Revised

Annual Report

2022

Contents

Directors and Other Information

Directors
Tom Barry (Chair)
Gerry Hassett
John Heade
Gavin Kelly
Mary Kerrigan
Fiona Muldoon
Michael Murphy
Karena O'Sullivan
Myles O'Grady (resigned 31 March 2022)
Susan Russell (appointed 16 August 2022)

Secretaries
Hill Wilson Secretarial Limited
Shane Carragher

Company Number
7336

Registered Office
5 – 9 South Frederick Street,
Dublin 2.

Head of Actuarial Function
Shane Fahey FSAI (resigned 9 February 2023)
Eoin Murphy (Interim Appointment 22 February 2023)

Independent Auditor
KPMG
Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1.

Bankers
Bank of Ireland
2 College Green
Dublin 2.

Solicitor
A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1.

Revised Directors' Report

The Directors are pleased to submit their revised Annual Report and revised audited Financial Statements of New Ireland Assurance Company plc ('the Company') for the year ended 31 December 2022. This revised Directors' report replaces the previous Directors' report for the year ended 31 December 2022. This revised report has been prepared as at the date of the original Director's report, 30 March 2023, and not as at the date of this revision. Accordingly, it does not deal with any events between the date of the original Directors' report and the date of this revised report. Subsequent to the approval and signing of the financial statements on 30 March 2023, it was noted that premiums relating to investment contracts totalling €8 million had been omitted from the financial statements for the year ended 31 December 2022. The financial statements have been revised and the impact on the relevant line items is outlined below in the statutory performance paragraph.

Principal activities

The principal activity of the Company is the transaction of life assurance and pension business in the Republic of Ireland. The Company is regulated by the Central Bank of Ireland (CBI).

Review of the business

The Company was the first wholly Irish owned life assurance company to transact business in Ireland. Since its foundation, customer security and protection has been a core priority of the Company.

The purpose of the Company is to enable customers, colleagues and communities to thrive by protecting families, investing their money and securing their future. As at 31 December 2022 the Company had in excess of 600,000 customer contracts and funds under management of €19.9 billion (2021: €21.7 billion). The Company is part of the Bank of Ireland Group. Bank of Ireland is a diversified financial services group with total assets on its balance sheet of €151 billion (2021: €155 billion).

The Company sells a broad range of protection, investment and pension products to individual and corporate customers in the Republic of Ireland. Its liabilities are predominantly unit linked and it has a multi-channel distribution strategy. The Company is a market leading life and pension provider and has 20% share of the new business market.

Throughout 2022 the Company has continued to support and protect its customers, colleagues and communities. While economic activity continued to recover from the impact of COVID-19, markets were impacted by the war in Ukraine, increases in interest rates and inflation indicators, and a widening of credit spreads in the year to date.

New business sales continued to grow in 2022, up 10% vs 2021 with all products excluding Life Single Premium ahead of the prior year. Assets under management fell from €21.7 billion in 2021 to €19.9 billion in 2022 primarily due to the impact of the market environment.

Through the year the Company continued to implement its strategic plan and the significant investment contained within it will help the Company realise its strategic priorities which are:

- to transform the Company;
- to serve customers brilliantly; and
- to grow sustainable profits.

During the year, the Company:

- continued the roll out of the New Ireland digital advice platform to our customers. This full personal advice journey suite results in a greatly improved customer experience and won two major Customer Experience Awards in 2022.
- continued to increase business volumes on the new pension platform MyPension365, which provides customers with a modern, digital and customer-friendly experience in addition to a 90% reduction in onboarding time;
- launched a broker portal enabling customers and advisors to access products and services via a single source, with 88% of new pensions business applications coming in digitally; and
- continued good progress across a range of initiatives that will enable sustainable, scalable and profitable growth.

Features of the Company and its business are as follows:

- the Company has a strong distribution network across three core channels made up of the Bank of Ireland Group's branch network, independent financial brokers and its tied agent financial advisors;
- it provides a range of protection, investment and pension products offering customers access to a wide range of investment markets and fund managers across its fund platform;
- the Company has a competitive product range particularly in the protection market with the Life Choice contract and with its suite of investment and pension funds. Through its strong relationship with some of the world's leading investment managers, the Company offers a wide array of investment funds that cater for the needs of the many different types of investor;
- new business volumes were €432 million (2021: €394 million) in Annual Premium Equivalent (APE) terms over the twelve months to December 2022, up 10% on the same period last year due to strong growth in Pensions single premium in 2022;
- the Company's market share at the end of the year was 20%. There has been an increase in sales volumes across all product categories, except Life Single premium, in the twelve months to December 2022 with a strong growth in single premium Pension business and regular premium savings. Life single premium sales were impacted by the market uncertainty arising from the war in Ukraine and increasing interest rates;
- sale values on the Broker channel were up 21%, while sales values on the Bank channel and the Financial Advisor channel were down slightly on the previous year;
- new sales in the year ended 31 December 2022 consisted of €1,855 million (2021: €1,828 million) of new single premium business and €246 million (2021: €211 million) of new regular premium business;
- the Company is benefitting from the transformation actions taken to date and will continue investing in a significant transformation programme to support the growth plans of the business, improve customer experience and drive efficiency and cost reduction. A number of technology deliverables went live in 2022 and the remaining deliverables are scheduled to go live in the coming year. These deliverables are not just significant for transformation, they demonstrate our commitment to innovation, to building our agility as an organisation and to servicing our customers brilliantly;
- core operating expenses (excluding commissions, cost of sales, amortisation, depreciation and non-core costs) at €90 million (2021: €91 million) were 1% lower than the previous year. Staff costs, excluding pension at €39 million (2021: €35 million), were higher due to salary inflation and an increase in FTE numbers. Non staff costs were lower by €5 million at €46 million (2021: €51 million).
- the Company had €19.9 billion (2021: €21.7 billion) of assets under management, with positive customer flows into unit linked funds offset by falling asset values. Of the €19.9 billion assets under management, €18.1 billion was in unit linked funds where investment risk is borne by policyholders and where a change in the value of the underlying assets is accompanied by a corresponding change in the liability. A further €1.8 billion covered technical provisions (other than unit linked liabilities), solvency capital requirement and excess own funds in the life company; and
- Solvency II is the harmonised EU-wide regulatory capital framework for insurance companies. Under Solvency II, the Company is required to value its liabilities using best estimate assumptions as to future experience. It is also required to hold an additional risk margin and a risk-based Solvency Capital Requirement (SCR) which is calculated by

considering the impact of a number of stress scenarios on the Company's capital. At the end of 2022, the Company's total eligible own funds under Solvency II were €1,007 million (2021: €1,042 million). This was 1.63 times or €391 million above the SCR of €616 million (2021: €677 million).

Future outlook

The Company will continue to strengthen the digital capabilities of the business with enhanced customer propositions across pension platforms and Wealth and Insurance advice platforms. Favourable demographics and market changes underscore future growth opportunities. The proven strength of the Company's distribution channels coupled with the digital investments make the Company well placed to benefit from these opportunities.

The Company's capital position remains strong and within its target capital range.

Embedded Value Performance

The Company measures its key performance indicators using embedded value performance. The key performance indicators are new business value, operating profit, operating expenses and market share. Embedded value is widely used within the life assurance industry and the Company uses a market consistent embedded value (MCEV) methodology in measuring its performance. The table below outlines the operating profit on an MCEV basis for the year which was €159 million (2021: €115 million). Operating profit of €159 million for 2022 was €44 million or 38% higher than 2021, primarily due to higher expected return and a higher benefit of assumption changes when compared to 2021. The total profit including the impact of interest rate movements and investment variance was €22 million (2021: €160 million).

	2022 €m	2021 €m
New business profits	9	13
Existing business portfolio		
- Expected return	56	42
- Experience variance mortality and morbidity	2	5
- Experience variance persistency	9	11
- Other profit items	84	44
Operating profit	**159**	**115**
- Economic assumptions and interest rate movements	(54)	1
- Investment variance - unit linked	(83)	44
Total profit before tax	**22**	**160**

There was an increase in new business volumes but profits were lower at €9 million (2021: €13 million) due to the mix of business.

Expected return at €56 million (2021: €42 million) was higher due to increasing interest rates leading to an increase in the expected return on unit linked and shareholder holdings. Changes in the asset allocation of shareholder holdings also increased the expected return.

Experience profits, which include mortality and morbidity experience, have decreased to €2 million (2021: €5 million). Mortality / morbidity experience profits are less favourable compared to the same period in 2021. Positive experience on life, critical illness and additional benefit claims has been largely offset by negative experience on Group PHI benefits.

Persistency profits at €9 million are €2 million favourable to 2021 after allowing for the €4 million release of a Covid provision that occurred in 2021.

Other profit items are €40 million favourable to the same period in the prior year. This is mainly driven by a review of actuarial assumptions at year end 2022.

Embedded value profit before tax of €22 million (2021: €160 million) was lower due to the impact of investment market movements on unit linked fund performance and a widening of spreads combined with falling bond and equity markets on the shareholder holdings.

The total impact from the markets on the Company main fund over the year was €54 million negative (2021: €1 million positive). This was driven by rising interest rates and a widening of spreads causing a reduction in asset values which was more than the corresponding reduction in liabilities.

Unit linked investment variance for the twelve months to December 2022 was €83 million negative, compared to €44 million positive over the same period in 2021, reflecting the impact of the war in Ukraine and higher interest and inflation rates on investment markets.

Statutory performance

The revised financial statements as prepared in accordance with the Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101), show a technical account loss for the year of €20 million (2021: €44 million profit) reflecting the impact of higher interest rates, widening spreads and lower investment returns.

Subsequent to the approval and signing of the financial statements on 30 March 2023, it was noted that premiums relating to investment contracts totalling €8 million had been omitted from the financial statements for the year ended 31 December 2022. The financial statements have now been revised to reflect the accounting for this premium income in the current accounting period in accordance with the Company's accounting policy. The impact on the relevant line items in the revised financial statements is explained below.

	As previously reported €m	Revision €m	As revised €m
Profit and Loss Account			
Other Technical Income	44	8	52
Tax credit / (charge) attributable to the life assurance business	5	(1)	4
Balance on the technical account - life assurance business	(27)	7	(20)
Balance Sheet			
Cash at Bank	11	2	13
Bank Overdraft	(50)	6	(44)
Other creditors including tax and social security	(56)	(1)	(57)

Total premiums revised in the year (across insurance and investment contracts) of €3.0 billion (2021: €2.7 billion) were ahead of 2021. Premiums accounted for as insurance contracts were €2.3 billion (2021: €2.2 billion) due to the growth in new business volumes in the annuity business. Outward reinsurance premiums were €232 million (2021: €171 million) due to increased levels of bulk annuity business in the year.

Total investment return was €2.1 billion negative (2021: €2.1 billion positive) reflecting the fall in investment markets in 2022.

Assets under management of €19.9 billion (2021: €21.7 billion) declined as positive cash flows into unit linked funds was offset by the negative investment return.

Gross claims paid were higher than the prior year at €2.4 billion (2021: €1.7 billion). Gross claims accounted for as insurance contracts were also higher than the prior year at €1.4 billion (2021: €1.2 billion).

Net technical provisions decreased by €1.5 billion (2021: €2.8 billion increase), due mainly to the fall in value of policyholders' investments.

Unit linked policyholder liability provisions fell in line with the fall in the value of unit linked assets, therefore a decrease in investment asset values is matched with a decrease in corresponding technical provisions.

Core operating expenses (excluding commissions, cost of sales, amortisation, depreciation and non-core costs) were 1% lower at €90 million in the year (2021: €91 million). This was in the main due a reduction of non staff costs across the business.

The pension scheme deficit on the Company's pension scheme has fallen by €17 million (2021: €42 million decrease). Scheme liabilities decreased by €97 million (2021: €13 million decrease) due to the impact of an increase in the discount rate and partly offset by an increase in the inflation assumption. The scheme assets decreased by €80 million (2021: €29 million increase) because of the increase in interest rates and the fall in equity markets. The impact of both the liability and asset movements against the underlying actuarial assumptions has resulted in a €18 million profit (2021: €28 million profit) taken to reserves. That is €16 million net of deferred tax (2021: €25 million net of deferred tax).

Capital remains strong at 163% (2021: 154%) of SCR. A dividend of €60 million was paid in the year (2021: €nil).This dividend was paid by the Company to its parent on 11 March 2022.

Summary income statement

The profit and loss account – technical account in the revised financial statements is presented in accordance with the required accounting classification with some of the items listed in the table below being split between insurance and investment contracts according to their accounting classification.

The table below summarises the profit and loss account into its various constituent components (premiums, claims, investment income, expenses and policyholder liabilities) before the split for accounting classification.

	Revised 2022 €m	2021 €m
Premium income	3,037	2,668
Reinsurers' share of premiums	(232)	(171)
Claims incurred	(2,361)	(1,725)
Reinsurers' share of claims	148	150
Investment return	(2,060)	2,144
Net operating expenses	(215)	(204)
Change in deferred income liability	1	-
Investment expenses and charges	(26)	(28)
Interest on loans and borrowings	(6)	(6)
	(1,714)	**2,828**
Movement in linked liabilities	1,452	(2,826)
Net movement in non-linked liabilities	238	76
Tax charge attributable to the life assurance business	4	(34)
(Loss) / profit for the financial year	**(20)**	**44**

Actuarial valuations

The Company's assurance liabilities at 31 December 2022 are valued as shown in Notes 18, 19 and 20 of the revised financial statements.

The value of the unit linked financial liabilities is determined using current unit prices multiplied by the number of units attributed to the contract holders at the balance sheet date.

Non-unit linked insurance liabilities are calculated on the basis of recognised actuarial methods, with due regard to the applicable actuarial principles recognised in the European framework for the prudential and financial monitoring of direct life assurance business.

For its Solvency II regulatory balance sheet the Company's technical provisions have been calculated under the principles and methodologies as laid out in the Solvency II Directive, the Delegated Regulations, and the additional guidelines and technical information provided by the European Insurance and Occupational Pensions Authority (EIOPA).

There are a number of differences in the bases, methods and assumptions used in the valuation of technical provisions under the Solvency II basis and in the revised financial statements. The main differences are set out below. Note 26 of the revised financial statements reconciles total shareholders' equity with the Own Funds under Solvency II.

Minimum reserves

The minimum reserve for any individual policy is zero in the revised financial statements. However, negative reserves are permitted under Solvency II and will arise where the expected future premiums exceed expected future claims and expenses. In addition under Solvency II, for unit-linked business, there is a negative Best Estimate Liability (BEL), representing the future profits on these contracts. Therefore the total technical provisions under Solvency II are less than the surrender value of the contracts. This is not allowed in the basis for the revised financial statements.

Risk margin

Only insurance contracts are included in the risk margin calculation for the revised financial statements, whereas under Solvency II both insurance and investment contracts are captured. Investment contracts in the revised financial statements are measured under IFRS 9 'Financial Instruments' (IFRS 9).

Distributable profits for the year

	Revised 2022 €m	2021 €m
(Loss) / profit on ordinary activities before tax	(23)	50
Tax on profit on ordinary activities	3	(6)
(Loss) / profit on ordinary activities after tax	(20)	44
Other comprehensive income	15	25
Transfer from / (to) non-distributable reserves	5	(29)
Distributable profit for the year	**-**	**40**

The distributable profit represents a transfer of €nil (2021: €40 million) from the policyholders' funds to the shareholder funds. A transfer represents a movement of the own funds within the Company from the life assurance fund to the distributable reserve. The transfer of funds from the life assurance fund is not an indicator of profitability or dividend capacity, but a formal movement of surplus. Dividends can only be paid out of distributable profits, subject to board approval and a satisfactory solvency position.

Capital movements and dividends

Shareholder funds decreased by €65 million (2021: €69 million increase) in the year due to losses after tax of €20 million (2021: €44 million profit after tax) offset by an actuarial gain in the pension scheme, net of deferred tax of €16 million (2021: €25 million gain). There was a dividend payment of €60 million in 2022 (2021: €nil).

Holding company

The Company is a wholly-owned subsidiary of Bank of Ireland Life Holdings Limited which is incorporated in the Republic of Ireland. The ultimate parent company is the Bank of Ireland Group plc which is also incorporated in the Republic of Ireland.

Subsidiaries

The information required by Section 314 of the Companies Act, 2014 is contained in the information provided in Note 29 to the revised financial statements.

In 2011 a receiver was appointed to BSQ Limited, a subsidiary of the Company. BSQ Limited is a special purpose vehicle created to purchase on behalf of policyholders a development known as Beacon South Quarter in Sandyford, Dublin. The acquisition was financed by way of a limited recourse loan from Bank of Ireland. The value of this development has fallen significantly below the loan value and the current income from the development is insufficient to meet interest repayments. As the loan is limited recourse we anticipate, in accordance with the Loan Agreement (subject to formal notification from the Bank), that the assets of BSQ Limited will be liquidated and the proceeds will be retained by the Bank in final discharge of the loan. BSQ Limited is in receivership with KPMG Dublin. EY have been selected to act as liquidator and steps are being taken to ensure the solvent liquidation can commence once the receivership has finished.

Directors and Secretaries

The names of persons who were directors at any time since the previous reporting period are set out on page 3. Directors' titles and memberships of committees are outlined on page 8. Unless otherwise stated, the Directors served for the entire period.

Directors' and Secretaries' interest in shares

The Directors and Secretaries of the Company hold no disclosable interests in accordance with section 260 (f) of the Companies Act 2014 and no disclosure is required under section 329 of the Companies Act 2014.

