
**Summary of the Report of the Independent Actuary
on the proposed Scheme to transfer a portfolio of life insurance business
from Aviva Life & Pensions Ireland DAC
to Athora Belgium SA/NV.**

1 Introduction

- 1.1 The Boards of Aviva Life & Pensions Ireland DAC (“**ALPI**”) and Athora Belgium SA/NV (“**Athora Belgium**”) have agreed to the transfer of the Belgian life insurance policies which are currently underwritten by ALPI through its Belgian branch (“**Belgian Business**”) to Athora Belgium.
- 1.2 The life insurance policies (the “**Transferring Policies**”) of ALPI’s Belgian Business will transfer into Athora Belgium on 1 July 2026, or such other date as may be specified by the Court (the “**Effective Date**”). The reasons for the proposed Scheme are outlined in the Policyholder Circular.
- 1.3 In order to achieve this, an Irish court-approved portfolio transfer is required. The Transferring Policies will be transferred from ALPI to Athora Belgium via a scheme of transfer (the “**Scheme**”), subject to approval by the High Court of Ireland (the “**Court**”). The National Bank of Belgium (“**NBB**”) also has to approve the portfolio transfer to Athora Belgium.
- 1.4 ALPI was established in Ireland in 1990 under the name Friends Provident Life Assurance Company Limited. It subsequently changed its name to Aviva Life & Pensions Ireland Designated Activity Company in 2019. ALPI is fully owned by its parent company, Aviva UK, which is ultimately owned by Aviva plc, which is headquartered in the UK.
- 1.5 Athora Belgium is a Belgian limited liability company (société anonyme) which was incorporated in 1954. Athora Belgium has been part of the Athora group since January 2019. 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.

The role of the Independent Actuary

- 1.6 Under the Irish Assurance Companies Act 1909 (the “**1909 Act**”), the Scheme must be assessed by an independent actuary (“the **Independent Actuary**”). ALPI and Athora Belgium (each a “**Company**” and together 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.
- 1.7 I, Michael Claffey, am a Fellow Member of the Society of Actuaries in Ireland, and have been so since 1998. I am a Principal of Milliman and am a consulting actuary based in the firm’s Irish insurance practice at 7 Grand Canal Street Lower, Dublin 2. 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 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 and Guernsey.
- 1.8 Section 13 of the 1909 Act requires that a report on the terms of the Scheme by an independent actuary be transmitted to each policyholder of each company (the “**Independent Actuary’s Report**”), unless the Court otherwise directs. I have produced my Independent Actuary’s Report which considers the effects of the transfer on policyholders and which sets out my conclusions, and includes my reliances and limitations in producing the report.

- 1.9 The Companies have applied to the Court and have gained approval for an exemption from sending the full Independent Actuary's Report to all policyholders and instead to send this summary of the Independent Actuary's Report to the Belgian Business policyholders of ALPI only (the "**Transferring Policyholders**").
- 1.10 My full Independent Actuary's Report is available to any interested party who wishes to see it on request from the Companies and it is also available online via the Companies' websites.

Instructions

- 1.11 I have interpreted my instructions as Independent Actuary 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. I have had regard to the security of the benefits in each Company both before and after the implementation of the proposed Scheme, and each Company's 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.
- 1.12 I will prepare a further report (the "**Supplementary Report**") prior to the final Court hearing (expected in June 2026) to provide an update to the Court on my conclusions in respect of the effect of the proposed transfer in light of any significant events or developments that have occurred since the Independent Actuary's Report was prepared.

Parties for whom my report has been prepared

- 1.13 The Independent Actuary's Report was prepared for the benefit of the Court specifically and solely for the purposes of Section 13 of the 1909 Act. This report (the "**Independent Actuary's Summary Report**", or "**Summary Report**") is a summary of my full Independent Actuary's Report. This Summary Report was prepared by me for inclusion in the communications pack to be sent to all Transferring Policyholders. It is also available to any interested party who wishes to see it on request from the Companies and it is also available online via the Companies' websites.
- 1.14 The Independent Actuary's Report will be used as part of the petition to the Court to sanction the proposed transfer. The Independent Actuary's Report may also be of interest to ALPI and Athora Belgium, the Central Bank of Ireland ("**CBI**"), the NBB, or any other governmental department or agency having responsibility for the regulation of insurance companies in Ireland, or Belgium, or other relevant Member States of the EEA and to any professional advisors with respect to the proposed Scheme.

