informed through the use of subject matter experts, workshops, Risk and Control Self Assessments and consulting a range of external documentation. Key emerging risks are monitored regularly by the Board and Risk Committees to assess whether they might become significant for the business and require specified action to be taken.

Key Emerging Risks include:

- Covid-19 and other macroeconomic developments including, for example, an increased frequency of cyberattacks, and the impact that these factors may have on society's future insurance needs and claims types and frequencies.
- The impact of climate change may result in increasingly volatile weather patterns and more frequent severe weather events.
- Technological advances changing the shape of the insurance industry and competitive environment.
- Changes in customer behaviour including the potential expectation to communicate largely through mobile channels or the expectation of self-service and self-solve.
- Global deterioration in economic conditions and particularly in Ireland may lead to a reduction in revenue and profits.
- Global socio-political uncertainty that may cause an adverse impact on profitability.
- Evolving regulatory and legislative landscape. FBD continuously monitors developments at both a local and EU level to ensure continued compliance with legislative and regulatory requirements.

C6.5 Off Balance Sheet Positions

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

C6.6 Special Purpose Vehicles

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

C7. Any other information

No other material information to be disclosed.

D. Valuation for Solvency Purposes

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

FBD Holdings plc Balance Sheet	Solvency II value 31 December 2021 €000s	IFRS 31 December 2021 €000s
Deferred acquisitions costs	-	35,458
Intangible assets	-	9,031
Deferred tax assets	979	-
Pension benefit surplus	-	10,901
Property, plant & equipment held for own use	24,178	24,178
Policy Administration System	5,037	27,982
Property (other than for own use)	16,055	16,055
Right of use assets	-	5,078
Financial Assets- Equities	1,221	1,221
Financial Assets- Government Bonds	304,274	303,008
Financial Assets Corporate Bonds	592,706	589,486
Financial Assets- collective investments schemes	137,547	137,547
Deposits (including cash and cash equivalents)	174,864	164,479
Loans and mortgages	577	577
Reinsurance recoverables	198,139	196,960
Receivables (trade, not insurance)	7,087	7,087
Any other assets, not elsewhere shown	6,599	50,960
Total assets	1,469,263	1,580,008
	Solvency II value 31 December 2021 €000s	IFRS 31 December 2021 €000s
Technical provisions- non- life	871,201	985,404
Provisions other than technical provisions	13,512	13,492
Deferred tax liabilities	4,153	2,761
Payables (trade, not insurance)	48,696	38,309
Lease liability	-	5,349
Subordinated liabilities	50,000	49,603
Any other liabilities, not elsewhere shown	3,903	9,785
Total liabilities	991,465	1,104,703
Excess of assets over liabilities	477,798	475,305

FBD Insurance plc Balance Sheet	Solvency II value 31 December 2021 €000s	IFRS 31 December 2021 €000s
Deferred acquisitions costs	-	35,458
Intangible assets	-	9,031
Deferred tax assets	95	-
Pension benefit surplus	-	6,863
Property, plant & equipment held for own use	16,215	16,215
Policy Administration System	5,037	27,982
Property (other than for own use)	21,739	21,739
Right of use assets	-	4,535
Financial Assets- Equities	1,220	1,220
Financial Assets- Government Bonds	304,274	303,008
Financial Assets Corporate Bonds	592,707	589,486
Financial Assets- collective investments schemes	137,547	137,547
Deposits (including cash and cash equivalents)	162,883	152,575
Loans and mortgages	249	249
Reinsurance recoverables	198,139	196,960
Receivables (trade, not insurance)	3,864	3,865
Any other assets, not elsewhere shown	6,511	50,871
Total assets	1,450,480	1,557,604

	31 Solvency II value December 2021 €000s	IFRS 31 December 2021 €000s
Technical provisions- non- life	871,201	985,404
Provisions other than technical provisions	13,512	13,492
Deferred tax liabilities	3,767	2,758
Payables (trade, not insurance)	49,023	33,937
Lease liability	-	4,778
Subordinated liabilities	50,000	49,603
Any other liabilities, not elsewhere shown	3,903	14,559
Total liabilities	991,406	1,104,531

Excess of assets over liabilities	459,074	453,073
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D1. Assets

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

D1.1 Deferred Acquisition Costs (DAC)

The Group and the Company respectively recognise an asset relating to deferred acquisition costs (DAC). DAC is not recognised in the Solvency II framework and is therefore removed under Solvency II.

D1.2 Intangible Assets

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

D1.3 Deferred Tax Asset

The Group has not recognised a deferred tax asset in the financial statements but has recognised one under Solvency II. The difference is due to the non-recognition of lease liability/right of use assets under Solvency II.

D1.4 Pension Benefit Surplus

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

D1.5 Property, Plant and Equipment

D1.5.1 Property

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

Properties were valued at fair value at 31 December 2021 by independent external professional surveyors, CB Richard Ellis, Valuation Surveyors. The valuation was prepared in accordance with RICS Valuation – Global Standards 2017 (Red Book) incorporating the IVSC International Valuation Standards issued June 2017. The valuers confirm that they have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuations competently.

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

D1.5.2 Plant and Equipment

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

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

D.1.5.3 Policy Administration System

Under IFRS the Policy Administration System is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided in respect of the Policy Administration System and is calculated in order to write off the cost of the asset over its expected useful life on a straight line basis over a five to ten year period. The Policy Administration System is reported under Solvency II at €5.0m with no value given to the database, middleware and policy administration application for Solvency II purposes.

D1.6 Right of Use Assets

On adoption of IFRS 16, the Group recognised a lease liability and a right of use asset for each of the leases which had previously been classified as 'operating leases' under the principles of IAS17 Leases. The right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the IFRS Statement of Financial Position as at 31 December 2021. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. The right of use assets and lease liability are not recognised in the Solvency II framework and are therefore removed under Solvency II.

D1.7 Financial Assets

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

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

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

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

D1.8 Deposits, Cash and Cash Equivalents

Deposits, cash and cash equivalents are valued at amortised cost using the effective interest rate method. The Directors believe that this represents fair value and that the above values are the recoverable amounts. Accrued interest on deposits and accrued interest on cash and cash equivalents are reflected in the deposits and cash and cash equivalent lines for Solvency II but are shown in other assets in the Group and Company financial statements.

