MILLIMAN REPORT

The Report of the Independent Actuary

on the proposed Scheme to transfer a portfolio of insurance business from

Aviva Life & Pensions Ireland DAC

to

Athora Belgium SA/NV

Prepared by:
Michael Claffey, FSAI

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1 Introduction

BACKGROUND

1.1. Aviva Life & Pensions DAC ("**ALPI**") is a designated activity company which was incorporated in Ireland as a private limited company on 1 November 1990 under certificate number 165970 and under the name Friends Provident Life Assurance Company Limited. It subsequently changed its name to Friends First Life Assurance Company Limited on 20 April 1998 and converted to a designated activity company on 16 July 2016, at which time its name was changed to Friends First Life Assurance Company Designated Activity Company. It subsequently changed its name to Aviva Life & Pensions Ireland Designated Activity Company on 29 March 2019.

1.2. Athora Belgium SA/NV ("**Athora Belgium"**) is a Belgian limited liability company (société anonyme) which was incorporated on 13 September 1954. Athora Belgium has been part of Athora Group since January 2019. It is an insurance undertaking (as defined in Regulation 3 of the 2015 Regulations in Belgium).

1.3. ALPI now proposes to transfer a portion of its Overseas Life Assurance Business ("**OLAB**") to Athora Belgium. Athora Belgium will acquire the Belgian life insurance policies within the OLAB book which are currently underwritten by ALPI through its Belgian branch ("**Belgian Business**"). Athora Belgium is the current retrocessionaire and administrator of the Belgian Business. While the rationale behind the transfer is not of direct consideration for me in my capacity as Independent Actuary opining on the proposed Scheme, it is helpful for me to be aware of it. I understand that the transfer follows a strategic review where ALPI is seeking to focus on its core markets and as a result is seeking to dispose of non-core portfolios. I note the Belgian Business was itself the subject of a previous UK Court approved portfolio transfer in 2019 from Aviva Life & Pensions UK Limited ("**Aviva UK**") to ALPI in Ireland (the "**Brexit Scheme**"). This previous UK portfolio transfer was triggered by Brexit.

1.4. As stated above, the Transferring Policies pertain to the Belgian Business. It should be noted that a small number of Belgian OLAB hospitalisation policies were transferred to Aviva Insurance Ireland DAC (Aviva's non-life entity in Ireland) as part of the Brexit Scheme; these policies are not included within the scope of the Transferring Policies. For the purposes of this document, references to the Belgian Business relate exclusively to life policies. The non-life policies are not considered further in this Report.

1.5. In order to effect the proposed transfer, an Irish court-approved portfolio transfer is required. This involves a scheme of transfer ("**the proposed Scheme**") which would be subject to approval by the High Court of Ireland ("**the Court**") and which would, if approved, result in all Belgian life OLAB policyholders (the "**Transferring Policyholders**") being transferred from ALPI to Athora Belgium.

THE ROLE OF THE INDEPENDENT ACTUARY

1.6. Under Section 13 of the Assurance Companies Act 1909 ("**the 1909 Act**"), the Court must approve any scheme which provides for transfer to another body of some or all of the life assurance business carried on by an insurance company.

1.7. The Court will consider any such scheme on the basis of an application ("**Petition**") by one, or both, of the parties. The Petition must be accompanied by a report on the terms of the scheme by an independent actuary (the "**Independent Actuary**"). This report is intended to fulfil that requirement in the case of the proposed Scheme.

INSTRUCTIONS

1.8. ALPI and Athora Belgium, together referred to as "**the Companies**", have instructed me to act as the Independent Actuary who is required to report to the Court on the terms of the proposed Scheme. My report has been prepared in accordance with the terms of an engagement letter dated 28 November 2024.

1.9. My appointment as the Independent Actuary has been notified to the Central Bank of Ireland (the "**CBI**"). The CBI has not objected to my appointment.

1.10. The costs and expenses associated with my appointment as Independent Actuary and the production of this Independent Actuary's Report will be borne by the Companies.

1.11. Throughout the remainder of this report (the "**Independent Actuary's Report**"), the term "**the proposed Scheme**" is used to cover all the proposals included in the scheme of transfer, including any related documents referred to in the scheme itself relating to the proposed implementation and operation of the scheme of transfer.

1.12. The Companies anticipate that the proposed Scheme will be presented to the Court in June 2026, with an initial Directions hearing in the Court in January 2026. The proposed effective date of the Scheme (if approved) would be in or around 1 July 2026.

1.13. I have interpreted my instructions as requiring me to consider the likely effects of the proposed Scheme on the Companies' life assurance policyholders including, but not limited to, the security of their benefits and their reasonable expectations. In preparing the Independent Actuary's Report, I have had regard to the security of the benefits in each company both before and after the implementation of the proposed Scheme, and the policyholders' reasonable expectations created by the past practices employed or statements made by each company. I have compared the status quo to the position that will apply after the completion of the proposed transfer. I expand further on these topics in section 6.

1.14. As far as I am aware, there are no matters that I have not taken into account in assessing the proposed Scheme and in preparing the Independent Actuary's Report, but which nonetheless should be brought to the attention of the Court in its consideration of the terms of the proposed Scheme.

1.15. I have also reviewed and considered the contents of the documentation that will be made available to policyholders in relation to the proposed Scheme and which contains, amongst other things, this report and a summary of this report.

1.16. I will prepare a further report (the "**Supplementary Report**") prior to the final (Sanction) Court hearing to provide an update for the Court on my conclusions in respect of the effect of the proposed transfer on the different groups of policyholders in light of any significant events or developments that have occurred since this report was written.

QUALIFICATION AND DISCLOSURES

1.17. I am a Fellow Member of the Society of Actuaries in Ireland ("**SAI**") and have been so since 1998. I am a Principal of Milliman, Consultants & Actuaries ("**Milliman**") and am a consulting actuary based in the firm's Irish insurance practice at 7 Grand Canal Street Lower, Dublin 2.

1.18. I have more than 30 years' experience in the insurance industry, including experience of acting as the Appointed Actuary and/or Head of Actuarial Function ("**HoAF**") for a number of Irish life assurance companies and acting as the Independent Actuary in relation to a number of previous transfers of life assurance business in Ireland, the Isle of Man, Singapore and Guernsey.

1.19. I am not a policyholder of ALPI or Athora Belgium. I have no financial interests in either of the Companies, or in any parent or affiliates. I am not, and have not been, employed by either of the Companies as an employee, officer or director.

1.20. I have not been engaged in any material way for any previous projects or assignments for either of the Companies, and I have not discharged the role of Independent Actuary for either of the Companies in the past.

1.21. I do not consider that any previous assignments prevent me from acting independently in my assessment of the proposed Scheme. I have also discussed this with senior management of ALPI and Athora Belgium and they have confirmed that they are of the same opinion. In addition, as noted above, the CBI has been informed of my appointment and has made no objection.

1.22. Milliman is a global consulting firm and, as such, other Milliman offices have worked with parts of these Companies on assignments globally. We estimate the overall fee income that Milliman has received from these Companies in any of the last five years has not exceeded 2% of the corresponding turnover.

1.23. Consultants from the Milliman office in Ireland and in other Milliman offices provide, or have provided, services to companies within the Aviva Group and Athora Group. This includes the following work over recent years:

- Milliman in the UK acted as Independent Expert for a UK Part VII transfer of the AIG Life business acquired by Aviva
- Milliman in the UK provides ad-hoc support and advice to the UK With-Profits Committee of Aviva

- Milliman in Ireland provided support on pre-emptive recovery planning and some internal audit training for Athora Group, and risk resource support and climate risk materiality support to Athora Life Reinsurance Ltd.
- Irish health insurance market and regulatory requirements training to ALPI
- Irish pre-emptive recovery plan benchmarking support for ALPI

1.24. However, having checked within the Milliman organisation worldwide, I do not believe that any work undertaken by Milliman with either of the Companies, or with any other companies within the Companies' respective groups, would create a conflict of interest for me in my role as Independent Actuary. None of the named individuals will be part of this engagement and my duties in this engagement are segregated from any other engagements within the two Groups.

1.25. Based on the foregoing I consider that I am in a position to act independently in assessing the proposed Scheme.

1.26. I have been assisted in preparing this report by my colleagues, Ada Bowler and Rebecca O'Mahoney. However, the report is written in the first person and the opinions expressed are mine alone.

PARTIES FOR WHOM MY REPORT HAS BEEN PREPARED

1.27. The Independent Actuary's Report, and any extract or summary thereof, has been prepared specifically and solely for the purposes of Section 13 of the 1909 Act.

1.28. The Independent Actuary's Report has been prepared for the benefit of the Court, but may also be of interest to the following parties:

- Policyholders of ALPI and Athora Belgium;
- The Directors and senior management of ALPI and Athora Belgium;
- The CBI (being the authority having responsibility for the supervision of insurance companies in Ireland);
- National Bank of Belgium ("**NBB**") (being the authority having responsibility for the supervision of insurance companies in Belgium);
- The Financial Services and Markets Authority ("**FSMA**") (being the authority responsible for conduct of business regulation in Belgium);
- The professional advisers of any of the above with respect to the proposed Scheme; and,
- Anyone who believes the proposed Scheme may affect them and who is entitled to be heard in the Court's proceedings.

RELIANCES AND LIMITATIONS

1.29. In preparing the Independent Actuary's Report, I have had access to certain documentary evidence provided ALPI and Athora Belgium, the principal elements of which I list in Appendix A to this report. In addition, I have had access to, and discussions with, the senior management of both ALPI and Athora Belgium. I have enquired of both Companies to disclose any information on any areas that I or they could reasonably foresee as being relevant to the proposed Transfer and therefore I have a reliance on both Companies to have made me aware of anything else that could be material to the transfer. To the extent that either Company has not disclosed any relevant information, my analysis may be incomplete on areas not brought to my attention.

1.30. My conclusions depend on the substantial accuracy of all information supplied by the Companies, and I have relied on this information without independent verification. There are no documents or other information that I have requested and that have not been provided.

1.31. I have relied on the work of the Companies' external auditors in gaining confidence in the financial information as at 31 December 2023 and 31 December 2024 as summarised in this report. I have relied on ALPI's Head of Actuarial Function in relation to the calculation of the technical provisions as at 31 December 2024 (as certified by them to the CBI). I have relied on Athora Belgium's "**Actuarial Function Holder**" in relation to the calculation of the technical provisions as at 31 December 2024. I have also relied on both Companies and their risk functions in the production of their respective annual internal Own Risk and Solvency Assessment ("**ORSA**") reports.

1.32. Neither I, nor any member of my team, is a qualified legal or tax expert. I have relied on the opinions and assurances of the Companies' experts in these matters and have not sought independent expert advice.

1.33. The Independent Actuary's Report is based on the information available to me at, or prior to, 15 December 2025, and takes no account of developments after that date.

1.34. Other than providing a copy to the Court and placing a copy on the Companies' websites, neither the Independent Actuary's Report, nor any extract from it, may be published without my specific written consent having first been given, except that copies of the Independent Actuary's Report may be made available for inspection by policyholders of both ALPI and Athora Belgium and copies may be provided to any person requesting the same in accordance with legal requirements. In the event consent is provided, the Independent Actuary's Report must be provided in its entirety.

1.35. I have prepared a summary of this report which will be provided to the Court and will be included in the documentation that will be made available to the Transferring Policyholders. No other summary of this report may be made without my written consent and, in particular, no other summary of this report may be distributed to policyholders without my prior approval.

1.36. The Independent Actuary's Report has been prepared within the context of the assessment of the terms of the proposed Scheme. No liability will be accepted by Milliman, or me, for any application of the Independent Actuary's Report to a purpose for which it was not intended, nor for the results of any misunderstanding by any user of any aspect of the Independent Actuary's Report (or any summary thereof). Judgments as to the conclusions contained in the Independent Actuary's Report should be made only after studying the report in its entirety. Furthermore, conclusions reached by the review of a section or sections on an isolated basis may be incorrect.

1.37. The Independent Actuary's Report should be read together with the other documents relating to the proposed Scheme.

PROFESSIONAL GUIDANCE

1.38. The Independent Actuary's Report has been prepared under the terms of the guidance set out in version 1.0 (effective 1 December 2022) of the Actuarial Standard of Practice ("**ASP**") INS-2 ("Transfer of an Insurance Portfolio – Role of the Independent Actuary") issued by the SAI.

1.39. In addition, version 1.2 (effective 1 March 2022) of ASP PA-2 ("**General Actuarial Practice**"), as issued by the SAI, requires members to ensure that processes are implemented to ensure that their work is of appropriate quality. In accordance with Milliman quality assurance requirements, this report has been peer reviewed by another Milliman Principal. I have complied with ASP PA-2 in the preparation of this report.

TERMINOLOGY AND LANGUAGE

1.40. My report contains various technical terms which I need to use in assessing the proposed Scheme. Those terms are written in bold font when first defined in this Report and are also listed in the glossary in Appendix B.

1.41. This Report (and the summary version) were prepared in English and presented to the Court in English. This Report (and the summary version) was translated into French and Dutch and published as part of the communication plan of the proposed Scheme. In the event of a conflict between the translated version of this Report and this original English language version of this Report, the original English language version shall prevail.

STRUCTURE OF THIS REPORT

1.42. The remainder of this report is structured as follows:

- The regulatory regime governing insurance companies in the EU is summarised in section 2.
- Section 3 provides a summary of the business of ALPI.
- Athora Belgium's business is summarised in section 4.
- Section 5 summarises the proposed Scheme.
- In section 6, I set out the basis on which I assess the proposed Scheme.
- My assessment of the proposed Scheme is set out in sections 7 (security of benefits) and 8 (fair treatment).
- My conclusions are set out in section 9.
- Appendix A lists the principal data sources I relied upon in carrying out my work.

- A glossary of terms is provided in Appendix B.

2 Overview of the Regulatory Regime for Irish and Belgian Insurers

INTRODUCTION

2.1. ALPI and Athora Belgium are both life assurance companies incorporated within the EU and are therefore both subject to the EU-wide Solvency II prudential regulatory framework for insurance companies. Each company is subject to prudential supervision by its respective national supervisory authority – the CBI in the case of ALPI, and the NBB in the case of Athora Belgium.

2.2. Under the EU's supervisory arrangements for insurance companies, the regulation and supervision of conduct of business depends on the territory where the insurer has written the business. ALPI operates in the Irish domestic life assurance market for new business but it also has various closed portfolios of business issued in other European countries resulting from the OLAB portfolio which was accepted as part of the UK Part VII transfer during 2019 and additional business written in Italy through the former Area Life business which was transferred to ALPI in April 2020.

2.3. In the case of the Transferring Policies, the Belgian Business was written in Belgium and is therefore subject to supervision by the FSMA in Belgium for conduct of business purposes.

PRUDENTIAL REGULATION

2.4. Solvency II is the name given to the prudential regime for insurers (and reinsurers) across the European Union. Introduced in 2016, it is based on the following so-called three pillar approach:

- Pillar 1: Quantitative requirements.
- Pillar 2: Governance and risk management.
- Pillar 3: Supervisory reporting and public disclosure.

2.5. Taken together, the three pillars are intended to form a coherent overall approach which incentivises the understanding and management of risks across the insurance sector.

2.6. Some of the key features of the Solvency II regulatory framework are:

- Risk-based: Higher risks will lead to higher capital requirements to cover for unexpected losses. Appropriate credit is given for risk mitigation strategies through reduced capital requirements.
- Market consistent: Assets and liabilities are valued at market value (or a proxy if no direct market price exists).
- Proportionate: The requirements are intended to be applied in a way that is proportionate to the nature, scale and complexity of the risks inherent in an insurer's business.

2.7. The EU Solvency II Directive has been implemented in Ireland in the European Union (Insurance and Reinsurance) Regulations 2015 ("**the Solvency II Regulations**"), supplemented by (i) the Commission Delegated Regulations 2015/35 ("**Delegated Regulation**") and (ii) guidelines issued in respect of the Solvency II Directive and the Delegated Regulation by EIOPA each of which have EU-wide application, and additional requirements and guidelines issued by the CBI.

2.8. In Belgium, the Solvency II Directive was transposed into Belgium legislation through the Law of 13 March 2016 titled "Law on the status and supervision of insurance and reinsurance undertakings" ("**the Belgian Regulations**"). This law replaced previous legislation on insurance and reinsurance supervision. Again, the EU-wide Delegated Regulation and EIOPA Guidelines apply, as well as additional requirements and guidelines issued by the NBB.

2.9. A comprehensive evaluation of the Solvency II framework was conducted by the EU Council and Parliament in 2021. The main conclusions of this evaluation are that the framework is broadly effective and coherent. Nonetheless, the evaluation also highlighted a number of issues in implementing the framework's principles and requirements. This resulted in a range of amendments to the European Directive and the Delegated Regulations which will impact on the calculation of capital requirements, risk margin, technical provisions, and will change reporting and disclosure requirements, and proposes changes in the implementation of proportionality in the application of Solvency II to individual entities. The new amendments will be effective in each Member State from 27 January 2027 and will apply equally across Europe.

