Annual Report

2021

NEW IRELAND
Securing your future

Contents

Directors and Other Information

Directors
Sean Crowe *(resigned 1 March 2021)*
Gerry Hassett
John Heade
Gavin Kelly
Mary Kerrigan
Fiona Muldoon *(appointed 14 April 2021)*
Michael Murphy
Myles O'Grady *(appointed 22 February 2021, resigned 31 March 2022)*
Karena O'Sullivan *(appointed 1 March 2021)*

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

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.

Directors' Report

The Directors are pleased to submit their Annual Report and audited Financial Statements of New Ireland Assurance Company plc (the Company) for the year ended 31 December 2021.

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 2021 the Company had in excess of 600,000 customer contracts and funds under management of €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 €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 2021 the Company has continued to support and protect its customers, colleagues and communities through the pandemic. As economies recover from the impact of COVID-19, there has been continued recovery in business activity, supported by a more positive economic environment. This recovery has had a positive impact with an increase of 30% in new business volumes and an increase in assets under management from €18.8 billion in 2020 to €21.7 billion in 2021. This increase reflects strong overall business performance allied with the positive performance of investment markets in 2021.

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:

- commercialised technology investment through delivery of pensions new business capability, switching automation and top-up capability;
- increased 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;
- commenced a phased roll-out of digital advice platform, which will lead to a greatly improved customer experience;
- launched a broker portal enabling customers and advisors to access products and services via a single source, with 76% 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 €394 million (2020: €303 million) in Annual Premium Equivalent (APE) terms over the twelve months to December 2021, up 30% on the same period last year due to strong growth in Life and Pensions single premium in 2021;
- the Company's market share at the end of the year was 20%. There has been an increase in sales volumes across most product categories in the twelve months to December 2021 with a strong growth in single premium Life and Pension business driven by a large increase in customer savings;
- sale values across all channels were up on the same period in 2020. Sale values on the Broker channel were up 23%, sale values on the Bank channel were up 45% and sales values on the Financial Advisor channel were up 38%;
- new sales in the year ended 31 December 2021 consisted of €1,828 million (2020: €1,439 million) of new single premium business and €211 million (2020: €159 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 2021 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 €91 million (2020: €68 million) were 3% lower than the previous year when the previous year core costs of €68 million are adjusted for the non-recurring pension credit of €26 million. Staff costs, excluding pension at €35 million (2020: €38 million), were lower because of a reduction in FTE numbers. Non staff costs were higher by €2 million at €51 million (2020: €49 million).
- the Company had €21.7 billion (2020: €18.8 billion) of assets under management, with positive customer flows into unit linked funds and increasing asset values. Of the €21.7 billion assets under management, €19.6 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 €2.1 billion covered technical provisions (other than unit linked liabilities), the pension scheme deficit, 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 2021, the Company's total eligible own funds under Solvency II were €1,042 million (2020: €904 million). This was 1.54 times or €365 million above the SCR of €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.

Financial review

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 €115 million (2020: €74 million). Operating profit of €115 million for 2021 was €41 million or 55% higher than 2020, primarily due to higher new business volumes and a higher benefit of assumption changes when compared to 2020. The total profit including the impact of interest rate movements and investment variance was €160 million (2020: €24 million).

	2021 €m	**2020 €m**
New business profits	**13**	**3**
Existing business portfolio		
- Expected return	42	61
- Experience variance mortality and morbidity	5	18
- Experience variance persistency	11	-
- Other profit items	44	(8)
Operating profit	**115**	**74**
- Economic assumptions and interest rate movements	1	(27)
- Investment variance - unit linked	44	(23)
Total profit before tax	**160**	**24**

There was an increase in new business profits at €13 million (2020: €3 million). The overall increase in the value of new business, after all costs, was driven by higher sales volumes with new business levels 30% higher in 2021 at €394 million (2020: €303 million) in APE terms.

Expected return at €42 million (2020: €61 million) was lower than prior year due in the main to lower costs in 2020 as a result of a non-recurring pension credit of €26 million.

Experience profits, which include mortality and morbidity experience, have decreased to €5 million (2020: €18 million) in the twelve months to December 2021. Mortality and morbidity experience profits were driven by positive experience on life, critical illness and annuity business, partially offset by losses on Group PHI schemes.

The increase in persistency profits at €11 million was linked to continuing economic recovery, positive investment markets and the release of a short-term provision of €4 million which was created in 2020. Poor persistency experience in 2020 was driven by the pandemic and related financial market turbulence.

Other profit items were positive in 2021 at €44 million relative to €8 million negative in 2020 as a result of actuarial assumption changes, a reduction in fund management expenses and changes in provisions.

Embedded value profit before tax of €160 million (2020: €24 million) was higher due to the impact of investment market movements on unit linked fund performance and a better investment return on non-linked and shareholder funds compared to 2020.

The total impact from the markets on the Company main fund over the year was €1 million positive (2020: €27 million negative). This was driven by rising interest rates causing a reduction in asset values which has been more than offset by a corresponding reduction in liabilities.

Unit linked investment variance for the twelve months to December 2021 was €44 million positive, compared to €23 million negative over the same period in 2020, reflecting higher than expected fund performance.

Statutory performance

The financial statements as prepared in accordance with the Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101), show a technical accounting profit for the year of €44 million (2020: €46 million) reflecting the impact of higher new business volumes and investment returns offset by the increase in expenses due to a pension credit in 2020.

Total premiums received in the year (across insurance and investment contracts) of €2.7 billion (2020: €2.3 billion) were ahead of 2020. Premiums accounted for as insurance contracts were €2.2 billion (2020: €1.9 billion) due to strong growth in life single premium business. Outward reinsurance premiums were €171 million (2020: €276 million) due to lower levels of bulk annuity business in the year.

Total investment return was €2.1 billion positive (2020: €0.3 billion positive) reflecting higher investment returns in 2021.

Assets under management of €21.7 billion (2020: €18.8 billion) increased by 15.4% with positive cash flows into unit linked funds and the positive investment return.

Gross claims paid were in line with prior year at €1.7 billion (2020: €1.7 billion). Gross claims accounted for as insurance contracts were also in line with prior year at €1.2 billion (2020: €1.2 billion).

Net technical provisions increased by €2.8 billion (2020: €0.6 billion increase), due mainly to the increase in value of policyholders' investments.

Unit linked policyholder liability provisions rose in line with unit linked assets, therefore an increase in investment asset values is matched with an increase in corresponding technical provisions.

Core operating expenses (excluding commissions, cost of sales, amortisation, depreciation and non-core costs) were 34% higher at €91 million in the year (2020: €68 million). This was in the main due to non-recurring pension credit of €26 million in 2020.

