ADVENT INSURANCE PCC LIMITED

GROUP SOLVENCY AND FINANCIAL CONDITION REPORT (Group SFCR)

FOR THE YEAR ENDED 31 DECEMBER 2023

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Executive Summary

Business

Advent International Holdings Limited ("AIHL") and its subsidiary Advent Insurance PCC Limited ("AIPCC"), a licenced insurance undertaking, constitute on insurance group (collectively "the Group"). AIHL acts as a holding company holding shares in AIPCC, whilst AIPCC is a protected cell company ("PCC") authorised by the MFSA on 29th March 2011 to carry on business of insurance and to exercise passport rights under freedom to provide insurance services, from its Core and individual Cells, into EU or EEA States.

Directors of AIHL:	Christian Farrugia
	David Starforth Hill
	Anne Finn (resigned with effect from 30 June 2024)
Directors of AIPCC:	Christian Farrugia
	David Starforth Hill
	Anne Finn (resigned with effect from 30 June 2024)
	Dorothy Kim Vella
	Michael Aroskin

The PCC is licenced by the MFSA under the Insurance Business Act (Chapter 403 of the laws of Malta) to carry on business of insurance in the following general classes of business:

- Class 01 - Accident
- Class 02 - Sickness
- Class 03 - Land Vehicles
- Class 04 - Railway rolling stock
- Class 05 - Aircraft
- Class 06 - Ships
- Class 07 - Goods in transit
- Class 08 - Fire and natural forces
- Class 09 - Other damage to property
- Class 10 - Motor Vehicle Liability
- Class 11 - Aircraft liability
- Class 12 - Liability for ships
- Class 13 - General liability
- Class 14 - Credit
- Class 15 - Suretyship

- Class 16 - Miscellaneous financial loss
- Class 17 - Legal Expenses
- Class 18 - Assistance

The PCC is also licenced by the MFSA under the Insurance Business Act (Chapter 403 of the laws of Malta) to carry on business of reinsurance in the following general classes of business:

- Class 01 - Accident
- Class 02 - Sickness

The PCC has three operational Cells.

System of Governance

AIPCC has developed a robust system of governance which ensures the sound and prudent management of the Group, the PCC and its Cells. In 2023, the PCC had 5 Directors, with one Director resigning on 30 June 2024. The Cells are overseen by a Cell Committee established for each Cell and through oversight of the Board of Directors. The governance structure ensures that collectively, the Board, its Committees, key function holders and senior executives are fit and proper, knowledgeable, and experienced in managing insurance business and all the interconnected areas that an insurance undertaking should be responsible for.

The Company operates four key functions, all directly reporting to the Board of Directors. Each Key Functions is overseen by a Board member or the Board collectively.

Valuation for Solvency Purposes

As of 1 January 2023, the Company adopted IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. IFRS 17 has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated certain the 2022 comparative amounts and presented a third statement of financial position as at 1 January 2022 in the financial statements. The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts.

The valuation principles applied to these assets are consistent with those used in the Statutory accounts (IFRS), with any differences in valuation set out under Section D.

Capital Management

Own funds of the PCC and its constituent parts are managed as part of the financial and solvency management processes which are a focal point at every quarterly Board meeting and quarterly cell committee meeting.

As part of own fund management, and within its ORSA process during which risk and capital management functions interact, the PCC prepares annual solvency projections with three-year time horizons. As part of this process it reviews the structure of own funds to ensure that they will be both sufficient, and of the appropriate quality to satisfy future requirements.

The Minimum Capital Requirement ("MCR") and the Solvency Capital Requirements ("SCR") were always maintained during 2023.

A. Business and Performance

A.1 Business

Name of the undertaking:	Advent International Holdings Limited ("AIHL")
Company Reg. Number:	C52180
Legal Status:	AIHL acts as a holding company holding shares in a subsidiary company Advent Insurance PCC Limited ("AIPCC"), being a licenced insurance undertaking. AIPCC is a protected Cell company ("PCC" or "Company") authorised by the MFSA on 29 March 2011 to carry on business of insurance and to exercise passport rights under freedom to provide services in insurance, from its Core and individual Cells, into EU and EEA States.
Address of AIHL:	The Landmark, Level 1, Suite 2, Triq l-Iljun, Qormi QRM 3800, Malta
Directors of AIHL:	Christian Farrugia David Starforth Hill Anne Finn (resigned with effect from 30 June 2024)
Address of AIPCC:	The Landmark, Level 1, Suite 2, Triq l-Iljun, Qormi QRM 3800, Malta
Directors of AIPCC:	Christian Farrugia David Starforth Hill Anne Finn (resigned with effect from on 30 June 2024) Dorothy Kim Vella Michael Aroskin
Supervisory Authority:	Malta Financial Services Authority ("MFSA")
Contact Details:	Ray Schembri Insurance and Pensions Supervision Unit Malta Financial Services Authority Triq l-Imdina, Zone 1,

Central Business District, Birkirkara,

CBD 1010, Malta

+356 21441155

www.mfsa.mt

Statutory Auditor: Deloitte Audit Ltd

Mark Giorgio

Deloitte Place,

Triq L-Intornjatur,

Central Business District

Malta, CBD3050

AIPCC's ordinary non-Cellular shares are wholly owned by AIHL, a company registered in Malta, which is itself a 100% owned subsidiary of OneAdvent Limited, a company incorporated in Ireland. The Company's ultimate holding undertaking is Abbey International Finance Limited, a company incorporated in Ireland.

AIHL and AIPCC Core (for ordinary shares excluding third party Cellular shares) comprise the PCC Group (the "Group"), as defined by the Solvency II Directive. In addition to the Solo data provided herein for the PCC, data pertaining to the PCC Group is provided in this report.

The Cellular shares of the other Cells are owned by third parties who are unrelated to Advent Insurance PCC Limited or its holding or parent companies.

For the purposes of group solvency, method 1 – accounting consolidation-based method – has been used.

Material lines of business and material geographical areas

The PCC is licenced by the MFSA under the Insurance Business Act (Chapter 403 of the laws of Malta) to carry on business of insurance in the following general classes of business:

- Class 01 - Accident
- Class 02 - Sickness
- Class 03 - Land Vehicles
- Class 04 - Railway rolling stock
- Class 05 - Aircraft
- Class 06 - Ships

- Class 07 - Goods in transit
- Class 08 - Fire and natural forces
- Class 09 - Other damage to property
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- Class 18 - Assistance

The PCC is also licenced by the MFSA under the Insurance Business Act (Chapter 403 of the laws of Malta) to carry on business of reinsurance in the following general classes of business:

- Class 01 - Accident
- Class 02 - Sickness

CORE

The French loss of rent business written in the Core went into run-off on 31 December 2020 and continued its run-off during 2023.

Cells

At 31st December 2023 the PCC had three operational cells open for new business:

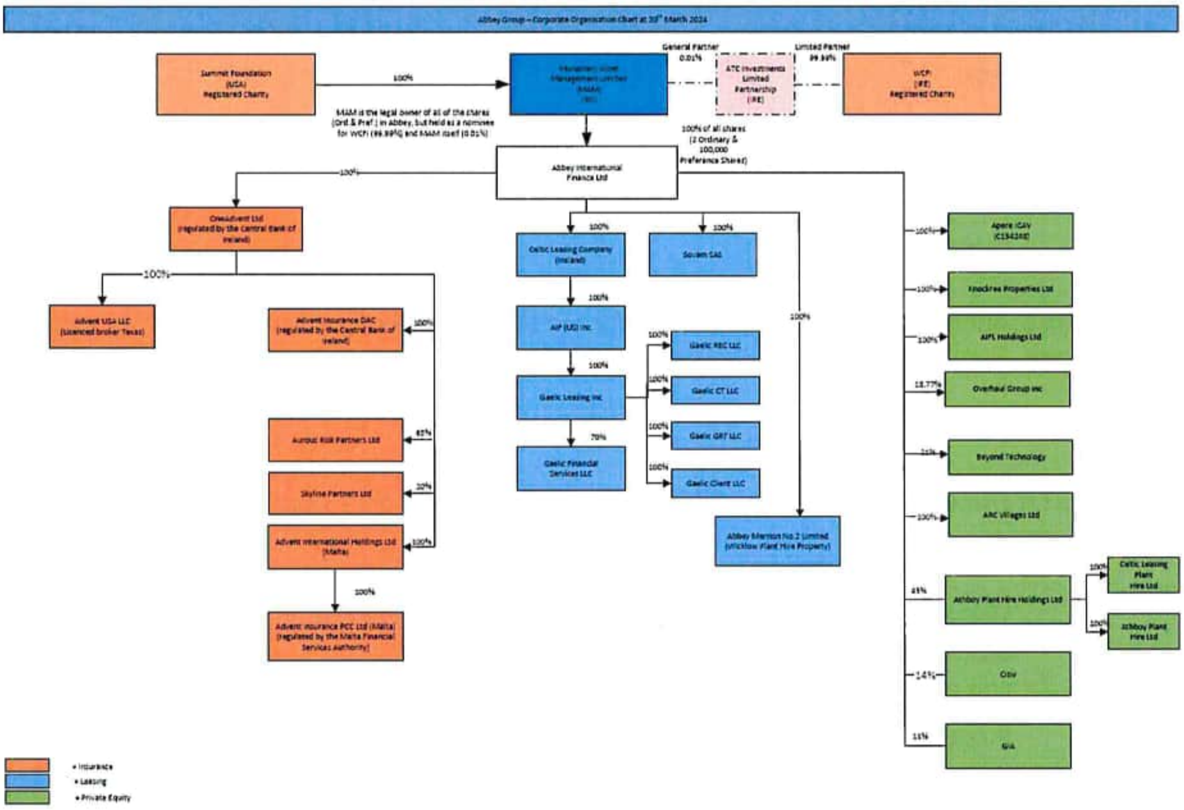
- Absolut Cell provided, under general insurance Class 16 (Miscellaneous Financial Loss), travel insurance to customers based primarily in Belgium, plus Loss of Licence insurance (affiliated risk).
- UIB Cell provided, under general insurance Classes 1 (Accident) and 2 (Sickness), income protection and accident insurance. It handled the run off of the UK business, as this in no longer written in the Cell due to Brexit related restrictions. During 2022 it accepted an inward portfolio transfer of EU risks, based mainly in Germany and Spain, which continued to be renewed through the Cell.
- Unlimited Care Cell provided, under general insurance Classes 1 (Accident) and 2 (Sickness), private medical Insurance, to customers based in Portugal, although passported into Spain it wrote no business in that territory during 2023.

Significant events

Until 2022, Autorama Cell provided motor return to invoice finance 'gap' cover under Class 16 (Miscellaneous Financial Loss), and under Class 9 (Other Damage to Property) property damage for business equipment. During 2023, the Cell's business was transferred, via a portfolio transfer, to another Cell within a Maltese PCC. The Cell was closed on 11 October 2023.

Freedom Health Cell sold, under general insurance Classes 1 (Accident) and 2 (Sickness), private medical Insurance to customers based in the UK and Germany. Whilst the Cell ceased writing new business from 1 March 2019, the technical run-off was completed during 2021. The Cell voluntarily surrendered its insurance licence to the MFSA in late 2022. The MFSA confirmed its acceptance of the authorisation surrender in early 2023.

Group Structure



Related Party transactions

During 2023 the PCC entered into various transactions with parties which are subject to common control. All transactions were conducted within the normal course of business.

A.2 Underwriting Performance

Solo PCC

The PCC's underwriting performance in the past two years is summarised in this section by Line of Business and Geographical Area. The underwriting performance information given in this section is extracted from the 2023 Annual Quantitative Reporting Templates. The PCC's functional and reporting currency is Euro.

The below table shows the Underwriting performance per material line of business.

PCC SOLO DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2023					
	Medical expense insurance	Income protection insurance	Fire and other damage to property	Miscellaneous financial loss	Total
Premiums earned	452,703	8,710,784	-	14,677,066	23,840,553
Reinsurers outwards	-	(51,750)	-	-	(51,750)
Net Claims incurred	(7,228)	(1,227,827)	1,250	(3,956,270)	(5,190,075)
Expenses incurred	(365,226)	(990,761)	-	(1,106,691)	(2,462,678)
Balance - other technical expenses/income	-	-	-	(500)	(500)
Technical underwriting result	**80,249**	**6,440,446**	**1,250**	**9,613,605**	**16,135,550**

In comparison, the 2022 data can be found below.

PCC SOLO DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2022					
	Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Miscellaneous financial loss	Total
Premiums earned	385,347	5,766,190	15,657	18,560,637	24,727,831
Reinsurers outwards	-	(35,180)	-	-	(35,180)
Net Claims incurred	(5,576)	(963,908)	(7,046)	(4,178,784)	(5,155,314)
Expenses incurred	(265,190)	(2,503,357)	(5,466)	(1,302,252)	(4,076,265)
Balance - other technical expenses/income	(48,052)	351,798	(15)	(187,147)	116,584
Technical underwriting result	**66,529**	**2,615,543**	**3,130**	**12,892,454**	**15,577,656**

The below table shows the Underwriting performance by geographical area.

PCC SOLO DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2023									
	Medical expense insurance		Income protection insurance			Property	Miscellaneous		Total
	Spain	Portugal	UK*	Germany	Spain	France	Belgium	France	
Gross - Direct Business	-	480,042	(1,972)	7,637,917	1,054,654	-	14,914,006	-	24,084,648
Claims incurred	670	7,228	(501,493)	1,519,505	209,815	(1,250)	3,980,020	(23,750)	5,190,745
Acquisition costs	-	311,915	(938)	379,146	66,909	-	1,053,516	-	1,810,548

PCC SOLO DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2022										
	Medical expense insurance		Income protection insurance			Property		Miscellaneous			Total
	Spain	Portugal	UK*	Spain	Germany	France	UK*	France	UK*	Belgium	
Gross - Direct Business		385,347	4,220,214	196,434	1,314,362		15,657		1,379,536	17,181,101	24,692,651
Claims incurred	(161)	(5,415)	(767,750)	(163,398)	(32,760)		(7,046)		(234,521)	(3,944,263)	(5,155,314)
Acquisition costs		(313,242)	(2,294,778)	28,579	114,640	(15)	(5,466)	(286)	(707,851)	(781,262)	(3,959,681)

Group Consolidated

The Group is running off Property and Miscellaneous Financial Loss policies in France, through the Core. Below are the figures for 2023 and 2022.