Reliances and limitations

- 1.15 This Summary Report covers the main conclusions of the Independent Actuary's Report. However, this Summary Report must be considered in conjunction with my Independent Actuary's Report. This Summary Report is subject to the same reliances and the same limitations on its use as are set out in my Independent Actuary's Report.
- 1.16 I have had access to certain documentary evidence provided by ALPI and Athora Belgium in relation to the Scheme. In addition, I have had access to, and discussions with, the senior management of both ALPI and Athora Belgium. My full Independent Actuary's Report lists the principal data sources. My conclusions depend on the substantial accuracy of this information, and I have relied on this information without independent verification. There are no documents or other information that I have requested that have not been provided.
- 1.17 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.

- 1.18 This Summary 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.
- 1.19 The Independent Actuary's Report, and this Summary Report, have been prepared specifically and solely for the purposes of Section 13 of the 1909 Act.
- 1.20 The Independent Actuary's Report, and this Summary Report, have 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 Independent Actuary's Report in its entirety. Furthermore, conclusions reached by the review of a section or sections on an isolated basis may be incorrect.
- 1.21 This Summary Report should be considered together with the other documents relating to the proposed Scheme. In the event of conflict or difference of interpretation between this Summary Report and my full Independent Actuary's Report, my Independent Actuary's Report takes precedence.
- 1.22 The Independent Actuary's Report, and this Summary Report, were prepared in English and presented to the Court in English. Both reports were 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 either report and the original English language versions, the original English language versions shall prevail.

Professional guidance and terminology

- 1.23 Version 1.2 (effective 1 March 2022) of ASP PA-2 ("General Actuarial Practice"), as issued by the Society of Actuaries in Ireland ("SAI"), requires members to consider whether their work requires an independent peer review. As a Fellow of the SAI, I have complied with ASP-PA2 in the preparation of the Independent Actuary's Report, and this Summary Report.
- 1.24 This Summary 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 Summary Report and are also defined in the glossary in my full Independent Actuary's Report.

2 The proposed Scheme

- 2.1 The Belgian Business refers to all the policies and products currently insured by ALPI through its Belgian branch. The Belgian Business represents approximately 44,000 life insurance policies. These include regular premium business (both in payment and "paid-up"). The portfolio consists mostly of protection insurance (approximately 30,000 lifelong funeral costs policies and 14,000 term insurance death benefit policies).
- 2.2 ALPI currently reinsures all of its Belgian Business (and the Transferring Policyholders) to Aviva UK, who in turn reinsures 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.
- 2.3 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.
- 2.4 Subject to satisfying the necessary pre-conditions as set out in the proposed Scheme, the Transferring Policies are scheduled to be transferred in their entirety on the Effective Date of the Scheme (1 July 2026).

unless the Court otherwise directs) to Athora Belgium. Athora Belgium will then become the insurer of those contracts on and from the Effective Date (with the Transferring Policyholders acquiring the same contractual rights with Athora Belgium as they previously had with ALPI).

Previous Schemes of Transfer that are relevant to the proposed Scheme

- 2.5 In 2019 Aviva UK transferred all of its EEA business (the Overseas Life Assurance Portfolio) into ALPI (the “**Brexit Scheme**”). The Brexit Scheme included business issued in Germany, France, Belgium, Iceland and Sweden. The Belgian Business that transferred to ALPI under the Brexit Scheme is the subject of the current proposed Scheme.
- 2.6 The 2019 Scheme was in response to the UK’s decision to leave the European Union following a referendum in 2016. The details of the Brexit Scheme and previous schemes of transfer relevant to the Belgian Business are discussed in the Independent Actuary’s Report.

Consideration payment for the portfolio

- 2.7 Athora Belgium will receive a total payment (as an asset transfer plus the value derived from the novation of reinsurance treaties) from ALPI equal to the value of the liabilities transferred plus a margin for a commercial arms-length transaction for the business. The calculation will be based on the Effective Date of the Scheme. The formulaic approach and details are defined in the Business Transfer Agreement signed by the Companies.

Athora Belgium’s rights in relation to Transferring Policies (if the Scheme is approved)

- 2.8 The proposed Scheme provides that Athora Belgium may exercise such discretions under the Transferring Policies as are available to be exercised by it under the terms and conditions of those Transferring Policies in accordance with any principles which are, for the time being, generally applied in ALPI in relation to such business.

Costs of the proposed Scheme

- 2.9 ALPI and Athora Belgium will share (in an agreed proportion) the costs and expenses associated with preparing and implementing the proposed Scheme. 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.