D1.9 Trade Receivables

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

D1.10 Any Other Assets, not Elsewhere Shown

As described in above sections, accrued income and accrued interest are included in Any Other Assets for IFRS but for the Solvency II valuation accrued income and accrued interest are reflected in the Bond lines and Cash/Deposit lines respectively. Under Solvency II 'Any other assets, not elsewhere shown' also includes the Company's policyholder and intermediary debtors adjusted to remove direct debit premium receivable but not yet due. This is consistent with the valuation principles for Technical Provisions under Solvency II which require that such balances are deducted from Technical Provisions.

D1.11 Reinsurance Recoverables

Reinsurance recoverables are stated at a discounted best estimate value in line with Solvency II rules. Reinsurance recoverables are not discounted for the IFRS valuation.

D2. Technical provisions

D2.1 Technical Provision by Material Line of Business

The table below shows the Technical Provisions as at 31 December 2021 by line of business. FBD Holdings plc and FBD Insurance plc (both prepared under IFRS) have the same Technical Provisions listed below.

Technical Provisions 2021	Motor vehicle liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General liability insurance €000s	Other insurance €000s	Total €000s
Gross Best Estimate Liab.	326,035	16,498	201,984	284,303	7,035	835,856
Risk Margin	13,438	2,163	4,080	15,203	460	35,345
Gross Technical Provisions	339,473	18,661	206,064	299,506	7,496	871,201
Recoverables	(47,754)	0	(140,433)	(9,934)	(18)	(198,139)
Net Technical Provisions	291,719	18,661	65,632	289,572	7,478	673,062

Technical provisions 2020	Motor vehicle liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General liability insurance €000s	Other insurance €000s	Total €000s
Gross Best Estimate Liab.	344,306	11,168	190,333	295,679	5,660	847,147
Risk Margin	14,113	2,170	5,857	15,627	426	38,192
Gross Technical Provisions	358,419	13,338	196,191	311,306	6,086	885,339
Recoverables	(52,399)	-	(85,113)	(12,954)	(40)	(150,507)
Net Technical Provisions	306,020	13,338	111,078	298,352	6,046	734,832

D2.2 Methodology

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

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

Claims provisions represent the estimation of the cost of claims outstanding under insurance contracts written. Actuarial techniques such as Chain Ladder Methods, Frequency Severity Methods and loss ratio methods which form part of a statistical analysis of past experience, are used to calculate the estimated cost of claims outstanding at year end. The average claims cost and frequency methods are particularly relevant when calculating the ultimate cost of claims for more recent accident year as historic patterns will have been distorted by Covid-19.

The Judgement from the Commercial Court issued on 5 February 2021 confirmed that FBD is liable to cover Business Interruption claims as a consequence of the Covid-19 pandemic for publican customers. In April 2021, the Commercial Court judgement provided more clarity on likely gross claims costs with the Judge ruling that the pub is still subject to an imposed closure when customers were not allowed to eat and/or drink indoors and the issue of partial closures would be heard as part of a quantum hearing. A quantum hearing was held in July 2021 with the judgement issued on 28 January 2022 which confirmed that FBD must cover the

partial closure claims. The judge ruled that the bar counter area continued to be subject to an imposed closure while the pub was open because the customer was not allowed to sit and consume their alcohol at the bar counter. In addition, the reduced opening hours of the pub was also deemed to be an imposed closure. The Judge made rulings on salaries in specific individual cases and rejected arguments that accrued salaries for staff laid off should be indemnified.

The issue of damages for late payment were set aside in this judgement and will be set down at a later date.

The full imposed closure of public houses ceased on 26 July 2021 with indemnity for the closure of the bar counter and early closing of the pub continuing until the full relaxation of the restrictions on 22 January 2022 or the end of the indemnity period of the policy, whichever is sooner.

FBD has now received information from approximately 500 public house policyholders in order to assess the claims and has been making interim payments based on these assessments. The recent data has provided more certainty in respect to a number of assumptions underlying the best estimate of the Business Interruption losses and will improve as the particulars of more claims are received. Individual calculations were carried out for each pub based on aggregate assumptions arising from the assessment of the claims data received.

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

Ultimate gross claims for earned premium are converted to net of reinsurance utilising reinsurance treaty information.

At the valuation date 31 December 2021, the Company had both incepted unearned business and business that was bound but not incepted. The ultimate gross claims, expenses and reinsurance recoveries for the unearned business are taken from the Company's premium reserve model. This is a deterministic model that calculates ultimate loss and expense ratios on a gross and net basis.

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

Best estimate of the claims, premiums and expense cash flows are discounted to give best estimate liabilities. A risk margin is added to best estimate liabilities to arrive at Technical Provisions.

D2.3 Key Areas of Uncertainty

D2.3.1 Estimation of Outstanding Loss Reserves ("OSLR")

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

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

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

The uncertainty in respect of the reinsurance asset for Business Interruption has reduced considerably as the application of the reinsurance contract has been agreed with reinsurers for the expected impacted layers of the catastrophe programme.

D2.3.2 Estimation of Losses Relating to Claims

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

D2.3.3 Unexpired Risks

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

D2.3.4 Market Environment

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

D2.3.5 Events not in Data (‘ENID loading’)

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

D2.3.6 Run-off Expenses

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

D2.3.7 Risk Margin

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

D2.4 Risk Management

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

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

D2.5 Transition from IFRS to Solvency II

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

D2.5.1 Claims Provisions

The Company has made no adjustments to the projected claims provisions used in its IFRS accounts in recording the claims provisions for solvency purposes. Gross claims provisions as at 31 December 2021 are €748.1m.

D2.5.2 Reinsurance Share of Claims Provisions

The Company has made no adjustments other than Reinstatement premia to the reinsurance recoveries in its IFRS accounts in recording the reinsurance share of claims provisions for solvency purposes. The reinsurance share of claims provisions as at 31 December 2021 is €200.3m.

