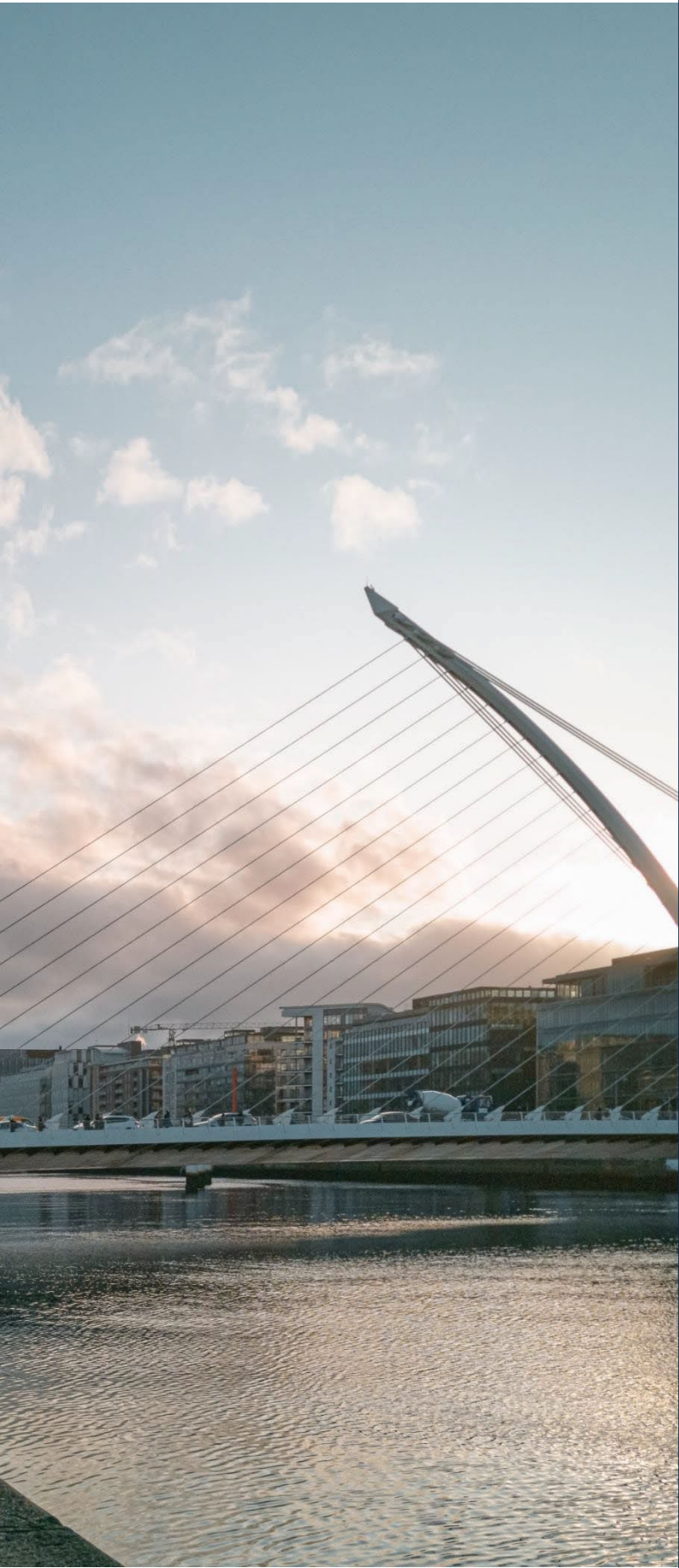


OCTIUM




Annual
Report

2024



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Octium Life offers flexible and agile life insurance products, designed as a tool for High Net Worth Individuals and their families to plan for the long term.

Our Solutions are tailored to a client's circumstances and needs, ensuring superior wealth planning and protection for individuals and their families.

**Directors'
Report**

–

**Independent Auditor's
Report**

–

Financial Statements



- **Directors**

Jean-François Willems, Non-Executive Director (Belgian)

Dara Hurley, CEO and Executive Director

Seamus Hughes, Chairman, Independent Non-Executive Director

Joan Collins, Independent Non-Executive Director

John Finnegan, Non-Executive Director (Appointed 3 January 2024)

Dargan FitzGerald, Independent Non-Executive Director (Appointed 1 January 2025)

- **Secretary**

Ruth Quinn

College Park House

South Frederick Street

Dublin 2

- **Registered Office**

College Park House

South Frederick Street

Dublin 2

- **Independent Auditors**

Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

Deloitte & Touche House

Earlsfort Terrace

Dublin

D02 AY28

- **Solicitors**

A&L Goodbody, North Wall Quay, Dublin 1, D01 H104

Matheson, 70 Sir John Rogerson's Quay, Dublin 2, D02 R296

- **Principal banks**

UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland

UBS Europe SE, Bockenheimer Landstrasse 2-4, D-60306 Frankfurt am Main, Germany

UBS Europe SE Succursale Italia, Via Del Vecchio Politecnico, 3 20121 Milano

Bank of Ireland, St. Stephen's Green, Dublin 2

LGT Bank AG, Herrengasse 12, FL-9490 Vaduz, Liechtenstein

Directors' Report

The directors present their report and the audited financial statements of Octium Life DAC (the "Company" or "Octium") for the financial year ended 31 December 2024.

Principal Activity

The Company, which is a wholly owned subsidiary undertaking of Octium Holding S.A., is authorised in Ireland to transact life assurance business under the Solvency II Directive (2009/138/EC) as introduced into domestic Irish Legislation by the EU (Insurance and Reinsurance) Regulations 2015, effective 1 January 2016. The principal activity of the Company is the transaction of cross border life assurance in Europe through the sale of single premium policies under which the risk related to the underlying investments is carried by the policyholders.

Results And Dividends

The results for the financial year ended 31 December 2024 are set out on page 18 of the financial statements. The results are post-merger and include both Octium Life DAC and Octium Assurance AG (dissolved). A dividend of €4.9m was declared and paid during the financial year, of which €1m was paid by Octium Assurance AG (2023: €5.0m).

Corporate Governance

The Company is committed to high standards of corporate governance and is subject to The Corporate Governance Requirements for Insurance Undertakings 2015 ("the Code"), as issued by the Central Bank of Ireland. As Octium is not designated High Impact, it is not required to comply with the additional requirements of the Code.

The following Board-appointed Committees are established to assist it in discharging its obligations and operated throughout the year under review. Each Committee operates under defined terms of reference and reports to the Board at each Board meeting.

- Audit Committee (Chairperson: Dargan FitzGerald)
- Risk Committee (Chairperson: Joan Collins)

Review of the Business

The Company is authorised and regulated by the Central Bank of Ireland. On 20 February 2003, the Company received its Class III life assurance licence and commenced trading on 1 April 2003. The Company also holds licenses for Class I and Class VI but does not currently conduct business under these authorisations.

The Company will continue to explore growth opportunities in the international life assurance market in furtherance of its strategic objectives. To this end, having identified significant benefits from wealth planning and transfer products for customers in Portugal, it launched a product for the Portuguese market at the end of June 2024 following receipt of all regulatory approvals.

On 31 December 2024 Octium Life Dac completed a cross-border merger by acquisition pursuant to the European Union (Cross-Border Conversions, Mergers and Divisions) Regulations 2023 ("the Act"). As the Successor Company, Octium acquired all the assets and liabilities with all rights and obligations attached thereto of Octium Assurance AG and its branch Octium Assurance AG (Italian Branch) (collectively "Octium Assurance").