Consequences of the Scheme not being approved

- 2.10 If the proposed Scheme is not approved by the Court and the NBB, or if the proposed Scheme is not presented at the Sanction Hearing for approval (scheduled for June 2026), then ALPI and Athora Belgium will continue to operate as two separate authorised life companies as is currently the case. However, the synergies and efficiencies envisaged under the proposed Scheme in managing and administering the Belgian Business would not be achieved.

3 My approach to assessing the proposed Scheme

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

- 3.2 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 over 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.
- 3.3 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.
- 3.4 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.
- 3.5 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.

Policyholder groupings

- 3.6 I considered the implications of the proposed Scheme separately for the following groups - the Transferring Policyholders, ALPI's remaining policyholders, and Athora Belgium's existing policyholders.

Key assumptions

- 3.7 There are certain assumptions that I have made when assessing and reaching my conclusions on the proposed Scheme and which I summarise in my full Independent Actuary's Report. I have disclosed and discussed my assumptions with the Companies, and they have not raised any concerns or objections. However, if any of these assumptions are incorrect, it is possible that my conclusions on the proposed Scheme could change as a result.

My approach to assessing the proposed Scheme

- 3.8 The conditions to be met by the proposed Scheme are:
 - that the security of policyholders' benefits will not be materially adversely affected.
 - that the proposed Scheme treats policyholders fairly and will not materially adversely affect their reasonable expectations.
 - that the standards of administration, service, management and governance will not be materially adversely affected.
- 3.9 These issues are discussed in my full Independent Actuary's Report.

4 Assessment of the proposed Scheme: Security of Benefits

- 4.1 I have considered a number of factors including the risk profiles of the two Companies and the outlook for their respective current and future solvency development (including consideration of their business plans).
- 4.2 At a high level, the two Companies share many similarities, which makes the assessment of the implications for the Transferring Policyholders more straightforward than might otherwise be the case and

also helps to focus on the areas of difference (which are of particular importance to the Transferring Policyholders). The points of similarity include:

- Both Companies are subject to the 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 Companies 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 Companies have capital management policies that target certain capital buffers above the regulatory minimums and incorporate formal processes for managing solvency and capital buffer levels.

4.3 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 insurance 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 Belgian domestic.
- ALPI's Solvency Capital Requirement (which is a relative measure of the risks within the company) is more heavily weighted towards life and health underwriting risks with significant exposure to unit-linked insurance business. Athora Belgium mainly writes traditional insurance business and has a higher proportion of market risk due to its investment strategy which includes exposure to private equity and fixed income securities.

Solvency

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

4.5 The solvency position of both Companies following the transfer is assessed in my full Independent Actuary's Report.

4.6 If the proposed Scheme is approved, Athora Belgium's overall solvency position is expected to remain broadly unchanged. This is because Athora Belgium already has a commitment to pay all policyholder claims on the Belgian Business to Aviva, who in turn pays all claims on the Belgian Business to the policyholders. If the proposed Scheme is approved, Athora Belgium will become the direct insurer of the Belgian Business and settle claims directly with the policyholder.

4.7 Similarly, if the proposed Scheme is approved, the impact on ALPI's overall solvency position will be to remain broadly unchanged as ALPI will have no Belgian Business liabilities and the reinsurance treaty asset with Athora Belgium on the Belgian Business will be terminated.

- 4.8 I have also reviewed confidential internal documents and have confirmed the projected position for both Companies (into 2026 and beyond) shows that if the proposed Scheme did not occur, 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 (i.e. three years as used as the business planning horizon for the Companies).
- 4.9 I have also considered the outlook for the future solvency position of the Companies after the proposed transfer. If the proposed Scheme is approved, the outlook for Athora Belgium's solvency position is not materially impacted, and given the relatively small size of the portfolio of Transferring Policyholders, the outlook for ALPI's solvency position is not materially impacted.

Risk profiles and risk management

- 4.10 In my full Independent Actuary's Report, I summarise the key risks for both ALPI and Athora Belgium, based on the composition of the solvency capital requirement and commentary based on my review of their risk management reports.
- 4.11 Both Companies adopt similar approaches in terms of risk management policies, frameworks, oversight and governance (as is to be expected as they are both subject to the same European regulatory and supervisory regime in this regard).
- 4.12 In terms of risk mitigants, both Companies make use of reinsurance. The current external reinsurance arrangements of ALPI relating to the Transferring Policyholders will be novated to Athora Belgium under various novation agreements, on the Effective Date, in accordance with the terms and conditions of the novation agreements. This gives continuity to the arrangements for Transferring Policyholders if the proposed Scheme is approved.
- 4.13 Having reviewed the relevant documentation provided to me, and based on my experience of insurance risk management, I am satisfied that both Companies' risk profiles and risk management frameworks are sufficiently similar as to give no cause for concern that there is any material impact on the security of benefits of the Transferring Policyholders, or ALPI's remaining policyholders, or Athora Belgium's existing policyholders.

