Monument Assurance Belgium

Solvency and Financial Condition Report
at 31st December 2021

30 March 2022

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Samenvatting

Inleiding en doel

Dit is het Solvency and Financial Condition Report ("**SFCR**") voor Monument Assurance Belgium ("**MAB**" of de "**Vennootschap**") voor het jaar eindigend op 31 december 2021. Het doel van de SFCR is om te voldoen aan de openbaarmakingsvereisten van de artikelen 290 tot en met 303 van gedelegeerde verordening (EU) 2015/35 van de Commissie ("**Gedelegeerde verordening**") en de artikelen 95 en 96 van de wet van 13 maart 2016 betreffende het statuut van en het toezicht op verzekerings- of herverzekeringsondernemingen ("**Solvency II-wet**").

Dit rapport vermeldt alle nominale bedragen in duizenden euro's (€ '000), tenzij anders vermeld, zoals bepaald in artikel 2 van ITS 2015/2452.

Bedrijfsinformatie

Monument Re Ltd ("**Monument Re**") voltooide de overname van ABN AMRO Life Capital Belgium NV ("**AALCB**") op 28 maart 2018, waarna de Vennootschap werd omgedoopt tot Monument Assurance Belgium NV ("**MAB**").

MAB is een levensverzekeringsmaatschappij opgericht in België onder het maatschappelijke nummer 0478.291.162 en heeft een vergunning van de Nationale Bank van België ("**NBB**") om tak 21, tak 22, tak 23 en tak 26 levensverzekeringen aan te bieden. MAB heeft sinds 2012 geen nieuwe activiteiten meer onderschreven en kan dus worden beschouwd als een onderneming met gesloten boek.

De Onderneming werd oorspronkelijk in 2002 gemachtigd om de levensverzekeringsactiviteit uit te voeren, al dan niet gekoppeld aan beleggingsfondsen, met uitzondering van uitzet- en geboorteverzekeringen (Tak 21). Daarnaast werd toestemming verleend voor het uitvoeren van de volgende activiteiten: levens-, uitzet- en geboorteverzekering in samenhang met beleggingsfondsen (Tak 23) en kapitalisatietransacties (Tak 26). In 2021 werd toestemming verleend voor verzekeringen in verband met huwelijk en geboorte (Tak 22).

Daarnaast maakt het bedrijf gebruik van *intra-group* dienstverleningsbedrijven om de administratie van de Belgische activiteiten te ondersteunen. Het belangrijkste doel voor de oprichting van de dienstverleningsbedrijven is om het personeel te kunnen inzetten bij alle activiteiten en entiteiten binnen de Monument Re Group terwijl schaalvoordelen binnen de Belgische activiteiten worden gerealiseerd. Door de uitbesteding kan de Onderneming optimaal gebruik maken van middelen en operationele efficiëntie maximaliseren. In 2021 maakte MAB gebruik van de ondersteuning van twee dienstverlenende bedrijven:

- Op 16 juli 2021 werd een nieuw dienstverleningsbedrijf opgericht om de activiteiten van MAB te ondersteunen, namelijk Monument Assurance Belgium Services SA ("**MABS**"). Vervolgens werd

MABS op 14 december 2021 bij de FSMA ingeschreven als verzekeringstussenpersoon. MABS verleent ondersteunende diensten aan MAB en beheert het voormalige Integrale-boek.

- Op 31 december 2021 fuseerde Monument Insurance Services Limited ("**MISL**") in Monument Insurance Belgium Services SRL ("**MIBS**") tot Monument Insurance European Services SRL ("**MIES**"). Er was geen significante impact op de diensten die MIBS of MISL aan MAB leverden, die waren geleverd op basis van een kritische uitbestedingsovereenkomst, na de fusie. De diensten worden verder verleend door MIES.

De bedrijfsstrategie van het bedrijf is om:

- Te focussen op de afvloeiing van de bestaande gesloten polissenportefeuilles, er tegelijkertijd voor zorgend dat acties en klantenservice van hoogwaardige kwaliteit een prioriteit blijven;
- Ter ondersteuning van de strategie van de Monument Re Group, die erop gericht is oplossingen te bieden voor activa-intensieve levensverzekeringsportefeuilles door middel van herverzekering of acquisitie op de Europese markt;
- te blijven zoeken naar mogelijkheden om de Onderneming te laten groeien door verzekeringsporterfeuilles te verwerven, voornamelijk die in run-off, en te richten op lijfrente, gegarandeerd sparen of beschermingsproductlijnen; en
- risicodiversificatie te stimuleren en kapitaalsynergieën te creëren in overeenstemming met de Monument Group-strategie.

Kortom, streeft de Onderneming er actief naar om te groeien door middel van de aankoop van in-force levensverzekeringsportefeuilles. Deze strategie is gericht op gesloten boeken of “closed books”.

In overeenstemming met deze strategie:

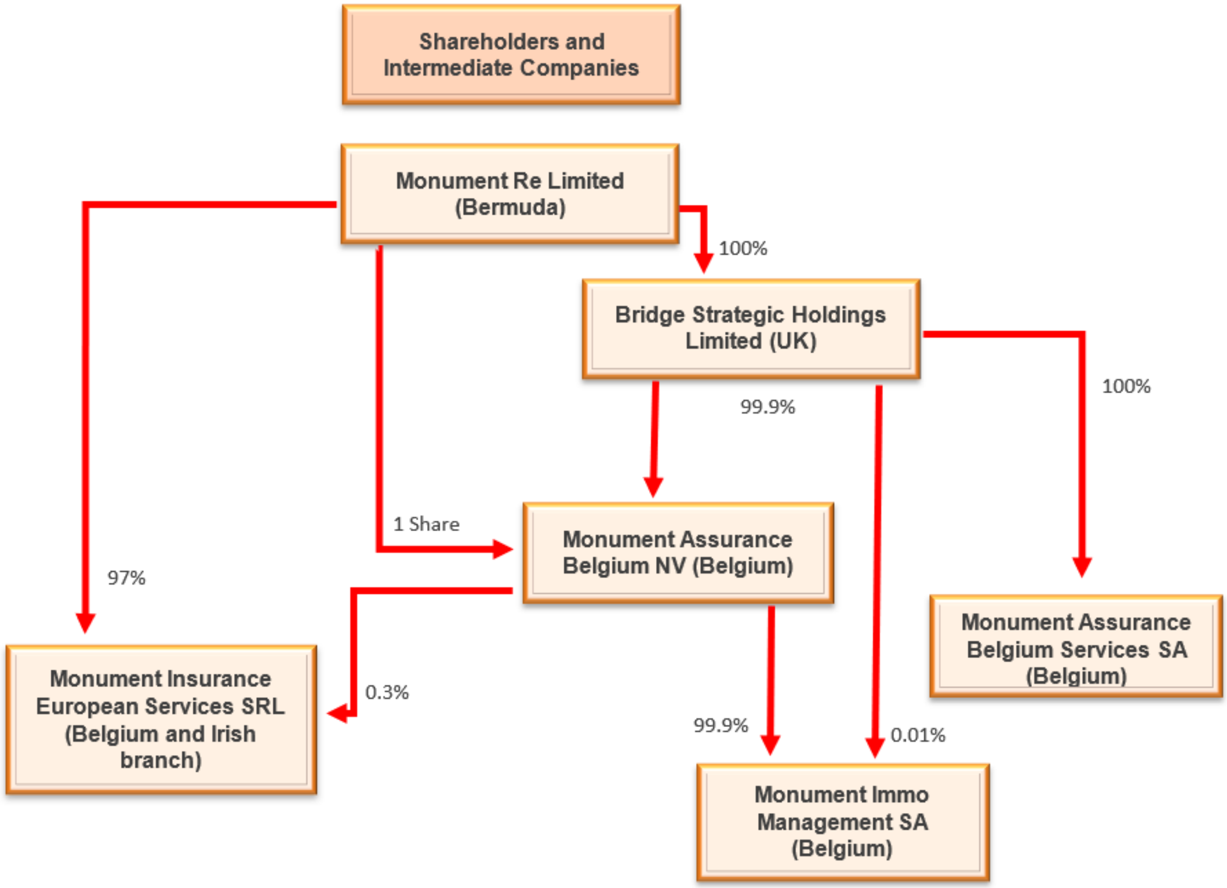
- Op 31 mei 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van langetermijn-, spaar- en kredietlevensverzekeringen van Alpha Insurance, een Belgische verzekeringsmaaschappij en dochteronderneming van Enstar Group Limited, (de “**Alpha-portefeuille**”, of “**Alpha**”) (ca. 30.025 polissen per 31 december 2021).
- Op 16 december 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van niet-Curanova lange-termijn-spaarcontracten van Curalia OVV (de “**NCN-portefeuille**” respectievelijk “**Curalia**”) (ca. 4.455 polissen per 31 december 2021). Het beheer van deze portefeuille blijft wel bij Curalia.
- Op 1 april 2021 heeft MAB de overdracht uitgevoerd van een portefeuille van Allianz Benelux SA/NV. Vervolgens is een tijdelijke uitbestedingsovereenkomst gesloten met Allianz Benelux SA/NV, betreffende de polisadministratie van deze portefeuille. Deze gesloten-boek portefeuille betreft een portefeuille van klassiek leven contracten (ca. 95.000 polissen) met een hypotheken portefeuille van ca. 4.500 polissen (de "**Allianz Portfolio**").

- Op 15 december 2021 heeft MAB de overdracht verricht van de levensverzekeringsovereenkomsten behorende tot de takken 21 en 23 en de medeverzekeringsovereenkomsten en de herverzekeringsovereenkomsten betreffende deze takken van Integrale NV. (de "**Integrale Portfolio**"). De polisadministratie gebeurt door Monument Assurance Belgium Services NV ("**MABS**") op basis van een uitbestedingsovereenkomst. Daarnaast zijn ook voormalige Integrale medewerkers overgeplaatst naar MABS, om hun expertise te behouden ter ondersteuning van de Belgische activiteiten.
- Op 20 december 2021 tekende MAB een portefeuilleoverdracht met AXA Belgium NV. Dit is een deal van *Solvency II* technische voorzieningen ter waarde van € 3,4 miljard (of BEGAAP € 2,6 miljard) van klassieke levensverzekeringsactiviteiten, bestaande uit ca. 181k polissen (de "**AXA-portefeuille**")

Het bedrijf blijft actief de mogelijkheden voor verdere groei op de Belgische markt beoordelen.

Ter ondersteuning van de intentie van Monument Re Group om kapitaal en liquiditeit efficiënt te beheren, maakt de Vennootschap gebruik van een intra-groepsherverzekering (“intra-group reinsurance of "**IGR**") om risico's af te staan die kunnen worden herverzekerd aan Monument Re, terwijl een deel van het risico wordt behouden. Dit draagt bij tot risicospreiding en kapitaal- en liquiditeitssynergieën op groepsniveau. Het IGR-verdrag is op 30 maart 2021 bijgewerkt om de dekking van de Allianz Portfolio op te nemen. Er werd ook een quota-aandelenherverzekeringsovereenkomst gesloten tussen MAB en Monument Re met betrekking tot de Integrale-portefeuille vanaf de ingangsdatum van de portefeuilleoverdracht.

De eigendomsstructuur van MAB, MIES en MABS is weergegeven in de onderstaande grafiek. Bridge Strategic Holdings Limited ("**Bridge**") werd opgericht in maart 2018 en MAB werd een dochteronderneming van Bridge in oktober 2018.



Door middel van een strategie van herverzekering en/of verwerving, richt de Monumentgroep zich binnen zijn risicobereidheid op het aannemen van risico's op basis van activa en op het efficiënte beheer van deze activiteiten of portefeuilles. De twee belangrijkste gebieden waarop gericht wordt, zijn:

- Verwerving van portefeuilles of verzekeraars die voornamelijk in run-off zijn en die gericht zijn op annuiteiten, gegarandeerde spaartegoeden of gekoppelde producten; en
- Herverzekering van langlopende, activa-intensieve verplichtingen, meestal met garanties.

Prestaties

De einddatum van het huidige boekjaar van de Vennootschap is 31 december. Dit rapport heeft betrekking op het jaar eindigend op 31 december 2021 met vergelijkingen ten opzichte van het voorgaande jaar voor de statutaire periode van 12 maanden die eindigt op 31 december 2020. Afschriften van de financiële overzichten van de Onderneming zijn verkrijgbaar via de website van de Nationale Bank van België.

In het algemeen bleef de Onderneming presteren en afvloeien ("run-off") in lijn met de verwachtingen. De prestatiecijfers blijven zoals verwacht rapporteren.

De belangrijkste uitdagingen voor het bedrijf vanuit operationeel perspectief in 2021 waren:

- De overname van de Allianz-portefeuille en de eerste administratie van een hypotheekboek;
- De aankoop van de Integrale portefeuille, en de voorbereiding om de voormalige Integrale medewerkers te integreren in Monument. Mits de portefeuille op 15 december 2021 officieel is verworven, zal de integratie in 2022 een primair aandachtspunt zijn; en,
- Het Thuiswerkbeleid was over 2021 van toepassing om de bedrijfscontinuïteit tijdens de COVID-19-periode te waarborgen.

De resultaten van het bedrijf voor de periode worden hieronder weergegeven in ***sectie A. Bedrijf en prestaties***. De operationele prestaties en run-off van de portefeuille bleven presteren in lijn met de vooruitzichten, en de onderneming rapporteerde een verzekeringstechnische winst voor de verslagperiode van € 16,514 miljoen (2020: een winst van € 5,76 miljoen).

Governancesysteem

De Onderneming heeft een governancesysteem ingevoerd dat past bij de bedrijfsstrategie en -activiteiten. Er is een duidelijke delegatie van verantwoordelijkheden, rapportagelijnen en toewijzing van functies door middel van de gedocumenteerde taakomschrijvingen van het desbetreffende comité en de charters van sleutelfuncties. Het governancesysteem omvat vereisten met betrekking tot: de geschiktheid en betrouwbaarheid van personen die verantwoordelijk zijn voor sleutelfuncties, beloningspraktijken en uitbestedingsactiviteiten. Een belangrijk deel van de bedrijfsactiviteiten en de governanceregelingen van de Onderneming is uitbesteed aan het dienstenverleningsbedrijven MIES en MABS, die dochterondernemingen zijn van Monument Re.

Gezien de groei van het bedrijf in het jaar 2021, heeft MAB zijn governance verder versterkt, met name:

- In Q2 2021 is een Chief Risk Officer aangeworven die 100% toegewijd is aan MAB;
- Een Chief Financial Officer die 100% toegewijd is aan MAB is aangeworven in Q2 2021, de vorige Chief Financial Officer van MAB is belast met het financiële toezicht op de dienstverleningsbedrijven; en,
- 2 onafhankelijke bestuursleden traden toe tot de raad van bestuur van MAB

De dagelijkse leiding van het bedrijf gedelegeerd aan het Directiecomité (de "**MC**"). Alle onafhankelijke controlefuncties zijn, afgezien van de actuariële functie, binnen de Groep Monument geïnsourced. Het Directiecomité verbindt zich ertoe het governancesysteem binnen MAB te blijven versterken. In 2022 wordt een lokaal audit commité geïntroduceerd bij MAB.

Verdere details over het governancesysteem van het bedrijf worden hieronder gegeven in ***sectie B. Systeem van bestuur***.

Risicoprofiel

Het risicobeheersysteem van de Onderneming staat in verhouding tot de aard, schaal en complexiteit van de risico's waaraan de Onderneming is blootgesteld. Het systeem omvat processen voor het identificeren, beoordelen, monitoren, beheren en rapporteren van alle risicocategorieën. Het risicobeheersysteem omvat de eigen risico- en solvabiliteitsbeoordeling (Own Risk and Solvency Assessment "**ORSA**"), die de raad van bestuur van MAB helpt bij het bepalen of er voldoende Eigen Vermogen is om de risico's van de Onderneming gedurende haar bedrijfsplanningshorizon te dekken.

De bedrijfsactiviteiten van de Onderneming geven voornamelijk aanleiding tot krediet-, markt-, verzekerings- en operationeel risico. Nadere details over het risicoprofiel van de Onderneming worden weergegeven in **Section C. Risk Profile**.

Waardering voor solvabiliteitsdoeleinden

De balans van de Vennootschap is aanzienlijk toegenomen in termen van activaklassen na de recente overnames. Het merendeel van de activa bestaat voornamelijk uit bedrijfs- en overheidsobligaties, instellingen voor collectieve belegging, effecten van hypotheekfondsen ("**Dutch Residential Mortgages"** of "**DRM"** en **"Belgian Residential Mortgages"** of **"BRM"),** participaties in gelieerde ondernemingen en contanten. Verder zien we ook kleine belangen in polisleningen, andere leningen en leasings, aandelen, vastgoed en derivaten. De derivaten worden aan de beleggingsportefeuille toegevoegd om risico's zoals het renterisico of het inflatierisico zo veel mogelijk te spreiden.

De actiefzijde van de balans laat ook een grote positie zien in herverzekeringsrecuperaties. Dit zijn de realiseerbare bedragen ("*recoverables*") uit de intragroepsherverzekeringstraktaten.

Verdere details van de waardering van de Onderneming voor Solvabiliteitsdoeleinden worden hieronder weergegeven in **Section D. Valuation for Solvency Purposes.**

Kapitaalbeheer

De structuur van het Eigen Vermogen van de Onderneming bestaat uit aandelenkapitaal en aansluitingsreserve (inclusief ingehouden winsten). Het kapitaalmanagementbeleid is gericht op het te allen tijde voorzien van voldoende kapitaal om aan de wettelijke solvabiliteitsvereisten te voldoen. De Solvabiliteitskapitaalvereiste van de Onderneming (Solvency Capital Requirement "**SCR**") wordt berekend volgens de standaardformule die is vastgesteld door de European Insurance and Occupational Pension Authority (**EIOPA** - Europese Autoriteit voor verzekeringen en bedrijfspensioenen).

De volgende tabel geeft een samenvatting van het Eigen Vermogen en de solvabiliteitspositie van de Onderneming op 31 december 2021, met vergelijkende cijfers van vorig jaar (in € '000, behalve voor percentages):

	31 december 2021	31 december 2020
In aanmerking komend Eigen Vermogen ter dekking van de Wettelijke Solvabiliteitsvereiste	312,966	14,017
Solvabiliteitskapitaalvereiste	127,366	3,369
Minimum kapitaalvereiste	57,315	3,700
Verhouding van Eigen Vermogen tot SCR	246 %	416 %
Verhouding van Eigen Vermogen tot MCR	546 %	379%

Het in aanmerking komend eigen vermogen steeg in de verslagperiode aanzienlijk van € 14,0 miljoen naar € 313 miljoen. Deze stijging is voornamelijk het gevolg van de volgende 3 acties over het jaar 2021:

- na de overname van de Allianz-portefeuille in april 2021 werd een kapitaalinjectie van € 45 miljoen uitgevoerd;
- na de overname van de Integrale-portefeuille in december 2021 werd een tweede kapitaalinjectie van € 225 miljoen uitgevoerd; en,
- voor de overname van het Integrale-boek ontving MAB meer activa dan passiva, waardoor extra beschikbare eigen middelen werden gegenereerd.