The cross-border merger as covered by Part 3; Chapter 1 of S.I. No. 233 of the Act meets the requirements of a merger by acquisition where the Company acquired the assets & liabilities of Octium Assurance. Octium Assurance is dissolved without going into liquidation and without the issue of new shares by the Company.

The Board views the merger as being beneficial to Octium for several reasons, including (i) increased profitability due to higher sales volumes, increased assets under management and expense efficiencies, (ii) access to new distributors, asset managers and custodians who currently only have a relationship with Octium Assurance and (iii) increased expertise and sales volumes in the German market where it currently has a portfolio of business.

Key Performance Indicators

	2024 €'000	2023 €'000 (Restated)
Other technical income	29,050	28,907
Net operating expenses	30,732	25,691
Assets held to cover linked liabilities	8,260,053	8,378,937

Other technical income is up marginally on last year – primarily due to a reduction in reinsurance fees, net of claims. Cost management remains a focus of the business and the increase in net operating expenses is driven solely by merger costs and increased commission paid during the financial year. Assets held to cover linked liabilities decreased relative to the previous financial year-end. The decrease was largely due to net business outflows tempered by a positive asset performance.

Profit before taxation for 2024 amounted to €1.1m (2023: €6.0m).

Note 18 to the financial statements confirms that the Company had a satisfactory surplus over regulatory Solvency II capital requirements at year end.

Principal Risks and Uncertainties

The Company's risk management policy in relation to financial risks is outlined in note 19 of the financial statements.

The principal risks and uncertainties facing the business are: life insurance business risk, valuation risk, liquidity risk, market risk, credit risk, operational risk and regulatory risk.

Life insurance business risk

Mortality risk is largely mitigated by the use of reinsurance. The Company's products typically offer a standard death benefit in addition to the policy value itself. The majority of these benefits are reinsured with Swiss Re Europe S.A. ("Swiss Re"), with the remaining portion borne by the Company.

Valuation risk

This is the risk of incorrect valuation of assets and liabilities. Policyholder liabilities are independently calculated by the Head of Actuarial Function/Reporting Actuary. Asset valuations are verified through periodic price testing on a sample of securities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Detailed investment and disinvestment policies and guidelines are in place and updated periodically. Projected cash flows incorporating obligations as a withholding tax agent and actuarial stress testing are part of the Own Risk and Solvency Assessment (ORSA) carried out by the Company. Continuous focus is given to the liquidity position of the Company through updated projections.

Market risk

Shareholders' funds are held in money market funds as well as short-term cash deposits with institutions approved by the Board and have limited exposure to interest rate risk. The Company's principal transactions are carried out in Euro and its exposure to foreign exchange risk arises primarily with respect to US Dollar, Swiss Franc and British Pound.

Foreign currency balances are converted into Euro periodically to minimise this exposure.

The Company is exposed to market risk on unit-linked investments to the extent that adverse movements in the value of these assets would reduce the future profitability of the Company through a decline in policy administration fees.

Credit risk

Credit risk on shareholders' funds deposited with financial institutions is managed in accordance with Octium's Credit Risk Policy which sets risk-based limits on the amounts that can be deposited with banking counterparties. Octium ensures reinsurance arrangements are only affected with highly rated companies. Swiss Re is the chosen reinsurer which has a credit rating of A+ (2023: A+), as rated by A.M. Best as at 31 December 2024.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external causes. Octium has an Operational Risk Framework designed to identify and manage operational risk in the business.

Regulatory risk

Regulatory risk is the risk of financial loss due to regulatory fines or penalties, restriction or suspension of business, or costs of mandatory corrective action, incurred by not adhering to applicable laws, rules, regulations and accounting standards, local or international best practice (including ethical standards), and Octium's own internal standards and policies. Octium has a Risk Management Framework which is designed to identify and manage these risks.

Subsequent Events

Over the course of 2024, a material change to the stamp duty regime in Italy was passed into law. With effect from 1 January 2025 accumulated stamp duty calculated to date for each Italian policy, up to and including the amount based on the 31 December 2024 policy value, will be required to be prepaid by the company (circa €88m) with 50% payable in June 2025, 20% payable in June 2026 and 2027 and the balance in June 2028. This will be recovered from the policyholder upon surrender. A technical solution is being implemented to address this change in approach, whereby the policyholder will effectively provide funding for the future liability.

There were no other significant events affecting the Company since 31 December 2024.

Directors' and Company Secretary's Interests

The directors who served during the financial year, and up to the date of signing of the financial statements, were as follows:

- Jean-François Willems
- Dara Hurley
- Seamus Hughes
- Joan Collins
- John Finnegan
- Dargan Fitzgerald (Appointed 1 January 2025)

Company secretary:

- Ruth Quinn

The directors and the company secretary did not have any disclosable interest in the shares of the Company, or any other group company, at the beginning of the financial period, or at the date of appointment to the Board if later, and end of the financial period or at any time during the financial period.

Directors' compliance statement

The directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations.

The directors confirm that they have:

- drawn up a Compliance Policy Statement setting out the Company's policies in respect of compliance by the Company with its relevant obligations;
- put in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations;
- conducted a review, during the financial year ended 31 December 2024 of the arrangements and structures, referred to above.

Political Donations

The Company did not make any political donations during 2024 (2023: €nil).

Own Shares

There were no shares of the Company held by the Company at any point during the financial year.

Accounting Records

The measures that the directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate

resources to maintain adequate accounting records, including the appointment of personnel with appropriate qualifications, experience and expertise.

The Company's accounting records are maintained at the Company's registered office at College Park House, South Frederick Street, Dublin 2.

Going Concern

The Company has assessed the future performance of the business to provide assurance that it has the resources in place to meet its ongoing regulatory requirements. The assessment is based on business plans which contain future forecasts of profitability as well as projections of future liquidity and capital requirements. This also includes the impact of stress testing scenarios on the liquidity and capital requirement forecasts.

This assessment showed that the Company had sufficient capital in place to support its future business requirements and remained above its regulatory requirements in the stress test scenarios. It also showed that it can continue to meet its liquidity requirements. The Directors concluded that there was a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and that it is appropriate to continue to adopt the going concern basis in preparing the annual financial statements.

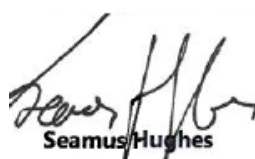
Auditors

The independent auditors Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

Statement on Relevant Audit Information

So far as the directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

On behalf of the directors


Seamus Hughes
Director
Date: 28 March 2025


Dara Hurley
Director

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts, issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the end of the financial year, and the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Octium Life DAC

Report on the audit of the financial statements

Opinion on the financial statements of Octium Life DAC (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Income Statement
- the Statement of Total Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows; and
- the related notes 1 to 25, including a summary of significant accounting policies as set out in Note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and FRS 103 "Insurance Contracts" issued by the Financial Reporting Council ("the relevant financial reporting framework").



