Monument Assurance Belgium

Solvency and Financial Condition Report
at 31 December 2022

8 April 2023

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Samenvatting

Inleiding en Oogmerk

Dit is de Solvency and Financial Condition Report ("**SFCR**") voor Monument Assurance Belgium ("**MAB**" of de "**Onderneming**") voor het jaar eindigend op 31 december 2022. De SFCR heeft tot doel 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 op het statuut van en het toezicht op de verzekerings- of herverzekeringsondernemingen ("**Solvabiliteit II-wet**").

Dit verslag vermeldt alle nominale bedragen in duizenden euro's (€ '000), tenzij anders vermeld, volgens 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, op welk moment de Onderneming werd omgedoopt tot Monument Assurance Belgium NV ("**MAB**").

MAB is een levensverzekeringsmaatschappij opgericht in België onder het registratienummer 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 en tak 1a-schadepolissen aan te bieden. MAB heeft sinds 2012 geen nieuwe activiteiten meer onderschreven en kan dus worden beschouwd als een “gesloten boek”-onderneming.

De Onderneming kreeg oorspronkelijk een vergunning in 2002 om levensverzekeringsactiviteiten uit te voeren, al dan niet gekoppeld aan beleggingsfondsen, met uitzondering van de bruidsschat- en geboorteverzekering (tak 21). Daarnaast werd ook toestemming verleend om de volgende activiteiten uit te voeren: leven, bruidsschat en geboorteverzekering in verband met beleggingsfondsen (tak 23) en kapitalisatietransacties (tak 26). In 2021 kreeg MAB een vergunning voor geboorte- en huwelijksverzekeringen (tak 22).

In het kader van de aankoop van de AXA-portefeuille van 25 oktober 2022 ontving MAB de vergunning voor ongevallen anders dan arbeidsongevallen en beroepsziekten (tak 1a, schade). Aangezien de kernactiviteit van de Onderneming het beheer van levensverzekeringen is, werd beslist om deze polissen te annuleren in overeenstemming met de voorwaarden van artikel 85 van de Verzekeringswet van 4 april 2014 en artikel 7 van de Algemene Voorwaarden (Contractduur). MAB is niet van plan om deze verzekeringen in de toekomst te onderschrijven.

Daarnaast maakt de Onderneming gebruik van specifieke intra-groep dienstverleningsbedrijven om de administratie van de Belgische activiteiten te ondersteunen. Het hoofddoel voor de oprichting van de dienstverlenende bedrijven is om het mogelijk te maken personeel in te zetten in alle activiteiten en entiteiten binnen de Monument Re Group en tegelijkertijd schaalvoordelen te behalen binnen de Belgische activiteiten. De uitbesteding stelt het bedrijf in staat om optimaal gebruik te maken van middelen en de operationele efficiëntie te maximaliseren. In 2022 maakte MAB gebruik van de ondersteuning van twee dienstverleningsbedrijven:

- Monument Insurance European Services NV ("**MIES**") en Monument Assurance Belgium Services SA ("**MABS**") verleenden ondersteunende diensten aan MAB op basis van een kritieke uitbestedingsovereenkomst. Daarnaast werden beide entiteiten geregistreerd als verzekeringstussenpersoon om de polisadministratie van de verworven boeken te verzorgen. Bovendien heeft MIES een vestiging in Ierland, die onder meer ondersteunende diensten verleent aan de Ierse Monument-entiteit.
- Op 31 december 2022 is MABS opgegaan in MIES. Bijgevolg is er vanaf 1 januari 2023 slechts één Belgisch dienstverleningsbedrijf dat MAB ondersteunt. Er is geen significante impact op de geleverde diensten, op basis van een kritieke uitbestedingsovereenkomst, na de fusie. De diensten worden verleend via MIES.