Environmental, Social and Corporate Governance

The Company continues to integrate ESG considerations across investment processes and to deliver on the significant ESG regulatory agenda. New Ireland currently has circa 25% of AUM designated as SFDR Article 8 Status.

Governance

The Company is subject to the requirements of the CBI's Corporate Governance Requirements for Insurance Undertakings 2015, including those additional requirements which apply for 'High Impact' institutions (the Company has been designated as such by the CBI). These requirements impose minimum standards on all insurance undertakings authorised by the CBI and additional requirements on 'High Impact' institutions, so as to ensure that an appropriate and robust corporate governance framework is in place and implemented to reflect the nature of the undertaking's business and its risk profile.

Governance structure

The Board has primary responsibility for the system of governance within the Company. The Board has approved a Board Charter and a Board Committee Terms of Reference for which authority is reserved by the Board. The Board operates the following committees:

- Audit
- Risk
- Investment
- Remuneration
- Nomination and Governance.

Each committee of the Board is subject to Board-approved terms of reference which details the authority delegated to the committee, how it should be exercised and the means by which the committee reports to the Board.

The Board delegates executive management of the Company to the Managing Director. The Managing Director's key objective is to manage the business to achieve, and report against, the agreed strategic and business plans subject to the approved Risk Appetite Statement and key policies of the Company.

Working with the senior management team (SMT), the Managing Director is responsible to ensure that the objectives of the Company are clear and consistent with the strategic plans through personal objectives and key priorities, and that the appropriate resources and skills are available and applied.

Board of Directors

The Company's Board has primary responsibility for the corporate, management, risk and other governance structures and processes within the Company. The manner in which the Board's business is conducted is set out in the Board Charter, the Memorandum & Articles of Association of the Company, and in the Directors' general duties. Authority is reserved by the Board for certain matters which may not be delegated. Board governance documents are reviewed at a minimum annually.

Key responsibilities of the Board members include determining the Company's objectives and strategy, delegating in accordance with relevant corporate governance standards, while retaining ultimate responsibility, with clearly defined and documented responsibilities and authorities. The Board is responsible for establishing and maintaining a framework of risk management and internal controls, strategies, policies and procedures that enables the strategic, financial and other risks of the Company to be identified, assessed, measured and reported.

The following table notes the Directors' names, titles and their membership of the Board committees. Details are correct as at 31 December 2022.

Director	Category of Director	Date of appointment	Committee Membership
Tom Barry	Independent Non-Executive Director and Board Chairman	April 2014 (appointed as Board Chairman April 2019)	Nomination and Governance (Chair), Remuneration, Risk
Gerry Hassett	Independent Non-Executive Director	July 2019	Investment (Chair), Audit, Nomination and Governance, Remuneration (Chair)
John Heade	Executive Director and Chief Financial Officer	November 2020	Investment, Risk
Gavin Kelly	Group Non-Executive Director	November 2018	Nomination and Governance, Remuneration
Mary Kerrigan	Independent Non-Executive Director	July 2019	Risk (Chair), Investment. Nomination & Governance (interim member)
Fiona Muldoon	Independent Non-Executive Director	April 2021	Audit (Chair), Risk
Michael Murphy	Executive Director and Managing Director	July 2017	Investment, Risk
Susan Russell	Group Non-Executive Director	August 2022	-
Karena O'Sullivan	Group Non-Executive Director	March 2021	Audit

Myles O'Grady stepped down as a NIAC Board member in March 2022.

Mary Kerrigan was appointed as a member of the Nomination and Governance Committee on 1 February 2023 on a temporary basis.

Susan Russell was appointed to the Board as a Group Non – Executive Director on 16 August 2022. She is not a member of any other Board Committee.

Audit Committee
The committee has responsibilities relating to the integrity and disclosure of financial and related information, oversight of the effectiveness of internal controls and the Company's relationship with, and expectations of, internal and external auditors. The committee monitors and reviews the effectiveness of the Company's internal audit function, and ensures that it operates in an independent manner. It monitors the external auditor's independence and objectivity and the effectiveness of the audit process. It also monitors and reviews the effectiveness of the Company's disclosure and financial reporting policy and processes. The committee also oversees the Company's compliance function.

Risk Committee
The committee has responsibility for oversight of and the provision of advice to the Board on matters including the effectiveness of the Company's systems of risk management in identifying, assessing, measuring and reporting on its risk profile, taking into account the nature, scale and complexity of the operation of the Company.

It has oversight of risk governance, risk appetite and limits for current and future risks, risk strategy, material risk exposures and the Own Risk and Solvency Assessment (ORSA) process, including the ORSA report. The committee oversees the Company's risk management function.

Investment Committee
The committee has responsibility for oversight and the provision of advice to the Board on matters including governance in respect of the Company's investments, monitoring of the investments of the Main Fund and the Unit Linked funds, the overall level of investment risk, and the consistency of relevant investments with policyholders' reasonable expectations. It is responsible for the appointment and oversight of investment managers and custodians, in line with the Board's outsourcing policy, and for reviewing investment activity, performance and strategy.

Remuneration Committee
The committee has responsibility for oversight and the provision of advice to the Board on matters including considering and making recommendations in respect of the remuneration strategy and policy for Executive Directors, senior management and other employees. It is responsible for framing remuneration policies, giving full consideration to the principles and provisions of the relevant regulatory and corporate governance codes.

Nomination and Governance Committee
The committee has the responsibility for oversight and provision of advice to the Board for consideration and for making recommendations in respect of nominations to the Board, Board committees and key management positions. It monitors developments in corporate governance, assessing the implications for the Company and advising the Board accordingly. It prepares reports on the effectiveness and performance of the Board.

Fitness and probity

The CBI's fitness and probity standards apply to all Directors and a number of other key roles within the Company, including those relating to the control functions. The holders of specific roles which are designated as Pre-approved Controlled Functions (PCF) require the advance approval of the CBI.

Minimum standards of fitness and probity apply to all persons performing the functions covered by the fitness and probity standards, including those requiring the pre-approval of the CBI, in the areas of competence and capability, acting honestly, ethically and with integrity and being financially sound.

The Company has in place a procedure for assessing the fitness and probity of those persons who come within the scope of the CBI standards. The procedure, which is carried out annually, includes an assessment of qualifications, experience, financial soundness, references and a range of due diligence and validation checks.

The Company is also subject to the CBI's Minimum Competency Code 2011 which covers all employees who are acting in certain specified roles. The code requirements include ongoing continuing professional development requirements. All personnel who fall within the code are also subject to the Company's fitness and probity policy.

Risk management

The Company's risk management framework sets out its approach to understanding and managing the risks to which the Company is subject and to ensuring that all material classes of risk are taken into consideration in the context of the Company's overall strategic objectives and goals.

The objectives of risk management are to enable the Board and management to appropriately identify, assess, measure and report risks as determined by its strategic objectives and goals and subject to any regulatory obligations that apply.

The Company's core strategic objectives include the protection of its capital and reputation. The acceptance of risk, through the products and services it provides to its customers and the management of the risks to which the Company is subject, are the methods by which the Company achieves its overall objectives and goals.

The risk management framework sets out the core elements and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management practices and activities across the Company. It provides a context within which business and risk strategies are considered and developed. The risk management framework is enabled by people, processes and technology, underpinned by a prudent and balanced risk management culture as articulated through the Risk Appetite Framework and Statement which are approved by the Board annually.

Risk management function

The risk management function is responsible for maintaining and monitoring the effectiveness of the Company's overall risk management system and for its ongoing development. Its key activities include the following:

- design of key risk management frameworks and related policies, including processes to identify measure, monitor, manage and report on the entity-wide risks to which the Company is subject;
- co-ordination of the Company's ORSA process;
- preparation and review of the Company's Risk Appetite Statement;
- monitoring of the risk management system including oversight and challenge with regard to the effectiveness of its operation; and
- preparation of an annual plan for submission to the Board Risk Committee.

The risk management function is led by the Chief Risk Officer (CRO) who is a member of the SMT reporting to the Managing Director. The CRO also has responsibility for the compliance function within the Company.

Risk management system

The Board is responsible for the overall risk management system of the Company. It has delegated the management and oversight of a number of risk activities to the Risk Committee, which in turn has a number of management risk committees reporting into it. These management committees are led by the Executive Risk Committee (ERC) which is chaired by the CRO with the membership consisting of senior staff including the Managing Director.

In support of its overall risk strategy, the Company operates a risk governance system based on the three lines of defence model, which provides oversight and assurance to the Board with coverage across the independent control functions. These control functions, across risk management, compliance, actuarial function and internal audit, have specific responsibilities as part of the overall risk management system.

1st line of defence

The 1st line of defence consists of front line business functions such as customer service, sales and distribution, product management, information technology, finance, marketing and human resources. Primary responsibility and accountability for risk management lies with these functions. They are responsible for the identification and management of risks that affect the Company at business unit level, and for implementing appropriate controls and reporting consistent with the Company's risk management framework.

2nd line of defence

The 2nd line of defence consists of the control functions of compliance, risk management and the actuarial function. These functions formulate risk frameworks and policy and provide oversight, monitoring and challenge to the operation of the risk framework within the Company. The actuarial function also provides assurances to the Board in relation to the adequacy of the Company's provisions in respect of its obligations.

3rd line of defence

The 3rd line of defence consists of an independent internal audit function that provides independent, reasonable assurance to key stakeholders on the effectiveness of the Company's risk management and internal control framework. Internal audit carry out risk-based assessments covering the Company's businesses and functions (including outsourcing providers).

Findings are communicated to senior management and other key stakeholders, with remediation plans monitored for progress against actions and completion dates.

The management structures and related committees support the overall risk management system with clear reporting lines for the risk management and control functions.

Risk strategy and appetite

The overall risk strategy of the Company is to ensure that all material risks, both current and on a forward-looking basis, are considered in arriving at and maintaining the strategic commercial objectives of the Company and that these objectives are consistent with the approved Risk Appetite Statement of the Company.

The Company is committed to providing a high quality and efficient service and product proposition to its customers and ensuring that the Company keeps to its commitments, while also seeking to protect the interests of its shareholder. The Company pursues an appropriate return for the risks taken and operates within the stated Risk Appetite Statement. In doing so, the Company seeks to be fair to its customers, both new and existing, and to operate a strong risk management framework and risk culture.

The Company has a preference for risks that it understands well and is in a position to manage appropriately and it pursues an appropriate return for the risks taken. It seeks to engender a prudent and balanced risk management approach across the Company and to ensure that its risk management structures are appropriate to the nature, scale and complexity of its business.

The Risk Appetite Statement of the Company defines the amount and nature of the risks that the Company is prepared to accept in pursuit of its strategic objectives. In addition, it notes the risks that are accepted in the course of the Company's business activities but which the Company seeks to mitigate, and those risks that it seeks to avoid or transfer.

The Risk Appetite Statement is defined in qualitative and quantitative terms, in respect of the key risk categories, within a framework that facilitates monitoring and appropriate action at Board and management levels.

The Risk Appetite Statement of the Company is reviewed at least annually on the advice of the Company's risk management function.

Internal controls

The Company's system of internal control encompasses processes and structures which are intended to provide reasonable assurance to the Board, regarding the achievement of objectives which relate to the following areas:

- operational effectiveness and efficiency of the Company's operations, including operational and financial performance goals and safeguarding assets against loss;
- financial reporting - availability, timeliness and reliability of financial and non-financial information, and any other requirements or standards to which the Company is subject; and
- compliance - adherence to applicable laws and regulations to which the Company is subject.

The system of internal control is an integral part of the overall risk management framework of the Company. The risk management framework is broader than internal control and focuses on the identification and management of the full spectrum of risks impacting the Company.

The principal elements of the internal control system are the following:

Governance structures and policies

This encompasses the overall governance structures of the Company through the Board, management and committee structures and as outlined above. It also includes the policies and procedures which set out the manner in which certain risks are managed within the Company.

Risk Assessments

The Company undertakes processes for identifying and assessing risks and their associated controls. This also encompasses the impact of changes to the external environment and within its own business model that may render internal control partially or completely ineffective.

Control activities and functions

The Company has put in place policies and procedures which are designed to help mitigate the identified risks. These encompass activities such as authorisations, reconciliations, management reviews and independent validations. Segregation of duties is built into the selection and development of control activities. The oversight of the internal control system is undertaken by the four key control functions, namely:

- Risk Management function
- Compliance function
- Actuarial function
- Internal Audit function.

Reporting

This is the process of providing timely, quality and relevant information to support the components of the internal control system.

Monitoring activities

This is the process of ongoing evaluation to ascertain that the components of the internal control system are present and functioning. Ongoing evaluations are built into business processes in order to provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency. Deficiencies are communicated to management and the Board, as appropriate.

The system of internal control is intended to support the Company in achieving its strategic and business objectives, while operating within the requirements set out in its key policies and within the laws and regulations which apply. A robust internal control environment enables the Company to deal effectively with changes to the external environment, the needs of key stakeholders including customers, shareholders and regulators and within an evolving business and regulatory landscape.

Directors' compliance statement

As required by Section 225 of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations" (as defined in that legislation). The Directors further confirm that a compliance policy statement has been drawn up, and that appropriate arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations. A review of these arrangements and structures has been conducted in the financial year to which this report relates.

Non-financial information statement

The Company has not separately presented a non-financial information statement as it is a subsidiary of Bank of Ireland Group plc and the Company is included in the group non-financial performance information statement.

Principal risks and uncertainties

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. Note 26 outlines the range of financial risks facing the Company and the principal techniques the Company uses to mitigate these risks.

Subsequent events

IORPs II and the Pensions Authority (PA) Code of Practice introduces minimum capital levels for Master Trusts. Navigator Master Trust is a key strategic priority for New Ireland Assurance Company plc and its subsidiary General Investment Trust DAC (GIT). In order to comply with the PA code of practice a minimum capital level of €70 per member in a master trust must be provided plus two years running costs for the DAC operating the master trust, which in the case of Navigator this is GIT. Based on the minimum capital of €70 per member and the running costs of GIT the overall capital requirement is therefore projected to be €3.2m.

In February 2023, there was a transfer of capital from New Ireland Assurance Company plc to its subsidiary General Investment Trust DAC of €3.2 million. This is not expected to have an impact on the solvency ratio of New Ireland Assurance Company plc.

No other significant events which require disclosure or adjustment to the revised financial statements, affecting the Company or any of its subsidiary undertakings, have occurred since the balance sheet date.

Future developments

The Company will continue to ensure that it is sufficiently well placed to meet likely future demands arising from any significant changes in the operating environment.

Accounting records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 5 - 9 South Frederick Street, Dublin 2.

Political donations

The Directors, on enquiry, have satisfied themselves that there were no political donations made during the year ended 31 December 2022 or 2021.

Relevant audit information

The Directors in office at the date of this report have each confirmed that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditor

KPMG, Chartered Accountants, were appointed statutory auditor on 24 April 2018. They have been re-appointed annually since that date and will continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the Board:

Michael Murphy
Director

John Heade
Director

Date: 20 July 2023

Statement of Directors' Responsibilities

in respect of the revised Directors' report and the revised financial statements

The Directors are responsible for preparing the revised directors' report and the revised financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing these revised financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act, 2014 and European Union (Insurance Undertakings: Financial Statements) Regulations 2015. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and they have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the Board:

Michael Murphy
Director

John Heade
Director

Date: 20 July 2023

Independent Auditor's Report

Report on the audit of the revised financial statements

Opinion

We have audited the revised financial statements of New Ireland Assurance Company plc ('the Company') for the year ended 31 December 2022 set out on pages 16 to 48, which comprise the Profit and Loss Account - Technical Account - Life Assurance Business, Profit and Loss Account - Non-Technical Account, Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council. These revised financial statements replace the original financial statements approved by the directors on 30 March 2023.

The revised financial statements have been prepared in accordance with the provisions of Chapter 17 of Part 6 of the Companies Act 2014 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

In our opinion:

- the revised financial statements seen as at the date the original financial statements were approved by the directors, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its loss for the year then ended;
- the revised financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework;
- the revised financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014;
- the revised financial statements have been properly prepared in accordance with the requirements of the European Union (Insurance Undertakings: Financial Statements) Regulations 2015; and
- the original financial statements for the year ended 31 December 2022 failed to comply with the requirements of the Companies Act 2014 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were appointed as auditor by the Board of Directors on 24 April 2018. The period of total uninterrupted engagement is the five years ended 31 December 2022. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Emphasis of matter – revision of financial statements and directors' report

We draw attention to note 1 of the revised financial statements, which describes a material misstatement that was identified subsequent to the approval of the original financial statements by the Board. This matter has been corrected in the revised financial statements as set out in the note. Our opinion is not modified in this respect.

The original financial statements were approved on 30 March 2023 and our previous audit report was signed on 4 April 2023. Our procedures on subsequent events since the date of our previous audit report were restricted solely to the amendment of the financial statements as described in note 1. Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the revised financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the revised financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Using our knowledge of the Company, the financial services industry and the general economic environment to identify the inherent risks to the business model and analysing how those risks might affect the Company's financial resources or ability to continue operations for at least a year from the date of approval of the original financial statements ("the going concern period"). The risk that we considered most likely to adversely affect the Company's available financial resources over this period was the valuation of the technical provisions – life assurance business provision.