D2.5.3 Unexpired Risks

The Company has estimated the claims which will be payable on unexpired risks, termed “premium provisions”, based on the ultimate loss and expense ratios from the claims provisions and premium rate adjustments related to the unearned book of business. Gross premium provisions as at 31 December 2021 are €87.7m.

D2.5.4 Risk Margin

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

The Risk Margin is calculated using a simplified method allowed under Article 58 of Commission Delegated Regulation 2015/35. The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk, reinsurance counterparty risk and operational risk. The Company approximates the whole SCR for each future year by using a ratio of the best estimate liabilities at each future year to the best estimate liabilities at the valuation date. This results in a Risk Margin of €35.3m.

D2.5.5 Other

The Company has made adjustments for events not in data, reinsurance amounts recoverable on unexpired risks, policyholder receivables, reinsurance payable, counterparty default, expenses that will be incurred in servicing insurance obligations and discounting.

D2.6 Adjustments not Applied

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

D2.7 Changes in Assumptions

Due to the impacts on Covid-19 and the introduction of the Personal Injury Guidelines it was necessary to change the methodology and assumptions for the more recent accident years. The ultimate cost of claims for the more recent years place more weight on Frequency Severity methods at this year-end and less weight on chain ladder and loss ratio methods which would have been a function of the assumptions adopted at the previous year end.

D2.8 Special Purpose Vehicles

The Company does not have any Special Purpose Vehicles.

D3. Other liabilities

D3.1 Provision Other than Technical Provisions

Provisions other than Technical Provisions include a provision for Motor Insurers’ Bureau of Ireland (“MIBI”), Motor Insurers’ Insolvency Compensation Fund (“MIICF”), Premium Rebates and Consequential Payments. The provisions are included under IFRS at fair value and are not discounted. The MIBI provision is discounted for the Solvency II valuation.

D3.2 Deferred Tax Liabilities

The Group and the Company have recognised a deferred tax liability under Solvency II and IFRS. This variance is due to the revaluation of the Technical Provisions and the non-recognition of deferred acquisition costs and the pension surplus under Solvency II.

D3.3 Reinsurance Payables

Reinsurance payables (excluding Reinstatement premia) not past due are included in any other liabilities. Reinsurance payables are calculated in accordance with reinsurance agreements. Reinstatement premia is included in the Technical Provisions under Solvency II.

D3.4 Payables (trade, not insurance); Debts Owed to Credit Institutions

There are no valuation differences between the IFRS accounts and the Solvency II valuation for payables (trade, not insurance) and debts owed to credit institutions as they are held at fair value.

D3.5 Lease Liability

On adoption of IFRS 16, the Group recognised a lease liability and a right of use asset for each of the leases which had previously been classified as 'operating leases' under the principles of IAS17 Leases. The right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the IFRS Statement of Financial Position as at 31 December 2021. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. The right of use assets and lease liability are not recognised in the Solvency II framework and is therefore removed under Solvency II.

D3.6 Subordinated Liabilities

The amount relates to €50,000,000 Callable Dated Deferrable Subordinated Notes due 2028. The coupon rate on the notes is 5%. Interest costs associated with the subordinated notes totalling €2,500,000 (2020: €2,500,000) were incurred and recognised during 2021.

	2021 €000s	2020 €000s
Balance at 1 January	49,544	49,485
Amortised during the year	59	59
Balance at 31 December	49,603	49,544

All figures stated in the table above are IFRS values.

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

The following are the material movements for the Group;

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

The following are the material movements for FBD Insurance plc;

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

D4. Alternative methods for valuation

The Group does not use any alternative valuation methods.

D5. Any other information

No other material information to be disclosed.

E. Capital Management

E1. Own funds

E1.1 Objectives, Policies and Processes for Managing Own Funds

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

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

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

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

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

E1.2 Information on the Structure, Amount and Quality of Own Funds

FBD Holdings plc	Tier 1 €000s	Tier 2 €000s	Tier 3 €000s	Total €000s
1 January 2021	393,018	52,923	-	445,941
Movement during year	46,278	-	-	46,278
31 December 2021	439,296	52,923	-	492,219 ¹
Eligible amount to cover the SCR	439,296	52,923	-	492,219
Eligible amount to cover MCR	439,296	18,134	-	457,430
1 January 2020	352,874	52,923	-	405,797 ²
Movement during year	40,144	-	-	40,144 ³
31 December 2020	393,018	52,923	-	445,941
Eligible amount to cover the SCR	393,018	52,923	-	445,941
Eligible amount to cover MCR	393,018	18,947	-	411,965

¹ Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.6m.

² Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.1m.

³ Movement in own funds during the year includes the release of the 2019 foreseeable dividends of €35.1m.

FBD Insurance plc	Tier 1 €000s	Tier 2 €000s	Tier 3 €000s	Total €000s
1 January 2021	380,261	50,635	-	430,896
Movement during year	42,457	-	-	42,457
31 December 2021	422,718	50,635	-	473,353 ¹
Eligible amount to cover the SCR	422,718	50,635	-	473,353
Eligible amount to cover MCR	422,718	18,134	-	440,851
1 January 2020	344,052	50,635	-	394,687 ²
Movement during year	36,209	-	-	36,209 ³
31 December 2020	380,261	50,635	-	430,896
Eligible amount to cover the SCR	380,261	50,635	-	430,896
Eligible amount to cover MCR	380,261	18,947	-	399,208

¹ Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.7m.

² Own funds available to cover SCR have been reduced by the foreseeable dividends of €35.0m.

³ Movement in own funds during the year includes the release of the 2019 foreseeable dividends of €35.0m.

E.1.2.1 Ordinary Share Capital

FBD Holdings plc has fully paid up ordinary share capital of €21.4m (2020: €21.4m). FBD Insurance plc has fully paid up ordinary share capital of €74.2m (2020: €74.2m). This is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations. This share capital satisfies all the requirements of Tier 1 own funds as set out in article 71 of the Commission Delegated Regulations (EU) 2015.