De SCR steeg in de verslagperiode van € 3,0 miljoen naar € 127,4 miljoen. Deze stijging is een direct gevolg van de overname van de Integrale en de Allianz portefeuilles. Deze overnames verhoogden de balans, zowel aan de activa- als aan de passiva-zijde, waardoor aanvullende solvabiliteitskapitaalvereisten ontstonden. De absolute Minimum Capital Requirement ("MCR")) van 3.7 miljoen is dus niet langer de relevante maatregel voor MAB. De Minimum Capital Requirement bedraagt nu € 57 miljoen.

Verdere details over het eigen vermogen en SCR van de vennootschap zijn opgenomen in ***sectie E. Kapitaalbeheer***.

Conclusies en aanbevelingen

In het kader van de uitvoering van haar strategie heeft de Vennootschap de overname van twee portefeuilles in 2021 afgerond, namelijk de Allianz-portefeuille en activa en passiva van Integrale SA met de bijbehorende kapitaalinjecties om deze te ondersteunen. Bovendien sloot de Vennootschap een overeenkomst met AXA Belgium NV voor een AXA-portefeuille. Het is de bedoeling dat deze transactie in de loop van september 2022 wordt afgerond.

In de loop van 2021 heeft de Onderneming haar governancesysteem verder versterkt en ervoor gezorgd dat er een passend kader voor risicobeheer is opgezet.

Over het geheel genomen heeft de Onderneming zich ertoe verbonden de Solvabiliteit-II-principes na te leven om ervoor te zorgen dat wereldwijd aan de regels wordt voldaan.

Executive Summary

Introduction and Purpose

This is the Solvency and Financial Condition Report ("**SFCR**") for Monument Assurance Belgium ("**MAB**" or the "**Company**") for the year ended 31 December 2021. The purpose of the SFCR is to meet the public disclosure requirements of Articles 290 to 303 of the Commission Delegated Regulation (EU) 2015/35 ("**Delegated Regulation**") and Articles 95 and 96 of the Law of 13 March 2016 on the statute and supervision of insurance or reinsurance undertakings ("**Solvency II Act**").

This report quotes all nominal amounts in thousands of euro (€ '000), unless otherwise stated, as per Article 2 of ITS 2015/2452.

Business Information

Monument Re Ltd ("**Monument Re**") completed the acquisition of ABN AMRO Life Capital Belgium NV ("**AALCB**") on 28 March 2018, at which time the Company was renamed Monument Assurance Belgium NV ("**MAB**").

MAB is a life insurance company incorporated in Belgium under registered number 0478.291.162 and is licensed by the National Bank of Belgium ("**NBB**") to offer branch 21, branch 22, branch 23 and branch 26 life policies. MAB has not underwritten new business since 2012 and can thus be considered a closed book company.

The Company was originally authorized in 2002 to carry out life insurance activity, whether or not linked to investment funds, with the exception of dowry and birth insurance (branch 21). In addition, permission was also granted to carry out the following activities: life, dowry and birth insurance in connection with investment funds (branch 23) and capitalization transactions (branch 26). In 2021 MAB was granted a license for birth and marriage insurance (branch 22).

In addition, the Company uses dedicated intra-group service companies to support the administration of the Belgian business. The main objective for establishing the service companies is to enable staff to be deployed across all activities and entities within the Monument Re Group whilst achieving economies of scale within the Belgian operations. The outsourcing enables the Company to make the best use of resources and maximize operational efficiencies. In 2021, MAB utilized the support of two service companies:

- A new service company was created on 16 July 2021 to support MAB's business, namely Monument Assurance Belgium Services SA ("**MABS**"). Subsequently, MABS is registered with the FSMA as insurance intermediary on 14 December 2021. MABS provides support services to MAB, and administers the former Integrale book.

- On 31 December 2021, Monument Insurance Services Limited ("**MISL**") merged into Monument Insurance Belgium Services SRL ("**MIBS**"), subsequently rebranded into Monument Insurance European Services SRL ("**MIES**"). There was no significant impact on the services delivered by MIBS or MISL to MAB, on the basis of a critical outsourcing agreement, following the merger. The services continue through MIES.

The business strategy of the Company is to:

- Focus on the administration of the existing in-force closed book of policies, whilst ensuring that high quality operations and customer service remain a priority;
- To support Monument Re Group's strategy, which is to provide solutions for asset intensive life insurance portfolios through reinsurance or acquisition in the European market;
- Continue to seek opportunities to grow the Company through acquiring insurance portfolios, primarily those in run-off, and targeting annuity, guaranteed savings or protection product lines; and,
- Drive risk diversification and create capital synergies in line with the Monument Group strategy.

Thus, the Company is actively seeking to grow through acquisition of in-force life insurance portfolios. This strategy is focused on closed books.

Consistent with this strategy:

- On 31 May 2019, MAB effected the transfer of a portfolio of long-term savings and credit life insurance from Alpha Insurance SA, a Belgian composite insurance company and a wholly-owned subsidiary of Enstar Group Limited, (the "**Alpha Portfolio**", or "**Alpha**") (c. 30,025 policies as at 31 December 2021).

- On 16 December 2019, MAB effected the transfer of a portfolio of non-Curanova long term savings contracts from Curalia OVV (the "**NCN Portfolio**" and "**Curalia**", respectively) (c. 4,455 policies as at 31 December 2021). Administration of this portfolio remains with Curalia.

- On 1 April 2021, MAB effected the transfer of the branch 21 and 22 life insurance portfolio from Allianz Benelux SA. A temporarily outsourcing agreement has been concluded with Allianz Benelux SA, regarding the policy administration of this portfolio. This acquisition relates to a closed-book portfolio of classical life insurance policies (c. 95,000 policies) together with mortgages (c. 4,500) (the "**Allianz Portfolio**").

- On 15 December 2021, MAB effected the transfer of the branch 21 and 23 life insurance portfolio, and co-insurance contracts and the reinsurance contracts concerning those branches from

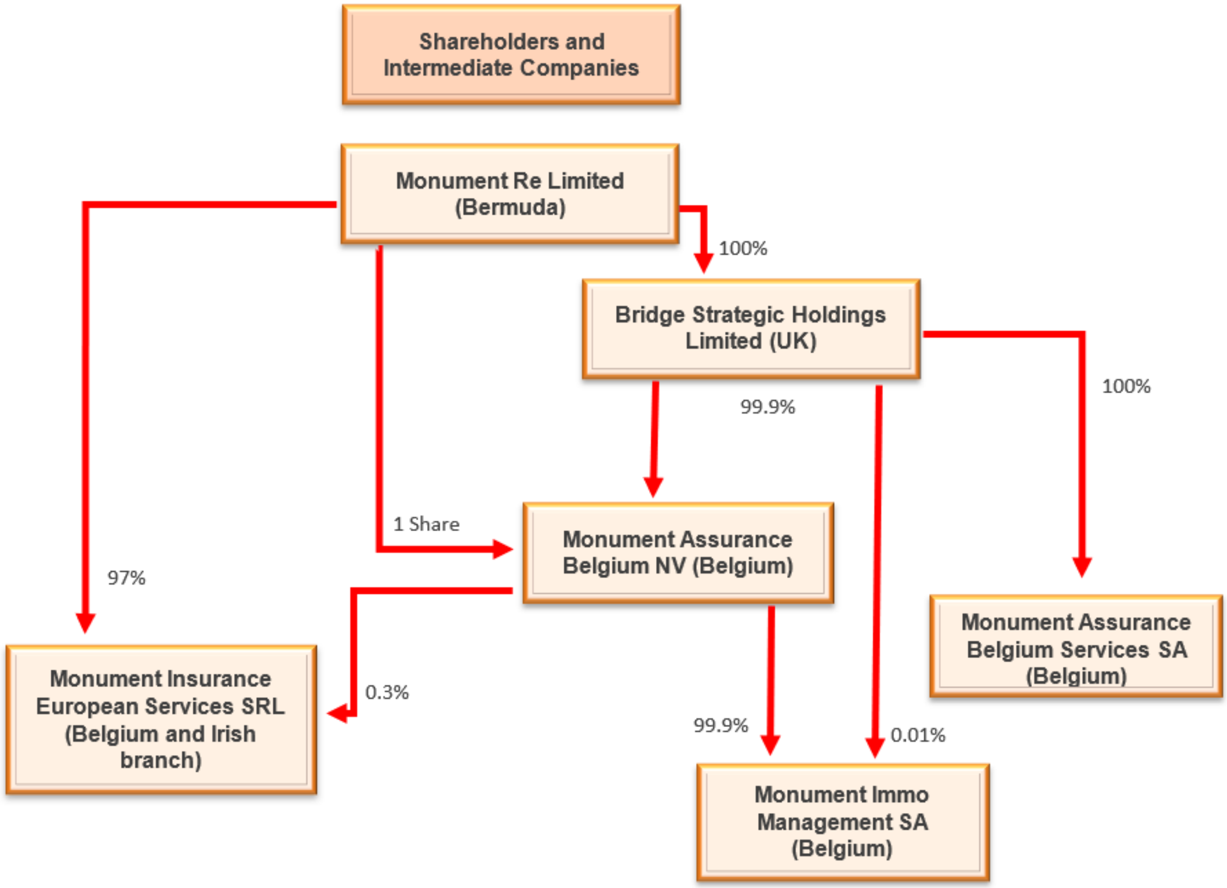
Integrale NV ("the "**Integrale Portfolio**"). The policy administration is done by Monument Assurance Belgium Services SA ("**MABS**") on the basis of an outsourcing agreement. In addition, Integrale employees were also transferred to MABS, in order to keep their expertise to support the Belgian operations.

- On 20 December 2021, MAB signed a portfolio transfer with AXA Belgium SA. This is a deal of Solvency II technical provisions of €3.4bn (or BEGAAP € 2.6bn) of classic life business, consisting of 181k policies (the "**AXA portfolio**").

The Company continues to actively appraise opportunities for further growth in the Belgian market.

In support of Monument Re Group's intention to efficiently manage capital and liquidity, the Company makes use of intra-group reinsurance ("**IGR**") to cede risks that can be reinsured to Monument Re, whilst retaining a proportion of the risk. This helps to drive risk diversification and capital and liquidity synergies at the group level. The IGR-Treaty was updated during 2021 to include coverage of the Beach Portfolio, on 30 March. A Quota Share Reinsurance agreement was also concluded between MAB and Monument Re in relation to the Integrale portfolio from the effective date of the portfolio transfer.

The ownership structure of MAB, MIES and MABS are set out in the chart below. Bridge Strategic Holdings Limited ("**Bridge**") was incorporated in March 2018 and MAB became a subsidiary of Bridge in October 2018.



Through a strategy of reinsurance and/or acquisition, the Monument Group looks to assume asset based risks within its risk appetite, and efficiently operate these businesses or portfolios. The focus includes two principal areas, namely:

- Acquisition of portfolios or insurers, primarily those in run-off and targeting mainly annuity, guaranteed savings or linked products; and
- Reinsurance of long-dated, asset intensive liabilities, typically with guarantees.

Performance

The current accounting year end date of the Company is 31 December. This report is for the year ended 31 December 2021 with prior year comparatives for the 12-month statutory period ending 31 December 2020. Copies of the Company's financial statements may be obtained from the website of the National Bank of Belgium.

In general, the Company continued to perform and run-off in line with expectations. Performance metrics continue to report as anticipated.

The main challenges for the Company from an operational perspective during 2021:

- The acquisition of the Allianz portfolio, and the first-time administration of a mortgage book;
- The acquisition of the Integrale portfolio, and the preparation to integrate the former Integrale staff into Monument. Provided that the portfolio was officially acquired on 15 December 2021, the integration will be a primary attention point in 2022; and,
- The Work from Home Policy was applicable over 2021 in order to guarantee business continuity during the COVID-19 period.

The Company's results for the period are shown below in ***Section A. Business and Performance***. The operational performance and run-off of the portfolio continued to perform in line with projection, and the business reported an underwriting gain for the reporting period of € 16.514m (2020: a gain of € 5.76m).

System of Governance

The Company has established a system of governance which is appropriate for the Company's business strategy and operations. There is a clear delegation of responsibilities, reporting lines and allocation of functions prescribed by committee terms of reference and key function charters. The system of governance includes requirements relating to fitness and probity of persons responsible for key functions, remuneration practices and outsourcing activities. A significant portion of the Company's operations and governance arrangements is outsourced to the services company MIES and MABS, which are subsidiaries of Monument Re.

Given the growth of the Company over the year 2021, MAB has further strengthened its governance, *eg*.

- A Chief Risk Officer 100% dedicated to MAB has been recruited in Q2 2021;
- A Chief Financial Officer 100% dedicated to MAB has been recruited in Q2 2021, the previous Chief Financial Officer of MAB has been entrusted with the financial supervision of the service companies; and,
- 2 Independent Board members joined MAB's Board.

The day-to-day management of the business delegated to the Management Committee (the "**MC**"). All independent control functions have, aside from the actuarial function, been insourced within the Monument Re Group. The Management Committee is committed to continue to strengthen the system of governance within MAB. In 2022, a local Audit Committee will be introduced to MAB.

Further details of the Company's system of governance are provided below in ***Section B. System of Governance***.

Risk Profile

The Company's risk management system is proportionate to the nature, scale and complexity of the risks to which the Company is exposed. The system includes processes for the identification, assessment, monitoring, management and reporting of all categories of risk. The risk management system includes the Own Risk and Solvency Assessment ("**ORSA**") which assists MAB's board of directors ("**the Board**") in determining whether there are adequate Own Funds to cover the Company's risks over its business planning horizon.

The Company's business activities give rise primarily to credit risk, market risk, insurance risk and operational risk. Further details of the Company's risk profile are provided below in ***Section C. Risk Profile*****.**

Valuation for Solvency Purposes

The Company's balance sheet has significantly increased in terms of assets classes presented following the recent acquisitions. The majority of assets comprises mainly of corporate and government bonds, collective investment undertakings, mortgage fund securities ("**Dutch Residential Mortgages"** or "**DRM"** and **"Belgian Residential Mortgages"** or **"BRM"**), participations in related undertakings and cash. Further we also see minor stakes in policy loans, other loans and leases, equities, property and derivatives. The derivatives are added to the investment portfolio to diversify away as much as possible, risk like interest rate risk or inflation risk.

The asset side of the balance sheet also shows a large position in reinsurance recoverables. These are the recoverables from the Intra Group Reinsurance.

Further details of the Company's valuation for Solvency Purposes are provided below in ***Section D. Valuation for Solvency Purposes****.*

Capital Management

The structure of the Company's Own Funds comprises of share capital and reconciliation reserve (including retained earnings). The Capital Management Policy focuses on ensuring that there is sufficient capital at all times to meet the regulatory solvency requirements. The Company's Solvency Capital Requirement ("**SCR"**) is calculated using the Standard Formula set by the European Insurance and Occupational Pension Authority ("**EIOPA"**).

The following table summarizes the Company's Own Funds and solvency position at 31 December 2021, with prior year comparatives (in € '000, except for percentages):

	31st December 2021	31st December 2020
Eligible Own Funds to cover Regulatory Solvency Requirement	312,966	14,017
Solvency Capital Requirement	127,366	3,369
Minimum Capital Requirement	57,315	3,700
Ratio of Own Funds to SCR	246 %	416 %
Ratio of Own Funds to MCR	546 %	379%

Eligible Own funds increased significantly over the reporting period from € 14.0m to € 313m. This increase was principally due to the following 3 actions done over the year 2021:

- following the acquisition of the Allianz portfolio in April 2021, a capital injection of € 45m was carried out;
- following the acquisition of the Integrale portfolio in December 2021, a second capital injection of € 225m was carried out;
- for the acquisition of the Integrale book, MAB received more assets than liabilities, generating additional available own funds.

The SCR increased from € 3.0m to € 127.4m over the reporting period. This increase is a direct consequence of the acquisition of the Integrale and the Allianz books. these acquisitions increased the balance sheet, both on asset and liability side, creating additional solvency capital requirements. The absolute Minimum Capital Requirement ("**MCR**") of € 3.7m is therefore no longer the relevant measure for MAB. The minimum capital requirements are now € 57m.

Further details of the Company's Own Funds and SCR are provided in ***Section E. Capital Management***.

Conclusions and Recommendations

In execution of its strategy, the Company has completed the acquisition of two portfolios in 2021, *i.e*. the Allianz Portfolio and Assets and Liabilities of Integrale SA with the associated capital injections to back them. Moreover, the Company entered into an agreement with AXA Belgium NV for the AXA Portfolio. This transaction is envisaged to complete over the course of September 2022.

Over the course of 2021 the Company has continued to strengthen its system of governance and ensured that an appropriate risk management framework is in place.

Overall, the Company is committed to adhere to the Solvency II principles to ensure global compliance.

A. Business and Performance

A.1 Business

A.1 (a) Name and legal form

Monument Re completed the acquisition of ABN AMRO Life Capital Belgium NV (“**AALCB**”) on 28 March 2018, at which time the Company was renamed Monument Assurance Belgium NV (“**MAB**”). MAB is a public limited company under Belgian law ("naamloze vennootschap"), under the company number 0478.291.162 and with administrative code 1644.

As an insurance company, it is licensed and regulated in Belgium focusing on life insurance. The Company has a license for branch 21, branch 22, branch 23 and branch 26. The Company is closed to new business.

Name and registered office of the Company is:

Monument Assurance Belgium NV|SA
Koloniënstraat|Rue des Colonies 11 (1° verdieping|étage|floor)
BE-1000 Brussels

The shareholders’ meeting of the Company is set for the 15 day of May. The articles of association were last coordinated on 15 December 2021, following a capital increase in the amount of 225,000,000 EUR.