2.10. In the following paragraphs, I provide a summary of the main relevant features of the Solvency II framework. The descriptions and explanations are necessarily high-level in places and should not be taken as exhaustive. They should, however, help to introduce some of the concepts that I refer to later in this report – in particular when discussing the financial and solvency position of the Companies.

Pillar 1

2.11. Pillar 1 sets out the rules for the valuation of insurers' assets and liabilities and the rules for determining the risk-based capital requirements.

2.12. In summary, the Solvency II Directive and Delegated Regulation require insurers to value their assets and liabilities at market value, but in most cases liabilities to policyholders are determined on a best estimate basis with the addition of an explicit risk margin, reflecting the lack of a market "price" for insurance liabilities. The policyholder liabilities are valued using best-estimate assumptions, with the projected future "**discounted cashflows"** using "**risk-free rates"** (with some adjustments).

2.13. Solvency II has a range of so-called **"Long Term Guarantee Measures**" that may be used to adjust the risk-free rates. These were designed with the aim of reducing the effect of artificial volatility for long-term insurance products. They include adjustments to the extrapolation of risk-free interest rates, the matching adjustment, and the volatility adjustment. In Ireland and Belgium the use of these adjustments must be agreed in advance with the local insurance regulator (i.e. the CBI or the NBB, respectively).

2.14. Together, the best estimate liability ("**BEL**") and risk margin form the technical provisions which sit on the liability side of the Solvency II balance sheet. To the extent that any business is outwardly reinsured, there will be an offset to the BEL ("**reinsurance recoverable**") which sits on the asset side of the balance sheet. The terms "net" and "gross" are sometimes used in the context of the BEL or technical provisions to denote the position with or without allowance for reinsurance respectively.

2.15. The Solvency II balance sheet provides the measure of the amount by which an insurer's assets exceed its liabilities (termed the insurer's "**own funds**"). There can be some further adjustments needed to arrive at the "eligible own funds", which are the own funds eligible to be counted towards meeting the regulatory capital requirements.

2.16. The eligible own funds are then compared with a regulatory capital requirement termed the Solvency Capital Requirement ("**SCR**"), which is a risk-based capital requirement, intended to represent the amount of capital that an insurer needs to hold to ensure that it will still be solvent (i.e. that its assets will exceed its liabilities, measured according to Solvency II valuation rules) in one year's time with a probability of at least 99.5%. Insurance companies must therefore ensure that they have sufficient available capital resources (i.e. "**eligible own funds**") to cover the SCR.

2.17. The SCR must cover a prescribed list of various types of risk:

- underwriting risks (life / non-life / health);
- (financial) market risks;
- counterparty default risk; and,
- operational risk.

2.18. Insurers may calculate their SCR using standard prescribed stress tests or factors for the various types of risk, which are then aggregated using prescribed correlation matrices. This approach is known as the "**Standard Formula**". Alternatively, the SCR may be calculated using an internal model, which is based on the insurer's internally-derived assessment of appropriate capital requirements, provided it has first been approved by the insurer's regulator and, in doing so, must meet a number of prescribed standards.

2.19. The benefits of risk mitigation techniques (e.g. reinsurance of underwriting risks; hedging of market risks) can be recognised in the calculation of the SCR, subject to certain conditions being met.

2.20. ALPI and Athora Belgium use the Standard Formula to determine their respective SCRs.

2.21. In addition to the SCR as described above, there is also a second, lower, level of regulatory capital requirement under Solvency II, known as the Minimum Capital Requirement ("**MCR**") which is intended to represent the amount of capital required to ensure continued solvency in one year's time with a probability of at least 85%.

2.22. The two capital requirements – SCR and MCR – define two rungs on the so-called "ladder of supervisory intervention", under which increasingly severe actions will be taken by an insurer's regulator if its level of available capital falls below the SCR (the first point of regulatory intervention)[1] and approaches the MCR. The MCR is the ultimate point of supervisory intervention[1], below which an insurer would lose its authorisation.

Pillar 2

2.23. In addition, under Pillar 2, insurers are required to adopt risk management policies, capital management policies, and risk appetite statements (amongst other things), all of which aim to contribute to effective risk and capital management.

Furthermore, every insurer is required to conduct an **ORSA** on at least an annual basis and to report the findings to the Board and the Central Bank. An ORSA must also be carried out whenever there is a material change in risk profile.

Pillar 3

2.24. Pillar 3 imposes reporting requirements on insurers – both private reporting to the supervisor and public reporting.

2.25. The private reporting to the supervisor includes quarterly financial and other quantitative information which is provided in defined formats (termed Quantitative Reporting Templates or "**QRTs**"), as well as a more comprehensive suite of annual QRTs and a periodic narrative report (the Regular Supervisory Report).

2.26. In terms of public reporting, every insurer is also required to publish detailed information on its recent performance and solvency position in its annual Solvency and Financial Condition Report ("**SFCR**"), which also includes a subset of the annual QRTs.

CONDUCT OF BUSINESS REGULATION

2.27. ALPI is an Irish-authorised insurer and Athora Belgium is a Belgian-authorised insurer. They are both subject to the relevant national prudential regulations and to the ongoing prudential supervision of the CBI and the NBB respectively for their entire businesses.

2.28. However, under EU rules, the regulation and supervision of conduct of business depends on the territory where the insurer has written the business. The Transferring Policies were written in Belgium and are therefore obliged to comply with Belgian conduct of business rules and are subject to supervision by FSMA for conduct of business purposes.

INSURANCE GUARANTEE SCHEMES

2.29. In Ireland, there is currently no policyholder protection scheme providing compensation to life insurance policyholders in the event of insurer insolvency. Policyholders of Irish-authorised insurers rely solely on the prudential supervision of the CBI.

2.30. Belgium operates the Belgian Guarantee Fund for Financial Services, which provides compensation to policyholders up to €100,000 per individual in the event of insurer default, subject to conditions and limitations applicable under Belgian law. As a result, the Transferring Policies will become eligible for protection under the Belgian Guarantee Fund upon transfer. This protection does not extend to employees with benefits under group pension schemes[2] as those are explicitly excluded from protection under the Belgian Guarantee Fund for Financial Services.

[1] Although, legally, the supervisory authorities can only first intervene when an insurer's available capital falls below the level of its SCR (i.e. an SCR coverage ratio of less than 100%), in practice supervisors expect insurers to manage their businesses to a higher level of coverage and supervise insurers accordingly.

[2] Athora Belgium has 6 policies that are so called "2nd pillar" contracts where an employer is the policyowner and a specific set of employees are individual beneficiaries under the group policy, each of whom has an individual savings policy account.

COMPLAINTS

2.31. The framework for the resolution of policyholder complaints is broadly equivalent in both Ireland and Belgium.

2.32. In Ireland, policyholders may escalate complaints regarding their insurer to the Financial Services and Pensions Ombudsman (“**FSPO**”), an independent statutory body. The CBI also oversees and enforces consumer protection requirements.

2.33. In Belgium, complaints may be referred to the Belgian Insurance Ombudsman (Ombudsman des Assurances), an independent body responsible for mediating disputes between policyholders and insurance undertakings. Supervision of conduct of business and consumer protection standards in Belgium is exercised by the FSMA.

POLICYHOLDERS’ REASONABLE EXPECTATIONS

2.34. Whilst not, strictly speaking, a legal or regulatory requirement, the concept of “**policyholders’ reasonable expectations**”, or “**PRE**”, has evolved over time and has come to be an important consideration in terms of how Irish insurers treat their policyholders beyond the contractual obligations set out in their policy terms and conditions.

2.35. The concept first arose in the context of “with-profits” business, where insurers retained very substantial discretion in deciding on the extent to which profits would be shared with policyholders by way of discretionary bonus additions to their contractual benefits. Over the years, the concept has been extended to apply to other types of business, including unit-linked business.

2.36. The PRE concept is not, however, well defined. It is not set out in any Irish insurance legislation, nor in any regulatory communication, and it is important to note that the concept does not exist in a Belgian insurance context.

2.37. Under Solvency II, the CBI has, without defining what it means by PRE, introduced requirements for the HoAF to set out, in his or her annual report to the Board of Directors on technical provisions, his or her interpretation of PRE and how this has been considered in establishing the technical provisions. However, despite this role for the HoAF, it is generally accepted that under Solvency II the responsibility for meeting PRE rests with the Board of Directors.

2.38. Given the lack of codification, considerations of PRE are largely a matter of judgement. The Board of Directors is ultimately responsible but will often take the HoAF’s views into account (particularly given the requirement for the HoAF to articulate his or her view of PRE, but also because of the long history of the actuarial profession’s involvement in this area) and will also look to standards or approaches from other relevant territories (particularly the UK for historical and cultural reasons).

2.39. The SAI has stated, in ASP INS-2, the need for the Independent Actuary to consider PRE when assessing a proposed transfer of business from one life assurance company to another under the provisions of Section 13 of the 1909 Act.

3 Background to ALPI

HISTORY AND BACKGROUND

3.1. ALPI is an Irish-incorporated and Irish-authorised life assurance company. It was incorporated in Ireland on 1 November 1990 as a private limited company under the name Friends Provident Life Assurance Company Limited and with the company registration number 165970. It subsequently changed its name to Friends First Life Assurance Company Limited on 20 April 1998 and converted to a designated activity company on 16 July 2016, at which time its name was changed to Friends First Life Assurance Company Designated Activity Company. It subsequently changed its name to Aviva Life & Pensions Ireland Designated Activity Company on 29 March 2019.

3.2. ALPI has its registered office at Building 12, Cherrywood Business Park, Loughlinstown, Dublin 18, D18 W2P5, Ireland.

3.3. ALPI serves approximately 250,000 Irish customers and manages assets totalling €15 billion and generated €2,671 million of total premiums in 2024.

3.4. ALPI is an insurance undertaking (as defined in Regulation 3 of the 2015 Regulations in Ireland) authorised by the CBI to carry on life insurance activity in Classes 1, 3, 4 and 7 (as referred to in Schedule 2 of the 2015 Regulations).

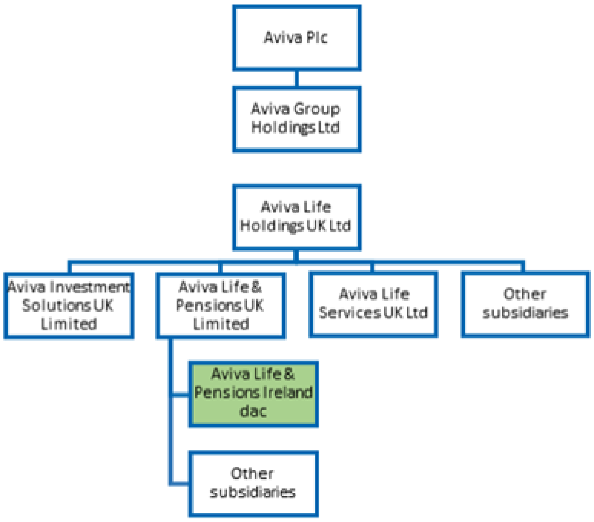
3.5. ALPI is also authorised by the NBB in Belgium under number 3139 as a Belgian branch of an insurance company falling within the law of the member state of the EU, and it is the current insurer underwriting the Belgian business.

3.6. ALPI's business is primarily written in the Republic of Ireland, with some overseas business also written in Belgium, France, Germany, Iceland, Italy and Sweden.

3.7. ALPI is fully owned by its parent company, Aviva Life & Pensions UK Limited, which is ultimately owned by Aviva plc.

3.8. Aviva UK (formerly known as Norwich Union Life & Pensions Limited) is a life insurance undertaking incorporated in England and Wales. Aviva plc is a public limited company incorporated under the laws of England and Wales and is the holding company of the Group. The Group is the UK's leading Insurance, Wealth and Retirement business, helping approximately 18.7 million customers.

TABLE 1: AVIVA GROUP STRUCTURE



Source: ALPI SFCR 2024

NATURE OF ALPI BUSINESS WRITTEN

3.9. ALPI's business comprises the legacy Aviva Ireland Life branch business, legacy Friends First business, the OLAB business (which is fully reinsured with Aviva UK) and the Italian branch business. ALPI offers a range of life and savings products including individual income protection, individual mortgage and life insurance protection, income protection and life insurance protection for Groups, pension funding and annuity products, and savings and investment products. ALPI has one policyholder fund with four sub-funds as described below. There are three participating funds (Irish With-Profits Fund, Participating Fund and Closed Fund) all in run-off and closed (apart from a trivial amount of new money every year). There are guaranteed annuity options on some with-profits business. There is also some non-participating business in the With-Profits funds.

Other Business Fund (OBF)

3.10. This consists of conventional life and pension non-profit business, unit linked business and conventional Permanent Health Insurance ("**PHI**"). The OBF also includes Aviva Ireland branch business transferred from Aviva UK to ALPI in 2019 under the Part VII "Brexit" scheme encompassing conventional business, group life and group PHI, annuities (individual and bulk) and group and individual unit linked business.

3.11. Shareholders are entitled to 100% of any surplus arising at each statutory valuation on the OBF.

3.12. The OBF continues to write new regular and single premium unit-linked life and pension business. The OBF also writes regular premium term business (including critical illness), regular premium Income Protection business and group life and Income Protection risk schemes.

3.13. ALPI has a range of fund offerings in the unit linked market. These are primarily managed by Aviva Investors, part of the Aviva Group. More specialist funds are managed by third-party fund managers.

3.14. A "With-Profits" fund choice is available on some ALPI policies (but not on policies issued in Belgium). Where this fund is selected the investment component of each premium reinsured into the Participating Fund or the Irish With-Profits Fund ("**IWPF**").

3.15. The OBF includes OLAB business. The OLAB business was originally written by Aviva UK in various European countries. This business includes a mix of unit-linked, non-linked **protection business**, and with-profits business and was transferred to ALPI in 2019 (under the Brexit Scheme) and the business was fully reinsured to Aviva UK following the transfer. These OLAB products are closed to new business, however, generally open to increments on regular premium business, top ups on single premium products and annuities vesting from pension business. The Belgian Business within OLAB does not include any with-profits business. The ALPI OLAB product lines are summarised in the table below.

TABLE 2: OLAB PRODUCT LINES

COUNTRY	PRODUCT LINES	APPROXIMATE GROSS TECHNICAL PROVISIONS €M
Belgium	Mainly protection A few savings products	60
France	Mainly savings products Some pensions and investments policies	100
Germany	Primarily pensions Some savings and protection policies	900
Iceland	Split equally between protection and investment policies	30
Sweden	Mainly savings products A number of investment related policies	30

Source: ALPI Actuarial Function Report 2024

3.16. ALPI also has Italian branch business which is a small book of unit linked and with-profits business which is closed to new business. The business was originally sold on a Freedom of Establishment basis to Italian residents.

Participating Fund

3.17. The business in the Participating Fund ("**Par Fund**") is conventional with-profits business (life and pensions), non-profit life and pension business (written up to March 1996) and the unitised with-profits investment component of unit-linked policies within the OBF.

3.18. It is closed to new business except for incremental business and business written following the exercise of options on existing contracts. These new business volumes are regarded as immaterial, and the fund is treated as closed. Shareholders are entitled to 10% of the distributed surplus each year. If it were in deficit its liabilities would exceed its assets and the Own Funds from the Participating Fund on the balance sheet would be negative (representing the guarantee the shareholder provides). In this situation there would also be no restriction, as the shareholder provides the guarantee in full and are liable to meet any shortfall.

Closed Fund

3.19. This is the conventional business taken over from National Mutual Life Assurance Company in 1995. The fund is fully closed to new business. Shareholders have no entitlement to any of the surplus in the Closed Fund but are liable to meet any shortfall.

Irish With-Profits Fund (IWPF)

3.20. This fund contains the with-profits liabilities of former Irish branch of Aviva UK Ltd business and was transferred into ALPI on 29 March 2019 as part of the Brexit Scheme. It is closed to new business except for incremental business and business written following the exercise of options on existing contracts. This fund operates on a 90:10 basis (i.e. 10% of the surplus is distributed to shareholders, 90% to policyholders).

Other

3.21. There is also a Shareholder fund which holds the assets and liabilities not attributed to the long-term business funds, and in addition, the defined benefit pension scheme of the old Friends First staff.

3.22. In total, ALPI's Gross Technical provisions were €16,340m at end 2024. The table below shows the breakdown of this between the funds outlined above. The Gross BEL was €16,196m. This is a measure of the total liability to policyholders for all expected future claims (including surrenders, partial withdrawals, claim payments and maturities).

TABLE 3: ALPI - GROSS (OF REINSURANCE) TECHNICAL PROVISIONS BY FUND AS AT 31 DECEMBER 2024

€M	GROSS BEL	RISK MARGIN	GROSS TPS
OBF			
ALPI	14,034		
OLAB	1,203	141.9	**15,404**
Italian Branch	25		
IWPF	511		
Par Fund	390	1.8	**936**
Closed Fund	33		
Total	**16,196**	**144**	**16,340**

Source: ALPI Actuarial Function Report 2024

3.23. The technical provisions and reinsurance recoverables are set out below by line of business for year end 2024 to give an insight into the profile of ALPI's business.