PCC GROUP DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2023			
	Property	Miscellaneous Financial Loss	Total
	France	France	
Claims incurred	1,250	23,750	25,000
Acquisition costs	(25)	(475)	(500)

PCC GROUP DATA - TECHNICAL RESULT - YEAR ENDED 31 DECEMBER 2022			
	Property	Miscellaneous financial loss	Total
	France	France	
Acquisition costs	(15)	(286)	(301)

A.3 Investment Performance

Solo PCC

The finance income and investment gains earned by the PCC on a Solo basis during 2023, compared with 2022, are summarised below.

PCC SOLO INVESTMENT INCOME FOR YEAR ENDED 31.12.2023 COMPARED WITH YEAR ENDED 31.12.2022						
Income	Core		All Cells		Total	
	2023	2022	2023	2022	2023	2022
Interest & Investment income received	59,771	37,200	529,328	153,276	589,099	190,476
Net FX gains (losses)	104,143	242,735	37,912	(63,520)	142,055	179,215
Net gains (losses) on investments	-	35,464	35,922	(27,530)	35,922	7,934
Total	**163,914**	**315,399**	**603,162**	**62,226**	**767,076**	**377,625**

In 2023, the Company engaged BOV Asset Management (BOVAM) to administer the Core's investment portfolio. This has increased the investment interest earned by the Company. The Core achieved a prior year net FX gain due to a conversion of USD balances to Euro at a favourable rate. In late 2022 and during 2023, Absolut Cell entered into loans back to parent undertaking, which provided for the increase in interest income.

Group Consolidated

The financial income and investment gains earned by the PCC on a Group basis during 2023, compared with 2022, are summarised below.

PCC GROUP INVESTMENT INCOME FOR YEAR ENDED 31.12.2023 COMPARED WITH YEAR ENDED 31.12.2022						
Income	AHL		Core		Total	
	2023	2022	2023	2022	2023	2022
Interest & Investment income received	-	815,385	59,771	37,200	59,771	852,585
Net FX gains (losses)	(48,932)	76,472	104,143	242,735	55,211	319,207
Net gains (losses) on investments	(2,059)	274,143	-	35,464	(2,059)	309,607
Total	**(50,991)**	**1,166,000**	**163,914**	**315,399**	**112,923**	**1,481,399**

The Group received a dividend during 2022, with no dividends received in 2023. The Net FX Gains relate to the USD bank balances. Net gains on investments in 2022 related to the liquidation of two Cells, whilst in 2023, there was a write-off of immaterial expenses.

Investments in securitisation

There are no investments in securitisation, with no plans for entering into such investments.

A.4 Performance of other activities

There are no material operating or financial lease arrangements.

A.5 Any other information

The shareholders of AIHL are looking into divesting their ownership along with AIHL's ownership of AIPCC. The companies continue to liaise with a potential shareholder for the purchase of both companies.

B. System of Governance

B.1 General information on the System of Governance

Composition of the Board of Directors

The PCC is governed by a Board of Directors. At 31 December 2023 the Board constituted five directors, four of whom were resident in Malta. The Board members were David Hill (UK), Dr Christian Farrugia (Malta), Anne Finn (Malta) (resigned on 30 June 2024), Dorothy Kim Vella (Malta), with Michael Aroskin (Malta) joining the Board in February 2023. Dr Farrugia is the non-executive Chairman of the Company. The Board members collectively have qualifications and expertise in Accounting, Insurance Underwriting, Insurance Distribution, Risk Management, Compliance, and Law. The Board is responsible for the strategic management of the PCC. It oversees all PCC operations and appoints and supervises insurance managers and key function holders. All material decisions relating to or made by the Cells are subject to the approval of the Board. The Board meets at least once every quarter, and more frequently when required.

Responsibilities of the Board of Directors

a. Ensuring the effective, prudent and ethical oversight of the business and its constituent Cells, including appointment of Insurance Managers, key function holders and Cell committee members;
b. All material decisions relating to or made by the Cells are subject to Board approval;
c. Setting the business strategy and risk appetite of the Company, in light of the business strategy of the shareholder;
d. Ensuring that risk and compliance are effectively managed in the Company;
e. Ensuring that the solvency, liquidity, and minimum capital requirements are always maintained.

Board oversight of key functions

The Board oversees four key control functions, plus any investment decisions, in line with Solvency II requirements: risk management, actuarial, compliance and internal audit. These functions are collectively tasked with providing oversight of and challenge to the business, and for providing assurance to the Board in relation to the Company's control framework. The Board has recently been enhanced with two new members, one to oversee the Audit function and the second to oversee the Risk Management function. Board oversight of the key functions is organised as follows :

- **Risk Management Function:** Dorothy Kim Vella
- **Compliance Function:** Christian Farrugia

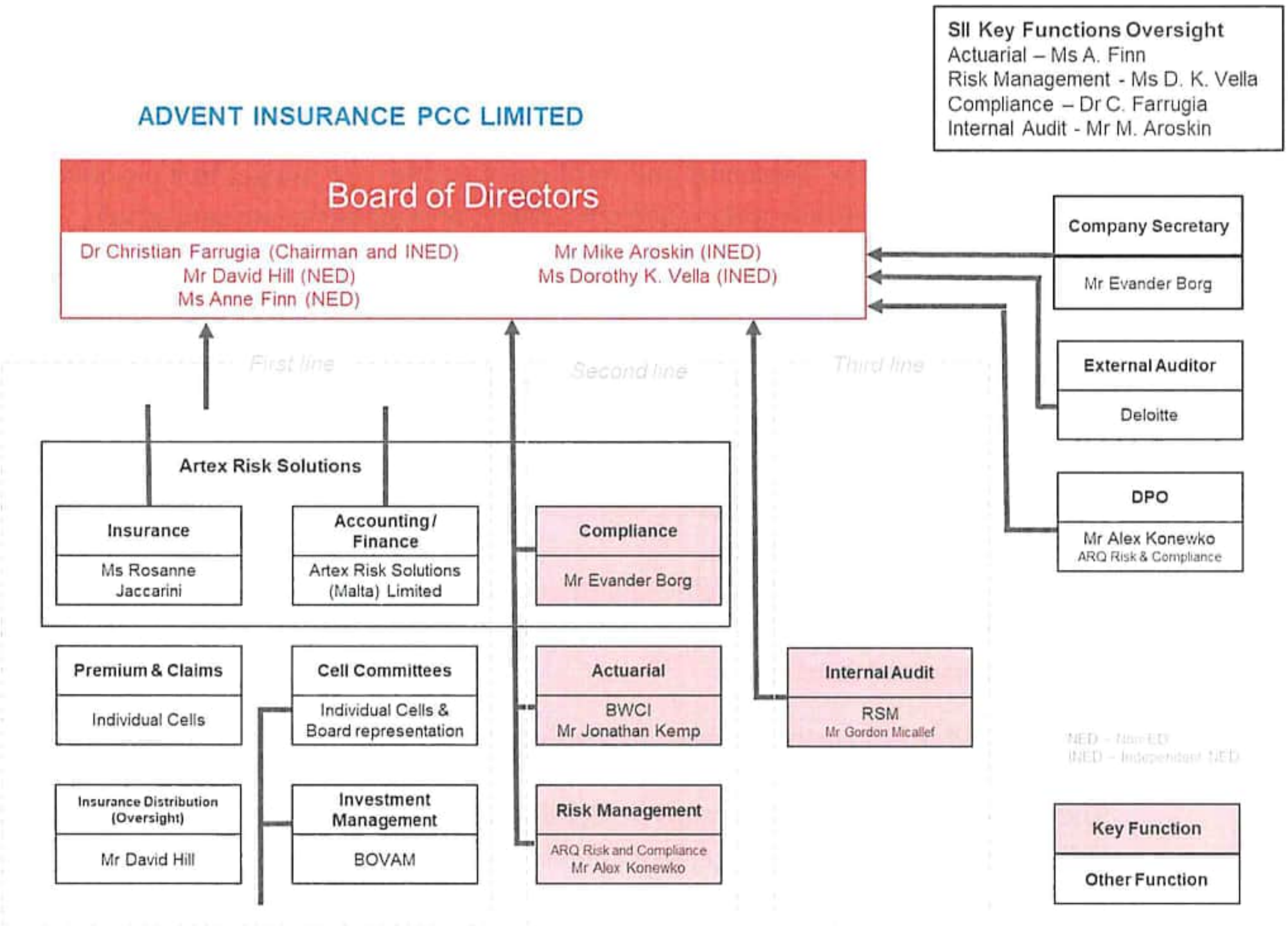
- **Actuarial Function:** Anne Finn until 30 June 2024, with the Board collectively adopting this oversight until an appointee is identified.
- **Internal Audit Function:** Michael Aroskin

Remuneration entitlements

The PCC has no employees. Directors are paid an annual fee, or an hourly rate on a consultancy basis, not tied directly to the profit margins or financial performance of the company.

Organisation Structure

The below chart provides information relating to the undertaking's delegation of responsibilities, reporting lines and allocation of functions, as at 31 December 2023. Anne Finn has resigned with effect from 30 June 2024, and her functions were taken over by other members of the team.



B.2 Fit and Proper requirements

It is the PCC's policy to ensure that:

a. All personnel involved with the PCC including shareholders, directors and outsourced providers are fit and proper persons within the regulatory definitions including being i) suitably qualified and experienced to carry out the functions delegated to them and ii) of good character.
b. There is proper diversity of qualifications, knowledge, and relevant experience, collectively across the Board and holders of key functions.
c. The Board collectively includes members knowledgeable in insurance and financial markets, business strategy and business modelling, governance, financial and actuarial analysis and regulatory requirements.
d. Background checks are carried out on all individuals it employs, or contracts with external parties, to ensure their 'fit' and 'proper' status, using checking processes such as: online resources, professional search companies, industry contacts and personal references, interviews and, where appropriate tests and assessments.
e. All prospective personnel and third-party entities are subject to a probationary period and all outsourcing and consultancy arrangements are cancellable, within a short-term notice period.
f. All Board members, qualifying shareholders, senior employees/outsourced providers holding key functions such as compliance, internal audit, actuarial, risk, financial, and underwriting are subject to the personal questionnaire process and approval by MFSA.
g. The performance and integrity of individuals and third-party providers are continually monitored and evaluated through interaction and 'four eyes' output review and assessment.
h. The Board carries out self-evaluations annually.
i. Outsourced service providers appoint a person to be responsible for the outsourced function.

B.3 Risk Management system including the ORSA

The Risk Management System aims to identify, assess, manage, monitor, and report on risk exposure. The Risk Management Function was reinforced with the appointment of Alex Konewko from ARQ Risk & Compliance Ltd, Malta as risk function holder in early 2023.

Responsibility

The Board is responsible for setting the PCC's risk appetite and overall risk tolerance limits as well as approving and implementing the main risk management strategies and policies.

Risk Management Strategy - Risk Register and Risk Matrix

The PCC has developed and approved a risk taxonomy defining the key and subsidiary risks to which the PCC is exposed. Individual specified risk appetite and tolerance metrics are set out separately for the Core and individual Cells. Through the Risk Registers the PCC aims to identify and capture all material risks and assess their impact and probability. Within them the PCC:

a. Grades inherent risks by probability and impact, from which an overall inherent risk grade is derived.
b. Outlines the strategies in place for management, control, and mitigation to limit its exposure to each material risk.
c. Regrades residual risks after taking account of the effectiveness of its internal control mitigations.
d. Focuses on the key residual risks, and their alignment to the risk appetite of the PCC.

Strategy for managing Insurance and Investment Risks

The PCC's strategy for managing Insurance and Investment risks is to:

a. Select quality insurance risks with skilled underwriting assessment.
b. Retain insurance risk within approved risk appetite and solvency requirements.
c. Reinsure insurance risk above the selected net retention levels.
d. Handle claims and reserving risk with suitable expertise and quality information.
e. Diversify investment risk through careful selection of counterparties, either directly or through the appointment of qualified, licensed investment managers, with ongoing review and management
f. Invest in instruments and deposits that offer it security, credit quality, liquidity, appropriate duration, accessibility and profitability and which do not, as far as the Investment Manager is aware, engage in unethical practices.
g. Monitor changing environment and market conditions that affect risk.

Strategy for managing other risks

The PCC's strategy for managing other business, operational, reputational, strategy and governance risks is to:

a. Identify and analyse such risks through a multi-disciplinary, enterprise-wide holistic risk assessment process
b. Accept certain risks within agreed risk tolerances and with appropriate solvency.
c. Mitigate or avoid risks that do not fit within the PCC's business objectives by risk control and reduction techniques.

Obligation to invest using the 'prudent person principle'

The Board is aware of the PCC's obligation to invest all assets in accordance with the 'prudent person principle' set out in Article 132 of Directive 2009/138/EC and ensures that the objectives of its Investment and Asset Liability Risk Policies are aligned with this principle, as is its conservative investment strategy. Assessment and risk mitigation techniques used for credit risks are discussed in Section D.

Monitoring and reporting of risk positions

The PCC's strategy for monitoring and reporting of actual risk positions involves several functions and processes. The Insurance Manager is primarily responsible for reporting to the Board on risks or risk events that the Board or the Insurance Manager has identified as potentially material; and on other specific areas of risk as they arise, both on its own initiative and at the request of the Board. In addition, there is an:

a. Annual review of individual risk registers (for Core and each Cell) by board and respective Cell committee.
b. Quarterly oversight of risk appetite tolerance versus actuals, including oversight of agreed remedial actions to any breaches in risk appetite thresholds.
c. At least annual report of compliance position to Cell committees.
d. Quarterly reporting of premium, claims, cash flows, bank balances, investments, expenses, debtors' balances, liquidity position to Board (for Core and all Cells) and to each respective Cell committee.
e. Quarterly report from compliance function to Board.
f. Annual actuarial function report to Board.