The pension scheme deficit on the Company's pension scheme has fallen by €42 million (2020: €23 million decrease). Scheme liabilities decreased by €13 million (2020: €1 million decrease) with the impact of an increase in the discount rate offset by an increase in the inflation assumption. The scheme assets increased by €29 million (2020: €24 million) because of excess of contributions over benefits paid and positive fund investment performance. The impact of both the liability and asset movements against the underlying actuarial assumptions has resulted in a €28 million profit (2020: €3 million loss) taken to reserves. That is €25 million net of deferred tax (2020: €3 million net of deferred tax).

Capital remains strong at 154% (2020: 145%) of SCR. No dividend was paid in the year (2020: €nil). Subsequent to year end, in January 2022, the Board approved a dividend payment of €60 million to Bank of Ireland Life Holdings Limited. This dividend was paid by the Company to its parent on 11 March 2022. The pro-forma solvency position as at year-end 2021, post this dividend payment, is 145%.

Summary income statement

The profit and loss account – technical account in the 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.

	2021 €m	2020 €m
Premium income	2,668	2,300
Reinsurers' share of premiums	(171)	(276)
Claims incurred	(1,725)	(1,683)
Reinsurers' share of claims	150	124
Investment return	2,144	347
Net operating expenses	(204)	(187)
Change in deferred income liability	-	2
Investment expenses and charges	(28)	(24)
Interest on loans and borrowings	(6)	(6)
	2,828	**597**
Movement in linked liabilities	(2,826)	(427)
Net movement in non-linked liabilities	76	(113)
Tax charge attributable to the life assurance business	(34)	(11)
Profit for the financial year	**44**	**46**

Actuarial valuations

The Company's assurance liabilities at 31 December 2021 are valued as shown in Notes 18, 19 and 20.

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 financial statements. The main differences are set out below. Note 26 of the 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 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 financial statements.

Risk margin

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

Distributable profits for the year

	2021 €m	2020 €m
Profit on ordinary activities before tax	50	53
Tax on profit on ordinary activities	(6)	(7)
Profit on ordinary activities after tax	44	46
Other comprehensive income / (loss)	25	(3)
Transfer (to) / from non-distributable reserves	(29)	11
Distributable profit for the year	**40**	**54**

The distributable profit represents a transfer of €40 million (2020: €54 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 increased by €69 million (2020: €43 million increase) in the year due to profits after tax of €44 million (2020: €46 million) and an actuarial gain in the pension scheme, net of deferred tax of €25 million (2020: €3 million loss). There was no dividend payment in 2021 (2020: €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 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 2. 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.

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; and
- 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 2021.

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
Fiona Muldoon	Independent Non-Executive Director	April 2021	Audit (Chair), Risk
Michael Murphy	Executive Director and Managing Director	July 2017	Investment, Risk
Myles O'Grady	Group Non-Executive Director	February 2021	-
Karena O'Sullivan	Group Non-Executive Director	March 2021	Audit

John Heade was appointed as a member of the Investment and Risk Committees on 1 April 2021.

Gerry Hassett stood down as interim Audit Committee Chair on 14 April 2021.

Mary Kerrigan stood down as an interim member of the Audit Committee on 14 April 2021.

Fiona Muldoon was appointed to the Board as an Independent Non-Executive Director, as Chair of the Audit Committee and as a member of the Risk Committee on 14 April 2021.

Myles O'Grady was appointed to the Board as a Group Non-Executive Director on 22 February 2021. He is not a member of any Board Committee and stood down from his role as Group Chief Financial Officer and Company Board member on 31 March 2022.

Karena O'Sullivan was appointed to the Board as a Group Non-Executive Director and as a member of the Audit Committee on 1 March 2021.

Sean Crowe stood down from the Board and all Board Committees (Risk and Audit) on 1 March 2021.

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; and
- 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 of Ireland, 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

No significant events, affecting the Company or any of its subsidiary undertakings, have occurred since the balance sheet date.

Subsequent to year end, in January 2022, the Board approved a dividend payment of €60 million to Bank of Ireland Life Holdings Limited. This dividend was paid by the Company to its parent on 11 March 2022.

In response to Russia's invasion of Ukraine the European Union has imposed sanctions, including financial sanctions, on Russia. There are no direct holdings of Russian assets held in policyholder funds. The funds hold a small amount of Russian assets indirectly through holdings in index funds. All investment managers have confirmed that they are adhering to sanctions and taking all appropriate actions as those sanctions take effect and or are widened. The impact of sanctions and the steps being taken by our investment managers and index providers is likely to see the value of the Russian exposure decline further in the short term.

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 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: 31 March 2022

Statement of Directors' Responsibilities

in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the directors' report and the 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 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: 31 March 2022

Independent Auditor's Report

Report on the audit of the financial statements

Opinion

We have audited the financial statements of New Ireland Assurance Company plc ('the Company') for the year ended 31 December 2021 set out on pages 17 to 52, 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, 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.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework;
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), applicable law and having regard to Practice Note 20 The audit of Insurers in the United Kingdom issued by the Financial Reporting Council. 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 four years ended 31 December 2021. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The directors have concluded that there are no material uncertainties that could have cast doubt over the Company's ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period'). Our evaluation of the director's 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 over the going concern period. The risks 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 COVID-19, 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, through inquiry with and evaluation of the directors' documented assessment and related supporting information, 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 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.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the 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 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 2020):

Valuation of insurance and investment contract liabilities €22,038 million (2020: €19,357 million)

Refer to pages 22 to 25 (accounting policy), notes 18 to 20 (financial disclosures)

Key audit matter

The Company's insurance and investment contract liabilities include technical provisions – life assurance business provision of €2,698 million (2020: €2,843 million) and the technical provisions for life assurance policies where the investment risk is borne by the policyholders of €19,340 million (2020: €16,514 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 and their valuation is determined in the same manner as the investments for the benefit of life assurance policyholders who bear the investment risk.

We do not consider these 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 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 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 key 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 the key assumptions and key data input into the actuarial models to those we had evaluated;
    - testing the design and implementation of the Company's controls over the output of the calculations; and
    - evaluating the external actuary's report on the actuarial methodologies, key assumptions and calculations.
- Obtaining and re-performing the year end unit-linked asset and unit-linked 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 financial statements relating to insurance and investment contract liabilities.

We found 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 €17 million (2020: €59 million)

Refer to page 26 (accounting policy) and note 25 (financial disclosures)

Key audit matter

The Company has a defined benefit pension scheme. The scheme has an IAS 19 Employee Benefits defined benefit pension deficit of €17 million as of 31 December 2021.

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

We regard the determination of the Company's defined benefit pension liability as a key audit matter because its valuation is complex and requires judgement in choosing appropriate actuarial assumptions. Small changes in these assumptions can have a material impact on the liability.

How the matter was addressed in our audit

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

- 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.
- testing the valuation of the underlying pension scheme assets to third party sources.
- meeting with management and the scheme actuary to understand, assess and challenge the judgements made in determining the key 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.