A.1 (b) Name and contact details of supervisory authority

Local Supervisors:

Nationale Bank van België NV (NBB)
de Berlaimontlaan 14
BE-1000 Brussels

Autoritieit voor Financiële Diensten en Markten (FSMA)
Congresstraat 12-14
BE-1000 Brussels

Group supervisor of the Group to which the Company belongs:

Bermuda Monetary Authority
BMA House
43 Victoria Street
Bermuda, Hamilton

A.1 (c) Name and contact details of the external auditors

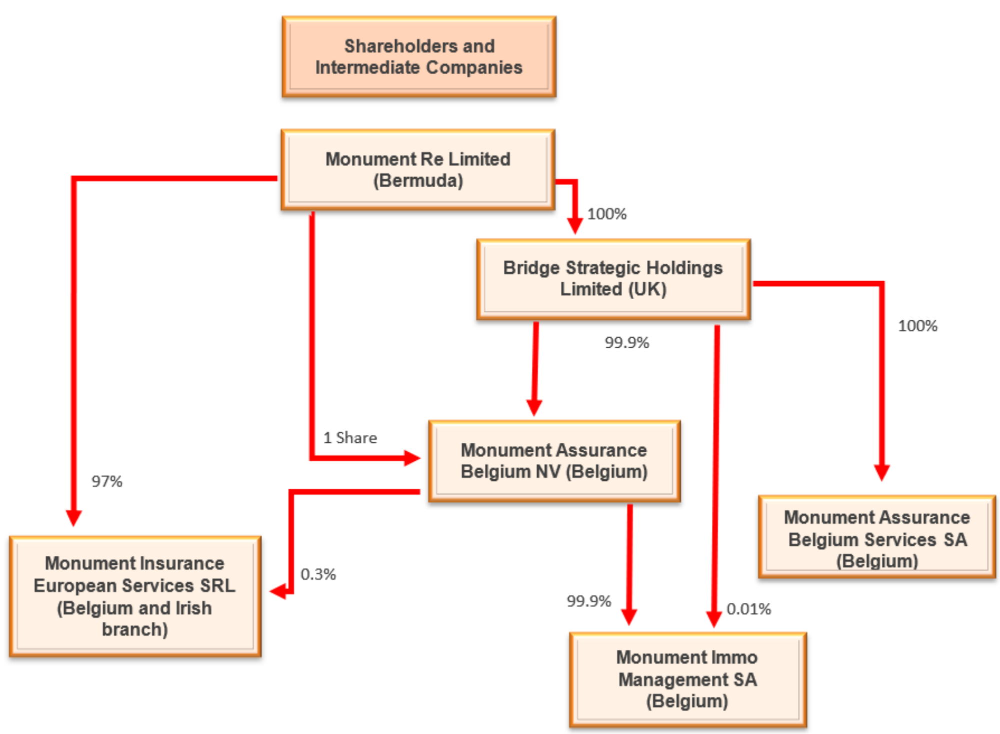
PricewaterhouseCoopers Bedrijfsrevisoren
Mr. Tom Meuleman and Ms. Dominique Van de Peer
Woluwedal 18,
BE-1932 Sint-Stevens-Woluwe

A.1 (d) Holders of qualifying holdings in the undertaking

MAB is 99.99% owned by Bridge Strategic Holdings Limited, whilst Monument Re Limited holds 1 share. Furthermore, MAB is shareholder in the following entities:

- MAB owns 0.3% of MIES, while 97,2% is owned by Monument Re Limited ("**MonRe**"), as a result of the merger of Monument Insurance Services Limited into Monument Insurance Belgium Services on 31 December 2021.
- MAB owns 70% of Integrale Insurance Services ("**IIS**").
- MAB owns 99.99% of the shares in Monument Immo Management ("**MIM**").
- MAB owns shares in different Solar Power Companies, and PE companies.

The ownership structure of Monument in Belgium as at 31 December 2021 is set out in the following simplified chart:



A.1 (e) Position within the legal structure of the Group

Monument Re Limited

Monument Re is a Bermuda based reinsurance company established to provide solutions for asset intensive portfolios through reinsurance or acquisition. In executing this dual insurance and reinsurance strategy, the Company looks to assume asset based risks within its risk appetite, and efficiently operate these businesses or portfolios. The focus includes two principal areas, namely:

- Acquisition of portfolios or direct insurers, primarily those in run-off and targeting mainly annuity, guaranteed savings or linked products; and
- Reinsurance of in-force blocks of long-dated, asset intensive liabilities, typically with guarantees.

Monument Re is a Class E reinsurer and holding company of other European insurance entities. It is subject to Group Supervision by the BMA through Solvency II Equivalence attained on a permanent basis from the European Commission.

Monument Re has an established track-record of acquiring life insurance portfolios across Europe. Since incorporation, twenty-four (24) transactions have been signed. These transactions support the Company's strategy to build and grow the Ireland, Benelux and Crown Territories platforms as well as demonstrating the capacity to develop and transact on opportunities in other territories.

Over 2021, Monument Re built upon the success of 2020 with the completion of five transactions. There were also three further transactions that remained subject to regulatory approval at 31 December 2021 (and which are not reflected in the financials presented here).

Monument Assurance Belgium N.V. ("MAB")

Monument Re acquired ABN AMRO Life Capital Belgium N.V. ("**AALCB**"), a Belgian Life insurance company.

On 28 March 2018, regulatory approval was obtained from the National Bank of Belgium and subsequently, AALCB was renamed Monument Assurance Belgium N.V. ("**MAB**"). MAB is now structured directly under Bridge Strategic Holdings Ltd.

On 10 October 2018, Monument Re acquired a run-off portfolio of traditional life and credit life business by entering into a Business Transfer Agreement with Alpha Insurance SA ("**Alpha**"), a Belgian composite insurance company and a wholly-owned subsidiary of Enstar Group Limited. This transaction completed and transferred into MAB on 31 May 2019.

On 16 December 2019, regulatory approval was received to acquire a closed book of life business from Curalia OVV ("**Curalia**"), a Belgian mutual insurance company. This portfolio was subsequently transferred into MAB.

On 1 April 2021 MAB completed the acquisition of part of Allianz Benelux's closed life book portfolio in Belgium.

On 23 November 2021, regulatory approval was received to acquire the entire insurance portfolio and personnel of Integrale, a Belgian insurance company. The relevant assets and liabilities of Integrale's balance sheet were transferred into MAB.

Monument Insurance Belgium Services Srl

Monument Insurance Belgium Services Srl (“**MIBS**”) was incorporated on 28 March 2018. The principal driver in establishing MIBS was to achieve greater cost-efficiency and mobility of talent by supporting services across a number of Group entities. On 31 December 2021, Monument Insurance Services Limited ("**MISL**") merged into MIBS, subsequently rebranded into Monument Insurance European Services SRL ("**MIES**").

Significant Events

Significant events can be found below in ***Section A.1 (e) Significant business or other events which have occurred over the reporting period.***

A.1 (f) Material lines of business and material geographical areas

General area

The Company was originally authorised in 2002 to carry out life insurance activity, whether or not linked to investment funds, with the exception of dowry and birth insurance (branch 21). In addition, permission was also granted to carry out the following activities: life, dowry and birth insurance in connection with investment funds (branch 23) and capitalization transactions (branch 26). In 2021 MAB was granted a license for birth and marriage insurance (branch 22). MAB does not underwrite new business since 2012 and can thus be considered a closed book company.

In addition, the Company has provided services in Belgium, the Netherlands and Luxembourg under a Freedom of Services license. In 2021 it has also been granted a Freedom of Services License in Spain, Germany and France.

MAB Portfolio

The MAB/AALCB portfolio continued to perform and run off in line with expectations. The performance metrics continue to report as anticipated with no notable exceptions to report. The MAB/AALCB portfolio consists of four products, namely:

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Total
202012	1,960	61	84	4	**2,109**
202112	1,910	58	78	4	**2,050**
Evolution (YTD)	**-50**	**-3**	**-6**	**0**	**-59**

Alpha Portfolio

The Alpha portfolio was acquired on 31 May 2019. This portfolio consists out of credit life and traditional life policies:

Number of contracts	Credit Life	Traditional Life	Grand Total
202012	25,193	8,405	**33,598**
202112	22,038	7,987	**30,025**
Evolution (YTD)	**-3155**	**-418**	**-3,573**

NCN Portfolio

The NCN Portfolio was acquired on 16 December 2019. This portfolio consists of a run-off portfolio of Second Pillar pension life insurance contracts that have not been converted into "Curanova" contracts. The NCN Portfolio is a book of traditional savings business sold to Belgian customers. The portfolio consists of the following Second Pillar pension saving products: Group insurances, Individual Pension saving, Individual Pension Commitments and RIZIV-INAMI insurances.

By 31 December 2021, the NCN portfolio consisted of approximately 4,455 policies.

Number of contracts	Group Pension Insurances	Individual Pension Insurances	Individual Pension Commitments	RIZIV-INAMI insurances	Total
202012	35	3,843	51	566	**4,495**
202112	35	3,813	51	556	**4,455**
Evolution (YTD)	**0**	**-30**	**0**	**-10**	**-40**

Allianz Portfolio

The Allianz classic life insurance, without flexible premium, portfolio was acquired on 1 April 2021. The majority, branch 21 products, consist of simple product offering composed mostly of endowment policies, with and without protection riders, carrying relatively high guarantees averaging 4.24%. There is also a small number of Branch 22 products. Additionally, a mortgage book of 4.7k Belgian prime residential mortgages was also included in the transaction.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Total
202109	2,232	1,103	65,413	13,176	**81,924**
202112	2,186	1,047	63,605	12,609	**79,447**
Evolution (YTD)	-46	-56	-1,808	-567	**-2,477**

Integrale portfolio

On 15 December 2021, MAB completed the Integrale book transaction, consisting of the life assurance contracts belonging to branches 21 and 23 and to the co-insurance and reinsurance contracts relating to those branches.

More specifically, the life insurance book consisted of:

- Branch 21 products offered by Integrale, consisting of insurance products for companies, sector pension plans and products for individuals. These products were mostly sold directly by Integrale, with the exception of some products sold through Amonis SCRL (pension fund for the pharmaceutical professions), pursuant to a cooperation agreement with the latter;
- Branch 21 products offered by Integrale in cooperation with Ethias, the so-called Certiflex products for private individuals. These products were sold exclusively through Ethias; and,
- Branch 23 products offered by Integrale, which are investment-linked products that were mainly offered to private individuals. The product offering for private individuals was based on a cooperation agreement with AFER Europe (with regard to Integral Perspective Immo), and with Test Achats (with regard to Integral Perspective Test Achats).

Additionally, an asset portfolio was also included in the transaction, consisting of, amongst others, a mortgage book, a real estate portfolio and policy loans.

Life Co	Individual Life Product Type	Group Life Product Types	Number of Policies	Reserves (M EUR) BEGAAP
MAB	Universal Life	N/A	22,620	474
	Traditional Life	N/A	4,831	204
	N/A	Defined Benefit	10,919	187
	N/A	Defined Contribution (without sector plans)	165,036	1,416
	N/A	Defined Contribution - sector plans	64,159	218
	N/A	Cash Balance	620	3
	Unit Linked	N/A	1,097	30
	N/A	Unit Linked	55	9
	Annuities	N/A	431	30
	N/A	Annuities	2,540	18
	N/A	Annuities - disability	22	2
	N/A	Financial funds Branch 21	N/A	99
	N/A	Financial funds Branch 23	N/A	17
Total	N/A	N/A	272,330	2,707

A.1 (g) Significant business or other events which have occurred over the reporting period

The following significant events occurred during the year 2021:

- Since March 2020, all staff members of MAB, and MIBS (later MIES) which is MAB's most important outsourced service provider, have been teleworking due to the Covid-19 pandemic. It is worth noting that this did not have an impact on MAB's operations over 2020 and 2021. MAB introduced a structural Work From Home Policy, where staff should go to the office 2 days a week post-Covid. The Work From Home Policy adheres to government measures in regard to telework.
- On 1 April 2021, MAB effected the transfer of the branch 21 and 22 life insurance portfolio from Allianz Benelux SA. This acquisition relates to a closed-book portfolio of classical life insurance policies (c. 95,000 policies) together with mortgages (c. 4,500) (the "**Allianz Portfolio**"). MAB concluded a transitional services agreement, which is a critical outsourcing agreement, with Allianz Benelux SA to guarantee a continuing policy administration.

- On 15 December 2021, MAB effected the transfer of the branch 21 and 23 life insurance portfolio, and co-insurance contracts and the reinsurance contracts concerning those branches from Integrale NV. The policy administration is done by MABS on the basis of an outsourcing agreement.
- Following the Allianz and Integrale transaction, MAB has a mortgage book to administer, for which an outsourcing service provider is used.
- A new service company was created on 16 July 2021 to support MAB's business, namely MABS. Subsequently, MABS is registered with the FSMA as insurance intermediary on 14 December 2021. MABS provides support services to MAB, and administers the Integrale book.
- On 20 December 2021, MAB signed a portfolio transfer with AXA Belgium SA. This is a deal of Solvency II technical provisions of € 3.4bn (or BEGAAP €2.6bn) of classic life business, consisting of 181k policies.
- On 31 December 2021, MISL merged into MIBS, subsequently rebranded into creating a new intra-group service company MIES. There was no significant impact on the services delivered by MIBS or MISL to MAB, on the basis of a critical outsourcing agreement, following the merger. The services continue through MIES.

The Company continues to actively appraise opportunities for further growth in the Belgian market. Furthermore, Monument is looking to enhance cooperation between the European Group entities.

In support of the Monument Re Group’s intention to efficiently manage capital and liquidity, the Company makes use of IGR to cede risks that can be reinsured to Monument Re, whilst retaining a proportion of the risk. This helps to drive risk diversification and capital and liquidity synergies at group level.

A.2 Underwriting Performance

The Company’s financial statements are prepared in accordance with Generally Accepted Accounting Practice in Belgium (“**BEGAAP**”).

Qualitative and Quantitative information regarding the material line of business and material geographical area can be found above in ***Section A.1 (f) Material lines of business and material geographical areas.***

The following tables present the balance on the technical account (underwriting performance) as reported in the Company’s financial statements for the year ended 31 December 2021. Prior year comparatives are for the year ended 31 December 2020, both on an aggregate level and by Solvency II line of business.

The following tables highlight the underwriting results for the years ended 31 December 2021, with prior year comparatives:

€ '000	2021	2020
Premium (net of reinsurance)	7,863	359
Net Claims incurred	-24,486	-932
Changes in technical provisions	33,118	6,329
Net underwriting performance	**16,514**	5,756

€ '000	2021	2020
MAB	72	622
Alpha	4,556	7,233
NCN	-2,201	-2,099
Allianz	14,087	0
Integrale	0	0
Net underwriting performance	**16,514**	**5,756**

The key trends noted are:

- The legacy books are performing as expected according to the trends of the previous years.
- The Integrale portfolio doesn't generate any underwriting performance as it was only added end of the December to the books. The increase in technical reserve local gaap due to this acquisition are not presented in above table.
- The step up in result comes from the Allianz portfolio both in terms of its scale and the fact it is 30% retained on the books of MAB. This is only for three quarters so there should be another step in 2022, coupled with the full year result of the Integrale portfolio.

A.3 Investment Performance

A.3 (a) Income & expenses

The Company's investment income excluding expenses and amortisation as reported in the Financial Statements for the year 2021 was € 22,295 (2020: € 4,006) which is analyzed in the following table:

	2021 € '000	2020 € '000
Bonds	6,971	3,423
Mortgage loan income	7,668	n/a
Realised Result Investments	1,023	n/a
Realised Result Derivatives	4,591	n/a
Advances on policies	691	125
Cash	-	0
Other investments	1,351	458
Total Gross investment income	**22,295**	**4,006**
Reinsurance	**15,935**	**3,605**
Total Net Investment income	**6,360**	**401**

The Company's investment expenses reported in the Financial Statements for the year 2021 were € 14,239 (2020: € 3,483). This is predominantly the impact of amortisation on the bonds and mortgage loans of the book values.

During 2021 the investment mix for MAB has changed following the portfolio acquisitions that have taken place. As a result of the Allianz acquisition, MAB now has a significant portfolio of Belgian residential mortgages backing its liabilities. After the acquisition of the Allianz portfolio, the investments in bonds, investment funds and residual mortgage loans are also the 3 three largest investment blocks on the balance sheet. The acquisition at the end of 2021 of the Integrale portfolio also brings with it a number of new asset classes such as property and leasing (on a look through basis), private equity, participations and other loans. These are alongside those assets that fit into existing MAB portfolios. Since the Integrale portfolio was only acquired end of December 2021, the assets backing those liabilities didn't yet create any investment income or expenses per 31 December 2021.The result of the derivatives held are also more significant given the growing size of the book.

A.3 (b) Gains and losses recognised directly in equity

Not applicable.

A.3 (c) Investments in securitisation

The Company does not own any investments in securitization. At present, MAB's Investment Policy allows for investments in securitizations, however MAB has not allowed its outsourced investment manager, GSAMI, to invest in securitizations. Any change to allow GSAMI to invest in securitizations would need to be approved by MAB's Board of Directors.

A.4 Performance of other activities

Not applicable.

A.5 Any other information

The Company benefits from Quota Share Reinsurance treaties entered into between MAB and Monument Re. The original treaty was entered into with effective date of 31 December 2018 and a second treaty with respect to the Integrale portfolio from 14 December 2021.

Under the Quota Share Reinsurance treaties, Monument Re reinsures all reinsured liabilities arising out of the Company's portfolio, on a quota share basis covering market, insurance and operational (expense) risks. This is at 90% on the historic Monument portfolios, and 70% on the Allianz portfolio. For the Integrale portfolio 75% of the Branch 21 liabilities (excluding Certiflex) are reinsured, and the treaty also has an allowance for the performance of the property investments in MIM.

The term 'reinsured liabilities' captures the reinsured payments due in the Company's Portfolio (*i.e.* any payment in respect of a liability of MAB under the policy terms of any reinsured policy and expense charges paid to its principal outsourced service provider, MIBS (later MIES), in relation to the reinsured policies).

The risks covered are mainly demographic risks and investment risk. Demographic risk generally includes increasing life expectancy (longevity) as far as the "life" component is concerned and risk of premature death (mortality) as far as the "death" component is concerned. Investment risk on the other hand includes risk of greater than expected investment expenses, risk of interest rates (interest rates on cover assets drop below the return guaranteed to the policy holders), and investment performances more generally not performing as expected.

Thus the reinsurance includes coverage of expenses, which means that Monument Re bears the expense risk. Expense risk is important in all run-off portfolios, as decreases of scale with general expenses remaining at the same level can impact insurers negatively. Monument Re covers this risk in respect of quota share of the expenses incurred on the MAB life business portfolio, i.e. 90% for the current portfolios, 70% on the Allianz Portfolio and 75% on the Branch 21 business (excl. Certiflex) in the Integrale Portfolio. MAB covers this risk in respect of the remaining percentage of the respective portfolios and those policies not reinsured.

There is no other material information regarding the business and performance of MAB other than what has been reported in this Section.

B. System of Governance

B.1 General information on the system of governance

B.1 (a) Structure of administrative, management or supervisory body

Board of Directors ("Board")

The Board of Directors represents the administrative, management and supervisory body of the Company.

The Board comprised:

- Manfred Maske, non-executive director and chairman;
- Alex Brogden, non-executive director;
- Tobias Fritsch, non-executive director;
- René Vanrijkel, independent non-executive director;
- Olivier Mortelmans, independent non-executive director;
- Koen Depaemelaere, executive director
- Natacha Delie, executive director
- Jean-Philippe Aoust, executive director; and
- David Cobley, executive director

The Board retains primary responsibility for corporate governance within the insurance undertaking at all times, plays an important part in ensuring effective governance and is therefore responsible for operating effective oversight consistent with the Board Terms of Reference. The Board comes together on a quarterly basis, or ad hoc if the situation, like a portfolio transaction, requires. In 2021, the Board of Directors convened nine times.

It also maintains the principle of collegial decision-making, although certain individual powers are granted to the directors without depriving the Board from its collegial responsibility, namely:

- the right to receive and demand information from the person in charge of the day-to-day management;
- the right to seek information and to investigate on matters related to the corporation including day-to-day management connected to the exercise of his/her duties; and,
- the right to express his/her opposition to a decision of the Board.