Performance, Internal documentation and review of the ORSA

ORSA Frequency

The PCC carries out an ORSA annually and would also carry one out if there was a significant change in its business strategy or profile. All ORSA processes are managed, monitored, controlled, and reviewed by the Board, and ORSA reports are subject to its approval.

ORSA Process

a. Quarterly board meeting updates to Board on progress.
b. The Board reviews key policies.
c. The Board or Cell owner/Committee defines the Company or Cell's strategic business objectives within the ORSA planning horizon.
d. The Cell owners assist in the qualitative and quantitative assessment of their individual risks including assessment of inherent risks, evaluation

of the effectiveness of risk mitigations and controls, and residual risk levels.

e. Cell and Core Risk Registers are updated to ensure capture of all known risks, in a detailed individualised, granular, analysis of each risk area in each Risk Register.

f. Risk tolerance levels are set for the Core and Cells in the light of their known strategic business objectives.

g. The Company's ORSA team (Insurance Managers (Artex) and Risk Management Function Holder in consultation with the Board) reviews the Cells' and Core's proposed strategic business objectives and projections, and develops suitable stress tests in light of risk appetite and tolerances, encompassing extreme but plausible scenarios across main risk areas, deriving assumptions from Cell and market level loss experience.

h. The actuarial function gives an opinion on stress test choices.

i. Artex prepare Stress test calculations using Mazar's Horizon system.

j. Risk appetite, tolerance levels, and appropriate risk controls and mitigations are revisited in the light of the assessments, and changes made as needed.

k. An ORSA report is prepared and an ORSA record is maintained.

l. The ORSA process involves review of financial results, actual loss experience over projections, audit reports, actuarial function reports, operational reports particularly of any current or potential problem areas.

m. The Board reviews a draft report, including stress tests and the impact of scenarios on key regulatory ratios.

n. Further meetings are held until the Board is satisfied that all queries and points have been resolved, when the final ORSA report is approved.

ORSA integration into strategic decision making

The ORSA's objective is to ensure an effective level of Enterprise Risk Management to enable the company to identify, assess, monitor, prioritise and report on the nature and scale of its material and relevant risks and to assess the adequacy of its risk management structures and current and prospective solvency positions under normal and severe stress scenarios, in the light of those risks. The information and knowledge thus obtained allows the PCC to understand and manage not only its current risks and solvency needs, but to consider the effects its strategic decisions will have on its future risk profile, regulatory capital requirements and ensure it holds appropriate buffers to maintain its overall solvency both in normal and stress scenarios. The ORSA is therefore a tool to assist the Board and Cell owners in decision making and strategic analysis and in achieving their business objectives in a robust Enterprise Risk Management environment.

B.4 Internal Control System

The Board is also responsible for the oversight and review of the Company's corporate governance system, including Internal Controls and Compliance.

Key Internal Control Procedures

The Internal Control System aims to assist the Board of Directors and Management to fulfil their respective responsibilities for oversight and management of the PCC. The System is governed by the Compliance and Internal Controls Policy of the PCC and is intended to provide the Board with reasonable assurance from a control perspective that the business is being operated consistently by:

a. Setting out the roles and responsibilities of control owners, control oversight and independent assurance on control effectiveness;
b. Monitoring continuous compliance with applicable laws, regulations, company policies and control processes;
c. Ensuring processes are efficient and effective;
d. Ensuring availability of sufficient and reliable financial and non-financial information to effectively manage the business;
e. Informing key functions of facts relevant for the discharge of their duties, in the event of material changes to the PCC's internal controls;
f. Develop and promote a risk culture that values compliance and internal controls;
g. Ensuring adequate protocols and procedural guidelines for the PCC's key business, IT, and financial policies and processes, including for accounting and financial reporting, and that related risk management and compliance measures are in place.

The system itself will form part of the annual Compliance Plan and is subject to continual reviews to improve internal controls and oversight. The board will be aided in this respect by internal audit reports.

The key components underlying the Compliance and Internal Control Policy

a. Roles & Responsibilities;
b. Operational Risk;
c. Business Risk;
d. Compliance and Regulatory Risk;
e. Monitoring and reporting arrangements;
f. Incident Management and Continuity Planning.

B.5 Internal Audit Function

Independence of Internal Audit Function

The Internal Audit function of the PCC is outsourced to RSM, an independent professional firm in Malta.

Reporting to the Board

During 2023, Mr. Aroskin joined the Board and was appointed as Director with oversight of the Internal Audit Function. He also is the Chairman when the Board convenes as the Audit Committee. Prior to Mr. Aroskin's appointment, the Board collectively oversaw the PCC's Audit Function, including internal audit. The Internal and external Auditors report directly to the Board on the outcome of the audits, their findings, and recommendations.

Internal Audit responsibilities and scope

It is the responsibility of the Internal Audit Function to:

a. establish, implement and maintain an audit plan over at least a three-year planning period, taking into account all activities and the complete system of governance of the PCC, using a risk-based approach to decide audit priorities;
b. issue an internal audit report to the Board, at least annually, on findings and recommendations including the period of time to remedy shortcomings, the persons responsible for doing so, and status of audit recommendations;
c. verify compliance with Board decisions taken based on audit recommendations.

Every activity and unit of the PCC, including Cells, falls within the scope of the Internal Audit Function. Responsibility for following up Internal Audit recommendations rests with the Board with delegation to local executive directors and Managers as appropriate.

B.6 Actuarial Function

Implementation and Objectivity

The Actuarial Function is outsourced to BWCI, a Guernsey based firm of actuaries. The qualified actuary is independent of both the PCC and the Insurance Managers, and is not involved with the PCC's day-to-day operations, thus ensuring the function is objective and free from the influence of other functions or from the PCC's Board and management.

Responsibilities

The Actuarial Function is responsible for:

a. Co-ordinating the calculation of technical provisions in order to: a) explain any material effect of changes in data, methodologies or assumptions between valuation dates; b) report on the consistency of the technical provisions with the requirements set out in the Solvency II EU directive, and to propose any corrections needed;
b. Ensuring the appropriateness of methodologies and internal models used, and assumptions made, in the technical provision calculations;
c. Assessing the sufficiency and quality of the data used the technical provision calculations;
d. Comparing best estimates against experience;
e. Informing the Board of the reliability and adequacy of the technical provision calculations;
f. Overseeing the calculation of technical provisions as set out in Article 82 of Solvency II directive;
g. Expressing an opinion on the overall underwriting policy;
h. Expressing an opinion on the adequacy of reinsurance arrangements (if any);
i. Contributing to the effective implementation of the risk-management system referred to in Article 44 of Solvency II directive, particularly with respect to the risk modelling underlying the calculation of the capital requirements.
j. Reporting to the Board at least annually documenting all material tasks undertaken and their results, clearly identifying deficiencies, and giving recommendations on how to remedy such deficiencies.

B.7 Outsourcing

Rationale for Outsourcing

The business strategy of the PCC is to insure portfolios of risks on a Freedom of Services basis in various parts of the EU. This strategy results in a need for localised market access, technical, legal and linguistic expertise, and cultural knowledge, in the risk territories, to facilitate the management of the business. To this end the PCC outsources underwriting, distribution and claims handling services to various service providers in the risk territories.

Outsourcing Policy

The PCC has established an Outsourcing Policy which sets out the requirements for identifying, justifying, and implementing material outsourcing arrangements. The policy includes, inter-alia, the following:

a. Definition of outsourcing and critical outsourcing;
b. Board and Management responsibility;
c. Pre-outsourcing feasibility

d. Outsourcing Assessment & Selection Process
e. Due Diligence;
f. Service Level Agreements;
g. Management and control of the Outsourcing Relationship;
h. Intra-Group Outsourcing;

The PCC's outsourcing arrangements, and the outsourcing policy, are subject to continual Board review.

List of Outsourcing arrangements and the jurisdictions they operate in

Function	Jurisdiction
Management and Administrative Services	Malta
Accounting	Malta
Compliance	Malta
Risk Management	Malta
Actuarial	Guernsey
Internal Audit	Malta
External Audit	Malta
Investment	Malta
Underwriting and Claims	EU

B.8 Compliance Function

Compliance Responsibility

The Board has appointed a Compliance Officer, who is an employee of Artex Risk Solutions (Malta) Ltd, and a Board member to oversee the compliance function. The Compliance Function is recognised as a key part of the PCC's' internal control system, identifying, assessing, monitoring, and reporting on the compliance risk exposure of the PCC. The specific role of the Compliance Officer is set out in the PCC's Board approved Compliance and Internal Controls Policy. As part of the compliance plan the Board will monitor and improve compliance activity attendance by the Compliance Officer and reporting at every scheduled board meeting. The Compliance plan itself includes reference to a phased plan for enhancing that function, as submitted to MFSA.

The key responsibilities of the Compliance Function are:

a. Advising the Board on compliance with regulations
b. Assessing the possible impact of any changes in the legal environment

c. Identifying and assessing compliance risk.

Compliance Function activities

The Compliance Function is performed in accordance with Article 46(2) of Directive 2009/138/EC. During the reporting period the Compliance Officer presented a report to the Board at the quarterly Board meetings which outlined the following:

a. The adequacy and effectiveness of the Governing Information set by the Compliance Function;
b. Key changes and developments in applicable laws, rules, and regulations;
c. A summary of the Compliance structure and resources;
d. A summary of findings and recommendations from the Compliance Function, including breaches and deficiencies in the Company's organisation and compliance process.

C. Risk Profile

C.1 Underwriting Risk

PCC Solo Underwriting Risk Profile

Underwriting risk at 31 December 2023 comprised 54.5% (a slight increase from 52.8% in 2022) of the consolidated undiversified Base solvency capital requirement, of which 11.5% (decreased from 12.8% in 2022) related to health underwriting risk, and 43% (2022 – 40%) to non-life underwriting risk.

The PCC, in its constituent parts, is exposed to underwriting risk through various general insurance products including travel cancellation insurance, personal accident & income protection insurance and private medical insurance. Taken as a whole, the PCC is considered to have low underwriting concentration risk, as its underwriting exposures are diversified across unconnected portfolios and Cells, and over a range of products, risks and territories. Further, the Cells are legally and contractually segregated and thereby protected from the losses of other Cells and from the Core.

Since the previous report, the PCC is no longer exposed to miscellaneous financial loss insurance in the form of loss of rent covers and motor guaranteed asset protection (GAP) covers, or property cover related to the miscellaneous financial loss insurances following the exit of the respective insurance Cells providing these products or the discontinuation and run-off of the insurance products.

A key control of the PCC over its underwriting risk is a thorough pre-acceptance assessment of Cell & Core portfolio proposals, and ongoing monitoring of the results and outcomes of these portfolios, once accepted. These assessments ensure the portfolios meet the PCC's acceptance criteria, the optimum profile being relatively high frequency of relatively low value attritional losses of which the majority historically fall within a predictable monetary range, and are individually capped by policy limits, or by the restricted nature of the risk and cover. The portfolios must be sustainable with good risk spread, medium to high premium volume, and a history of consistent profitability. The portfolios must be introduced and managed by experienced professionals with proven track records and high regulatory and market standing.

Each Cell, and Core portfolio (albeit the Core portfolio is no longer active), has its own separate and distinct underwriting profile and operations, with its own mechanisms for assessing, monitoring and controlling its individual underwriting risks, within its specified risk appetite statement. However, all Cells share a common process centred around individual risk registers, which are qualitative analyses of various inherent risk categories, and individual risk matrices which contain quantitative parameters of risk appetites and tolerances against which risk events are monitored. Underwriting is considered one of the main risk exposures, although mitigated by the factors discussed in the preceding paragraph. Scrutiny and analysis of regular detailed premium and claims reported results, vis-à-vis the stated risk tolerances and appetites, are the main methodologies for monitoring and controlling this risk. Results are reviewed at regular Cell committee meetings and at quarterly Board meetings.

The nature of the exposures, the concentrations risk within portfolios, the mechanisms for risk assessment and control, including risk mitigations, are discussed in the next section for each Cell, and for the Core. The Cell/Core risk exposure profile is discussed in terms of volatility whereby portfolios are considered non-volatile if they have a medium to high volume of low value exposures where a single loss would have a negligible impact on underwriting results or solvency capital requirements. Portfolios with larger single loss limits, and less frequent losses, are considered more volatile. Concentration and catastrophe risk is measured by the potential for two or more claims from different insureds to emerge from the same event. Concentration and volatility levels are key criteria for determining the need, or not, for reinsurance protection.

The underwriting risks considered on a Cell by Cell basis are underwriting pricing risk i.e. the risk that premiums charged will be insufficient to cover losses, or the product does not perform as expected, underwriting reserving risk i.e. the risk that reserves held will be insufficient to pay for ultimate claims, underwriting concentration and catastrophe risk i.e. the exposure of multiple insureds to the same event, reinsurance strategy and concentration risk.

PCC Group Underwriting Risk Profile

At 31 December 2023 non-life underwriting risk represented 2.6% (2022 – 2.2%) of the group's undiversified base solvency capital requirement. The group underwriting risk profile comprises the underwriting risks of the Core.

Core Underwriting Risk Profile

Exposure: Up to the end of 2020 the PCC Core sold rental default insurance to landlords of mostly residential property in France. The business has now completed its third year of run-off and all possible claims have been incurred and believed to have been reported. The key remaining risk is therefore the reserving risk i.e. that the reserves held to pay all remaining claims in the portfolio will be insufficient for that purpose, albeit the risk is considered low given the time that has now passed since discontinuation of the product. There is also risk connected with the recovery of rent from defaulting tenants over time; these recoveries have a longer tail than payment of the initial claims to landlords and may be less than expected.

Mitigation: The reserving risk is mitigated by the existence of detailed historic data for the portfolio, and its low volatility. To provide assurance to the Board, several reserving reviews have historically been carried out on the portfolio by an external actuarial firm.

Absolut Cell underwriting risk profile

Exposure: Absolut Cell provides holiday cancellation insurance to customers primarily based in Belgium. Its underwriting exposure consists of short tail, high volume, very low single value covers. The portfolio is considered non-volatile, as individual losses do not have the capacity to materially affect the Cell's' underwriting result or solvency position. The Cell also writes pilot loss of licence cover for the Cell shareholder group, the premium and exposure of which is minimal when set in the context of the main portfolio. For this reason, it is not discussed further in this report.