We also considered less predictable but realistic second order impacts that could affect the Company's markets, such as the impact of the ongoing conflict in the Ukraine, the failure of counterparties who transact with the Company (such as policyholders, intermediaries and reinsurers), the performance of the investment portfolio, solvency and capital adequacy.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the original financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the Audit Committee and internal audit and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, the Audit Committee and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Company's regulatory and legal correspondence.
- Reading minutes of meetings of the Board of Directors, the Audit Committee and other relevant board sub-committees.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the revised financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the revised financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We identified a fraud risk in relation to the Company's valuation of technical provisions - life assurance business provision.

Further detail in respect of the valuation of technical provisions - life assurance business provision is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Evaluating the business purpose of significant unusual transactions;
- Assessing significant accounting estimates for bias; and
- Assessing the disclosures in the revised financial statements.

As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates in and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the revised financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the revised financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the revised financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the revised financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2021):

Valuation of insurance and investment contract liabilities €20,154m (2021: €22,038m)

Refer to pages 21 to 23 (accounting policy) and notes 18 to 20 (financial disclosures)

The key audit matter

The Company's insurance and investment contract liabilities include technical provisions – life assurance business provision of €2,265 million (2021: €2,698 million) and the technical provisions for life assurance policies where the investment risk is borne by the policyholders of €17,889 million (2021: €19,340 million).

These key elements of the insurance and investment contract liabilities collectively represent the single largest liability for the Company representing 96% of total liabilities.

The technical provisions - life assurance business provision is an estimate of the non-linked liabilities payable to policyholders. It is determined using standard actuarial methodologies and assumptions regarding future mortality, morbidity, persistency, lapses, longevity, expenses, unit growth rates and interest rates. We consider this to be a key audit matter as the calculation basis is complex and involves the use of detailed methodologies and key assumptions.

The technical provisions for life assurance policies where the investment risk is borne by the policyholders is related to the unit-linked assets on the balance sheet. The valuation of the technical provisions for these life assurance policies is determined based on the valuation of the investments for the benefit of life assurance policyholders who bear the investment risk.

We do not consider such provisions to have a high risk of material misstatement or to be subject to a significant level of judgement but because of their materiality in the context of the revised financial statements, we consider them a key focus of our audit.

How the matter was addressed in our audit

With the assistance of our actuarial specialists, our audit procedures included but were not limited to:

Obtaining and documenting our understanding of the valuation process and evaluating and testing the design and implementation of key controls relevant to the valuation of insurance and investment contract liabilities.
Testing, on a sample basis, the completeness and accuracy of the key data used in the valuation calculation.

Assessing and challenging the methodologies applied and the significant assumptions used in the valuation with reference to guidance issued by the European Insurance and Occupational Pensions Authority ('EIOPA'), the Company's actuarial experience investigations, published mortality tables and our experience of similar companies in the marketplace as applicable.
Assessing the calculation of insurance and investment contract liabilities through:
- agreeing relevant assumptions and key data inputs into the actuarial models to those we have evaluated;
- testing the design and implementation of management's controls over the output of the calculations;
- evaluating the external actuary's report on the actuarial methodologies, relevant assumptions and calculations; and
- independently replicating the best estimate liability ("BEL") for a cohort of policies.

Obtaining and re-performing the year end asset and liability reconciliation and verifying the asset and liability totals to source information, tracing material reconciling amounts to corroborating audit evidence.

Assessing the Company's product classification with reference to the accounting standards.

Evaluating the adequacy of disclosures in the revised financial statements relating to insurance and investment contract liabilities.

Based on evidence obtained, we found that the key methodologies and assumptions used in the valuation of the technical provisions-life assurance business provision and the technical provisions for life assurance policies where the investment risk is borne by policyholders to be reasonable.

Valuation of defined benefit pension net liability €58k (2021: €17m)
Refer to page 25 (accounting policy) and note 25 (financial disclosures)

The key audit matter
The Company has a defined benefit pension scheme. The scheme has an IAS 19 Employee Benefits defined benefit pension deficit of €58k as of 31 December 2022.

The valuation of the pension obligation is calculated with reference to a number of actuarial assumptions. The treatment of curtailments, settlements, past service costs and other amendments can significantly impact the balance sheet and results of the Company.

The valuation of certain pension assets requires a degree of judgement in selecting the valuation basis for investments where quoted prices or an active market are not readily available.

We regard the determination of the Company's defined benefit pension net liability as a key audit matter. The valuation of the pension liability is complex and requires judgement in choosing appropriate actuarial assumptions. The accuracy and valuation of pension assets requires judgement and contains unobservable data inputs. Small changes in these assumptions can have a material impact on the net liability.

How the matter was addressed in our audit
With the assistance of our actuarial specialist, our audit procedures include:
Obtaining an understanding of the process around the defined benefit pension scheme and testing the design and implementation of key controls relating to the defined benefit pension scheme.

Testing, on a sample basis, key data to source documentation establishing the obligation to members, and vice versa.

Agreeing the valuation of the underlying pension scheme assets to independent third party sources.

Meeting with management and the scheme actuary to understand, assess and challenge the judgements made in determining the significant assumptions used in the calculation of the liability, with reference to our own independent benchmarks.

Challenging the adequacy of the disclosures relating to the defined benefit pension net liability, having regard for the requirements of the accounting standards.

Based on evidence obtained, we found the key assumptions used by management in the valuation of the defined benefit pension net liability to be reasonable.

Accuracy, valuation and ownership of investments €19,884m (2021: €21,666m)
Refer to page 23 to 24 (accounting policy) and notes 12, 13 and 26 (financial disclosures)

The key audit matter
Investments comprise of equities, unit trusts, debt securities, open derivative positions, unlisted securities and investment properties. Investments represent 93% of total assets on the Company's balance sheet. Due to the size of the investment portfolio, we consider accuracy, valuation and ownership of investments to be a key audit matter.

The valuation of certain investments requires a degree of judgement in selecting the valuation basis for investments where quoted prices or an active market are not readily available.

In relation to the accuracy of level 1 and less complex level 2 investments and the ownership of the investment portfolio, we do not consider there to be a high risk of material misstatement or a significant level of judgement involved but because of the materiality of the investment portfolio in the context of the revised financial statements, we consider these to be a key focus of our audit.

How the matter was addressed in our audit
Our audit procedures included, but were not limited to:
Obtaining and documenting our understanding of the accuracy, valuation and ownership process and testing the design, implementation and operating effectiveness of key controls operating over the valuation of certain investments.

For a selection of equities, unit trusts, debt securities and open derivative positions, testing the valuation of the investments by agreeing the prices used to independent third party sources.

For unlisted securities, assessing the Company's basis for determining fair value and for a selection of these investments independently obtaining valuations directly from the relevant underlying fund administrators.

Agreeing the ownership of a selection of investments to independently obtained confirmations.

For investment properties, the valuation is determined based on advice from the Company's external property valuation experts. Our procedures involve:
- Evaluating the independence of the Company's external property valuation experts and obtaining the property valuation reports.
- Agreeing the key data inputs used in the valuation to the supporting documents.
- Performing an assessment that the properties are valued in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation standards on the basis of market value; and
- Obtaining confirmation from external solicitors of a selection of title deeds to confirm ownership.

Evaluating the adequacy of disclosures in the revised financial statements related to investments.

Based on evidence obtained, no material misstatements were identified with respect to the accuracy, valuation and ownership of investments.

Our application of materiality and an overview of the scope of our audit
Materiality for the revised financial statements as a whole was set at €4.3m (2021: €4.95m), determined with reference to a benchmark of net assets of which it represents 1% (2021: 1%).

We have selected net assets as the benchmark as, in our view, net assets is the most appropriate benchmark given the circumstances and the nature of the Company's business and in particular it is the key measure for assessing the financial health of the Company.

In determining the percentage to be applied to the benchmark, we considered a number of factors, i.e. focus of the users of the revised financial statements, elements of the revised financial statements, ownership and financial structure and the stability of the business environment in which it operates and concluded that an amount at the middle of our normal range was appropriate.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the revised financial statements as a whole.

Performance materiality for the revised financial statements as a whole was set at €3.22m (2021: €3.22m), determined with reference to a benchmark of net assets of which it represents 75% (2021: 65%). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, having regard to Practice Note 20 The audit of Insurers in the United Kingdom issued by the Financial Reporting Council, we applied materiality of €18m (2021: €13m) to the audit of policyholders' assets and liabilities in the balance sheet, and related notes, determined with reference to a benchmark of total unit linked assets of which it represents 0.1% (2021: 0.07%). This materiality was applied solely for our work on matters for which a misstatement is likely only to lead to a reclassification between line items within assets and liabilities.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.22m (2021: €0.25m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by engagement teams in Dublin.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the revised financial statements. The other information comprises the information included in the revised directors' report and the statement of directors' responsibilities.

The revised financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the revised financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our revised financial statements audit work, the information therein is materially misstated or inconsistent with the revised financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that:

- we have not identified material misstatements in the revised directors' report;
- in our opinion, the information given in the revised directors' report is consistent with the revised financial statements; and
- in our opinion, the revised directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

As explained in note 1, the Company's accounting records have been amended in the light of matters giving rise to the revision of the financial statements. Except for those matters, in our opinion the accounting records maintained by the Company during the financial year were sufficient to permit the financial statements to be readily and properly audited. In our opinion, the revised financial statements are in agreement with the corrected accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 11, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ivor Conlan

Ivor Conlon
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

21 July 2023

Profit and loss account

Profit and loss account – technical account life assurance business

Financial year ended 31 December 2022

	Note	*Revised* 2022 €m	2021 €m
Earned premiums, net of reinsurance			
Gross premiums written	2	2,282	2,190
Outward reinsurance premiums		(232)	(171)
		2,050	**2,019**
Investment Income	4	187	196
Net gains on realisation of investments	4	419	757
Unrealised (losses) / gains on investments	4	(2,666)	1,191
Other technical income	5	52	50
Total technical income		**42**	**4,213**
Claims incurred, net of reinsurance			
Claims paid			
- gross amount		(1,416)	(1,221)
- reinsurers' share		163	137
		(1,253)	**(1,084)**
Change in the provision for claims			
- gross amount	18	(6)	(45)
- reinsurers' share	18	(15)	13
		(21)	**(32)**
		(1,274)	**(1,116)**
Change in technical provisions, net of reinsurance			
Life assurance business provision, net of reinsurance			
- gross amount	18	433	142
- reinsurers' share	18	(195)	(66)
		238	**76**
Technical provisions for linked liabilities	19	1,217	(2,856)
		1,455	**(2,780)**
Net operating expenses	6	(215)	(204)
Investment expenses and charges	4	(26)	(28)
Interest on loans and borrowings	24	(6)	(6)
Tax credit / (charge) attributable to the life assurance business	9	4	(34)
		(243)	**(273)**
Balance on the technical account - life assurance business		**(20)**	**44**

All the above amounts relate to continuing activities. The notes on pages 21 to 48 form an integral part of these revised financial statements.

Profit and loss account – non-technical account

Financial year ended 31 December 2022

	Note	*Revised* **2022 €m**	**2021 €m**
Balance on the technical account - life assurance business		(20)	44
Tax attributable to shareholders' (loss) / profit		(3)	6
(Loss) / profit on ordinary activities before tax	8	**(23)**	**50**
Tax on (loss) / profit on ordinary activities	9	3	(6)
(Loss) / profit for the financial year		**(20)**	**44**

All the above amounts relate to continuing activities. The notes on pages 21 to 48 form an integral part of these revised financial statements.

Statement of comprehensive income

Financial year ended 31 December 2022

	Note	*Revised* **2022 €m**	**2021 €m**
(Loss) / Profit for the financial year		**(20)**	**44**
Other comprehensive income / (loss)			
Items that will not be classified to profit or loss			
Remeasurement of post employment benefit obligations	25	18	28
Revaluation of owner occupied property	15	(1)	-
Deferred tax related to these items	21	(2)	(3)
Other comprehensive (loss) / income for the year net of tax		**(5)**	**69**

All the above amounts relate to continuing activities. The notes on pages 21 to 48 form an integral part of these revised financial statements.

Balance Sheet

as at 31 December 2022

	Note	*Revised* 2022 €m	2021 €m
Intangible assets	11	69	**56**
Investments			
Investments in subsidiaries	29	-	-
Other financial investments	12	1,812	2,061
		1,812	**2,061**
Investments for the benefit of life assurance policyholders who bear the investment risk	13	**18,072**	**19,605**
Reinsurers' share of technical provisions			
Life assurance business provision	18	1,090	1,285
Claims outstanding	18	20	35
		1,110	**1,320**
Debtors			
Debtors arising out of insurance operations			
- policyholders and intermediaries	14	173	121
Due from fellow subsidiaries	14	1	1
Other debtors	14	3	3
		177	**125**
Other assets			
Land and buildings and tangible assets	15	3	3
Deferred taxation	21	17	2
Cash at bank		13	2
		33	**7**
Prepayments and accrued income			
Accrued interest		15	23
Other prepayments and accrued income		1	1
Deferred acquisition costs	16	158	156
		174	**180**
Total assets		**21,447**	**23,354**

The notes on pages 21 to 48 form an integral part of these revised financial statements.

Balance Sheet

as at 31 December 2022 (continued)

	Note	*Revised* 2022 €m	2021 €m
Capital and reserves			
Called up share capital - presented as equity	17	23	23
Share premium account	17	26	26
Capital reserve	17	43	43
Revaluation reserve	17	2	2
Non - distributable reserve	17	168	173
Profit and loss account	17	169	229
Shareholders' funds - equity interests		**431**	**496**
Technical provisions			
Life assurance business provision	18	2,265	2,698
Claims outstanding	18	239	234
		2,504	**2,932**
Technical provisions for life assurance policies where the investment risk is borne by the policyholders	19	**17,889**	**19,340**
Accruals and deferred income		29	31
Creditors - Amounts falling due within one year			
Creditors arising out of insurance operations	22	274	226
Due to fellow subsidiaries	22	57	13
Bank overdraft	22	44	69
Other creditors including tax and social security	22	57	65
		432	**373**
Other provisions	23	-	3
		432	**376**
Creditors - Amounts falling due after one year			
Loans and borrowings	24	162	162
Total equity and liabilities before pension deficit		**21,447**	**23,337**
Pension deficit	25	-	17
Total equity and liabilities		**21,447**	**23,354**

The notes on pages 21 to 48 form an integral part of these revised financial statements.

On behalf of the board:

Michael Murphy
Director

John Heade
Director

Date: 20 July 2023

Statement of Changes in Equity

Financial Year Ended 31 December 2022	Share capital €m	Share premium €m	Capital reserve €m	Revaluation reserve €m	Non-Distributable reserve €m	Profit & loss account €m	Shareholders' funds €m
Balance at 1 January 2021	23	26	43	2	144	189	427
Retained profit for the financial year	-	-	-	-	-	44	44
Other comprehensive loss for the year	-	-	-	-	-	25	25
Transfer to non-distributable reserve	-	-	-	-	29	(29)	-
Balance at 31 December 2021	**23**	**26**	**43**	**2**	**173**	**229**	**496**
Retained loss for the financial year	-	-	-	-	-	(20)	(20)
Other comprehensive income for the year	-	-	-	-	-	15	15
Transfer from non-distributable reserve	-	-	-	-	(5)	5	-
Dividend	-	-	-	-	-	(60)	(60)
Balance at 31 December 2022 (revised)	**23**	**26**	**43**	**2**	**168**	**169**	**431**

The notes on pages 21 to 48 form an integral part of these revised financial statements.

Notes to the Revised Financial Statements

1. Accounting policies

Basis of presentation
The revised financial statements have been prepared on the going concern basis and in accordance with Irish GAAP, accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. The revised financial statements comply with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101), the Companies Act 2014 ('the Act') and the European Union (Insurance Undertakings: Financial Statements) 2015.

The revised financial statements have been prepared on the historical cost basis, as modified to include the revaluation of land and buildings, other financial investments and assets held to cover linked liabilities.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the revised financial statements are disclosed in note 12, note 13, note 20, note 25 and note 26.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS).

The Company is a qualifying entity for the purposes of FRS 101. Note 30 gives details of the Company's parent and from where its consolidated revised financial statements, prepared in accordance with EU-adopted IFRS, may be obtained.

In these revised financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- a cash flow statement and related notes;
- disclosures in respect of related party transactions between members of the same group;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- the disclosures required by IFRS 13 Fair Value Measurement for non-financial assets only.

The Company has taken advantage of the exemptions from producing consolidated financial statements for the year ended 31 December 2022, since it is a wholly-owned subsidiary undertaking of a parent company that is established under the law of an EEA state, which prepares consolidated financial statements in which the Company and its subsidiaries are included. These revised financial statements are separate financial statements.

The revised financial statements replaces the previous financial statements for the year ended 31 December 2022. Subsequent to the approval and signing of the financial statements on 30 March 2023, it was noted that premiums relating to investment contracts totalling €8 million had been omitted from the financial statements for the year ended 31 December 2022. The financial statements have been revised to reflect the accounting for these premiums in the current accounting period in accordance with the Company's accounting policy. The impact on the relevant line items in the revised financial statements is explained below.

	As previously reported €m	Revision €m	As revised €m
Profit and Loss Account			
Other Technical Income	44	8	52
Tax credit / (charge) attributable to the life assurance business	5	(1)	4
Balance on the technical account - life assurance business	(27)	7	(20)
Balance Sheet			
Cash at Bank	11	2	13
Bank Overdraft	(50)	6	(44)
Other creditors including tax and social security	(56)	(1)	(57)

Basis of accounting for long term insurance business
The Company uses a modified Solvency II basis to value its insurance contract liabilities, with due regard to the actuarial principles laid down in the Insurance and Reinsurance Directive ('Solvency II Directive'). Under this valuation basis, the Company's revised financial statements measure insurance contract liabilities on the basis of recognised actuarial methods, with due regard to the applicable actuarial principles recognised in the European Framework for the prudential and financial monitoring of direct life assurance business.