The Board's responsibilities include establishing and overseeing:

- the business strategy;
- the supervision of the activities of the Management Committee;
- the company's Integrity Policy, which establishes the company's fundamental ethical principles;
- the company's Remuneration Policy;
- the amount and type of capital that is adequate to cover the risks of the business; and,
- the strategy for the on-going management of material risks.

The Board has established and delegated responsibilities to its Management Committee to set the approach to internal controls and assist in its oversight of risk management and has delegated matters for review or approval as set out in their terms of reference.

Management Committee ("MC")

The MC assumes all powers which are necessary or useful for the management of the Company, while it still has a reporting duty to the Board of Directors. All executive directors are member of the Board and of the MC.

The MC comprised:

- Koen Depaemelaere, Chief Executive Officer, personne-relais Internal audit function, and responsible for commercial and operations;
- Natacha Delie, Chief Corporate Officer and responsible for Compliance and AML;
- Jean-Philippe Aoust, Chief Risk Officer and personne-relais actuarial function; and,
- David Cobley, Chief Financial Officer

Furthermore, the MC is responsible for the oversight across the undertaking. The MC is recognized as a collegial body. It can also allocate its tasks among its members, although this division of tasks does not deprive the MC from its collegial responsibility.

The responsibilities of the MC are set out in its *Terms of Reference* but in summary the MC is responsible for:

- Key Business Priorities – Determine and agree key business priorities and monitor overall performance against agreed plans, strategies and targets;
- Financial performance – Formulate the Company's Budget and ensure the Company's financial business is managed correctly and appropriate influence is exerted in respect of financial risks and opportunities;

- Operational performance – Oversee and manage aggregate operational performance issues including suppliers;
- Outsourcing Policy & Strategy, including internal Monument Re Group suppliers;
- IT – Oversee and deliver the strategic agenda to ensure that the change portfolio is appropriately managed;
- Risk management – Oversee and manage aggregate financial, operational, conduct, market and reputational risk issues;
- Leadership and people development – Manage the development of key talent within the Company;
- Investment Management Performance – Implement, monitor and ensure adherence to the investment policy agreed by the Board; and,
- Compliance – Monitor and manage regulatory developments and any compliance issues.

In 2021, The MC met at least once a month, and evaluated on a regular basis the periodicity of its meetings. The MC convened twenty-one times in 2021, of which nine times as an Outsourcing Committee (*infra*).

The MC invites on a regular basis experts for particular sections of their meeting. In addition, the MC may ask other members of the Company or Group to attend the committee meetings from time to time, in order to take proper decisions after having being duly informed.

Specialised committees

Pursuant to Article 52, §1 of the Belgian Solvency II Act, a company is not obliged to set up an audit committee, a remuneration committee, or risk committee if it meets on a consolidated basis, at least two of the following three criteria: (i) fewer than an average of 250 employees over the financial year concerned, (ii) a balance sheet total less than or equal to € 43 000 000, and (iii) an annual net turnover less than or equal to € 50 000 000. Provided that MAB is not legally required to set-up such committees, the Board agreed during the Board meeting of 28 March 2018 that they don't have to set up an audit committee, remuneration committee, or risk committee and to perform itself the tasks normally entrusted to these committees. Besides, these committees are present at Monument Re, the parent company of MAB. To assist in exercising these responsibilities, Monument Re's Board has established a Nominations and Remuneration Committee ("**NR Comm"**), an Audit and Compliance Committee ("**ACC"**), a Risk Committee ("**RC"**) and an Investment Committee ("**IC"**).

Internally, MAB has two additional advisory bodies to the MC:

- The Management Team provides advice to the MC in regard to projects, business books, actuarial, compliance, investment and internal audit.

- the Outsourcing Committee ("**OC**") which advises the MC on all matters regarding outsourcing. A dedicated Outsourcing Manager was recruited during Q2, 2021, who has the responsibility to conduct regular service review meetings with the different service providers. The KPI Monitoring tool is presented by the outsourcing manager and business owners to the MC on a quarterly basis. The accountability and decision-making on outsourcing remains at the level of the MC, as a collegial body.

Section B.8 Any Other Information provides more information on future changes which will have an impact on the current roles and responsibilities of the Board and the MC.

Key functions roles and responsibilities: Operational structure

MAB does not allocate all responsibilities within the company, since, on the one hand, MAB is a subsidiary within the Monument Re Group and, on the other hand, a comprehensive Outsourcing Policy is in place. Therefore, several functions have been allocated to other subsidiaries or outsourced service providers ("**OSPs**").

The most important OSPs for MAB, are the intra-group service companies MIES and MABS. More information on the outsourcing activities are included in ***Section B.7 Outsourcing.***

Key functions roles and responsibilities: independent control functions

The Company has established the Solvency II independent control functions of risk management, compliance, internal audit and actuarial function, in addition to other functions required to robustly operate the business. The risk management function, actuarial function, compliance function and internal audit function together form a coherent whole of transversal control functions between which there is coordination.

The responsibility and implementation tasks for the independent control functions are as follows:

- Actuarial function:

  The actuarial function holder has been outsourced to an external independent control function. In addition an external OSP was found to deliver the first line of actuarial support. The intra-group service companies MABS and MIES also provide actuarial support to MAB on the basis of an outsourcing agreement. A designated representative from the MC has overall responsibility (“**Personne-relais**”) for the outsourced activity of the actuarial function.

- Compliance function:

  The compliance function has been insourced since July 2019. The Compliance Officer is responsible for identifying, assessing, monitoring and reporting compliance risk exposure, focusing on compliance with applicable laws, regulatory requirements and internal policies. Additional compliance support has been outsourced to MABS since the closing of the Integrale transfer.

- Internal audit function:

  The internal audit activities are outsourced to an intra-group outsourcing service provider as of Q2 2019. A designated representative from the MC has overall responsibility ("**Personne-relais**") for the outsourced activity of the internal audit function, whilst the Irish branch of MIES is responsible for the internal audit services, namely developing and delivering an agreed internal audit plan and monitoring the control environment, outlined in the Master Services Agreement between the Company and MIES. The service company MABS provides additional internal audit support, since the closing of the Integrale transfer.

- Risk management function:

  The risk management function, led by the Chief Risk Officer, is responsible for supporting the Board and MC in discharging their risk management related responsibilities. The risk management function also provides challenge to the business consistent with the Three Lines of Defence risk governance model outlined in ***Section B.4 Internal Control System*** below. In addition, risk support has been outsourced to the intra-group outsourcing service provider MIES and MABS.

B.1(b) Material changes in the system of governance

There were material changes in the system of governance during the year ended 31 December 2021 than those mentioned in this Section.

The composition of the Board and MC has changed due to the growth of the company, following the transaction of the Allianz and Integrale book. The following changes have occurred over 2021:

- The Board of Directors is strengthened with the addition of two independent non-executive directors in order to ensure effective operational oversight. Mr. Vanrijkel became independent director as of 1 April. Mr. Mortelmans has replaced Mr. Thompson, who was an non-executive director, as independent director since 2 December.
- Mr. Fritsch replaced Mr. Holton as non-executive director on 1 December.
- Within the MC, Mr. Cobley and Mr. Aoust replaced respectively Mr. Croon, who replaced Mr. Smets on 1 April, and Mr. Leach on 1 October as executive director.

Section B.8 Any Other Information provides more information on future changes which will have an impact on the current governance chart.

B.1 (c) Remuneration policy and practices

Principles of the Remuneration Policy

MAB is part of the Monument Re Group which has a Remuneration Policy in place. On 10 April 2019, the Board assessed the general principles of the Remuneration Policy as fit for MAB's business.

The Group's Remuneration Policy and practices have been developed to ensure that the Company is able to attract, develop and retain high performing employees. The Policy focuses on ensuring sound and effective risk management and recognizes the long-term interests of the Company.

The Remuneration Policy has also been designed to meet the Company's regulatory requirements, especially Article 275 of the Delegated Regulation. Given the update in the NBB Governance Circular, the Compliance Officer has been reviewing the Remuneration Policy in 2021, in light of the local requirements, in collaboration with the HR department and external counsel. A final, and local MAB, addendum to the Group Remuneration Policy has been approved by the Board in March 2022.

In principle,

- The non-executive Board members, except the independent directors, perform their mandate on a non-remunerated basis;
- All members of the MC perform their mandate on a remunerated basis on the basis of a self-employed status;
- The principles set forth in the Group's Remuneration Policy are applied on its staff members. MAB does not envisage to employ any operational staff in the near future as it will deliver its business strategy. MAB also continues to outsource the policy & client administration of the portfolio to its Belgian service companies, MIES and MABS and agreed third parties; and,
- The various remuneration components ensure an appropriate and balanced remuneration package. Within MAB, they generally consist of a fixed pay, a bonus/ variable pay and benefit and pension schemes.

The Monument Re Group Board Nominations and Remuneration Committee ("**NR Comm"**) assists the Board in fulfilling its remuneration-related roles and responsibilities. The NR Comm is responsible for ensuring that the Monument Re Group complies with its commitments within the Remuneration Policy and that appropriate methods are adopted within the Group's reward practices to safeguard policyholders.

Performance criteria on variable components of remuneration

Staff members are eligible to participate in the Company's discretionary performance-related bonus scheme. The reward is based on completion of individual objectives as well as Company performance. The discretionary performance bonus is based on performance against staff member objectives and

Monument Re values. The annual bonus is only in cash without options or shares. Identified staff of independent control functions are performance assessed for annual bonus against individual objectives only. So their performance assessment is entirely separate from the performance of the business units and areas on which they exercise control. The bonus schemes for the Group entities are approved annually by the NR Comm.

Pension scheme

Staff members, except the Board members, are entitled to join the Pension Plan underwritten with Vivium (Brand of P&V Verzekeringen NV). Executive Board members are entitled to their choice of Pension in line with their contracts.

There is no supplementary pension or early retirement scheme for members of the Board and other key function holders.

B.1(d) Material transactions executed with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

Material transactions executed with shareholders

There is an outsourcing agreement in regard to investment services between MAB and Monument Re since 2019. Although Monument Re only holds one share in MAB and 99,99% of the shares are held by Bridge, Monument Re has a significant influence over MAB as it holds 100% of the shares in Bridge.

Both parties also concluded a quota share IGR-treaty on 19 January 2019 with effective date of 31 December 2018. On 14 December 2021, Monument Re and MAB concluded a Quota Share Reinsurance agreement in light of the Integrale transaction.

Finally, MAB has an outsourcing agreement with its service companies MABS and MIES. Two MAB directors are also director in these service companies in order to protect MAB's interests, and in line with the company's External Function Policy:

- The MAB-MIES agreement has been updated following the merger of MISL into MIBS on 31 December 2021. MAB holds less than 1% of the shares in MIES, whereas MAB held 10% of the shares in MIBS before the merger.
- The MAB-MABS agreement was concluded on 15 December 2021. Bridge, MAB's shareholder, holds 100% of the shares in MABS.

Detailed information about MAB’s Outsourcing Policy and practices is included in ***Section B.7 Outsourcing***.

Material transactions executed with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

MAB is committed to ensuring that conflicts of interest are managed properly. Besides a Conflict of Interest Policy, the Company has a Conflict of Interest register and a prevention practice.

More specifically, Article 17 of MAB's Articles of Association stipulates that if a director, directly or indirectly, has an interest of financial nature that conflicts with a resolution or transaction that falls under the authority of the Board, he/she will have to comply with the provisions included in Article 7:96 of the Belgian Company Code.

No loans, credits, and guarantees amounting, on a consolidated basis for a particular person, company or institution, to more than € 100,000 have been granted to managers, shareholders, related institutions and related persons.

B.2 Fit and proper requirements

B.2 (a) Specific requirements concerning skills, knowledge and expertise

The Fit and Proper Policy, outlined at Monument Re Group level, is applicable to all individuals identified as control function holders at the Monument group. A control function is a function that relates to the provision of a financial service. The function must be likely to enable a person to exercise significant influence on the business, or related to the compliance of a firm with its obligations or be involved in provision of a financial service by a firm In particular, members of the Board, committees or the executive team.

The local Fit & Proper Policy is reviewed by the Board of Directors on 23 September 2021. The current version adopted the Monument Group policy, with the specification of the Belgian requirements from the National Bank of Belgium. The MAB Fit & Proper Policy is applicable to all individuals identified as: Board members, MC members, responsible persons of independent control functions, and senior management of a branch ("**persons concerned**")

MAB is committed to ensure that the Company adheres to the local regulations regarding the Fit and Proper Framework. For MAB, this means compliance with The Belgian Solvency II Act which lays down a series of requirements on fitness and propriety. MAB also complies with additional requirements included in:

- The NBB Circular 2016_31 of 5 July 2016 revised on 13 September 2018 on the Overarching Circular concerning the Governance System ("**NBB Governance Circular**");

- The NBB Circular 2018_25 of 18 September 2018 on the Suitability of directors, members of the Management Committee, responsible persons of independent control functions and senior managers of financial institutions including the “Fit and Proper” handbook; and,
- The NBB Communication 2021_004 of 19 January 2021, Project HIVE: digitalization of the Fit & Proper process.

The key guidelines of the Fit and Proper Policy are to:

- Ensure that the members, individually and collectively, of the Board and of the Management Committee have the requisite knowledge, skills, expertise and soundness of judgement appropriate to undertake and fulfil their responsibilities;
- Ensure that the persons concerned are and continue to be Fit and Proper on an on-going basis;
- Ensure that when doubts arise about the fitness or propriety of a person concerned, or the collective suitability of the Board of Directors or the Management Committee, MAB shall take steps as quickly as possible in order to take a close look at these doubts; and,
- Ensure that the suitability assessment is based on various kinds of relevant information in order to obtain a complete image of the suitability of the person concerned for a specific position.

In general, the person concerned must have relevant experience, sufficient skills, appropriate knowledge, integrity and soundness of judgement to undertake and fulfil the particular duties and responsibilities of his or her office. These considerations are summarized in the two main Fit & Proper principles, each of which has been broken down further in detail, namely:

- Principles in regard to "fitness"
- Principles in regard to "propriety"

A collective suitability assessment on the membership of the MAB Board of Directors and Management Committee is also conducted. The members of the Board must be able collectively to challenge and understand the management practices and decisions, while the Management Committee will collectively need to possess a high level of management skills.

On 23 September 2021, the Board of Directors also approved the External Function Policy following the growth of the Company. The External Function Policy sets out the internal rules in regard to the exercise of external functions, in order to prevent a conflict of interest and to ensure that each member of the effective management of MAB has sufficient time to exercise their function in MAB.

B.2 (b) Process for assessing fitness and propriety

The Fit and Proper Policy describes the level of due diligence required at recruitment stage. The Company also completes an annual review of the fitness and propriety of each member of the Board, MC and persons responsible for independent control functions. In addition, a collective suitability assessment is conducted if a new fit & proper file for a director is submitted to the NBB.

Subsequently, the Fit & Proper Policy formulates a three-step procedure.

The first step takes place before appointing a candidate to any role. His/her qualities and skills will be carefully evaluated against specified criteria. The candidate's record is also considered as an indicator of character, honesty, integrity, fairness, and ethical behavior.

The second step is during the performance where the fit and proper system and controls are tested periodically. Accordingly, the Company, assisted by the Monument Group, completes an annual review, of the fitness and propriety of each person concerned. This assessment can be conducted through an external fit and proper assessor. Furthermore, MAB conducts an annual review on the collective suitability of the directors, or in case of new fit and proper file for a director. There is also a re-assessment against fit and proper requirements in case of change in role or function and risk situations. If significant shortcomings are identified, MAB shall take corrective measures.

Ultimately, there is a reporting process. On the one hand, the relevant supervisory authority will be notified about any: new (re-)appointment, new elements about the suitability of the person concerned, or the exit of a person concerned. On the other hand, a description of the fit and proper qualifications of and process assessing are reported in the Regular Supervisory Report and the Solvency Financial Condition Report.

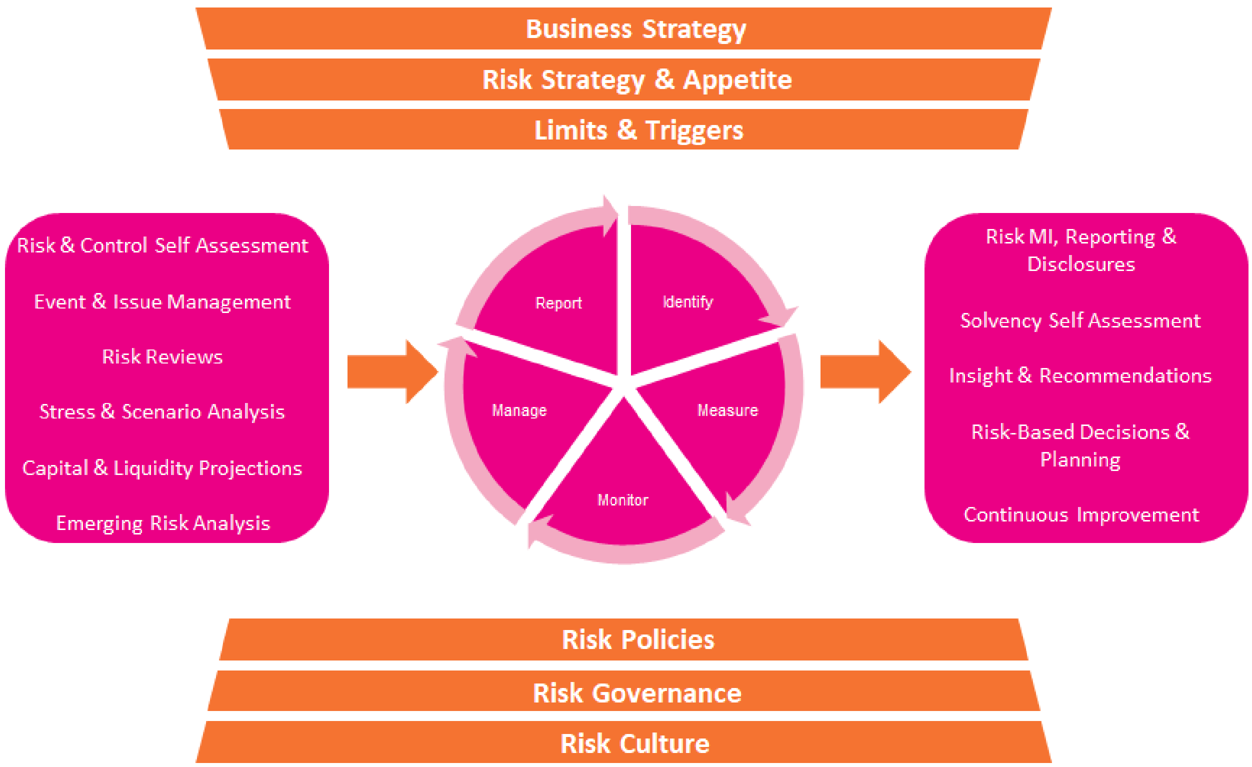
In regard to the exercise of external functions, the MC must approve formally, on a case-by-case basis, the potential exercise of each external function for a director or responsible of an independent control function, unless the exercise is a proposal of MAB. The MC takes into account: the responsibilities of the external function, the responsibilities of the monument function, time commitment, and the potential conflict of interests.