Concentration & catastrophe: The Cell's concentration risk is also low because the insurances are spread over a wide range of unconnected customers, in respect of unconnected events. Its exposure to catastrophe risk i.e. the risk of multiple claims arising from one event, is mitigated by explicit terrorism and war exclusions, and is considered low. However, the Cell has exposure to pandemics such as Covid-19, which impact global or regional travel. Although the Cell's premium income was materially reduced by Covid-19, its loss ratios were only minimally affected, as the cancellation risk covered under the policy was transferred from the policyholder (and therefore the Cell) to the tour operator. It is expected that the risk connected with a similar future event would also be transferred to the tour operator.

Pricing risk: The Cell's underwriting pricing risk is assessed and managed by reference to the portfolio's historic loss experience and the experience of similar portfolios in Europe, ongoing analysis of actual premium and claim data, and by pre-defining underwriting acceptance criteria. The short-term, short-tail nature of the risks enables pricing adjustments as necessary, to mitigate this risk.

Reserving risk: Assessment and control of reserving risk is also facilitated by the short tail nature of the Cell's risks. Claims are reported and settled very quickly, allowing reasonably accurate projection of ultimate losses.

Mitigation: Because result predictability is enhanced by the availability of detailed historical statistics, low volatility, and the short tail and short-term nature of the covers, the Absolut Cell has not considered it necessary to purchase reinsurance protection to mitigate underwriting risk.

UIB Cell underwriting risk profile

Exposure: Since it commenced operations, this Cell has provided income protection and personal accident insurance to UK based customers. Due to Brexit related restrictions all of its UK portfolio has now been renewed into a UK based insurer in its own group, and the UK portfolio in the Cell is in run-off. The Cell accepted an inward portfolio transfer of similar EU based (mainly Germany and Spain) risks during Quarter 4 2022. Single maximum contractual limits are relatively high. However, the probability of a maximum claim occurring is considered low, based on 20 years' claim data. A typical large claim within the normal range is materially lower than the maximum single exposure. The risk profile is one of moderately low volatility, as a small number of maximum limit losses would be comfortably withstood by the Cell and would not materially affect its solvency status.

Concentration and catastrophe risk: UIB Cell has a low to moderate concentration risk because an event accidentally injuring several connected individuals or family members is possible. However, the concentration risk is mitigated by policy inner limits, deferred cover periods, along with terrorism and war exclusions. Catastrophe risk i.e. the risk of several claims from unrelated individuals arising from a single large event, is also considered low because of i) good geographic risk spread, ii) Terrorism and War exclusions and iii) Pandemic exclusions in most parts of the portfolio.

Mitigation: Although the catastrophe risk is considered low, to mitigate against a major event involving large numbers of people in a public place, excess of loss reinsurance has been purchased to limit the Cell's retained exposure via a high quality reinsurer.

Pricing Risk: The Cell's underwriting pricing risk is assessed and managed by reference to over 20 years of historic loss experience and ongoing actuarial analysis of premium and claim data. The personal accident contracts are monthly, and the income protection policies are annual. Therefore, rating and underwriting criteria can be adjusted quickly should loss experience deteriorate.

Reserving Risk: Short-tail claim reporting and payment horizons help mitigate the reserving risk, that reserves held will be insufficient to meet ultimate losses. Regular reserve reviews by an external actuarial service also provide assurances on reserving adequacy.

Freedom Health Cell Underwriting risk profile

The Freedom Health Cell has reached the end of its technical run-off and no longer has live underwriting risks.

Autorama Cell Underwriting Risk Profile

The Autorama Cell ceased writing insurance policies during late 2022 due to Brexit and following a portfolio transfer to another Cell within another PCC, the Cell was closed off completely by the end of 2023.

Unlimitedcare Cell Underwriting Risk Profile

Exposure: Underwriting risk relates to healthcare insurance products sold to the general public in Portugal and Spain. The Portuguese limits are small, relating to consulting level expenses, and low fixed monetary hospital stay daily benefits. The Spanish risks cover which was written in 2021 was discontinued in 2022.

Concentration and catastrophe risk: The Cell has very limited concentration risk due to a wide customer base and the nature of the cover. The Covid-19 pandemic did not have an impact due to government coverage of related costs.

Pricing Risk: The Cell's underwriting pricing risk is assessed and managed by reference to prior history and industry statistics. It is closely monitored and amended as deemed necessary.

Reserving Risk: Short-tail claim reporting and payment horizons help in assessing and controlling reserving risk.

Mitigation: The Cell does not purchase reinsurance for its Portuguese risks because of the nature of that portfolio which has very small single loss limits. No Spanish risks have been written since 2022.

Underwriting Risk Sensitivities for Cells and Core

In its annual Own Risk and Solvency Assessments (ORSA) the PCC tests the sensitivity of the Cells' and the *Core's* pricing, reserving, concentration and reinsurance strategy risks to stressed events. Underwriting stress tests envisage loss ratio increases, either from full limit losses or a general rise in claims experience, and/or premium decreases. Projections indicate that the Core, currently operational individual Cells, and the consolidated PCC, will have sufficient capital to meet their solvency capital requirements (SCR) under base business projections. Stress test results were similarly positive, indicating that in all tested scenarios the SCR cover would remain sufficient over the planning period.

C.2 Market Risk

PCC Solo Market Risks

Market Risks comprised 33% (2022 – 25%) of the PCC's Solo consolidated pre-diversification base SCR at 31 December 2023. At the end of 2023, 23% of the

PCC's financial assets related to group loans, 60% cash at banks and certificates of deposits while the remaining 17% are corporate and government bonds. There is also a very small equities portfolio of quoted and unquoted equities.

PCC Group Market Risks

Market risks comprised 94% (2022 - 87%) of the PCC Group's consolidated Base SCR at 31 December 2023. The PCC Group's investment assets at 31 December 2023 were bank deposits and investments managed through an appointed designated asset manager, and intra group company loans.

Market Concentration Risk

The market concentration risk of the PCC Solo represents 72% (2022 - 76%) of its total pre-diversification market risk. The concentration risk is connected with parental loans and bank deposits, alongside the value of any instruments invested in via the Core's appointed asset manager.

For the PCC Group the market concentration risk exists in the exposure by the Core and AIHL to group loans and represents 83% (2022 - 95%) of the Group's total pre-diversification market risk.

Interest rate risk

The PCC Solo exposure to interest rate risk as at 31 December 2023 was 5% of the its total pre-diversification market risk, up from 1% last year.

The Group's interest rate risk was at 8% of the its total pre-diversification market risk. Last year's exposure was negligible. The main contributor to this increase on the Group's interest rate is due to the setting up of a bonds portfolio during 2023, which is being managed by BOVAM.

Currency risk

During 2023 the PCC Core continues to hold Euros which is its primary operating currency, and the currency which is linked to its minimum guarantee fund. This continues to minimise the PCC's risk to currency risk, and that of the Group. The PCC Solo had historically carried currency risk as the working currency of some Cells was in Great Britain Pounds, however this has reduced since the discontinuation of the UK based insurance Cells. As at 31 December 2023, it represents 15% of the PCC Solo's pre-diversification market risk. The Group had no currency risk. The PCC Solo manages the residual currency risk by regularly monitoring the relevant exchange rates, by matching the currency of assets to the denomination of liabilities and by reacting to material movements thereof.

Price risk

The PCC solo is exposed to nominal price risk in respect of its investment portfolio, that is predominantly held in high-quality liquid assets, classified as at fair value through profit or loss. The fair value items are equities or money market instruments, together amounting to 1% of the PCC's total assets.

C.3 Credit Risk

Exposure by Holding Company, Cells and Core

At 31 December 2023 credit risk in the form of counterparty default risk represented 12% (2022 - 22%) of the PCC's undiversified Solo Basic SCR, and 3% (2022 - 11%) of the PCC Group's Basic SCR.

65% (2022 - 50%) of the Solo credit default SCR (prior to diversification) was in respect of Type 1 exposures: banks or money market instruments, the balance being in respect of Type 2 exposures: insurance receivables from intermediaries. 100% of the Group's credit default exposure was in respect of type 1 exposures: banks or money market instruments.

Management of Credit Risk

The Boards apply the *Prudent Person principle* to credit risks. The Investment Function manages credit risk by selecting counterparties based on their financial strength and ensuring reasonable risk spread or by appointing qualified investment managers to manage the investment portfolio of the PCC within low-risk, high-quality assets determined by a strict investment mandate. Investment portfolio performance is regularly monitored, and discussed at every committee and Board meeting, with detailed investment reports presented by the nominated investment manager.

Assessment and risk mitigation used for market and credit risks

i. For investment transactions, only counterparties with a high quality credit rating are permitted, except in some limited cases where counterparties are, for example, group companies. ESG ratings serve as an ancillary consideration in the Core's Investment Policy, after credit and liquidity factors are taken into account.
ii. Credit rating is a main criterion in the selection of reinsurance counterparties, such that only counterparties that are well established multinational reinsurers with at least Standard and Poor's single A (or equivalent), are selected. The range of contracted reinsurance counterparties mitigates the default risk.
iii. For direct insurance transactions the business is unavoidably placed with the PCC through unrated intermediaries, which is recognised as a moderate credit risk and is mitigated by ensuring properly structured and controlled bank accounts held in trust.

Assessment and risk mitigation techniques embrace the following methods:

i. Robust contract terms and conditions with all counterparties
ii. Monitoring the credit ratings and status of counterparties;
iii. At least quarterly reporting of cash, investment and liquidity positions;
iv. At least quarterly reporting of intermediary balances;
v. Intermediaries must be registered with and regulated by their home state supervisory bodies.

Risk sensitivity testing for credit risks

The PCC tests for exposure to market and credit risk, for example by measuring the impact of a downgrade in its investment and banking counterparties. Stress test results of the 2023 ORSA were conducted, indicating that the consolidated capital of the Solo PCC provides sufficient SCR cover for all tested scenarios during the forecast planning period in the event of deterioration in counterparty credit ratings.

The Group's credit risk was not specifically stress tested.

C.4 Liquidity Risk

The PCC's Solo and Group exposure to liquidity risk arises from the possibility that sufficient cash may not be readily available to pay obligations when due, at a reasonable cost. This risk is not significant for either Group or Solo, given the liquidity profile of their financial assets and the short-term nature of liabilities. The investment risk appetite of each Cell also mitigates this risk by assessing both the credit risk profile of counterparties alongside the liquidity profile of the instruments held or deposits placed with counterparties. All investments are strictly held in high-quality liquid instruments, aside from parental loan arrangements.

C.5 Operational Risk

Assessment of exposures

Outsourcing is considered the main risk within the systems and operational category because both the Core and individual Cells rely on it heavily.

Outsourcing to Agents outside Malta: Key functions such as underwriting, distribution, and claim handling services are extensively outsourced to various third parties in France, Belgium, UK, Germany, Portugal, and Spain. Material outsourcing risks include execution, delivery and process management, in particular poor controls around underwriting and claim handling processes, poor service standards, deliberate mis-selling and acting outside authority levels. Outsourcing risk also includes credit risk (for premium balances), reputation and fraud risk, cyber/data security risk, IT network resilience risk, business continuity planning risk, data storage risk, compliance risk, data protection risk, and the risk of financial failure or insolvency of a material outsourcing provider, resulting in step-in risk.

Outsourcing of Malta operations. The PCC outsources its day-to-day management in Malta to Artex Risk Solutions (Malta) Limited and AIHL outsources its management to Artex Corporate Services (Malta) Limited. Both companies are part of the Arthur J. Gallagher Group. The Risk Management is outsourced to ARQ Risk and Compliance Ltd, part of the ARQ Group. It outsources the Actuarial Function to BWCI (Guernsey) and the Internal Audit function to RSM (Malta). Risks include inadequate internal controls including compliance and accounting systems leading to greater fraud; operational risks leading to failure to provide timely and accurate financial and other reports to management, or to submit timely and accurate regulatory returns, cyber risk and, the risk of inadequate staff and resources.

The PCC and AIHL have a relatively high tolerance level for outsourcing risk because it would not be possible to operate without it due to the need for local (risk territory) access mechanisms, local cultural, legal and technical knowledge, language skills, and market connections. However, the Board remains conscious at all times of their own duty to manage and control outsourcing risk and to ultimately retain full responsibility for the outsourced functions.

Risk mitigations: Key controls are stringent pre-engagement checks on individuals and operations, written contract terms and detailed service level agreements, regular interactions with Third Party Service Providers (TPSPs) via committee and operational meetings, and other communications including regular detailed reports. Potential exit plans are also considered where material outsourcing arrangements are put in place.

A key risk control comprises regular onsite visits to key outsourced function holders and agents. The Company aims to carry out on-site audits of every key service provider at least biennially by either PCC directors, insurance managers, Internal Auditors, or other representatives. Credit risk controls include the maintenance of premium accounts under trust conditions.

Key controls of the systems and operational risks related to Maltese based operations, include employment of a professional insurance management company, regular interaction between Insurance Managers and Directors, regular onsite visits and meetings, and internal audits.

Key personnel risk: This exists with outsourced operations, in poor recruitment practices, failure to develop, train, manage and retain personnel, leading to operational and service problems. The recruitment and training practices of outsourced agents are the subject of questionnaires and self-certifications, and onsite visit discussions.

This risk also exists at the PCC's Board, particularly since the retirement of the executive director of the PCC at the end of 2023. The risk is mitigated by the engagement of experienced professional directors and Insurance Managers, and the support of both the Advent Group's international and of the wider Artex networks, and appointed professional service providers for other key functions. The oversight of specific outsourced activities is allocated to individual Board members to oversee and report back to the wider Board members where escalation is required.

Fraud risk: The risk of losses due to acts of fraud, misappropriation of property or circumventing regulations by internal parties exists in all organisations to some extent. In addition, the related risk of losses due to acts of a type intended to defraud the company involving external parties can occur in the context of granting insurance products as a result of fraudulent information, or via attacks to fraudulently extract company assets. The risk of fraud is closely monitored by all stakeholders of the PCC and limited by ensuring all material assets of the PCC are appropriately governed with suitable security controls and/or restrictions, such as dual control requirements.