Non-distributable reserve
The surplus available for distribution is released from the non-technical reserve and retained in the profit and loss account. All non-distributable amounts in the profit and loss – non-technical account are transferred to the non-distributable reserve.

Critical accounting estimates and judgements
In preparing the financial statements, the Company makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in estimating the likelihood of future events, actual results could differ from those estimates, which could affect the future reported amounts of assets and liabilities. The estimates and judgements that have had the most significant effect on the amounts recognised in the Company's revised financial statements are set out below.

a. Technical Provisions (Estimate)
   The measurement basis of policyholder liabilities is dependent upon the classification of the contracts under IFRS 4.

   The Company uses a modified Solvency II basis to value its insurance contract liabilities, with due regard to the actuarial principles laid down in the Solvency II Directive. Under this valuation basis, the Company's revised financial statements measure insurance contract liabilities and Life Assurance provisions on the basis of recognised actuarial methods, with due regard to the applicable actuarial principles recognised in the European Framework for the prudential and financial monitoring of direct life assurance business. See note 20 for disclosures of the technical provisions.

1. Accounting policies (continued)

b. Defined benefit pension scheme (Estimate)
The Company has an obligation to pay pension benefits to certain employees. In determining the actual pension cost, the actuarial value of the liability of the scheme is calculated by external actuaries. This involves modelling its future development and requires management to make assumptions as to discount rates, price inflation, salary and pensions increases, member mortality and other demographic assumptions.

There are acceptable ranges in which these estimates can validly fall. The impact on the results for the period and financial position could be materially different if alternative assumptions were used. A quantitative analysis of the sensitivity of the defined benefit pension liability to changes in the key assumptions is set out in note 25.

c. Valuation of Investments (Judgement)
All financial investments are classified as fair value through profit or loss. Fair values for investments are based on prices on the balance sheet date, determined from independent sources including recognised external pricing services, broker or dealer price quotations, and prices provided by valuation agents. For investments not listed, valuation techniques are adopted or an independent valuation is obtained from the administration manager of those funds. If no realistic value can be obtained, an investment will be measured at cost less any impairment provision, as this is considered best estimate of fair value.

Investment properties are carried at fair value as determined by external qualified property surveyors appropriate to the properties held.

The surveyors arrive at their opinion of fair value by using their professional judgement in applying comparable current trends in the property market such as rental yields in the retail, office and industrial property sectors, to both the existing rental income stream and also to the future estimated rental value (ERV). Other inputs taken into consideration include occupancy forecasts, rent free periods that may need to be granted to new incoming tenants, capital expenditure and fees. As these inputs are unobservable, the valuation is deemed to be based on level 3 inputs. All properties are valued based on highest and best use.

See note 12 and note 13 for disclosures on the valuation of investments.

d. Front-end fees and acquisition costs (Judgement)
In determining the amount of front-end fees and acquisition costs to defer in relation to the Company's investment contracts, judgements must be made in relation to the lives of the contracts and therefore the time period over which these balances are amortised to the profit and loss account. For capital protected products, the Company amortises the amounts over the capital protected period of the policy. For open ended unit linked funds, the expected life of the policy is subject to a high degree of judgement and can change quite significantly over time with changes in investor sentiment and market or product developments. In making an appropriate estimate in each reporting period, management seeks to take account of actual past experience and future expectations, with most weight given to recent experience.

See note 16 for disclosures on deferred acquisition costs.

Contract classification
The Company classifies all life assurance products as either insurance or investment contracts for accounting purposes.

The Company issues contracts that transfer insurance risk or financial risk or both. Long-term business contracts issued by the Company fall into the following classes:
- insurance contracts; and
- unit linked investment contracts

Insurance contracts are contracts under which the Company accepts significant insurance risk from policyholders by agreeing to compensate them if a specified uncertain future event (the insured event) adversely affects them. Insurance contracts transfer significant insurance risk at the inception of the contract. As a general guideline, the Company defines as significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 5% or more than the benefits payable if the insured event did not occur. A contract which exposes the issuer to financial risk without significant insurance risk is not an insurance contract.

Long-term business contracts that are not classified as insurance are deemed to be financial instruments and are classified as investment contracts. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Unit linked contracts written by the Company where the liability under the contract is dependent on the value of the underlying financial assets, derivatives and investment property are classified as investment contracts unless the contracts also contain features that transfer significant insurance risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. However, investment contracts are reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance contracts
Insurance contracts are accounted for in accordance with IFRS 4.

a. Premiums
Premiums receivable in respect of non-unit linked insurance contracts are recognised as revenue when due from policyholders. Premiums received in respect of unit linked insurance business are recognised in the same period in which the associated technical provisions are created. Outward reinsurance premiums are recognised when due for payment.

b. Claims and surrenders
Maturity claims and annuities are recognised when due for payment. Surrenders are accounted for when paid or, if earlier, on the date when the policy ceases to be included within the calculation of the life assurance business provision and / or the technical provision for linked liabilities. Death claims and all other claims are accounted for when notified. A provision is made to reflect risk related claims incurred in the year but which were not notified to the Company at the balance sheet date. Reinsurance claims are recognised at the same time as the policyholders' claim liability.

Claims incurred comprise the settlement and handling costs of claims paid and outstanding claims arising from events occurring during the financial year together with adjustments to prior year claims provisions. Claims handling costs include the internal and external costs incurred in the settlement of risk claims. All claims are recorded on the basis of notifications received up to the balance sheet date. An estimate of claims incurred but not yet reported is made and recorded within claims outstanding and is calculated based upon historical loss reporting patterns. Claims outstanding are not discounted.

Insurance liabilities are calculated in accordance with recognised actuarial principles, based on local regulatory requirements.

c. Deferred acquisition costs
The costs of acquiring new business which are incurred during the financial year, but where the benefit of such costs will be obtained in subsequent accounting periods, are deferred to the extent that they are recoverable out of margins in future matching revenues. In respect of insurance contracts, acquisition costs comprise all direct and indirect costs incurred in writing new contracts.

1. Accounting policies (continued)

Deferred acquisition costs are included in the balance sheet as an asset and are amortised on a straight line basis over a period which is consistent with the assessment of the expected pattern of receipt of future revenue margins for each product type.
Impairment reviews are carried out annually or more frequently if circumstances exist that indicate the likelihood of impairment. The carrying values are adjusted to recoverable amounts and any resulting impairment losses are charged to the life assurance business technical account.

Investment contracts
Investment contracts are accounted for in accordance with IFRS 9. All of the Company's investment contracts are unit linked in nature. These contracts are accounted for as financial liabilities whose value is contractually linked to the fair value of the financial assets within the policyholders' unit linked funds.

Premiums and claims on investment contracts are taken directly to the balance sheet where investment contract premiums received are treated as a financial liability and investment contract claims are treated as a reduction in a financial liability. The investment return, the related change in the value of the liabilities, policy fees and expenses relating to investment contracts are recorded in the profit and loss account.

a. **Policy fees**
Policy fees comprise fees and charges for administering contracts, investment management fees and an element of origination fees that relates to the current year and are included in 'Other technical income'. Fees are recognised in the period in which they are charged unless they relate to services to be provided in future periods in which case they are deferred and recognised as income over the expected term of the contract as the services are provided. Incremental costs that are directly attributable to securing investment contracts and are expected to be recoverable are deferred and recognised in the balance sheet as deferred acquisition costs. The asset is amortised as the related fees for investment management services are recognised. Policy fees on investment contracts are accounted for in accordance with IFRS 9.

b. **Investment contract liabilities**
Investment contracts are accounted for in accordance with IFRS 9. All of the Company's investment contracts are unit linked in nature. These contracts are accounted for as financial liabilities whose value is contractually linked to the fair value of the financial assets within the policyholders' unit linked funds. The fair value of these financial liabilities is equivalent to the amount payable on demand without penalty.

c. **Deferred acquisition costs**
The costs of acquiring new unit linked investment contracts, including commissions and other incremental expenses directly related to the issuance of each new contract, are deferred and amortised on a straight line basis over the expected contract period. The deferred acquisition costs are tested for recoverability at each reporting date. The carrying values are adjusted to recoverable amounts and any resulting impairment losses are charged to the life assurance business technical account.

d. **Deferred income liabilities**
Fees earned on investment contracts are recognised over the life of the contract as services are provided. Income is deferred for any front end fees which relate to services provided in future periods to the 'deferred income liability'. The deferred income liability is amortised on a straight line basis over the term of that contract.

Technical provisions

a. **Life assurance provisions**
The technical provisions relating to term assurance and term critical illness are calculated on the basis of recognised actuarial methods, with due regard to the applicable actuarial principles recognised in the European framework for the prudential and financial monitoring of direct life assurance business.

Tests of adequacy are carried out on the reserves held for group life and disability insurance.

b. **Provisions for linked liabilities**
Liabilities under unit linked contracts are recognised when the units are created and are dependent on the value of the underlying financial assets, derivatives and / or investment properties.

Unit linked contracts which transfer significant insurance risk, including guaranteed benefits, are classified as insurance contracts and are carried in the balance sheet at an amount determined by the valuation of the related units on the valuation date. Unit linked contracts which principally involve the transfer of financial risk are classified as investment contracts and are carried in the balance sheet at fair value. The fair value of these financial liabilities is equivalent to the amount payable on demand without penalty.

Financial liabilities
Under IFRS 9, the Company classifies certain financial liabilities, which include bank overdrafts, creditors, loans and borrowings as amortised cost.

A financial liability is recognised when there is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are initially recognised at fair value (normally the issue proceeds i.e. the fair value of consideration received) less, in the case of financial liabilities subsequently carried at amortised cost, transaction costs. For financial liabilities carried at amortised cost, any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the profit or loss account using the effective interest method. When a financial liability that is measured at amortised cost is modified without resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified contractual cash flows discounted at the original effective interest rate.

Other financial liabilities, which relate to unit linked investment contracts are recognised at fair value and are included within 'Technical provision for life assurance policies where the investment risk is borne by the policyholders'. See note 20 for disclosures of the technical provisions.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

Commission expenses
Acquisition commissions payable to financial advisors and independent intermediaries are included in acquisition costs in the technical account - life assurance business, as incurred. Renewal commissions are included in administrative expenses, as incurred.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Investments

a. **Investment in subsidiary undertakings**
The Company applies the following accounting policy for each sub-category of investments in subsidiary undertakings:
   - investments in Dutch and French subsidiaries are valued at fair value through the profit or loss. The subsidiaries are distinct from the Company's other subsidiaries as they have been set up to hold investment properties. The value of the companies and their underlying assets and any changes in that value, is wholly attributable to the policyholders. The valuation is based on the

1. Accounting policies (continued)

valuation of the properties and local management accounts; and
- investments in all other subsidiaries and participating interests are stated at cost.

b. Assets held to cover linked liabilities

Investment properties are valued in accordance with IAS 40 'Investment Property'. Where the property is classified as owner occupied property it is valued in accordance with IAS 16 'Property, Plant and Equipment'.

The value of other financial investments held to cover linked liabilities, including debt securities and other fixed income securities, shares (other than shares in subsidiary undertakings), derivatives and other variable yield securities, are based on prices on the balance sheet date, determined from independent sources including recognised external pricing services, broker or dealer price quotations, and prices provided by valuation agents. All financial investments held to cover linked liabilities, are held at fair value and categorised as fair value through profit or loss, except for owner occupied property which is held at fair value using the revaluation model.

c. Financial assets

The Company applies the following accounting policies to the classification, recognition and measurement of financial assets. A financial asset is recognised in the balance sheet when, and only when, the Company becomes a party to its contractual provisions. At initial recognition, a financial asset is measured at fair value (plus, in the case of a financial asset not at FVTPL, directly attributable transaction costs) and is assigned one of the following classifications for the purposes of subsequent measurement:
- financial assets at amortised cost;
- financial assets at FVOCI; or
- financial assets at FVTPL.

Financial assets at amortised costs

Cash at bank, debtors, bank overdraft, loans and borrowings and other creditors are all classified under financial instruments at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial assets at FVTPL

Financial investments classified as fair value through profit and loss reflects the purpose for which investments were acquired or originated. Where the fair value category is used, this reflects the Company's strategy to manage its financial investments acquired to cover its long-term liabilities. These financial investments are managed and their performance is evaluated by the Company on a fair value basis.

Purchases and sales of financial investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investments. Such purchases or sales of financial investments are those under a contract whose terms require the delivery of assets within the time frame established generally by regulation or convention in the market place concerned. Financial assets at fair value through profit or loss are initially recognised at fair value, being the consideration paid for the acquisition of the investments, excluding all transaction costs. Thereafter they are carried on the balance sheet at fair value, with all changes in fair value included in the profit and loss account. Financial assets are derecognised when rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value are recognised immediately in the profit and loss account. Fair values are obtained from the quoted market prices in active markets, or using valuation techniques, including discounted cash flow models and options pricing models, as appropriate. Derivatives are carried as assets within investments for the benefit of life assurance policyholders who bear the investment risk and other financial investment assets.

Derivative financial instruments also include foreign exchange contracts, which include spot and forward contracts. These represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date. Gains and losses are recognised in the profit and loss account based on the exchange rate on the date of settlement or balance sheet date.

Fair values for investments are based on prices on the balance sheet date, determined from independent sources including recognised external pricing services, broker or dealer price quotations, and prices provided by valuation agents. For investments not listed, valuation techniques are adopted or an independent valuation is obtained from the administration manager of those funds. If no realistic value can be obtained, an investment will be measured at cost less any impairment provision, as this is considered best estimate of fair value.

d. Fair value measurements

Depending on the valuation techniques used and whether the underlying assumptions are based on observable data, financial instruments carried at fair value are classified under the following three levels:

Level 1 - This category includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices traded in active markets. Included in level 1 are listed shares, other variable yield securities and units in unit trusts.

Level 2 - This category includes financial assets and liabilities for which fair values are determined using valuation techniques, for which all significant inputs are based on observable market data.

Financial assets and liabilities included in level 2 are shares and other variable yield securities and units in unit trusts. The fair value is based on asset prices obtained from external providers and the Company has limited access to the inputs and assumptions used. The data used by the price providers, as inputs to instrument specific price evaluation models, will include available recent trade data for the specific security or similar securities, spreads, dealer quotes, relevant sector or market indices, foreign exchange rates to the Company's reporting currency where applicable and appropriate interest rates.

Level 3 - This category includes financial assets and liabilities for which fair values are determined using valuation techniques for which at least one of the significant inputs is not based on observable market data. In circumstances where there is little, if any, market activity for a certain instrument, an internal valuation method is required to be developed based on the best available information.

Financial assets and liabilities included in level 3 are investment properties, owner occupied properties, subsidiary undertakings which invest in investment properties and certain unit trusts whose investment portfolios predominantly contain investments with unobservable inputs.'

Investment and owner occupied properties are carried at fair value as determined by external qualified property surveyors appropriate to the properties held.

Investments in such subsidiary undertakings and unit trusts are valued with reference to the underlying property value which in itself incorporates unobservable inputs.

The fair value hierarchy is reviewed at the end of each reporting period to determine whether significant transfers between levels have occurred.

Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised investment gains and losses.

1. Accounting policies (continued)

Interest income on debt securities and other fixed income securities, other loans and deposits with credit institutions is recognised using the effective interest method.
The investment return arising in relation to investments which are directly connected with the carrying on of long-term business is recorded in the life assurance business technical account. The investment return arising in relation to all other investments is dealt with in the non-technical account.

Dividends are included as investment income on the date that the shares become quoted ex-dividend. Rents and interest income and expenses are included on an accruals basis.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and purchase price.

Unrealised gains and losses on investments recognised in the year represent the difference between the fair value at the balance sheet date and their purchase price or, if they have previously been fair valued, their fair value at the last balance sheet date. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Reinsurance
Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company are dealt with as insurance contracts, subject to meeting the significant insurance risk test in IFRS 4. The impairment requirements of IFRS 4 are applied to these assets. Reinsurance premiums are accounted for when due for payment. Reinsurance recoveries are accounted for in the same period as the related claim. The amounts that will be recoverable from reinsurers are estimated based upon the gross provisions, having due regard to collectability. The reinsurers' share of the technical provisions is calculated on a basis consistent with the calculation of the corresponding liabilities.

Post-employment benefits
The Company operates a defined benefit pension scheme and contributes to a defined contribution pension plan operated by Bank of Ireland Group plc.

The asset or liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise to the extent that they are attributable to the shareholder.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset. Past-service costs are recognised immediately in the profit and loss account.

Management expenses
Management expenses, administration and non-acquisition costs are charged to the technical account for life assurance business when incurred.

Taxation
The Company is liable to Irish corporation tax on the basis applicable to a life assurance company and the provision for current taxation is charged in the profit and loss account. The Company is also subject to foreign taxation in respect of its overseas investments.
The balance on the life assurance business technical account is computed on an after tax basis reflecting the taxation applicable to life assurance business operations. In the non-technical account, the balance transferred from the life assurance business technical account is grossed-up by the taxation attributable to profits from life assurance business at the Company's effective rate of corporation tax.

Provision is made for deferred tax liabilities and deferred tax assets, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred tax is calculated at the rates at which it is expected that the tax will arise.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of comprehensive income.