TABLE 4: ALPI - TECHNICAL PROVISIONS AND RECOVERABLE BY LINE OF BUSINESS AS AT 31 DECEMBER 2024 (€M)[3]

LINE OF BUSINESS	GROSS BEL	RISK MARGIN	GROSS TECHNICAL PROVISIONS (CALCULATED AS A WHOLE)	TOTAL TECHNICAL PROVISIONS	RECOVERABLES FROM REINSURANCE CONTRACTS AND SPVS	TOTAL TECHNICAL PROVISIONS NET OF RECOVERABLES
Unit Linked	-162	71	13,412	**13,320**	1,038	12,282
Life	2,682	38		**2,721**	,357	1,364
Health	264	34		**299**	73	226
Total	**2,784**	**144**	**13,412**	**16,340**	**2,468**	**13,872**

Source: ALPI Actuarial Function Report 2024

3.24. The table below shows the ALPI balance sheet pre transaction as at 31 December 2024 and 30 June 2025. The Belgian OLAB BEL and Reinsurance Asset are explicitly shown for 30 June 2025 (for information).

TABLE 5: ALPI – BALANCE SHEET PRE-TRANSACTION

€ M	**31 DECEMBER 2024**	**30 JUNE 2025**
Assets excl. Reins Asset	15,303	15,690
Reinsurance Asset	2,468	
Belgian OLAB	*N/A*	63
Other	*N/A*	2,339
Total Assets	**17,771**	**18,092**
BEL gross of reinsurance	16,196	
Belgian OLAB	*N/A*	64
Other	*N/A*	16,577
Other liabilities	826	701
Risk Margin	144	
Belgian OLAB	*N/A*	0
Other	*N/A*	103
Total Liabilities	**17,166**	**17,445**
Basic Own Funds (Assets less Liabilities)	**605**	**647**
SCR	**417**	**429**
Eligible Own Funds[4]/ SCR (%)	154%	151%

Source: ALPI Reporting Team, ALPI SFCR 2024

My Supplementary Report will include updated figures for the Transferring Policies.

THE TRANSFERRING POLICIES

3.25. The proposed Scheme will transfer a portfolio of approximately 44,000 policies issued to Belgium policyholders. The **Belgian Business** refers to all the policies and products currently insured by ALPI through its Belgian branch. This includes regular premium business (both in payment and “paid-up”). The portfolio consists mostly of protection insurance (approximately 2/3 lifelong funeral costs coverage and 1/3 term insurance). The Belgian Business portfolio sits within the ALPI OLAB business (alongside other ALPI OLAB products and policyholders in various other European countries). The Belgian Business represents less than 0.5% of ALPI’s total policyholder liabilities. The Belgium Business was originally issued and underwritten by Aviva UK and was transferred to ALPI in 2019 under the Brexit Scheme.

[3] Technical provisions consist of the Best Estimate Liability (BEL) plus the Risk Margin. A negative BEL indicates an asset for the company, as the expected future cash inflows from the product are greater than the anticipated future outflows.

[4] Including Ancillary Own Funds at 31 December 2024 and based on internal management accounts for 30 June 2025.

The table below provides details of the policy count (i.e. number of insurance contract policyowners, and not number of beneficiaries) of the Transferring Policies as 30 June 2025.

TABLE 6: BELGIAN BUSINESS (TRANSFERRING POLICIES) AS AT 30 JUNE 2025

BUSINESS TYPE	NUMBER OF POLICIES
Protection	43,853
Savings	184
Total	**44,037**

Source: Athora Belgium - Actuarial Function Opinion on the Aviva business transfer

3.26. The Transferring Policies were previously transferred to ALPI from Aviva UK in 2019 under the Brexit Scheme and immediately reinsured back to Aviva UK under a 100% quota share arrangement. Aviva UK (and certain of its predecessors) originally carried on and underwrote the Belgian Business.

3.27. Delta Lloyd Levensverzekering NV originally provided 100% quota share reinsurance to Aviva UK with respect to the Belgian Business under reinsurance treaties entered into in 2004 and 2005. Delta Lloyd Levensverzekering NV became part of Delta Lloyd Life NV on 30 December 2009 as part of a group restructuring and become the reinsurer of the Belgian Business.

3.28. In 2014, Delta Lloyd Life NV (as lender) and Aviva UK (as borrower) entered into a loan agreement ("**the Loan**") in relation to the Belgium Business for the purpose of documenting the Loan (which was originally granted on 1 January 2004 for a principal amount of €59,000,000). The Loan acts as a form of counterparty risk mitigation for Delta Lloyd Life NV on the Belgian Business. On 30 March 2018, Delta Lloyd Life NV was acquired by and merged into NN Insurance Belgium and all rights and obligations of Delta Lloyd Life NV transferred to NN Insurance Belgium.

3.29. Effective 3 October 2022 Athora Belgium became the retrocessionaire of the Belgian Business, also acquiring the rights and obligations of NN Insurance Belgium under the Loan agreement agreed as part of the Assets and Liabilities Purchase and Transfer Agreement ("**ALPTA**") entered into between NN Insurance Belgium and Athora Belgium.

3.30. On 22 September 2025, in anticipation of the proposed Scheme (and as defined in the BTA), Athora Belgium and Aviva UK entered into an agreement pursuant to which Aviva UK agreed to repay the outstanding principal amount of the Loan. It was repaid in September 2025.

3.31. Since 3 November 2022, Athora Belgium has acted as the administrator and servicer of the Belgian Business. ALPI outsources the administration and servicing of the Belgian Business to Aviva UK under the Aviva UK Servicing Agreement, which in turn sub-outsources the administration and servicing of the Belgian Business to Athora Belgium under the Athora Belgium Servicing Agreement. Athora Belgium further sub-outsources part of these responsibilities to NN Insurance Belgium.

3.32. There are three third-party quota share reinsurance treaties in place relating to certain of the Transferring Policies. Following Aviva internal group restructuring in the past, Aviva UK has replaced Norwich Union Life Insurance Society as cedant in each case:

- A French language quota share reinsurance treaty dated January 1977 and originally entered into between Norwich Union Life Insurance Society (as cedant) and L'Union Société de Réassurance à Zurich (as reinsurer), now with Swiss Re providing reinsurance for certain Transferring Policies.
- A life reinsurance dated 23 November 1992 and originally entered into between Norwich Union Life Insurance Society (as cedant) and the Mercantile and General Reinsurance Company plc (as reinsurer), now with Swiss Re providing reinsurance for certain Transferring Policies.
- A French language reinsurance treaty dated 17 November 1995 and originally entered into between Norwich Union Life Insurance Society (as cedant) and Employers Reassurance International Ltd (as reinsurer), now with Swiss Re providing reinsurance for certain Transferring Policies.

3.33. In addition, there are three "**Assistance Agreements"** in place relating to certain of the Transferring Policies:

- The assistance agreement dated 11 May 1991 between Norwich Union Life and le Groupe Européen S.A. relating to funeral cover. This cover is currently provided by Axa.

- The assistance agreement dated 15 May 1991 between Norwich Union Life and le Groupe Européen S.A. relating to hospitalisation cover. This cover is currently provided by Axa.
- The assistance agreement with an effective date of 1 April 1998 between Norwich Union Life and le Groupe Européen S.A. relating to funeral cover. This cover is currently provided by Axa.

SOLVENCY POSITION

3.34. ALPI calculates its capital requirements using the Standard Formula. The Company uses the Volatility Adjustment ("VA") when determining its Best Estimate Liability ("BEL"). The Matching Adjustment or Transitional Measures are not used.

3.35. The VA is a reduction to technical provisions to reflect temporary distortions in credit spreads. It reduces the technical provisions by increasing the interest rate used to calculate the BEL. Volatility adjustments are prescribed by EIOPA on a currency and country basis. The CBI determines whether the use of the VA is appropriate and it granted application of use of the VA for ALPI in 2019. The Volatility Adjustment (to the risk-free rate) for the Euro at year end 2024 was determined by EIOPA as 0.2% (end of 2023 it was 0.19%).

3.36. At 31 December 2024, ALPI had an excess of eligible own funds over its SCR, as shown in the table below. The table also shows the equivalent position as at 31 December 2023.

TABLE 7: ALPI – RECENT SOLVENCY POSITION (€M)

	31 DECEMBER 2024	31 DECEMBER 2023
(1) Net assets before deducting Technical Provisions	16,945	14,893
(2) Technical Provisions	16,340	14,305
(3) Other adjustments to arrive at eligible own funds	38	-
(4) Total eligible own funds (= (1) - (2) + (3))	**643**	**589**
(5) Solvency Capital Requirement (SCR)	417	384
(6) Minimum Capital Requirement (MCR)	117	107
(7) Relevant Solvency II Capital Requirement (= Higher of 5 & 6)	**417**	**384**
(8) Coverage ratio (= (4)/(7))	154%	153%
(9) Excess of eligible own funds over capital requirement (= (4)-(7))	227	204

Source: ALPI QRTs 2024 and 2023

3.37. In summary, the assets of ALPI exceeded its liabilities by €643 million (31 December 2023: €589 million). The eligible own funds exceeded the relevant regulatory capital requirement by €227 million (31 December 2023: €204 million). In percentage terms the company's solvency coverage ratio was 154% (31 December 2023:153%).

PROJECTED SOLVENCY POSITION

3.38. As required under Solvency II, ALPI produces an ORSA report each year. This is an internal report that includes financial projections on a base case and on a set of alternative scenarios. The ORSA assesses the Company's capital position and various risks to the solvency of the Company. It is a commercially sensitive document and not published.

3.39. In December 2024, the board of ALPI ("**ALPI Board**") approved a report documenting the results of an ORSA of the company's business. Prepared prior to the transfer of business proposal to Athora Belgium, the ORSA report included projections of ALPI's solvency through to the end of 2027, assuming ALPI would retain the Transferring Policies.

3.40. I have reviewed the ORSA projections and note that they indicated that ALPI's solvency coverage ratio was projected to fall slightly (single digit percentage amounts) over the coming years – mainly due to the capital required (SCR) growing faster over 2025 and 2026 than the level of Own Funds; and to grow slightly in 2027. In addition, the actual end-2024 reported solvency position turned out to be lower (by a single digit percentage amount) than projected in the ORSA (the actual solvency coverage ratio was 154% at end 2024). Such variants in projections and actual amounts are not unusual for a life company such as ALPI. I note the projected solvency coverage ratio in the ORSA was within the targeted levels as prescribed in the ALPI risk appetite statement (which itself is also a commercially sensitive document and not published).

3.41. The ORSA report also investigated the projected solvency development on a range of alternative adverse scenarios, testing the following key risks to solvency coverage: a moderate stress impacting market and underwriting risks, a severe stress impacting market and underwriting scenarios, adverse climate change scenario, reinsurer default and an extreme market scenario.

3.42. Apart from two extreme reverse stress tests, for all other scenarios included in the ORSA, the company has management actions available to it which could return the solvency position to within the risk appetite before the end of the plan period.

RISK PROFILE

3.43. According to the ORSA, the range of risks to which ALPI is exposed are life underwriting risks including lapse, morbidity, expense, longevity and mortality risk; market risks including equity, interest risk and spread risk; counterparty default risk; and operational risk. As required under the Solvency II Regulations, the company has in place a risk management framework to monitor and manage risk on an ongoing basis.

3.44. The table below sets out the composition of ALPI's SCR as at 31 December 2024. As the SCR is a risk-based calculation of the amount of capital required to be held in respect of various risks to which the company is exposed, it is a useful measure to help understand the company's risk profile.

TABLE 8: ALPI - SCR AS AT 31 DECEMBER 2024

CAPITAL REQUIREMENTS (€M)	31 DECEMBER 2024
Market Risk	170.0
Counterparty Default Risk	50.6
Life Underwriting Risk	272.7
Health Underwriting Risk	109.2
Diversification	-161.3
Basic Solvency Capital Requirement	**441.3**
Loss Absorbing Capacity of Technical Provisions	-55.2
Loss Absorbing Capacity of Deferred Taxes	0
Operational Risk	30.5
Solvency Capital Requirement	**416.5**

Source: ALPI SFCR 2024

3.45. As can be seen from the table above, the largest contributor to ALPI's SCR are the capital requirements for life underwriting risk, (financial) market risk and health underwriting risks.

3.46. Market risks include equity market risk, interest rate risk, bond valuation risk (known as "**spread risk**"), property risk and currency risk. The largest contributor to ALPI's capital requirement for market risk at 31 December 2024 was equity risk, followed by spread risk and currency risk.

3.47. Life underwriting risk capital includes capital for lapse risk, expense risk, mortality risk, longevity risk, morbidity risk and catastrophe risk. At 31 December 2024, lapse risk was the greatest contributor to ALPI's capital requirement for underwriting risk, followed by expense risk, longevity risk and catastrophe risk. For ALPI, their lapse risk relates to a mass lapse scenario.

3.48. Health underwriting risk capital incudes capital for morbidity and lapse risk, in addition to smaller amounts for mortality, longevity, expense, revision and catastrophe risk.

3.49. In addition to the financial risks shown above, ALPI is also exposed to non-financial risks, including climate risk.

RISK MANAGEMENT

3.50. Overall responsibility for approving, establishing and maintaining the Risk Management Framework ("**RMF**") rests with the ALPI board and is managed on their behalf by the ALPI Chief Risk Officer. The overall Group RMF is owned by the Aviva Plc Board and adopted by the ALPI DAC board.

3.51. ALPI's Risk Appetite Framework consolidates the ALPI Risk Appetite Statements, Calibration, Tolerances and Preferences. ALPI's Risk Strategy is the overarching expression of how ALPI thinks about risk. There are Risk Appetite Statements for each risk type, with associated metrics and thresholds, set by the ALPI Board. Risk Preferences by risk type have definitions of "prefer", "accept", "avoid" and are set by the ALPI Risk Committee. Risk Tolerances which the business needs to be managed within are set by the ALPI Risk Committee also. Risk Triggers are set by Management and are intended to trigger an investigation into the drivers.

3.52. ALPI has an appetite for certain risks – such as technical life insurance risks – that it believes it can understand, control, and manage. ALPI's preferred risks are Longevity, Mortality, Morbidity and Credit. Their accepted risks are Lapse, Equity, Direct Property, Expense, Operational Reinsurance Counterparty (non-Ul) and Physical (Climate). Their avoid risks are Interest Rate, Inflation, Currency, Reinsurance Counterparty (UL) and Transaction & Litigation (Climate).

3.53. ALPI's risk management goals are to embed rigorous risk management throughout the business based on setting clear risk preferences, appetites, tolerances and limits and staying within these. Ensuring that capital is allocated where it will make the highest returns on a risk-weighted basis and meet the expectations of customers, investors and regulators that ALPI will maintain capital surpluses to ensure ALPI can meet liabilities even if a number of extreme risks materialise.

3.54. Risks are monitored on an ongoing basis as part of a regular risk monitoring and reporting process.

3.55. ALPI manages risks within its risk management framework by using reinsurance to partially mitigate demographic risks and equity/ interest/ credit/ currency derivatives to partially mitigate market risks.

CAPITAL MANAGEMENT POLICY

3.56. Aviva Group's capital management policy sets out the minimum requirements for capital management activities to be followed by all Aviva entities and at Group level. ALPI's Risk Management Framework sets out specific parameters for managing the company's solvency position. These are monitored quarterly and reported to the ALPI Board.

3.57. ALPI's Risk Management Framework states that the company holds a capital buffer above the Solvency II standard formula capital requirement such that after a 1-in-10 year event there is still sufficient capital left to at least cover 100% of the SCR. There are management action plans in place to restore any breach of solvency levels.

OPERATIONAL ARRANGEMENTS

3.58. The Company outsources a number of operational functions. These mainly relate to investment management of own funds and unit linked policyholder funds, middle and back-end office administration services, the provision of printing and mailing services for policyholder communications, the administration of the Italian Branch business and the administration of the OLAB book (both of which are closed to new business).

3.59. There are also Intragroup outsourcing arrangements with Aviva Central Services that provide a number of group services e.g. finance, actuarial & IT infrastructure.

3.60. An outsourcing oversight committee is in place and meetings are held quarterly and at such time as required. The purpose of the committee is oversight of outsourcing risk and outsourcing arrangements. ALPI has an outsourcing policy which sets out requirements that must be followed prior to outsourcing activities and the ongoing monitoring of these activities. The Board has also adopted the Operational Risk Policy in accordance with Group requirements.

POLICYHOLDERS' REASONABLE EXPECTATIONS

3.61. Under the Solvency II regime in Ireland, the CBI requires the Head of Actuarial Function's annual report to discuss the following issues:

- *"Where policy conditions confer discretionary powers in reviewing certain charges or product features, the HoAF's opinion on any such matters.*
- *The HoAF's interpretation of "Policyholders' Reasonable Expectations" and how these have been considered in establishing the Technical Provisions."*

3.62. The HoAF of ALPI documented in her most recent Actuarial Report on Technical Provisions, in her view, the areas where company discretion is applied and reasonable expectations apply to the ALPI's policyholders. I have reviewed these in the context of assessing how they could apply to the Belgian Business. I also assessed them in the context of any potential impacts on the remaining ALPI policyholders should the proposed Scheme be approved. The following areas relating to PRE identified by the HoAF are relevant:

- The terms & conditions of unit linked policies can contain clauses that allow ALPI discretion in the way the terms of the policy are applied. ALPI has the right to review risk benefit charges and policy fees on certain policies.
- ALPI has discretion relating to the operation of its with-profits funds. The With-Profits Operating Principles ("**WPOP"**) document set outs the principles ALPI follow.
- No plans are in place (currently) to change risk benefit or expense charges on in-force unit-linked business. Consistent with this, the Technical Provisions for unit-linked business make no allowance for ALPI's rights to change these charges.