The risk of external fraud occurring with regards to individual policy underwriting is mitigated by the exemptions and limitations within policy conditions and the granularity of each of the Cells insurance portfolios, limiting this risk to a low value.

Operational Resilience / Continuity risk: The risk of unexpected disruption in systems or service failures that would lead to the triggering of a business continuity plan can lead to the unavailability of systems and processes, as well as human capital for the PCC, for potentially an extended period of time. The PCC ensures it is prepared for such events by creating and updating its business continuity plans, that help prepare contingency arrangements in the event of a material disruption. This involves overseeing the business continuity plans of outsourced providers and agents providing critical services for the PCC and individual Cells.

Risk sensitivity for operational risks

The main financial impact to the PCC and Cells from outsourcing risk is aligned with underwriting and claim results which would be impacted by poor product design, inadequate underwriting criteria and pricing, and inappropriate reserving practices. It is therefore considered to be captured within the underwriting risk sensitivity tests.

Future credit risk related to insurance intermediaries has been specifically tested and has not raised any significant cause for concern.

Outsourcing risk, as it relates to the Group, is considered in the ORSA in the form of potential failures of data protection between the PCC and outsourcing providers and has been specifically stress tested.

C.6 Other material risks

This is defined as the failure to comply with regulatory laws and rules applicable to insurance companies and PCCs in Malta and at EU level, particularly relating to solvency requirements and technical provision calculations. It also includes failure by intermediaries to comply with their home state regulations, particularly conduct rules and GDPR. These risks are considered material for both Core and Cells because of the reputational impact of regulatory sanction on the business and on intermediaries.

The risk is managed and mitigated by stringent focus on and commitment to regulatory solvency and other compliance, the employment of professional managers, Compliance Function, Risk Management Function, Internal Audit Function, and Actuarial Function supported by qualified actuary. The intermediary risk is managed and mitigated by regular interaction with the intermediaries, monitoring of complaints from customers, monitoring of regulatory and business websites, onsite visits, questionnaires, oversight requests, and self-declaration of compliance.

Environmental, Social and Governance ("ESG") risks cover the risk that those charged with governance or key functions do not have the skills, capacity and experience to perform the role, risk of changing climate risks potentially adversely impacting future product claim rates through either transitional or physical risks, or the risk that the governance culture is misguided in relation to the businesses values, that leads to adverse social impacts to clients, communities and stakeholders, where the PCC operates. These associated risks are mitigated by ensuring a culture of compliance and good-governance practices, embedded through the policies and committee structures of the PCC.

The compliance and governance risks have not been specifically stress tested. The failure of governance arrangements to adequately prevent regulatory breaches is embedded in a range of stress scenarios and all stress tests contemplate a key risk of failing to meet solvency capital requirements in normal and stressed conditions. Otherwise, the risk is considered covered within the base SCR.

Compliance and regulatory risks are not considered material for AIHL as it acts solely as a holding company and does not engage in regulated activities.

C.7 Any other information

PCC Strategy Risk

This is defined as inadequate, inappropriate, misaligned, or unrealistic strategic objectives for the PCC, leading to i) poor Core portfolio selection, poor performance and loss of capital, and ii) poor Cell acceptance criteria leading to risk of exposure to financial loss/capital shortfall within Cells.

These risks are considered material for the Core because the PCC could suffer critical financial, regulatory and reputational consequences should either of these scenarios materialise.

However, the probability is considered low in both cases. The risk is managed by i) having a well-defined risk acceptance policy for both Core and Cells, ii) by carrying out stringent due diligence on Cell & Core portfolio proposers to ensure that they demonstrate good track records and performance history, and meet high standards of professional integrity, ability, industry reputation, product knowledge and compliance.

The risk is further mitigated by the requirement for each Cell to meet and exceed its own solvency requirement in normal circumstances, with capital plans and contractual arrangements in place to respond to stressed circumstances.

The PCC's strategic risk can also become elevated as part of any strategic review undertaken by the shareholders to attract new investment or divest its existing ownership to third-party investors. Such risks can be managed effectively through a market standard M&A process and would be carefully conducted to ensure business-as-usual operations were not disrupted as a result.

Risk sensitivities are tested by individual stress tests as discussed elsewhere in this report. The Core's sensitivity to Cell performance is also tested by the Cell stress tests and by the tests carried out for the Core's own risk profile.

PCC Structural Risk

The PCC structural risk is relevant to each Cell and the Core. It is defined as the impact of problems in or failure by the Core caused by Core underwriting, or by failure of another Cell. This risk is considered of low probability, mitigated by the risk management and controls discussed elsewhere in this report, the Solvency II assessed capital required by each Cell appropriate to its own risk profile, and the surplus carried by the Core. Cells are legally protected (segregated) from the liabilities of other Cells and from the Core. Therefore, the most serious financial impact for a Cell is considered to be the financial cost associated with moving the Cell to another PCC structure. This cost is assessed as similar to the cost of initial Cell establishment. It was concluded that the existing capital buffer currently carried by each Cell would be sufficient to meet this cost.

PCC Reputational Risk

The PCC reputation risk is relevant to each Cell and the Core. This is defined as the impact on a Cell, or the Core, of reputational damage caused by association with other Cells or the Core. This risk is considered relatively low in probability and impact, due to the commoditised nature of the PCC's insurance products, and the risk mitigations discussed elsewhere within this report. It was concluded that the existing capital buffers carried by each Cell, and the Core, were sufficient to cater for this risk.

External Risk Factors

The risks arising from external factors are considered under three outcome scenarios:

a) a reduction in Cell facility take-up or take up of Cell or Core insurance products. This considers scenarios which, alone, would not lead to a deterioration of solvency vis-à-vis risk.
b) poorer underwriting results or investment returns. This envisages scenarios where higher claim levels arise from economic deterioration, including moral hazard risk, where direct claims arise out of extraordinary events such as pandemics, or where investment income is impacted by these events.
c) a combination of a) and b)

Economic Deterioration

Economic recession and depression could arise from cyclical or unforeseen forces, or the impact of global pandemics, climate change, geopolitical unrest and war risks, and other external risks, such as market events or competitive market forces, as discussed below. The PCC could also suffer a deterioration in premium income and/or a rise in the rate of claims from moral hazard (c above).

Climate Change

Climate Change and Environmental related risk has the potential to materially impact the business environment in which we all operate, both in terms of physical risk impacts (such as extreme weather events impacting insured activities) or transitional events (such as changes in legislation that negatively impacts insured activities). The travel cancellation portfolio could face longer term impact if travel becomes socially unacceptable for example (a above), or legislation to reduce carbon emissions from travel makes travel less accessible , or if its claims rate was impacted by flooding or other environmental events (b above). However, generally speaking, standard stress tests of increased claims and reduced income apply.

The impact of climate change on investment, market and credit risk arising from exposure to industries more directly impacted is also envisaged in standard scenario testing asset value reductions, or lower credit ratings. Otherwise, we do not believe the risk is reasonably quantifiable at this point for the PCC given the short-dated nature of insurance products provided across the PCC, and it has not been specifically stress-tested.

Cyber Risk

Cyber risk is primarily linked to outsourcing risk, as the intermediaries hold the data. Advent does not systematically receive, process or hold direct customer or other data, except incidental data received indirectly as part of management information. In addition, cyber risks that may impact the infrastructure and/or assets of the PCC may occur if their functionality or availability became impaired as a result. Cyber security incidents could lead to fines, reputational damage, and lost income generally (a above).

The cyber security of agents is investigated as part of onboarding; it is also monitored via the Insurance Distribution Directive questionnaire and a specialist IT security questionnaire complied with the assistance of IT specialists, which are required to be completed by all agents. These gather information on, inter-alia, agents' systems back-up, firewalling and access controls. Cyber risk is now receiving more focussed attention as the number of cyber related events increases. Specialised desktop, online or onsite audits are planned to provide further assurances.

The PCC will be in scope of the Digital Operational Resilience Act ('DORA') that comes into force in early 2025 and will be required to undertake readiness assessments as preparation for the implementation of the act, which increases the level of oversight requirements for the PCC on cyber security matters, particularly in the area of outsourcing risk. The risk has not been specifically stress-tested other than scenarios that involve data protection breaches, but is scheduled for inclusion in the 2024 scenarios as part of DORA readiness planning.

Regulatory or legal changes

Events such as Brexit, which would fundamentally change the PCC's access into certain markets, could lead to a reduction in Cell take-up or closure of existing Cells, and as such are a risk for Cells individually, and the PCC as a whole (a above). Brexit ended the PCC's ability to passport into the UK market and has lead to the imminent closure of one Cell. However, generally they may also bring opportunities, such as a UK based insurer having to transfer its EU portfolio into an EU insurer, post Brexit. The PCC was the recipient of such a transfer during 2022, thereby mitigating the loss of its UK business. This risk is monitored by regular scanning of the regulatory, legal and political horizons, and being ready for change.

Pandemics

The impact of Covid-19 pandemic has been well evaluated in earlier iterations of this report. Each future pandemic situation would be considered in its specific context, but lessons learned from Covid include the need for careful ongoing monitoring of global pandemic situations, robust business continuity plans, regular communications and updates, robust remote communication mechanisms, preservation of resources, and management rapid response. Indeed, the experience of the PCC has been that its constituent parts responded well to, and withstood, the challenges of Covid-19.

However, should another pandemic arise in the short to medium term, the economic and other fallout could impact the business more directly by increased claims, for example in the medical expenses or the personal accident and sickness portfolio, in addition to a repetition of the loss of premium income to the travel cancellation portfolios. These impacts are envisaged within the standard tests on increased claims experience and reduced income.

Geopolitical Unrest & War Risks

The economic and other fall out from regional geopolitical unrest and war risks could impact all parts of the PCC, for example if the Russia/Ukraine or Middle East conflict situations continue and/or deteriorate. Although geopolitical unrest and war is a standard exclusion on policies, there could be a direct impact on, for example, the premium income of the travel business, (a above). This risk is envisaged within the standard stress tests.

Inflation, including social inflation risk

Governmental responses to the pandemic, which increased the money supply, and supply chain related consequences have contributed to rising prices, which may have an impact on future claims costs, whereas compensating premium increases could lag behind. The result could be a negative net impact on the PCC. Its impact is envisaged in the standard stress tests on increased rates of claims (b above).

Risk sensitivity

The risks of lower premium income and higher insurance claims than expected are among the standard stress tests carried out for the Core and all Cells. Results of the 2023 ORSA indicate that the Core, Cells, and the consolidated PCC, would continue to meet their capital requirements under stressed scenarios.

D. Valuation for Solvency Purposes

D.1 Assets

Assets – Solo

The table below provides a summary of the assets of the core and cells combined as at 31 December 2023.

PCC SOLO Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Assets	IFRS *	Solvency II adjustment	Solvency II value	Solvency II value
	€	€	€	€
Intangible assets	430,970	(430,970)	-	-
Deferred tax asset	136,594	18,621	155,215	166,300
Investments (other than assets held for index-linked and unit-linked contracts)				
Equities				
Equities - listed	376,472	-	376,472	360,508
Equities - unlisted	57,816	-	57,816	-
Bonds				
- Corporate Bonds	3,087,899	34,101	3,122,000	867,875
- Government Bonds	-	-	-	153,275
Collective Investments Undertakings	252,753	-	252,753	64,940
Deposits other than cash equivalents	2,705,035	37,035	2,742,070	2,270,375
Loans and mortgages				
Other loans and mortgages	11,548,796	361,679	11,910,475	8,940,236
Reinsurance recoverables from:				
Health similar to non-life	-	338	338	339
Insurance and intermediaries receivables	-	4,082,811	4,082,811	6,161,677
Receivables (trade, not insurance)	1,112,660	(440,677)	671,983	573,516
Cash and cash equivalents	31,523,105	8,062	31,531,167	33,308,310
	51,232,100	**3,670,999**	**54,903,099**	**52,867,351**

**The IFRS figures are excluding the results of a cell that during 2023, surrendered its insurance licence to the Authority. The cell is not required to carry out SCR calculation and/or submit any Solvency II regulatory reports, and hence the Solvency II results in the above table do not include the cell.*

Assets – Group

The table below provides a summary of the assets of the Group as at 31 December 2023.

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Group Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Assets	IFRS	Solvency II adjustment	Solvency II value	Solvency II value
	€	€	€	€
Deferred tax asset	107,100	(46,353)	60,747	341,017
Investments (other than assets held for index-linked and unit-linked contracts)				
Bonds				
- Corporate Bonds	3,087,899	34,101	3,122,000	-
Collective Investments Undertakings	171,351	-	171,351	-
Loans and mortgages				
Other loans and mortgages	3,232,466	-	3,232,466	3,199,386
Insurance and intermediaries receivables		79,599	79,599	78,593
Receivables (trade, not insurance)	1,410,563	(34,101)	1,376,462	1,290,128
Cash and cash equivalents	983,464	-	983,464	4,273,132
	8,992,843	**33,246**	**9,026,089**	**9,182,256**

As of 1 January 2023, the Company adopted IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. IFRS 17 has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated the 2022 comparative amounts and presented a third statement of financial position as at 1 January 2022 in the financial statements. The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts.