The Company considers uncertain tax positions together or separately depending on which approach better predicts how the uncertainties will be resolved. Where the Company concludes it is not probable that a tax authority will accept its assessment of an uncertain tax position, it reflects the effect of the uncertainty using either the 'most likely amount' method or the 'expected value' method, as appropriate for the particular uncertainty.

Intangible assets
Intangible assets comprise of computer software externally purchased and internally generated. They are stated at cost less accumulated amortisation and impairment, if any and are amortised on a straight line basis over their useful lives at a rate of 20% - 25%. The amortisation of intangible assets is charged to profit or loss in the net operating expenses account.

Land and Buildings
Freehold and leasehold land and buildings are initially recognised at cost, and subsequently are revalued annually to fair value by independent external valuers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from the open market value at the reporting date.

Increases in the carrying amount arising on the revaluation of land and buildings classified as investment property, are recognised in the technical account. Increases in the carrying amount arising on the revaluation of land and buildings classified as owner occupied property, are recognised in the statement of comprehensive income and in a revaluation reserve on the balance sheet. Any decreases in value are recognised in the technical account unless it can be offset against the revaluation reserve. The Directors consider that residual values of freehold and long leasehold property based on prices prevailing at the time of acquisition or subsequent valuation are such that depreciation is not material.

Tangible assets
Tangible assets are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight line method to write down the carrying value of other items of tangible assets to their residual values over their estimated useful lives as follows:

Computer equipment	20%-25% straight line
Office equipment	20%-25% straight line

1. Accounting policies (continued)

Leases

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a Right of Use (RoU) asset and lease liability at the lease commencement date. RoU assets are initially measured at cost, and subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurement of lease liabilities. The recognised RoU assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term. RoU assets are subject to impairment under IAS 36 'Impairment of Assets'. RoU assets comprised of leases of buildings which do not meet the definition of investment properties, and motor vehicles, are presented in property, plant and equipment. Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured if there is a change in future lease payments, a change in the lease term, or as appropriate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured a corresponding adjustment is made to the RoU asset and/or profit or loss, as appropriate. Lease liabilities are presented in creditors. The Company has elected not to recognise leases of low value and short term leases.

Foreign currencies

Items included in the revised financial statements of the Company are measured using Euro, the functional currency of the economic environment in which the Company operates. Foreign currency transactions are translated into Euro at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account for the period. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Dividends

Dividends are recognised in the period in which they are approved by the Company's Board of Directors.

Impact of new accounting standards

There are no new accounting standards that were effective in the current period that impacted the Company.

The accounting standard IFRS 17 'Insurance Contracts' (IFRS 17) was not effective at 31 December 2022 and has not been applied in preparing these revised financial statements.

Nature of change

IFRS 17 replaces IFRS 4, which was introduced as an interim standard in 2004. IFRS 17 addresses the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosures of insurance contract liabilities, ensuring an entity provides relevant information that faithfully represents those contracts. The standard was endorsed by the EU on 19 November 2021.

Effective date

The effective date is for financial periods beginning on or after 1 January 2023, with early application permitted.

Impact

The Company currently reports under Irish GAAP FRS 101 Reduced Disclosure Framework (FRS 101) for statutory reporting. On 12 July 2019, the Financial Reporting Council issued Amendments to FRS 101 Reduced Disclosure Framework which amends the definition of a "qualifying entity" so that entities that have contracts that are within the scope of IFRS 17 may not be qualifying entities. As a result the Company is required to change the accounting framework used to prepare its statutory accounts from 1 January 2023. From that date the Company will prepare its' statutory financial statements under FRS 102: the Financial Reporting Standards applicable in the UK and Republic of Ireland in conjunction with FRS 103 Insurance Contracts. On adoption, FRS 103 allows entities to continue with their current accounting for insurance contracts. As a result IFRS 17 will not impact the Company's financial statements. It is not expected that transitioning to FRS 103 will trigger significant measurement changes to those measurement techniques currently applied by the Company in the financial statements.

2. Premiums written - contracts classified as insurance

A. Gross premiums written

	2022				2021			
	Individual life €m	Individual pensions €m	Group contracts €m	Total €m	Individual life €m	Individual pensions €m	Group contracts €m	Total €m
Unit-linked	68	223	143	434	56	182	109	347
Non unit-linked	146	-	76	222	146	-	88	234
Periodic premiums	**214**	**223**	**219**	**656**	**202**	**182**	**197**	**581**
Unit-linked	546	863	23	1,432	711	772	27	1,510
Non unit-linked	-	52	142	194	-	35	64	99
Single premiums	**546**	**915**	**165**	**1,626**	**711**	**807**	**91**	**1,609**
Total premiums written	**760**	**1,138**	**384**	**2,282**	**913**	**989**	**288**	**2,190**

The written premiums above in 2022 and 2021 arise from contracts which meet the IFRS 4 definition of insurance. All business is written in the Republic of Ireland. The written premiums from insurance contracts is €2,282 million (2021: €2,190 million). The written premiums from insurance contracts and investment contracts is €3,037 million (2021: €2,668 million).

2. Premiums written - contracts classified as insurance (continued)

B. Gross new business premiums

	2022				2021			
	Individual life €m	Individual pensions €m	Group contracts €m	Total €m	Individual life €m	Individual pensions €m	Group contracts €m	Total €m
Unit-linked	6	46	42	94	2	52	36	90
Non unit-linked	6	-	33	39	9	-	31	40
Periodic premiums	**12**	**46**	**75**	**133**	**11**	**52**	**67**	**130**
Unit-linked	546	863	23	1,432	711	772	27	1,510
Non unit-linked	-	52	142	194	-	35	64	99
Single premiums	**546**	**915**	**165**	**1,626**	**711**	**807**	**91**	**1,609**
Total new business premiums	**558**	**961**	**240**	**1,759**	**722**	**859**	**158**	**1,739**

The new business premiums above in 2022 and 2021 arise from contracts which meet the IFRS 4 definition of insurance. New business premiums from insurance contracts is €1,759 million (2021: €1,739 million). New business premiums from insurance contracts and investment contracts is €2,289 million (2021: €2,039 million).

C. Reinsurance balance

The net reinsurance debit in the technical account for the year amounted to €278 million (2021: €87 million credit).

3. Staff costs

	2022 €m	2021 €m
Wages and salaries	35	32
Social insurance costs	4	4
Defined benefit retirement benefit costs (note 25)	4	4
Defined contribution retirement benefit costs	2	1
Staff costs capitalised	(1)	(1)
	44	**40**
The average number of employees during the year was as follows:		
Sales and marketing	114	120
Policy administration	236	212
Other administration	177	187
	527	**519**

Included in wages and salaries are sales commission payments to staff of €1.7 million (2021: €1.3 million).

Staff costs that are directly associated with the production of identifiable and unique computer software controlled by the Company and which will generate economic benefits exceeding costs beyond one year, are capitalised as part of intangible assets.

4. Investment income

All of the net gains and losses arising on investments during the year are in respect of property and financial investments, classified at fair value through profit or loss. Included in the investment activity report is a loss of €2,247 million (2021: €1,948 million gain) in respect of assets designated as fair value through profit or loss on initial recognition.

None of the investment income is derived from investments in any other group undertakings of Bank of Ireland Life Holdings Limited, the Company's immediate parent.

Income from investment properties of €39 million (2021: €48 million) includes rental income of €55 million (2021: €59 million) and is net of property expenses of €16 million (2021: €11 million).

The investment return arising in relation to investments which are directly connected with the carrying on of long-term business is credited to the life assurance business technical account. This investment return arises both on investments of the life assurance business funds and investments attributable to the shareholder.

4. Investment income (continued)

	2022 €m	2021 €m
Income from investment properties	39	48
Income from listed investments	147	149
Income from other investments	1	(1)
	187	**196**
Net gains on realisation of investments	419	757
	606	**953**

	2022 €m	2021 €m
Investment activity report		
Investment income	187	196
Investment expenses and charges	(26)	(28)
Net realised gains	419	757
Net unrealised (losses) / gains	(2,666)	1,191
Total investment return	**(2,086)**	**2,116**
Included in the total investment return are net gains or losses on financial assets at fair value through profit or loss		
Net realised gains	419	757
Net unrealised (losses) / gains	(2,666)	1,191
Total realised and unrealised (losses) / gains included in investment return	**(2,247)**	**1,948**

5. Other technical income (revised)

Other technical income of €52 million (2021: €50 million) comprises fees for policy administration and asset management services arising from unit linked investment contracts and movement in the deferred income liability. Subsequent to the approval and signing of the financial statements, it was noted that premiums relating to investment contracts totalling €8 million had been omitted from the financial statements for the year ended 31 December 2022. The financial statements have now been revised to reflect the accounting for this premium income in the current accounting period.

6. Net operating expenses

	2022 €m	2021 €m
Net operating expenses comprise		
Acquisition expenses	64	65
Change in deferred acquisition costs	(2)	(2)
Administrative expenses	153	141
	215	**204**
Net operating expenses include		
Commission payments including to employees (note 7)	109	101
Other sales related costs	6	5
Depreciation and amortisation	12	9
Severance payments	-	-
Core operating expenses	90	91
Change in deferred acquisition costs	(2)	(2)
Total operating expenses	**215**	**204**
Core operating expenses include		
Staff costs	44	40
Development costs	1	1
Service costs and VAT recovery	14	14
Professional and affiliation fees	9	11
Intercompany recharges	22	25
	90	**91**

Acquisition expenses include an allocation of commission on new business and operating expenses relating to the acquisition of new business.

7. Commissions

Total commissions incurred by the Company during the year, excluding payments to employees, was €109 million (2021: €100 million).

8. (Loss) / profit on ordinary activities before taxation

	2022 €'000	2021 €'000
Depreciation and amortisation	11,693	9,349
Rent expense from short term leases	-	3
Auditor's remuneration		
Remuneration (including expenses) for the statutory audit and other services carried out for the Company by the Company's auditor is as follows:		
Audit of entity financial statements	816	684
Audit of subsidiary financial statements	29	29
Other assurance services	212	200
Tax advisory services	-	-
Other non-audit services	-	-
Total auditor's remuneration	**1,057**	**913**

9. Tax on (loss) / profit on ordinary activities (revised)

	Revised 2022 €m	2021 €m
Technical account charge		
Corporation tax (credit) / charge for the year	(1)	16
Overseas tax	14	11
	13	**27**
Deferred tax credit		
Origination and reversal of timing differences (note 21)	(17)	5
Tax on defined benefit plan	-	2
	(4)	**34**
Non-Technical Account (credit) / charge		
Irish corporation tax on (loss) / profit for the financial year	(3)	6

The tax charge on the non-technical account for 2022 and 2021 is the same as the charge that would result from applying the standard rate of Irish corporation tax to (loss) / profit on ordinary activities.

The tax charge on the technical account for 2022 and 2021 is higher than that which results from applying the standard rate.

The statutory rate applied to profit before tax is 12.5%.

Reconciliation of tax on the technical account before taxation at the standard Irish corporation tax rate to actual tax charge

	Revised 2022 €m	2021 €m
(Loss) / profit before tax		
Balance on the technical account - life assurance business	(20)	44
Add back tax charge attributable to the life assurance business	(4)	34
	(24)	**78**
(Loss) / profit before tax multiplied by the rate of Irish corporation tax for the year of 12.5% (2021: 12.5%)	(3)	10
Effects of:		
Overseas tax	14	11
Non taxable items	(8)	8
Foreign tax deduction	(2)	(1)
Other deductions	(1)	(2)
Difference due to life asssurance tax rate	(4)	6
Retirement benefit costs	-	2
Tax charge attributable to the life assurance business	**(4)**	**34**

10. Dividend

	2022 €	2021 €
Dividend paid	60,000,000	-
No of shares	175,500,001	175,500,001

A dividend of €0.3419 (2021: €nil) per share was paid during the year.

11. Intangible assets

	2022			2021		
Computer Software	**Externally purchased €m**	**Internally generated €m**	**Total €m**	**Externally purchased €m**	**Internally generated €m**	**Total €m**
Cost						
At 1 January	35	130	165	35	107	142
Additions	-	25	25	-	23	23
At 31 December	**35**	**155**	**190**	**35**	**130**	**165**
Accumulated amortisation						
At 1 January	(35)	(74)	(109)	(35)	(65)	(100)
Charge for the year	-	(12)	(12)	-	(9)	(9)
At 31 December	**(35)**	**(86)**	**(121)**	**(35)**	**(74)**	**(109)**
Net Book Amounts						
At 31 December	-	69	69	-	56	56

The Company reviews its software intangible assets for indicators of impairment. No impairment was charged in 2022 or 2021.

12. Other financial investments

	2022		2021	
Financial assets at fair value through profit or loss	**Fair value €m**	**Cost €m**	**Fair value €m**	**Cost €m**
Designated upon initial recognition	1,732	1,894	1,941	1,758
Deposits with credit institutions	80	80	120	120
Total financial assets	**1,812**	**1,974**	**2,061**	**1,878**
Included in the balance sheet as follows:				
Shares and other variable yield securities				
- Liquidity funds and unit trusts	764	766	303	305
- Unlisted equity securities	-	-	-	-
Debt securities and other fixed income securities	968	1,128	1,638	1,453
Deposits with credit institutions	80	80	120	120
Total financial assets	**1,812**	**1,974**	**2,061**	**1,878**

	2022		2021	
Financial investments and unit trusts included at fair value	**Fair value €m**	**Cost €m**	**Fair value €m**	**Cost €m**
Debt securities and other fixed income securities	968	1,128	1,638	1,453
Liquidity funds and unit trusts	764	766	303	305
	1,732	**1,894**	**1,941**	**1,758**
Other financial investments attributable to the shareholder include:				
Unlisted equity securities	-	-	-	-
Deposits with credit institutions	80	80	120	120
Total financial assets	**1,812**	**1,974**	**2,061**	**1,878**

Derivative financial instruments, at fair value through profit or loss

Included within listed investments are forward currency contracts with a fair value of €nil (2021: €0.5 million loss). Movements in fair value arise due to variations in exchange rates prevailing at the dates on which contracts mature and are reflected in the profit and loss account.

13. Investments for the Benefit of Life Assurance Policyholders who bear the Investment Risk

	2022		2021	
Assets held to cover	**Fair value €m**	**Cost €m**	**Fair value €m**	**Cost €m**
Unit linked insurance contracts	12,202	12,107	12,934	11,265
Unit linked investment contracts	5,870	5,825	6,671	5,810
Total financial assets	**18,072**	**17,932**	**19,605**	**17,075**

The carrying amounts of unit linked investments disclosed above represent the fair value at the balance sheet date. See further analysis in note 26.

The market value of these assets, where the investment risk is borne by the policyholders, includes €2,878 million (2021: €3,788 million) in respect of group pension funds.

Investments in subsidiaries undertakings are property companies held for the benefit of policyholders and are valued at fair value. The value of these undertakings are included as part of investments for the benefit of life assurance policyholders who bear the investment risk. The fair value amount at 31 December 2022 is €307 million (2021: €297 million) which includes property of €294 million (2021: €285 million) and cash, receivables and short term liabilities of €13 million (2021: €12 million).

Owner occupied property held for the benefit of the policyholders of €16.25 million (2021: €18.5 million) is valued at fair value in accordance with IAS 16.

The difference between assets held to cover linked liabilities and the associated technical provisions for linked liabilities primarily represents amounts in respect of income tax and other charges which are not disclosed explicitly as linked liabilities in the Company's balance sheet.

Unconsolidated structured entities

The company holds investments in unconsolidated structured entities arising from investments in collective investment undertakings, carried at fair value of €12,832 million (2021: €13,411 million). The value included in assets held to cover linked assurance contracts is €12,068 million (2021: €13,108 million) and €764 million (2021: €303 million) is held in other financial investments.

A summary across fund type of the Company's interest in collective investment undertakings is as follows;

	2022 €m	**2021 €m**
Equity funds	5,461	5,533
Debt funds	2,387	2,925
Money market funds	1,976	1,979
Alternative funds	538	811
Asset allocation funds	919	962
Real estate funds	78	67
Private equity funds	2	2
Other	1,471	1,132
	12,832	**13,411**

The investments in collective investment undertakings are primarily held to match policyholder liabilities and the majority of the risk from a change in the value of the Company's investment is matched by a change in policyholder liabilities. The collective investment vehicles are primarily financed by investments from investors in the vehicles. The Company does not sponsor any of the unconsolidated structured entities.

Derivative financial instruments, at fair value through profit or loss, held for trading

The Company sells structured products such as tracker bonds which contain investment guarantees. The fair value of these tracker products included in the value of assets held to cover linked liabilities at 31 December 2022 is €329 million (2021: €456 million). Assets held to cover linked liabilities also include forward currency and future contracts with a fair value gain of €17.7 million (2021: €0.2 million gain). Movements in fair value arise due to variations in exchange rates prevailing at the dates on which contracts mature and are reflected in the profit and loss account.

14. Debtors

Debtors arising out of direct insurance operations	**2022 €m**	**2021 €m**
Policyholders	57	39
Intermediaries	33	22
Debtors arising out of reassurance operations	83	60
	173	**121**
Amounts due from fellow subsidiaries	1	1
Other debtors	3	3
	177	**125**

The carrying amounts reasonably approximate fair value at the balance sheet date. There were no impairment losses recognised in the period on debtors arising from direct insurance operations. Amounts due from fellow subsidiaries are unsecured, interest free and have no fixed date of repayment. All other debtors are due within one year.