3.63. The Belgian Business is non-linked - i.e. where the premiums and benefits (surrender value and claim benefit amounts) are defined effectively by formula (and benefits are not connected to the value of any internal unit-linked funds). The Belgian Business policies are not unit-linked policies, and are not with-profits policies within the scope of the WPOP in ALPI.

3.64. The emergence of any surplus (profits or losses) on the Belgian Business is due to the shareholder – the ALPI with-profits funds are not entitled to any surplus on the Belgian Business.

OTHER ITEMS

Complaints

3.65. I note ALPI has a well-established complaints process, which is clearly set out for customers on its website.

3.66. I was provided with a complaints log containing recent complaints for ALPI. No material issues were noted.

3.67. I have been advised that ALPI currently has no legal or regulatory issues outstanding with the CBI in relation to the Belgian Business.

Compensation Schemes

3.68. ALPI's policyholders are not currently covered by any compensation schemes.

4 Background to Athora Belgium

HISTORY AND BACKGROUND

4.1. Athora Belgium is an insurance company which was established in 1954 under the name La Concorde. Athora Belgium's name was later changed from La Concorde to Generali Belgium.

4.2. In 2019, Generali Group sold Generali Belgium to Athora Group and as part of Athora Group, Generali Belgium changed its name to Athora Belgium. It is registered under enterprise number 0403.262.553 and is headquartered at Marsveldstraat 23, 1050 Belgium.

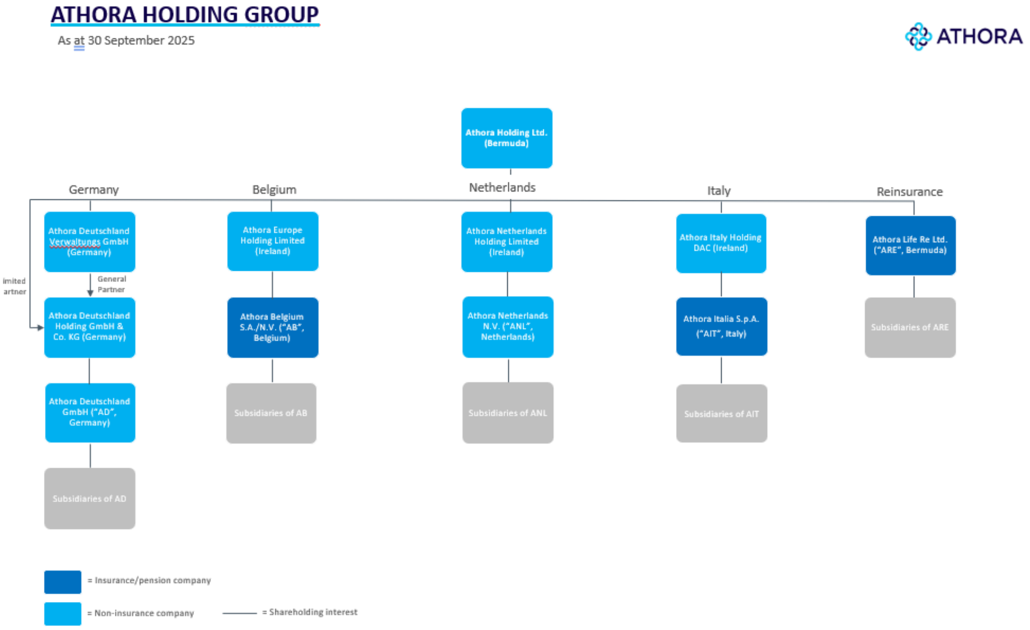
4.3. Athora Belgium announced in October 2022 that it completed the acquisition of a closed-book individual life portfolio from NN Insurance Belgium.

4.4. Athora Belgium serves approximately 511,000 customers and manage assets totalling €9 billion. The company generated €710m in premiums in 2024.

4.5. Athora Belgium's business is all written in Belgium.

4.6. The Athora Group structure as at 31 December 2024 is outlined below. The company's immediate parent company is Athora Europe Holding Ltd, which is headquartered in Ireland. Athora Europe Holding Ltd is a wholly owned subsidiary of Athora Holding Ltd, which is headquartered in Bermuda and subject to group supervision by the Bermuda Monetary Authority.

FIGURE 1: ATHORA GROUP STRUCTURE



Source: Provided by Athora Belgium

4.7. Athora Belgium is subject to supervision by the NBB, which is the authority responsible for the financial supervision of the company in Belgium.

NATURE OF BUSINESS WRITTEN

4.8. Athora Belgium carries out insurance and reinsurance activities in the life sector. The company offers products in the areas of life insurance, investment, savings, and pensions. Over the years, Athora Belgium has focused on selling life insurance products – such as savings, pension, protection and unit linked policies.

4.9. The company's objective is to provide long-term returns and security to policyholders, by managing their portfolio of traditional life and pension products. The Athora Group's ambition is to become the leading provider of guaranteed savings and retirement products in Europe, with growth through a combination of individual and corporate new business activities, mergers and acquisitions, as well as portfolio and risk transfer solutions.

4.10. Athora Belgium's life insurance contracts can be classified into three main lines of business, namely - Branch 21 guaranteed interest rate savings life insurance (with guaranteed interest rate and discretionary profit sharing); Branch 23 investment life insurance (Unit Linked policies); and Branch 26 capitalisation policies and group life insurance policies (including pension and disability). The Branch 21 business includes health insurance policies stemming from the acquisition of some NN Insurance Belgium business in 2022 (the so called "Verdi" portfolio).

4.11. The Branch 21 business includes both single and regular premium products. Premiums for this category were around €360 million in 2024, about 51% of total life premiums.

4.12. The Branch 23 policies (unit-linked products) are investment-driven policies, where the policy's value is tied to one or more investment funds. The unit-linked contracts have no guaranteed investment return. Premiums for this category were around €310m in 2024, about 44% of the total premiums.

4.13. The options and guarantees category covers savings products with a guaranteed interest rate. Policyholders have an option to add death or disability coverage, with an option to choose from various death benefits. Premiums for this category were around €31 million in 2024, about 4% of total life premiums.

4.14. The health insurance risk stems from the Verdi portfolio, which was a closed portfolio of business acquired from NN in 2022. This portfolio primarily consists of standalone and rider Income protection contracts.

4.15. The following table breaks down Athora Belgium's technical provisions by line of business at year-end 2024.

TABLE 9 ATHORA BELGIUM – TECHNICAL PROVISIONS AND RECOVERABLE BY LINE OF BUSINESS AS AT 31 DECEMBER 2024 (€M)

LINE OF BUSINESS	Life other than index-linked and unit-linked	Index-linked and unit-linked	Health	Total
Technical Provisions - Gross of Reinsurance	6,697	2,097	8	**8,803**
Reinsurance Recoverable				**-1,753**
Counterparty Default Adjustment				**2**
Technical Provisions - Net of Reinsurance				**7,051**

Source: Athora Belgium YE2024 Actuarial Function Report & RSR

SOLVENCY POSITION

4.16. Athora Belgium calculates its capital requirements using the Standard Formula. The Company use the Volatility Adjustment when determining its BEL (as defined under Solvency II rules).

TABLE 10: ATHORA BELGIUM – REPORTED SOLVENCY POSITION (€M)

	31 DECEMBER 2024	31 DECEMBER 2023
(1) Net assets before deducting Technical Provisions	9,396	8,881
(2) Technical Provisions	8,803	8,383
(3) Other adjustments to arrive at eligible own funds	116	115
(4) Total eligible own funds (= (1) - (2) + (3))	**710**	**613**
(5) Solvency Capital Requirement (SCR)	388	385
(6) Minimum Capital Requirement (MCR)	175	173
(7) Relevant Solvency II Capital Requirement (= Higher of 5 & 6)	**388**	**385**
(8) Coverage ratio (= (4)/(7))	183%	159%
(9) Excess of eligible own funds over capital requirement (= (4)-(7))	321	228

Source: Athora Belgium QRTs 2024 and 2023

4.17. In summary, the assets of Athora Belgium exceeded its liabilities by €710 million at end 2024 (31 December 2023: €613 million). The eligible own funds exceeded the relevant regulatory capital requirement by €321 million (31

December 2023: €228 million). In percentage terms the company's solvency coverage ratio was 183% at end 2024 (31 December 2023:159%).

PROJECTED SOLVENCY POSITION

4.18. As required under Solvency II, Athora Belgium produces an ORSA report each year. This is an internal report that includes financial projections on a base case and on a set of alternative scenarios. The ORSA assesses the Company's capital position and various risks to the solvency of the Company.

In June 2025, the Board of Athora Belgium approved a report documenting the results of an ORSA of the Company's business. Prepared prior to the transfer of business proposal from ALPI, the ORSA report included projections of Athora Belgium solvency through to the end of 2029, assuming no transfer of business takes place.

4.19. I have reviewed the ORSA projections and note that they indicated that Athora Belgium's solvency coverage ratio was projected to remain within the target levels set in the risk appetite statement.

4.20. The ORSA report also investigated the projected solvency development on a set of 69 requested Group risk sensitivities, testing the following key risks to solvency coverage: interest rate risk, spread risk, and underwriting risk. Additionally, Athora Belgium performed a set of 9 requested Group scenarios, assessing the impact of multi-risk stresses and historical/forward-looking scenarios on eligible own funds and solvency coverage. In addition to the Group stress testing and scenario analysis, Athora Belgium analysed 8 additional scenarios. These scenarios related to investment return, expenses, operational risk, climate risk and a private debt credit event.

RISK PROFILE

4.21. According to the ORSA, the range of risks to which Athora Belgium is exposed are life underwriting risks including lapse and expense risk; market risks including equity and spread risk; counterparty default risk; and operational risk. As required under the Solvency II Regulations, the company has in place a risk management framework to monitor and manage risk on an ongoing basis.

4.22. The table below sets out the composition of Athora Belgium's SCR as at 31 December 2024. As the SCR is a risk-based calculation of the amount of capital required to be held in respect of various risks to which the company is exposed, it is a useful measure to help understand the company's risk profile.

TABLE 11: ATHORA BELGIUM - SCR (€M)

CAPITAL REQUIREMENTS	31 DECEMBER 2024
Market Risk	282.4
Counterparty Default Risk	37.4
Life Underwriting Risk	153.1
Health Underwriting Risk	3.05
Diversification	-108.4
Basic Solvency Capital Requirement	**367.5**
Operational Risk	33.4
Solvency Capital Requirement	**388.5**

Source: Athora Belgium SFCR 2024

4.23. As can be seen from the table above, the largest contributor to Athora Belgium's SCR are the capital requirements for market risk and life underwriting risks.

4.24. Market risks include equity market risk, interest rate risk, corporate bond valuation risk (known as "spread risk"), property risk and currency risk. The largest contributor to Athora Belgium's capital requirement for market risk at 31 December 2024 was equity risk due to their large exposure to private equity, followed by spread risk due to their large exposure to fixed income securities.

4.25. Life underwriting risk capital includes capital for lapse risk, expense risk, mortality risk, longevity risk, morbidity risk and catastrophe risk. At 31 December 2024, lapse risk was the greatest contributor to Athora Belgium's capital requirement for life underwriting risk, followed by expense risk. For Athora Belgium, their lapse risk relates to a mass lapse scenario.

RISK MANAGEMENT

4.26. The Risk Appetite Framework of Athora Belgium sets the overall risk strategy in terms of aggregate level of risk that Athora is willing to accept or avoid in order to achieve its business objectives. The details are commercially sensitive and not published. Athora Belgium operates a policy of targeting a risk appetite solvency coverage ratio above a minimum limit set by the Board and documented in its ORSA.

4.27. Overall responsibility for approving the Risk Appetite and Strategy rests with the Athora Group Board Risk Committee. The Athora Belgium Board is responsible for approving a local version aligned with the key requirements set by Athora Group. Athora Belgium has adopted a local addendum to the Group policy, providing specific additional details for the application of the policy at an Athora Belgium entity level, in compliance with both Group and local regulatory requirements. The Athora Belgium Board is assisted in its tasks by Athora Belgium Chief Risk Officer who is member of the Board of Directors of Athora Belgum.

4.28. Athora Belgium's Risk Appetite Framework consolidates the Athora Belgium Risk Appetite Statements, calibration tolerances, and preferences. The Risk Strategy details how Athora Belgium approaches risk in support of its business objectives, consistent, with Athora Group's overarching pillars of sustainable growth, proactive capital and risk management, strong and stable investment returns and competitive costs and service levels.

4.29. Athora Belgium sets risk appetites for each risk type in the Risk Universe, with associated qualitative and quantitative metrics and thresholds. The Risk Appetite Statement Indicators are defined as 'Risk Seeking', 'Risk Acceptance', or 'Risk Avoidance' are set in line with Group guidance. Risk Tolerance and Risk Limits, which the business must operate within, are set and monitored by the local risk committee.

4.30. Risks are monitored on an ongoing basis as part of a regular risk monitoring and reporting process. Athora Belgium follows the Group's quarterly risk reporting requirements, including the use of Risk Limits Dashboards and Qualitative Risk Appetite Dashboards, and escalates breaches in accordance with Group escalation procedures. Deep dives into material or emerging risks are scheduled annually, and outcomes are shared with Group Risk as part of regular reporting.

4.31. Athora Belgium manages risks by using reinsurance to partially mitigate insurance risks and by employing derivatives (equity, interest rate, credit and currency) to partially mitigate market risks. Risk mitigation actions and controls are reviewed regularly to ensure effectiveness and compliance with Group and local policies.

CAPITAL MANAGEMENT POLICY

4.32. Athora Group's Capital Management Policy sets out the principles and strategy of Athora with respect to Capital Management and the key requirements to be followed by all local entities and at Group level. Athora Belgium's Risk Appetite & Strategy states that the company aims to maintain a robust capital position to ensure ongoing financial strength and resilience. This prudent approach ensures that Athora Belgium can absorb moderate to severe shocks while continuing to meet regulatory requirements to protect policyholder interests. There are management action plans in place to restore any breach of solvency levels.

OPERATIONAL ARRANGEMENTS

4.33. The Company outsources a number of operational functions. These mainly relate to IT support services, IT infrastructure, finance and contract handling support services.

4.34. Athora Belgium has an outsourcing policy which sets out requirements that must be followed prior to outsourcing activities and the ongoing monitoring of these activities. The Policy scope includes outsourcing arrangements with both third parties and other Group legal entities. The Board has also adopted the Operational Risk Framework in accordance with Group requirements. This is aimed at ensuring Athora Belgium maintains a prudent operational risk profile in line with board, management, and regulatory expectations under both normal business conditions and under extreme conditions caused by unforeseen events.

4.35. Since 3 November 2022, Athora Belgium has acted as the administrator and servicer of the Belgian Business. ALPI outsources the administration and servicing of the Belgian Business to Aviva UK under the Aviva UK Servicing

Agreement, which in turn sub-outsources the administration and servicing of the Belgian Business to Athora Belgium under the Athora Belgium Servicing Agreement. Athora Belgium further sub-outsources part of these responsibilities to NN Insurance Belgium.

POLICYHOLDERS' REASONABLE EXPECTATIONS

4.36. In Belgium, the Athora Belgium Board is charged with the fair treatment of policyholders. In Belgium (unlike in Ireland) the Actuarial Function Holder has no formal role in assessing or commenting on PRE.

OTHER ITEMS

Complaints

4.37. Athora Belgium has a well-established complaints process, which is clearly set out for customers on its website.

4.38. I have been advised that Athora Belgium currently has no material claims or legal matters outstanding nor any regulatory matters outstanding with the NBB.

Compensation Schemes

4.39. Athora Belgium's policyholders are currently covered by the Belgian state deposit guarantee scheme. This means that policyholders benefit from the Belgian Guarantee Fund. The compensation is limited to a maximum of €100,000 per person and per institution.

5 The Proposed Petition and Scheme

INTRODUCTION

5.1. ALPI proposes to transfer the Belgian life insurance policies within its Overseas Life Assurance Business ("**OLAB**") currently underwritten by ALPI through its Belgian branch to Athora Belgium.

5.2. I note the Belgian Business was itself the subject of a previous UK Court approved portfolio transfer in 2019 from Aviva Life & Pensions UK Limited ("**Aviva UK**") to ALPI in Ireland (the "**Brexit Scheme**"). This previous UK portfolio transfer was triggered by Brexit.

5.3. It should be noted that a small number of Belgian OLAB hospitalisation policies were transferred to Aviva Insurance Ireland DAC (Aviva's non-life entity in Ireland) as part of the Brexit Scheme; these policies are not included within the scope of the Transferring Policies. For the purposes of this document, references to the Belgian Business relate exclusively to life policies. The non-life policies are not considered further in this Report.

5.4. The Transferring Policies will be transferred to Athora Belgium via the mechanism of the proposed Scheme, subject to the approval of the Court. I have been provided with a copy of the proposed Scheme, and, in this section, I summarise its principal features.