The valuation principles applied to these assets are consistent with those used in the Statutory accounts (IFRS), with any differences in valuation set out below:

a. Intangible assets

For the Solvency II balance sheet the intangible asset values recognised under IFRS are removed. Included in the intangible assets is computer software. The Solvency II regulation also requires that any intangible asset other than goodwill must carry a value equal to its resale value. The Company does not consider any resale value for its computer software.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The difference between the Deferred Tax Asset in the statutory accounts and that in the SII balance sheet is generated by the impact on reconciliation reserve of the SII adjustments. A deferred tax asset in the Group Solvency II Balance sheet arises upon consolidation due to future tax refunds

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receivable by Advent International Holdings Limited from profits distributed by the Core /and from valuation differences between the IFRS Balance sheet and the Solvency II Balance sheet.

c. Equities

The listed Equities are managed under discretionary portfolio agreements with investment managers, while the unlisted Equities are held with one of the cell's fund portfolios. The equities are accounted for at market value as at balance sheet date.

d. Bonds

Fixed income securities are reported in the IFRS balance sheet at fair value through profit and loss. For the purpose of Solvency II balance sheet valuation accrued income has been added to such fair value. This, together with the "look through" procedure to identify bonds within funds, accounts for the increase in Solvency II balance sheet values.

e. Collective Investment Undertakings

Collective investment undertakings (funds) are reported in the IFRS balance sheet at fair value through profit and loss. Solvency II regulations allow for a "look through" procedure where the funds' securities are identified and reclassified according to their nature and valued accordingly.

f. Deposits other than cash equivalents

The deposits other than cash equivalents include certificate of deposits which are do not form part of the cash and cash equivalents. The Solvency II value includes the accrued interest on such certificate of deposits.

g. Other loans and mortgages

Loans and mortgages are carried at amortised cost using the effective interest method, less any provision for impairment. The fair value of loans and receivables are deemed to be a Level 2 measurement. Loans are group loans to cell or core shareholders or other companies of the core or cell's own group. Due to the short-term nature of these instruments, the fair value approximates the amortised cost hence there were no material differences in valuation between IFRS and SII bases.

The PCC does not hold any mortgage exposures.

h. Insurance and intermediaries receivables

The insurance and intermediaries receivables represent amounts due from policyholders and intermediaries. These amounts are collected and remitted to the cells by related entities on a monthly basis. Following the adoption of IFRS 17, the amounts due (€5,881,179) from the policyholders and intermediaries are being accounted for as part of either the Liability for Remaining Coverage ('LRC') and/or Liability for Incurred Claims ('LIC').

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On a Solvency II basis only unpaid premiums which were technically due for payment at the valuation date are treated as premiums receivable on the Solvency II balance sheet. Any unpaid premiums which are not yet technically due are not treated as premiums receivable but are recognised within the Solvency II premium best estimate calculation as a reduction of amounts due to policyholders.

These different treatments account for the material difference between direct insurance receivables on IFRS and Solvency II bases. In the Group table these items represent insurance recoveries from defaulting tenants under the core's lost of rent portfolio and the different treatment of these items under the two bases.

i. Receivables (trade, not insurance)

These trade receivables, will include amounts due to the PCC which are not insurance related, e.g. fee, accrued interest, etc. Under Solvency II the accrued interest is accounted for in the investments section and are therefore deducted from the receivables (trade, not insurance) amount and added to the market value of the investments.

j. Cash and cash equivalents

Cash at bank comprise call deposits with maturities of three months or less and are carried at face value.

D.2 Technical Provisions

The Solvency II technical provisions comprise the best estimate of liabilities and risk margin according to articles 75 to 86 of the Solvency II Directive. The best estimate liability reflects a realistic estimate of future claims attributable to bound insurance contracts and contracts close to being bound, regardless of whether the contracts cover expired or unexpired periods. The estimates are based on past experience with adjustments for expected deviations in the future.

Whilst the reserving methodology applied under Solvency II is also adopted under IFRS 17, the following are the main variances between two frameworks to derive the best estimate of future cashflows in relation to the technical provisions:

- **Discounting** – under IFRS 17 the technical provisions are discounted at rates which allow for the illiquidity premium on top of the risk free rates. The cashflows under Solvency II are discounted at the risk-free rates.
- **Expenses** - an element of future expense to service the claims was factored in the IFRS 17 calculation based on the classification of the directly attributable expenses.
- **Risk adjustment** - The risk margin under Solvency II uses a Cost of Capital approach. The Board of the PCC had decided to use the same principle for the IFRS 17 risk adjustment.

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The technical provisions for the year ended 31 December 2023 are set out in the following tables, on both Solvency II and Statutory bases, for PCC Solo and Group:

Solo Technical Provisions

PCC SOLO Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Liabilities	**IFRS ***	**Solvency II adjustment**	**Solvency II value**	**Solvency II value**
	€	**€**	**€**	**€**
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	381,575	2,358,175	2,739,750	2,313,911
Technical provisions calculated as a whole				
- Best Estimate		2,512,316	2,512,316	1,943,824
Fire and Other Damage to Property		*106,222*	*106,222*	*25,771*
Miscellaneous Financial Loss		*2,406,093*	*2,406,093*	*1,918,053*
- Risk margin		227,434	227,434	370,087
Technical provisions - health (similar to non-life)	2,990,357	2,649,531	2,649,531	3,660,499
Technical provisions calculated as a whole				
- Best Estimate		2,520,703	2,520,703	3,495,247
Medical Expense		*20,882*	*20,882*	*17,990*
Income Protection		*2,499,821*	*2,499,821*	*3,477,257*
- Risk margin		128,828	128,828	165,252
Other technical provisions	600,968	(600,968)	-	-
Provisions other than technical provisions	345,355	(137,500)	207,855	166,314
Deferred tax liability	-	253,607	253,607	286,593
Reinsurance payables	-	2,496	2,496	3,166
Payables (trade, not insurance)	17,549,264	541,203	18,090,467	10,512,254
Any other liabilities, not elsewhere shown	-	-	-	5,637
	21,867,519	**2,076,187**	**23,943,706**	**16,948,374**

**The IFRS figures are excluding the results of a cell that during 2023, surrendered its insurance licence to the Authority. The cell is not required to carry out SCR calculation and/or submit any Solvency II regulatory reports, and hence the Solvency II results in the above table do not include the cell.*

Group Technical Provisions

GROUP Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Liabilities	**IFRS**	**Solvency II adjustment**	**Solvency II value**	**Solvency II value**
	€	**€**	**€**	**€**
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	19,943	93,437	113,380	121,046
Technical provisions calculated as a whole				
- Best Estimate		106,222	106,222	113,927
Fire and Other Damage		106,222	106,222	113,927
- Risk margin		7,158	7,158	7,119
Other technical provisions	345,355	-	345,355	166,314
Financial liabilities other than debts owed to credit institutions	558,501	-	558,501	550,622
Payables (trade, not insurance)	256,680	(7,175)	249,505	261,222
	1,180,479	**199,642**	**1,380,121**	**1,220,250**

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Assumptions and methods

The main assumptions in the reserving exercise relate to the evaluation of the underlying insured risks and events, with reference to historic data where available, by the estimation of expected average cost per claim, the likely future number of claims, and any inflationary trends. The inherent uncertainty in insurance claims makes it unlikely that historical data will be wholly predictive of the actual ultimate development of claims. The process of establishing realistic technical provisions requires a substantial measure of judgement. Actuarial methodology is used to develop triangulations to assist in calculating these provisions.

The risk margin is added to the best estimate liability. This additional margin is calculated in accordance with Article 37 of the Commission Delegated Regulation (EU) 2015/35 to ensure that the technical provisions as a whole are equivalent to the amount that an insurance undertaking is likely to require to take over the insurance obligations.

The key areas of uncertainty around technical provisions are as follows:

i. Estimation of outstanding loss reserves ("OSLR"). Although these are reported claims, assessing the settlement cost is subject to some uncertainty.
ii. Estimation of losses which have been incurred but not yet reported ("IBNR"). This is generally subject to a greater degree of uncertainty than estimating the OSLR since the detail of individual claims is not yet known. In general the IBNR is estimated by projecting 'best estimate' ultimate loss ratios using a combination of past experience and judgement, with actuarial input as needed, and calculating the difference between that ultimate figure, and reported losses. The technical provisions are discounted for timing of claim payments using the risk free rate with no volatility adjustment produced by EIOPA.
iii. Incurred but not enough reported ("IBNER"). This allows for under-reporting of the quantum of known loss events.
iv. Estimation of claims arising in future periods ("unexpired risks"): This is uncertain as the losses have not yet been incurred.
v. Market environment changes: These increase the inherent uncertainty affecting the business, in particular, claims inflation.
vi. Events not in data ('ENID loading'): This is subject to considerable uncertainty as such events are not seen in the observable historical loss data. It also includes a loading for Binary events, loss-generating events with low frequency and high severity impact.

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vii. Run-off expenses: The estimation of these is inherently uncertain due the need to estimate the run-off period, base costs and inflation.

viii. Risk margin: this is the margin which is assumed would be payable to transfer the business to another insurance carrier. It is uncertain due to the requirement to forecast future solvency capital requirements over the run-off period.

The PCC manages these uncertainties by:

ix. Ongoing monitoring of claim events

x. Regular reviews of claims handling functions and reserving methodologies.

xi. Internal controls through the Board and Actuarial Function which monitor claims development.

xii. Specialist Solvency II software

xiii. Regular external actuarial reviews.

There was no application of matching adjustment, volatility adjustment, transitional risk free market interest rate and transitional deductions.

D.3 Other Liabilities

The other liabilities of PCC (separate for both Solo and Group) at 31st December 2023, on both Solvency II and IFRS basis, are shown below:

PCC SOLO Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Liabilities - Other	**IFRS ***	**Solvency II adjustment**	**Solvency II value**	**Solvency II value**
	€	**€**	**€**	**€**
Provisions other than technical provisions	345,355	(137,500)	207,855	166,314
Deferred tax liability	-	253,607	253,607	286,593
Reinsurance payables	-	2,496	2,496	3,166
Payables (trade, not insurance)	17,549,264	541,203	18,090,467	10,512,254
Any other liabilities, not elsewhere shown	-	-	-	5,637
Total other liabilities	**17,894,619**	**659,806**	**18,554,425**	**10,973,964**

**The IFRS figures are excluding the results of a cell that during 2023, surrendered its insurance licence to the Authority. The cell is not required to carry out SCR calculation and/or submit any Solvency II regulatory reports, and hence the Solvency II results in the above table do not include the cell.*

I. *Provisions other than technical provisions: This relates to a provision for doubtful debt.*

II. *Deferred Tax Liabilities:* This item arises on the Solvency II balance sheet in respect of one cell for which the technical provisions were lower under Solvency II than under IFRS, due to the adjustment between the two bases described above. The cell's SII reconciliation account (profit) was increased, thereby *creating a potential additional tax liability over and above statutory tax liabilities.*

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III. *Payable (trade, not insurance):* These include overheads, administration fees, and intercompany balances, but mostly consist of taxes payable on profits made up to 31st December 2023. Valuation is the same under both bases for PCC Solo and Group.

GROUP Balance Sheet Assets - Solvency II vs IFRS	2023			2022
Liabilities - other	IFRS	Solvency II adjustment	Solvency II value	Solvency II value
	€	€	€	€
Other technical provisions	345,355	-	345,355	166,314
Financial liabilities other than debts owed to credit institutions	558,501	-	558,501	550,622
Payables (trade, not insurance)	256,680	(7,175)	249,505	261,222
Total other liabilities	**1,160,536**	**(7,175)**	**1,153,361**	**978,158**

For the Group other liabilities, there were no material Solvency II adjustments on the IFRS figures.

D.4 Alternative methods for valuation

The Company does not utilise any alternative methods of valuation.

D.5 Any other information

There are no further disclosures.

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E. Capital Management

E.1 Own Funds

Own funds of the PCC and its constituent parts are managed as part of the financial and solvency management processes which are a focal point at every quarterly Board meeting and quarterly Cell committee meeting.

As part of own fund management, and within its ORSA process during which risk and capital management functions interact, the PCC prepares annual solvency projections with three-year time horizons. As part of this process it reviews the structure of own funds to ensure that they will be both sufficient, and of the appropriate quality to satisfy future requirements.

The PCC is required to hold regulatory capital for its general insurance business in compliance with the Insurance rules issued by the Malta Financial Services Authority ("MFSA") which are founded on the EU wide Solvency II regime.

The minimum capital requirement have been maintained at all times throughout the period. The PCC monitors its capital level on a regular basis. The PCC's minimum capital requirement absolute floor stands at €4,000,000 in line with Chapter 5 of Malta's Insurance Rules. At a minimum, this level of capital must be, and is, covered by eligible own funds in the Core at all times. Furthermore, the Cells are individually required by their licensing conditions to meet their own solvency, as determined by their own risk profiles. However, in circumstances where an individual Cell has not met its solvency requirements with Cellular own funds, the shortfall is covered by the Core surplus.

In terms of Legal Notice 412 of 2007 of the Companies Act (Cell Companies carrying on business of insurance), where any liability arises which is attributable to a particular Cell:

a. the Cellular assets attributable to that Cell shall be primarily used to satisfy the liability;
b. the PCC's Core assets shall be secondarily used to satisfy the liability, provided that the Cellular assets attributable to the relevant Cell have been exhausted; and
c. any Cellular assets not attributable to the relevant Cell shall not be used to satisfy the liability.

The PCC has in place the following contractual safeguards, should this scenario arise:

a. if the assets of a given Cell are at any time insufficient to meet any payments, liabilities or obligations due or about to become due by the Cell, the PCC shall notify the Cell owners in writing and the Cell owners shall ensure forthwith that

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the Cell is adequately funded to meet all payments, liabilities or other obligations due or becoming due by the Cell; and

b. in the event that the Cellular assets of the Cell are exhausted, the Cell owner agrees to indemnify the PCC for any assets paid or otherwise transferred to creditors of the Cell.

In order to maintain or adjust the capital structure, the PCC may issue new shares or capitalise contributions received from its shareholders, both ordinary and Cellular.

Own Funds Management Objectives

- To maintain, at all times, sufficient own funds, of the quality required by virtue of Article 82 of the Delegated Regulations, to cover the SCR and MCR of the Core and each Cell within the PCC with a good level of comfort.
- To ensure sufficient capital funding in order that the PCC, including its constituent Cells may continue as a going concern;
- To safeguard policyholder interests arising from the PCC's contractual obligations;
- To provide adequate return for shareholders; and
- To ensure shareholder and other stakeholder interests are safeguarded at all times.

Structure of Own Funds

The PCC & Group classify their Own Funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses. Only the PCC's tier 1 own funds may be used towards meeting the Minimum Capital Requirement.