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> Valuation of Assets Held to Cover Linked Liabilities Revenue recognition: Policy Administration Fees Merger of Octium Assurance AG <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
Materiality	<p>The materiality that we used in the current year was €3,800,000 which was determined on the basis of approximately 2.5% Total Capital and Reserves.</p>
Scoping	<p>We determined the scope of our audit by obtaining an understanding of the company and its environment, including the reliability of the entity's Internal Control over Financial Reporting and assessing the risks of material misstatement within the company. We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. As part of our risk assessment, we assessed the control environment in place in the company, including the IT control environment, to the extent relevant to our audit. The risks of material misstatement that had the greatest effect on our audit are identified as key audit matters in the tables below.</p>
Significant changes in our approach	<p>We determined materiality by applying approximately 2.5% rate to Total Capital and Reserves, reflecting the impact of the merger with Octium Assurance AG. In the prior year, a rate of 3% of Total Capital and Reserves was used. Due to the impact of the merger, we concluded that a 2.5% rate would be more appropriate for the current year. We consider this rate to be a suitable and stable benchmark.</p> <p>Additionally, we identified a new Key Audit Matter (KAM) related to the merger of Octium Assurance AG. The merger had a pervasive impact on our audit, influencing key areas such as internal controls, ledger migration, financial reporting and financial statement disclosures. The significant audit effort required to address these areas was a key driver in identifying this as a new KAM.</p>

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained an understanding of the processes in place over the solvency capital requirements and year-end solvency ratio
- We obtained the Directors Assessment of Going Concern and challenged the key assumptions used in determining the company's ability to continue as a going concern
- We obtained and read the Own Risk and Self-Assessment ("ORSA") Report, as one of the key inputs in the solvency process, and considered the forward-looking scenarios identified by the Board and management in accordance with the relevant Solvency II preparation guidelines;
- We obtained the 2024 Budget as approved by the Board of Directors and assessed the projections for consistency with our understanding of the business as well as considering the accuracy of previous forecasts; and
- We performed an assessment of the current year performance and year-end position of the company including profitability, assets under management and solvency capital required to ensure the company can demonstrate sufficient liquidity to meet its liabilities as they fall due and confirmed that information was consistent with information used in the ORSA and other relevant projections.

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

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

Key Audit Matters

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

Valuation of Assets Held to Cover Linked Liabilities

Key audit matter description

The company holds assets held to cover linked liabilities of €8.26 billion, as at 31 December 2024.

The valuation and existence of investments is considered a key audit matter as they represent a significant balance on the Statement of Financial Position. There is a risk that investments are valued incorrectly or that investments held do not accurately represent assets held by the company. The existence and valuation of investments has been determined as a key audit matter due to its impact on the overall audit strategy, through the allocation of resources in the audit given the volume and significance of the balance and the level of audit effort it requires.

Please refer to the material accounting policy information set out in note 1 on page 22 of the Financial Statements and to the relevant disclosures in notes 10 and 20 of the financial statements.

How the scope of our audit responded to the key audit matter

We designed our audit procedures to address the key audit matter described above in relation to the valuation of the Assets Held to Cover Linked Liabilities. Procedures included the following:

- We obtained an understanding of the processes in place over the existence and valuation of assets held to cover linked liabilities
- As part of our audit procedures, we identified custodians with specific risk factors for further investigation.
- In addressing existence, we obtained, on a sample basis, independent confirmations from custodians and reviewed reconciling items arising where applicable.
- In addressing valuation, we performed procedures in respect of each asset class, for a sample of custodians as follows:
 - Independently valued policyholder assets obtaining prices from our own pricing vendors.
 - Where we were unable to price an investment using our own pricing vendors, we independently confirmed the investment value via custodian confirmation.
- We evaluated the completeness and accuracy of the relevant disclosures included in the financial statements for compliance with the financial reporting framework.

Revenue recognition: Policy Administration Fees

Key audit matter description

The primary sources of revenue in the company are recurring policy administration fees, included within other technical income. Specifically, the accuracy and occurrence of policy administration fees is supported by certain key inputs, primarily assets under management and administration fee rates. As these inputs could be susceptible to fraud due to override or manipulation of controls, revenue recognition on policy administration fees is considered a key audit matter.

Please refer to the material accounting policy information set out in note 1 on page 22 of the Financial Statements and to the relevant disclosures in notes 3 of the financial statements.

How the scope of our audit responded to the key audit matter

The procedures performed to address the key audit matter of the revenue recognition of fee income included the following:

- We obtained an understanding of the control process over the calculation of the policy administration fee income and assessed the design and implementation of the relevant controls identified within.
- We assessed the accounting policies regarding revenue recognition for compliance with the relevant financial reporting framework.
- In addressing our fraud risk we conducted an analysis of fees charged per policy to identify policies exhibiting characteristics of interest, that required further investigation.

- For those policies, we assessed the appropriateness of the driver of the unusual movement and obtained appropriate audit support.
- For a sample of policies agreed the rates as set out in the product technical specifications or communications provided to the policyholder to the policy administration system to ensure the correct administration was being recorded.
- We evaluated the completeness and accuracy of the relevant disclosures included in the financial statements for compliance with the financial reporting framework.

Merger of Octium Assurance AG



Key audit matter description

On 31 December 2024, Octium Life Designated Activity Company successfully completed a merger with Octium Assurance AG. This merger impacted our consideration of areas of audit interest such as ledger migration, the control environment, the accounting treatment of common control transactions, and compliance with Solvency II regulations. Given the complexity and significance of these factors, a substantial level of audit effort was required to assess data integrity, control changes, financial reporting accuracy and regulatory compliance and led to the merger being determined as a Key Audit Matter.

Refer to accounting policy in note 1 on page 22. The accounting for the merger involved the combining of financial results of both companies for the current and prior financial years, which impacted each note in the financial statements.

How the scope of our audit responded to the key audit matter

The procedures performed to address this key audit matter included the following:

- Verified the accuracy and completeness of the merged entity's opening balances by reviewing prior-year audited financial statements, reconciling these balances to the general ledger, and examining the previous auditor's work papers.
- Assessed the design and evaluated the implementation of the key controls at the merged entity around journal entries, investments, fees, premium deposits, and policy surrenders.
- Ledger Migration & GITC Testing: Performed pre- and post- IT migration reconciliations to confirm data integrity and evaluated the general IT controls over access and change management with IT specialists.
- Evaluated the impact of the merger on financial reporting by ensuring proper accounting treatment, completeness of disclosures, and compliance with relevant regulations was met.

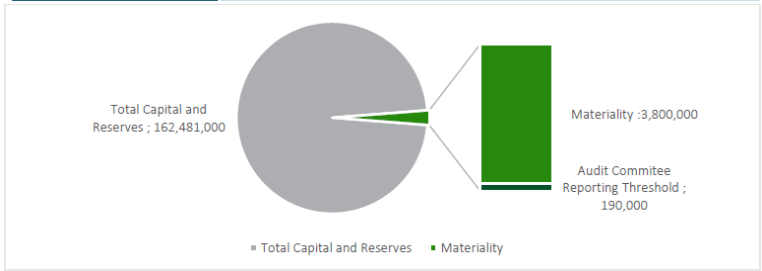
Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€3,800,000 (2023: €2,000,000)
Basis for determining materiality	The materiality that we used in the current year was €3,800,000 which was determined on the basis of approximately 2.5% Total Capital and Reserves.
Rationale for the benchmark applied	<p>We have considered Total Capital and Reserves to be the critical component for determining materiality because it is a key financial metric regularly assessed by the shareholders of the company. We have considered quantitative and qualitative factors in its determination such as the principal elements of the financial statements, whether there are items on which the attention of the users of the company's financial statements tends to be focused, the nature of the company and its industry and the economic environment in which the company operates.</p> <p>In the prior year, a materiality rate of 3% was used. However, due to a significant impact of merger has had on the financial statements, we have reduced the materiality rate this year, to 2.5%. This adjustment was necessary to ensure an appropriate materiality and stable benchmark was determined in light of the merger.</p>