B.3 *Risk management system including the own risk and solvency assessment*

B.3 (a) Description of risk management system (strategies, processes and reporting procedures)

Risk Management Framework

The Company has adopted the Group's Risk Management Framework, depicted below:



Risk Strategy

The risk strategy and risk appetite of MAB are aligned to MAB's business strategy. Risk appetite statements express the Board's appetite across all categories of risk facing the business, those being:

- Insurance/underwriting risk;
- Market risk;
- Credit risk;
- Liquidity risk;
- Operational risk;
- Group risk;
- Strategic risk; and

- Sustainability risk.

At least annually, the Board reviews and approves the Company's risk appetite statement, which outlines the Company's appetite for each type of key risk and its strategy for accepting, managing and mitigating these risks. Risk appetite is articulated in qualitative terms and/or quantitative metrics across the key risk categories and written policies have been established to address these risks. The Risk Management Framework covers both existing risks and emerging risks, the latter being specifically considered at regular emerging risks forums.

Risk management process and reporting procedures

The cycle of risk identification, measurement, management, monitoring and reporting is embedded through a set of risk management processes, in particular:

- Risk and Control Self-Assessment ("**RCSA**");
- Solvency Self-Assessment ("**ORSA**");
- event and issue management;
- risk reviews;
- stress and scenario testing and emerging risk analysis;
- capital and liquidity projections; and
- risk reporting, including quarterly risk Management Information ("**MI**") and ORSA reports.

All key risks are recorded in the Company's Risk Register and ownership is assigned to each risk. All key controls are recorded in the Company's Controls Register and ownership is assigned to each control. An RCSA process is carried out on an annual basis. This involves risk owners identifying material inherent risks, identifying key controls to mitigate these risks and, in conjunction with control owners, assessing the effectiveness of key controls, and measuring the inherent and residual risk. This process is facilitated and overseen by the risk management function, and the results are summarized and presented to MC and the Board, including actions to address themes and issues identified.

A risk event process is in place by which operational risk events are notified, recorded, escalated and reported. Root cause analysis is carried out where appropriate. Risk events may be closed only once remedial actions have been satisfactorily completed.

Risk reviews provide the Board with an impartial view from the risk management function on proposed transactions. They may also be used in other areas in accordance with the risk management plan and at the request of the Board.

The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. Further information on the ORSA process is provided in ***Section B.3 (c) Own Risk and Solvency Assessment.***

Furthermore, risk exposures relative to the risk limits and early warning thresholds, specified in the Company's Risk Appetite Statement, are regularly monitored and reported to the MC and the Board on at least a quarterly basis. Escalation guidelines are in place where risk exposures or risk events require urgent notification and decision-making, as outlined in the following table:

	Board	Board acting as Risk Committee	Management Committee	CRO	Risk Management Function
Expected or actual breach of Risk Tolerance	x	x	x	x	
Breach of Risk Trigger		x	x	x	
Breach of a Risk Limit		x	x	x	
Query regarding interpretation of Risk Management Policy					x

B.3 (b) Implementation and integration of the risk management system into the organisation structure and decision-making processes

The Company's Risk Management Policy sets out the roles and responsibilities, principles and requirements regarding risk management at Board and business levels. The risk management function supports the Board and business areas in discharging their risk management-related responsibilities.

The risk management function operates with organisational authority and operational autonomy. The Company's Chief Risk Officer, and the risk management team provides review and challenge in respect of material risk-taking activities in an appropriate and balanced manner. Furthermore, they have the authority to perform monitoring reviews in all areas and attend any meetings relevant for the execution of the risk management responsibilities. They have direct access to all levels of management and the Board, and to all relevant documents. The risk management function keeps under review its level of resourcing to ensure that all requirements of the annual risk management plan are delivered.

The RCSA process ensures clear ownership of risks and controls, as described in ***Section B.3 (a) Description of risk management system (strategies, processes and reporting procedures)*** above. The ORSA provides a key link between the risk management system, capital management and decision-making processes of the Company. Further, the risk management function provides challenge to the business consistent with the Three Lines of Defence model as outlined in ***Section B.4 (a) Description of Internal Control System*****.**

B.3 (c) Own Risk and Solvency Assessment

Process

The ORSA process is a key element of the Company's Risk Management Framework and is embedded in the decision-making process and business planning for the Company. The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. It is the main link between the Company's risk management system and capital management activities.

The Board has established an ORSA Policy that sets out the roles and responsibilities for completing the ORSA, and reviews and approves the ORSA Policy annually. The Board takes an active part in the ORSA process through its review of the approach, the choice of scenarios to be included and the results of the assessment. The Board approves the ORSA report and considers the insights from the ORSA in its decision-making processes, including setting the Company's risk appetite and limits, the Company's capital policy and target capital level.

The risk management function co-ordinates the ORSA process and prepares the ORSA report with support from relevant areas. The actuarial team assists the risk management function in producing various aspects of the ORSA, in particular the capital projections and stress testing which inform the Company's own solvency needs assessment.

Frequency

The regular ORSA is performed annually and is reviewed by the MC and approved by the Board. A non-routine ORSA is performed following any significant change in the Company's risk profile. The NBB is informed of the results of this process by online submission via the NBB's document portal within two weeks of completion of the ORSA process.

Determination of own solvency needs

The ORSA includes an assessment of the Company's view of the capital required for the business, the own solvency needs. The Company examines the appropriateness of the Standard Formula with reference to its own risk profile. It considers whether there are any significant risks that are not captured within the Standard Formula and whether there are any stress scenarios by which the Standard Formula may not adequately capture the Company's own solvency needs. At 31 December 2021, the Company concluded that the Standard Formula is an appropriate basis for the assessment of its own solvency needs.

B.4 Internal Control System

B.4 (a) Description of Internal Control System

The internal control system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

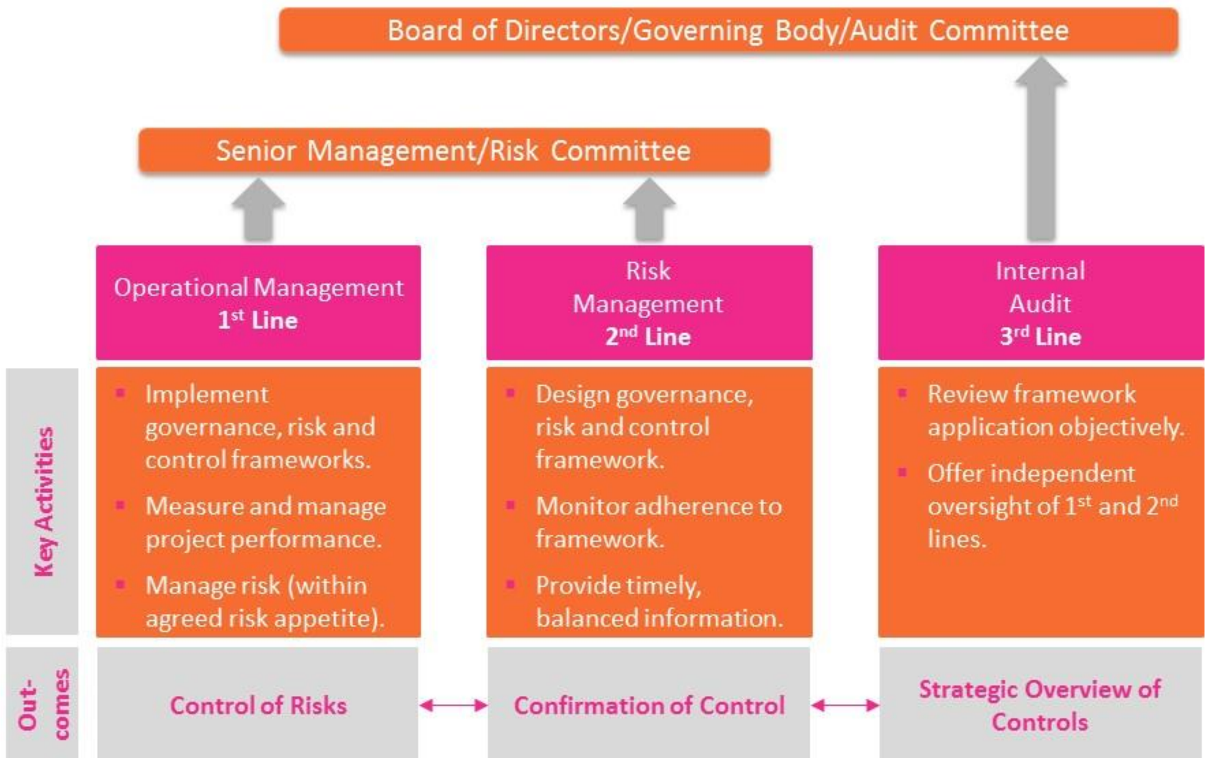
The MC and Board, including senior executives, are responsible for adopting an effective internal controls framework.

The Board has established an Internal Control practice through different policies that outline the processes by which the internal control system is implemented to provide for and maintain the suitability and effectiveness of internal control. The policies outlines the roles and responsibilities, procedures and reporting requirements to be applied.

The internal control system combines the following components:

- Internal control environment;
- Risk assessment;
- Internal control activities;
- Information and Communication; and
- Monitoring.

The Company applies a "Three Lines of Defence" model for Enterprise Risk Management:



Such a model is widely adopted across the financial services industry and allows for appropriate segregation of risk ownership, oversight and assurance responsibilities. In particular:

- First line of defence:

  MAB's first line of defence is represented by the individuals and functions with day-to-day responsibility for the management, control and reporting of risk. Management controls and internal control measures are in place and are reported in case of breaches.

  The first line:

  - undertakes risk assessments to identify all material risks and key controls;
  - owns and maintains risk and control assessments to ensure they remain fit for purpose; and,
  - ensures risk assessments conform to procedures and policy requirements.

- Second line of defence:

  MAB's second line of defence is composed of the risk management function, the compliance function, and the actuarial function with a responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management and internal control framework. These functions have a reporting line to the MC and to the Board. MAB has a dedicated charter/policy for each second line independent control function.

The second line:

- sets and communicates the risk and control assessment framework and procedures; and
- provides oversight and challenge to risk and control assessments.

- Third line of defence:

  MAB's third line of defense is comprised of MAB's internal audit activities. The internal audit team shall provide the Board and the MC with an independent assessment of the quality and the effectiveness of the company's internal control, risk management and governance system. A dedicated Internal Audit Policy and Charter is available at MAB.

The people working in the support functions of the Group are not part of the first line of defence but remain vigilant in their day to day job. Both MAB's first and second lines of defence are supported by these shared support functions.

The Company has also defined high-level principles and standards to ensure that situations, which could lead to potential conflicts of interest, are appropriately managed. These are formally described in the Company's Conflicts of Interest Policy.

The risk register records owners for each risk, who are responsible for ensuring that the risks are identified and that controls remain appropriate on an ongoing basis. The risk register is periodically reviewed by the CRO and is subject to formal review across the business at least annually. This process requires business functions to update the risk register, including the mapping of controls to risks and implementation of new controls.

The RCSA process requires business functions to review and self-assess the effectiveness of controls mitigating the key risks identified. The control owner is encouraged to make any relevant comments about the control and may record its operation as 'effective', 'partially effective' or 'ineffective'. Any record of the control not being effective requires a narrative explanation as well as the assessment. This process is facilitated and overseen by the risk management function, and the results are summarized and presented to Board of Directors and MC, including actions to address themes and issues identified.

The internal audit function assesses the operating effectiveness of controls on a periodic basis.

B.4 (b) Implementation of the compliance function

The Board retains ultimate responsibility for compliance within the Company, and has delegated the day-to-day responsibility to MAB's Compliance Officer to ensure that the operations are carried out in accordance with all legal and regulatory requirements, especially the rules pertaining to integrity and conduct that apply to that activity.

The compliance function has been established in proportion to the nature, scale and complexity of the business carried on by the Company, and to assist with the monitoring and evaluation of compliance with laws, regulations, internal controls, policies and procedures. The compliance function is responsible for testing the soundness of the measures the Company has taken to prevent non-compliance.

The compliance function reports to the MC and the Board to provide assurance in regard to the Company's adherence to laws, regulations, guidelines and specifications relevant to its business. This is provided through an annual compliance plan which is approved by the Board and through the on-going reporting against that plan. At all times, the compliance function acts within the second line of defence and independently to the business. It provides the framework to allow the business to operate in a compliant manner with regards to all relevant regulatory, statutory and corporate governance obligations.

In addition, the compliance function is part of the transversal control functions and collaborates with the other transversal functions: risk, actuarial and the internal audit function. Furthermore, the Compliance Officer will be in contact with the different Supervisors and Competent authorities such as NBB, FSMA, Police, Justice, Financial Intelligence Units, or any other competent authorities.

B.5 Internal audit function

B.5 (a) Implementation of the internal audit function

The internal audit function is outsourced as an independent control function to MISL, since 2019. Following the merger from MISL into MIBS, subsequently rebranded into MIES, on 31 December 2021, the MAB-MISL outsourcing agreement is replaced by the MAB-MIES outsourcing agreement. This does, however, not have an impact on the delivered services.

A designated representative from the MC has overall responsibility (*Personne-relais*) for the outsourced activity of the internal audit function. The Head of Internal audit ("**HoIA**") is invited to attend Management Committee meeting on a monthly basis and report on the status of the audit plan and results of individual audit reviews. The internal audit function is also required to attend all board meetings.

In general, the internal audit function is responsible for developing and delivering an agreed internal audit plan and monitoring the control environment. Furthermore, the internal audit function reports to the MC on a monthly basis, and to the Board on a quarterly basis. The annual audit plan is also reported to the Board in the fourth quarter.

The internal audit function shall exhibit objectivity, integrity and confidentiality in conducting audit work and consistent with the Standards for Professional Practice of Internal auditing.

B.5 (b) Independence and objectivity

The internal audit function is independent of the Company’s business management activities. It is not involved directly in revenue generation, nor in the management and financial performance of the Company.

The internal audit function does not have direct responsibility for, or authority over, any of the activities they review. Nor does their review and appraisal relieve others of their responsibilities. Moreover, the internal audit function shall disclose any impairments to the objectivity or independence to the Board as soon as identified. It shall also put procedures in place for oversight by a party outside internal audit in relation to any function for which the Head of Internal audit has direct responsibility.

B.6 Actuarial Function

B.6 (a) Implementation of the actuarial function

The actuarial function holder and first line actuarial support have been outsourced to different external OSP's.

The first line actuarial support is performed by MIES and MABS with the support of an extra-group OSP.

A designated representative from the MC has overall responsibility ("*Personne-relais*") for the outsourced activity of the second-line actuarial function.

The Board receives an annual report from the actuarial function which includes the results of the tasks undertaken, clearly identifying any deficiencies and giving any recommendations as to how such deficiencies could be remedied. The actuarial function operates under the ultimate responsibility of, and reports to the Board and, where appropriate, cooperates with the other key functions in carrying out its role. It is objective and free from the influence of other functions or the Board. It provides its opinions in an independent fashion and can communicate on its own initiative with any staff member, or Board member, and obtains access to any records necessary to carry out its responsibilities.

B.7 Outsourcing

B.7 (a) Description of Outsourcing Policy

The establishment of outsourcing arrangements with internal or external service providers is fundamental to MAB's business model and ability to achieve strategic objectives. Over the course of 2021, MAB further improved its formal approach to outsourcing, taking into account the latest outsourcing requirements from the National Bank of Belgium[1]. The Board of Directors reviewed on 1st of July 2021 the following outsourcing policies:

- The Outsourcing Policy: The purpose of the Outsourcing Policy is to outline the approach that has been developed and agreed by the Board for managing outsourcing arrangements of MAB. Therefore, the principles set out in the Outsourcing Policy are intended to establish the governance and management during the pre-contractual, contractual and post-contractual stage of all outsourced functions or activities. In addition, the Policy outlines the key requirements for specific cases of outsourcing, like: cloud-outsourcing, intra-group outsourcing, independent control functions, outsourcing outside the European Economic Area, and retention of insurance documents. Ultimately, the role of the outsourcing manager, governing bodies, compliance department and internal audit department are defined in the Policy.
- The OSP Framework: the OSP Framework provides a high-level guidance in relation to the outsourcing governance process and on-going management of OSP arrangements with an emphasis on how the outsourcing risk is managed. It should also be viewed in conjunction with the Outsourcing Policy.
- The OSP Process Manual: the OSP Procedure details how the outsourcing process is conducted within the Company.

The Company ensures strict adherence to all applicable rules and regulations (including the NBB Governance Circular). Where deemed appropriate the Company will outsource specific business functions to reduce or control costs, to free internal resources and capital, and to harness skills, expertise and resources not otherwise available to us. However, the Company's outsourcing of critical or important operational functions or activities shall not be undertaken in such a way as to unduly increase the Company's exposure to Operational Risk. Furthermore, MAB incorporated the 15 recommendations on cloud outsourcing from EIOPA and the National Bank of Belgium.

[1] NBB Circular of 5 May 2020, NBB_2020_018, on recommendations of the Bank on outsourcing to cloud service providers; NBB Communication of 5 May 2020, NBB_2020_017, on the update of the overarching circular on governance.

An appropriate level of due diligence shall be conducted prior to completing the selection process. The Company must notify the relevant regulatory authority in writing of any outsourcing of a critical or important function.

Over 2021, all outsourcing agreements were monitored and reviewed by the Outsourcing Committee ("**OC**"), which is an advisory body to the Management Committee ("**MC/OC**"). A dedicated outsourcing manager was recruited in Q2 2021 to manage the outsourcing relationships held by MAB. Consequently, the MC/OC ensured that outsourced activities were conducted in adherence with the outsourcing policies, the terms set out in outsourcing agreements and with applicable regulatory requirements. In practice, MAB used a KPI monitoring approach for each outsourcing relationship. The KPI Monitoring tool is presented by the outsourcing manager and business owners to the MC on a quarterly basis. Subsequently, the OC could report issues to the MC, which could escalate it to the Board of Directors in case of important or critical functions. Furthermore, the Board of Directors receives summary of the overall and quarterly outsourcing performance assessment report.

B.7(b) Outsourcing and jurisdiction of critical or important operational functions or activities

Over the course of 2021, MAB outsourced services to thirteen service providers. However, MAB has also inherited three outsourcing arrangements following the Integrale transaction, which are considered as sub-outsourcing. Consequently, as of 31 December 2021, MAB has sixteen outsourcing arrangements, divided in:

- Two independent control functions;
- Four intra-group service providers of critical and/or important activities, amongst others MABS and MIES (including its Irish Branch);
- Twelve extra-group service providers, of which nine provide critical and/or important activities.

The table below provides details of the outsourced critical or important operational functions or activities and the jurisdiction in which the service providers of such functions or activities are located.