The PCC Solo Own Funds at 31 December 2023 are made up as follows:

PCC SOLO Own Funds			
	IFRS €	Solvency II Adjustment €	Solvency II Value €
Paid up ordinary shares	9,226,174	-	8,499,120
Capital contribution	3,114,301	-	3,114,301
Retained earnings	17,016,353	(17,016,353)	-
Reconciliation Reserve	-	9,193,533	9,193,533
Other reserves	(355,386)	-	-
	29,001,442	**(7,822,820)**	**20,806,954**

The difference between the IFRS paid up capital amount of €9,226,174 and the Solvency II amount of €8,499,120, which amounts to €727,054, represents the paid up capital amount of a cell which has voluntarily surrendered its insurance licence and is not required to be reported for Solvency II purposes.

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PCC SOLO Own Funds				
	Tier	Solvency II Value 31.12.2023 €	Solvency II Value 31.12.2022 €	Changes €
Paid up ordinary shares	1	8,499,120	10,371,274	(1,872,154)
Capital contribution	1	3,114,301	3,114,301	-
Reconciliation Reserve	1	9,193,533	8,349,282	844,251
		20,806,954	**21,834,857**	**(1,027,903)**

The main difference between the 2023 and 2022 paid up ordinary shares, is due to a cell which was closed during the year and its paid up capital was €1,145,100 and another cell which had voluntarily surrendered its insurance licence and it ot required to report for Solvency II purposes. The paid up capital of this cell amounted to €727,054.

The increase in the reconciliation reserve amount is due to the favourable increase in the excess of assets over liabilities during the year under review.

Ancillary Own Funds

At 31st December 2023, the PCC had issued but unpaid ordinary share capital amounts of €370,000 (Core) and €318,147 (Freedom Health Cell). The PCC Solo ancillary own Funds were therefore €688,147 at 31st December 2023. These were not taken into account for solvency capital purposes.

By comparison PCC Solo Own Funds as at 31st December 2022 were as follows:

PCC SOLO Own Funds			
	IFRS €	Solvency II Adjustment €	Solvency II Value €
Paid up ordinary shares	10,371,274	-	10,371,274
Capital contribution	3,114,301	-	3,114,301
Retained earnings	20,921,274	(20,921,274)	-
Reconciliation Reserve	-	8,349,282	8,349,282
Other reserves	(375,963)	-	
	34,030,886	**(12,571,992)**	**21,834,857**

Note: the IFRS retained earnings had to be reinstated following the adoption of IFRS 17 during 2023, which also covered the prior year figures. The retained earnings as at 31 December 2022, as reported in last year's SFCR amounted to €21,337,162. The overall net impact on the retained earnings of the PCC following the adoption of IFRS 17 was a decrease of €415,888.

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Group Own Funds at 31st December 2023 were made up as follows:

	IFRS €	Solvency II Adjustment €	Solvency II Value €
Paid up ordinary shares	4,842,344	-	4,842,344
Retained earnings	2,909,273	(2,909,273)	-
An amount equal to the value of net DTA	60,747	-	60,747
Deductions*	-	(17,781)	(17,781)
Reconciliation Reserve	-	2,856,257	2,856,257
	7,812,364	**(70,797)**	**7,741,567**

** This deduction in own funds relates to solvency deficiency in a third party Cell.*

Comparative Group Own Funds at 31st December 2022 were made up as follows:

	IFRS €	Solvency II Adjustment €	Solvency II Value €
Paid up ordinary shares	4,842,344	-	4,842,344
Retained earnings	2,914,002	(2,914,002)	-
An amount equal to the value of net DTA	341,017	-	341,017
Deductions*	-	(323,124)	(323,124)
Reconciliation Reserve	-	2,899,691	2,899,691
	8,097,363	**(337,435)**	**7,759,928**

** This deduction in own funds relates to solvency deficiency in a third party Cell.*

PCC GROUP Own Funds				
	Tier	**Solvency II Value 31.12.2023 €**	**Solvency II Value 31.12.2022 €**	**Changes €**
Paid up ordinary shares	1	4,842,344	4,842,344	-
An amount equal to the value of net DTA	3	60,747	341,017	(280,270)
Deductions*	1	(17,781)	(323,124)	305,343
Reconciliation Reserve	1	2,856,257	2,899,691	(43,434)
		7,741,567	**7,759,928**	**(18,361)**

These funds are fully available within the Group to cover its SCR. There are no known restrictions to the fungibility and transferability of such own funds to cover the Group's SCR.

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E.2 SCR and MCR

Solvency Capital Requirement – PCC Solo

The SCR of the PCC Solo at as 31st December 2023 was €16,293,876 (2022 - €17,747,109) as broken down in the table below. Own funds available to cover the SCR were €30,959,393 (2022 - €35,918,977) restricted to €20,806,954 (2022 - €21,834,857) due to adjustment for restricted own fund items in respect of ring-fenced funds (RFF).

The ratio of eligible Own Funds to SCR was 128%, which was slightly higher than last year's ratio of 123%.

The basic solvency capital requirement as at 31 December 2023 stood at €18,940,383, which was in line with last year's requirement of €18,576,932, although there had been a number of changes within the components of the basic solvency capital requirement. The overall decrease in the SCR was mainly due to higher loss-absorbing capacity of deferred taxes.

PCC Solo – Net Solvency Capital requirement at 31st December 2023, with comparative figures for 2022

	Consolidated		Note
	2023 €	2022 €	
Market risk	8,921,316	6,786,326	a.
Counterparty default risk	3,337,142	5,815,851	b.
Health underwriting risk	3,105,603	3,402,733	c.
Non-life underwriting risk	11,581,655	10,681,823	
Diversification	(8,005,333)	(8,109,801)	
Basic Solvency Capital Requirement	**18,940,383**	**18,576,932**	
Calculation of Solvency Capital Requirement			
Adjustment due to RFF/MAP nSCR aggregation	2,165,421	2,466,402	
Operational risk	772,144	895,696	
Loss-absorbing capacity of deferred taxes	(5,584,072)	(4,191,921)	d.
Solvency Capital Requirement excluding capital add-on	**16,293,876**	**17,747,109**	e.

Explanatory notes on the components of Solvency Capital Requirements

a. **Market Risk** - the PCC is exposed to market risks derived predominately from the assets held by them to meet their insurance liabilities, although exposures to shocks in interest rates and currency rates also consider the exposure from underwriting risks. The PCC Solo market risk increased in 2023 over 2022 mainly due to higher amounts being loaned to intra-group companies and more assets exposed to market risk following the setting up of another managed investment portfolio.

b. **Counterparty Risk** - the PCC is exposed to counterparty risks in the form of cash deposits (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2). The reduction in 2023 is mainly due to a reduction the settlement of overdue intermediaries balance during 2023 and further diversification following the transfer of cash at bank to a newly set up managed investment portfolio.

c. **Health & Non-life Underwriting Risks** - the PCC is exposed to non-life and health underwriting risk arising from the insurance policies the PCC and its Cells sell. The risk is that premium and reserves will not be sufficient to pay ultimate claims, including from catastrophic events. While the health underwriting risk decreased slightly when compared to 2022, the non-life underwriting risks the capital charges increased due to an increase in premium written.

d. **Loss-absorbing capacity of deferred taxes** (LACDT) – the LACDT adjustment increased on last year's amount, due to higher projected profits in the next 36 months of one particular Cell.

e. The final **Solvency Capital Requirement** of the PCC is the aggregations of their BasicSCR – including market, counterparty and non-life underwriting risks plus a diversification benefit, together with an operational risk charge.

Solvency Capital Requirement – PCC Group

The SCR of the PCC Group at as 31st December 2023 was €2,369,010 (2022 - €2,410,781), in view that the SCR was less than the Minimum Capital Requirement (MCR) than the MCR was applicable which was €4,000,000 (2022 - €4,000,000).

Available Own Funds eligible to cover the SCR were €7,741,567 resulting in a Group ratio of eligible Own Funds to SCR of 194%. In 2022 the Group's eligible Own Funds amounted to €7,759,928 providing a ratio of 194% in that year.

PCC Group – Net Solvency Capital requirement at 31st December 2023, with comparative figures for 2022

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	Group		Note
	2023	**2022**	
	€	**€**	
Market risk	2,325,281	2,302,738	a.
Counterparty default risk	85,446	283,009	b.
Health underwriting risk	-	-	c.
Non-life underwriting risk	63,687	58,191	
Diversification	(108,591)	(236,575)	
Basic Solvency Capital Requirement	**2,365,823**	**2,407,363**	
Calculation of Solvency Capital Requirement			
Adjustment due to RFF/MAP nSCR aggregation	-	-	
Operational risk	3,187	3,418	
Loss-absorbing capacity of deferred taxes	-	-	
Solvency Capital Requirement excluding capital add-on	**2,369,010**	**2,410,781**	d.

Explanatory notes on the components of Solvency Capital Requirements

a. **Market Risk** - the Group is exposed to market risks derived predominately from the assets held by them to meet their insurance liabilities, although exposures to shocks in interest rates and currency rates also consider the exposure from underwriting risks. This risk component remained at the same level of last year.

b. **Counterparty Risk** - the Group is exposed to counterparty risks in the form of cash deposits (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2). The reduction in 2023 is due to the Core setting up of a management investment portfolio and the bank balance reduced when compared to the prior year balances.

c. **Health & Non-life Underwriting Risks** - the Group is exposed to non-life underwriting risk arising from the insurance policies the PCC sells through its Core. The risk is that premium and reserves will not be sufficient to pay ultimate claims, including from catastrophic events. For the non-life underwriting risks the capital charges decreased as a result of the Core business being in run-off.

d. The final **Solvency Capital Requirement** of the Group is the aggregations of their BasicSCR – including market, counterparty and non-life underwriting risks plus a diversification benefit, together with an operational risk charge.

Loss Absorbing Capacity of Deferred Taxes ("LACDT")

The Loss absorbing capacity of deferred tax ("LACDT") is a risk mitigating element in the calculation of the Solvency Capital Requirement ("SCR") for Advent Insurance PCC Limited. In fact, the Solvency II provisions allow for a reduction in capital in respect of LACDT. The rationale is that a future loss in profits resulting from a 1-in-200-year event would also result in a reduction in associated tax

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liabilities, thus reducing the negative impact on the company's own funds. Capital requirements may also be reduced accordingly.

The maximum LACDT allowable is 35% (being the applicable tax rate) of the entity's Basic Solvency Capital Requirement (BSCR) and Operational Risk capital requirement. The actual LACDT taken is determined by an assessment of the expected tax over a three-year horizon.

The finance function is responsible for selecting and assessing the methods and assumptions used to demonstrate the amount and recoverability of the LACDT. On an annual basis, the actuarial function and the risk management function are jointly responsible to assess and validate the underlying assumptions used for the projection of Advent's future taxable profits for the purposes of Articles 15 and 207 of the Commission Delegated Regulation (EU) 2015/35, including an explanation of any concerns about those assumptions. The outcome of the assessment is then reported to the Board.

Profit projections are based on realistic business expectations and loss ratios which are in line with historic data, adjusted where necessary for any change in risk exposure.

PCC Solo LACDT

Maximum permissible LACDT is calculated on a Cellular basis at 35% of the Cell's Base Solvency and Operational Solvency Capital requirement, reduced by deferred tax asset brought forward. However, the LACDT adjustment taken must not exceed 35% of the Cell's estimated future profits of up 31st December 2025.

The LACDT adjustment actually taken into account in the calculation of the solvency capital requirement at 31st December 2023 is set out below:

	LACDT adjustment €	Full LACDT €
Absolut Cell	4,177,496	5,639,483
UIB Cell	1,406,576	1,561,791
Consolidated	**5,584,072**	**7,201,274**

Profit projections are based on realistic business expectations and loss ratios which are in line with historic data, adjusted where necessary for any change in risk exposure.

PCC Group Data

No LACDT was taken at Group level.

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Simplified Calculations

The PCC or Group have not utilised simplified calculations in applying the standard model and there has been no use of undertaking specific parameters in the non-life underwriting risk calculations.

Minimum Capital Requirements (MCR) – PCC Solo

The MCR of the PCC Solo as at 31 December 2023 was €4,073,469. Eligible own funds to meet the MCR were €20,806,954, reduced from €30,959,393 to restriction of own fund items in respect of ring fenced funds (RFF). This resulted in a ratio of eligible own funds to MCR of 511%. In 2022 the eligible own funds to meet the €4,436,777 Solo MCR were €21,834,857, reduced from €35,918,877 to restriction of own fund items in respect of ring fenced funds (RFF), resulting in a ratio of eligible own funds to MCR of 492% in that year.

The inputs used to calculate the MCR of the PCC Solo are as follows, with comparative figures shown for 2022.

MCR INPUTS - PCC SOLO	Net Best Estimate Technical Provisions (2023) €'000	Net Best Estimate Technical Provisions (2022) €'000	Net Written Premiums in the last 12 months (2023) €'000	Net Written Premiums in the last 12 months (2022) €'000
Medical expense	21	18	480	423
Income protection	2,500	3,477	8,639	5,720
Fire and other damage to property	5	26	-	14
Miscellaneous financial loss	2,507	1,918	14,914	19,603

	2023 €	2022 €
Linear MCR	3,372	3,714
SCR	16,294	17,747
MCR cap	7,332	7,986
MCR floor	4,073	4,437
Combined MCR	4,073	4,437
Absolute floor of the MCR	4,000	4,000
Minimum Capital Requirement	**4,073**	**4,437**

The linear MCR and SCR have decreased in line with different changes that occurred during 2023 as discussed elsewhere in this report.

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Minimum Consolidated Group SCR – PCC Group

The MCR of the PCC Group at 31 December 2023 was €4,000,000, remaining consistent with the MCR of 2022. The PCC Group's own funds available to meet its MCR were €7,680,820 resulting in a ratio of eligible own funds to MCR of 192%, compared with €7,418,911 and an own funds ratio of 185.4% at 31st December 2022.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company did not use duration based equity risk sub model in the calculation of the SCR.

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

The Company uses the Solvency II Standard Formula to calculate the regulatory capital requirement.

E.5 Non-compliance with the MCR and non-compliance with the SCR

There were no incidences of non-compliance with the MCR and SCR.

E.6 Any other information

There is currently no indication that there will be a significant impact on the company's financial performance, financial position and cash flows, from the ongoing conflicts in Ukraine and in Israel/Palestine. The situation continues to be closely monitored by management to ensure that the interests of all its stakeholders are safeguarded.