E.1.2.2 Reconciliation Reserve

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

FBD Holdings plc	2021 €000s	2020 €000s
Excess of assets over liabilities	477,798	395,942
Foreseeable dividends, distributions and charges	(35,579)	-
Other basic own fund items	(24,332)	(24,332)
Reconciliation reserve	417,887	371,610

FBD Insurance plc	2021 €000s	2020 €'000s
Excess of assets over liabilities	459,074	380,896
Foreseeable dividends, distributions and charges	(35,722)	-
Other basic own fund items	(74,821)	(74,821)
Reconciliation reserve	348,531	306,074

E1.2.3 Preference Share Capital

FBD Holdings plc has fully paid up preference share capital of €2.9m (2020: €2.9m). FBD Insurance plc has fully paid up preference share capital of €0.6m (2020: €0.6m). It is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations with the exception of ordinary share capital. It satisfies all the requirements of Tier 2 own funds as set out in article 73 of the Commission Delegated Regulations (EU) 2015. It does not fully meet the requirements to be classified as Tier 1 capital, as they do not comply with article 71, part 4(d), whereby there is an obligation to make a distribution on the preference share capital if a distribution has been made on the ordinary share capital of the Company.

E1.2.4 Subordinated Liabilities

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

E1.2.5 Ancillary Own Funds

The Group has no ancillary own funds.

E1.2.6 Analysis of Material Changes in Each Tier

FBD Holdings plc reflects a €46m increase in the 2020 Tier 1 Own Funds. The increase is due to an increase in the Reconciliation Reserve primarily driven by the increase in Underwriting Profit in 2021, offset by the proposed dividend of €36m.

FBD Insurance plc reflects a €42m increase in the 2021 Tier 1 Own Funds. The increase is due to an increase in the Reconciliation Reserve primarily driven by the increase in Underwriting Profit in 2021, offset by the proposed dividend of €36m.

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

There is no change in the Tier 3 Own Funds for both FBD Holdings plc and FBD Insurance plc.

E1.2.7 Difference between Equity Shown in the Financial Statements and the Solvency II Value of Excess Assets over Liabilities

FBD Holdings plc	2021	2020
	€000s	€000s
Equity Per financial statements		
Ordinary share capital	21,409	21,409
Retained Earnings	450,973	362,572
Preference Share Capital	2,923	2,923
Financial Liabilities at amortised Cost	49,603	49,544
Total Equity (including Tier II debt)	524,908	436,448
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	49,303	49,096
Deferred acquisitions costs not recognised	(35,458)	(34,078)
Pension benefit surplus not recognised	(10,901)	(10,849)
Deferred tax	(413)	(1,356)
Provisions other than technical provisions	359	6,681
Solvency II value of excess assets over liabilities (Including Tier II Debt)	527,798	445,942

FBD Insurance plc	2021	2020
	€000s	€000s
Equity Per financial statements		
Ordinary share capital	74,187	74,187
Retained Earnings	378,251	293,539
Preference Share Capital	635	635
Financial Liabilities at amortised Cost	49,603	49,544
Total Equity (including Tier II debt)	502,676	417,905
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	49,303	49,096
Deferred acquisitions costs not recognised	(35,458)	(34,078)
Pension benefit surplus not recognised	(6,863)	(6,828)
Deferred tax	(914)	(1,857)
Provisions other than technical provisions	330	6,658
Solvency II value of excess assets over liabilities (Including Tier II Debt)	509,074	430,896

E1.2.8 Transitional Arrangements

There are no own funds items subject to transitional arrangements.

E2. Solvency Capital Requirement and Minimum Capital Requirements

E2.1 Solvency Capital Requirement (SCR) Net

The Group solvency ratio stood at 213% (FBD Insurance plc ratio 208%) as at 31 December 2021 and is based on the Standard Formula.

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

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

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

The table below shows the inputs into the Solvency Capital Requirement (SCR) calculation as at 31 December 2021.

Solvency Capital Requirement	2021 Net SCR €000s	2020 Net SCR €000s
FBD Holdings plc		
Non-Life Underwriting Risk	181,229	189,748
Health Underwriting Risk	2,915	2,669
Market Risk	93,951	79,989
Counterparty Default Risk	15,365	8,034
Undiversified BSCR	293,460	280,440
Diversification Credit	(60,878)	(52,347)
Basic SCR	232,582	228,093
Operational Risk	25,076	25,414
Loss absorbing capacity of technical provisions and deferred tax	(26,886)	(26,825)
Solvency Capital Requirement	230,772	226,682

Solvency Capital Requirement	2021 Net SCR €000s	2020 Net SCR €000s
FBD Insurance plc		
Non-Life Underwriting Risk	181,229	189,748
Health Underwriting Risk	2,915	2,669
Market Risk	90,322	76,951
Counterparty Default Risk	13,959	6,770
Undiversified BSCR	288,425	276,138
Diversification Credit	(58,856)	(50,447)
Basic SCR	229,569	225,691
Operational Risk	25,076	25,414
Loss absorbing capacity of technical provisions and deferred tax	(26,886)	(26,825)
Solvency Capital Requirement	227,759	224,280

E2.2 Minimum Capital Requirement

The table below shows the inputs into the Minimum Capital Requirement (MCR) calculation as at 31 December 2021.

Minimum Capital Requirement	2021 €000s	2020 €000s
FBD Holdings plc		
Linear MCR	90,669	94,733
SCR	230,772	226,682
Combined MCR	90,669	94,733
Minimum Capital Requirement	90,669	94,733

Minimum Capital Requirement	2021 €000s	2020 €000s
FBD Insurance plc		
Linear MCR	90,669	94,733
SCR	227,759	224,280
Combined MCR	90,669	94,733
Minimum Capital Requirement	90,669	94,733

E2.3 Simplified Calculations

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

E2.4 Compliance with the MCR and the SCR

The solvency position is monitored on a regular basis to ensure compliance. The Group was compliant with both the MCR and SCR throughout 2021.

E2.5 Material Changes in MCR & SCR During the Year

The MCR has decreased in the year from €95m to €91m for both FBD Insurance plc and for FBD Holdings plc. The primary reason for this movement is that the claims provision has significantly reduced over the year. The MCR calculation is heavily based on the volume of the claims provision.