5.5. I also summarise certain relevant aspects of the Petition that ALPI intends to make to the Court when submitting the proposed Scheme to the Court for its approval (particularly the proposed approach to communicating with the Companies' policyholders in respect of the proposed Scheme).

5.6. I provide my assessment of the proposed Scheme and of certain aspects of the Petition in sections 7 and 8.

EFFECTIVE DATE

5.7. It is envisaged that the proposed Scheme will become effective and the transfer take place at 00:01 hours on 1 July 2026, or at such later date and time as the Board of the Parties shall resolve that this Scheme shall become effective.

5.8. This Scheme may not become effective unless and until the Order has been made.

5.9. This Scheme shall lapse if it has not become effective on or before 31 December 2026 (or such later date as the Court may allow upon the application of the Parties prior to that date).

PRE CONDITIONS

5.10. The transfer of the business is carried out under Section 13 of the 1909 Act and is conditional on a number of factors, including:

- the sanction by the High Court of the proposed Scheme and the court order being granted;
- the CBI having made no express objection to the transfer of the Belgian Business from ALPI to Athora Belgium;
- the NBB, pursuant to Article 104, §2 of the Belgian Regulations, certifying that Athora Belgium has the necessary eligible own funds to cover the solvency capital requirement referred to in Article 151 of the Belgian Regulations and having made no written objection to the transfer of the Belgian Business from ALPI to Athora Belgium; and

5.11. In anticipation of the proposed Scheme, the Aviva Group and Athora group agreed a Business Transfer Agreement ("**BTA**") on 22 September 2025. It was a tripartite agreement between Aviva UK, ALPI and Athora Belgium. The BTA contains the commercial terms setting out the basis upon which the Transferring Business shall be transferred from ALPI to Athora Belgium.

5.12. The BTA also includes

- standard clauses confirming the transfer;
- the basis upon which the Transferring Business shall be undertaken between signing and completion of the BTA on the Effective Date;

- warranties from ALPI to Athora Belgium with respect to the Transferring Business;
- a number of agreed form documents (including the Scheme).

5.13. The BTA also provided for the repayment of a Loan of €59 million from Aviva UK to Athora Belgium which was undertaken pursuant to the terms of a pay-off letter entered between Aviva UK and Athora Belgium following the signing of the BTA. The Loan commenced in 2004 when another subsidiary within the Aviva Group and Delta Lloyd Life NV (as lender and reinsurer to Aviva) was writing business in Belgium. Accordingly, the Loan has been repaid in full in September 2025.

BUSINESS TO BE TRANSFERRED

5.14. Subject to the pre-conditions set out in the proposed Scheme, the Transferring Policies will be transferred on the Effective Date to Athora Belgium, which will become the insurer of those policies on the same terms on and from the Effective Date.

5.15. The Transferring Policies are listed by product name in Schedule 2 of the proposed Scheme. They are non-linked policies. There is no unit-linked business, and there is no internal or external unit-linked funds in the Belgian Business that is the scope of the proposed Scheme.

5.16. Under the proposed Scheme, any rights, powers, obligations and liabilities of ALPI under, or by virtue of, such policies will be transferred to Athora Belgium.

5.17. The assets and liabilities of ALPI that relate to the business being transferred, in accordance with the proposed Scheme, will also transfer to Athora Belgium on the Effective Date.

5.18. The proposed Scheme does not include any changes to the terms and conditions, benefits, policyholder funds, or the operation of any existing Athora Belgium policies.

STEPS TO BE COMPLETED

5.19. Upon the Effective Date:

- the Athora Belgium Retrocession Treaties between Aviva UK and Athora Belgium shall be terminated. A commutation payment calculated in accordance with the terms of the BTA shall be paid by Athora Belgium to Aviva UK in connection with the termination of the Retrocession Treaties;
- the Aviva UK Reinsurance Treaty between Aviva UK and ALPI (in so far as it relates to the Belgian Business only) shall be terminated. Aviva UK shall pay a commutation payment to ALPI in connection with the termination of the Aviva UK Reinsurance Treaty;
- ALPI completes the transfer of the Transferred Business to Athora Belgium which shall include the Transferring Policies and any assets and reserves relating to the Transferred Business held by ALPI on the Effective Date;
- the Athora Belgium Servicing Agreement between Aviva UK and Athora Belgium is terminated;
- the Aviva UK Servicing Agreement between Aviva UK and ALPI (in so far as it relates to the Belgian Business only) is terminated;
- all of ALPI’s Third-Party Reinsurance Treaties and Assistance Agreements associated with the transferring business will be novated (subject to negotiation) through various amendment and novation agreements which will become effective on the Effective Date; and
- Athora Belgium pays the consideration of €1 to ALPI.

5.20. It should be noted that the amount of the commutation payments referred to in paragraph 5.19 (bullet points number 1 and 2) the amount of any assets and reserves relating to the Transferred Business which shall be held by ALPI and transferred to Athora on the Effective Date shall all be equal to one another.

REGULATORY MATTERS

5.21. Policies issued by an Irish authorised insurer cannot be transferred to another EEA authorised insurer unless the relevant supervisory authority in the EEA Member State(s) where the transferring policies were concluded have been notified of the transfer, and either agree to it or do not object within three months from the notification.

5.22. Under the Scheme, the Belgium Business underwritten by ALPI will transfer to Athora Belgium. I have been informed that some policyholders within the Transferring Policies are currently residing in a number of different EEA countries. However, while this is the case, all of the Transferring Policies were concluded in Belgium. Therefore, the CBI is only required to notify the NBB of the proposed Scheme and it is only necessary that the NBB approves the Scheme or does not object to it within three months following notification by the CBI.

5.23. I have been informed that the CBI is not required to notify any other EEA Supervisory authorities with respect to the Scheme as no Transferring Policies were concluded in any other EEA Member States.

5.24. Separately, the Solvency II Directive and the Solvency II Regulations require that the transfer shall be published in each EEA Member State where the Transferring Policyholders are (i) habitually resident (in the case of individuals) (ii) situated (in the case of legal persons). I note the Companies will advertise the proposed transfer in the various EEA Member States where Transferring Policyholders are habitually resident (in the case of individuals) or situated (in the case of legal persons) in accordance with the respective legal requirements of the EEA Member States in question.

5.25. The Companies will further request that the CBI notifies them:

- when the CBI has notified the NBB of the proposed Scheme; and
- if the CBI receives any responses from the NBB in respect to the proposed Scheme and that the CBI will provide the Companies with details of such responses, including if the NBB has consented to the proposed Scheme or if they have requested any further information or that the Companies take any additional action.

5.26. Some policyholders have moved residence from Belgium. I have enquired into the number of new addresses/residences and have been informed from the approximately 44,000 Transferring Policyholders, there are 572 Transferring Policyholders resident across 15 EEA countries (outside Belgium) and 43 Transferring Policyholders across 19 other non-EEA countries. The number of Transferring Policyholders in each of these separate countries is relatively low in respect of the 44,000 total Transferring Policyholders.

5.27. I understand that the transfer of non-EEA resident policyholders does not require any further regulatory approvals or notices under the Solvency II Directive or the Solvency II Regulations.

ATHORA BELGIUM’S RIGHTS IN RELATION TO THE TRANSFERRING POLICIES

5.28. Athora Belgium’s right to assume the Transferring Policies is grounded in the formal insurance portfolio transfer process under Irish law. Once all legal and regulatory approvals are obtained (including sanction from the Court and authorisation from the NBB), the policies formally transfer, with Athora Belgium stepping into ALPI’s role and rights. Afterward, Athora Belgium must adhere to the same policy terms ALPI held – no unilateral policy modifications are introduced other than in accordance with the terms of the Transferring Policies themselves.

5.29. The proposed Scheme provides that Athora Belgium:

- May enforce the terms of the Transferring Policies and to receive all premiums, fees, and other amounts due under the Transferring Policies; and
- shall be entitled to all defences, claims, counterclaims, and related rights previously available to the Transferor under the Transferring Policies,

subject in every case to the provisions of the applicable policy conditions and, where relevant, to the opinion of Athora Belgium’s Actuarial Function Holder.

COSTS OF THE PROPOSED SCHEME

5.30. All costs and expenses relating to the preparation and carrying into effect of the proposed Scheme will be borne by the Companies (in such proportion as may be agreed between them). No costs or expenses will be borne directly by any of the policyholders of either of the Companies as the shareholders of the Companies effectively cover all costs.

MODIFICATIONS OR ADDITIONS

5.31. Modifications and additions to the proposed Scheme, or further conditions to the proposed Scheme, may be imposed by the Court. Other additions and modifications to the proposed Scheme are permitted if Athora Belgium and ALPI both agree, subject to Court approval.

5.32. After the Effective Date, Athora Belgium may, in certain limited circumstances and subject to the Court's approval, vary the terms of the proposed Scheme. Any such application from Athora Belgium would require the CBI to be notified and would require a fresh report from an Independent Actuary. ALPI's consent would also be required if the proposed modification would affect its rights, obligations or interests.

POLICYHOLDER COMMUNICATIONS

5.33. In accordance with Section 13 of the 1909 Act (and reflecting the requirements of the Insurance Act 1989 and the Solvency II Regulations), the Companies have developed a proposed approach to communicating with policyholders (the "**Policyholder Communications Plan**"). This Policyholder Communications Plan remains subject to the approval of the Court and will be shared by ALPI in draft form with the CBI for comment sufficiently in advance of the date of the first hearing before the Court.

5.34. The Policyholder Communications Plan governs notification, advertisement, handling of policyholder objections, and publication of the Scheme-related materials in Ireland and Belgium. The Policyholder Communications Plan makes provision for ensuring that all required materials will be publicly available - both online and, where required, in hard copy at specified physical locations.

5.35. I note a publication giving notice of the proposed Scheme and details of the Sanction Hearing will be made in the following channels:

Ireland

- Iris Oifigiúil (the official gazette of the government of Ireland). This is required under Section 13 of the 1909 Act.
- In the following Irish newspapers:
  - The Irish Times; and
  - The Irish Independent.

Belgium

- In the Belgian Official Gazette.
- In the following Belgian newspapers:
  - Le Soir and La Dernière Heure (for French speakers)
  - De Standaard and Het Laatste Nieuws (for Dutch/French speakers)
  - La Dernière Heure (for French speakers)
  - Het Laatste Nieuws (for Dutch/French speakers).

Other EEA Member States and internationally

- International Editions of the Financial Times (the United Kingdom, the United States, Europe (also covering Africa), Asia and the Middle East)
- In each EEA Member State which is a Member State of the commitment (in accordance with the law of each EEA Member State). This is a requirement under the Solvency II Regulations.

5.36. Section 13 of the 1909 Act requires that, unless the Court otherwise directs, certain materials must be sent to each policyholder of both ALPI and Athora Belgium. These materials include a policyholder information pack ("**Policyholder Circular**") with information on the transfer together with a statement of the nature of the transfer, an abstract summarising the main terms of the proposed Scheme, and the Independent Actuary's Report. Accordingly, it is open to the Companies to ask the Court for a derogation from various aspects of those requirements.

5.37. I understand that the Companies intend to ask the Court for permission to modify and waive some of the communication requirements set by law, as follows:

- That the Circular only be sent to the Transferring Policyholders, rather than to all policyholders in both Companies.
- That a summary of this Report (and not this Report in full) is included in the Circular sent to policyholders.
- It will not be possible or practical to notify Transferring Policyholders of the proposed Scheme if the Companies do not have accurate or complete contact details for those Transferring Policyholders. This includes Transferring Policyholders that have failed to notify their insurer of a change of address or who have provided incomplete address information ("**Gone Away Policyholders**").
- Where there are contact details on file for a Gone Away Policyholder's broker on file, the broker will be contacted for up-to-date contact details if available. If the Gone Away Policyholder is over 90 years old the Belgian *Identifin* portal can be consulted if the Transferring Policyholder is alive or deceased. If the policyholder is deceased, the *Identifin* portal will allow Athora to retrieve information on the heirs of the deceased policyholder's estate to start the settlement of the death claim.
- As a result, (subject to agreement by the Court in the Directions Hearing) the Transferor will only send a Policyholder Circular to those Transferring Policyholders for whom the Transferor holds contact details or which can be obtained using the above approaches.

5.38. I have reviewed a draft of this Policyholder Circular. I have also reviewed a draft document containing a list of frequently asked questions ("**FAQ document**") which will be included with the Policyholder Circular. The Policyholder Circular also draws attention to additional documentation and reports (the "**Transfer Documentation**") that are available on request. The Policyholder Circular will be drafted in English and issued in French or Dutch translations, depending on the Transferring Policyholders elected language for correspondence.

5.39. These documents (Policyholder Circular, the proposed Scheme) as well as a copy of this Report on the proposed Scheme will be available to review via ALPI's dedicated transfer website in English as well as in French and Dutch translation and the webpage on ALPI's website can be accessed from the Athora Belgium website by the public, including policyholders of Athora Belgium.

5.40. Policyholders can alternatively email, telephone a helpline number or write to request a hard copy of any parts of the Transfer Documentation or to lodge an objection to the transfer or to raise a question concerning the proposed transfer.

5.41. The Transfer Documentation will also be available for inspection by any interested parties at the respective registered offices of the Companies in Ireland and Belgium.

5.42. The proposed communication plan, as summarised above, is subject to any amendment directed by the Court.

6 Approach to Assessing the Proposed Scheme

INTRODUCTION

6.1. In this section I explain the approach I have adopted in assessing the impact of the proposed Scheme on the policyholders of ALPI and Athora Belgium.

CONTEXT OF ASSESSMENT

6.2. My assessment is conducted within the context of the proposed Scheme, and only the proposed Scheme, and considers its likely effects on the Transferring Policyholders, Athora Belgium's existing policyholders and ALPI's remaining policyholders. It is not within my remit to consider possible alternative schemes or to form a view as to whether this is the best possible scheme.

6.3. My assessment of the impact of the implementation of the proposed Scheme on the various affected policies is ultimately a matter of expert judgement regarding the likelihood and impact of future possible events. Given the inherent uncertainty of the outcome of such future events and that the effects may differ across different groups of policies, it is not possible to be certain of the effect on the policies.

6.4. A Scheme may have both positive and negative effects on a group of policies and the existence of detrimental effects should not necessarily imply that the Court should reject a Scheme as the positive effects may outweigh the negative effects or the negative effects may be very small.

6.5. In order to acknowledge this inherent uncertainty, and to be consistent with normal practice in these matters, the conclusions of the Independent Actuary in relation to transfers of long-term insurance business are usually framed using a materiality threshold. If the potential impact under consideration is very unlikely to happen and does not have a significant impact or is likely to happen but has a very small impact, then it is not considered to have a material effect on the policies.

6.6. The assessment of materiality will also take into account the nature of the potential impact so that, for example, the materiality threshold for a change that could have a direct financial impact on policyholders' benefits is likely to be lower than the materiality threshold for a change that does not have a direct financial impact.

PRINCIPLES OF ASSESSMENT

6.7. The conditions to be met by the proposed Scheme are:

- that the security of policyholders' benefits will not be materially adversely affected; and
- that the proposed Scheme treats policyholders fairly and will not materially adversely affect their reasonable benefit expectations.

6.8. In sections 8 and 9, I assess the proposed Scheme in the context of security of policyholders' benefits, fair treatment and policyholders' reasonable benefit expectations. In addition, I have considered the impact of other miscellaneous aspects of the proposed Scheme as set out below. I do not believe that there are any other matters that I have not taken into account that might be relevant to my assessment of the proposed Scheme.

6.9. In my view, the principal factors to be considered in assessing the security of policyholders' benefits in the context of the proposed Scheme are:

- The two Companies' respective solvency positions (both current and projected both pre- and post-scheme).
- Their respective risk profiles and approaches to risk management.
- Their capital management policies.
- Business model sustainability.
- Options available in recovery and resolution situations.
- The extent of parental support available.

6.10. The principal factors I consider relevant to an assessment of fair treatment and policyholders' reasonable benefit expectations in the context of the proposed Scheme are its implications for:

- policyholders' contractual obligations
- the tax treatment of policyholders' premiums and/or benefits
- areas where the Companies may exercise discretion in relation to the fulfilment of their contracts with their policyholders
- The standards of administration, service, management and governance that will apply to policyholders.

6.11. The arrangement with regard to the costs of the proposed Scheme and the proposed approach to policyholder communications are also relevant factors to be considered.

POLICYHOLDER GROUPINGS

6.12. I consider the implications of the proposed Scheme separately for the following groups:

- Policyholders transferring from ALPI (referred to as the "Transferring Policyholders"); and,
- Existing (pre-Effective Date) policyholders of Athora Belgium (referred to as "Athora Belgium's existing policyholders").
- Remaining (post-Effective Date) policyholders of ALPI (referred to as "ALPI's remaining policyholders").

ASSUMPTIONS MADE WHEN ASSESSING THE PROPOSED SCHEME

6.13. There are certain assumptions that I have made when assessing and reaching my conclusions on the proposed Scheme and which I summarise here. I have disclosed and discussed my assumptions with the Companies, and they have not raised any objections. However, if any of these assumptions are incorrect, it is possible that my conclusions on the proposed Scheme could change as a result.