Overall, we found that 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 €21,666 million (2020: €18,816 million)

Refer to pages 25 to 26 (accounting policy), notes 12, 13 and 26 (financial disclosures)

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 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 financial statements, we consider these to be a key focus of our audit.

How the matter was addressed in our audit

Our 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 over the valuation of investments.

- for a selection of equities, unit trusts, debt securities and open derivative positions, testing the valuation of these investments by agreeing the prices used to independent third party sources.
- for unlisted securities, assessing the Company's basis for determining fair value through inquiry with management 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 involved:
  - evaluating the independence of the Company's external property valuation experts and obtaining the property valuation reports;
  - 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;
  - Obtaining confirmation from external solicitors of a selection of title deeds to confirm ownership.
- evaluating the adequacy of disclosures in the financial statements related to investments.

Based on the procedures performed, no 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 financial statements as a whole was set at €4.95m (2020: €4m), determined with reference to a benchmark of Net Assets of which it represents 1% (2020: 1% of Net Assets). We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.25 million, in addition to other identified misstatements that warranted reporting on qualitative grounds. We applied materiality to assist us determine what risks were significant risks and the procedures to be performed.

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 €13m (2020: €12.5m) 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 0.07% (2020: 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.

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

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the statement of directors' responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the 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 financial statements audit work, the information therein is materially misstated or inconsistent with the 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 directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the 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 purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's balance sheet, profit and loss account - technical account - life assurance business and profit and loss account – non-technical account is in agreement with the 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

Directors' responsibilities

As explained more fully in their statement set out on page 12, 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at http://www.iaasa.ie/Publications/Auditing-standard/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for.

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 our report, or for the opinions we have formed.

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

8 April 2022

Profit and loss account

Profit and loss account – technical account life assurance business

Financial year ended 31 December 2021

	Note	2021 €m	2020 €m
Earned premiums, net of reinsurance			
Gross premiums written	2	2,190	1,907
Outward reinsurance premiums		(171)	(276)
		2,019	**1,631**
Income on investments	4	196	188
Net gains on realisation of investments	4	757	583
Unrealised gains / (losses) on investments	4	1,191	(424)
Other technical income	5	50	59
Total technical income		**4,213**	**2,037**
Claims incurred, net of reinsurance			
Claims paid			
- gross amount		(1,221)	(1,242)
- reinsurers' share		137	127
		(1,084)	**(1,115)**
Change in the provision for claims			
- gross amount	18	(45)	(34)
- reinsurers' share	18	13	(3)
		(32)	**(37)**
		(1,116)	**(1,152)**
Change in technical provisions, net of reinsurance			
Life assurance business provision, net of reinsurance			
- gross amount	18	142	(356)
- reinsurers' share	18	(66)	243
		76	**(113)**
Technical provisions for linked liabilities	19	(2,856)	(498)
		(2,780)	**(611)**
Net operating expenses	6	(204)	(187)
Investment expenses and charges	4	(28)	(24)
Interest on loans and borrowings	24	(6)	(6)
Tax charge attributable to the life assurance business	9	(34)	(11)
		(273)	**(228)**
Balance on the technical account - life assurance business		**44**	**46**

All the above amounts relate to continuing activities. The notes on pages 22 to 52 form an integral part of these financial statements.

Profit and loss account – non-technical account

Financial year ended 31 December 2021

	Note	2021 €m	2020 €m
Balance on the technical account - life assurance business		44	46
Tax attributable to shareholders' profit		6	7
Profit on ordinary activities before tax		**50**	**53**
Tax on profit on ordinary activities	9	(6)	(7)
Profit for the financial year		**44**	**46**

All the above amounts relate to continuing activities. The notes on pages 22 to 52 form an integral part of these financial statements.

Statement of comprehensive income

Financial year ended 31 December 2021

	Note	2021 €m	2020 €m
Profit for the financial year		**44**	**46**
Other comprehensive income / (loss)			
Items that will not be classified to profit and loss			
Remeasurement of post employment benefit obligations	25	28	(3)
Revaluation of owner occupied property	15	-	-
Deferred tax related to these items	21	(3)	-
Total comprehensive income for the financial year		**69**	**43**

All the above amounts relate to continuing activities. The notes on pages 22 to 52 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2021

	Note	2021 €m	2020 €m
Intangible assets	11	**56**	**42**
Investments			
Investments in subsidiaries	29	-	-
Other financial investments	12	2,061	2,076
		2,061	**2,076**
Investments for the benefit of life assurance policyholders who bear the investment risk	13	**19,605**	**16,740**
Reinsurers' share of technical provisions			
Life assurance business provision	18	1,285	1,351
Claims outstanding	18	35	22
		1,320	**1,373**
Debtors			
Debtors arising out of insurance operations			
- policyholders and intermediaries	14	121	96
Due from fellow subsidiaries	14	1	5
Other debtors	14	3	3
		125	**104**
Other assets			
Land and buildings and tangible assets	15	3	3
Deferred taxation	21	2	12
Cash at bank		2	8
		7	**23**
Prepayments and accrued income			
Accrued interest		23	24
Other prepayments and accrued income		1	1
Deferred acquisition costs	16	156	154
		180	**179**
Total assets		**23,354**	**20,537**

The notes on pages 22 to 52 form an integral part of these financial statements.

Balance Sheet

as at 31 December 2021 *(continued)*

	Note	2021 €m	2020 €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	173	144
Profit and loss account	17	229	189
Shareholders' funds - equity interests		**496**	**427**
Technical provisions			
Life assurance business provision	18	2,698	2,843
Claims outstanding	18	234	189
		2,932	**3,032**
Technical provisions for life assurance policies where the investment risk is borne by the policyholders	19	**19,340**	**16,514**
Accruals and deferred income		31	29
Creditors - Amounts falling due within one year			
Creditors arising out of insurance operations	22	226	148
Due to fellow subsidiaries	22	13	14
Bank overdraft	22	69	91
Other creditors including tax and social security	22	65	53
		373	**306**
Other provisions	23	3	8
		376	**314**
Creditors - Amounts falling due after one year			
Loans and borrowings	24	162	162
Total equity and liabilities before pension deficit		**23,337**	**20,478**
Pension deficit	25	17	59
Total equity and liabilities		**23,354**	**20,537**

The notes on pages 22 to 52 form an integral part of these financial statements.

Michael Murphy
Director

John Heade
Director

Date: 31 March 2022

Statement of Changes in Equity

Financial Year Ended 31 December 2021	Share capital €m	Share premium €m	Capital reserve €m	Revaluation reserve €m	Non-distribuable reserve €m	Profit & loss account €m	Shareholders' funds €m
Balance at 1 January 2020	23	26	43	2	155	135	384
Retained profit for the financial year	-	-	-	-	-	46	46
Other comprehensive loss for the year	-	-	-	-	-	(3)	(3)
Transfer from non-distributable reserve	-	-	-	-	(11)	11	-
Balance at 31 December 2020	**23**	**26**	**43**	**2**	**144**	**189**	**427**
Retained profit for the financial year	-	-	-	-	-	44	44
Other comprehensive income for the year	-	-	-	-	-	25	25
Transfer to non-distributable reserve	-	-	-	-	29	(29)	-
Balance at 31 December 2021	**23**	**26**	**43**	**2**	**173**	**229**	**496**

The notes on pages 22 to 52 form an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

Basis of presentation
The 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 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 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 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 financial statements, prepared in accordance with EU-adopted IFRS, may be obtained.