The SCR has increased in the year from €224m to €228m for FBD Insurance plc and from €227m to €231m for FBD Holdings plc. As noted above the claims provision has reduced over which has lowered the non-life underwriting risk charge within the overall SCR calculation. However, this has been more than offset by increases in market and counterparty default risk charges over the same period resulting in an overall increase in the SCR of about €4m.

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

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

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

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

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

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

E6. Any other information

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

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

In making this assessment the Directors considered the Group's Budget for 2022 and forecast for 2023, which take into account foreseeable changes in the trading performance of the business, key risks facing the business and the medium term plans approved by the Board. In addition the ORSA process monitors current and future solvency needs. The scenarios were projected as part of the ORSA process as well as a number of more extreme stress events. In all scenarios the Group's capital ratio remained in excess of the Solvency Capital Requirement.

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

F. Appendices

FBD Holdings plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

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

S.05.02.01 – Premiums, claims and expenses by country

S.23.01.22 – Own Funds

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

S.32.01.22 – Undertakings in the scope of the Group

FBD Insurance plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

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

S.05.02.01 – Premiums, claims and expenses by country

S.17.01.02 – Non-Life Technical Provisions

S.19.01.21 – Non-Life Insurance Claims

S.23.01.01 – Own Funds

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

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

FBD HOLDINGS PLC

General Information

Participating undertaking name	FBD Holdings Plc
Group identification code	635400HNBZBITDHQJG48
Type of code of group	LEI
Country of the group supervisor	IE
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.23.01.22 - Own Funds
- S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
- S.32.01.22 - Undertakings in the scope of the group

FBD HOLDINGS PLC

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	
R0040	Deferred tax assets	979
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	29,215
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,165,653
R0080	<i>Property (other than for own use)</i>	16,055
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	Equities	1,222
R0110	Equities - listed	
R0120	Equities - unlisted	1,222
R0130	Bonds	896,981
R0140	Government Bonds	304,274
R0150	Corporate Bonds	592,707
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	137,547
R0190	Derivatives	
R0200	Deposits other than cash equivalents	113,849
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	577
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	577
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	198,139
R0280	Non-life and health similar to non-life	198,139
R0290	Non-life excluding health	198,142
R0300	Health similar to non-life	-3
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	7,087
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	61,014
R0420	Any other assets, not elsewhere shown	6,599
R0500	Total assets	1,469,263

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	871,201
R0520	<i>Technical provisions - non-life (excluding health)</i>	863,759
R0530	<i>TP calculated as a whole</i>	
R0540	<i>Best Estimate</i>	828,872
R0550	<i>Risk margin</i>	34,887
R0560	<i>Technical provisions - health (similar to non-life)</i>	7,441
R0570	<i>TP calculated as a whole</i>	
R0580	<i>Best Estimate</i>	6,984
R0590	<i>Risk margin</i>	458
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	13,512
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	4,153
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)	48,696
R0850	Subordinated liabilities	50,000
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	50,000
R0880	Any other liabilities, not elsewhere shown	3,903
R0900	Total liabilities	991,465
R1000	Excess of assets over liabilities	477,798

FBD HOLDINGS PLC

S.05.01.02

Premiums, claims and expenses by line of business

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
	Income protection insurance C0020	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	
Non-life							C0200
Premiums written							C0080
R0110 Gross - Direct Business	5,288	124,183	58,051	18	109,402	69,387	366,328
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share	381	16,597	0	0	10,453	5,222	32,653
R0200 Net	4,907	107,585	58,051	18	98,949	64,165	333,676
Premiums earned							C0080
R0210 Gross - Direct Business	5,229	125,740	58,984	20	107,144	69,105	366,221
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share	381	15,955	0	1	10,416	5,222	31,974
R0300 Net	4,848	109,785	58,984	19	96,728	63,883	334,247
Claims incurred							C0080
R0310 Gross - Direct Business	5,204	48,416	27,771	21	105,786	29,623	216,822
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share	58	3,454	0	0	79,003	2,034	84,549
R0400 Net	5,146	44,962	27,771	22	26,784	27,589	132,273
Changes in other technical provisions							C0080
R0410 Gross - Direct Business							0
R0420 Gross - Proportional reinsurance accepted							0
R0430 Gross - Non-proportional reinsurance accepted							0
R0440 Reinsurers' share							0
R0500 Net	0	0	0	0	0	0	0
Expenses incurred							C0080
R0550	1,272	43,216	11,512	6	32,208	20,045	108,259
Other expenses							
R1300 Total expenses							108,259

FBD HOLDINGS PLC

S.05.02.01

Premiums, claims and expenses by country

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Non-life							
R0010							
Premiums written							
R0110	366,328						366,328
R0120							0
R0130							0
R0140	32,653						32,653
R0200	333,676						333,676
Premiums earned							
R0210	366,221						366,221
R0220							0
R0230							0
R0240	31,974						31,974
R0300	334,247						334,247
Claims incurred							
R0310	216,822						216,822
R0320							0
R0330							0
R0340	84,549						84,549
R0400	132,273						132,273
Changes in other technical provisions							
R0410							0
R0420							0
R0430							0
R0440							0
R0500	0						0
Expenses incurred							
R0550	108,259						108,259
Other expenses							
R1300							108,259

FBD HOLDINGS PLC

S.23.01.22

Own Funds

Basic own funds before deduction for participations in other financial sector

	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010 Ordinary share capital (gross of own shares)	21,408	21,408		0	
R0020 <i>Non-available called but not paid in ordinary share capital at group level</i>	0				
R0030 Share premium account related to ordinary share capital	0	0		0	
R0040 Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050 Subordinated mutual member accounts	0		0	0	0
R0060 <i>Non-available subordinated mutual member accounts at group level</i>	0				
R0070 Surplus funds	0	0			
R0080 <i>Non-available surplus funds at group level</i>	0	0			
R0090 Preference shares	2,923		0	2,923	0
R0100 <i>Non-available preference shares at group level</i>	0				
R0110 Share premium account related to preference shares	0		0	0	0
R0120 <i>Non-available share premium account related to preference shares at group level</i>	0				
R0130 Reconciliation reserve	417,887	417,887			
R0140 Subordinated liabilities	50,000		0	50,000	0
R0150 <i>Non-available subordinated liabilities at group level</i>	0				
R0160 An amount equal to the value of net deferred tax assets	0				0
R0170 <i>The amount equal to the value of net deferred tax assets not available at the group level</i>	0				0
R0180 Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190 <i>Non available own funds related to other own funds items approved by supervisory authority</i>	0				
R0200 Minority interests (if not reported as part of a specific own fund item)	0				
R0210 <i>Non-available minority interests at group level</i>	0				