6.14. The assumptions I have made include:

- Athora Belgium will continue in its current ownership and will continue to follow the business strategy as articulated in its most recent ORSA.
- The day-to-day administration of the Transferring Policies will continue to be serviced by Athora Belgium.
- The Court will approve or sanction the proposed Scheme, validating the legal basis for moving insurance contracts from ALPI to Athora Belgium.
- All relevant regulatory authorities will provide (or be deemed to have provided) any necessary approvals or waivers.
- There are no unforeseen legal or tax implications that might affect the economics of the transfer or policyholder protections.
- The portfolio of policies which falls within the scope of the proposed Scheme is in line with the definition set out above.
- All liabilities associated with the Transferring Policies will transfer from ALPI to Athora Belgium (with the exception of any liabilities which have been specified by the Scheme as being excluded).

6.15. My assumptions are based on my understanding of the issues in question and have been shared with the Companies' respective senior management teams for confirmation. I believe, therefore, that it is reasonable to make the assumptions I have made when assessing the implications of the proposed Scheme. However, if any of these assumptions were to be invalid, then my assessment of and conclusions on the proposed Scheme may need to be revised.

RELIANCES MADE WHEN ASSESSING THE PROPOSED SCHEME

6.16. In the course of my work preparing this Report, I have considered various documents provided by ALPI and Athora Belgium. I also considered various documents provided by A&L Goodbody and DLA Piper (legal advisors on Irish law matters for the proposed Scheme). A summary of the documents relied upon is appended to this report in Appendix A.

6.17. I have relied upon the accuracy and completeness of these documents to inform my opinion on the proposed Scheme. I have held meetings and calls with representatives of the Companies and their lawyers to discuss the details provided and to address any queries arising from my analysis. I have also been informed of relevant discussions between ALPI, Athora Belgium, the CBI and the NBB.

6.18. In addition, I have relied on the tax opinions and assurances of the Companies' experts in these matters and have not sought independent expert advice.

7 Assessment of the Proposed Scheme: Security of Benefits

INTRODUCTION

7.1. In this section, I set out my assessment of the proposed Scheme in so far as it may affect the security of policyholders' benefits.

7.2. In assessing the implications of the proposed Scheme on the security of benefits for the various groups of policyholders, I have considered a number of factors including the risk profiles of the two Companies and the outlook for their respective future solvency development (including consideration of their business plans).

7.3. The security of policyholders' benefits is provided by the amount by which an insurer's assets exceed its liabilities. In addition, the regulatory regime for Irish and Belgian insurers requires that this excess of assets over liabilities must in turn exceed a prescribed minimum level (which is calculated taking account of the risks to which the insurer is exposed), thus providing a minimum level of security (see Section 2 above for more details).

7.4. The principal issue with regard to security of benefits, therefore, is whether or not the transferee company will have adequate resources following the completion of the proposed Scheme and whether this is likely to remain the case over time. This assessment must also have regard to the corresponding situation which would pertain should the proposed Scheme not be proceeded with.

7.5. In my view, the relevant factors to be considered are:

- the two Companies' respective solvency positions (both current and projected).
- their respective risk profiles and approaches to risk management.
- their capital management policies.
- business model sustainability.
- options available in recovery and resolution situations.
- the extent of parental support available.

7.6. I deal with each of these aspects in turn in the following paragraphs. Before doing so, however, it is worth first noting the principal similarities and differences between the two Companies.

7.7. At a high level, the two Companies share many similarities, which makes the assessment of the implications for the Transferring Policyholders more straightforward than would otherwise be the case and also helps to focus on the areas of difference (which are of particular importance to the Transferring Policyholders). Those points of similarity include:

- Both companies are subject to EU Solvency II prudential regulatory regime.
- Both companies are authorised to write life insurance business with a mix of protection, savings and pension products.
- Both are members of larger insurance groups (Aviva Group and Athora Group) which provide potential parental support and access to group resources.
- Both companies have board-level oversight of risk and capital management.
- Both have capital management policies that target certain coverage ratios above regulatory minimums and incorporate formal processes for managing solvency and capital buffer levels.

7.8. There are also some differences, however, including (but not limited to):

- ALPI has its head office in Ireland and is subject to prudential supervision by the CBI, whereas Athora Belgium has its head office in Belgium and is subject to prudential supervision by the NBB.
- ALPI policyholders are not covered by any guarantee scheme while Athora Belgium policyholders are covered up to €100,000 in case of insurer insolvency. However, this protection does not extend to employees with benefits under group pension schemes as those are explicitly excluded from protection under the Belgian Guarantee Fund.

- ALPI manages a broader geographic portfolio including legacy business from multiple European countries as well as a small Italian branch whereas Athora Belgium's business is primarily Belgium domestic.
- ALPI's SCR is more heavily weighted towards life and health underwriting risks with significant exposure to unit-linked business. Athora Belgium has a higher proportion of market risk due to its investment strategy which includes exposure to private equity and fixed income securities.

7.9. The proposed Scheme seeks to collapse various two-step linkages that are currently in place as a consequence of previous portfolio transfers relating to the Belgian Business. These are as follows:

- ALPI currently 100% reinsures the Belgian Business (and the Transferring Policyholders) to Aviva UK, who in turn retrocedes the risks to Athora Belgium. The proposed Scheme seeks to remove Aviva from this chain completely and leave the Belgian Business directly insured by Athora Belgium.
- ALPI currently outsources the administration of the Belgian Business (and the Transferring Policyholders) to Aviva UK, who in turn sub-outsources the administration to Athora Belgium. The proposed Scheme seeks to remove Aviva from this chain completely and leave the Belgian Business directly administered by Athora Belgium.

7.10. I note the Actuarial Function Holder for Athora Belgium prepared a report entitled "Actuarial Function Opinion on AVIVA business transfer" dated 11 November 2025. The report was prepared for the internal use of the directors and managers of Athora Belgium, and it will be shared with the NBB. This report noted that the Actuarial Function has no objection to the proposed transfer given the positive impact from an administration perspective reducing the costs for Athora Belgium, with very limited impact on the financial situation of Athora Belgium.

SOLVENCY

7.11. The solvency position of the two companies is discussed in Sections 3 and 4. In particular, the position that is examined includes the recent solvency position of each company.

7.12. I note that, as at 31 December 2024 and 31 December 2023, both Companies had available capital resources in excess of both the regulatory minimum (100% of SCR) and their respective target levels as per their respective capital management policies.

7.13. As explained in Section 2, the solvency position is a function of both the available capital resources (i.e., the eligible own funds) and the calculated capital requirement (i.e. the SCR). Therefore, both items must be correctly and appropriately calculated for the reported solvency coverage position to be reliable.

7.14. The eligible own funds derive from the surplus of assets over liabilities measured on a Solvency II basis. To the extent that the assets and/or liabilities are misstated, the eligible own funds may be misstated. I note that the Solvency II balance sheets are externally audited in both Ireland and Belgium. I further note that in Ireland the technical provisions (which form part of the overall liabilities) are certified by the HoAF on an annual basis. In Belgium, the Actuarial Function Holder validates the technical provisions annually.

7.15. I have also reviewed the report on the technical provisions produced by both the HoAF of ALPI and the Actuarial Function Holder of Athora Belgium in respect of 31 December 2024 and the corresponding information that has been provided to me in respect of 31 December 2023 and I am satisfied that the approaches adopted appear reasonable.

7.16. Both companies use the Standard Formula in the calculation of the SCR. Under Solvency II (as enacted in Ireland and Belgium), the SCR result presented in the published SFCR each year is audited by external auditors. I have relied on the work of the auditors in this regard. In addition, I reviewed both companies' SCR as at 31 December 2023 and 31 December 2024 for reasonableness based on my knowledge of the business and of the operation of the Standard Formula.

7.17. In addition, projections carried out by both Companies in the context of their ORSAs, indicate that the two Companies are expected to maintain more than adequate solvency levels (in excess of the target levels specified in their capital management policies) over the projection period.

7.18. Whilst examination of the current and projected solvency position is helpful, it does not, in my view, provide the full picture necessary for an evaluation of the security of policyholders' benefits. In my view, it is also necessary to review and consider the other items listed in 8.5 above.

Impact of the proposed Scheme on solvency

7.19. If the proposed Scheme is approved, Athora Belgium's overall solvency position is expected to remain broadly unchanged. This is because Athora Belgium already acts as the retrocessionaire for the Belgian Business. Following the transfer, the Reinsurance Accepted BEL will decrease by the amount corresponding to the Belgian Business, while the Direct Written BEL will increase by the same amount. As a result, the aggregate technical provisions will remain consistent. There may be a minor impact on the Solvency Capital Requirement (SCR) due to changes in counterparty exposure, which could in turn slightly affect the risk margin. However, these effects are expected to be immaterial in the context of Athora Belgium's overall solvency position.

7.20. The Effective Date of the proposed Scheme is 1 July 2026. To illustrate the impact of the proposed Scheme on the solvency position of Athora Belgium, the table below shows a pro-forma presentation using the financial position at 30 June 2025. The impact at 1 July 2026 is expected to be relatively similar to that illustrated below.

TABLE 12: ATHORA BELGIUM PRO FORMA IF THE SCHEME IS APPROVED

PRO-FORMA 30 JUNE 2025 (€ M)	PRE TRANSFER	TRANSFER FROM ALPI	POST TRANSFER
Assets excl. Reins Asset	10,018	-	10,018
Reinsurance/Retrocession Asset	1,698	4	1,703
Total Assets	**11,716**	**4**	**11,721**
Direct written BEL gross of reinsurance	8,610	61	8,670
Reinsurance Accepted BEL gross of reinsurance	56	-56	0
Other liabilities	2,476	-	2,476
Risk Margin	102	-	102
Total Liabilities	**11,243**	**5**	**11,247**
Basic Own Funds (Assets less Liabilities)	**473**	**-0**	**473**
Subordinated liabilities	93	-	93
Ancillary Own Funds	170	-	170
Eligible Own Funds	**697**	**-0**	**697**
SCR	**417**	**-**	**417**
Eligible Own Funds/ SCR (%)	167.2%		167.1%

Source: Athora Belgium - Actuarial Function Opinion on the Aviva business transfer

7.21. The table above shows that if the proposed Scheme was effective at 30 June 2025 the Eligible Own Funds in Athora Belgium would not be materially impacted, reducing by less than €75k.The table also shows the SCR would not be impacted and there would be negligible impact on the solvency ratio. Both the solvency ratio before and after the transaction are expected to be above the target capital buffers used by Athora Belgium in their day to day management of the company.

7.22. The immediate marginal change in solvency coverage as result of the proposed Scheme (167.2% to 167.1%) does not materially impact the financial security for policyholders given its overall financial position. Athora Belgium is not required to hold Own Funds at this level of solvency coverage ratio and could reduce Own Funds (and the solvency coverage ratio) by (for example) paying dividends to its shareholder, subject to the levels set in its capital management policy.

7.23. In assessing the security of policyholder benefits, given the continued strength of the balance sheet post transfer (as the excess of Own Funds above the SCR remains above the target capital buffers set by Athora Belgium), and their capital management policy, the proposed Scheme does not have a material adverse impact on the security of policyholder benefits overall.

7.24. Now turning to ALPI, the table below shows a pro-forma presentation using the financial position at 30 June 2025. The expected impact at 1 July 2026 is expected to be relatively similar to that illustrated below.

TABLE 13: ALPI PRO FORMA IF THE SCHEME IS APPROVED

PRO-FORMA 30 JUNE 2025 (€ M)	PRE TRANSFER	TRANSFER TO ATHORA BELGIUM	POST TRANSFER
Assets excl. Reins Asset	15,690		15,690
Reinsurance Asset	2,402	-63.2	2,339
Total Assets	**18,092**		**18,029**
BEL gross of reinsurance	16,641	-63.6	16,577
Other liabilities	701		701
Risk Margin	103	-0.3	103
Total Liabilities	**17,445**		**17,381**
Basic Own Funds (Assets less Liabilities)	**647**		**648**
SCR	**429**	**-0.4**	**429**
Eligible Own Funds/ SCR (%)	150.8%		151.1%

Source: ALPI HoAF

7.25. If the proposed Scheme is approved, the impact on ALPI's Own Funds will be minimal, with an expected increase of approximately €0.6 million. ALPI's reinsurance recoverables will decrease by roughly the value of the Belgian Business BEL, with only a minor adjustment for changes in counterparty default risk. The BEL will reduce in line with the value of the Belgian liabilities, and a small change in the Risk Margin is anticipated due to the corresponding adjustment in SCR. The effect on the deferred tax asset is expected to be trivial, reflecting the modest change in Own Funds.

7.26. Since the Belgium Business is fully reinsured, capital is held only for counterparty risk. Following the transaction, a reduction in SCR of approximately €0.3 million is expected, primarily due to the decrease in counterparty risk. Overall, ALPI's SCR coverage is projected to remain largely unchanged as a result of the transaction.

Impact of the proposed Scheme on future solvency

7.27. A further consideration in assessing the security of policyholder benefits is the expected position in the future for the Companies. This can be assessed by considering financial projections (and stresses and scenarios within these projections) for each Company in their current form, and then considering the combined position should the proposed Scheme be approved.

7.28. Both Companies prepared an ORSA in 2024. The ORSA is an internal confidential document discussed at Board level as a component of the risk management system of each the Companies. The most recent ORSA documents of both Companies were shared with me in the preparation of this Report.

7.29. I have reviewed confidential documents (specifically the ORSA) and have confirmed the projected position for both Companies (into 2026 and beyond) shows that both are expected to have available capital resources in excess of both the regulatory minimum and the target level as per their respective capital management policies for the foreseeable future.

7.30. In addition, scenario and stress testing projections carried out by both Companies in the context of their ORSAs, indicate that the two companies are expected to maintain adequate solvency levels (in excess of the target levels specified in their capital management policies) over the projection period of the range of additional stresses and scenarios tested.

7.31. The liabilities of the Transferring Policyholders under the proposed Scheme represent approximately 0.6% of the liabilities of Athora Belgium as at 30 June 2025. Athora Belgium did not include separate financial projections of the combined balance sheet (should the proposed Scheme be approved) in its 2024 ORSA given the small relative size of the business accepted under the proposed Scheme, and the fact that the Belgian business was already included in Athora Belgium as accepted reinsurance. However, I am satisfied the impact of the proposed Scheme can be assessed by considering the most recent ORSAs of the Companies, and the pro-forma impact assessment of the proposed Scheme presented above. I am satisfied the proposed Scheme does not materially impact the expected future solvency development of Athora Belgium or ALPI.

Whilst examination of the impact of the proposed Scheme on the solvency position (both at transfer and in the future) is helpful, it does not, in my view, provide the full picture necessary for an evaluation of the security of policyholders' benefits. In my view, it is also necessary to review and consider the other items listed in paragraph 7.5 above.

RISK PROFILES AND RISK MANAGEMENT

7.32. In my view, any consideration of the respective future solvency positions needs to include an assessment of the extent to which the projected future development of the Companies' solvency positions could vary as a result of differences in the Companies' risk profiles and approach to risk management. Comparison of the Companies' respective risk profiles is also an important consideration when examining the impact on the Transferring Policyholders of moving from a company with one particular risk profile to a company with a different risk profile.

7.33. The makeup of each company's SCR provides a good indication of the risks to which the Companies are exposed, and the extent of their exposure. In sections 3 and 4, I summarise the key risks for both ALPI and Athora Belgium, based on the composition of their respective SCRs and commentary from their respective ORSA reports. In summary, the two Companies are exposed to broadly similar types of risk (noting the relative sizes of the risks differ for the two companies).

7.34. In terms of risk management, both Companies adopt similar approaches in terms of risk management policies, frameworks, oversight and governance.

7.35. Both ALPI and Athora Belgium implement risk mitigants such as maintaining capital buffers above SCRs, using derivatives to manage market risk, and setting specific risk limits and tolerances to manage potential exposures proactively. They conduct regular monitoring, stress testing, and scenario analysis to identify vulnerabilities and ensure compliance with regulatory requirements. Diversification and operational controls are employed with the aim of mitigating risk and preventing losses from operational failures.

7.36. Having reviewed the relevant documentation provided to me, and based on my experience of insurance risk management, I am satisfied that both Companies' risk management frameworks are comparable and appropriate.

CAPITAL MANAGEMENT POLICIES

7.37. In my view, the Companies' capital management policies are a very important aspect of the assessment of financial strength and security as ultimately any excess capital resources above the level specified in the capital management policy may be transferred out of either Company. That specified level of coverage should therefore, in my view, form the basis for assessing the Companies' financial strength.

7.38. In addition, the possible need for future capital support should any shortfall arise in capital resources above the level specified in each capital management policy is relevant.

7.39. The two Companies' capital management policies are summarised in sections 4 and 5. They are both reasonably similar in terms of the level of excess capital resources the Companies must hold in excess of the regulatory minimum requirement of 100% of the SCR.

7.40. As the SCR is intended to represent the amount required to ensure that an insurer's assets continue to exceed its liabilities over a one-year time frame with a probability of 99.5%, by maintaining capital resources at significantly higher level than 100% of SCR, the Companies are both reducing the probability of having insufficient assets to meet liabilities to less than 0.5% over that timeframe.