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 80% of materiality for the 2024 audit (2023: 80%). In determining performance materiality, we considered the following factors:

- Our understanding of the company, its industry and the economic environment in which it operates;
- The reliability of the entity's Internal Control over Financial Reporting;
- The willingness by management to investigate and correct misstatements identified during the current audit period;
- The nature and extent of misstatements identified in previous audits; and
- Our expectations in relation to misstatements in the current period.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of €190,000 (2023: €100,000) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

We determined the scope of our audit by obtaining an understanding of the company, its industry and its economic environment, including the reliability of the entity's Internal Control over Financial Reporting and assessing the risks of material misstatement within the company. We designed our audit by determining materiality and assessing the risks of material misstatement. As part of our risk assessment, we assessed the control environment in place in the company, including the IT control environment, to the extent relevant to our audit. The risks of material misstatement that had the greatest effect on our audit are identified as key audit matters in the tables above.

In establishing the overall approach to the audit, we determined the scope of work that required the involvement of internal specialists. As a result, we included IT specialists as part of our engagement team. Where the work was performed by internal specialists, we agreed the nature, timing, and extent of the procedures to be performed and reviewed the results of this work to conclude whether sufficient appropriate audit evidence had been obtained as a basis to support our audit opinion on the financial statements. We assessed the independence, objectivity and competency of the internal specialists performing these works.

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the risk of fraud in revenue recognition relating to policy administration fees. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014 and the relevant accounting framework.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's regulatory solvency requirements under the Solvency II Directive.

Audit response to risks identified

As a result of performing the above, including considering the identification of key audit matters, we considered our key audit matters related Revenue recognition: Policy Administration Fees as appropriately addressing the risk of fraud or non-compliance with laws and regulations related to revenue recognition.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, in house legal and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Central Bank of Ireland, and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Other matters which we are required to address

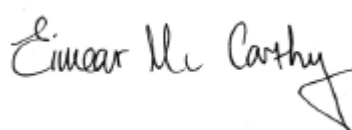
We were appointed by the Audit Committee in 2017 to audit the financial statements for the financial year end 31 December 2017. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 8 years, covering the years ending 31 December 2017 to 31 December 2024.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our report

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



Eimear McCarthy

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

04 April 2025



Financial Statements

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

Technical account – Life assurance business

	Notes	2024 €'000	2023 €'000 (Restated)
Investment return	2	675,059	548,959
Other technical income, net of reinsurance	3	29,050	28,907
Total Technical Income		704,109	577,866

Change In Other Technical Provisions, Net of Reinsurance

Technical provisions for linked liabilities	15	675,059	548,959
Net operating expenses	4	30,732	25,691
Balance on the Technical Account – Life Assurance Business		(1,682)	3,216

Non-Technical account

		€'000	€'000 (Restated)
Balance on the Technical Account – Life Assurance Business		(1,682)	3,216
Investment income	5	2,777	2,830
Profit on Ordinary Activities Before Taxation	6	1,095	6,046
Taxation on profit on ordinary activities	9	(2,815)	(1,052)
(Loss)/profit for the Financial Year After Taxation		(1,720)	4,994

There are no recognised gains or losses for 2024 or 2023 other than the profit for the financial year after taxation shown above.

All of the amounts above are in respect of continuing operations.

STATEMENT OF TOTAL COMPREHENSIVE INCOME

There are no components of other comprehensive income recognised as a part of total comprehensive income outside the income statement.

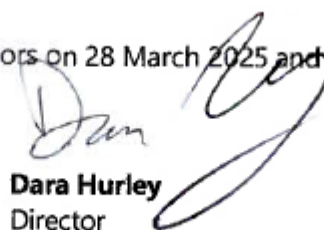
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Assets	Notes	2024 €'000	2023 €'000 (Restated)
Investments			
Assets held to cover linked liabilities	10	8,260,053	8,378,937
Other financial Investments		2	2
Debtors			
Debtors arising out of direct insurance operations – policyholders		4,144	3,657
Other debtors and receivables		9,885	5,584
Other Assets			
Tangible assets	11	201	679
Italian stamp duty tax asset		17,338	835
Italian substitute tax asset	12	70,123	75,152
Cash at bank and in hand		77,891	113,207
Prepayments and Accrued Income			
Deferred acquisition cost	13	156	209
Other prepayments		1,080	1,241
Total Assets		8,440,873	8,579,503
Liabilities			
	Notes	2024 €'000	2023 €'000 (Restated)
Capital and Reserves			
Called up share capital	14	1,000	1,000
Capital contribution		5,000	5,000
Other reserves		10,084	10,084
Legal reserve		-	6,634
Foreign exchange translation		4,589	4,589
Retained earnings		141,808	141,794
Total Capital and Reserves		162,481	169,101
Technical Provisions			
Technical provisions for linked liabilities	15	8,260,053	8,378,937
Other Provisions			
Other provisions		349	949
Creditors			
Other creditors including taxation and social security	16	13,638	26,628
Accruals and Deferred Income			
Accruals		4,352	3,888
Total Liabilities		8,440,873	8,579,503

Approved by the Board of Directors on 28 March 2025 and signed on its behalf by:


Seamus Hughes
 Director


Dara Hurley
 Director

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2024

	Share Capital €'000	Capital Contribution €'000	Other Reserves €'000	Legal Reserve €'000	Retained Earnings €'000	FX Reserves €'000	Total Equity €'000
At 1 January 2023 (Restated)	1,000	5,000	10,084	6,634	141,800	4,589	169,107
Profit for the financial year (Restated)	-	-	-	-	4,994	-	4,994
Dividends paid (Restated)	-	-	-	-	(5,000)	-	(5,000)
At 31 December 2023 (Restated)	1,000	5,000	10,084	6,634	141,794	4,589	169,101
Loss for the financial year	-	-	-	-	(1,720)	-	(1,720)
Dividends paid	-	-	-	-	(4,900)	-	(4,900)
Transfer	-	-	-	(6,634)	6,634	-	-
At 31 December 2024	1,000	5,000	10,084	-	141,808	4,589	162,481

STATEMENT OF CASH FLOW

AS AT 31 DECEMBER 2024

	2024 €'000	2023 €'000 (Restated)
Profit for the year before taxation	1,095	6,046
Adjustments to reconcile profit for the year to net cash flow from operating activities:		
Depreciation of tangible assets	198	197
Movement in other provisions	(600)	380
Movement in deferred acquisition cost	53	(158)
(Increase) in debtors	(3,728)	(1,040)
Increase in creditors	1,594	3,395
Payments net of recoveries of stamp duty	(22,023)	5,497
Payments net of recoveries of substitute tax	(5,547)	20,702
<i>Taxation</i>		
Corporation tax paid	(1,380)	(650)
Net cash generated from operating activities	(30,338)	34,369
<i>Investing activities</i>		
Purchase of tangible fixed assets	(78)	(198)
Disposals of tangible fixed assets	-	107
Net cash from investing activities	(78)	(91)
<i>Financing activities</i>		
Payment of dividends	(4,900)	(5,000)
Net cash from financing activities	(4,900)	(5,000)
Net increase in cash and cash equivalents	(35,316)	29,278
Cash and cash equivalents at the beginning of the year	113,207	83,929
Cash and cash equivalents at the end of the year	77,891	113,207

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

1. Accounting policies

Statement of compliance

Octium Life DAC is a limited liability company incorporated in the Republic of Ireland. The Registered Office is College Park House, South Frederick Street, Dublin 2.