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

Basic own funds before deduction for participations in other financial sector

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050

R0230 Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities

0				
0				
0				
0				
0	0	0	0	0
0	0	0	0	0

R0240 *whereof deducted according to art 228 of the Directive 2009/138/EC*

R0250 Deductions for participations where there is non-availability of information (Article 229)

R0260 Deduction for participations included by using D&A when a combination of methods is used

R0270 Total of non-available own fund items

R0280 Total deductions

R0290 Total basic own funds after deductions

492,219	439,296	0	52,923	0
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Ancillary own funds

R0300 Unpaid and uncalled ordinary share capital callable on demand

R0310 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

R0320 Unpaid and uncalled preference shares callable on demand

R0330 A legally binding commitment to subscribe and pay for subordinated liabilities on demand

R0340 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

R0350 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

R0360 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

R0380 Non available ancillary own funds at group level

R0390 Other ancillary own funds

R0400 Total ancillary own funds

0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0

Own funds of other financial sectors

R0410 Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies

R0420 Institutions for occupational retirement provision

R0430 Non regulated entities carrying out financial activities

R0440 Total own funds of other financial sectors

0				
0				
0				
0	0	0	0	0

Basic own funds before deduction for participations in other financial sector

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050

0				
0				

Own funds when using the D&A, exclusively or in combination of method 1

- R0450 Own funds aggregated when using the D&A and combination of method
R0460 Own funds aggregated when using the D&A and combination of method net of IGT

- R0520 Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0530 Total available own funds to meet the minimum consolidated group SCR
R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0570 Total eligible own funds to meet the minimum consolidated group SCR (group)

492,219	439,296	0	52,923	0
492,219	439,296	0	52,923	
492,219	439,296	0	52,923	0
457,430	439,296	0	18,134	

Minimum consolidated Group SCR

90,669
504.50%
492,219
230,772
213.29%

Ratio of Eligible own funds to Minimum Consolidated Group SCR

- R0650 **Ratio of Eligible own funds to Minimum Consolidated Group SCR**
R0660 **Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**

439,296	0	52,923	0
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Group SCR

- R0680 **Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**

Reconciliation reserve

R0700 Excess of assets over liabilities	C0060	477,798
R0710 Own shares (held directly and indirectly)		
R0720 Forseeable dividends, distributions and charges		35,579
R0730 Other basic own fund items		24,332
R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds		
R0750 Other non available own funds		
R0760 Reconciliation reserve		417,887

Expected profits

- R0770 Expected profits included in future premiums (EPIFP) - Life business
R0780 Expected profits included in future premiums (EPIFP) - Non- life business
R0790 **Total Expected profits included in future premiums (EPIFP)**

13,707
13,707

FBD HOLDINGS PLC

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	93,951		
R0020	15,365		
R0030	0		
R0040	2,915		
R0050	181,230		
R0060	-60,878		
R0070	0		
R0100	232,582		
	C0100		
R0130	25,076		
R0140	0		
R0150	-26,886		
R0160	0		
R0200	230,772		
R0210	0		
R0220	230,772		
R0400	0		
R0410	0		
R0420	0		
R0430	0		
R0440	0		
R0470	90,669		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

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

For non-life underwriting risk:

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

R0070 Intangible asset risk

R0100 Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

- R0130 Operational risk
- R0140 Loss-absorbing capacity of technical provisions
- R0150 Loss-absorbing capacity of deferred taxes
- R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

R0200 Solvency Capital Requirement excluding capital add-on

R0210 Capital add-ons already set

R0220 Solvency capital requirement for undertakings under consolidated method

Other information on SCR

- R0400 Capital requirement for duration-based equity risk sub-module
- R0410 Total amount of Notional Solvency Capital Requirements for remaining part
- R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds
- R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
- R0440 Diversification effects due to RFF nSCR aggregation for article 304
- R0470 Minimum consolidated group solvency capital requirement

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Information on other entities			
R0500 Capital requirement for other financial sectors (Non-insurance capital requirements)	0		
R0510 <i>Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies</i>	0		
R0520 <i>Institutions for occupational retirement provisions</i>	0		
R0530 <i>Capital requirement for non-regulated entities carrying out financial activities</i>	0		
R0540 Capital requirement for non-controlled participation requirements	0		
R0550 Capital requirement for residual undertakings	0		
Overall SCR			
R0560 SCR for undertakings included via D&A	0		
R0570 Solvency capital requirement	230,772		

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	IE	635400HQZKXIB5YCS61	LEI	FBD INSURANCE PLC	Non life insurance undertaking	Incorporated companies limited by shares or by guarantee or unlimited	Non-mutual	THE CENTRAL BANK OF IRELAND
2	IE	140134	Specific code	FBD INSURANCE GROUP	Credit institution, investment firm and financial institution		Non-mutual	THE CENTRAL BANK OF IRELAND
3	IE	155113	Specific code	BIERTZ INNS LIMITED	Other		Non-mutual	
4	IE	51715	Specific code	LEGACY INVESTMENT HOLDINGS LIMITED	Other		Non-mutual	
5	GB	7010V	Specific code	TOPENHALL LIMITED	Other		Non-mutual	
6	IE	635400HNBZBITDHQJG48	LEI	FBD HOLDINGS PLC	Other		Non-mutual	
7	IE	614936	Specific code	FBD CORPORATE SERVICE LIMITED	Other		Non-mutual	
8	IE	510146	Specific code	FBD TRUSTEE COMPANY LTD	Institution for occupational retirement provision		Non-mutual	THE PENSIONS AUTHORITY

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

Row	Criteria of influence							Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied		
	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	
1	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation	
2	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation	
3	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
4	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
5	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
6	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
7	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
8	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	