7.41. Both companies aim to hold similar margins of capital buffers in excess of regulatory requirements. I have reviewed the basis on which these buffers have been calculated and am satisfied that it is reasonable, and that the levels of capital buffers seek to give comparable probabilities that either ALPI or Athora Belgium breach the SCR requirement.

7.42. In summary, both ALPI and Athora Belgium share a similar architecture in terms of their approach to capital management. They each have a formal, multi-stage process (from measuring available and required capital, through to governance and emergency measures) and place those procedures within their broader regulatory and risk management structures.

7.43. Having examined the two Companies' respective capital management policies (particularly with the Transferring Policyholders in mind), I am satisfied that Athora Belgium's policy is no weaker than ALPI's in terms of the protection that it affords to policyholders.

BUSINESS MODEL SUSTAINABILITY

7.44. In assessing the security of policyholders' benefits, I believe it is also necessary to give due consideration to the sustainability of the Companies' business models.

7.45. The Transferring Policies consist of a very minor part of ALPI's business. It is not expected that the transfer would have any material impact on ALPI's sustainability.

7.46. Similarly, the Transferring Policies liability is relatively small compared to Athora Belgium's overall balance sheet. Athora Belgium is already exposed to this liability, as they currently act as the retrocessionaire for this business. Therefore, changing the status of the business from accepted reinsurance to directly written is not expected to have any negative impact on Athora Belgium's sustainability.

RECOVERY AND RESOLUTION OPTIONS

7.47. Under Solvency II, insurers are required to develop a recovery plan within two months if they breach their SCR. In addition, however, insurers are encouraged (and will soon be required) to develop pre-emptive recovery plans. Irish insurers, including ALPI, are already subject to this requirement from the CBI. These are aimed at ensuring that insurers have a good understanding of the situations that could adversely affect their business to the extent that it becomes necessary to implement a recovery plan, as well as the options available in those situations. The recovery plan must clearly show how the company would reestablish sufficient Own Funds to cover the SCR requirement within a set timeframe.

7.48. In addition, under published CBI guidance, Irish insurers are required to develop pre-emptive recovery plans as an additional risk mitigant within the overall risk management system. These are aimed at ensuring that insurers have a good understanding of the circumstances that could adversely affect their business to the extent that it becomes necessary to implement a recovery plan, as well as the options available in those situations. These are confidential internal documents.

7.49. Both ALPI and Athora Belgium have recovery measures and actions to be implemented in the event of failure to comply with their SCR coverage requirements.

7.50. Insurance company resolution refers to the actions to be taken (by the supervisory authorities) in situations where recovery plans have failed, and all recovery options have been exhausted. In terms of resolution, the options available to both firms are similar as both are regulated under Solvency II and include portfolio transfer and run-off.

PARENTAL SUPPORT

7.51. Both ALPI and Athora Belgium are capitalised and managed to be self-sufficient on a standalone basis, without needing recourse to their respective parents (except to fund agreed acquisitions or other similar transactions). Nevertheless, both Companies benefit from the support of their parents, in terms of potential access to capital if required (noting that such capital support may or may not be forthcoming depending on the circumstances), which makes parental support an additional factor to consider when evaluating the impact of the proposed Scheme.

7.52. In my view, the proposed transfer will not change the nature, character or likelihood of parental support provided to any of the groups of policyholders.

CONSIDERATION FOR DIFFERENT GROUPS OF POLICYHOLDERS

7.53. As noted in paragraph 7.12, it is necessary to consider the position separately for each relevant group of policyholders. In the following paragraphs I set out my analysis of the implications of the proposed Scheme for:

- the Transferring Policyholders.
- Athora Belgium's existing policyholders.
- ALPI's remaining policyholders.

7.54. Based on my assessment of the outlook for the solvency position of the two Companies, together with my assessment of the Companies' respective risk profiles and capital management policies, my views on the implications of the transfer for the security of benefits of each of these categories of policyholders are set out below.

The Transferring Policyholders

SOLVENCY

7.55. I discussed the solvency position of ALPI and Athora Belgium above.

7.56. Based on the information provided, I am satisfied that Athora Belgium has a healthy solvency position such that the security of benefits for Transferring Policyholders will not be materially adversely impacted as a result of the Proposed Scheme.

RISK PROFILE

7.57. The Transferring Policyholders will be moving from a company whose main risks (as measured by the SCR) are currently policyholder mass lapse risk and other life underwriting risks, market risk and health underwriting risk. They are moving to a company with broadly similar risks, albeit, more exposed to market risk and with minimal health underwriting risk.

7.58. Although the proposed Scheme would result in some changes to the overall risk profile to which the Transferring Policies will be exposed, the risk profiles of the two Companies are broadly similar. In particular, both Companies will face similar strategic risks.

7.59. Currently, the Transferring Policyholders' policies are reinsured to Athora Belgium, meaning that if Athora Belgium were to become insolvent, ALPI would retain the ultimate liability for these policies. Under the Proposed Scheme, the Transferring Policyholders will be directly underwritten by Athora Belgium, and as a result, policyholders would become solely reliant on the financial strength of Athora Belgium. While this presents a change in the risk profile for the Transferring Policyholders I am satisfied that given the strong financial strength of Athora Belgium, this change does not result in any material adverse impact.

RISK MANAGEMENT

7.60. Athora Belgium has similar risk management policies, frameworks, oversight and governance to ALPI.

7.61. I am therefore satisfied that transferring to Athora Belgium would not lead to any material adverse implications in this regard for the Transferring Policyholders.

CAPITAL MANAGEMENT POLICY

7.62. I assess Athora Belgium's capital management policy as not materially weaker than ALPI's. I am therefore satisfied that the change in capital management policy does not weaken the security of benefits for the Transferring Policyholders.

BUSINESS MODEL SUSTAINABILITY

7.63. Athora Belgium's business model is broadly similar to ALPI's. I am therefore satisfied that transferring to Athora Belgium would not lead to any material adverse implications in this regard for the Transferring Policyholders.

RECOVERY AND RESOLUTION OPTIONS

7.64. I am satisfied that the proposed transfer will not result in any material adverse change to the nature of recovery and resolution options available to the Transferring Policyholders.

PARENTAL SUPPORT

7.65. I am satisfied that the proposed transfer will not result in any material adverse change to the nature or character of parental support provided to the Transferring Policyholders.

Athora Belgium's Existing Policyholders

SOLVENCY

7.66. The solvency position of Athora Belgium following the transfer is assessed above. Their pro-forma solvency coverage as at 30 June 2025 (capturing the impact of the transfer) would be 167.1%, which is an immaterial change and well in excess of the regulatory required minimum solvency cover and above the targets set by Athora Belgium's capital management policy.

7.67. I am therefore satisfied that the transfer into Athora Belgium of the Belgian Business would not lead to any material adverse implications in this regard for Athora Belgium's existing policyholders.

RISK PROFILE

7.68. The Transferring Policies are similar in nature to the current products and risks managed by Athora Belgium and their addition to Athora Belgium will not significantly increase the size of the company. As the Transferring Policies are currently reinsured by Athora Belgium, moving to directly underwriting these policies will have a very minimal impact on the risk profile of Athora Belgium.

7.69. Overall, I am satisfied the risk profile for Athora Belgium is not materially changing due to the Proposed Scheme and existing Athora Belgium policyholders will not be materially adversely impacted as a result of the Proposed Scheme.

RISK MANAGEMENT

7.70. Athora Belgium does not intend to change its risk management framework as a result of the proposed transfer. Accordingly, I do not consider there to be any issues of concern for Athora Belgium's existing policyholders.

CAPITAL MANAGEMENT POLICY

7.71. Athora Belgium does not intent to change its capital management framework as a result of the proposed transfer. Accordingly, I do not consider there to be any issues of concern for Athora Belgium's existing policyholders.

BUSINESS MODEL SUSTAINABILITY

7.72. The proposed transfer is in line with the business model of Athora Belgium. I am satisfied that the Proposed Scheme would not lead to any material adverse implications in this regard for the existing policyholders in Athora Belgium.

RECOVERY AND RESOLUTION OPTIONS

7.73. The transfer of the ALPI business will not affect the range of options available in a recovery or resolution scenario; the available options will remain unchanged following the transfer.

7.74. On that basis, I do not consider there to be any issues of consider for Athora Belgium's existing policyholders.

PARENTAL SUPPORT

7.75. I am not aware of any reason that the nature of parental support provided to Athora Belgium would change as a result of the proposed Scheme.

ALPI's Remaining Policyholders

SOLVENCY

7.76. The solvency position of ALPI following the transfer is assessed above. Their pro-forma solvency coverage as at 30June 2025 (capturing the impact of the transfer) would be 151.1%, which is an immaterial impact. It is also above the targets set by the Board under the company's capital management policy.

7.77. Based on the information provided, I am satisfied that ALPI has a satisfactory solvency position such that the security of benefits of existing ALPI policyholders will not be materially adversely impacted as a result of the Proposed Scheme.

RISK PROFILE

7.78. The Transferring Policies represent a very small proportion of ALPI's overall balance sheet, so their transfer will not have a material impact on the risk profile of the company. Furthermore, as these policies are already reinsured to Athora Belgium, the transfer will result in only a minimal change to ALPI's risk profile.

7.79. Overall, I am satisfied that the risk profile of ALPI will not be materially changing as a result of the transfer and ALPI's remaining policyholders will not be materially adversely impacted by the Proposed Scheme.

RISK MANAGEMENT

7.80. ALPI's risk management framework will not be changing as a result of the transfer. I am therefore satisfied that ALPI's remaining policyholders will not be materially adversely affected in this regard.

CAPITAL MANAGEMENT POLICY

7.81. ALPI's capital management framework will not be changing as a result of the transfer. I am therefore satisfied that ALPI's remaining policyholders will not be materially adversely affected in this regard.

BUSINESS MODEL SUSTAINABILITY

7.82. The proposed transfer is in line with ALPI's business model. The transfer follows a strategic review where ALPI is seeking to focus on its core markets and as a result is seeking to dispose of its OLAB portfolio (and has no plans to sell into the Belgium market). I am satisfied that the Proposed Scheme would not lead to any material adverse implications in this regard for the remaining policyholders in ALPI.

RECOVERY AND RESOLUTION OPTIONS

7.83. The transfer of the ALPI business will not affect the range of options available in a resolution scenario; the available options will remain unchanged following the transfer.

7.84. On that basis, I do not consider there to be any issues of consider for ALPI's remaining policyholders.

PARENTAL SUPPORT

7.85. The nature of parental support provided to ALPI should not change as a result of the proposed Scheme.

Other Matters to Consider

7.86. I have no other matters to consider in my assessment.

Matters not Considered

7.87. I do not believe that there are any material relevant issues that have not been considered here.

SUMMARY & CONCLUSIONS – SECURITY

7.88. On the basis of the information provided to me and having considered the alternative scenario of the transfer not taking place, I am satisfied that the proposed Scheme will not result in a material adverse impact on the security of policyholders' benefits in the case of the Transferring Policyholders, Athora Belgium's existing policyholders or ALPI's remaining policyholders.

8 Assessment of the Proposed Scheme: Fair Treatment

INTRODUCTION

8.1. I must also consider whether the proposed Scheme treats policyholders fairly and consider the effect of the proposed Scheme on policyholders' reasonable benefit expectations.

8.2. In the case of the proposed Scheme, this involves consideration of:

- Contractual obligations to policyholders.
- Any changes that would be caused to the tax treatment of policyholders' premiums and/or benefits.
- Any areas where the Companies may exercise discretion in relation to the fulfilment of their contracts with their policyholders. Such areas of discretionary powers may include benefit changes, premiums, and level of charges applicable, amongst others.
- The standards of administration, service, management and governance that will apply to policyholders.

8.3. The arrangement with regard to the costs of the proposed Scheme and the proposed approach to policyholder communications are also relevant factors to be considered.

8.4. The SAI has stated, in ASP INS-2, the need to consider PRE when assessing a proposed transfer of business from one life assurance company to another under the provisions of Section 13 of the 1909 Act, as well as placing an obligation on the Independent Actuary to consider *"whether for each relevant company the scheme [of transfer] places obligations on the directors sufficient in the Independent Actuary's opinion for the protection of those expectations"*. I note that there is no objective standard or definition when it comes to considering PRE (see section 3) and I am therefore guided by the comments made by the HoAF of ALPI in that regard.

8.5. In the following paragraphs, I set out my views on the impact of the proposed Scheme on the fair treatment and reasonable benefit expectations of the three groups of policyholders. I also consider the specific requirements of ASP INS-2 outlined in the previous paragraph in relation to the obligations placed on directors by the proposed Scheme.

CONSIDERATION FOR DIFFERENT GROUPS OF POLICYHOLDERS

The Transferring policyholders

CONTRACTUAL OBLIGATIONS

8.6. The Transferring Policyholders' contractual terms and conditions will not change as a consequence of the proposed Scheme. Their current and expected benefits will not change.

TAX TREATMENT OF PREMIUMS AND BENEFITS

8.7. The Companies have asked tax experts to assess the tax implications of the proposed Scheme on the Transferring Policies. The experts conclude that the implementation of the proposed Scheme will not result in any changes to the tax treatment of these policies.

8.8. I have been provided with a summary of the advice given. I do not consider it necessary to seek additional independent tax advice.

EXERCISE OF DISCRETION

8.9. In relation to the ability to exercise discretion in respect of aspects of the terms and conditions applicable to the Transferring Policies, I note that I have been informed by Athora Belgium that they do not propose to alter the manner in which discretion will be exercised in relation to the Transferring Policies, nor do they propose to take discretionary measures that would be substantially inconsistent with the current ALPI practice.

8.10. Based on this, I am satisfied that there is no reason to believe that the Transferring Policyholders will be materially adversely affected by the way in which Athora Belgium may exercise its discretion in respect of aspects of the terms and conditions of the Transferring Policies post-transfer, compared to how ALPI can currently exercise its discretion.

CUSTOMER SERVICE

8.11. Customer service and policy administration services in relation to the Transferring Policies are already provided on an outsourced basis by Athora Belgium. Athora Belgium will continue to administer the policies post transfer so there will be no change to these services for the Transferring Policies as a result of the proposed transfer.

COSTS OF THE PROPOSED SCHEME

8.12. The arrangement with regard to the costs of the proposed Scheme are set out above. I confirm that I am satisfied that the proposals are fair to the Transferring Policyholders.

POLICYHOLDER COMMUNICATIONS

8.13. The proposed communications plan is summarised above. The Companies are seeking some exemptions from the Court for certain aspects of the communication plan relating to the distribution of the Policyholder Circular as required by law. The arrangements for seeking the exemptions are included above as will be presented to the Court for approval or amendment in the Directions Hearing expected to be scheduled for January 2026.

8.14. In particular, the Companies are seeking exemption from sending this full Report to all policyholders, and to include an extract of this Report within the Policyholder Circular. I am satisfied this approach will not disadvantage the relevant policyholders for the following reasons:

- I have prepared the extract of this Report that will be included in the Policyholder Circular, and it is based exclusively on this Report. I have written the extract to highlight the material points and key issues that I believe are relevant to policyholders in understanding the potential impact of the proposed Scheme.
- This Report (the full report of the Independent Actuary) is available via the Companies' websites, and through various other means, and this fact is included in the Policyholder Circular. This Report is also publicly available in English with associated French and Dutch translations.
- This Report is also written to aid the Court in assessing the proposed Scheme and will be of interest to other interested parties such as the CBI, the Companies themselves, or any professional advisors involved in the proposed Scheme. Therefore, this Report includes technical analysis and detail with these additional parties in mind, and not solely to aid policyholders to assess the proposed Scheme.

8.15. I am satisfied that the proposed approach of communicating with the Transferring Policyholders is reasonable, and that including the extract of this Report within the Policyholder Circular rather than this Report in full will not disadvantage the relevant policyholders.

Athora Belgium's Existing Policyholders

GENERAL

8.16. There will be no change arising from the proposed Scheme to the terms and conditions of the policies of existing Athora Belgium policyholders, nor will there be any change in the way in which Athora Belgium will exercise its discretionary power. I have been advised that there will be no change to the administration and customer service arrangements.

8.17. I am satisfied that the proposals with regard to the costs of the proposed Scheme are fair to Athora Belgium's existing policyholders.

POLICYHOLDER COMMUNICATIONS

8.18. As noted above, I understand that (subject to the agreement of the Court), this Report will not be sent to Athora Belgium's existing policyholders or ALPI's remaining policyholders. Furthermore, a summary of this Report (and not this Report) will be included in the Policyholder Circular, which (subject to the agreement of the Court) will be sent to Transferring Policyholders only.

8.19. I note that the arguments in support of this approach are set out for the Court in the Directions Hearing. I believe the existing policyholders of Athora Belgium and the remaining policyholders of ALPI are not materially impacted by the proposed Scheme, and they are not changing their insurance policies, or insurer. To include them on the Policyholder Circular may cause them undue confusion or distress in relation to their own policies.

8.20. I have considered the proposed approach to policyholder communication and am satisfied that it is fair and reasonable.