15. Land and Buildings and Tangible Assets

2022	Property, plant and equipment: Freehold land and buildings and leaseholds (held at fair value) €'000	Property, plant and equipment: Computer and other equipment (at cost) €'000	Right of use assets: Property €'000	Right of use assets: Motor vehicles €'000	Total €'000
Cost					
At 1 January	2,503	3,124	273	331	6,231
Additions	-	11	-	-	11
Revaluation	(70)	-	-	-	(70)
At 31 December	**2,433**	**3,135**	**273**	**331**	**6,172**
Accumulated depreciation					
At 1 January	-	(2,761)	(173)	(191)	(3,125)
Charge for the year	-	(163)	(64)	(118)	(345)
At 31 December	**-**	**(2,924)**	**(237)**	**(309)**	**(3,470)**
Net book amounts					
At 31 December	2,433	211	36	22	2,702

2021	Property, plant and equipment: Freehold land and buildings and leaseholds (held at fair value) €'000	Property, plant and equipment: Computer and other equipment (at cost) €'000	Right of use assets: Property €'000	Right of use assets: Motor vehicles €'000	Total €'000
Cost					
At 1 January	2,378	3,124	273	539	6,314
Additions	-	-	-	40	40
Disposals	-	-	-	(248)	(248)
Revaluation	125	-	-	-	125
At 31 December	**2,503**	**3,124**	**273**	**331**	**6,231**
Accumulated depreciation					
At 1 January	-	(2,599)	(109)	(258)	(2,966)
Disposals	-	-	-	248	248
Charge for the year	-	(162)	(64)	(181)	(407)
At 31 December	**-**	**(2,761)**	**(173)**	**(191)**	**(3,125)**
Net book amounts					
At 31 December	2,503	363	100	140	3,106

Freehold land and buildings and leaseholds are classified as owner occupied property and are stated in the balance sheet at fair value. Increases in the carrying amount arising on the revaluation of land and buildings classified as owner occupied property, are recognised in the statement of comprehensive income and in a revaluation reserve on the balance sheet. Any decreases in value are recognised in the technical account unless it can be offset against the revaluation reserve. Valuations are made on the basis of open market value. The open market value of all properties is determined using recent market prices. All properties are located in Ireland.

The valuations have been undertaken by Lisney (Chartered Surveyors) in Ireland at a valuation date of 31 December 2022, in accordance with The Statements of Asset Valuation Practice and Guidance Notes issued by the Society of Chartered Surveyors in Ireland.

There is no rental income or direct operating expenses generated from the freehold land and buildings, and the leaseholds.

16. Deferred acquisition costs

	2022 €m	2021 €m
Deferred expenses at 1 January	156	154
Acquisition expenses incurred during the year	64	65
Amount charged to year of sale	(6)	(7)
Apportionment for the year	**214**	**212**
Amortisation of prior year acquisition expenses	(56)	(56)
Deferred expenses at 31 December	**158**	**156**
On insurance contracts	145	144
On investment contracts	13	12
	158	**156**

Acquisition expenses include an allocation of commission on new business and operating expenses relating to the acquisition of new business.

17. Capital and reserves

Called up share capital	2022 €m	2021 €m
Authorised		
200,000,000 ordinary shares of 13 cents each (2021: 200,000,000)	26	26
Issued and fully paid - presented as equity		
175,500,001 ordinary shares of 13 cents each (2021: 175,500,001)	23	23

Share premium account
This reserve includes the authorisation and issue of 1 ordinary share of €0.13 in 2011 to Bank of Ireland Life Holdings Limited (the immediate parent company) in consideration for the sum of €25 million.

Capital reserve
This reserve represents capital contributions received from Bank of Ireland Life Holdings Limited (the immediate parent company) with no obligation to repay. The directors consider the capital reserve to be unencumbered and form part of the Company's own funds.

The value of the capital reserve at 31 December 2022 is €43 million (2021: €43 million).

Revaluation reserve
This reserve represents the cumulative gains and losses on the revaluation of owner occupied properties held within unit linked investments and property, plant and equipment. Any increases in fair value of owner occupied property are included in a revaluation reserve in equity unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it is recognised in profit or loss.

The value of the revaluation reserve at 31 December 2022 is €2 million (2021: €2 million).

Non-distributable reserve
This reserve represents the non-distributable amounts in the profit and loss - non technical account which are not available for distribution.

Profit and loss account
This reserve represents the surplus which is available for distribution as determined by the Board on the advice of the Head of Actuarial Function. This surplus is released from the non-technical reserve and retained in the profit and loss account.

Distributable reserves
At 31 December 2022 there were distributable reserves of €169 million (2021: €229 million).

18. Policyholders' Liabilities

	2022		2021	
	Life assurance provision €m	Claims outstanding €m	Life assurance provision €m	Claims outstanding €m
Gross				
At 1 January	2,698	234	2,843	189
Change in technical provision	(433)	6	(142)	45
Transfer to other provisions (note 23)	-	-	(3)	-
At 31 December	**2,265**	**239**	**2,698**	**234**
Reinsurers share				
At 1 January	(1,285)	(35)	(1,351)	(22)
Change in technical provision	195	15	66	(13)
At 31 December	**(1,090)**	**(20)**	**(1,285)**	**(35)**
Net Amount				
At 31 December	1,175	219	1,413	199

19. Actuarial valuation and unit linked liabilities (revised)

An actuarial valuation of the Company's liabilities, carried out at 31 December 2022 disclosed a surplus within the fund. The amount of surplus applied to meet the total cost of policyholders' bonus was €0.3 million (2021: €0.3 million). The shareholders' share of the distributed surplus was €nil (2021: €40 million).

The technical provisions relating to insurance and investment contracts are:

	Revised 2022			2021		
	Unit linked investment contracts €m	**Unit linked insurance contracts €m**	**Total €m**	**Unit linked investment contracts €m**	**Unit linked insurance contracts €m**	**Total €m**
At 1 January	6,671	12,669	19,340	5,892	10,622	16,514
Deposits received from policyholders under investment contracts	755	-	755	478	-	478
Payments made to policyholders of, and fees deducted from investment contracts	(939)	-	(939)	(459)	-	(459)
Gross policy fees	(50)	-	(50)	(49)	-	(49)
Change in technical provision as shown in the technical account	(567)	(650)	(1,217)	809	2,047	2,856
At 31 December	**5,870**	**12,019**	**17,889**	**6,671**	**12,669**	**19,340**

Subsequent to the approval and signing of the financial statements, it was noted that premiums relating to investment contracts totalling €8 million had been omitted from the financial statements for the year ended 31 December 2022. The financial statements have now been revised to reflect the accounting for this premium income in the current accounting period.

The market value of investments held to cover linked liabilities was €18,072 million (2021: €19,605 million). The cost of investments held to cover linked liabilities was €17,932 million (2021: €17,075 million).

Financial liabilities in respect of unit linked contracts designated as investment are carried on the balance sheet at fair value. The related fair value of these financial liabilities is €5,870 million (2021: €6,671 million), which is equivalent to the amount payable under the contracts.

The difference between assets held to cover linked liabilities and the associated technical provisions primarily represents amounts in respect of income tax and other amounts which are not policyholder linked liabilities in the Company's balance sheet.

20. Technical provisions

Unit linked contracts

Technical provisions for linked liabilities are determined by reference to the value of assets held to provide linked benefits to the relevant policyholders. Additional technical provisions arising in respect of linked contracts, including those for guaranteed policyholder benefits, are held within the life assurance business provision.

The principal assumptions used in the life assurance business provision calculation of the technical provision for linked liabilities are set out below:

Mortality table	**2022**	**2021**
Unit Linked Pensions	100% AM00/AF00	100% AM00/AF00
Unit Linked Life		
Bank	85% AM00/ AF00 select	90% AM00/AF00 select
Broker	90% ult	100% ult
Financial Advisor	90% ult	100% ult
Expense inflation	**3.25% p.a**	**3.00% p.a**

Interest rate

The interest rates are set in accordance with Solvency II regulations. They are based on the Euro Swap Curve with credit risk adjustment, extrapolated to the ultimate forward rate of 3.45% from year 20.

20. Technical provisions (continued)

Life assurance provision

The principal assumptions used in the calculation of the technical provisions for the life assurance provision are set out below:

Mortality table	2022	2021
Industrial assurance	90% of A1967-70 ultimate plus 1 year to age	90% of A1967-70 ultimate plus 1 year to age
Non profit life assurance	100% AM00/AF00	100% AM00/AF00
Life Choice	75% TM08/TF08	75% TM08/TF08
Pension immediate annuity	110% of PMA08/PFA08 for individual annuities and 92.5% of PMA08/PFA08 for bulk annuities, year of use 2022, 2016 CMI Improvements, LTR improvement 1.75%	100% of PMA08/PFA08, year of use 2021, 2016 CMI Improvements, LTR improvement 2.0%
Expense Inflation		
Industrial assurance	3.25%	3.00%
Non profit life assurance	3.25%	3.00%
Pension immediate annuity	3.25%	3.00%
Renewal Expenses		
Industrial Assurance	0.6% of BEL	0.6% of BEL
Non-linked Protection	€74	€83
LifeChoice	€74	€83
Pension immediate annuity	€77	€108

Interest rate

The interest rate is set in accordance with Solvency II regulations, based on the Euro Swap Curve with credit risk adjustment, extrapolated to the ultimate forward rate of 3.45% from year 20.

Unit growth rate

The unit growth rate is based on the forward rates derived from the same term structure as the Solvency II discount rate.

Expenses

The expense loadings are based on an assessment of the expected cost of administering existing contracts including allowance for future inflation. This is based on an analysis of costs incurred in 2022.

Explicit provision is made in the life assurance provision for vested reversionary bonuses and a level of future bonus. Included in the life assurance provision is an amount of €1 million (2021: €1 million) for terminal bonuses.

21. Provision for other risks and other charges – deferred taxation

Deferred taxation	2022 €m	2021 €m
Deferred taxation 1 January	2	12
Net change for the year - pensions		
- Technical account (note 9)	-	(2)
- Statement of comprehensive income	(2)	(3)
Net change for the year - origination and reversal of timing differences (note 9)	17	(5)
Deferred taxation at 31 December	**17**	**2**
The provision for deferred taxation comprises:		
Pension deficit	-	2
Unrealised gains on investments	17	-
Deferred taxation at 31 December	**17**	**2**
Represented on the balance sheet as follows:		
Deferred taxation asset	17	2
Deferred taxation liability	-	-
	17	**2**

22. Other Creditors including Taxation and Social Insurance (revised)

	Revised 2022 €m	2021 €m
Creditors arising out of direct insurance operations	228	178
Creditors arising out of reinsurance operations	46	48
	274	**226**
Amounts owed to fellow subsidiaries	57	13
Bank overdraft	44	69
Other creditors including tax and social security		
Taxation and social security		
- PAYE	14	12
- PRSI	1	1
- VAT	-	-
- Corporation tax	(3)	3
Government duties and levies	30	33
Other	15	16
	57	**65**
Total creditors	**432**	**373**

Creditors arising out of direct insurance operations, reinsurance operations and other creditors including taxation and social insurance are current and are repayable within the next 12 months. The bank overdraft financial statement caption primarily relates to timing differences on cash pending allocation to premium policies at year end. Amounts due to fellow subsidiaries are unsecured, interest free and have no fixed date of repayment.

23. Other provisions

The provisions are recognised when the Company had a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

A provision was made in 2020 for the anticipated costs of the voluntary parting scheme when the main features of the scheme were communicated to staff. The costs relating to the voluntary parting of the New Ireland Assurance employees who were accepted for the scheme was €11 million with €10.7 million paid in 2020 / 2021. A further charge of €0.4 million was incurred in 2022 with €0.5 million paid and the remaining €0.2 million due to be paid in 2023.

	2022			2021		
Provisions	**Voluntary parting €m**	**Other €m**	**Total €m**	**Voluntary parting €m**	**Other €m**	**Total €m**
Opening balance	-	3	3	8	-	8
Transfer from technical reserves	-	-	-	-	3	3
Utilised during year	-	(3)	(3)	(8)	-	(8)
Closing balance	**-**	**-**	**-**	**-**	**3**	**3**

24. Loans and borrowings

In 2014, the Company issued subordinated debt of €80 million to the Governor and Company of the Bank of Ireland at a fixed rate up to the first call date in 2019. The subordinated debt terms include mandatory interest payments to the note holder, a change in the rate charged after a defined period and a block on dividend payments to shareholders whilst any interest repayments are outstanding. The interest rate was fixed at 4.9% per annum until 29 July 2019 when it was reset to 3.95%. The next step up date is on 29 July 2024.

The Company issued a further €80 million of subordinated debt to the Governor and Company of the Bank of Ireland on 30 November 2017. The annual rate of interest on this debt is 4%. The next step up date is on 27 November 2027.

The debt is perpetual in that there is no fixed repayment date.

Analysis of loans and borrowings	2022 €m	2021 €m
Subordinated debt	162	162

The subordinated debt includes interest payable of €2 million (2021: €2 million) which is payable within one year.

Movement in loans and borrowings	2022 €m	2021 €m
At 1 January	162	162
Interest charged	6	6
Interest paid	(6)	(6)
At 31 December	**162**	**162**

25. Pension costs

The Company operates a group defined benefit pension scheme, which is closed to new members and covers the majority of the Company's employees. The assets of the scheme are held in a separate trustee administered fund. The pension cost is assessed in accordance with the advice of an independent actuary using the Projected Unit Credit method.

The last formal triennial valuation of the New Ireland Assurance pension scheme was carried out at 31 December 2021. At that date, the market value of the scheme's assets was €311.4 million and the actuarial value of the assets was less than the accrued liabilities based on current earnings, and was equivalent to 96% of the liabilities allowing for expected future increases in earnings. The scheme is also subject to an annual valuation under the Irish Pensions Authority Minimum Funding Standard (MFS).

The MFS valuation is designed to assess whether the scheme has sufficient funds to provide a minimum level of benefits in a windup scenario. The scheme met the funding standard at 31 December 2022.

The actuarial report is available for inspection by members of the scheme, but not for public inspection. No contributions are outstanding at the year end.

Assumptions
The following are the major assumptions used by the actuary in the calculation of the amounts recognised in the revised financial statements.

	2022 %	2021 %
Inflation	2.60%	1.85%
Salary increases	3.10%	2.35%
Pension payment increases	0.00%	0.00%
Pension increases for deferred benefits	2.45%	1.80%
Discount rate	3.60%	1.35%

At 31 December 2021 the assumption for price inflation is set by reference to the long term expectation for eurozone inflation as implied by the difference between eurozone fixed interest and index-linked bonds.

At 31 December 2022 the inflation assumption is set by reference to the Eurozone Harmonised Index of Consumer Prices (HICP) inflation swap curve, as the HICP inflation swap curve is now more aligned to the duration of the plans liabilities than eurozone index linked bonds.

The inflation rate determined using the HICP inflation swap curve was 2.60%. The inflation rate determined using the previous approach would have been 2.50%, which, if used, would have reduced the value of liabilities by c.€2 million at 31 December 2022.

Discount rates are determined with reference to market yields at the reporting date on high quality corporate bonds (AA rated or equivalent) issued in the relevant currency, with a term corresponding to the term of the benefit payments.

The annual expenses which relate to active members are recorded within the service cost. The impact is not material.

Mortality assumptions
The mortality assumptions adopted for pension arrangements reflect both a base table and projected table developed from various Society of Actuaries in Ireland and mortality investigations that are considered a best fit for the Company's expected future mortality experience.

	2022 Males	2021 Males
Longevity at age 60 for members currently aged 60 years	27.9	27.7
Longevity at age 60 for members currently aged 40 years	30.1	30.0

	2022 Females	2021 Females
Longevity at age 60 for members currently aged 60 years	29.6	29.5
Longevity at age 60 for members currently aged 40 years	31.6	31.5

The sensitivity of overall pension liability to changes in the weighted principle assumptions is:

	Change in assumption	2022 €m	2021 €m
Discount rate	[0.25% decrease]	10	17
Rate of inflation	[0.10% decrease]	(3)	(3)
Rate of salary increase	[0.10% decrease]	(1)	(2)
Rate of pension increase	[0.10% decrease]	-	-
Life expectancy	[1 year increase]	12	10
Discount rate	[0.25% increase]	(9)	(16)
Rate of inflation	[0.10% increase]	3	3
Rate of salary increase	[0.10% increase]	1	2
Rate of pension increase	[0.10% increase]	-	-
Life expectancy	[1 year decrease]	(12)	(10)

25. Pension costs (continued)

The balance recognised in the balance sheet is:

	2022 €m	2021 €m
Actuarial value of liabilities	(231)	(328)
Fair value of scheme assets	231	311
Deficit in scheme	**-**	**(17)**

The reconciliation of the movements to the balance sheet is:

	2022 €m	2021 €m
Deficit at 1 January	(17)	(59)
Employer contributions	3	18
Net benefit expense for period (note 3)	(4)	(4)
Gains on curtailments	-	-
Actuarial gain / (loss)	18	28
Deficit at 31 December	**-**	**(17)**

The scheme carried out a review of its investment portfolio in 2021. Arising from that review the company contributed an additional €14 million to the scheme in 2021.