The Company's financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', FRS 103 Insurance Contracts, issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland, the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Basis of preparation

The financial statements are prepared under FRS 102.

The financial statements are prepared in Euro which is the presentational and functional currency of the Company and rounded to the nearest €'000.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial year. However, the nature of estimation means that actual outcomes could differ from those estimates. The areas that involve judgements and estimations and that have had the most significant effect on amounts recognised in the financial statements are described in the Investments section below.

Merger

On 31 December 2024 Octium Life DAC completed a cross-border merger by acquisition pursuant to the European Union (Cross-Border Conversions, Mergers and Divisions) Regulations 2023. As the Successor Company, Octium Life DAC acquired all the assets and liabilities with all rights and obligations attached thereto of Octium Assurance.

The cross-border merger as covered by Part 3; Chapter 1 of S.I. No. 233 meets the requirements of a merger by acquisition. Octium Assurance is dissolved without going into liquidation and without the issue of new shares by the Company.

The group restructure has been accounted for using the merger accounting method under the auspices of FRS102 as the following conditions have been satisfied:

- the ultimate equity holders remain the same, and the rights of each equity holder, relative to the others, are unchanged;
- the use of the merger accounting method is not prohibited by company law or other relevant legislation; and

- no non-controlling interest in the net assets of the group is altered by the transfer.

Per the provisions of FRS102, the carrying values of the assets and liabilities of the parties to the combination were not adjusted to fair value.

The results and cash flows of the combining entities have been brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies. The comparative information has been restated by including the total comprehensive income for the combining entities for the previous reporting period and their statement of financial position for the previous reporting date, adjusted as necessary to achieve uniformity of accounting policies.

Merger expenses have been charged to income statement as part of profit or loss of the combined entity at the effective date of the group reconstruction.

Investments

Product Classification

Contracts under which the Company accepts significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder are classified as insurance contracts in accordance with FRS 103 Insurance Contracts.

Insurance risk is significant if, and only if, an insured event could cause the Company to pay significant additional benefits in any scenario. The Company assesses the significance of insurance risk contract by contract. Contracts that qualify as insurance contracts remain insurance contracts until all risks and obligations are extinguished or expired.

Where risk is primarily borne by the policyholder, the contract is deemed to be an investment contract. The majority of contracts issued by the Company are deemed to fall into this category, where the insurance risk remaining with the Company is limited to a small percentage of the value of the policy. Where the terms of an existing contract have been substantially modified the financial liability is extinguished and replaced with a liability reflecting the updated terms of the contract. This may result in the reclassification of a contract from an investment contract to an insurance contract.

In cases where an insurance contract contains both an insurance and deposit component, the Company unbundles these components if the deposit component can be measured reliably. Subsequently, the deposit component is accounted for under FRS 102 and the insurance component is accounted for under FRS 103.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

1. Accounting policies (continued)

The Company offers a product with the option of a level of premium protection in the event of death. Because of the potential for significant insurance risk, these contracts are accounted for as insurance contracts when the option is selected. The Company has €625m (2023: €541m) worth of these contracts at the financial year-end. The net income associated with these contracts was €77k with premiums of €189k and reinsurance premiums of €112k, and is included in Other technical income, net of reinsurance (2023: €69k, premiums of €208k, reinsurance premiums of €139k).

Valuation of investments and assets held to cover linked liabilities

Investments are valued at the balance sheet date as follows:

- Listed securities are valued at the bid market price;
- Unit trust units are valued at bid price;
- Short term deposits are valued at cost, exclusive of accrued interest;
- Loans are valued at fair value

Derivative financial instruments are valued at market rates ruling at the balance sheet date and the gain or loss on these contracts is recorded in the technical account.

Assets held to cover linked liabilities are held at fair value to back the underlying liabilities to which these relate. See note 20 for details of the policy for classification of investments into the fair value hierarchy.

Initial recognition and measurement of financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

Derecognition of financial assets and financial liabilities

A financial asset or financial liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Technical provision for linked liabilities

Linked liabilities are established by reference to the value of the underlying assets which are held to meet those liabilities.

Unit-linked contracts that are investment contracts (i.e. do not involve the transfer of significant insurance risk) are accounted for by using the 'deposit accounting' basis.

Italian substitute tax asset

Payments to the Italian Revenue as a result of the Company being a withholding tax agent for substitute tax are recognised as a tax receivable. All Italian substitute tax on gains due on policies surrendering, or on death from 2016, is charged against the asset. The asset is initially recognised at cost with its recoverable amount assessed annually for impairment by the Board of Directors.

Cash and cash equivalents

Cash and cash equivalents comprise money market funds, cash at bank and short term, highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash.

Investment return and investment income and expenses

Investment return included in the life assurance business technical account relates to life assurance business and includes dividends, interest, gains and losses on the realisation of investments, unrealised gains and losses and related expenses.

Dividends are included as investment income on the date that the dividend is received. Interest is included on an accruals basis.

Other investment income and expenses are included in the non-technical account.

Other technical income

Other technical income includes recurring policy administration fees, net of reinsurance fees, and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured, regardless of when the payment is being made. Fees receivable from policyholders on unit linked investment contracts are recognised as 'Other technical income' in the Technical account - life assurance business and represent the turnover of the Company.

Deferred acquisition costs

The costs directly associated with the acquisition of new investment and insurance contracts are deferred to the extent that they are expected to be recoverable out of future revenues to which they relate. Such amounts are amortised through the Income Statement over the period in which the related revenues are expected to be earned.

Deferred acquisition costs are reviewed for impairment on an annual basis. Should the circumstances which justified the deferral of costs no longer apply, costs that are deemed irrecoverable are written off to the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling on the balance sheet date.

Non-monetary items denominated in a foreign currency, measured at fair value, are translated into the functional currency using the exchange rate ruling at the date when the fair value was determined.

Current tax

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future against which the asset can be offset.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided on a straight-line basis to write off the cost of the assets over their expected useful lives as follows:

Fixtures and fittings: 10 years or premises lease term if shorter

Computer equipment: 5 years

Going Concern

The time period that the Board of Directors ("the Board") have considered in evaluating the appropriateness of the going concern basis in preparing the financial statements for the financial year ended 31 December 2024 is a period of twelve months from the date of approval of these financial statements ("the period of assessment"). The financial statements have been prepared on a going concern basis.

In making the assessment of the Company's ability to continue as a going concern, the Board has taken into consideration the significant economic, political and market risks, the Solvency II regulatory capital regime and uncertainties that currently impact Irish financial institutions and the Company.

The going concern assessment for the financial statements is supported by business plans and the 2024 Own Risk and Solvency Assessment ("ORSA") which project that the Company will operate profitably and within Solvency II regulatory capital guidelines for the foreseeable future. The solvency coverage at 31 December 2024 was 229% (2023: 191%) which is €114.5m (2023: €92.7m) ahead of the Solvency Capital Requirement.