Service provider: intra-group, extra-group or independent control function	Activity	Jurisdiction
Intra-group	IT & Change (IT services)	Belgium but branch in Ireland
Extra-group	sub-outsourcing of the IT Services	Ireland
Intra-group	Finance, Insurance Services Administration ex-ALC and ex-Alpha portfolio, Human Resources, IT and Change, Actuarial support, Risk Support, Relationship Management, Record Management, Legal support services and Mortgage services	Belgium
Intra-group	Main Services: Insurance Service Administration ex-Integrale portfolio; Mortgage loans services Support to main services activities: Actuarial Services; Compliance Services; Finance; Legal Services; HR; Internal Audit; IT & Change; Risk; Records Management and Archiving Services; Sub-Outsourcing	Belgium
Intra-group	Investment Management	Bermuda
Independent control function	Actuarial function holder	Belgium
Independent control function	Internal Audit function	Belgium but branch in Ireland
Extra-group	Policy Administration Curalia portfolio	Belgium
Extra-Group	Investment & Asset Management	UK
Extra-Group	External Archiving	Belgium
Extra-Group	Policy Administration Allianz portfolio	Belgium
Extra-Group	Mortgage loan services	Belgium
Extra-Group	Management of disability products of MABS	Belgium
Extra-Group	Commercialisation; administrative and actuarial management of Certiflex products	Belgium

B.8 Any other information

Following the completion of the acquisition of the Allianz and Integrale Portfolio, the Company will further focus on the consolidation internally of the acquired portfolios, taking into account that MAB is in the process to obtain the regulatory approval for the AXA life insurance book.

In addition, the governance of the company will be strengthened in 2022 by introducing a local Audit Committee, which will assist the Board of Directors. Furthermore, a dedicated Chief Operations Officer has been recruited in Q3, who is responsible for operations in Belgium.

B.9 Assessment of the adequacy of the system of the governance

Based on the proportionality principle and taking into consideration the size of MAB (small entity), activities (closed books) and type of products the Company maintains adherence to all local statutory and regulatory reporting requirements. The proportionality principle could be adjusted in 2022, in order to reflect the size and products of MAB.

In general, MAB's system of governance is well-defined and fully in line with what is set forth in the relevant legal and regulatory requirements, i.e the Belgian Company's Code, the Delegated Regulation, the Belgian Solvency II Act, the NBB Governance Circular and MAB's Articles of Association, and with the growth of the company.

C. Risk Profile

Sections C.1 to C.6 contain a description of the Company's risks whereby risks are assigned to risk categories prescribed by the regulator. Risks are quantified with reference to the Solvency II Standard Formula unless otherwise indicated.

The Company uses a series of techniques to assess risks qualitatively and quantitatively, as set out in ***Sections B.3 Risk Management system including the own risk and solvency assessment*** and ***B.4 Internal Control system***.

No material changes to the measures used to assess risks have been made in the period.

C.1 Underwriting risk

General

Underwriting risk (insurance risk) means the risk of loss or other adverse impact on the Company arising from unexpected fluctuations in the timing, frequency or severity of insured events, or timing and amount of claim settlements and expenses.

The Company's portfolio comprises of Group and Individual pension and long-terms savings products potentially combined with protection covers previously sold on the Belgian market. The insurance risks involved with administering this run-off business include mortality and longevity risks, disability risks, lapse risks and expense risks.

Mitigating Actions and Controls

Intra-group reinsurance substantially mitigates underwriting risks.

Furthermore, the Company monitors and controls insurance risk using the following methods:

- Regular monitoring of actual versus expected claims and expenses;
- Regular review of actuarial assumptions;
- Management of persistency through high quality customer service;
- External reinsurance to mitigate mortality and disability risks;
- Risk is measured principally in terms of Solvency Capital Requirement ("SCR"), supplemented by sensitivity tests to key assumptions, and stress and scenario testing; and
- Lapse management/ monitoring.

Material risk concentrations

The following table shows the analysis of insurance contracts on a gross and net of reinsurance basis as of 31 December 2021, with prior year comparatives:

	31st December 2021		31st December 2020	
Country	Gross policy reserves € '000	Net policy reserves € '000	Gross policy reserves € '000	Net policy reserves € '000
Belgium	5,428,526	1,784,404	322,876	32,474

Risk sensitivity

Underwriting risk consists of the following risks:

Risk	Net SCR
Mortality	1,009
Longevity	6,082
Disability-morbidity	—
Lapse	10,357
Life expense	20,901
Revision	—
Life catastrophe	371
Diversification	-8,600
SCR Underwriting risk	**30,121**

Expense and lapse risks remain the most significant.

C.2 Market risk

General

Market risk means the risk of loss or other adverse financial impact on the Company arising from movements in markets. This risk category comprises equity risk, interest rate risk, property risk and currency risk, which are material for the Company. The Solvency II Standard Formula also assigns credit spread risk (including an allowance for ratings migrations and cost of defaults on corporate bonds) to market risk.

The Company has low appetite for market risk and accepts credit spread risk given the long-term nature of its assets and liabilities. The Company is willing to take on some risk, through an allocation to non-government credit investments with a view to generating additional returns, subject to specific limits in its Investment Policy as set by the Board. These limits are designed to keep the Company's market risk within the risk tolerances set out in the Risk Management Framework.

The Company's objective in managing its market risk, is to ensure risk is managed in a sound and prudent manner in line with the Company's risk profile and risk appetite.

Mitigating Actions and Controls

Intra-group reinsurance substantially mitigates market risk.

Additionally, the Company monitors and controls financial market risks using the following methods:

- Investment Policy imposing close matching of assets to insurance liabilities and imposing credit ratings limits for investment counterparties and concentration limits to avoid excessive risk concentrations.
- Hedging of residual interest rate and inflation exposure using interest rate and inflation derivatives, managed according to the requirements of the Company's Derivatives and Hedging Policy.
- Regular monitoring of exposures relative to market risk limits, supplemented by stress and scenario testing.
- Risk is measured using standard metrics such as "DV01", the sensitivity of asset and liability values to small changes in market variables.

The Company adheres to the prudent person principle in the implementation of its investment strategy. This is accomplished through an investment framework focused on governance, risk assessment and portfolio diversification. A key part of the implementation is the use of third party investment service providers who can provide expertise for their appointed mandates.

The Company governance structure is outlined in ***Section B.1 General information on the system of governance*** of this report. The Company continually assesses the risks associated with its business objectives, particularly those related to the investment portfolio, and determines which risks to accept and which to mitigate. This is encompassed within the Risk Management Framework, as outlined in ***Section B.3 Risk Management System including the own risk and solvency assessment***, and is manifested in the Company's risk policies. This risk assessment has led the Company to structure the investment portfolios primarily in investment grade, fixed income assets with a duration and cash flow profile closely matched to the liabilities that they support.

One of the key risk mitigants is to diversify the investment portfolios. This is achieved through documentation of guideline limits in the investment policies and ensuring that third party investment service providers adhere to these limits. Specific exposure limits are established for investment sector, issuer and credit ratings. For each mandate, the Company oversees compliance of the service providers against the limits through a regular review of each portfolio. As noted above, the governance framework establishes reporting protocols for policy compliance.

Material risk concentrations

A look-through principle was applied to collective investment funds in order to assess concentration risk.

Sensitivity

The assets in the portfolio consists of government bonds, corporate bonds, structured notes, Collective Investments Undertakings, investment in mortgage loans via a fund structure, mortgage loans to individuals, loans to (other) subsidiaries, guaranteed and non-guaranteed loans, equity (listed, non-listed and private equity), property, bank deposits, advances on pensions, derivatives and cash. The SCR for market risk consists of the following components.

Risk	Net SCR
Interest rate	6,907
Equity	15,695
Property	33,939
Spread	41,745
Concentration	0
Currency	1,316
Diversification	-15,431
SCR Market risk	**84,171**

C.3 Credit risk

General

Credit risk means the risk of loss or other adverse impact on the Company arising from one party to a financial instrument failing to discharge an obligation.

The Company's exposure to credit risk is derived from assets such as debt securities and from cash and reinsurance counterparties. The Company has limited credit exposure with respect to receivables due from other counterparties and is in the process of diversifying its exposure following the transfer of Premium portfolio.

Mitigating Actions and Controls

In order to mitigate its counterparty exposure towards banks, the Company has defined minimum standards for creditworthiness and has set banking counterparty exposure limits. Credit ratings for the relevant financial institutions are regularly monitored.

The credit risk resulting from the investment in residential mortgage loans and private loans is largely mitigated by collateral.

Where material, credit risk arising from reinsurance arrangements is mitigated by collateral. In particular, the IGR with Monument Re is collateralised to the level of technical provisions, with MAB retaining legal title to these assets. This collateral is shown on the balance sheet of MAB and substantially mitigates counterparty default risk towards Monument Re, as MAB retains the collateral assets in event of Monument Re's default.

MAB is required to hold counterparty default risk capital towards Monument Re in accordance with the Standard Formula SCR. MAB has adopted Monument Re's Intra-Group Reinsurance Framework, which requires that MAB's counterparty default SCR towards Monument Re cannot exceed 10% of MAB's total undiversified capital requirements. If this is the case, Monument Re will be required to pay additional collateral into MAB's collateral account such that MAB's counterparty default risk capital towards MAB is reduced to no more than 10%.

In addition to collateral and capital requirements, MAB also monitors the financial strength of Monument Re on at least a quarterly basis. Monument Re provides MAB with information on its solvency and liquidity position. This includes Monument Re's solvency ratio based on the Bermudian Enhanced Capital Requirement, and Monument Re's liquidity relative to its Liquidity Policy, which requires Monument Re to hold sufficient assets to be able to top-up collateral accounts in the most onerous of a range of severe economic and non-economic stresses.

Further, MAB regularly considers an extreme scenario in which Monument Re defaults and assesses the impact of this scenario. The IGR-Framework requires MAB to ensure that failure of Monument Re would not cause MAB to breach its MCR, and plausible management actions must be available to restore the solvency position to 100% of SCR within 3 months. If either of these conditions is not met, then a capital injection into MAB will be made.

Counterparty risk on external reinsurance is limited as this reinsurance is typical unprofitable for MAB but is used to mitigate volatility.

Mitigation of credit risk arising from investments is further promulgated through adherence to the concentration limits set out in the Investment Risk Policy (see above ***Section C.2 Market risk, mitigating actions and control***)

Material risk concentrations

Exposure in respect of single term deposits can be materially concentrated. Monitoring of counterparty credit ratings is in place as described above.

Exposure towards Monument Re in respect of the Company's intra-group reinsurance represents a material concentration of risk, which is mitigated as described above.

Sensitivity

As measured using the Standard Formula SCR, counterparty default risk capital is € 18.4m. This amount is sensitive to the credit rating of the Company's counterparties. The level of collateralization on the reinsurance arrangement with Monument Re is sufficient to fully mitigate counterparty default risk on this counterparty.

C.4 Liquidity risk

Liquidity risk means the risk of loss or other adverse impact on the Company arising from insufficient liquidity resources being available to meet obligations as they fall due. Sources of liquidity risk include:

- Higher than expected claims, surrenders or expenses;
- Future acquisitions; and
- An inability to sell investments within the required timescale.

Mitigating Actions and Controls

The Company monitors liquidity risks using the following methods:

- Liquidity Policy imposing close matching of asset and liability cash flows and prudent restrictions on investment in illiquid assets; and
- Liquidity Framework requiring forward-looking assessment of liquidity requirements, including those arising from derivatives, and maintenance of a liquidity buffer to cover severe market and demographic stress.

Material risk concentrations

The Company has a € 58m investment via a Qualifying Irish Alternative Fund **("QIAF")** in a DRM fund, which has monthly liquidity subject to discretion on the part of the asset manager.

Sensitivity

The Company projects its liquidity position over short, medium and long time horizons and considers a range of stress scenarios to determine an appropriate liquidity buffer. This liquidity planning process takes into account expected future acquisitions, which can be a key driver of future liquidity needs.

Expected profit included in future premiums

Expected profit in future premiums ("**EPIFP"**) is potentially an illiquid asset. The increase in EPIFP compared to 2020 is caused by the acquisition of the Allianz and the Integrale Business.

EPIFP	LOB1	LOB2	LOB3	LOB4	LOB5	Total
Interest rate	-1	470	-	22,133	850	23,452

For the categorisation in business lines in the table a distinction is made between Monument Legacy ("**Material LOB 1**"), Alpha ("**Material LOB 2**")"), Curalia ("**Material LOB 3**"), Allianz ("**Material LOB 4**"), Integrale ("**Material LOB 5**").

C.5 Operational risk

General

Operational risk means the risk of loss or other adverse impact on the Company arising from inadequate or failed internal processes, personnel or systems or external events. Operational risk is measured principally through scenario analysis.

Mitigating Actions and Controls

The Company monitors and controls operational risks using the following methods:

- Risk and Control Self-Assessment process;
- Outsourcing risk is monitored in accordance with the Company's Outsourcing Framework and Outsourcing Policy. This includes monitoring outsourcer performance, carrying out oversight and reporting to the Management Committee and the Board of Directors;
- Event and issue management process, root cause analysis and learning from adverse experience;
- Oversight exercised by Internal audit, Risk Management and Compliance functions; and,
- Key person risk is mitigated by succession planning and notice periods in employment contracts.

Material risk concentrations

The Company's operating model involves the outsourcing of various functions as described in ***Section B.7 Outsourcing*.** This represents a concentration of risk and oversight measures are in place as set out above. Exit plans are required for each critical or important outsourcer/outsourcee.

Key person risk owing to the relatively small size of the Company is mitigated as described above.

Sensitivity

Size and complexity of the business are drivers of risk. Operational risk capital on the Solvency II Standard Formula basis is € 24.2 m.

The material increase from last year reflects the acquisition of Integrale portfolio and operations.

C.6 Other material risks

Group risk

Group risk means the risk of loss or other adverse impact on the Company arising from financial or non-financial relationships between entities within the Monument Group. This includes reputational, contagion, accumulation, concentration and intra-group transactions risk

Mitigating Actions and Controls

- Group Risk Policy imposing requirements for the management of Group risk management;
- Significant commonality of Board composition across the Group and its subsidiaries;
- Close scrutiny of intra-group transactions including external specialist input where appropriate;
- Reputational Risk policy and escalation process;
- Risk is measured qualitatively and quantitatively e.g. via stress and scenario testing of adverse scenarios across the Monument Group and Company as part of the solvency self-assessment process; and,
- Collateral and monitoring arrangements to mitigate credit risk towards Monument Re in respect of intra-group reinsurance and intra-group outsourcing (see ***Sections C.3 Credit Risk and C.5 Operational Risk****)*

Material risk concentrations

The intra-group reinsurance with Monument Re represents a material concentration of risk. Within the Solvency II Standard Formula, reinsurance counterparty risk is included within credit risk (see ***Section C.3 Credit risk***). Concentration risk arising from intra-group outsourcing arrangements is addressed within ***Section C.5 Operational Risk*.**

Strategic risk

Strategic risk means the risk of loss or other adverse impact on the Company arising from failing to identify and react appropriately to opportunities and/or threats arising from changes in the market, some of which may emerge over a number of years.

The Monument Group's strategy is to acquire and consolidate books of life assurance operations in the European market and the Company plays an active role in this. Risks associated with acquisitions are mitigated by due diligence, capitalisation and change management.

Mitigating Actions and Controls

- Strategic Risk Policy imposing requirements for strategic risk management.
- Board members and MC members with broad experience and deep industry knowledge.
- Rigorous due diligence process led by internal experts with support from external specialists as required.
- Tried-and-tested integration approach and experienced, skilled integration team.
- Emerging risk analysis and reporting.
- Strategic risks are measured qualitatively.

Material risk concentrations

Given the Company's focus on life insurance consolidation, a lack of opportunity for further market consolidation would be detrimental from a strategic growth perspective. This is not expected to impact the run-off of the existing in-force business.

Sustainability risk

Sustainability risk means the risk of loss or other adverse impact on the Company arising from environmental, social and governance risks, or the risk of adverse social or environmental externalities arising from the activities of the Company.

Mitigating Actions and Controls

- Maintenance of a well-diversified investment portfolio;
- Monitoring ESG ratings of the investment portfolio;
- Promoting low carbon practices e.g. video-conferencing in preference to business travel; and,
- Providing opportunities for and promoting community investment.

Material risk concentrations

The Company has an investment in DRM loans via a QIAF. These DRMs are secured against Dutch residential property collateral. Climate change could result in a rise in sea-levels that could result in a devaluation of properties in higher risk areas. The Dutch government has invested heavily in flood management, and has committed to taking further measures as appropriate over the coming years. The existing measures are expected to remain effective over the duration of the DRM investments.

Emerging Risk

Emerging risk refers to an issue that is perceived to be potentially significant but which may not be fully understood or allowed for in insurance terms and conditions, pricing, reserving or capital setting.

Mitigating Actions and Controls

- On a biannual basis, the Company takes part in an emerging risks forum, facilitated by the risk management function. The profile of emerging risks is reviewed and updated as necessary. Matters arising from previous forums, which may include research on specific risks. Focus areas for further analysis are agreed;
- The profile of emerging risks is reported to MC and the Board on a quarterly basis; and
- Where emerging risks threaten business continuity, these are dealt with in accordance with the Company's Business Continuity Plan.

Material risk concentrations

Unexpected regulatory, legal or fiscal change could adversely the Company. It would generally be anticipated that wide-scale, material change of this nature would be managed over a period of time and include industry consultation, in order for insurers to plan and respond appropriately.

C.7 Other Relevant Information

The global financial system faced a stress event unprecedented in modern times in the form of the Covid-19 pandemic. The Company took immediate steps in 2020 to deploy its business continuity measures providing staff with the tools and facilities necessary to enable them to work from home, which all have continued to do for the main part of 2021 in accordance with Belgian state recommendations. Members of staff have succeeded in keeping the business operations functioning without any notable interruption and the Company would like to express its sincere appreciation of their remarkable efforts. No significant financial impact as a result of the pandemic has been recorded by the Company.

There is no other relevant information regarding the risk profile of the Company other than what has been reported in this Section.

D. Valuation for Solvency Purposes

The following table summarizes the valuation of the Company's assets for Solvency II purposes and the valuation used in the Company's financial statements ("**Statutory Basis**") at the reporting date. All amounts are presented in the reporting currency of the Company, which is euro (€) as at 31 December 2021.

Balance sheet	31st December 2021			
	BGAAP € '000	Reclassification Differences € '000	Valuation Differences € '000	Solvency II € '000
Assets				
Investments - Bonds	3,424,200		-17,029	3,407,171
Other investments	2,201,705		-9,237	2,192,469
Reinsurance recoverable	3,777,698		-133,499	3,644,198
Reinsurance receivables	42,044		-118	41,926
Cash and cash equivalents	311,041		408	311,450
Any other assets	-		-	-
Total	**9,756,689**		**-159,476**	**9,597,213**
Liabilities				
Technical Provisions	5,619,854		-162,772	5,457,082
Payables	91,845		408	92,253
Deposit to reinsurance	3,716,887		3,157	3,720,045
Other liabilities	30,422		-15,554	14,868
Total	**9,459,009**		**-174,762**	**9,284,247**
Excess of assets over liabilities	**297,680**		**15,286**	**312,966**

D.1 Assets

D.1 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Investments, Loans and mortgages, cash and cash equivalents

The basis for determining the market value balance, is the Solvency II Directive and the Delegated Regulation. Article 75 of the Solvency II Directive and the Articles 9 to 16 of the Delegated Regulation provide guidance for the valuation of the Solvency II balance sheet. Assets are valued at the amount for which they can be traded between knowledgeable, independent parties who are willing to trade. Liabilities are valued at the amount for which they can be transferred or settled between knowledgeable, willing and independent parties.