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions availed of by the Company in these financial statements.

In these 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 2021, 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 financial statements are separate financial statements.

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 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 financial statements are set out below.

a. Technical Provisions

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 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.

b. Defined benefit pension scheme

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.

1. Accounting policies *(continued)*

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**

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**

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.

1. Accounting policies *(continued)*

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.

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

1. Accounting policies *(continued)*

'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 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.

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

1. Accounting policies *(continued)*

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.

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

1. Accounting policies *(continued)*

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

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 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) will be relevant to the Company in future reporting periods but was not effective at 31 December 2021 and has not been applied in preparing these 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

1. Accounting policies *(continued)*

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, 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 needs 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 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

	2021				2020			
	Individual life €m	Individual pensions €m	Group contracts €m	Total €m	Individual life €m	Individual pensions €m	Group contracts €m	Total €m
Unit-linked	56	182	109	347	58	166	104	328
Non unit-linked	146	-	88	234	144	-	85	229
Periodic premiums	**202**	**182**	**197**	**581**	**202**	**166**	**189**	**557**
Unit-linked	711	772	27	1,510	362	740	26	1,128
Non unit-linked	-	35	64	99	-	28	194	222
Single premiums	**711**	**807**	**91**	**1,609**	**362**	**768**	**220**	**1,350**
Total premiums written	**913**	**989**	**288**	**2,190**	**564**	**934**	**409**	**1,907**

The written premiums above in 2021 and 2020 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 €2,190 million (2020: €1,907 million). The written premiums from insurance contracts and investment contracts is €2,668 million (2020: €2,300 million).

B. Gross new business premiums

	2021				2020			
	Individual life €m	Individual pensions €m	Group contracts €m	Total €m	Individual life €m	Individual pensions €m	Group contracts €m	Total €m
Unit-linked	2	52	36	90	3	43	22	68
Non unit-linked	9	-	31	40	9	-	15	24
Periodic premiums	**11**	**52**	**67**	**130**	**12**	**43**	**37**	**92**
Unit-linked	711	772	27	1,510	362	740	26	1,128
Non unit-linked	-	35	64	99	-	28	194	222
Single premiums	**711**	**807**	**91**	**1,609**	**362**	**768**	**220**	**1,350**
Total new business premiums	**722**	**859**	**158**	**1,739**	**374**	**811**	**257**	**1,442**

The new business premiums above in 2021 and 2020 arise from contracts which meet the IFRS 4 definition of insurance. New business premiums from insurance contracts is €1,739 million (2020: €1,442 million). New business premiums from insurance contracts and investment contracts is €2,039 million (2020: €1,598 million).

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

C. Reinsurance balance

The net reinsurance debit in the technical account for the year amounted to €87 million (2020: €92 million credit).

3. Staff costs

	2021 €m	2020 €m
Wages and salaries	32	35
Social insurance costs	4	4
Defined benefit retirement benefit costs (note 25)	4	(20)
Defined contribution retirement benefit costs	1	1
Staff costs capitalised	(1)	(1)
	40	**19**
Voluntary parting scheme (note 23)	-	9
	40	**28**
The average number of employees during the year was as follows:		
Sales and marketing	120	133
Policy administration	212	250
Other administration	187	193
	519	**576**

Included in wages and salaries are sales commission payments to staff of €1 million (2020: €1 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 gain of €1,948 million (2020: €159 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 €48 million (2020: €44 million) includes rental income of €59 million (2020: €52 million) and is net of property expenses of €11 million (2020: €8 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.

	2021 €m	2020 €m
Income from investment properties	48	44
Income from listed investments	149	142
Income from other investments	(1)	2
	196	**188**
Net gains on realisation of investments	757	583
	953	**771**
Investment activity report		
Investment income	196	188
Investment expenses and charges	(28)	(24)
Net realised gains	757	583
Net unrealised gains / (losses)	1,191	(424)
Total investment return	**2,116**	**323**
Included in the total investment return are net gains or losses on financial assets at fair value through profit or loss		
Net realised gains	757	583
Net unrealised gains / (losses)	1,191	(424)
Total realised and unrealised gains included in investment return	**1,948**	**159**

5. Other technical income

Other technical income of €50 million (2020: €59 million) comprises fees for policy administration and asset management services arising from unit linked investment contracts and movement in the deferred income liability.

6. Net operating expenses

	2021 €m	2020 €m
Net operating expenses comprise		
Acquisition expenses	65	57
Change in deferred acquisition costs	(2)	8
Administrative expenses	141	122
	204	**187**
Net operating expenses include		
Commission payments including to employees (note 7)	101	91
Other sales related costs	5	5
Depreciation and amortisation	9	6
Severance payments	-	9
Core operating expenses	91	68
Change in deferred acquisition costs	(2)	8
Total operating expenses	**204**	**187**
Core operating expenses include		
Staff costs	40	19
Development costs	1	1
Service costs and VAT recovery	14	12
Professional and affiliation fees	11	9
Intercompany recharges	25	27
	91	**68**

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 €100 million (2020: €90 million).

8. Profit on ordinary activities before taxation

	2021 €'000	2020 €'000
Depreciation and amortisation	9,349	6,152
Rent expense from short term leases	3	62
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	684	310
Audit of subsidiary financial statements	29	29
Other assurance services	200	200
Tax advisory services	-	-
Other non-audit services	-	-
Total auditor's remuneration	**913**	**539**

9. Tax on profit on ordinary activities

	2021 €m	2020 €m
Technical account charge		
Corporation tax charge for the year	16	5
Overseas tax	11	10
	27	**15**
Deferred tax charge		
Origination and reversal of timing differences (note 21)	5	(7)
Tax on defined benefit plan	2	3
	34	**11**
Non-Technical Account Charge		
Irish corporation tax on profits for the financial year	6	7

The tax charge on the non-technical account for 2021 and 2020 is the same as the charge that would result from applying the standard rate of Irish corporation tax to profit on ordinary activities.