FBD INSURANCE PLC

General Information

Undertaking name	FBD Insurance Plc
Undertaking identification code	635400HQZXKIXB5YCS61
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

FBD INSURANCE PLC

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	
R0040	Deferred tax assets	96
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	21,252
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,171,336
R0080	<i>Property (other than for own use)</i>	21,739
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	Equities	1,220
R0110	Equities - listed	
R0120	Equities - unlisted	1,220
R0130	Bonds	896,981
R0140	Government Bonds	304,274
R0150	Corporate Bonds	592,707
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	137,547
R0190	Derivatives	
R0200	Deposits other than cash equivalents	113,849
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	249
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	249
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	198,139
R0280	Non-life and health similar to non-life	198,139
R0290	Non-life excluding health	198,142
R0300	Health similar to non-life	-3
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	3,864
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	49,034
R0420	Any other assets, not elsewhere shown	6,511
R0500	Total assets	1,450,480

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	871,201
R0520	<i>Technical provisions - non-life (excluding health)</i>	863,759
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	828,872
R0550	<i>Risk margin</i>	34,887
R0560	<i>Technical provisions - health (similar to non-life)</i>	7,441
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	6,984
R0590	<i>Risk margin</i>	458
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	13,512
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	3,767
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	49,023
R0850	Subordinated liabilities	50,000
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	50,000
R0880	Any other liabilities, not elsewhere shown	3,903
R0900	Total liabilities	991,406
R1000	Excess of assets over liabilities	459,074

FBD INSURANCE PLC

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Premiums, claims and expenses by line of business

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
	Income protection insurance C0020	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	
Non-life							C0200
Premiums written							
R0110 Gross - Direct Business	5,288	124,183	58,051	18	109,402	69,387	366,328
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share	381	16,597	0	0	10,453	5,222	32,653
R0200 Net	4,907	107,585	58,051	18	98,949	64,165	333,676
Premiums earned							
R0210 Gross - Direct Business	5,229	125,740	58,984	20	107,144	69,105	366,221
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share	381	15,955	0	1	10,416	5,222	31,974
R0300 Net	4,848	109,785	58,984	19	96,728	63,883	334,247
Claims incurred							
R0310 Gross - Direct Business	5,204	48,416	27,771	21	105,786	29,623	216,822
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share	58	3,454	0	0	79,003	2,034	84,549
R0400 Net	5,146	44,962	27,771	22	26,784	27,589	132,273
Changes in other technical provisions							
R0410 Gross - Direct Business							0
R0420 Gross - Proportional reinsurance accepted							0
R0430 Gross - Non-proportional reinsurance accepted							0
R0440 Reinsurers' share							0
R0500 Net	0	0	0	0	0	0	0
Expenses incurred							
R0550 Gross - Direct Business	1,307	44,280	11,760	6	32,991	20,492	110,837
R1200 Other expenses							
R1300 Total expenses							110,837

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Premiums, claims and expenses by country

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations			Total Top 5 and home country
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Non-life							
R0010							
Premiums written							
R0110	366,328						366,328
R0120							0
R0130							0
R0140	32,653						32,653
R0200	333,676						333,676
Premiums earned							
R0210	366,221						366,221
R0220							0
R0230							0
R0240	31,974						31,974
R0300	334,247						334,247
Claims incurred							
R0310	216,822						216,822
R0320							0
R0330							0
R0340	84,549						84,549
R0400	132,273						132,273
Changes in other technical provisions							
R0410							0
R0420							0
R0430							0
R0440							0
R0500	0						0
Expenses incurred							
R0550	110,837						110,837
Other expenses							
R1300							110,837

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Non-Life Technical Provisions

Direct business and accepted proportional reinsurance							Total Non-Life obligation
Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance		
C0030	C0050	C0060	C0070	C0080	C0090	C0180	
0	0	0	0	0	0	0	0

R0010 Technical provisions calculated as a whole

R0050 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole

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

Premium provisions

R0060 Gross
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

R0160 Gross
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

R0260 Total best estimate - gross

R0270 Total best estimate - net

R0280 Risk margin

2,081	30,591	10,795	-1	24,896	19,379	87,742
1	-875			385	-1,691	-2,180
2,080	31,467	10,795	-1	24,511	21,070	89,922

4,902	295,444	5,703	52	177,089	264,924	748,114
-4	48,629		21	140,048	11,625	200,319
4,906	246,815	5,703	31	37,041	253,299	547,795

6,984	326,035	16,498	51	201,984	284,303	835,856
6,987	278,282	16,498	31	61,552	274,369	637,717

458	13,438	2,163	3	4,080	15,203	35,345
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Direct business and accepted proportional reinsurance						Total Non-Life obligation
Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	
C0030	C0050	C0060	C0070	C0080	C0090	C0180

Amount of the transitional on Technical Provisions

R0290 Technical Provisions calculated as a whole
R0300 Best estimate
R0310 Risk margin

0
0
0

R0320 **Technical provisions - total**
R0330 **"Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total"**
R0340 **Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**

7,441	339,473	18,661	54	206,064	299,506	871,201
-3	47,754	0	21	140,433	9,934	198,139
7,444	291,719	18,661	33	65,632	289,572	673,062

FBD INSURANCE PLC

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Non-Life insurance claims

Total Non-life business

Z0020	Accident year/underwriting year	Accident Year
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Year	Development year										In Current year	Sum of years (cumulative)	
	0	1	2	3	4	5	6	7	8	9			10 & +
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior											1,401	1,401	1,401
R0100	75,441	42,780	20,112	19,920	22,111	16,361	9,146	5,000	1,606	1,056		1,056	213,535
R0160	72,834	44,411	26,479	24,152	20,529	22,266	6,367	6,827	2,025			2,025	225,890
R0170	108,443	53,116	34,142	35,163	19,641	15,148	6,233	9,705				9,705	281,591
R0180	71,898	51,885	27,103	19,448	24,658	13,762	6,956					6,956	215,710
R0190	64,393	34,644	19,270	15,660	11,307	7,304						7,304	152,578
R0200	59,730	38,037	16,637	10,944	9,888							9,888	135,235
R0210	67,654	35,742	14,021	10,051								10,051	127,469
R0220	56,275	24,456	11,651									11,651	92,382
R0230	67,742	62,775										62,775	130,517
R0240	65,378											65,378	65,378
R0250												188,190	1,641,686
R0260													
												Total	