As part of its assessment of going concern the Board considered the positive impact on the Company's financial operations and benefits of the Octium Group ownership. The Board also considered the following:

- Events or conditions that could have cast significant doubt on the entity's ability to continue as a going concern;
- Current year performance and year-end position;
- Key features of the forecast for future periods;
- Other key considerations including mitigating factors;
- Events after the end of reporting period

The Board believes that it continues to be appropriate for the Company's financial statements to be prepared on a going concern basis because following a review of the above risks, the Board expects that the Company will continue to trade and exceed current regulatory capital requirements for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

2. Investment return

	2024 €'000	2023 €'000 (Restated)
Investment performance of assets held to cover linked liabilities	628,161	561,334
Foreign currency gain/(loss) on revaluation of assets held to cover linked liabilities from the currency in which the liability arises to Euro	46,898	(12,375)
Total investment return	675,059	548,959

3. Other technical income, net of reinsurance

	2024 €'000	2023 €'000 (Restated)
Recurring policy administration fees	30,541	30,610
Reinsurance fees (net of claims)	(1,491)	(1,703)
Total other technical income, net of reinsurance	29,050	28,907

4. Net operating expenses

	2024 €'000	2023 €'000 (Restated)
Acquisition and administration costs	23,789	19,717
Death claims paid	765	421
Commissions	6,125	5,520
Change in deferred acquisition cost	53	33
Total net operating expenses	30,732	25,691

5. Non-technical account – investment income

	2024 €'000	2023 €'000 (Restated)
Bank deposit interest	2,265	2,355
Other Income	512	475
Total investment income	2,777	2,830

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

6. Profit on ordinary activities before taxation

The profit before taxation is stated after charging:

	2024 €'000	2023 €'000 (Restated)
Auditor's remuneration (excluding VAT; see Note 8)	250	163
Depreciation of tangible assets	198	197

7. Employees and remuneration

The Company had an average of 47 employees during the year (2023: 54).

(a) Staff costs (including Directors' remuneration)

The aggregate payroll cost of these employees was as follows

	2024 €'000	2023 €'000 (Restated)
Salaries and bonus	7,363	6,400
Social welfare costs	428	406
Other pension costs	533	516
Employee insurances	233	235
Other personnel costs	1,222	159
	9,779	7,716

(b) Directors' remuneration

	2024 €'000	2023 €'000 (Restated)
Aggregate emoluments in respect of qualifying services	626	704
Aggregate contributions to a retirement benefit scheme in respect of one director's qualifying service – defined contributions schemes	98	95
	724	799

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Only the directors of the Company are considered to meet this definition. 2023 includes costs for Octium Assurance AG directors' emoluments.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

8. Auditor's remuneration

The remuneration of the statutory auditor is analysed as follows (excluding VAT). No tax advisory or other non-audit services were provided:

	2024 €'000	2023 €'000 (Restated)
Audit of financial statements	250	163
Other assurance services	115	133
	365	296

9. Taxation

(a) Taxation on profit on ordinary activities:

	2024 €'000	2023 €'000 (Restated)
Current tax	(2,815)	(1,052)
Taxation on profit on ordinary activities	(2,815)	(1,052)

(b) Factors affecting current tax charge for the year

	2024 €'000	2023 €'000 (Restated)
Profit on ordinary activities before tax	1,095	6,046
Current tax charge at standard Irish corporation tax rate of 12.5% (2023 – 12.5%)	(236)	(579)
Italian corporation tax rate of 24% (2023: 30.8%)	-	(433)
Liechtenstein corporation tax (minimum charge)	(2)	(2)
Effects of:		
Depreciation for the year in excess of capital allowances	1	(4)
Income tax payable on health insurance	(15)	(14)
Items not deductible for tax purposes	(149)	(90)
Italian Branch Exit Tax charge in respect of closure of Milan branch (OAAG)	(2,344)	-
Prior year tax adjustment	(70)	70
Taxation on profit on ordinary activities	(2,815)	(1,052)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

10. Assets held to cover linked liabilities

	2024	2023
	€'000	€'000 (Restated)
Investments designated at fair value through profit or loss		
Investment funds	5,250,518	5,449,061
Equities	941,454	685,899
Fixed income securities	1,450,022	1,570,855
Deposits, cash and cash equivalents and others	228,453	285,703
Structured products	387,684	379,880
Loans	1,788	1,383
Derivatives	(990)	4,220
Collateral Securities	1,124	1,545
Other	-	391
	8,260,053	8,378,937

11. Tangible assets

	Computer Equipment €'000	Fixtures and Fittings €'000	Total €'000
Costs:			
At 1 January 2024 (Restated)	330	676	1,006
Additions	44	34	78
Disposal	(171)	(547)	(718)
As at 31 December 2024	203	163	366
Depreciation and impairment:			
At 1 January 2024 (Restated)	156	171	327
Depreciation	61	137	198
Depreciation on disposal	(95)	(265)	(360)
As at 31 December 2024	122	43	165
Carrying amount at 1 January 2024 (Restated)	174	505	679
Carrying amount at 31 December 2024	81	120	201

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

12. Italian Substitute Tax Asset

	2024	2023
	€'000	€'000
		(Restated)
Italian substitute tax asset at beginning of the year	75,152	80,005
Recovery through exit taxes	(17,881)	(20,192)
Italian stamp duty offset	-	(1,013)
Tax on mathematical reserve – 2023 adjustment re increase in AUM	3,515	109
Tax credit offset SX41	(3,472)	-
Tax on mathematical reserve – 2024	12,809	16,243
Italian substitute tax asset at end of the year	70,123	75,152

As the Company has availed of the 5-year offset credits (SX 41 per above) covering the tax on mathematical reserves due, it will be required to make a payment in respect of 2024 of €9,337k (2023: €16,243k).

13. Deferred Acquisition Costs

	2024	2023
	€'000	€'000
		(Restated)
Balance at beginning of the year	209	51
Deferred during the year	-	191
Charged to the Technical Account	(53)	(33)
Balance at end of the year	156	209

14. Called up Share Capital

	2024	2023
	€'000	€'000
Authorised, allotted and fully paid:		
1,000,000 ordinary shares of €1 each	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

15. Technical provisions for linked liabilities

The technical provisions in respect of linked business are equal to the value of the assets to which the contracts are linked.

	2024	2023
	€'000	€'000
		(Restated)
At 1 January	8,378,937	8,355,038
Deposits received from policyholders	239,275	742,367
Payments made to policyholders	(1,002,192)	(1,236,814)
Fees deducted in respect of management services	(31,026)	(30,613)
Investment return	675,059	548,949
At 31 December	8,260,053	8,378,937

The fair value hierarchy of the technical provisions for linked liabilities follows those for the unit linked assets as disclosed in note 20.

16. Other creditors including taxation and social security

	2024	2023
	€'000	€'000
		(Restated)
Commission payable	529	381
Corporation tax	2,347	94
Italian Withholding Tax	9,337	16,243
Italian Stamp Duty	-	4,318
Other	1,425	5,592
	13,638	26,628

17. Related party transactions

The Company is a wholly owned subsidiary of Octium Holding S.A. Its ultimate parent undertaking is Albany Settlements Limited, a company incorporated in the British Virgin Islands.