Further, there has been no direct impact on the company's financial stability, financial position, investment portfolios and cash flows as a result of the banking crisis which came to the fore in March 2023. The situation continues to be closely monitored by management and ongoing reviews of the investment portfolios of each Cells are being closely tracked.

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F. Quantitative Reporting Templates

Solo QRTs

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	R0030	
Deferred tax assets	R0040	155
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6,551
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	434
Equities - listed	R0110	376
Equities - unlisted	R0120	58
Bonds	R0130	3,122
Government Bonds	R0140	
Corporate Bonds	R0150	3,122
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	253
Derivatives	R0190	
Deposits other than cash equivalents	R0200	2,742
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	11,910
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	11,910
Reinsurance recoverables from:	R0270	0
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	4,083
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	672
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	31,531
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	54,903

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	5,389
Technical provisions – non-life (excluding health)	**R0520**	2,740
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	2,512
Risk margin	**R0550**	227
Technical provisions - health (similar to non-life)	**R0560**	2,650
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	2,521
Risk margin	**R0590**	129
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	208
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	254
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	2
Payables (trade, not insurance)	**R0840**	18,090
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	23,944
Excess of assets over liabilities	**R1000**	30,959

Annex I
S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries: non-life				
			C0011	C0012	C0013	C0014	C0015
	R0010		BE	PT			
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020	8,690,600	14,914,006	480,042			
Gross Written Premium (proportional reinsurance)	R0021						
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030	8,710,784	14,677,066	452,703			
Gross Earned Premium (proportional reinsurance)	R0031						
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040	1,227,827	3,980,020	7,898			
Claims incurred (proportional reinsurance)	R0041						
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050	990,761	1,106,691	365,226			
Gross Expenses Incurred (proportional reinsurance)	R0051						
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

Home country: Life insurance and reinsurance obligations

		Home Country	Top 5 countries: life				
			C0031	C0032	C0033	C0034	C0035
		C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020						
Gross Earned Premium	R1030						
Claims incurred	R1040						
Gross Expenses Incurred	R1050						

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**				Total
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Miscellaneous financial loss	
		C0010	**C0020**	**C0070**	**C0120**	**C0200**
Premiums written						
Gross - Direct Business	**R0110**	480	8,691		14,914	24,085
Gross - Proportional reinsurance accepted	**R0120**					
Gross - Non-proportional reinsurance accepted	**R0130**					
Reinsurers' share	**R0140**		52			52
Net	**R0200**	480	8,639		14,914	24,033
Premiums earned						
Gross - Direct Business	**R0210**	453	8,711		14,677	23,841
Gross - Proportional reinsurance accepted	**R0220**					
Gross - Non-proportional reinsurance accepted	**R0230**					
Reinsurers' share	**R0240**		52			52
Net	**R0300**	453	8,659		14,677	23,789
Claims incurred						
Gross - Direct Business	**R0310**	8	1,228	-1	3,956	5,191
Gross - Proportional reinsurance accepted	**R0320**					
Gross - Non-proportional reinsurance accepted	**R0330**					
Reinsurers' share	**R0340**	1				1
Net	**R0400**	7	1,228	-1	3,956	5,190
Expenses incurred	**R0550**	365	991		1,107	2,463
Balance - other technical expenses/income	**R1200**					1
Total expenses	**R1300**					2,463

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance				
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	Miscellaneous financial loss	Total Non-Life obligation
		C0020	**C0030**	**C0080**	**C0130**	**C0180**
Technical provisions calculated as a whole	**R0010**					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**					
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	**R0060**	18	70		-484	-396
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**					
Net Best Estimate of Premium Provisions	**R0150**	18	70		-484	-396
Claims provisions						
Gross	**R0160**	3	2,430	5	2,991	5,429
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0				0
Net Best Estimate of Claims Provisions	**R0250**	2	2,430	5	2,991	5,428
Total Best estimate - gross	**R0260**	21	2,500	5	2,507	5,033
Total Best estimate - net	**R0270**	21	2,500	5	2,507	5,033
Risk margin	**R0280**	15	114	0	227	356
Technical provisions - total						
Technical provisions - total	**R0320**	36	2,614	6	2,734	5,389
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0				0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	36	2,614	6	2,734	5,389

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year		1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											0
2014	R0160											
2015	R0170		271	194								
2016	R0180	4,348	943	509	271	2	0	-5				
2017	R0190	3,421	1,026	521	227	12	-11	-2				
2018	R0200	3,471	635	301	35	5	-7					
2019	R0210	2,625	1,493	390	146	-7						
2020	R0220	1,572	899	262	8							
2021	R0230	1,814	788	125								
2022	R0240	3,272	2,092									
2023	R0250	2,996										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	0	0
	R0160		
	R0170		465
	R0180		6,068
	R0190	-2	5,193
	R0200	-7	4,439
	R0210	-7	4,647
	R0220	8	2,740
	R0230	125	2,728
	R0240	2,092	5,363
	R0250	2,996	2,996
Total	R0260	5,204	34,638

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year		1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
2014	R0160											
2015	R0170											
2016	R0180	1,529	992	347	17	2	-5					
2017	R0190	2,291	1,234	251	43	-15	5					
2018	R0200	1,657	667	316	1	30	5					
2019	R0210	1,987	892	174	125	5						
2020	R0220	2,116	808	400	72							
2021	R0230	1,891	747	128								
2022	R0240	3,944	370									
2023	R0250	4,953										

		Year end (discounted data)
		C0360
	R0100	
	R0160	
	R0170	
	R0180	
	R0190	5
	R0200	5
	R0210	62
	R0220	43
	R0230	87
	R0240	355
	R0250	4,872
Total	R0260	5,429

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	8,499	8,499			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	9,194	9,194			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	3,114	3,114			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	20,807	20,807			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	20,807	20,807			
Total available own funds to meet the MCR	R0510	20,807	20,807			
Total eligible own funds to meet the SCR	R0540	20,807	20,807			
Total eligible own funds to meet the MCR	R0550	20,807	20,807			
SCR	R0580	16,294				
MCR	R0600	4,073				
Ratio of Eligible own funds to SCR	R0620	######				
Ratio of Eligible own funds to MCR	R0640	######				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	30,959
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	11,613
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring f	R0740	10,152
Reconciliation reserve	R0760	9,194
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	9,941		
Counterparty default risk	R0020	3,719		
Life underwriting risk	R0030			
Health underwriting risk	R0040	3,461		
Non-life underwriting risk	R0050	12,906		
Diversification	R0060	-8,921		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	21,106		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	772
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-5,584
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	16,294
Capital add-on already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	16,294
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	1,011
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	15,283
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

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

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	3,372

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	21	480
Income protection insurance and proportional reinsurance	R0030	2,500	8,639
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	5	
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2,507	14,914
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

Total capital at risk for all life (re)insurance obligations

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

Overall MCR calculation

		C0070
Linear MCR	R0300	3,372
SCR	R0310	16,294
MCR cap	R0320	7,332
MCR floor	R0330	4,073
Combined MCR	R0340	4,073
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	4,073

Group QRTs

Annex I		
S.02.01.02		
Balance sheet		
		Solvency II value
Assets		**C0010**
Intangible assets	R0030	
Deferred tax assets	R0040	61
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3,293
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	3,122
Government Bonds	R0140	
Corporate Bonds	R0150	3,122
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	171
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	3,232
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	3,232
Reinsurance recoverables from:	R0270	
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	80
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	1,376
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	983
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	9,026

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		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	113
Technical provisions – non-life (excluding health)	R0520	113
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	106
Risk margin	R0550	7
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	345
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	559
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	250
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	1,267
Excess of assets over liabilities	R1000	7,759

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Total
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0070	**C0120**	**C0200**
Premiums written				
Gross - Direct Business	**R0110**			
Gross - Proportional reinsurance accepted	**R0120**			
Gross - Non-proportional reinsurance accepted	**R0130**			
Reinsurers' share	**R0140**			
Net	**R0200**			
Premiums earned				
Gross - Direct Business	**R0210**			
Gross - Proportional reinsurance accepted	**R0220**			
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**			
Net	**R0300**			
Claims incurred				
Gross - Direct Business	**R0310**	-2	-31	-33
Gross - Proportional reinsurance accepted	**R0320**			
Gross - Non-proportional reinsurance accepted	**R0330**			
Reinsurers' share	**R0340**			
Net	**R0400**	-2	-31	-33
Expenses incurred	**R0550**			
Balance - other technical expenses/income	**R1200**			1
Total expenses	**R1300**			1

Annex I
S.23.01.22
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	R0010	4,842	4,842			
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020					
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts to be deducted at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds to be deducted at group level	R0080					
Preference shares	R0090					
Non-available preference shares to be deducted at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	2,856	2,856			
Subordinated liabilities	R0140					
Non-available subordinated liabilities to be deducted at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	61				61
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests	R0200					
Non-available minority interests to be deducted at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
Where of deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	18	18			
Total of non-available own fund items to be deducted	R0270					
Total deductions	R0280	18	18			

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		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	R0290	7,742	7,681			61
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds to be dedcuted at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated undertakings carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	7,742	7,681			61
Total available own funds to meet the minimum consolidated group SCR	R0530	7,681	7,681			
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	7,742	7,681			61
Total eligible own funds to meet the minimum consolidated group SCR	R0570	7,681	7,681			
Minimum consolidated Group SCR	R0610	4,000				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	192.02%				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	7,742	7,681			61
Total Group SCR	R0680	4,000				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	R0690	193.54%				

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Annex I
S.25.01.22
Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	2,325		
Counterparty default risk	R0020	85		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	64		
Diversification	R0060	-109		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	2,366		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	3
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	2,369
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Capital add-on already set	R0210	
Consolidated Group SCR	R0220	4,000
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	4,000
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated undertakings carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Capital requirement for collective investment undertakings or investment packaged as funds	R0555	
Overall SCR		
SCR for undertakings included via D&A method	R0560	
Total group solvency capital requirement	R0570	4,000

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Independent auditor's report

to the directors of
Advent Insurance PCC Limited

Opinion

We have audited the following relevant elements of the Group Solvency and Financial Condition Report ("SFCR") prepared by Advent Insurance PCC Limited (the Company) as at 31 December 2023:

- Disclosures pursuant to Articles 296, 297 and 359(d) and (e), as at 31 December 2023 ('the Narrative Disclosures subject to audit'); and
- Group templates S.02.01.02, S.23.01.22, S.25.01.22 ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the Group SFCR'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- the 'Executive Summary', 'Business and Performance', 'System of Governance', 'Risk profile' elements of the SFCR, and
- Solo templates S.02.01.02, S.04.05.21, S.05.01.02, S.17.01.02, S.19.01.21, S.23.01.01, S.25.01.21, S.28.01.01.
- Group template S.05.01.02

To the extent the information subject to audit in the relevant elements of the Group SFCR includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group SFCR of the Company as at 31 December 2023 is prepared, in all material respects, in accordance with the Insurance Business Act (Cap. 403) and the Insurance Rules issued thereunder, the Commission Delegated Regulation (EU) 2015/35 and the Commission Implementing Regulation (EU) 2015/2452 (hereafter referred to as "the relevant legislation").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the relevant elements of the Group SFCR in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor's report

to the directors of
Advent Insurance PCC Limited

Emphasis of Matter – Basis of Accounting
We draw attention to the 'Narrative Disclosures subject to audit' of the Group SFCR, which describe the basis of accounting. The Group SFCR is prepared in compliance with the financial reporting provisions of the Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. As a result, the Group SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other Information
The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Group SFCR does not cover the Other Information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Group SFCR, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group SFCR or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in relation to these matters.

Responsibilities of the Directors for the Group Solvency and Financial Condition Report
The Directors are responsible for the preparation of the Group SFCR in accordance with the financial reporting provisions contained in the relevant legislation referred to above. In accordance with section 8.9 and paragraph 8.11.1 of Chapter 8 of the Insurance Rules, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Group SFCR and for the approval of the Group SFCR.

The Directors are also responsible to have the necessary internal controls to enable the preparation of the Group SFCR which is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors satisfy themselves that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the relevant legislation as applicable to the Company. The Directors are also required to sign a Declaration Form, in accordance with paragraph 8.6.2 and 8.11.1 of Chapter 8 of the Insurance Rules and Annex IV to the said Chapter, for submission with the Group SFCR to the competent authority.

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report
It is our responsibility to form an independent opinion on the Narrative Disclosures subject to audit that the Company shall disclose and on the Templates subject to audit, in accordance with paragraph 8.10.2 and 8.11.1 of Chapter 8 of the Insurance Rules and Annex V to the said Chapter, confirming that the said relevant elements of the Group SFCR have been prepared in all material respects in accordance with the relevant legislation. Such audit is to be made in accordance with paragraph 8.10.2 and Annex V of Chapter 8 of the Insurance Rules and with International Standards on Auditing.

Independent auditor's report (continued)

to the directors of
Advent Insurance PCC Limited

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report (continued)
Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Group SFCR.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant elements of the Group SFCR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the relevant elements of the Group SFCR or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the relevant elements of the SFCR, including the disclosures, and whether the relevant elements of the Group SFCR represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent auditor’s report (continued)
to the directors of
Advent Insurance PCC Limited

Restriction on use and distribution of our Report

This report is made solely for the exclusive use of the Directors of the Company in accordance with our engagement letter dated 12 October 2023. However, we acknowledge that a copy of our report will be provided to the Malta Financial Services Authority (“MFSA”) for the use of the MFSA solely for the purposes set down by Chapter 8 of the Insurance Rules issued under the Insurance Business Act (Cap. 403). Except for the MFSA’s obligations under its Memoranda of Understanding for regulatory collaboration and co-operation, our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. Our audit work has been undertaken so that we might state to the Company’s Directors those matters we are required to state to them in an auditor’s report on the relevant elements of the Group SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any duty of care, or any other responsibility and/or liability to anyone other than the Company, for our audit work, for this report or for the opinions we have formed.

This report was drawn up on 29 August 2024 and signed by:

Mark Giorgio as Director
In the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta.