

# SCR results for year-end 2024

## 1. Introduction

### 1.1 Overview

This report summarises the Solvency Position of Smart Insurance Ltd (the Company) for year-end 2024 with comparison to the previous year-end.

The Solvency Ratio increased by 1.8% from 150.8% to 152.6% since the previous year. Analysis of the drivers of the results is provided in Section 2.

### 1.2 Background

The capital regime for an insurance undertaking in the EU is governed by the Solvency II framework, which sets out the requirements for capital adequacy, risk management, and reporting. Insurance undertakings are required to regularly report their solvency position and risk profile to the regulatory authorities, with at least an annual reporting frequency.

### 1.3 Scope

The scope of this report covers the annual results of Smart Insurance Ltd in terms of:

- Solvency Capital Requirement (SCR)
- Own Funds
- Solvency Ratio

## 2. Results

Table 1 below summarises the Solvency Capital Requirements (SCR) of the entity for year-end 2024.

Table 1 – Summary of Solvency Position 2024 vs 2023

€m	2024	2023	Movement	Movement %
Market Risk	100.0	111.1	-11.1	-10.0%
Counterparty Default Risk	50.5	48.4	2.1	4.3%
Life Risk	80.3	69.9	10.4	14.9%
Health Risk	55.3	20.1	35.2	175.1%
Diversification Benefit	-78.0	-62.4	-15.6	25.0%
<b>Basic SCR</b>	<b>208.1</b>	<b>187.1</b>	<b>21.0</b>	<b>11.2%</b>
Operational Risk	19.9	17.8	2.1	11.8%
Deferred Tax Adjustment	-31.1	-25.6	-5.5	21.5%
<b>Total SCR</b>	<b>196.9</b>	<b>179.3</b>	<b>17.6</b>	<b>9.8%</b>
<b>Own Funds</b>	<b>300.5</b>	<b>270.4</b>	<b>30.1</b>	<b>11.1%</b>
<b>Solvency Ratio</b>	<b>152.6%</b>	<b>150.8%</b>	<b>1.8%</b>	<b>1.2%</b>

The table shows that:

- Since 2023, the movements in the SCR have shown an overall increase, primarily driven by significant increases in Health Risk and Life Risk which resulted in a notable rise in the Basic SCR.
- The negative movements in Market Risk and Deferred Tax Adjustment were offset by positive movements in Counterparty Default Risk and Operational Risk, contributing to the overall increase in the Total SCR.
- On the other hand, Own Funds have also increased since 2023, indicating a positive trend in the available capital or equity.
- This increase in Own Funds has outpaced the growth in the Total SCR, suggesting an improvement in the financial strength and stability of the entity.
- The Solvency Ratio has also shown an upward trend since 2023, reflecting an improvement in the financial health and solvency of the entity.
- This increase in the Solvency Ratio signals a stronger capital position relative to the capital requirements, indicating improved ability to meet obligations and absorb losses.

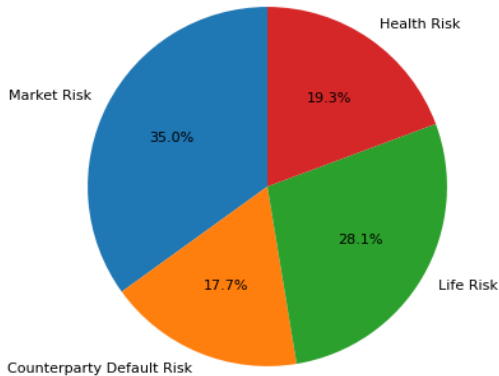


Figure 1: Composition of the Basic SCR - 2024

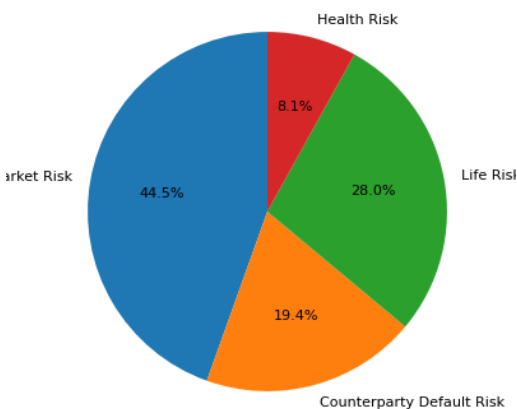


Figure 2: Composition of the Basic SCR - 2023

The proportion of Life Risk, Health Risk BSCR increased over the year but proportion of Market Risk, Counterparty Default Risk BSCR decreased. The increase in Life and Health risks is due to growth in business volume. Most of the growth came from Health Risks due to the introduction of a new product called ProtectMe.

### 3. Conclusion

The Company's solvency ratio of 152.6% is above its target of 125.0%.