During the financial year the Company provided legal, compliance and internal audit services to Octium Holding S.A., a related party, receiving €14k. In addition, the company received professional services from Octium Holding S.A. and incurred expenses of €158k. The amount owed to Octium Holding S.A. at 31 December was €87k. (2023: €42k receivable).

The Company incurred expenses of €700k for professional services from Octium International Insurance Agency AG, a related party. The Company also incurred commission expenses of €1,899k to Octium International Insurance Agency AG for distribution services, and a market establishment fee €400k for opening new markets, which were settled over the course of 2024. The Company also provided group shared services to Octium International Insurance Agency AG, for which it earned €177k. This amount is included in net operating expenses. In addition, a prepayment for 2025 professional services was paid for €700k in December to Octium International Insurance AG. As at 31 December, the amount receivable from Octium International Insurance Agency AG was €1,018k (2023: €264k).

The Company received group shared & business support services from Octium Services (Switzerland) AG, a related party, totalling €3,316k, which was settled over the course of the 2024. The Company also provided group shared services to Octium Services (Switzerland) AG for which it earned €81k. The amount owed by Octium Services (Switzerland) AG at 31 December was €134k (2023: €1,384k owed to Octium Services Switzerland).

Other than the merger outlined above, there were no other related party transactions during the financial year.

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AS AT 31 DECEMBER 2024

18. Capital Management

The Company is regulated by the Central Bank of Ireland (CBI) which sets and monitors regulatory capital requirements in respect of the Company's operations.

The Company is required to hold sufficient capital to meet the Solvency Capital Requirement (SCR) calculated using the Solvency II standard formula. As at 31 December 2024 the Company held capital in excess of its requirement.

	2024	2023
	€'000	€'000
		(Restated)
Total shareholders' funds	162,481	169,101
Regulatory adjustments:		
Deferred tax liability	(5,864)	(8,600)
Deferred acquisition cost	(155)	(209)
Technical Provisions	55,795	52,337
Foreseeable dividends	-	(4,900)
Reinsurance recoverable	(8,883)	(13,060)
Total available capital resources (Solvency II Standard Formula)	203,374	194,669
Solvency Capital Requirement	88,874	101,933
Overall surplus capital over regulatory requirements	114,500	92,736
Ratio of own funds to SCR	229%	191%

The Company's policy is to manage the capital base so as to meet all legal and regulatory requirements relating to the level and type of capital held, and to ensure that capital is managed effectively in order to safeguard the financial soundness and support the strategic objectives of the Company.

The Company maintains a capital structure with a combination of share capital, capital contributions and retained profits, consistent with the Company's risk profile and the regulatory and market requirements of its business.

The Company carries out regular projections of its capital adequacy and these are reviewed by the Board to ensure that satisfactory levels of cover are maintained. Capital adequacy and solvency cover are reported to the Central Bank of Ireland on a quarterly and annual basis.

No instances of non-compliance with solvency capital requirements were reported by the Company to the Central Bank of Ireland during the financial year.

The Company has not substantially changed the approaches adopted to manage its capital from the previous accounting period.

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AS AT 31 DECEMBER 2024

19. Financial risks and risk management

The Company is exposed to a range of risks through its financial assets and its financial liabilities and also in relation to the accounting estimates and judgements it needs to make in the preparation of its financial statements and its regulatory returns.

These risks are described below together with the risk management approaches adopted by the Company. The objective of the risk management approaches described is to operate within the risk appetite of the Company and to safeguard the Company's value and reputation.

Ultimate responsibility for the Company's risk management rests with the directors and the Board is supported by the operation of a number of committees that meet on a regular basis to review and monitor the Company's risk exposures. A number of policy statements have been prepared and approved by the directors which set out parameters and limitations to manage and limit financial risks. The Company has not substantially changed the approaches adopted to manage its financial risks from the previous accounting period.

Risks associated with investment assets and linked liabilities

The Company matches all the liabilities under investment and insurance contracts with the underlying assets and the liabilities are valued by reference to these asset values. The market and credit risk relating to policyholder financial assets is borne by policyholders as any change in the value of their assets results in an equivalent change in the amount of the Company's obligation to them. However, the Company does have exposure to persistency and an indirect exposure to market risk in respect of the contracts.

The Company's unit-linked products have offered a minimal death benefit equivalent to a small percentage of the underlying fund value, generally in the range of 0.1% to 5%.

Persistency risk is the risk that the policyholder cancels the contracts, thereby exposing the Company to lower annual management fees than that projected in the product pricing. The Company manages this risk by ensuring that its distributors only sell such policies to customers with a medium to long term investment horizon and through maintaining high levels of customer care. Early redemptions are reviewed and analysed to determine potential trends requiring attention.

Market risk arises for the Company as an adverse impact on the value of the fees earned, from the consequent impact of a loss of fair value resulting from adverse fluctuations in equity prices, interest rates and foreign currencies.

A number of financial risks also arise within the investment contracts, and these are carried by the holders of these contracts. These risks are:

- Market risk in respect of fluctuation in interest rates, equity prices and foreign currency rates.
- Credit risk in respect of exposure to counterparties.

These risks are managed on an ongoing basis by the investment managers who are responsible for monitoring the effect of changes in the fair value of the underlying assets.

Risks associated with the investment of own funds

The Company holds other financial assets that are not attributable to investment or insurance contracts, as backing for its general solvency requirements and to maintain an effective working capital level.

Octium takes a conservative position with regard to its investment policy relating to shareholder funds. Investments are limited to liquid assets with group companies, financial institutions with high credit ratings and non-rated financial institutions based on other relevant criteria.

During the financial year 2024 Octium held short-term deposits with a number of domestic banks as well as with other financial institutions and money market funds approved by the Board. The main risk that the Company is exposed to for these deposits is credit risk with minimal market risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

19. Financial risks and risk management (continued)

Credit risk

Credit risk occurs for assets if the counterparty is unable to pay amounts in full when due. The Company reduces credit risk by placing a limit on the amount of cash held with each bank or money market fund. The Company monitors its risk by monitoring the credit quality of each counterparty. The following table is based on S&P credit rating of these counterparties.

Credit risk exposure and ratings of cash deposits held at 31 December 2024

	AAAm €000	A+/A- €000	BBB+ €000	NR €000	Total €000
Cash deposit < 1 month	13,459	61,849	2,583	-	77,891
Cash deposits between 1 and 3 months	-	-	-	-	-
	13,459	61,871	2,583	-	77,891

Credit risk exposure and ratings of cash deposits held at 31 December 2023 (Restated)

	AAAm €000	A+/A- €000	BBB+ €000	NR €000	Total €000
Cash deposit < 1 month	-	59,559	26,766	-	86,325
Cash deposits between 1 and 3 months	-	15,138	-	11,744	26,882
	-	74,697	26,766	11,744	113,207

Market risk

Market risk is the risk of change in fair value of a financial instrument due mainly to fluctuations in interest rates, equity prices, and foreign currency rates. The Company's main market risks are interest rate risk and foreign currency risk.

a) Interest rate risk arises primarily from the Company's cash deposits. The change in interest yields is reviewed on a regular basis when the Company prepares projections of its solvency position.

The following deposits are exposed to interest rate risk:

	2024 €'000	2023 €'000 (Restated)
Cash deposits < 1 month	77,891	86,325
Cash deposits between 1 and 3 months	-	26,882
	77,891	113,207

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

19. Financial risks and risk management (continued)

The carrying values of these deposits are not impacted by a change in interest rates as they have a short term and are valued on an accruals basis. The Company's profits will be impacted by interest rate movements. The following table illustrates the annual impact of an increase or decrease of 1.00% in the overall interest rate applied to these deposits.