Consistent with the principles of the Delegated Regulation, the following valuation hierarchy is applied:

- Market prices quoted on the basis of active markets;
- Quoted market prices for comparable items, adjusted for any differences;
- Market approach based on comparable market transactions;
- Valuation method based on the present value of the cash flows; and
- Current replacement value.

Bonds: bonds are in the form of corporate and government bonds, structured notes and investment funds. In the BEGAAP balance sheet they are valued at amortized cost and the Solvency II balance sheet at market value (quoted clean price – bid prices).

Cash and cash equivalents: cash and cash equivalents (e.g. receivables) are valued at their nominal value in both the BEGAAP and Solvency II balance sheet.

Advances: the advances on pension consist of loans to policyholders. Advances are only permitted to enable the transferee to acquire, renovate, or repair real estate. The market value is determined by discounting the cash flows against the risk-free swap interest rate plus spread. In the BEGAAP balance sheet, the advances are valued at amortized cost.

Mortgages: in the form of investment funds and loans to individuals. The investment fund mortgages are valued at amortized cost for the BEGAAP balance sheet, and at market value for the Solvency II balance sheet. The mortgages to individuals are valued using a discounted cash-flows method. The discount curve is defined using a bottom up approach which means that we start from the risk free swap curve to add some spread.

Equities: includes listed and unlisted equities. Equities listed in regulated markets are in the Solvency II balance sheet valued at their quoted market price, while unlisted equities are valued at market value. For the BEGAAP balance sheet both are valued at their cost value.

Participations: consists of "Monument Immo Management" ("**MIM**"), solar power companies, and private equity. For MIM, the look-through approach is applied to value each of the balance sheet components according to the Solvency II valuation principles ,and in the BEGAAP balance sheet they are valued using their cost value. The private equity and the solar power companies are valued at market value.

Other loans: includes guaranteed loans, non-guaranteed loans and loans to (other) subsidiaries. The market value is determined by discounting cash flows with the risk-free swap curve. However, loans to subsidiaries are valued at book value in the Solvency II balance sheet.

Derivatives: include interest rate swaps and inflation swaps for hedging and ALM purposes. Derivatives are valued at market value in the Solvency II balance sheet, and valued at book value in the BEGAAP balance sheet.

Reinsurance recoverable

This includes the best estimate of the recoverable amount from reinsurance contracts minus the reinsurance premium to be paid. A reinsurance recoverable is held in respect of four reinsurance arrangements:

- A reinsurance treaty in place with SCOR for the MAB legacy portfolio, which reinsures 100% of the mortality and rider benefit risks. SCOR is AA- rated by Standard & Poor's with a stable outlook;
- A reinsurance treaty in place with QBE re for the Integrale portfolio, which reinsures 100% of the mortality and life-catastrophe risks and 90% of the disability risk. QBE re is A+ rated by Standard & Poor's with a stable outlook;
- An intra-group reinsurance arrangement with Monument Re, on a 90% quota share basis (Monument Legacy, Alpha and Curalia portfolios) or 70% quota share basis (portfolio acquired from Allianz), reinsuring market, insurance and operational (expense) risks. Monument Re, as the ultimate parent company of MAB, based in Bermuda operates in a Solvency II equivalent regime; and
- An intra-group reinsurance arrangement with Monument Re, on a 75% quota share basis, reinsuring market, insurance and operational (expense) risks in relation to the Branch 21 portfolio acquired from Integrale SA, including an adjustment factor for the impact of the performance of MIM. Monument Re, as the ultimate parent company of MAB, based in Bermuda operates in a Solvency II equivalent regime

Receivable

Receivables includes reinsurance receivables, insurance and intermediaries receivables and receivables from trade. All receivables are valued at their nominal value in both the BEGAAP and Solvency II balance sheet.

D.1 (b) Material differences between the bases, methods and assumptions used for the valuation for solvency purposes and those used in financial statements

Valuation differences between BEGAAP and Solvency II are in section above.

D.2 Technical provisions

D.2 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

The following table contains the technical provisions for the Company as of 31 December 2021:

	31st December 2021		
	Solvency II € '000	GAAP € '000	Difference € '000
Best Estimate Liabilities	5,428,526	5,619,854	191,328
Risk Margin	28,556	-	-28,556
Total	**5,457,082**	**5,619,854**	**162,772**

The following table contains the technical provisions for the Company by material line of business as of 31 December 2021:

	31st December 2021							
	Material LOB 1	Material LOB 2	Material LOB 3	Material LOB 4	Material LOB 5	Material LOB 6	Material LOB 7	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Best Estimate Liabilities	50,933	78,522	164,423	1,308,544	3,285,062	59,728	481,317	5,428,529
Risk Margin	106	164	344	2,735	23,852	1,329	26	28,556
Total	**51,039**	**78,686**	**164,767**	**1,311,279**	**3,308,914**	**61,057**	**481,343**	**5,457,085**

For the categorisation in business lines in the table a distinction is made between Monument Legacy ("**Material LOB 1**"), Alpha ("**Material LOB 2**")"), Curalia ("**Material LOB 3**"), Beach ("**Material LOB 4**"), Premium Branche 21 ("**Material LOB 5**"), Premium Branche 23 ("**Material LOB 6**") and Certiflex ("**Material LOB 7**") insurance policies.

D.2 (b) Uncertainty associated with the value of technical provisions

The Solvency II technical provisions are determined as the sum of the best estimate liabilities (BEL) and the risk margin.

The BEL is determined as the present value of future best estimate cash flows, including:

- Premiums;
- Death benefit;
- Payment upon surrender;
- Expiration benefit (maturity);
- Expenses (maintenance expenses, investment expenses, commissions and taxes); and,
- Reinsurance

Assumptions required to determine the cash flows include mortality, surrender rates, reduction rates, experience ratings, expenses, inflation and interest rates.

Key assumptions are derived with reference to the Company's past experience, layering in expert judgement where applicable. This includes surrender rates and expenses. Mortality is not material since this risk is reinsured.

The interest rate curve used to discount the best estimate cash flows, is the interest rate term structure published by EIOPA. This curve is composed of the swap curve adjusted for credit risk ("**CRA**"), volatility adjustment ("**VA**") and an Ultimate Forward Rate ("**UFR**"). Inflation rates are required to determine future expense levels and are aligned to market prevailing rates provided by Bloomberg.

The risk margin is such that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated in accordance with the relevant Solvency II standards and is based on the cost of capital method.

The risk margin is determined by projecting the non-hedgeable SCRs using appropriate risk drivers. The use of risk drivers is an approximation method about the future development of the SCR over time. The future SCRs are then multiplied with the cost-of-capital percentage and discounted at the interest rate term structure provided by EIOPA. The cost-of-capital percentage is 6% and the interest rate term structure that must be discounted is the risk-free interest rate term structure excluding VA, but including CRA and UFR.

D.2 (c) Material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used in financial statements

The technical provision, as determined in the BEGAAP financial statements (including a “flashing light reserve” and a "LAT-provision") is equal to the accumulated savings value with a guaranteed return applicable. The assumptions used in this valuation are based on tariff actuarial parameters, which contain a level of prudence versus the best estimate assumptions used in the Solvency II BEL. A flashing light reserves is an extra provisions that the National Bank of Belgium requires life insurers in Belgium to set up in order to assure that sufficient funds are available at all times to fulfill guarantees given to clients within their contracts.

D.2 (d) Matching adjustment and volatility adjustment

The Company makes use of volatility adjustment. Removal of the VA has the effect of increasing the Technical Provisions by € 15m, decreasing the Own Funds by € 3.2m and increasing the SCR by € 0.5m, after an allowance for reinsurance. The Solvency II ratio of MAB would decrease from 246% to 242.32% as a result of removing the VA.

D.2 (e) Transitional risk-free rate and transitional deduction

Not applicable.

D.2 (f) Recoverables from reinsurance contracts and special purpose vehicles

See ***Section D.1(a)***, ***reinsurance recoverable.***

D.2 (g) Material changes to assumptions made in calculating technical provisions compared to previous reporting period

Non-economic Best Estimate assumptions have been updated as part of the yearly assumption setting. In particular, mortality, lapse and expense assumptions have been updated to take into account the latest relevant information.

Further, the addition of the Integrale and the Allianz business has significantly changed the outlook of the MAB technical provisions.

D.3 Other liabilities

D.3 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Other liabilities consist of short-term liabilities (e.g. payables) that are valued at nominal value in both the BEGAAP and Solvency II balance sheet.

D.3 (b) Material differences with the valuation bases, methods and main assumptions used for the valuation for solvency purposes and those used in financial statements

There are no differences between the BEGAAP and Solvency II valuation of other liabilities.

D.4 Alternative methods for valuation

No alternative valuation methods were applied.

D.5 Any other material information

No future management actions nor dynamic policy behaviour are taken into account in the valuation. More specifically, lapse rates are determined based on past observations.

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

Capital management and allocation is a key driver of the Company's success. Capital is a resource that supports the risk-bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

E.1 Own funds

Own Funds refers to the excess of the value of the Company's assets over the value of its liabilities, where the value of its liabilities includes technical provisions and other liabilities. Own Funds are divided into three tiers based on their permanence, and how well they can absorb losses. Tier 1 are of the highest quality.

E.1 (a) Objectives, policies and processes for managing Own Funds

The primary objective of the Company is to ensure compliance with externally imposed capital requirements and to maintain appropriate capital ratios in order to provide security for stakeholders, while maintaining value. The capital management policy sets out the objectives of the Company. The key objective of this policy is to ensure that the regulatory requirement for the Solvency Coverage is met on an ongoing basis. Processes and reporting are in place to meet this objective. The Capital Management Policy outlines the actions available to the management and the Board at different levels of the reporting solvency ratio.

The Company adopted Monument Re's key principles of capital management which are:

Monument Re Capital Management Principles

1) Target Setting

- Sufficient capital levels set by the Board so that the Group is able to withstand appropriate stress scenarios, as approved by the Board
- The current Target Capital level for Monument Re is to maintain Available Capital equivalent to 150% of the SCR
- The Target Capital level for each subsidiary is approved by the relevant Board, taking into account local requirements

2) Monitoring

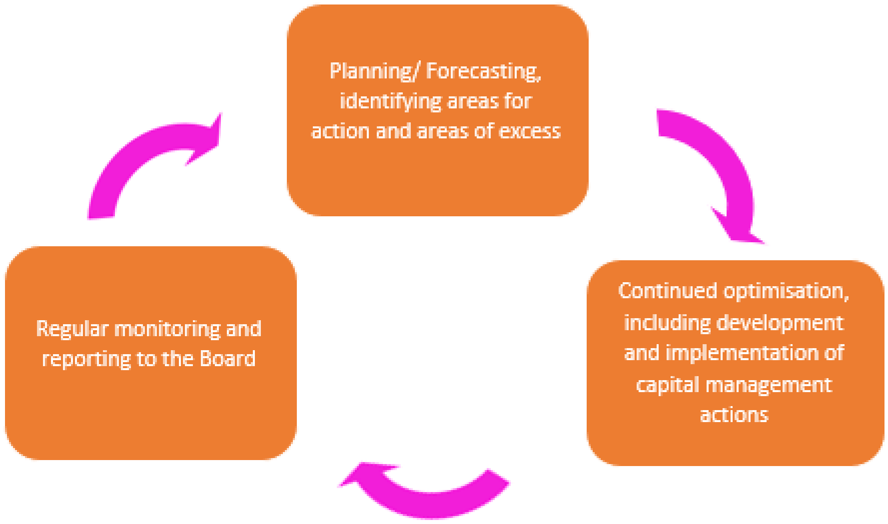
- Capital levels shall be assessed regularly to ensure that they remain appropriate to support the Group's operations
- Appropriate processes maintained to enable effective monitoring and reporting of capital positions across the Group including the impact of new transactions

3) Management Actions

- Activities undertaken to optimise the capital position of the company (and/ or subsidiaries)
- Actions continuously identified and executed, in order to optimize capital and remedy breaches of capital levels should a breach occur

The process followed for capital management is depicted below:

Capital Management Process



A capital management plan is prepared annually with the business planning period covering five years. This process culminates in an assessment of the capital necessary to maintain solvency at the threshold targeted by senior management and the firm's risk profile. This plan is reviewed and updated on a regular basis to reflect the actual performance of the business. The Policy is reviewed annually with the results of the annual ORSA process taken into consideration.

Own Funds for the Company are calculated quarterly through the production of the technical provisions and a valuation of the Company's balance sheet. The value of the Own Funds is approved by the MC on a quarterly basis, whilst annually, it is approved by the Board.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by the Company for managing its Own Funds.

Summary of the Own Funds and solvency position at 31 December 2021, with prior year comparatives (in € '000, except for percentages):

	31st December 2021	31st December 2020
Own Funds	312,966	14,017
Solvency Capital Requirement (SCR)	127,366	3,369
Minimum Capital Requirement (MCR)	57,315	3,700
Absolute Floor of Minimum Capital Requirement	3,700	3,700
Relevant Solvency Ratio	246%	379%

The Company has an internal target to maintain a Solvency Ratio above 150%.

E.1 (b) Information on Own Funds by Tier and the amount eligible to cover the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Eligible Own Funds value to meet the SCR is obtained from Basic Own Funds, to which Ancillary Own Funds that are recognised and approved by the regulator and subject to eligibility constraints are added. Solvency II defines Basic Own Funds as the sum of

- The excess of assets over liabilities as defined in ***Section D Valuation for Solvency Purposes***;
- Less deduction for foreseeable dividends and distributions.

The following table shows the composition of the Solvency II Basic Owns Funds and what is eligible to cover the SCR and MCR:

	Total Own funds 31st December 2021 € '000	Total Own funds 31st December 2020 € '000	Eligible Own Funds to cover SCR 31st December 2021 € '000	Eligible Own Funds to cover SCR 31at December 2020 € '000	Eligible Own Funds to cover MCR 31st December 2021	Eligible Own Funds to cover MCR 31st December 2020
Ordinary Share Capital	297,680	14,908	297,680	14,908	297,680	14,908
Reconciliation reserve	15,286	-891	15,286	-891	15,286	-891
Other Own Funds		-	-	-	-	-
Total Basic Own Funds	**312,966**	**14,017**	**312,966**	**14,017**	**312,966**	**14,017**

E.1 (c) Material differences between equity in the financial statements and the excess of assets over liabilities for solvency purposes

The following table summarises the differences between shareholders equity reported in the Company's financial statements and the excess of assets over liabilities for solvency purposes:

	31st December 2021 € '000	31st December 2020 € '000
Shareholder Equity per financial statements	**297,680**	**14,908**
Difference in the valuation of assets	-159,476	53,566
Difference in the valuation of technical provisions	179,018	-54,456
Deferred tax liabilities	-4,257	n/a
Solvency II Excess of Assets over Liabilities	312,966	14,017

E.1 (d) Basic own fund item subject to the transitional arrangements

Not applicable.

E.1 (e) Ancillary Own Funds

The Company did not have any ancillary own fund items at 31 December 2021.

E.1 (f) Material items deducted from Own Funds

There are no material items deducted from Own Funds at 31 December 2021.

E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

E.1 (a) Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The following table shows the Company's SCR and MCR requirements as of 31 December 2021, with prior year comparatives:

	31st December 2021 € '000	31st December 2020 € '000
SCR	127,366	3,369
MCR	57,315	3,700

E.2 (b) The amount of the SCR split by risk module

The Basic Solvency Capital Requirement is calculated using a set of EIOPA defined stresses given by the Standard Formula approach. The SCR is calculated separately for each of the following risk modules:

- Market risk

- Counterparty default risk
- Life underwriting risk
- Non-life underwriting
- Health underwriting

These modules are then combined using correlation factors as defined by EIOPA, with an allowance for operational risk. The following table shows the split of the SCR as of 31 December 2021, with prior year comparatives:

	31st December 2021 € '000	31st December 2020 € '000
Market risk	84,171	1,867
Counterparty default risk	18,419	498
Life underwriting risk	30,121	1,102
Basic Solvency Capital Requirement	103,206	2,591
Operational Risk	24,160	777
Solvency Capital Requirement (before minimum)	**127,366**	**3,369**

The Non-life and Health modules do not apply to the Company, as its balance sheet is not exposed to these risks.

E.2 (c) Use of simplified calculations

The Company did not use any simplified calculations or undertaking-specific parameters to arrive at its SCR as of 31 December 2021 or 31 December 2020.

E.2 (d) Undertaking specific parameters and capital add-ons

The undertaking specific parameters referred to in Article 104(7) of Directive 2009/138/EC are not used by the Company.

The capital add-on as per sub paragraph of Article 51(2) of Directive 2009/138/EC does not apply.

E.2 (e) Information on inputs used to calculate the MCR

MCR is calculated according to the requirements of the Delegated Regulation whereby the MCR is dependent on the level of the best estimate, the risk capital, the SCR and an absolute minimum of € 3.7m. The calculation results in the MCR of € 57.3m which is based on the SCR.

E.2 (f) Material changes to SCR and MCR over the reporting period

The SCR has increased compared to 31 December 2020. This is primarily due to the acquisition of two portfolio's, and is slightly counterbalanced by the increase in interest rates and further de-risking of the asset portfolio.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Not applicable.

E.4 Differences between the Standard Formula and any internal model used

Not applicable.

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

The Company remained compliant with the MCR and the SCR throughout the reporting period.

E.6 Any other information

There is no other material information regarding the capital management of the Company other than what has been reported in this section.

Appendix 1 - List of public QRT to be disclosed

Article 4 - Templates for the solvency and financial condition report of individual undertakings.