The tax charge on the technical account for 2021 and 2020 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

	2021 €m	2020 €m
Profit before tax		
Balance on the technical account - life assurance business	44	46
Add back tax charge attributable to the life assurance business	34	11
	78	**57**
Profit before tax multiplied by the rate of Irish corporation tax for the year of 12.5% (2020: 12.5%)	10	7
Effects of:		
Overseas tax	11	10
Non taxable items	8	(3)
Foreign tax deduction	(1)	(1)
Other deductions	(2)	(4)
Difference due to life asssurance tax rate	6	(1)
Retirement benefit costs	2	3
Tax charge attributable to the life assurance business	**34**	**11**

10. Dividend

	2021 €	2020 €
Dividend paid	-	-
No of shares	175,500,001	175,500,001

A dividend of €nil (2020: €nil) per share was paid during the year.

11. Intangible assets

	2021			2020		
Computer Software	**Externally purchased €m**	**Internally generated €m**	**Total €m**	**Externally purchased €m**	**Internally generated €m**	**Total €m**
Cost						
At 1 January	35	107	142	35	92	127
Additions	-	23	23	-	16	16
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	(1)	(1)
Revaluation	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 December	**35**	**130**	**165**	**35**	**107**	**142**
Accumulated amortisation						
At 1 January	(35)	(65)	(100)	(35)	(59)	(94)
Charge for the year	-	(9)	(9)	-	(6)	(6)
Disposals	-	-	-	-	-	-
At 31 December	**(35)**	**(74)**	**(109)**	**(35)**	**(65)**	**(100)**
Net Book Amounts						
At 31 December	-	56	56	-	42	42

The Company reviews its software intangible assets for indicators of impairment. During the year end 31 December 2020, the Company formed the judgement that certain software assets were impaired as they were no longer expected to provide future economic benefits. Accordingly, an impairment charge of €1 million has been recognised in that year. There was no similar charge for 2021.

12. Other financial investments

	2021		2020	
Financial assets at fair value through profit or loss	**Fair value €m**	**Cost €m**	**Fair value €m**	**Cost €m**
Designated upon initial recognition	1,941	1,758	1,956	1,669
Deposits with credit institutions	120	120	120	120
Total financial assets	**2,061**	**1,878**	**2,076**	**1,789**
Included in the balance sheet as follows:				
Shares and other variable yield securities				
- Liquidity funds and unit trusts	303	305	219	221
- Unlisted equity securities	-	-	-	-
Debt securities and other fixed income securities	1,638	1,453	1,737	1,448
Deposits with credit institutions	120	120	120	120
Total financial assets	**2,061**	**1,878**	**2,076**	**1,789**

12. Other financial investments *(continued)*

Financial investments and unit trusts included at fair value	2021 Fair value €m	2021 Cost €m	2020 Fair value €m	2020 Cost €m
Debt securities and other fixed income securities	1,638	1,453	1,737	1,448
Liquidity funds and unit trusts	303	305	219	221
	1,941	**1,758**	**1,956**	**1,669**
Other financial investments attributable to the shareholder include:				
Unlisted equity securities	-	-	-	-
Deposits with credit institutions	120	120	120	120
Total financial assets	**2,061**	**1,878**	**120**	**120**
Total	**2,061**	**1,878**	**2,076**	**1,789**

Derivative financial instruments, at fair value through profit or loss

Included within listed investments are forward currency contracts with a fair value loss of €0.5 million (2020: €0.2 million profit). 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

Assets held to cover	2021 Fair value €m	2021 Cost €m	2020 Fair value €m	2020 Cost €m
Unit linked insurance contracts	12,934	11,265	10,848	10,052
Unit linked investment contracts	6,671	5,810	5,892	5,460
Total financial assets	**19,605**	**17,075**	**16,740**	**15,512**

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 €3,788 million (2020: €3,231 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 2021 is €297 million (2020: €252 million) which includes property of €285 million (2020: €242 million) and cash, receivables and short term liabilities of €12 million (2020: €10 million).

Owner occupied property held for the benefit of the policyholders of €18.5 million (2020: €20.2 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 €13,411 million (2020: €11,108 million). The value included in assets held to cover linked assurance contracts is €13,108 million (2020: €10,889 million) and €303 million (2020: €219 million) is held in other financial investments.

13. Investments for the Benefit of Life Assurance Policyholders who bear the Investment Risk *(continued)*

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

	2021 €m	2020 €m
Equity funds	5,533	4,070
Debt funds	2,925	2,702
Money market funds	1,979	1,794
Alternative funds	811	668
Asset allocation funds	962	842
Real estate funds	67	65
Private equity funds	2	2
Other	1,132	965
	13,411	**11,108**

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 2021 is €456 million (2020: €456 million). Assets held to cover linked liabilities also include forward currency and future contracts with a fair value gain of €0.2 million (2020: €14 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	2021 €m	2020 €m
Policyholders	39	36
Intermediaries	22	20
Debtors arising out of reassurance operations	60	40
	121	**96**
Amounts due from fellow subsidiaries	1	5
Other debtors	3	3
	125	**104**

The carrying amounts disclosed above 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

	Property, plant and equipment		Right of use assets		
2021	**Freehold land and buildings and leaseholds (held at fair vlaue €'000**	**Computer and other equipment (at cost) €'000**	**Property €'000**	**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)
Charge for the year	-	(162)	(64)	(181)	(407)
Disposals	-	-	-	248	248
At 31 December	**-**	**(2,761)**	**(173)**	**(191)**	**(3,125)**
Net book amounts					
At 31 December	2,503	363	100	140	3,106

15. Land and Buildings and Tangible Assets

	Property, plant and equipment		Right of use assets		
2020	**Freehold land and buildings and leaseholds (held at fair vlaue €'000**	**Computer and other equipment (at cost) €'000**	**Property €'000**	**Motor vehicles €'000**	**Total €'000**
Cost					
At 1 January	2,503	3,100	255	429	6,287
Additions	-	24	18	270	312
Disposals	-	-	-	(160)	(160)
Revaluation	(125)	-	-	-	(125)
At 31 December	**2,378**	**3,124**	**273**	**539**	**6,314**
Accumulated depreciation					
At 1 January	-	(2,475)	(45)	(208)	(2,728)
Charge for the year	-	(124)	(64)	(210)	(398)
Disposals	-	-	-	160	160
At 31 December	**-**	**(2,599)**	**(109)**	**(258)**	**(2,966)**
Net book amounts					
At 31 December	2,378	525	164	281	3,348

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 2021, 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

	2021 €m	**2020 €m**
Deferred expenses at 1 January	154	162
Acquisition expenses incurred during the year	65	57
Amount charged to year of sale	(7)	(6)
Apportionment for the year	**212**	**213**
Amortisation of prior year acquisition expenses	(56)	(59)
Deferred expenses at 31 December	**156**	**154**
On insurance contracts	144	143
On investment contracts	12	11
	156	**154**

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	2021 €m	2020 €m
Authorised		
200,000,000 ordinary shares of 13 cents each (2020: 200,000,000)	26	26
Issued and fully paid - presented as equity		
175,500,001 ordinary shares of 13 cents each (2020: 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 2021 is €43 million (2020: €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 2021 is €2 million (2020: €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 2021 there were distributable reserves of €229 million (2020: €189 million).