The following discloses the changes in the scheme's liabilities and assets:

	2022 €m	2021 €m
Scheme liabilities at 1 January	328	341
Employer service cost	4	4
Interest cost	4	3
Employer past service cost	-	-
Gains on curtailments	-	-
Scheme participants contribution	1	1
Actuarial (gain) / loss	(95)	(12)
Benefits paid	(11)	(9)
Scheme liabilities at 31 December	**231**	**328**

	2022 €m	2021 €m
Scheme assets at 1 January	311	282
Actual return on assets	(73)	19
Employer contribution	3	18
Scheme participants contribution	1	1
Benefits paid	(11)	(9)
Scheme assets at 31 December	**231**	**311**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022 €m	2021 €m
Equities	16%	16%
LDI	28%	33%
Fixed Interest	11%	14%
Other secure asset	22%	18%
Infrastructure	11%	8%
Property	10%	10%
Cash	2%	1%

The scheme does not hold any shares in New Ireland Assurance Company plc or hold any direct property holding that is occupied by the Company. The scheme holds units in policyholder funds with New Ireland Assurance Company plc for value €23.0 million (2021: €31.0 million).

Analysis of amounts recognised in the profit and loss:

	2022 €m	2021 €m
Expected return on scheme assets	4	3
Less interest on scheme liabilities	(4)	(3)
Employer service cost	(4)	(4)
Employer past service cost	-	-
Total charge to profit and loss (note 3)	**(4)**	**(4)**

Analysis of amounts recognised in statement of comprehensive income:

	2022 €m	2021 €m
(Losses) / gains on assets	(77)	16
Decrease in liabilities	(2)	(4)
Change in assumptions	97	16
	18	**28**

The total estimated charge to the profit and loss account for 2023 is €2.6 million. Expected employer contributions for the year ended 31 December 2023 are €2.7 million. Expected employee contributions for the year ended 31 December 2023 are €0.6 million.

26. Risk and Capital Management

Risk management objectives
The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from non-linked insurance policies as they fall due. The most important components of this financial risk are insurance risk, interest rate risk, equity risk, liquidity risk and credit risk.

The principal technique of the Company's Asset Liability management policy is to match assets to the non-linked liabilities by reference to the type of benefits payable to contract holders. The Company invests in a portfolio of sovereign and non-sovereign (mainly corporate) bonds to match these liabilities.

The Company is exposed to market risk on this business to the extent that the discounted value of the liabilities differs from the market value of the assets.

The Company has not changed the processes used to manage its risks from previous periods. However, during 2022 the Company did introduce new investment managers to assist in optimisating the investment strategy on both its portfolio of assets used for matching liabilities and its surplus portfolio of assets.

The investment return on assets backing unit linked liabilities flows directly to the policyholders and they bear the investment risk on these assets. There is little in the way of options in the portfolio. Where guarantees have been granted (typically a minimum return of the amount invested), these guarantees have been provided by Bank of Ireland Global Markets.

26. Risk and Capital Management (continued)

The following table reconciles the balance sheet (excluding capital and reserves) to each distinct category of liability:

Classification	*Revised* 2022 Unit linked contracts €m	*Revised* 2022 Non-linked / other assets €m	*Revised* 2022 Total €m	2021 Unit linked contracts €m	2021 Non-linked / other assets €m	2021 Total €m
Shares and other variable yield securities and units in unit trusts at fair value through the profit or loss						
- Listed securities and unlisted unit trusts	13,518	764	14,282	14,840	303	15,143
- Other unlisted securities	310	-	310	242	-	242
Debt securities and other fixed income securities at fair value through profit or loss						
- Listed	2,802	968	3,770	2,867	1,660	4,527
Derivative financial instruments at FVTPL	347	-	347	456	-	456
Deposits with credit institutions	-	80	80	-	120	120
Cash in bank and in transit	146	13	159	149	2	151
Investment property	590	-	590	708	-	708
Owner occupied property	16	2	18	18	3	21
Investment in subsidiary undertakings at FVTPL (note 13)	307	-	307	297	-	297
Reinsurance assets	-	1,110	1,110	-	1,320	1,320
Other assets	36	438	474	28	341	369
Total assets	**18,072**	**3,375**	**21,447**	**19,605**	**3,749**	**23,354**
Long term business provision	-	2,265	2,265	-	2,698	2,698
Claims outstanding	-	239	239	-	234	234
Technical provisions for linked liabilities	17,889	-	17,889	19,340	-	19,340
Deposits received from reinsurers	-	46	46	-	48	48
Loans and borrowings	-	212	212	-	231	231
Provisions for other risks and charges	-	-	-	-	3	3
Other liabilities	183	182	365	265	39	304
Total liabilities	**18,072**	**2,944**	**21,016**	**19,605**	**3,253**	**22,858**

Freehold land and buildings held to cover linked liabilities include a property which is classified as an owner occupied property and it is valued in accordance with IAS 16 Property, Plant and Equipment. It is valued at €16.25 million at 31 December 2022 (2021: €18.5 million).

Insurance risk

Insurance risk is the risk of unexpected variation in the amount or timing of claims. The Company currently writes life insurance business which results in material exposures to the following risks:

- **mortality** - the risk of deviations in the timing and amounts of claims due to the incidence of death;
- **longevity** - the risk of deviations in the timing and amounts of claims due to increasing life expectancy;
- **morbidity** - the risk of deviations in the timing and amount of claims due to the incidence of disability and sickness;
- **lapse** - the risk that policies are surrendered earlier than expected resulting in the Company losing a future income stream; and
- **expense** - the risk of deviations in timing and amount of expenses incurred within the business.

The management of insurance risk is the responsibility of the Board of the Company. The Financial Risks Committee, supported by a sub-committee with responsibility for reinsurance, actively monitors the appropriateness of the reinsurance strategy for both new and existing products and reports its findings to the Board Risk Committee.

This includes a review of the panel of reinsurers that may be used and the optimal structure of the reinsurance arrangements.

The Company mitigates the potential impact of insurance risk through a number of measures. These include reinsurance, underwriting, contract design and diversification.

The Company manages insurance risk by underwriting protection new business at the application stage, claims management and the use of reinsurance. This involves reviewing medical information supplied on the application form and may involve the collection and review of further medical information, or requirement for a medical examination. Depending on this review applications may be accepted on standard terms, enhanced terms or declined.

The Company has in place a regular monitoring system which reports on the mortality and morbidity experience of the business. This is used to help determine the rates at which new business is accepted. The Company also transacts insurance contracts where risk rates charged under policies can be reviewed in line with emerging experience.

The following table demonstrates the sensitivity to a possible improvement in mortality, longevity and morbidity assumptions of the Company's liabilities.

Impact on liabilities	2022 €m	2021 €m
10% improvement in mortality	(4.0)	(4.0)
10% improvement in longevity	22.8	32.8
10% improvement in critical illness	(4.2)	(3.0)

Lapse risk is the risk that a greater than anticipated number of policies cease paying premiums or surrender from the Company. The Company derives income from the management fees, premium charges and other cash flows from its contracts. When a higher number of policies lapse than anticipated, there will be a negative impact on the profit of the year.

26. Risk and Capital Management (continued)

The following table demonstrates the sensitivity to a possible deterioration in persistency assumptions of the Company's liabilities.

Impact on liabilities	2022 €m	2021 €m
10% deterioration in persistency	(7.2)	(12.1)

The table below shows the composition of policyholder liabilities and reserves by product type for all contracts, net of reinsurance. This illustrates the relative level of insurance risk the Company is exposed to.

Class of business	2022		2021	
	Policyholders liabilities and reserves %	Sum assured %	Policyholders liabilities and reserves %	Sum assured %
Pension				
Linked	63%	29%	63%	31%
Non linked (non profit)	-	-	-	-
With profits	-	-	-	-
Annuities	4%	-	5%	-
Life				
Linked	31%	29%	30%	30%
Non linked (non profit)	2%	42%	2%	39%
With profits	-	-	-	-
Annuities	-	-	-	-
	100%	**100%**	**100%**	**100%**

The total sum at risk, net of reinsurance, is €24,320 million (2021: €23,879 million).

Market risk
Market Risk is the risk of loss arising from movements in market prices. Market risk arises from the structure of the balance sheet and the Company's mix of business. The Company accepts and mitigates significant exposure to market risk. The main areas of market risk to which the Company is exposed are as follows:

- **interest rate risk** - the risk of loss arising from a change to actual or expected interest rates. The prevailing interest rates will be a significant factor in determining the value of the Company's obligations as well as the expected income that will be generated from investments;
- **spread risk** - the risk of loss arising from the yield on a bond increasing, resulting in a fall in the bond's value, without an equal increase in the benchmark interest rate. Bonds are a core investment asset for the Company;
- **equity and property risk** - the risk of loss associated with falling equity or property values. This may arise from assets held directly by the Company or as a result of lower fees which are linked to the value of customers' investments in these assets;
- **currency risk** - the risk of loss associated with a change in currency values; and
- **concentration and contagion risk** - the risk that the Company is overly reliant on a single counterparty or that the Company's counterparties are interrelated such that significant losses arising from a single counterparty are unlikely to occur in isolation.

a. Interest rate risk

Interest rate risk arises primarily from investments in fixed interest securities. In addition to the extent that the present value of future claim costs are related to interest rates, liabilities to policyholders are exposed to interest rate risk. Insurance contracts may have benefit payments that are fixed and guaranteed at the inception of the contract.

The financial component of these benefits can be a guaranteed fixed interest rate (for the insurance contracts, this rate may apply to maturity and/or death benefits) and hence the Company's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities is insufficient to fund the guaranteed benefits payable. The Company monitors interest rate risk by calculating the mean duration of the investment portfolio and of the liabilities to policyholders under insurance contracts. The mean duration is an indicator of the sensitivity of the assets and liabilities to changes in current interest rates. The mean duration of the liabilities is determined by projecting expected cash flows from the contracts using prudent estimates of mortality and voluntary terminations. This is calculated in a consistent manner with the prior year. Any gap between the mean duration of the assets and the estimated mean duration of the liabilities is minimised by buying and selling fixed interest securities of different durations.

The Company invests in sovereign and non-sovereign (mainly corporate) bonds of appropriate term to secure the promised benefits. The Company is not exposed to stock market movements on this business. As a result typical interest rate movements are matched by equivalent movements in liabilities. To the extent however, that interest rate movements are risk related, this will have an impact on the Company's capital position.

The sovereign bonds are diversified between Irish, French, Belgian, Italian and Austrian bonds. The non-sovereign bonds are predominantly made up of a portfolio in excess of 100 different bonds and there is maximum exposure limit to any issuer. The Company's funds are spread across a number of different countries (according to countries of risk). There is also a spread among industries which acts as a way of diversifying from the Company's sovereign risk exposure. There are no asset backed portfolios in the Company's portfolio.

Information about the maturity dates for those financial assets and/or liabilities exposed to significant interest rate risk is an indicator of the sensitivity of the financial assets and/or liabilities to changes in current interest rates. The maturity profiles of debt securities and other fixed-income securities and deposits with credit institutions included in other financial investments on the balance sheet, are set out in the tables below.

26. Risk and Capital Management (continued)

Debt securities and other fixed-income securities maturity schedule	2022 €m	2021 €m
Within one year	5	45
More than one year - within five years	132	244
More than five years - within ten years	195	456
More than ten years	636	915
Total	**968**	**1,660**

The fair values of debt securities through profit or loss are shown by contract maturity. Actual maturities may differ from contractual maturities because certain borrowers have the right to call or pre-pay certain obligations with or without call or pre-payment penalties.

Deposits with credit institutions maturity schedule	2022 €m	2021 €m
Within one year	80	120
More than one year - within five years	-	-
More than five years - within ten years	-	-
More than ten years	-	-
Total	**80**	**120**

A maturity analysis for unit linked investment contracts amounting to €18,072 million (2021: €19,605 million) has not been produced as policyholders can generally surrender their contracts at any time, at which point the underlying unit linked assets would be liquidated. Risks from the liquidation of unit linked assets are borne by the policyholders of unit linked contracts.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. Management monitors the sensitivity of interest rate movements by assessing the expected changes in the different portfolios due to parallel movements of 50 basis points in all yield curves.

The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant, of the Company's profit and net assets.

Impact on Profit and Net Assets	2022 €m	2021 €m
Increase in yield curve +50 bps	(13.0)	(4.5)
Decrease in yield curve – 50bps	9.9	0.1

The above sensitivities do not include any impact in respect of the Company's pension scheme.

b. Equity and property price risk

This is the risk of loss associated with falling equity or property values and it arises from assets held directly by the Company or in the main as a result of lower fees which are linked to the value of customer's investments in these assets. The Company indirectly derives income from management fees arising from the value of funds under management. A 5% increase in equity markets half way through the year would increase profits in 2022 by €3.8 million (2021: €6.1 million).

c. Currency risk

The Company bears some limited currency risk on both the non-sovereign bond portfolio and on some of the assets directly held within the surplus portfolio. The value of the shareholder holdings in non euro assets is €58.9 million (2021: €39.8 million). The Company does not bear any currency risk directly on unit linked contracts – this is borne by the policyholders. The Company indirectly derives income from management fees arising from the value of funds under management. A 5% movement in exchange rates half way through the year would change profits in 2022 by €4.9 million (2021: €3.1 million).

Liquidity risk

Liquidity risk is the risk that the Company, though solvent, experiences difficulty in meeting its obligations as they fall due. The Company maintains and regularly updates its strategy with respect to liquidity risk.

The Company is exposed to daily calls on its available cash resources mainly from claims arising from non linked insurance contracts. The Company invests an amount in short-term cash deposits as a liquidity buffer which can be redeemed at short notice. The liquidity balance is monitored on a daily basis to ensure that this amount is sufficient, allowing for inflows and outflows.

In the case of unit linked business, liquidity risk can arise when unit linked assets cannot be sold quickly enough to meet surrender values. The managers of the unit linked funds maintain a liquidity balance as appropriate to allow for surrenders. This is kept under regular review allowing for the expected inflows and outflows and taking into consideration the investment guidelines and liquidity of the assets in the funds.

The Company, from time to time, sells structured products such as tracker bonds which contain investment guarantees. It is the policy of the Company to hedge all tracker guarantees with a third party. Where structured products are issued, the Company will ensure that the policy conditions state that the policyholder can only surrender the policy at the end of the term, and that the value will be equal to the amount received by the Company from the maturing asset. Early surrenders are not usually permitted.

As part of the regular annuity matching exercise referred to under Market Risk, the cash flows from assets and liabilities are projected into the future to identify mismatches which could result in a liquidity strain.

26. Risk and Capital Management (continued)

Maturities of financial liabilities

2022 *(revised)*	Demand €m	0-3 mths €m	3-12 mths €m	1-5 years €m	+5 years €m	Total €m
Financial liabilities under investment contract	5,870	-	-	-	-	5,870
Due to fellow subsidiaries	-	57	-	-	-	57
Creditors and accruals	-	351	-	-	-	351
Bank overdraft	-	44	-	-	-	44
Other provisions	-	-	-	-		-
Loans and borrowings	-	-	2	-	160	162
Total	**5,870**	**452**	**2**	**-**	**160**	**6,484**

2021	Demand €m	0-3 mths €m	3-12 mths €m	1-5 years €m	+5 years €m	Total €m
Financial liabilities under investment contract	6,671	-	-	-	-	6,671
Due to fellow subsidiaries	-	13	-	-	-	13
Creditors and accruals	-	312	-	-	-	312
Bank overdraft	-	69	-	-	-	69
Other provisions	-	-	3	-		3
Loans and borrowings	-	-	2	-	160	162
Total	**6,671**	**394**	**5**	**-**	**160**	**7,230**

Credit Risk
Credit Risk is the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Company in respect of loans or other financial transactions. The Company does not actively seek credit risk. However, exposures are accepted for a number of reasons. The main reasons are as follows:

- credit risk which is accepted as a residual risk arising from strategies employed to reduce other risks, reinsurance for example;
- credit risk arising from an investment in assets for an acceptable rate of return; and
- credit risk which is unavoidable, but short term in nature, arising from the day-to-day operation of the business, overnight bank exposure for example.

Key areas where the Company is exposed to credit risk are:

- amounts due from insurance intermediaries;
- amounts due from sovereign and corporate bond issuers;
- amounts due from insurance contract holders;
- amounts on deposit with other credit institutions;
- reinsurers' share of insurance liabilities; and
- amounts due from reinsurers in respect of claims already paid.

The Company manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparties. Such risks are subject to regular review.

The Company has a material credit risk exposure to a number of reinsurance companies. Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The credit quality of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. An analysis of reinsurers by Standard & Poor's rating (or equivalent) is produced periodically.

A concentration of credit risk can also arise through the Company's reinsurance arrangements where the Company has a large exposure to a single counterparty. This credit exposure is mitigated by collateralisation agreements where the Company has access to assets which would compensate the Company should the reinsurer fail to meet its obligations. Reinsurance in respect of annuity business is on a collateralised basis.

The Company uses a panel of highly rated reinsurance companies to diversify credit risk and the credit risk policy requires that the suitability of new counterparties is reviewed and approved prior to engagement. The Company also operates a Reinsurance Committee which reports to the Risk Committee at least annually and in addition on material items as they arise. Inter alia, the Committee considers retention levels across the business lines, the credit rating of the reinsurance companies and the extent of exposure to each reinsurance company.