- Template S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in section S.02.01 of Annex II to this Regulation;
- Template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.01 of Annex II to this Regulation, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- Template S.05.02.01 of Annex I, specifying information on premiums, claims and expenses by country using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.02 of Annex II;
- Template S.12.01.02 of Annex I, specifying information on the technical provisions relating to life insurance and health insurance pursued on a similar technical basis to that of life insurance ('health SLT') for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35, following the instructions set out in section S.12.01 of Annex II to this Regulation;
- Template S.23.01.01 of Annex I, specifying information on own funds, including basic own funds and ancillary own funds, following the instructions set out in section S.23.01 of Annex II;
- Template S.25.01.21 of Annex I, specifying information on the Solvency Capital Requirement calculated using the Standard Formula, following the instructions set out in section S.25.01 of Annex II;
- Template S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity, following the instructions set out in section S.28.01 of Annex II;

Appendix 2- Glossary

AALCB	ABN AMRO Life Capital Belgium NV
ACC	Audit and Compliance Committee
Beach Portfolio	The Allianz portfolio acquired on 1 April 2021
BEGAAP	Generally Accepted Accounting Practice in Belgium
Bridge	Bridge Strategic Holdings Limited
BRM	Belgian Residential Mortgages
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
DRM	Dutch Residential Mortgages
EIOPA	European Insurance and Occupational Pension Authority
EPIFP	Expected profit included in future premiums
FSMA	Financial Services and Markets Authority
Group	Monument Re Group
GSAMI	Goldman Sachs Asses Management International
Governance Circular	NBB Governance Circular
HoAF	Head of Actuarial Function
HoIA	Head of Internal Audit
IC	Investment Committee
IGR	Intra-group reinsurance
ISS	Integrale Insurance Services
MAB	Monument Assurance Belgium NV
MABS	Monument Assurance Belgium Services SA
MC	MAB's Management Committee
MCR	Minimum Capital Requirement
MI	Management Information
MIBS	Monument Insurance Belgium Services Srl
MIES	Monument Insurance European Services Srl
MIM	Monument Immo Management
MISL	Monument Insurance Service Limited
Monument Re	Monument Re Limited
NBB	National Bank of Belgium
NBB Governance	Circular NBB_2018_23 of the Overarching circular on the system of governance
NR Comm	Monument Re Group Nominations and Remuneration Committee
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
Own Funds	According to art. 87 of Solvency II Directive 2009/138/EU, Own Funds are

Person concerned	All individuals identified in MAB's Fit & Proper Policy
Personne-relais	A designated representative from the MC has overall responsibility for the outsourced activity
Premium Portfolio	The Integrale Portfolio acquired on 15 December 2021
Private credit	Debt issued by companies/entities privately to banks or other investors
QIAF	Qualifying Irish Alternative Fund is a regulated collective investment scheme
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
Reinsurance	Reinsurance recoverables represent the amount of best estimate liability
Risk Management Framework	The Risk Management Framework is the structured process used to identify and assess risk, and to define the strategy for mitigating the impact of these risks as well as the mechanisms to effectively control and evaluate actions.
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
Solvency II Act	Law of 13 March 2016 on the statute and supervision of insurance or
Solvency Capital	The Solvency Capital Requirement is determined as the economic capital to be
SSA	Private and Public Sovereign and Agency debt
Statutory Basis	The valuation of the Company's assets for Solvency II purposes and the valuation
The Board	MAB's board of directors
The Company	Monument Assurance Belgium NV
Three Lines of Defence	In the Three Lines of Defence model, management control is the first line of defence in risk management, the various risk control and compliance oversight functions established by management are the second line of defence, and internal auditor is the third
UFR	Ultimate Forward Rate
VA	Volatility Adjustment

Basic Information - General

S.01.02.01.01 - Basic Information - General

Rows		C0010
Undertaking name	R0010	Monument Assurance Belgium
Undertaking identification code and type of code	R0020	LEI/213800MJ23NBMAXX2M80
Type of undertaking	R0040	Life undertakings
Country of authorisation	R0050	BELGIUM
Language of reporting	R0070	Dutch
Reporting submission date	R0080	01-02-2022
Financial year end	R0081	31-12-2021
Reporting reference date	R0090	31-12-2021
Regular/Ad-hoc submission	R0100	Regular reporting
Currency used for reporting	R0110	EUR
Accounting standards	R0120	Local GAAP
Method of Calculation of the SCR	R0130	Standard formula
Use of undertaking specific parameters	R0140	Don’t use undertaking specific parameters
Ring-fenced funds	R0150	Not reporting activity by RFF
Matching adjustment	R0170	No use of matching adjustment
Volatility adjustment	R0180	Use of volatility adjustment
Transitional measure on the risk-free interest rate	R0190	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	R0200	No use of transitional measure on technical provisions
Initial submission or re-submission	R0210	Initial submission
Exemption of reporting ECAI information	R0250	Not exempted
URL to the webpage where the Solvency and Financial Condition Report (SFCR) is disclosed	R0255	https://www.monumentregroup.com/wp-content/uploads/2021/04/SFCR-incl-QRT_final_as.pdf
Direct URL to download the Solvency and Financial Condition Report (SFCR) corresponding to this financial year reporting obligation (R0090)	R0260	https://www.monumentregroup.com/wp-content/uploads/2021/04/SFCR-incl-QRT_final_as.pdf
Ad hoc XBRL technical field 1	R0990	
Ad hoc XBRL technical field 2	R0991	
Ad hoc XBRL technical field 3	R0992	

SE.02.01.16.01 - Balance sheet

		Columns		
		Solvency II value	Statutory accounts value	Reclassification adjustments
		C0010	C0020	EC0021
Rows				
Assets				
Goodwill	R0010		-	
Deferred acquisition costs	R0020		-	
Intangible assets	R0030	-	-	
Deferred tax assets	R0040	-	-	
Pension benefit surplus	R0050	-	-	
Property, plant & equipment held for own use	R0060	443.597	443.597	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5.044.848.464	5.064.429.796	
Property (other than for own use)	R0080	-	-	
Holdings in related undertakings, including participations	R0090	764.599.223	764.599.223	
Equities	R0100	3.897.196	3.897.196	
Equities - listed	R0110	3.229.200	3.229.200	
Equities - unlisted	R0120	667.996	667.996	
Bonds	R0130	3.407.170.876	3.424.200.285	
Government Bonds	R0140	2.807.851.814	2.821.585.059	
Corporate Bonds	R0150	578.893.997	582.190.161	
Structured notes	R0160	20.425.065	20.425.065	
Collateralised securities	R0170	-	-	
Collective Investments Undertakings	R0180	874.384.591	871.182.519	
Derivatives	R0190	- 5.203.422	550.574	
Deposits other than cash equivalents	R0200	-	-	
Other investments	R0210	-	-	
Assets held for index-linked and unit-linked contracts	R0220	55.710.424	55.710.424	
Loans and mortgages	R0230	498.636.948	505.321.939	
Loans on policies	R0240	37.277.133	35.202.241	
Loans and mortgages to individuals	R0250	383.340.642	392.100.525	
Other loans and mortgages	R0260	78.019.174	78.019.174	
Reinsurance recoverables from:	R0270	3.644.198.396	3.777.697.817	
Non-life and health similar to non-life	R0280	-	-	
Non-life excluding health	R0290	-	-	
Health similar to non-life	R0300	-	-	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	3.644.198.396	3.777.697.817	
Health similar to life	R0320	-	-	
Life excluding health and index-linked and unit-linked	R0330	3.644.198.396	3.777.697.817	
Life index-linked and unit-linked	R0340	-	-	
Deposits to cedants	R0350	-	-	
Insurance and intermediaries receivables	R0360	14.261.235	14.261.235	
Reinsurance receivables	R0370	5.999.716	6.118.037	
Receivables (trade, not insurance)	R0380	21.664.828	21.664.828	
Own shares (held directly)	R0390	-	-	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-	-	
Cash and cash equivalents	R0410	311.449.682	311.041.485	
Any other assets, not elsewhere shown	R0420	-	-	
Total assets	R0500	9.597.213.290	9.756.689.158	

SE.02.01.16.01 - Balance sheet

		Columns		
		Solvency II value	Statutory accounts value	Reclassification adjustments
Liabilities				
Technical provisions - non-life	R0510	-	-	
Technical provisions - non-life (excluding health)	R0520	-	-	
Technical provisions calculated as a whole	R0530	-		
Best Estimate	R0540	-		
Risk margin	R0550	-		
Technical provisions - health (similar to non-life)	R0560	-	-	
Technical provisions calculated as a whole	R0570	-		
Best Estimate	R0580	-		
Risk margin	R0590	-		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	5.396.027.305	5.564.143.668	
Technical provisions - health (similar to life)	R0610	-	-	
Technical provisions calculated as a whole	R0620	-		
Best Estimate	R0630	-		
Risk margin	R0640	-		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	5.396.027.305	5.564.143.668	
Technical provisions calculated as a whole	R0660	-		
Best Estimate	R0670	5.368.800.478		
Risk margin	R0680	27.226.827		
Technical provisions - index-linked and unit-linked	R0690	61.054.637	55.710.714	
Technical provisions calculated as a whole	R0700	-		
Best Estimate	R0710	59.725.598		
Risk margin	R0720	1.329.039		
Other technical provisions	R0730		-	
Contingent liabilities	R0740	-	-	
Provisions other than technical provisions	R0750	-	-	
Pension benefit obligations	R0760	-	275.956	
Deposits from reinsurers	R0770	3.720.045.038	3.716.887.591	
Deferred tax liabilities	R0780	4.256.554	-	
Derivatives	R0790	-	-	
Debts owed to credit institutions	R0800	-	-	
Debts owed to credit institutions resident domestically	ER0801	-		
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	-		
Debts owed to credit institutions resident in rest of the world	ER0803	-		
Financial liabilities other than debts owed to credit institutions	R0810	-	-	
Debts owed to non-credit institutions	ER0811	-		
Debts owed to non-credit institutions resident domestically	ER0812	-		
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	-		
Debts owed to non-credit institutions resident in rest of the world	ER0814	-		
Other financial liabilities (debt securities issued)	ER0815	-		
Insurance & intermediaries payables	R0820	9.204.173	9.204.173	
Reinsurance payables	R0830	34.519.311	34.519.311	
Payables (trade, not insurance)	R0840	48.529.488	48.121.470	
Subordinated liabilities	R0850	-	-	
Subordinated liabilities not in Basic Own Funds	R0860	-	-	
Subordinated liabilities in Basic Own Funds	R0870	-	-	
Any other liabilities, not elsewhere shown	R0880	10.610.975	30.146.353	
Total liabilities	R0900	9.284.247.483	9.459.009.237	
Excess of assets over liabilities	R1000	312.965.807	297.679.921	

S.05.01.01.02 - Life

		Columns								
		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit	Index-linked and unit-linked	Other life insurance	Annuities stemming from	Annuities stemming from	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Rows										
Premiums written										
Gross	R1410	-	24.744.210	-	2.062.605	-	-	-	-	26.806.814
Reinsurers' share	R1420	-	17.492.038	-	1.718.741	-	-	-	-	19.210.779
Net	R1500	-	7.252.172	-	343.863	-	-	-	-	7.596.035
Premiums earned										
Gross	R1510	-	24.744.210	-	2.062.605	-	-	-	-	26.806.814
Reinsurers' share	R1520	-	17.492.038	-	1.718.741	-	-	-	-	19.210.779
Net	R1600	-	7.252.172	-	343.863	-	-	-	-	7.596.035
Claims incurred										
Gross	R1610	-	81.443.065	-	6.119.651	-	-	-	-	87.562.716
Reinsurers' share	R1620	-	57.587.491	-	5.507.686	-	-	-	-	63.095.177
Net	R1700	-	23.855.574	-	611.965	-	-	-	-	24.467.539
Changes in other technical provisions										
Gross	R1710	-	1.440.270.391	- 1.821	76.835.904	-	-	-	-	1.517.104.474
Reinsurers' share	R1720	-	1.063.154.496	-	- 1.719.697	-	-	-	-	1.061.434.799
Net	R1800	-	377.115.895	- 1.821	78.555.601	-	-	-	-	455.669.675
Expenses incurred	R1900	-	6.414.966	0	111.741	-	-	-	-	6.526.707
Administrative expenses										
Gross	R1910	-	580.109	-	145.940	-	-	-	-	726.049
Reinsurers' share	R1920	-	328.554	-	131.346	-	-	-	-	459.901
Net	R2000	-	251.554	-	14.594	-	-	-	-	266.148
Investment management expenses										
Gross	R2010	-	2.039.513	0	75.931	-	-	-	-	2.115.444
Reinsurers' share	R2020	-	1.387.611	-	68.338	-	-	-	-	1.455.948
Net	R2100	-	651.902	0	7.593	-	-	-	-	659.495
Claims management expenses										
Gross	R2110	-	3.859.087	-	728.235	-	-	-	-	4.587.323
Reinsurers' share	R2120	-	2.764.386	-	655.412	-	-	-	-	3.419.798
Net	R2200	-	1.094.701	-	72.824	-	-	-	-	1.167.525
Acquisition expenses										
Gross	R2210	-	2.844.131	-	-	-	-	-	-	2.844.131
Reinsurers' share	R2220	-	1.986.511	-	-	-	-	-	-	1.986.511
Net	R2300	-	857.620	-	-	-	-	-	-	857.620
Overhead expenses										
Gross	R2310	-	13.766.804	-	167.306	-	-	-	-	13.934.110
Reinsurers' share	R2320	-	10.207.616	-	150.575	-	-	-	-	10.358.191
Net	R2400	-	3.559.188	-	16.731	-	-	-	-	3.575.919
Other expenses	R2500									-
Total expenses	R2600									6.526.707
Total amount of surrenders	R2700	-	2.575.074	-	80.999	-	-	-	-	2.656.073

S.05.02.01.04 - Home Country - life obligations

		Home country
		C0220
Rows		
Premiums written		
Gross	R1410	26.806.814
Reinsurers' share	R1420	19.210.779
Net	R1500	7.596.035
Premiums earned		
Gross	R1510	26.806.814
Reinsurers' share	R1520	19.210.779
Net	R1600	7.596.035
Claims incurred		
Gross	R1610	87.562.716
Reinsurers' share	R1620	63.095.177
Net	R1700	24.467.539
Changes in other technical provisions		
Gross	R1710	1.517.104.474
Reinsurers' share	R1720	1.061.434.799
Net	R1800	455.669.675
Expenses incurred	R1900	6.526.707
Other expenses	R2500	
Total expenses	R2600	

S.05.02.01.06 - Total Top 5 and home country - life obligations

		Total Top 5 and home country
		C0280
Rows		
Premiums written		
Gross	R1410	26.806.814
Reinsurers' share	R1420	19.210.779
Net	R1500	7.596.035
Premiums earned		
Gross	R1510	26.806.814
Reinsurers' share	R1520	19.210.779
Net	R1600	7.596.035
Claims incurred		
Gross	R1610	87.562.716
Reinsurers' share	R1620	63.095.177
Net	R1700	24.467.539
Changes in other technical provisions		
Gross	R1710	1.517.104.474
Reinsurers' share	R1720	1.061.434.799
Net	R1800	455.669.675
Expenses incurred	R1900	6.526.707
Other expenses	R2500	-
Total expenses	R2600	6.526.707

S.12.01.01.01 - Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: Contracts with options or guarantees	Total (Life other than health insurance, incl. Unit-Linked)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0150	C0210
Rows										
Technical provisions calculated as a whole	R0010	-	-			-			-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	-	-			-			-	-
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Gross Best Estimate	R0030	5.279.611.280		59.725.598	-		-	89.189.198	5.428.526.076	-
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	3.565.528.177		-	-		-	70.669.924	3.636.198.101	-
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	3.565.528.177		-	-		-	78.670.219	3.644.198.396	-
Recoverables from SPV before adjustment for expected losses	R0060	-		-	-		-	-	-	-
Recoverables from Finite Re before adjustment for expected losses	R0070	-		-	-		-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	3.565.528.177		-	-		-	78.670.219	3.644.198.396	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	1.714.083.103		59.725.598	-		-	10.518.979	1.784.327.679	-
Risk Margin	R0100	26.995.102	1.329.039			231.725			28.555.866	-
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0110	-	-			-			-	-
Best estimate	R0120	-		-	-		-	-	-	-
Risk margin	R0130	-	-			-			-	-
Technical provisions - total	R0200	5.306.606.382	61.054.637			89.420.923			5.457.081.942	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	1.741.078.205	61.054.637			10.750.704			1.812.883.546	-
Best Estimate of products with a surrender option	R0220	4.170.116.760	59.725.598			10.518.979			4.240.361.336	-
Gross BE for Cash flow										
Cash out-flows										
Future guaranteed and discretionary benefits	R0230		55.323.707			78.435.341			133.759.049	-
Future guaranteed benefits	R0240	5.529.431.126							5.529.431.126	
Future discretionary benefits	R0250	-							-	
Future expenses and other cash out-flows	R0260	425.164.871	6.807.232			25.588.162			457.560.265	-
Cash in-flows										
Future premiums	R0270	831.182.985	-			12.037.203			843.220.187	-
Other cash in-flows	R0280	6.673.019	2.795.917			-			9.468.937	-
Percentage of gross Best Estimate calculated using approximations	R0290	0	-			0				
Surrender value	R0300	3.902.033.651	55.708.026			54.583.352			4.012.325.029	-
Best estimate subject to transitional of the interest rate	R0310	-	-			-			-	-
Technical provisions without transitional on interest rate	R0320	3.779.522.468	61.054.637			-			3.840.577.105	-
Best estimate subject to volatility adjustment	R0330	5.279.611.280	59.725.598			89.189.198			5.428.526.076	-
Technical provisions without volatility adjustment and without others transitional measures	R0340	5.322.601.846	59.863.807			92.587.292			5.475.052.945	-
Best estimate subject to matching adjustment	R0350	-	-			-			-	-
Technical provisions without matching adjustment and without all the others	R0360	5.322.601.846	59.863.807			92.587.292			5.475.052.945	-

S.23.01.01.01 - Own funds

Rows		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	287.245.392	287.245.392		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	25.720.415	25.720.415			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	312.965.807	312.965.807	-	-	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	312.965.807	312.965.807	-	-	-
Total available own funds to meet the MCR	R0510	312.965.807	312.965.807	-	-	
Total eligible own funds to meet the SCR	R0540	312.965.807	312.965.807	-	-	-
Total eligible own funds to meet the MCR	R0550	312.965.807	312.965.807	-	-	
SCR	R0580	127.365.749				
MCR	R0600	57.314.587				
Ratio of Eligible own funds to SCR	R0620	2				
Ratio of Eligible own funds to MCR	R0640	5				

S.23.01.01.02 - Reconciliation reserve

Rows		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	312.965.807
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	287.245.392
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	25.720.415
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	23.452.300
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	23.452.300

S.25.01.01.01 - Basic Solvency Capital Requirement

Sheets
Z Axis:

Article 112	Z0010	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Rows				
Market risk	R0010	84.170.774	84.170.774	-
Counterparty default risk	R0020	18.419.045	18.419.045	-
Life underwriting risk	R0030	30.121.243	30.121.243	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	-	-	-
Diversification	R0060	- 29.504.915	- 29.504.915	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	103.206.147	103.206.147	

S.25.01.01.02 - Calculation of Solvency Capital Requirement

Sheets
Z Axis:

Article 112	Z0010	No

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	-
Operational risk	R0130	24.159.602
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	127.365.749
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	127.365.749
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	-

S.28.01.01.03 - Linear formula component for life insurance and reinsurance obligations

		Columns
		C0040
Rows		
MCRL Result	R0200	64.837.998

S.28.01.01.04 - Total capital at risk for all life (re)insurance obligations

		Columns	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Rows			
Obligations with profit participation - guaranteed benefits	R0210	1.714.083.103	
Obligations with profit participation - future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	59.725.598	
Other life (re)insurance and health (re)insurance obligations	R0240	10.518.979	
Total capital at risk for all life (re)insurance obligations	R0250		1.111.350.595

S.28.01.01.05 - Overall MCR calculation

		Columns
		C0070
Rows		
Linear MCR	R0300	64.837.998
SCR	R0310	127.365.749
MCR cap	R0320	57.314.587
MCR floor	R0330	31.841.437
Combined MCR	R0340	57.314.587
Absolute floor of the MCR	R0350	3.700.000
Minimum Capital Requirement	R0400	57.314.587