18. Policyholders' Liabilities

	2021		2020	
	Life assurance provision €m	Claims outstanding €m	Life assurance provision €m	Claims outstanding €m
Gross				
At 1 January	2,843	189	2,487	155
Change in technical provision	(142)	45	356	34
Transfer to other provisions (note 23)	(3)	-	-	-
At 31 December	**2,698**	**234**	**2,843**	**189**
Reinsurers share				
At 1 January	(1,351)	(22)	(1,108)	(25)
Change in technical provision	66	(13)	(243)	3
At 31 December	**(1,285)**	**(35)**	**(1,351)**	**(22)**
Net Amount				
At 31 December	1,413	199	1,492	167

19. Actuarial valuation and unit linked liabilities

An actuarial valuation of the Company's liabilities, carried out at 31 December 2021 disclosed a surplus within the fund. The amount of surplus applied to meet the total cost of policyholders' bonus was €0.3 million (2020: €0.4 million). The shareholders' share of the distributed surplus was €40 million (2020: €54 million).

The technical provisions relating to insurance and investment contracts are:

	2021			2020		
	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	5,892	10,622	16,514	5,890	10,197	16,087
Deposits received from policyholders under investment contracts	478	-	478	393	-	393
Payments made to policyholders of, and fees deducted from investment contracts	(459)	-	(459)	(407)	-	(407)
Gross policy fees	(49)	-	(49)	(57)	-	(57)
Change in technical provision as shown in the technical account	809	2,047	2,856	73	425	498
At 31 December	**6,671**	**12,669**	**19,340**	**5,892**	**10,622**	**16,514**

The market value of investments held to cover linked liabilities was €19,605 million (2020: €16,740 million). The cost of investments held to cover linked liabilities was €17,075 million (2020: €15,512 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 €6,671 million (2020: €5,892 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	**2021**	**2020**
Unit Linked Pensions	100% AM00/AF00	100% AM00/AF00
Unit Linked Life		
Bank	90% AM00/AF00 select	90% AM00/AF00 select
Broker	100% ult	100% ult
Financial Advisor	100% ult	100% ult
Expense inflation	**3.00% p.a**	**3.25% 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 3.6% 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	2021	2020
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	55% AM00/AF00
Pension immediate annuity	100% of PMA08/PFA08, year of use 2021, 2016 CMI Improvements, LTR improvement 2.0%	97.5% of PMA08/PFA08, year of use 2020, 2016 CMI Improvements, LTR improvement 2.0%
Expense Inflation		
Industrial assurance	3.00%	3.25%
Non profit life assurance	3.00%	3.25%
Pension immediate annuity	3.00%	3.25%
Renewal Expenses		
Industrial Assurance	0.6% of BEL	0.6% of BEL
Non-linked Protection	€83	€80
LifeChoice	€83	€80
Pension immediate annuity	€108	€109

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 3.6% 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 actually incurred in 2021.

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 (2020: €1 million) for terminal bonuses.

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

Deferred taxation	2021 €m	2020 €m
Deferred taxation 1 January	12	8
Net change for the year - pensions		
- Technical account (note 9)	(2)	(3)
- Statement of comprehensive income	(3)	-
Net change for the year - origination and reversal of timing differences (note 9)	(5)	7
Deferred taxation at 31 December	**2**	**12**
The provision for deferred taxation comprises:		
Pension deficit	2	7
Unrealised gains on investments	-	5
Deferred taxation at 31 December	**2**	**12**
Represented on the balance sheet as follows:		
Deferred taxation asset	2	12
Deferred taxation liability	-	-
	2	**12**

22. Other Creditors including Taxation and Social Insurance

Deferred taxation	2021 €m	2020 €m
Creditors arising out of direct insurance operations	178	115
Creditors arising out of reinsurance operations	48	33
	226	**148**
Amounts owed to fellow subsidiaries	13	14
Bank overdraft	69	91
Other creditors including tax and social security		
Taxation and social security		
- PAYE	12	10
- PRSI	1	1
- VAT	-	-
- Corporation tax	3	-
Government duties and levies	33	23
Other	16	19
	65	**53**
Total creditors	**373**	**306**

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 of €3 million has been transferred from technical reserves for anticipated costs on engagement with policyholders to carry out an up to date review of protection needs.

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 and €0.3 million due to be paid in 2022.

	2021			2020		
Provisions	Voluntary parting €m	Other €m	Total €m	Voluntary parting €m	Other €m	Total €m
Opening balance	8	-	8	-	-	-
Transfer from technical reserves	-	3	3	-	-	-
Charged to technical account	-	-	-	11	-	11
Utilised during year	(8)	-	(8)	(3)	-	(3)
Closing balance	**-**	**3**	**3**	**8**	**-**	**8**

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	2021 €m	2020 €m
Subordinated debt	162	162

The subordinated debt includes interest payable of €2 million (2020: €2 million) which is payable within one year.

Movement in loans and borrowings	2021 €m	2020 €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 March 2019. At that date, the market value of the scheme's assets was €253.9 million and the actuarial value of the assets was less than the accrued liabilities based on current earnings, and was equivalent to 99% 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 2021.

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 financial statements.

	2021 %	2020 %
Inflation	1.85%	1.15%
Salary increases	2.35%	1.65%
Pension payment increases	0.00%	0.00%
Pension increases for deferred benefits	1.80%	1.15%
Discount rate	1.35%	0.80%

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.

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.

	2021 Males	2020 Males
Longevity at age 60 for members currently aged 60 years	28	28
Longevity at age 60 for members currently aged 40 years	30	30

	2021 Females	2020 Females
Longevity at age 60 for members currently aged 60 years	30	29
Longevity at age 60 for members currently aged 40 years	32	31

25. Pension costs *(continued)*

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

	Change in assumption	2021 €m	2020 €m
Discount rate	0.25% decrease	17	18
Rate of inflation	0.10% decrease	(3)	(3)
Rate of salary increase	0.10% decrease	(2)	(2)
Rate of pension increase	0.10% decrease	-	-
Life expectancy	1 year increase	10	11
Discount rate	0.25% increase	(16)	(17)
Rate of inflation	0.10% increase	3	3
Rate of salary increase	0.10% increase	2	2
Rate of pension increase	0.10% increase	-	-
Life expectancy	1 year decrease	(10)	(11)

The balance recognised in the balance sheet is:

	2021 €m	2020 €m
Actuarial value of liabilities	(328)	(341)
Fair value of scheme assets	311	282
Deficit in scheme	**(17)**	**(59)**

The reconciliation of the movements to the balance sheet is:

	2021 €m	2020 €m
Deficit at 1 January	(59)	(82)
Employer contributions	18	4
Net benefit expense for period (note 3)	(4)	20
Gains on curtailments	-	2
Actuarial gain / (loss)	28	(3)
Deficit at 31 December	**(17)**	**(59)**

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.