Capital management policies

- 4.14 Both Companies aim to hold similar margins of explicit 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 solvency capital requirement.
- 4.15 Having examined the Companies' respective capital management policies, I am satisfied that Athora Belgium's policy is comparable to ALPI's in terms of the protection that it affords to policyholders.

Business model sustainability

- 4.16 The UK's exit from the European Union (Brexit) effectively necessitated EU insurance business being administered in the EU. The 2019 Brexit Scheme from Aviva UK to ALPI was established as a result of this requirement.
- 4.17 I do not see the proposed transfer resulting in any material adverse implications for the Transferring Policyholders – effectively, they will be integrated into an existing well-established local Belgian entity (Athora Belgium) that is open to new business in Belgium. This should provide more long-term certainty of the future of their provider, and better economies of scale to support ongoing provision of services, under the oversight of a single management team focussed on the Belgian business.

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

Recovery and resolution options

4.19 Under Solvency II, insurers are required to develop a recovery plan within two months if they breach their regulatory capital requirements. In addition, however, insurers are encouraged (and will soon be required) to develop pre-emptive recovery plans as part of their risk management framework. Irish insurers, including ALPI, are already subject to this requirement from the CBI.

4.20 Both ALPI and Athora Belgium have recovery measures and actions to be implemented in the event of failure to comply with their regulatory solvency requirements. Overall, the proposed Scheme does not materially impact the recovery options available or the effect of any recovery plans.

4.21 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.

Parental support

4.22 ALPI and Athora Belgium are capitalised and managed to be self-sufficient on a standalone basis, without needing recourse to their parent company. Nevertheless, both Companies benefit from the continued support of their respective parent undertakings, in particular through potential access to capital if required (noting that, in both cases, such capital support may or may not actually be forthcoming depending on the circumstances).

4.23 In my view the proposed transfer will not change the nature, character or likelihood of parental support available to any group of policyholders.

Summary & Conclusions – Security of Benefits

4.24 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, ALPI's remaining policyholders, or Athora Belgium's existing policyholders.

5 Assessment of the proposed Scheme: Fair treatment

5.1 I must also consider whether the proposed Scheme treats policyholders fairly and consider the effect of the proposed Scheme on policyholders' reasonable expectations. I considered a range of factors and issues relating to fair treatment in my full Independent Actuary's Report – and I have summarised the key issues below.

Contractual obligations

5.2 The Transferring Policyholders' contractual terms and conditions will not change as a consequence of the proposed Scheme. The current and expected benefits (in terms of surrender values or claim amounts) will not change.

5.3 There will be no change arising from the proposed Scheme to the terms and conditions of the policies of Athora Belgium's existing policyholders, or ALPI's remaining policyholders. I have been advised there will be no change to the administration and customer service arrangements.

Tax treatment of premiums and benefits

5.4 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.

Exercise of discretion

5.5 I have been informed by Athora Belgium that it does not propose to alter the manner in which any discretion will be exercised in relation to the Transferring Policies, nor does it propose to take discretionary measures that would be substantially inconsistent with current ALPI practice.

5.6 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

5.7 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 following the transfer so there will be no change to these services for the Transferring Policies as a result of the proposed transfer

5.8 I am satisfied that there is no reason to believe that the service standards experienced by the Transferring Policies will be materially adversely affected by the proposed Scheme.

Other issues

5.9 I am satisfied that the proposals with regard to the costs of the proposed Scheme are fair to all groups of policyholders.

5.10 I am satisfied that the communication plan regarding the Scheme is fair and reasonable.

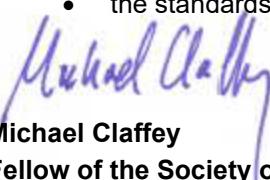
Summary & Conclusions – Fair treatment

5.11 I am satisfied that the fair treatment and reasonable expectations of all groups of policyholders will not be materially adversely affected by the proposed Scheme.

6 Conclusions on the proposed Scheme

6.1 In summary, having considered the effects of the proposed Scheme on the Transferring Policyholders, ALPI's remaining policyholders, and Athora Belgium's existing policyholders, 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