ALPI's Remaining Policyholders

GENERAL

8.21. There will be no change arising from the Proposed Scheme to the terms and conditions of the policies of the remaining ALPI policyholders. I have also been advised there will be no change to the administration or customer service arrangements for remaining policyholders.

8.22. I am also satisfied that the proposals regarding the costs of the proposed Scheme are fair to ALPI's remaining policyholders.

POLICYHOLDER COMMUNICATIONS

8.23. I understand that (subject to agreement from the Court), this Report will not be sent to ALPI's remaining policyholders. I note the arguments in support of this approach above. I am satisfied that it is fair and reasonable.

SUMMARY & CONCLUSIONS – FAIR TREATMENT

8.24. In my opinion, for the reasons set out above, I am satisfied that the fair treatment and reasonable benefit expectations of all three groups of policyholders will not be materially adversely affected by the proposed Scheme.

8.25. I am also satisfied with the proposed approach to policyholder communications in respect of the proposed Scheme.

9 Conclusions on the Proposed Scheme

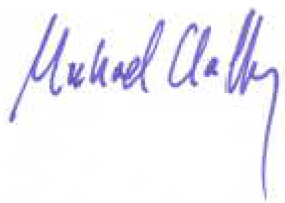
9.1. I confirm that I have considered the effects of the proposed Scheme on the following groups of policyholders:

- Policyholders transferring to Athora Belgium from ALPI (i.e. the Transferring Policyholders)
- Existing (pre-Effective Date) policyholders of Athora Belgium
- Remaining (post-Effective Date) policyholders of ALPI.

9.2. I further confirm that I do not consider further subdivisions to be necessary.

9.3. In summary, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on:

- the security of benefits of any group of policyholders;
- the reasonable expectations of any group of policyholders with respect to their benefits; and
- the standards of administration, service, management and governance that will apply to policyholders.



Michael Claffey

Fellow of the Society of Actuaries in Ireland

15 December 2025

10 Appendix A: List of Principal Data Sources

10.1. In carrying out my work and producing this report, reliance has been placed upon, but not limited to, the following information. All items have been provided directly to me by either ALPI or Athora Belgium unless otherwise noted.

LEGAL DOCUMENTS & ACTUARIAL REPORTS

- The Petition, proposed Scheme and other related legal documents
- The Circular to be provided to each transferring policyholder
- Project Bua Communications Strategy & Procedures
- ARTP (Actuarial Function Report) from the Head of Actuarial Function to the Board of ALPI for year
- end 2023 and 2024
- Actuarial Function Report from the Actuarial Function Holder to the Board of Athora Belgium for year end 2023 and 2024
- Financial statements year end 2023 and 2024 for ALPI and Athora Belgium
- ALPI and Athora Belgium Certificate of Authorisation
- ALPI and Athora Belgium Certificate of Incorporation
- ALPI and Athora Belgium Memorandum of Association

SOLVENCY & FINACIAL CONDITION REPORTS – ALPI AND ATHORA BELGIUM

- Solvency and Financial Condition Report (SFCR) 2023 and 2024
- Year end 2024 Solvency II QRTs (public version)
- Specific details on own funds, SCR, technical provisions, policy counts etc. as they appear in the tables in this Independent Actuary's Report

OWN RISK & SOLVENCY ASSESSMENT (ORSA) REPORTS

- ALPI ORSA Report 2024
- Athora Belgium ORSA Report 2024

PRODUCT DOCUMENTATION

- Sample policy documents for the Transferring Policies

RISK & CAPITAL MANAGEMENT

- Capital management policies
- Risk Appetite Framework
- Risk Management Framework

REINSURANCE

- Reinsurance agreements

OTHER DOCUMENTS

- Description of post-transfer administration arrangements
- Investment policy
- Advice from retained tax experts regarding tax implications for Transferring Policyholders
- Independent Actuary's Data Request Log
- Summary details of customer complaints and legal actions

- Recent CBI regulatory correspondence
- Complaints log
- On-going litigations

CORRESPONDENCE

- Email correspondence in relation to the proposed Scheme

11 Appendix B: Glossary of Terms

A glossary of terms and abbreviations used through the Report is provided below.

TERM	DEFINITION
1909 Act	The Assurance Companies Act 1909 (as amended)
Actuarial Function Holder (Belgium)	Within Athora Belgium, the Actuarial Function Holder of Athora Belgium is under the hierarchical responsibility of the CRO who is mandated by the Executive Committee to ensure that the Actuarial Function has the means to perform its duties. In order to warrant independency, the Actuarial Function has a direct functional reporting line to the Board of Directors, to which it has independent and direct access via the Audit & Risk Committee. Therefore, the Actuarial Function can provide independent opinions directly to the Board.
ALPI	Aviva Life & Pensions Dac
ALPI Board	The board of directors of ALPI
ALPTA	Assets and Liabilities Purchase Transfer Agreement entered into between NN Insurance Belgium and Athora Belgium
ASP	Actuarial Standard of Practice
Assistance Agreements	The following assistance agreements relating to the certain of the Transferring Policies: (a) the assistance agreement dated 11 May 1991 between (i) Norwich Union Life and (ii) le Groupe Européen S.A. relating to funeral cover; (b) the assistance agreement dated 15 May 1991 between (i) Norwich Union Life and (ii) le Groupe Européen S.A. relating to hospitalisation cover; and (c) the assistance agreement with an effective date of 1 April 1998 between (i) Norwich Union Life and (ii) le Groupe Européen S.A. relating to funeral cover. Assistance agreement are contracts between an insurer and an assistance provider (such as a medical or travel assistance company), under which the assistance provided delivers support services to policyholder such as emergency medical help, travel support or repatriation.
Athora Belgium	Athora Belgium SA/NV
Athora Belgium Board	The board of directors of Athora Belgium
Athora Belgium Retrocession Treaties	The following reinsurance treaties with respect to the Belgian Business; (a) a reinsurance treaty dated 22 December 2004 originally entered into between Aviva UK (as cedant) and the Belgian branch of Delta Lloyd Levensverzekering NV (as reinsurer) with respect to life insurance policies written by the Belgian Business on or prior to 31 August 2001, and as amended by a deed of variation dated 2 May 2019 between Aviva UK and Delta Lloyd Levensverzekering NV pursuant to which Delta Lloyd Levensverzekering NV agreed, with effect from the Brexit Scheme Effective Time, to act as retrocessionaire (rather than reinsurer) to Aviva UK with respect to such life insurance policies on the same terms as set out in such treaty (as if it were a retrocession treaty); and (b) a reinsurance treaty dated 9 March 2005 originally entered into between Aviva UK (as cedant) and the Belgian branch of Delta Lloyd Levensverzekering NV (as reinsurer) with respect to life insurance policies written by the Belgian Business from 1 September 2001 (as amended), and as amended by a deed of variation dated 2 May 2019 between Aviva UK and Delta Lloyd Levensverzekering NV pursuant to which Delta Lloyd Levensverzekering NV agreed, with effect from the Brexit Scheme Effective Time, to act as retrocessionaire (rather than reinsurer) to Aviva UK with respect to such life insurance policies on the same terms as set out in such treaty (as if it were a retrocession treaty), in relation to which NN Insurance Belgium (as successor to Delta Lloyd Life NV in respect of each of those treaties with Delta Lloyd Life NV having been the entity into which Delta Lloyd Levensverzekering NV was merged in 2009) transferred its rights and obligations to Athora Belgium under the ALPTA and the Novation Agreement with effect from 3 November 2022;
Athora Belgium Servicing Agreement	The amended and restated servicing agreement dated 17 September 2021 between Aviva UK (as service recipient) and NN Insurance Belgium (as service provider) in relation to the administration and servicing of the Belgian Business, which amends and restates a servicing agreement originally entered into in 2014 between Aviva UK (as service recipient) and Delta Lloyd Life NV (of which NN Insurance Belgium is the successor) (as service provider) in relation to the administration and servicing of the Belgian Business and the rights and obligations of NN Insurance Belgium under this agreement have subsequently transferred to Athora Belgium under the ALPTA with effect from 3 November 2022;
Aviva UK	Aviva Life & Pensions UK Limited

Aviva UK Reinsurance Treaty	the 100% quota-share reinsurance treaty dated 4 February 2019 between ALPI (as cedant) and Aviva UK (as reinsurer) pursuant to which Aviva UK reinsured the Belgian Business (as well as other overseas life insurance business of Aviva Ireland) with effect from the Brexit Scheme Effective Time;
Aviva UK Servicing Agreement	the policies activity letter dated 26 March 2019 between Aviva Ireland (as service recipient) and Aviva UK (as service provider) relating to the servicing and administration of the Belgian Business (as well as other overseas life insurance business of Aviva Ireland) by Aviva UK with effect from the Brexit Scheme Effective Time, and entered into in connection with the Aviva UK Reinsurance Treaty;
Belgian Business	The proposed Scheme will transfer a portfolio of approximately 46,000 policies issued to Belgium policyholders. The **Belgian Business** refers to all the policies and products currently insured by ALPI through its Belgian branch. This includes regular premium (both in payment and "paid-up") and single premium business. The portfolio consists mostly of protection insurance (approximately 2/3 lifelong funeral costs coverage and 1/3 term insurance). The Belgian Business portfolio sits within the OLAB business (alongside other ALPI OLAB products and policyholders in various other European countries). The Belgian Business represents less than 1% of ALPI's total policyholder liabilities
BEL	Best Estimate Liability. One of the components of the technical provisions under Solvency II. The BEL is calculated by projecting the expected future obligations of the insurer over the lifetime of the insurance contracts using the most up-to-date financial information and best-estimate actuarial assumptions. The BEL represents the present value of those projected cash-flows
Branch 21	A Branch 21 savings policy insurance in Belgium is a type of long-term life insurance that combines capital protection with a savings component that earns a guaranteed interest rate. It also offers the potential for additional returns through profit-sharing, though this is not guaranteed.
Brexit Scheme	Refers to the Aviva UK to ALPI portfolio transfer approved by the UK Court in 2019 under the Part VII
Brexit Scheme Effective Date	means 22.59 (GMT) on 29 March 2019
CBI	The Central Bank of Ireland, which is the supervisory authority with responsibility for the prudential supervision of insurance companies in Ireland, and for the supervision of the conduct of business rules for insurance policies sold in the Irish domestic market.
Companies	ALPI and Athora Belgium
CRO	Chief Risk Officer
DAC	Designated Activity Company
Discounted Cashflows	Cashflows that have been converted to their present value by applying an interest rate, reflecting the principle that money available now is worth more than the same amount in the future.
EEA	European Economic Area
Eligible Own Funds	The amount of an insurer's own funds (see) following the application of the eligibility criteria specified in the Solvency II Regulations. Eligible own funds are available to cover the SCR (see).
EU	European Union
FAQ Document	A document to be provided to Transferring Policyholders (and available publicly via the Companies' websites) which contains a list of frequently asked questions, such as may arise in connection with the proposed Scheme.
FSMA	Financial Services and Markets Authority. The authority responsible for conduct of business regulation in Belgium.
FSPO	Financial Services and Pensions Ombudsman
General Actuarial Practice	ASP PA-2. Actuarial standards of practice issued by the Society of Actuaries in Ireland, requiring members to ensure processed are implemented to ensure their work is of appropriate quality.
Gone Away Policyholders	Any policyholders where an insurance company does not have accurate or complete contact details. This can arise where policyholders failed to notify the insurance company of a change of address or who have provided incomplete address information.
HoAF	Head of Actuarial Function. In Ireland, the person, as nominated by an insurance company's board of directors and approved by the CBI, with overall responsibility for the tasks called out for the actuarial function under Solvency II and the additional responsibilities introduced by the CBI.
Independent Actuary	Mr Michael Claffey, a Fellow of the Society of Actuaries in Ireland and a Principal with Milliman, a firm of actuaries and consultants.
Independent Actuary's Report	This Report
IWPF	Irish With-Profits Fund
Long Term Guarantee Measures	Under Solvency II, these are regulatory designed to reduce the impact of short-term market fluctuations on insurers with long-term guaranteed liabilities.
MCR	Minimum Capital Requirement. One of the regulatory capital requirements under Solvency II. Usually lower than the SCR. The MCR defines the point of intensive regulatory intervention. The MCR calculation is simpler, more formulaic and less risk-sensitive than the SCR calculation.
Milliman	Milliman Limited, 7 Grand Canal Street Lower, Dublin 2
NBB	National Bank of Belgium. The authority responsible for the supervision of insurance companies in Belgium.

NN Insurance Belgium	NN Insurance Belgium SA/NV
Novation Agreement	the deed of novation entered into between Aviva UK, Aviva Central Services UK Ltd, (as continuing parties) NN Insurance Belgium (as outgoing party) and Athora Belgium (as incoming party) dated 22 September 2022 and taking effect as from the closing of the ALPTA;
OBF	Other Business Fund
OLAB	Overseas Life Assurance Business is a category of life assurance business. It is business written with non-UK resident policyholders which is not “excluded business” and which meets certain conditions. “Excluded business” within a life insurance company includes UK pension business, child trust fund business, and UK ISA (individual savings account) policies.
ORSA	Own Risk and Solvency Assessment. The ORSA is a risk management tool, which is required under Solvency II, to assess the overall solvency needs of the firm taking into account the firm's own assessment of its particular risk profile
Own Funds	Broadly speaking, the excess of an insurer's assets over its liabilities on a Solvency II basis.
Par Fund	Participating Fund
Petition	The application by one, or both, of the parties for which the Court will consider the proposed Scheme. The Petition must be accompanied by a report on the terms of the scheme by an independent actuary.
PHI	Permanent Health Insurance
Policyholder Circular	Communications pack sent to Transferring Policyholders which in broad terms explains the proposed Scheme and includes a summary of the Independent Actuary's Report.
Policyholder Communications Plan	The proposed approach to communicating with policyholders, subject to the approval of the Court.
PRE	Policyholders’ reasonable expectations
Proposed Scheme/ Proposed Transfer	The legal scheme of transfer by which it is proposed that the Transferring Policies and their associated assets and liabilities will be transferred from ALPI to Athora Belgium. Under the relevant provisions of the 1909 Act (see above), the proposed scheme requires the approval of the Court.
Protection Business	A category of insurance that provides financial coverage to individuals or entities against specific risks, primarily focusing on safeguarding against events such as death, illness, or disability. Protection business typically includes products like life insurance, critical illness cover, and income protection policies, where the insurer pays out a lump sum or regular payments upon the occurrence of the insured event. Unlike savings or investment-oriented insurance, protection business is designed primarily to offer security and financial support rather than to accumulate wealth.
QRTs	Quantitative Reporting Templates. These are specific forms which insurers must complete on a regular basis under Solvency II. Some QRTs are required to be produced quarterly and more are required to be produced annually. Some of the annual QRTs are public (typically appended to the SFCR).
Reinsurance Recoverable	To the extent that business is reinsured, reinsurance recoverable is an offset to the BEL which sits on the asset side of the balance sheet.
Risk-free rate	An interest rate used for discounting that is based on highly secure investments, such as government bonds, which are generally considered to have negligible risk of default.
RMF	Risk Management Framework - a term that describes the overall risk management system and process within an insurance company.
SAI	The Society of Actuaries in Ireland
SCR	Solvency Capital Requirement. One of the regulatory capital requirements under Solvency II. Intended to represent the amount required to ensure that an insurer’s assets continue to exceed its liabilities over a one-year time frame with a probability of 99.5%.
SFCR	Solvency and Financial Condition Report. This is a public document which all insurers are required to produce on an annual basis under Solvency II. Insurers are required to publish their SFCRs on their websites. In addition, the Central Bank also maintains a public repository of all Irish insurers’ SFCRs.
Solvency II	The regulatory regime for insurers which came into force on 1 January 2016 aimed at harmonising insurance regulation across all EEA countries
Solvency II Regulations	The European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No 485 of 2015) (as amended)
Spread risk	Corporate bond valuation risk
Standard Formula	A standardised calculation method for determining the SCR. Insurers are required to calculate their SCR using either the Standard Formula or an approved Internal Model
Supplementary Report	A further report to be prepared by the Independent Actuary prior to the final Court hearing. The purpose of the supplementary report is to provide an update for the Court on the Independent Actuary’s conclusions in light of any significant events subsequent to the date of the finalisation of this report.
Technical Provisions (TPs)	The value of the insurance liabilities of an insurer, as determined for regulatory purposes. Under Solvency II, the Technical Provisions comprise the BEL and the Risk Margin.
the Companies	ALPI and Athora Belgium collectively

the Court	The High Court of Ireland
the Loan or the Loan Agreement	Loan agreement entered into in 2014 between Delta Lloyd Life NV (as lender) and Aviva UK (as borrower) for the purpose of documenting the Loan which was originally granted on 1 January 2004 for a principal amount of €59,000,000
Transferring Policies	The entire portfolio of ALPI's insurance policies which will transfer to Athora Belgium under the proposed Scheme.
Transferring Policyholders	The policyholders being transferred from ALPI to Athora Belgium
Unit Linked	A type of life assurance business, written under Class III of the Solvency II Regulations, where the benefits payable linked to the performance of investment funds
WPOP	means With-Profits Operating Principles, a document required for Irish with-profits funds that aims to explain how a firm manages its with-profits business.