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

	2021 €m	2020 €m
Scheme liabilities at 1 January	341	340
Employer service cost	4	5
Interest cost	3	4
Employer past service cost	-	(26)
Gains on curtailments	-	(2)
Scheme participants contribution	1	-
Actuarial (gain) / loss	(12)	31
Benefits paid	(9)	(11)
Scheme liabilities at 31 December	**328**	**341**

	2021 €m	2020 €m
Scheme assets at 1 January	282	258
Actual return on assets	19	31
Employer contribution	18	4
Scheme participants contribution	1	-
Benefits paid	(9)	(11)
Scheme assets at 31 December	**311**	**282**

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

	2021 €m	2020 €m
Equities	16%	37%
LDI	33%	25%
Fixed Interest	14%	1%
Other secure asset	18%	18%
Infrastructure	8%	-
Property	10%	9%
Cash	1%	10%

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 €31.0 million (2020: €27.2 million).

Analysis of amounts recognised in the profit and loss:

	2021 €m	2020 €m
Expected return on scheme assets	3	3
Less interest on scheme liabilities	(3)	(4)
Employer service cost	(4)	(5)
Employer past service cost	-	26
Total charge to profit and loss (note 3)	**(4)**	**20**

A pension credit of €26 million was recognised during 2020. This was due to the removal of the allowance for future pension increases. The allowance for future pension increases was removed because there are no guaranteed pension increases under the Fund rules, pension increases are not being funded in the most recent triennial valuation and there was a change in the scheme's investment strategy during the year.

A curtailment gain of €2 million was recognised during 2020. As a result of the voluntary parting scheme, a significant number of members will leave the company pension scheme. A curtailment in the pension scheme occurs when future service or benefits in a pension plan are significantly reduced. The scheme will no longer have the cost relating to the future service of the members and this has led to a curtailment gain of €2 million in the scheme.

25. Pension costs *(continued)*

Analysis of amounts recognised in statement of comprehensive income:

	2021 €m	2020 €m
Gains on assets	16	28
Decrease in liabilities	(4)	-
Change in assumptions	16	(31)
	28	**(3)**

The total estimated charge to the profit and loss account for 2022 is €4.1 million. Expected employer contributions for the year ended 31 December 2022 are €2.7 million. Expected employee contributions for the year ended 31 December 2022 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 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.

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.

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

	2021			2020		
Classification	**Unit linked contracts €m**	**Non-linked / other assets €m**	**Total €m**	**Unit linked contracts €m**	**Non-linked / other assets €m**	**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	14,840	303	15,143	12,683	219	12,902
- Other unlisted securities	242	-	242	250	-	250
Debt securities and other fixed income securities at fair value through profit or loss						
- Listed	2,867	1,660	4,527	2,282	1,760	4,042
Derivative financial instruments at FVTPL	456	-	456	470	-	470
Deposits with credit institutions	-	120	120	-	120	120
Cash in bank and in transit	149	2	151	170	8	178
Investment property	708	-	708	600	-	600
Owner occupied property	18	3	21	20	2	22
Investment in subsidiary undertakings at FVTPL (note 13)	297	-	297	252	-	252
Reinsurance assets	-	1,320	1,320	-	1,373	1,373
Other assets	28	341	369	13	315	328
Total assets	**19,605**	**3,749**	**23,354**	**16,740**	**3,797**	**20,537**
Long term business provision	-	2,698	2,698	-	2,843	2,843
Claims outstanding	-	234	234	-	189	189
Technical provisions for linked liabilities	19,340	-	19,340	16,514	-	16,514
Deposits received from reinsurers	-	48	48	-	32	32
Loans and borrowings	-	231	231	-	253	253
Provisions for other risks and charges	-	3	3	-	8	8
Other liabilities	265	39	304	226	45	271
Total liabilities	**19,605**	**3,253**	**22,858**	**16,740**	**3,370**	**20,110**

26. Risk and Capital Management *(continued)*

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 €18.5 million at 31 December 2021 (2020: €20.2 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 critical illness assumptions of the Company's liabilities.

Impact on liabilities	2021 €m	2020 €m
10% improvement in mortality	(4.0)	(4.1)
10% improvement in longevity	32.8	35.7
10% improvement in critical illness	(3.0)	(3.2)

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.

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

Impact on liabilities	2021 €m	2020 €m
10% deterioration in persistency	(12.1)	(13.5)

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.

	2021		2020	
Class of business	Policyholders liabilities and reserves %	Sum assured %	Policyholders liabilities and reserves %	Sum assured %
Pension				
Linked	63%	31%	62%	28%
Non linked (non profit)	-	-	-	-
With profits	-	-	-	-
Annuities	5%	-	5%	-
Life				
Linked	30%	30%	31%	31%
Non linked (non profit)	2%	39%	2%	41%
With profits	-	-	-	-
Annuities	-	-	-	-
	100%	**100%**	**100%**	**100%**

26. Risk and Capital Management *(continued)*

The total sum at risk, net of reinsurance, is €23,879 million (2020: €23,760 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 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 corporate bonds are predominantly made up of a portfolio in excess of 100 different bonds and there is maximum exposure to any issuer of 5%. 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.

Debt securities and other fixed-income securities maturity schedule	2021 €m	2020 €m
Within one year	45	38
More than one year - within five years	244	215
More than five years - within ten years	456	471
More than ten years	915	1,036
Total	**1,660**	**1,760**

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	2021 €m	2020 €m
Within one year	120	120
More than one year - within five years	-	-
More than five years - within ten years	-	-
More than ten years	-	-
Total	**120**	**120**

A maturity analysis for unit linked investment contracts amounting to €19,605 million (2020: €16,740 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.

26. Risk and Capital Management *(continued)*

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	2021 €m	2020 €m
Increase in yield curve +50 bps	(4.5)	(5.1)
Decrease in yield curve – 50bps	0.1	0.9

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 2021 by €6.1 million (2020: €5.7 million).

c. Currency risk

The Company bears some limited currency risk on the corporate bond portfolio. The value of the shareholder holdings in non euro corporate bonds within the corporate bond portfolio is €22.5 million (2020: €23.6 million), held in both Sterling and US Dollar. 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 2021 by €3.1 million (2020: €2.6 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.

Maturities of financial liabilities

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**

2020	Demand €m	0-3 mths €m	3-12 mths €m	1-5 years €m	+5 years €m	Total €m
Financial liabilities under investment contract	5,892	-	-	-	-	5,892
Due to fellow subsidiaries	-	14	-	-	-	14
Creditors and accruals	-	219	-	-	-	219
Bank overdraft	-	91	-	-	-	91
Other provisions	-	-	8			8
Loans and borrowings	-	-	2	-	160	162
Total	**5,892**	**324**	**10**	**-**	**160**	**6,386**

26. Risk and Capital Management *(continued)*

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 our exposure to each reinsurance company.