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)												
Year	Development year										Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9		10 & +
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior												22,563
2012	0	0	0	0	51,116	33,179	21,145	15,782	13,128	11,395		11,435
2013	0	0	0	89,535	66,317	32,115	24,192	14,977	11,199			11,239
2014	0	0	139,635	96,299	67,427	46,108	38,749	26,900				26,995
2015	0	167,912	161,153	132,607	81,860	63,646	53,506					53,695
2016	163,399	122,928	90,673	63,039	44,297	35,198						35,322
2017	156,049	111,452	79,258	67,573	53,244							53,431
2018	164,638	117,130	91,970	73,879								74,141
2019	143,809	114,022	74,590									74,853
2020	282,268	230,242										231,073
2021	152,826											153,365
Total												748,114

R0100
R0160
R0170
R0180
R0190
R0200
R0210
R0220
R0230
R0240
R0250
R0260

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Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)					
R0030	Share premium account related to ordinary share capital					
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings					
R0050	Subordinated mutual member accounts					
R0070	Surplus funds					
R0090	Preference shares	635			635	0
R0110	Share premium account related to preference shares	0			0	0
R0130	Reconciliation reserve	348,531				
R0140	Subordinated liabilities	50,000			50,000	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0			0	0

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
74,187	74,187		0	
0	0		0	
0	0		0	
0	0		0	0
0	0			
635			635	0
0			0	0
348,531	348,531			
50,000			50,000	0
0				0
0	0		0	0

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

0

R0230 **Deductions for participations in financial and credit institutions**

0

R0290 **Total basic own funds after deductions**

473,353	422,718	0	50,635	0
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R0300 **Ancillary own funds**

R0300	Unpaid and uncalled ordinary share capital callable on demand	0
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0
R0320	Unpaid and uncalled preference shares callable on demand	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0370	0				
R0390	0				
R0400	0			0	0

R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

R0390 Other ancillary own funds

R0400 **Total ancillary own funds**

Available and eligible own funds

R0500	473,353	422,718	0	50,635	0
R0510	473,353	422,718	0	50,635	
R0540	473,353	422,718	0	50,635	0
R0550	440,851	422,718	0	18,134	

R0500 Total available own funds to meet the SCR

R0510 Total available own funds to meet the MCR

R0540 Total eligible own funds to meet the SCR

R0550 Total eligible own funds to meet the MCR

R0580 **SCR**

R0600 **MCR**

R0620 **Ratio of Eligible own funds to SCR**

R0640 **Ratio of Eligible own funds to MCR**

227,759
90,669
207.83%
486.22%

Reconciliation reserve

R0700	C0060	459,074			
R0710		0			
R0720		35,722			
R0730		74,822			
R0740					
R0760		348,531			

R0700 Excess of assets over liabilities

R0710 Own shares (held directly and indirectly)

R0720 Foreseeable dividends, distributions and charges

R0730 Other basic own fund items

R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

R0760 **Reconciliation reserve**

Expected profits

R0770		13,707			
R0780		13,707			
R0790					

R0770 Expected profits included in future premiums (EPIFP) - Life business

R0780 Expected profits included in future premiums (EPIFP) - Non- life business

R0790 **Total Expected profits included in future premiums (EPIFP)**

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S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

R0010	Market risk
R0020	Counterparty default risk
R0030	Life underwriting risk
R0040	Health underwriting risk
R0050	Non-life underwriting risk
R0060	Diversification

R0070 Intangible asset risk

R0100 Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

R0130	Operational risk
R0140	Loss-absorbing capacity of technical provisions
R0150	Loss-absorbing capacity of deferred taxes
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency Capital Requirement excluding capital add-on

R0200 Capital add-ons already set

Solvency capital requirement

Other information on SCR

R0400	Capital requirement for duration-based equity risk sub-module
R0410	Total amount of Notional Solvency Capital Requirements for remaining part
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
R0440	Diversification effects due to RFF nSCR aggregation for article 304

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
90,321		
13,959		
0		
2,915		
181,230		
-58,856		

USP Key

0
229,569

For life underwriting risk:

- Increase in the amount of annuity benefits
- None

For health underwriting risk:

- Increase in the amount of annuity benefits
- Standard deviation for NSLT health premium risk
- Standard deviation for NSLT health gross premium risk
- Adjustment factor for non-proportional reinsurance
- Standard deviation for NSLT health reserve risk
- None

C0100
25,076
0
-26,886
0
227,759
0
227,759

For non-life underwriting risk:

- Adjustment factor for non-proportional reinsurance
- Standard deviation for non-life premium risk
- Standard deviation for non-life gross premium risk
- Standard deviation for non-life reserve risk
- None

0
0
0
0
0

Gross solvency capital requirement	USP	Simplifications
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C0109

0
LAC DT

C0130

-6,898
-19,988
0
0
-32,215

Approach to tax rate

R0590 Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

R0640 LAC DT

R0650 LAC DT justified by reversion of deferred tax liabilities

R0660 LAC DT justified by reference to probable future taxable economic profit

R0670 LAC DT justified by carry back, current year

R0680 LAC DT justified by carry back, future years

R0690 Maximum LAC DT

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S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result 90,669

C0010

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
C0020	C0030

R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	6,987	4,907
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	278,282	112,877
R0060	Other motor insurance and proportional reinsurance	16,498	52,759
R0070	Marine, aviation and transport insurance and proportional reinsurance	31	18
R0080	Fire and other damage to property insurance and proportional reinsurance	61,552	98,949
R0090	General liability insurance and proportional reinsurance	274,369	64,165
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

Linear formula component for life insurance and reinsurance obligations

R0200 MC_{RL} Result 0

C0040

0

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

Overall MCR calculation

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR

R0400 Minimum Capital Requirement

Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
C0050	C0060

C0070

90,669
227,759
102,491
56,940
90,669
2,500

90,669