	2024 €'000	2023 €'000 (Restated)
Increase of 1% in overall rate:		
Impact on profit before tax	779	1,132
Decrease of 1% in overall rate:		
Impact on profit before tax	(779)	(1,132)

b) Foreign currency risk can arise due to fluctuations in foreign exchange rates. The Company does not have any significant exposure to such movements as its investments are mainly denominated in Euro.

Liquidity risk

Liquidity risk is defined as risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

In managing the Company's assets and liabilities, the Company seeks to ensure that cash is at all times available to settle liabilities as they fall due. Available funds are mainly invested in euro-denominated call or deposit accounts of up to 3 month's duration. Funds are also invested in highly liquid money-market funds. The Company's treasury position is reviewed on a regular basis and cash balances are maintained to meet due liabilities.

The Company's main exposure to liquidity risk arises from its role as withholding tax agent for Italian substitute tax which requires it to make annual payments to the Italian tax authorities based on the value of Italian technical provisions and subject to certain offsets and limits. The Company is also a withholding tax agent for Italian stamp duty. The Company also prepays stamp duty based on prior year filings. When a policyholder makes a withdrawal the stamp duty is deducted in proportion to the amount being surrendered. In order to mitigate this risk the Company maintains a high level of liquid assets to meet its liabilities and ensures that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

For investment and insurance contract redemptions, cash paid out is funded by the redemption of the linked assets supporting the contract liability.

Valuation risk

This is the risk of incorrect valuation of assets and liabilities. Liabilities are reviewed on a quarterly basis by the Head of Actuarial Function and are subject to reasonableness and validation checks. Asset valuations are verified through periodic price testing on a sample of securities.

Risks associated with other financial assets

Amounts receivable from debtors are subject to a credit control process.

The balance remaining on the Italian substitute tax asset is recoverable from deductions made from gains made by policyholders on claims.

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AS AT 31 DECEMBER 2024

20. Fair value disclosures

Fair value methodology

For investments carried at fair value, we have categorised the measurement basis into a "fair value hierarchy" as follows:

Unadjusted quoted prices in active markets

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

These are investments whose fair value is determined using observable, unadjusted quoted prices in active markets for identical assets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide pricing information on an ongoing basis. Listed debt and equities securities in active markets and quoted unit trusts in active markets would typically be classified within Level 1 of the fair value hierarchy.

Inputs other than quoted prices included within Level 1 that are observable

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

These are investments whose fair value is determined using inputs other than quoted prices included within Level 1 inputs that are observable, either directly or indirectly through corroboration with market data.

Level 2 inputs include the following:

- Evaluated prices based on a compilation of primary observable market information or a broker quote in a non-active market
- Prices based on a Net Asset Value ("NAV") from a fund manager, other than those considered Level 3 below
- Quoted prices for similar (i.e. not identical) assets in active markets
- Inputs other than quoted prices that are observable for the asset (for example, benchmark yields, base spreads, adjustment for corporate actions and reported trades)

Money market vehicles, unlisted fixed income securities, valued using third-party fair value models, unlisted collective investment vehicles and most derivatives are generally classified within Level 2 of the fair value hierarchy.

Inputs are unobservable (i.e. for which market data is unavailable) for the asset/liability

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

These are investments whose fair value is determined using inputs that are not observable, reflecting assumptions that the market participants may use in pricing an investment. Securities for which no indication or comparable are available and financial information is used to calculate the valuation, would typically be classified within Level 3 of the fair value hierarchy.

Investments which are classified as Level 3 include the following:

- Investment funds which invest in a significant level of Level 3 investments. Valuations are based on the NAV produced by the fund.
- Bonds with hybrid or perpetual features whereby the valuation model includes unobservable inputs such as the timing of conversion and call rights

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AS AT 31 DECEMBER 2024

20. Fair value disclosures (continued)

An analysis of investments according to fair value hierarchy is given below:

Fair value hierarchy 2024

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets held to cover linked liabilities				
Investment funds	1,284,518	3,610,644	355,356	5,250,518
Equities	941,336	1	117	941,454
Fixed income securities	897,691	394,042	158,289	1,450,022
Deposits, cash and cash equivalents and others	228,453	-	-	228,453
Structured products	75,748	298,262	13,674	387,684
Loans	-	-	1,788	1,788
Derivatives	-	(990)	-	(990)
Collateralised securities	166	113	845	1,124
Other investments	-	-	-	-
	3,427,912	4,302,072	530,069	8,260,053

Fair value hierarchy 2023 (Restated)

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets held to cover linked liabilities				
Investment funds	2,628,580	2,521,542	298,938	5,449,060
Equities	685,429	470	-	685,899
Fixed income securities	1,203,219	274,023	93,614	1,570,856
Deposits, cash and cash equivalents and others	285,091	-	-	285,091
Structured products	65,608	302,926	11,958	380,492
Loans	-	-	1,383	1,383
Derivatives	-	4,179	41	4,220
Collateralised securities	-	-	1,545	1,545
Other investments	150	241	-	391
	4,868,077	3,103,381	407,479	8,378,937

There were no movements between Level 2 and Level 3 assets over the year.

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AS AT 31 DECEMBER 2024

21. Financial commitments

The Company leases its office from New Ireland Assurance Company plc and the lease runs until 20 April 2028.

Total future minimum lease payments under the operating leases are as follows.

	2024	2023
	€'000	€'000 (Restated)
Less than one year	271	418
Between one and five years	616	1,462
	887	1,880

The lease payments are charged to the Income Statement over the term of the lease. In 2024, these expenses amounted to €278k (2023: €278k) excluding irrecoverable VAT.

The Company terminated leases held by Octium Assurance upon completion of the merger. The cancellation costs have been accounted for as onerous lease obligations and charged to the Income Statement in 2024.

22. Ultimate parent

The Company is a wholly owned subsidiary of Octium Holding S.A. Its ultimate parent undertaking is Albany Settlements Limited, a company incorporated in the British Virgin Islands.

23. Dividends

A dividend of €4.9m was declared and paid during the financial year (2023: €5.0m).

24. Subsequent events

Over the course of 2024, the Italian government approved the 2025 Budget Law bill which introduced significant changes to the stamp duty regime for life insurance contracts with effect from 1 January 2025.

Stamp duty will continue to be charged at 0.2% of the policy value at the end of each year.

The key changes introduced by the new regime, as set out in Article 11 of the 2025 Budget Law bill, are:

- The accumulated stamp duty calculated to date for each existing policy, up to and including the amount based on the 31 December 2024 policy value (€88m), should be prepaid by the life company with 50% payable in 2025, 20% payable in 2026 and 2027 and the balance in 2028.
- The annual stamp duty calculated in respect of a particular policy at the end of a calendar year should now be prepaid by the life company over the following calendar year.
- The stamp duty prepaid by the life company will be recovered at the time when payment is made from a policy by offsetting the total amount prepaid against the amount of stamp duty deducted from the payment to the policyholder.

A solution is being implemented to address the funding required to meet this change in regime. There were no other significant events affecting the Company since 31 December 2024.

25. Approval of financial statements

The Board of Directors approved these financial statements on 28 March 2025.