The assets bearing credit risk are summarised below:

	2021			2020		
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	2,867	1,660	4,527	2,282	1,760	4,042
Derivative financial instruments, at FVTPL	456	-	456	470	-	470
Deposits with credit institutions	-	120	120	-	120	120
Cash in bank and in transit	149	2	151	170	8	178
Reinsurance assets	-	1,320	1,320	-	1,373	1,373
Other assets	28	125	153	13	104	117
Total	**3,500**	**3,227**	**6,727**	**2,935**	**3,365**	**6,300**

26. Risk and Capital Management *(continued)*

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	
	2021 €m	**2020 €m**	**2021 €m**	**2020 €m**
AAA	834	227	16	18
AA+	93	78	223	242
AA	317	206	371	406
AA -	22	423	1,373	1,475
A+	122	177	250	259
A	419	218	142	160
A -	42	8	348	153
BBB+	617	619	272	291
BBB	1,033	979	124	274
BBB-	-	-	52	36
BB+	-	-	12	11
BB	1	-	-	-
Unrated	-	-	44	40
	3,500	**2,935**	**3,227**	**3,365**

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 is shown in the table below.

Impact on Profit and Net Assets	**2021 €m**	**2020 €m**
Credit spreads +0.50%	(55.2)	(63.2)
Credit spreads -0.50%	58.7	67.9

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 €3.5 billion (2020: €2.9 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.

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.

26. Risk and Capital Management *(continued)*

	2021				2020			
	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	14,742	401	242	15,385	12,662	412	78	13,152
Debt securities	4,405	122	-	4,527	3,907	135	-	4,042
Derivative instruments	-	456	-	456	4	466	-	470
Deposits with credit institutions	-	120	-	120	-	120	-	120
Cash in bank and in transit	151	-	-	151	178	-	-	178
Non-financial assets held at fair value								
Investment property	-	-	708	708	-	-	600	600
Investment in subsidiary undertakings at FVTPL	12	-	285	297	10	-	242	252
Owner occupied property	-	-	21	21	-	-	22	22
	19,310	**1,099**	**1,256**	**21,665**	**16,761**	**1,133**	**942**	**18,836**
Financial liabilities held at fair value								
Liabilities to customers under investment contracts	-	6,671	-	6,671	-	5,892	-	5,892
Loans and borrowings	69	162	-	231	91	162	-	253
	69	**6,833**	**-**	**6,902**	**91**	**6,054**	**-**	**6,145**

Movement in Level 3 assets

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**

2020	Equities and unit trusts €m	Investment property €m	Investment in subsidiary undertakings at FVTPL €m	Owner occupied property €m	Total €m
Opening balance	17	750	256	22	1,045
Investment losses	-	(70)	(7)	-	(77)
UK foreign currency (FX) property revaluation	-	(8)	-	-	(8)
Additions	-	-	-	-	-
Disposals	(17)	(72)	-	-	(89)
Reclassification	78	-	(7)	-	71
Closing Balance	**78**	**600**	**242**	**22**	**942**

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 2021 €m	Fair value 2020 €m	Range 2021 €m	Range 2020 €m
Equities and Unit Trusts	Market comparable property transactions	Yields	242	78	2.92%-7.75%	2.85%-7.75%
Investment property	Market comparable property transactions	Yields	708	600	2.92%-7.75%	2.85%-7.75%
Investment in subsidiary undertaking	Market comparable property transactions	Yields	285	242	3.10%-6.45%	3.10%-6.45%
Owner occupied property	Market comparable property transactions	Yields	21	22	5.18%-12.25%	4.78%-8.25%

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 2020. 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.

26. Risk and Capital Management *(continued)*

	2021 €m	2020 €m
Total shareholders' equity	**496**	**427**
Adjustments to regulatory basis		
Differences in technical provisions (net of reinsurance)	642	543
Deferred acquisition costs / deferred income liability	(145)	(143)
Asset valuation adjustments	(56)	(42)
Deferred taxation	(55)	(41)
Subordinated debt	160	160
Total eligible own funds to meet SCR	**1,042**	**904**
Solvency Capital Requirement (SCR)	(677)	(624)
Excess own funds	**365**	**280**
Ratio of eligible own funds to meet SCR	154%[1]	145%

The Company's total eligible own funds under Solvency II are €1,042 million (2020: €904 million). This is a combination of the excess of assets over liabilities of €882 million (2020: €744 million), which is Tier 1 capital and the subordinated debt of €160 million (2020: €160 million), which is a Tier 2 capital instrument.

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 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 €642 million (2020: €543 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 €145 million (2020: €143 million);
- there is a larger deferred tax liability of €55 million (2020: €41 million), reflecting the larger net assets under Solvency II; and
- there is also a difference in asset valuations of €56 million (2020: €42 million). This is 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 €365 million (2020: €280 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 below.

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.

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 income protection business.

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

	2021 €m	2020 €m
Authorised but not contracted	7	2
Contracted	2	2

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

[1] *The Board approved a dividend payment of €60m in January 2022 which has since been paid to Bank of Ireland Life Holdings Ltd. The pro-forma solvency position as at year-end 2021, post this dividend payment, is 145%.*

28. Directors' Remuneration

	2021 €m	2020 €m
Aggregate emoluments paid to or receivable by directors in respect of qualifying services		
- Fees	308	267
- Salaries for management services	918	953
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	125	74
Aggregate amount of any compensation paid or payable to directors in respect of loss of office or other termination payments	-	317

29. Subsidiaries

Investment in subsidiaries

The investment in subsidiaries are stated in the financial statement at cost at €368 (2020: €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.

Leopardstown Offices Management Company does not trade.

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.

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

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

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.

29. Subsidiaries *(continued)*

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.

The registered office of the French subsidiaries is Grandite & Ardoise, 4 Rue Cambon, 75001, Paris.

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

No 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.

On 21 January 2022 the Board approved a dividend payment of €60 million to Bank of Ireland Life Holdings Limited. This dividend was paid by the Company to its parent on 11 March 2022.

In response to Russia's invasion of Ukraine the European Union has imposed sanctions, including financial sanctions, on Russia. There are no direct holdings of Russian assets held in policyholder funds. The funds hold a small amount of Russian assets indirectly through holdings in index funds. All investment managers have confirmed that they are adhering to sanctions and taking all appropriate actions as those sanctions take effect and or are widened. The impact of sanctions and the steps being taken by our investment managers and index providers is likely to see the value of the Russian exposure decline further in the short term.

33. Approval of Financial Statements

The financial statements were approved by the Directors on 31 March 2022.

NEW IRELAND

Securing your future

New Ireland Assurance Company plc.

5-9 South Frederick Street, Dublin 2

T: 01 617 2000 **F:** 01 617 2075

E: info@newireland.ie **W:** newireland.ie