26. Risk and Capital Management (continued)

The assets bearing credit risk are summarised below:

	Revised 2022			2021		
Classification	**Unit linked contracts €m**	**Non-linked / other assets €m**	**Total €m**	**Unit linked contracts €m**	**Non-linked / other assets €m**	**Total €m**
Debt securities and other fixed income securities at fair value through profit or loss						
- Listed	2,802	968	3,770	2,867	1,660	4,527
Derivative financial instruments, at FVTPL	347	-	347	456	-	456
Deposits with credit institutions	-	80	80	-	120	120
Cash in bank and in transit	146	13	159	149	2	151
Reinsurance assets	-	1,110	1,110	-	1,320	1,320
Other assets	36	177	213	28	125	153
Total	**3,331**	**2,348**	**5,679**	**3,500**	**3,227**	**6,727**

An analysis of the credit rating of assets bearing credit risk which includes the reinsurance asset, Irish sovereign bonds, Euro sovereign bonds, corporate bonds and cash deposits are shown below:

	Unit Linked contracts		Non-linked / Other Contracts	
	2022 €m	**2021 €m**	**2022 €m**	**2021 €m**
AAA	396	834	64	16
AA+	110	93	108	223
AA	347	317	153	371
AA -	22	22	1,001	1,373
A+	212	122	249	250
A	428	419	340	142
A -	25	42	157	348
BBB+	1,755	617	134	272
BBB	-	1,033	55	124
BBB-	-	-	13	52
BB+	-	-	-	12
BB	-	1	-	-
Unrated	36	-	72	44
	3,331	**3,500**	**2,346**	**3,227**

Unrated values refer to premiums due from policyholders and commissions paid in advance to intermediaries.

No credit limits were exceeded during the period. No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

The Company maintains strict control limits on open derivative positions, by both amount and term. The amount subject to credit risk at any one time is limited to the current fair value of derivative financial assets.

Sensitivity to an increase in credit spreads across sovereign and non-sovereign bonds is shown in the table below.

Impact on Profit and Net Assets	**2022 €m**	**2021 €m**
Credit spreads +0.50%	(46.6)	(55.2)
Credit spreads -0.50%	49.4	58.7

Unit linked contracts

For unit–linked contracts the Company matches all the liabilities with assets in the portfolio on which the unit prices are based. Therefore there is no interest, price, currency or credit risk attaching to these assets for the Company as all risk is borne by the policyholder. However the Company does carry the reputational risk of managing these amounts on behalf of policyholders and receives investment management fees based on the unit linked assets under management. The Company therefore has an indirect exposure to the performance of world equity markets. The amount related to unit linked contracts included in the assets bearing credit risk was €3.3 billion (2021: €3.5 billion).

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Company faces operational risks in the normal pursuit of its business objectives. By its nature, operational risk cannot be fully eliminated; however the Company has established a formal approach to the management of operational risk in the form of an Operational Risk Management Framework, which defines the Company's approach to identifying, assessing, managing, monitoring and reporting the operational risks which may impact the achievement of the Company's business objectives.

Fair value hierarchy

The table below shows, for the Company's financial assets and liabilities that are recognised and measured at fair value, their classification within a three – level fair value hierarchy.

26. Risk and Capital Management (continued)

Level 1 comprises financial assets and liabilities valued using quoted market prices in active markets. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2 comprises financial assets and liabilities valued using techniques based significantly on observable market data.

Level 3 comprises financial assets and liabilities valued using techniques where the impact of non observable market data is significant in determining the fair value of the instrument. Non observable market data is not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, or analytical techniques.

	Revised 2022				2021			
	Level 1 €m	Level 2 €m	Level 3 €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets held at fair value								
Equities and unit trusts	14,239	104	249	14,592	14,742	401	242	15,385
Debt securities	3,680	90	-	3,770	4,405	122	-	4,527
Derivative instruments	-	347	-	347	-	456	-	456
Deposits with credit institutions	-	80	-	80	-	120	-	120
Cash in bank and in transit	159	-	-	159	151	-	-	151
Non-financial assets held at fair value								
Investment property	-	-	590	590	-	-	708	708
Investment in subsidiary undertakings at FVTPL	13	-	294	307	12	-	285	297
Owner occupied property	-	-	18	18	-	-	21	21
	18,091	**621**	**1,151**	**19,863**	**19,310**	**1,099**	**1,256**	**21,665**
Financial liabilities held at fair value								
Liabilities to customers under investment contracts	-	5,870	-	5,870	-	6,671	-	6,671
Loans and borrowings	44	162	-	206	69	162	-	231
	44	**6,032**	**-**	**6,076**	**69**	**6,833**	**-**	**6,902**

Movement in Level 3 assets

2022	Equities and unit trusts €m	Investment property €m	Investment in subsidiary undertakings at FVTPL €m	Owner occupied property €m	Total €m
Opening balance	242	708	285	21	1,256
Investment losses	(17)	(31)	(39)	-	(87)
UK foreign currency (FX) property revaluation	-	(10)	-	-	(10)
Revaluation owner occupied property	-	-	-	(3)	(3)
Additions	-	16	48	-	64
Disposals	-	(93)	-	-	(93)
Reclassification	24	-	-	-	24
Closing Balance	**249**	**590**	**294**	**18**	**1,151**

2021	Equities and unit trusts €m	Investment property €m	Investment in subsidiary undertakings at FVTPL €m	Owner occupied property €m	Total €m
Opening balance	78	600	242	22	942
Investment losses	-	(16)	-	-	(16)
UK foreign currency (FX) property revaluation	-	10	-	-	10
Revaluation owner occupied property	-	-	-	(1)	(1)
Additions	-	114	43	-	157
Disposals	-	-	-	-	-
Reclassification	164	-	-	-	164
Closing Balance	**242**	**708**	**285**	**21**	**1,256**

26. Risk and Capital Management (continued)

Unit Trusts which predominantly invest in properties and are valued with reference to the underlying property value were reclassified from level 2 to level 3.

Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

Level 3 assets	Valuation technique	Unobservable input	Fair value 2022 €m	Fair value 2021 €m	Range 2022 €m	Range 2021 €m
Equities and Unit Trusts	Market comparable property transactions	Yields	249	242	3.09% - 9.24%	2.92%-7.75%
Investment property	Market comparable property transactions	Yields	590	708	3.09% - 9.24%	2.92%-7.75%
Investment in subsidiary undertaking	Market comparable property transactions	Yields	294	285	3.30% - 7.70%	3.10%-6.45%
Owner occupied property	Market comparable property transactions	Yields	18	21	4.83%	5.18%-12.25%

The key assumptions driving the valuation of the level 3 investments are;

Equities and Unit Trusts
Equities are valued using discounted cash flow analysis, to reflect the expected annual coupon on the investment and the expected repayment of the principal at the end of the fixed term of the investment. The cash flows have been discounted using the risk free rate (the 10 year government bond rate). Using reasonable possible alternative assumptions would not have a material impact on the value of this asset.

Unit Trusts and certain private equity funds which predominantly invest in properties are valued with reference to the underlying property value.

Investment in subsidiary undertakings at FVTPL and investment properties
Investments in Dutch and French subsidiaries are valued at fair value through the profit or loss. The subsidiaries are distinct from the Company's other subsidiaries as they have been set up to hold investment properties.

Investment properties are carried at fair value as determined by external qualified property surveyors appropriate to the properties held. Fair values have been calculated using current trends in the market of property sales and rental yields in the retail, office and industrial property markets (level 2 inputs). Other inputs take into consideration includes occupancy rate forecasts, sales price expectations and letting prospects (level 3 inputs). Using reasonably possible alternative assumptions would not have a material impact on the value of these assets. All properties are valued based on highest and best use.

Owner occupied property
A revaluation of the Company's owner occupied property was carried out as at 31 December 2022. All freehold and long leasehold properties were valued by Lisney as external valuers. Lisney valuations were made on the basis of observable inputs such as comparable lettings and sales (level 2 inputs). Unobservable inputs such as profile, lot size, layout and presentation of accommodation are also used (level 3 inputs). Using reasonably possible alternative assumptions would not have a material impact on the value of these assets. All properties are valued based on highest and best use.

Capital Management
Solvency II is the harmonised EU-wide regulatory capital framework for insurance companies. The regime requires reporting and public disclosure arrangements to be put in place by insurance entities including the publication of certain information on the entity's public website.

The Solvency II Directive contains the following three pillars:

- **Pillar 1** contains mechanisms and requirements for the calculation by insurance companies of their minimum capital requirements for the risks to which the company is subject.
- **Pillar 2** is intended to ensure that each insurance company has sound internal processes with regard to its overall system of governance and risk management, the adequacy of the capital it holds, and also includes rules with regard to the supervision of these companies. Risks not considered under Pillar 1 are considered under this Pillar.
- **Pillar 3** is intended to complement Pillar 1 and Pillar 2. It requires that insurance companies disclose information on the application of Solvency II requirements, particularly covering capital requirements, risk exposures and risk management systems.

Solvency II requires companies to hold a risk-based SCR which is calculated by considering the capital required for the company to withstand a number of severe scenarios. The SCR is calibrated to withstand a 1-in-200 year scenario over the next 12 months. Both the quantum of each of the shocks and the correlation factors applied are set out by the European Insurance and Occupational Pensions Authority (EIOPA).

Available capital resources
The table below sets out the total shareholders' equity compared to the excess own funds.

	Revised 2022 €m	2021 €m
Total shareholders' equity	**431**	**496**
Adjustments to regulatory basis		
Differences in technical provisions (net of reinsurance)	701	642
Deferred acquisition costs / deferred income liability	(149)	(145)
Asset and other liabilities valuation adjustments	(76)	(56)
Deferred taxation	(60)	(55)
Subordinated debt	160	160
Total eligible own funds to meet SCR	**1,007**	**1,042**
Solvency Capital Requirement (SCR)	616	(677)
Excess own funds	**391**	**365**
Ratio of eligible own funds to meet SCR	163%	154%[1]

26. Risk and Capital Management (continued)

The Company's total eligible own funds under Solvency II are €1,007 million (2021: €1,042 million). This is a combination of the excess of assets over liabilities of €847 million (2021: €882 million), which is Tier 1 capital and the subordinated debt of €160 million (2021: €160 million), which is a Tier 2 capital instrument.

The Board approved a dividend payment of €60 million in January 2022 which has been paid to Bank of Ireland Life Holdings Ltd.

The Company performs the calculations for its financial statements on a different basis to Solvency II. The above table shows the difference between the shareholder equity, which is shown in the revised financial statements, and the excess of assets over liabilities valued under Solvency II regulations.

A description of the elements of the changes is given below:
- the key difference between the financial statements and the Solvency II balance sheet is the calculation of the technical provisions net of reassurance. The minimum reserve for any policy is zero in the financial statements while it is permitted to have negative reserves under Solvency II. Allowing for these differences gives a positive difference of €701 million (2021: €642 million) allowing for reinsurance;
- there is a deferred acquisition costs asset and a deferred income liability in the financial statements, neither of which are allowable under Solvency II. Removing the deferred acquisition costs asset and a deferred income liability leads to a reduction of €149 million (2021: €145 million);
- there is a larger deferred tax liability of €60 million (2021: €55 million), reflecting the larger net assets under Solvency II; and
- there is also a difference in asset and other liability valuations of €76 million (2021: €56 million). This relates mainly to the value of computer software in the financial statements which has a nil value for Solvency purposes.

The net excess of assets over liabilities is €391 million (2021: €365 million).

Capital resource sensitivities
The Company carries out regular assessments of the projected future solvency position, under a number of different scenarios, which are documented in the Own Risk and Solvency Assessment (ORSA) report. This report is made available to the CBI. As part of this report, a projection of the Company's solvency position over the next five years is documented. This report has confirmed the strength of the Company's capital position and the resilience of this capital position under the stress tests examined. An examination of the risks to which the Company is exposed, and the steps we have taken to mitigate these risks, are set out opposite.

Market risk
The Company's capital position is relatively insensitive to market movements as the bulk of our liabilities are unit linked with policyholders bearing the investment risk. Non-linked liabilities are closely matched by sovereign and corporate bonds of appropriate duration. The Company's free assets are mainly held in cash, short-term sovereign and corporate bonds and a combination of risk managed funds. To the extent that yield increases on the sovereign and corporate bonds are risk related this represents a market risk for the Company.

The Company's pension scheme contains an exposure to market risk which can impact on the capital position of the Company.

Insurance risk
The Company uses reinsurance to mitigate the impact of mortality and morbidity risks. Our current policy is to reinsure up to 90% of new guaranteed protection business, to reinsure only a small part of flexible protection unit linked contracts and to reinsure 75% of new individual income protection business. Reinsurance cover is also in place on group risk and individual and group annuity contracts predominately on a quota share basis. Collateral arrangements are in place for annuity reinsurance arrangements to help mitigate the impact from counterparty risk.

Credit risk
The Company uses a number of different reinsurance companies of appropriate financial strength in managing its life assurance business. The Company's asset liability matching policy includes significant holdings of corporate bonds and sovereign debt of a number of Euro zone countries. The most significant holding of sovereign debt is French sovereign debt.

Options and Guarantees
The Company has a very limited range of options and guarantees in its business portfolio as the bulk of the business is unit linked without investment guarantees. Where investment guarantees have been given on unit linked business, they have been fully hedged.

The Company has not granted guaranteed annuity options on any of its business.

27. Future Capital Commitments not provided for

	2022 €m	2021 €m
Authorised but not contracted	9	7
Contracted	3	2

The future capital commitments not provided for in the revised financial statements relate to the infrastructure improvements underway to enhance and improve the customer offering.

28. Directors' Remuneration

	2022 €m	2021 €m
Aggregate emoluments paid to or receivable by directors in respect of qualifying services		
- Fees	330	308
- Salaries for management services	909	918
Aggregate contributions paid, treated as paid or payable during the financial year to a retirement benefit scheme in respect of qualifying services of directors		
- Defined contribution schemes	132	125

29. Subsidiaries

Investment in subsidiaries
The investment in subsidiaries are stated in the financial statement at cost at €368 (2021: €368) and the subsidiary companies are listed below:

	Nature of Business	Percentage Owned	Country
General Investment Trust DAC	Pension Trustee Company	100%	Ireland
Leopardstown Offices Management Company Limited	Property Company	100%	Ireland
BSQ Limited	Property Company	100%	Ireland
GD (5&6) Basement Company Limited	Property Company	100%	Ireland

General Investment Trust DAC is a company whose sole purpose is the provision of trustee services to trust-based pension funds.

The registered office of General Investment Trust DAC is situated at 3-4 South Frederick Street, Dublin 2.

Leopardstown Offices Management Company Limited does not trade.

The registered office of Leopardstown Offices Management Company Limited is situated at Bank of Ireland, 40 Mespil Road, Dublin 4.

GD (5&6) Basement Company Limited is a property management company and its registered office is situated at 4th Floor 76 Lower Baggot Street, Dublin 2.

BSQ Limited is in receivership with KPMG Dublin. EY have been selected to act as liquidator and steps are being taken to ensure the solvent liquidation can commence once the receivership has finished.

The Company's investment in these subsidiaries consists of ordinary shares.

The French and Dutch subsidiaries companies are set up to hold investment property. The value of the companies and their underlying assets, and any changes in that value, is wholly attributable to policyholders. These companies are listed below:

	Nature of Business	Percentage Owned	Country
Weesperplein 6 Holding BV	Holding Company	100%	Netherlands
Weesperplein 6 BV	Property Company	100%	Netherlands
Life Fund Syndication Holding BV	Holding Company	100%	Netherlands
Life Fund Syndication BV	Property Company	100%	Netherlands
SCI Jupiter Immeuble	Property Company	100%	France
SCI Immeuble Saint George	Property Company	100%	France
SCI Sang Rouge	Property Company	100%	France
New Ireland Real Estate France	Property Company	100%	France

The registered office of the Netherlands subsidiaries is TMF Group, Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam P.O. Box 23393, 1100 DW Amsterdam.

30. Holding Company

The Company is a wholly-owned subsidiary of Bank of Ireland Life Holdings Limited which is incorporated in the Republic of Ireland. The Company's immediate parent company is Bank of Ireland Life Holdings Limited. The Company's ultimate parent company is the Bank of Ireland Group plc which is also incorporated in the Republic of Ireland. The Bank of Ireland Group plc is the holding company of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of the group financial statements of the Bank of Ireland Group plc are available from Bank of Ireland, 40 Mespil Road, Dublin 4.

31. Related Party Transactions

The Company has taken advantage of an exemption from IAS 24 Related Party Disclosures not to disclose transactions with Group undertakings.

No contract of significance existed at any time during the year in which a Director, a key manager or other related party was materially interested or which requires disclosures as a related transaction as defined under IAS 24.

32. Subsequent Events

The Directors have evaluated whether any subsequent events that require recognition or disclosure in the Financial Statements and have taken place from year end through 30 March 2023, which is the date the original Financial Statements were approved. The date of re-issuance of the Financial Statements is 20 July 2023. There is no other impact on these revised financial statements apart from the adjustment as disclosed in note 1.

IORPs II and the Pensions Authority (PA) Code of Practice introduces minimum capital levels for Master Trusts. Navigator Master Trust is a key strategic priority for New Ireland Assurance Company plc and General Investment Trust DAC (GIT). In order to comply with the PA code of practice a minimum capital level of €70 per member in a master trust must be provided plus two years running costs for the DAC operating the master trust, which in the case of Navigator this is GIT. Based on the minimum capital of €70 per member and the running costs of GIT the overall capital requirement is therefore projected to be €3.2 million.

In February 2023, there was a transfer of capital from New Ireland Assurance Company plc to its subsidiary General Investment Trust DAC of €3.2 million. This is not expected to have an impact on the solvency ratio of New Ireland Assurance Company plc.

No other significant events which require disclosure or adjustment to the financial statements, affecting the Company or any of its subsidiary undertakings, have occurred since the balance sheet date.

33. Approval of Financial Statements

The Board of Directors approved the previous version of the financial statements on 30 March 2023. The revised financial statements were approved by the Board of Directors on 20 July 2023.

New Ireland Assurance Company plc.

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