De bedrijfsstrategie van de Onderneming is:

- Te focussen op het beheer van het bestaande gesloten boek-polissen, ervoor zorgende dat hoogwaardige activiteiten en klantenservice een prioriteit blijven;
- De strategie van Monument Re Group ondersteunen, namelijk het bieden van oplossingen voor activa-intensieve levensverzekeringsportefeuilles door middel van herverzekering of overname op de Europese markt;
- Blijven zoeken naar mogelijkheden om het bedrijf te laten groeien door het verwerven van verzekeringsportefeuilles, voornamelijk deze in run-off, en gericht op lijfrente-, gegarandeerde spaar- of beschermingsproductlijnen; en
- Stimuleren van risicodiversificatie en kapitaalsynergieën creëren in lijn met de strategie van de Monument Group.

Daarom is het bedrijf actief op zoek naar groei door de overname van de bestaande levensverzekeringsportefeuilles. Deze strategie is gericht op gesloten boeken.

In overeenstemming met deze strategie werden de volgende levensverzekeringsportefeuilles verworven:

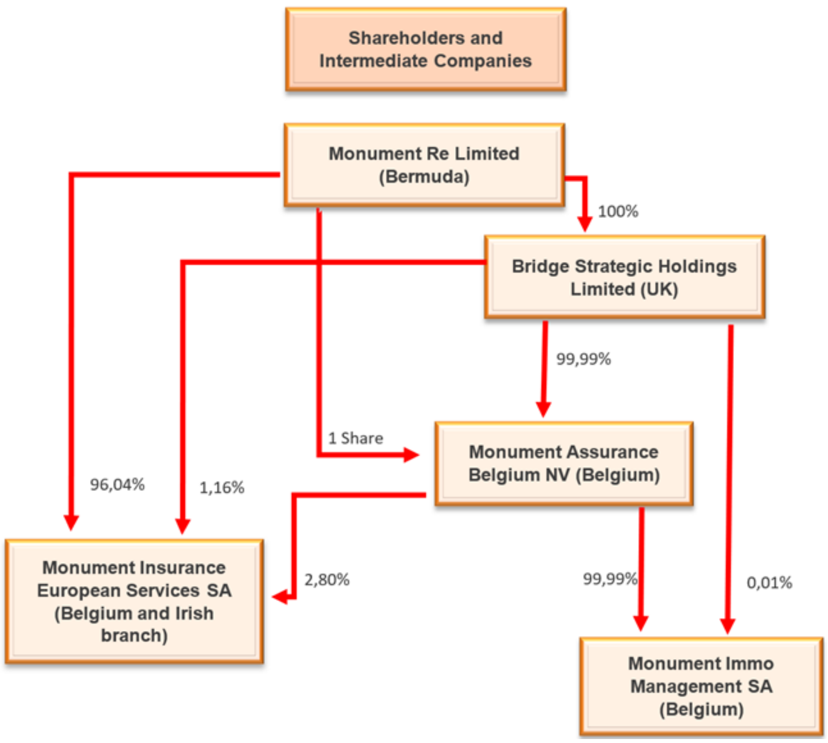
- Op 31 mei 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van langetermijnspaar- en kredietlevensverzekeringen van Alpha Insurance NV, een Belgische samengestelde verzekeringsmaatschappij en een volledige dochteronderneming van Enstar Group Limited, (de "**Alpha-portefeuille**", of "**Alpha**") (27,309 polissen op 31 december 2022).

- Op 16 december 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van niet-Curanova langlopende spaarcontracten van Curalia OVV (respectievelijk de "**NCN-portefeuille**" en "**Curalia**") (4,382 polissen op 31 december 2022). Het beheer van deze portefeuille blijft bij Curalia.
- Op 1 april 2021 heeft MAB de overdracht van de levensverzekeringsportefeuille van tak 21 en 22 van Allianz Benelux NV uitgevoerd. Met Allianz Benelux SA is een overgangsovereenkomst gesloten, tot oktober 2022, met betrekking tot de polisadministratie van deze portefeuille. Deze overname heeft betrekking op een gesloten portefeuille van klassieke levensverzekeringen (70,656 polissen op 31 december 2022) samen met hypotheken (3,400 polissen op 31 december 2022) (de "**Allianz-portefeuille**").
- Op 15 december 2021 heeft MAB de overdracht uitgevoerd van de tak 21- en 23-levensverzekeringsportefeuille, en co-verzekeringscontracten en de herverzekeringsovereenkomsten met betrekking tot die kantoren van Integrale NV (263,599 polissen per 31 december 2022) (de "**Integrale-portefeuille**"). De polisadministratie werd gedaan door Monument Assurance Belgium Services SA ("**MABS**"),dat op 31 december 2022 opging in Monument Insurance European Services SA ("**MIES**"), op basis van een uitbestedingsovereenkomst.
- Op 31 oktober 2022 droeg AXA Belgium NV de volgende boeken over aan MAB: (i) klassieke levensverzekeringscontracten in de takken 21 en 22 (zonder flexibele premie) (met inbegrip van de aanvullende verzekeringen hierbij), (ii) levensverzekeringscontracten in tak 21 en schadeverzekeringscontracten in tak 1 ingeschreven door Family Protect NV tussen 2010 en 2016 of door AXA Belgium NV tussen 2013 en 2018 onder de titel "Capital Cash", "Cover Cash", of "Accidental Cash", (iii) levensverzekeringscontracten in tak 23 die tussen 2012 en 2015 zijn afgesloten onder de titel "Happy Life" (176,122 polissen per 31 december 2022) (de "**AXA-portefeuille**"). Om een vlotte overgang tussen de verzekeringsmaatschappijen te garanderen, sloten MAB en AXA Belgium NV een overgangsovereenkomst voor uitbesteding, waarin AXA Belgium NV verdergaat met de polisadministratie van dit boek.

De Onderneming blijft actief de mogelijkheden voor verdere groei op de Belgische markt inschatten. In dat licht heeft de Onderneming op 6 januari 2023 een portefeuilleoverdrachtsovereenkomst gesloten met een Belgische verzekeringsmaatschappij. Deze overeenkomst heeft betrekking op een geslotenportefeuille, voornamelijk klassieke levensverzekeringen (ca. 6,000 polissen) en de onderliggende dekkingsactiva met betrekking tot de verzekeringsportefeuille.

Ter ondersteuning van de intentie van Monument Re Group om kapitaal en liquiditeit efficiënt te beheren, maakt de Onderneming gebruik van intragroepherverzekering ("**IGR**") om risico's die kunnen worden herverzekerd aan Monument Re af te staan, met behoud van een deel van het risico. Dit draagt bij aan de diversificatie van risico's en kapitaal- en liquiditeitssynergieën op groepsniveau. Het IGR-Verdrag werd in de loop van 2022 bijgewerkt met dekking van de AXA-portefeuille op 31 oktober 2022. De AXA IGR staat op 75% en een kapitaalinjectie van € 50m is afgerond.

De eigendomsstructuur van MAB en MIES is uiteengezet 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 overname wil de Monument Group binnen haar risicobereidheid op activa gebaseerde risico's op zich nemen en deze bedrijven of portefeuilles efficiënt exploiteren. De focus omvat twee hoofdgebieden, namelijk:

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

Performance

De huidige einddatum van het boekjaar van de Onderneming is 31 december. Dit verslag heeft betrekking op het jaar eindigend op 31 december 2022 met vergelijkingen van het voorgaande jaar voor de wettelijke periode van 12 maanden die eindigt op 31 december 2021. Kopieën van de jaarrekening van de Onderneming kunnen worden geraadpleegd op de website van de Nationale Bank van België.

De belangrijkste updates voor het bedrijf vanuit operationeel perspectief in 2022:

- Op het gebied van levensverzekeringen blijft de onderneming conform de verwachtingen presteren en afbouwen.
- In collectief leven (Integrale-portefeuille) ervoer Monument meer collectieve overdrachten en reductie dan verwacht. Het gedrag van klanten wordt gedreven door het ontbreken van winstdeling bij Integrale in de afgelopen twee jaar en de noodzaak voor MAB om als betrouwbare langetermijnpartner te worden erkend in het segment van de personeelsvoordelen.
- Het jaar 2022 werd gekenmerkt door een volatiel macro-economisch klimaat met rentestijgingen, inflatoire druk, vastgoed- en aandelenmarktdalingen.
- Dankzij gedisciplineerde financiële hedgingstrategieën en de IGR werd het economisch eigen vermogen van Monument niet negatief beïnvloed.
- In overeenstemming met haar risicobereidheid en beleggingsstrategie heeft MAB een deel van haar investeringen geheroriënteerd op particulier krediet, bedrijfsobligaties en infrastructuurschulden.
- Desinvesteringen die werden uitgevoerd om de uitstroom van afkoop in het collectieve leven het hoofd te bieden en de wijziging van de beleggingsmix in een groeiende renteklimaat hebben geleid tot opname van verliezen volgens de Belgische boekhoudnorm.
- De verandering in het macro-economische klimaat had ook gevolgen voor de beoordeling van de participatie van MAB in Monument Immo Management en dwong tot het boeken van verliezen op derivatenposities die werden aangehouden tegen rentebewegingen overeenkomstig de Belgische boekhoudnorm (BE GAAP).

De resultaten van het bedrijf voor de periode worden hieronder weergegeven in ***Section A. Business and Performance***. Het bedrijf rapporteerde over de verslagperiode een verzekeringstechnisch verlies van € 24,328,451m (2021: een winst van €12.772.271mt).

Bestuurssysteem

Het bedrijf heeft een bestuurssysteem opgezet dat geschikt is voor de bedrijfsstrategie en -activiteiten van het bedrijf. Er is een duidelijke delegatie van verantwoordelijkheden, rapportagelijnen en toewijzing van functies die zijn voorgeschreven door gedocumenteerde taakomschrijvingen en sleutelfunctiecharters. Het governancesysteem omvat vereisten met betrekking tot de geschiktheid en integriteit van personen die verantwoordelijk zijn voor sleutelfuncties, beloningspraktijken en uitbestedingsactiviteiten. Een aanzienlijk deel van de activiteiten en governanceregelingen van het bedrijf wordt uitbesteed aan het dienstverlenende bedrijf, MIES, een dochteronderneming van Monument Re.

Het bedrijf is geëvolueerd in het jaar 2022, de volgende wijzigingen moeten worden opgemerkt:

- Er werd een Auditcomité opgericht, dat de Raad van Bestuur ondersteunt.
- Een niet-uitvoerende bestuurder is op 28 juni 2022 vervangen door een andere niet-uitvoerende bestuurder.
- Een uitvoerend bestuurder heeft de vennootschap op 31 december 2022 verlaten. Zijn vervanger zal de rol van Chief Risk Officer overnemen, met hiërarchische verantwoordelijkheid voor de risicobeheerfunctie, de compliancefunctie en de functionaris voor gegevensbescherming (DPO). De Chief Risk Officer is ook de "personne-relais" voor de uitbestede actuariële functiehouder. Deze verandering versterkt de tweede verdedigingslinie. Daarnaast nam de voormalige Chief Risk Officer de rol van Chief Financial Officer over.
- De NBB en de FSMA keurden de voordracht van een nieuwe Compliance Officer goed op 20 december 2022, met inwerkingtreding op 1 januari 2023. De voormalige Compliance Officer blijft executive director en Chief Corporate Officer.
- Het Management Committee wordt ondersteund door het Extended MC en Management team.

De dagelijkse leiding van de onderneming gedelegeerd aan het Directiecomité (het “**Management Committee**” of "**MC**"). Alle onafhankelijke controlefuncties zijn, afgezien van de actuariële functie, geïnsourced binnen de Monument Re Group. Het directiecomité engageert zich om het bestuurssysteem binnen MAB te blijven versterken.

Verdere details over het governancesysteem van de Vennootschap worden hieronder gegeven in ***Section B. System of Governance***.

Risicoprofiel

Het risicobeheersysteem van de Onderneming staat in verhouding tot de aard, schaal en complexiteit van de risico's waaraan het bedrijf is blootgesteld. Het systeem omvat processen voor de identificatie, beoordeling, monitoring, beheer en rapportage van alle risicocategorieën. Het risicobeheersysteem omvat de eigen risico- en solvabiliteitsbeoordeling ("**ORSA**") die de raad van bestuur van MAB helpt bij het bepalen of er voldoende eigen vermogen is om de risico's van de vennootschap gedurende haar bedrijfsplanningshorizon te dekken.

De bedrijfsactiviteiten van de Onderneming geven voornamelijk aanleiding tot kredietrisico, marktrisico, acceptatie of verzekering en operationeel risico. Verdere details over het risicoprofiel van de Vennootschap worden hieronder gegeven in ***Section C. Risk Profile***.

Waardering voor solvabiliteitsdoeleinden

De balans van de Onderneming is in 2022 aanzienlijk toegenomen na de afronding van de AXA-transactie op 31 oktober 2022.

De asset-allocatie evolueert in overeenstemming met de beoogde asset-allocatie van MAB. In het bijzonder moet worden gewezen op de overname van de beleggingsportefeuille die op 18 oktober 2022 door EuroPrima NV werd verkocht. Deze overname stelde MAB in staat om € 352m in te zetten in fondsen die zijn blootgesteld aan zowel particuliere krediet- als handelsfinancieringsactivaklassen. De investering wordt beheerd in Monument ICAV en zal verder worden geherstructureerd om aan te sluiten bij de doelstrategieën van de verschillende compartimenten van de ICAV die Monument Re in 2019 heeft geïnstalleerd.

De actiefzijde van de balans vertoont ook een grote positie in herverzekeringsvorderingen (“reinsurance recoverables”). Dit zijn de vorderingen van de intra-groepsherverzekering.

Verdere details over de waardering van de Onderneming voor solvabiliteitsdoeleinden worden hieronder gegeven in ***Section D. Valuation for Solvency Purposes***.

Kapitaalbeheer

De structuur van het eigen vermogen van de Onderneming bestaat uit aandelenkapitaal en reconciliatiereserve (inclusief ingehouden winsten). Het Kapitaalbeheerbeleid is erop gericht ervoor te zorgen dat er te allen tijde voldoende kapitaal is om aan de wettelijke solvabiliteitsvereisten te voldoen. Het solvabiliteitskapitaalvereiste ("**SCR**") van de Onderneming wordt berekend met behulp van de standaardformule die is vastgesteld door de Europese Autoriteit voor verzekeringen en bedrijfspensioenen ("**EIOPA**").

De volgende tabel geeft een overzicht van het eigen vermogen en de solvabiliteitspositie van de Onderneming op 31 december 2022, met vergelijkingen van het voorgaande jaar (in € '000, met uitzondering van percentages):

	31 december 2022	31 december 2021
In aanmerking komend eigen vermogen ter dekking van het wettelijk solvabiliteitsvereiste	372,081	312,966
Solvabiliteitskapitaalvereiste	147,722	127,366
Minimumkapitaalvereiste	66,475	57,315
Verhouding eigen vermogen tot SCR	**252%**	**246%**
Verhouding eigen vermogen tot MCR	560%	546%

Het in aanmerking komend eigen vermogen is in de rapporteringsperiode aanzienlijk gestegen van € 312,9m tot € 372,1m. Deze stijging was voornamelijk het gevolg van de overname van de AXA-portefeuille in oktober 2022, waarbij een kapitaalinjectie van € 50m werd uitgevoerd.

De SCR steeg van € 127,4m naar € 147,7m over de verslagperiode. Deze wijziging is ook hoofdzakelijk het gevolg van de voormelde verwerving en daaropvolgende herverzekering die van toepassing is op de gehele balans van de Onderneming. De absolute MCR van € 66,5m stijgt met € 9,2m ten opzichte van 2021. De solvabiliteitsratio van de Onderneming steeg van 246% naar 252% gedurende de rapporteringsperiode.

Verdere details over het eigen vermogen en SKV van de Onderneming zijn te vinden in ***Section E. Capital Management***.

Conclusies en aanbevelingen

Ter uitvoering van haar strategie heeft de Onderneming de overname van één portefeuille in 2022 afgerond, namelijk de AXA-portefeuille met de bijhorende kapitaalinjectie.

Bovendien sloot de Onderneming een overeenkomst met een Belgische verzekeringsmaatschappij voor een levensverzekeringsboektransactie. Deze transactie is bedoeld om in de loop van Q3 2023 te voltooien, onder voorwaarde van de goedkeuring van de toezichthouders.

In lijn met de groei van de Onderneming moet de Onderneming zijn bestuurssysteem blijven versterken. Zo zal de oprichting van bijkomende gespecialiseerde comités in 2023 worden beoordeeld conform artikel 52 van de Solvabiliteit II-wet.

Over het algemeen is de Onderneming toegewijd om aan de Solvabiliteit II-principes voldoen om wereldwijde naleving te garanderen.

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 2022. 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 Law**”).

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, and branch 1a non-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 the framework of the purchase of the AXA-portfolio of 25 October 2022, MAB received the license for accidents other than accidents at work and occupational diseases (branch 1a, non-life). Since the Company’s core activity is the management of life insurance, it was decided to cancel these policies in line with the conditions of Article 85 of the Insurance Act of 4 April 2014 as well as Article 7 of the General Terms and Conditions (Contract Duration). MAB has no intention to underwrite these insurances in the future.

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. Over 2022, MAB utilized the support of two service companies. The following occurred in 2022:

- Monument Insurance European Services NV ("**MIES**") and Monument Assurance Belgium Services SA ("**MABS**") provided support services to MAB on the basis of a critical outsourcing agreement. In addition, both entities were registered as insurance intermediary in order to provide the policy administration of the acquired books. Furthermore, MIES has a branch in Ireland, which provides, amongst others, support services to the Irish Monument entity.
- On 31 December 2022, MABS merged into MIES. Consequently, as of 1 January 2023, there is only one Belgian service company providing support to MAB. There is no significant impact on the services delivered, 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;
- 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 the following life insurance portfolios were acquired:

- 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**") (27,309 policies as at 31 December 2022).
- 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) (4,382 policies as at 31 December 2022). 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 transitional outsourcing agreement, until October 2022, has been concluded

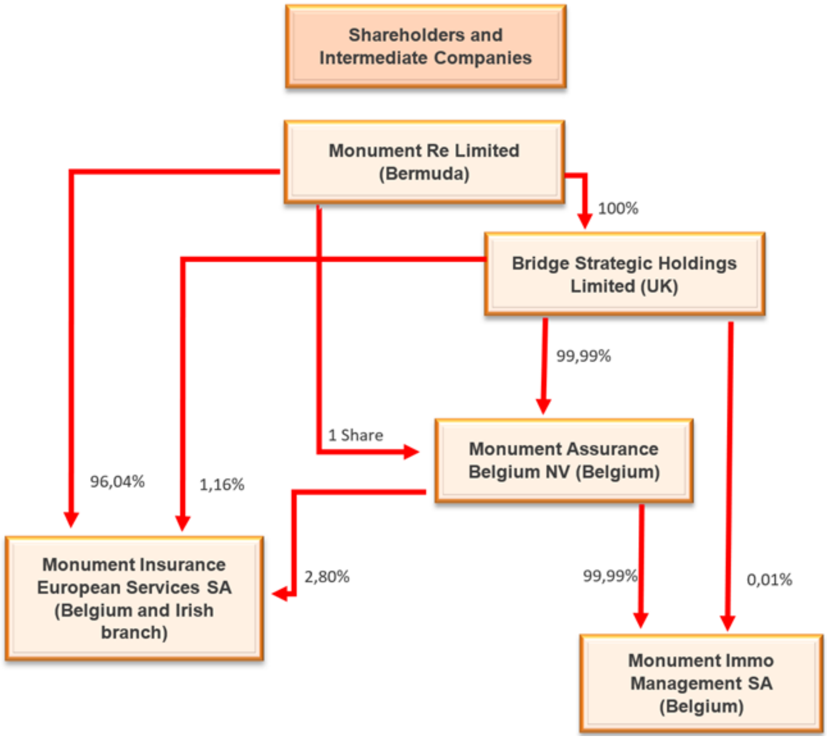
with Allianz Benelux SA, regarding the policy administration of this portfolio. This acquisition relates to a closed-book portfolio of classical life insurance policies (70,656 policies as at 31 December 2022) together with mortgages (3,400 policies as at 31 December 2022) (the "**Allianz Portfolio**").

- 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 (263,599 policies as at 31 December 2022) (the "**Integrale Portfolio**"). The policy administration was done by Monument Assurance Belgium Services SA ("**MABS**"), which merged into Monument Insurance European Services SA ("**MIES**") on 31 December 2022, on the basis of an outsourcing agreement.
- On 31 October 2022, AXA Belgium NV transferred the following books to MAB: (i) classic life insurance contracts in branches 21 and 22 (without flexible premium) (including the supplementary insurances herewith, (ii) life insurance contracts in branch 21 and non-life insurance contracts in branch 1 subscribed by Family Protect NV between 2010 and 2016 or by AXA Belgium NV between 2013 and 2018 under the title "Capital Cash", "Cover Cash", or "Accidental Cash", (iii) life insurance contracts in branch 23 underwritten between 2012 and 2015 under the title "Happy Life" (176,122 policies as at 31 December 2022) (the "**AXA portfolio**"). In order to guarantee a smooth transition between the insurer companies, MAB and AXA Belgium NV concluded a transitional outsourcing agreement, in which AXA Belgium NV continues with the policy administration of this book.

The Company continues to actively appraise opportunities for further growth in the Belgian market. In that light, the Company has concluded on 6 January 2023 a portfolio transfer agreement with a Belgian insurance company. This agreement covers a closed book portfolio, mainly classic life insurance (c. 6,000 policies) and the underlying coverage assets related to the Insurance portfolio.

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 2022 to include coverage of the AXA Portfolio at 31 October 2022. The AXA IGR is at 75% and a capital injection of €50m has been completed.

The ownership structure of MAB and MIES 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 2022 with prior year comparatives for the 12-month statutory period ending 31 December 2021. Copies of the Company's financial statements may be obtained from the website of the National Bank of Belgium.

The main updates for the Company from an operational perspective during 2022:

- In life retail, the Company continued to perform and run-off in line with expectations and economic performance metrics continue to report as anticipated.
- In collective life (Integrale portfolio), Monument has experienced higher collective transfer and reduction phenomenon than expected. Corporate customer behaviour is driven by the absence of profit sharing at Integrale during the last two-years and the need for MAB to be trusted as a long term partner in employee benefit segment.

- The year 2022 was marked by a volatile macroeconomic environment with interest rate rise, inflationary pressures, real-estate and equity market downturns.
- Thanks to disciplined financial hedging strategies and the IGR, the economic own funds of Monument were not negatively affected.
- In accordance with its risk appetite and investment strategy, MAB has re-oriented part of its investments towards private credit, corporate bonds and infrastructure debts.
- Divestures performed to face surrender outflows in collective life and the modification of the investment mix in a growing interest rate environment led to losses recognition under Belgian accounting norm.
- The change in macro-economic environment also affected the appraisal of MAB's participation into Monument Immo Management and imposed to book losses on derivative position held against interest rate movements in accordance with Belgian accounting norm (BE GAAP).

The Company's results for the period are shown below in ***Section A. Business and Performance***. The business reported an underwriting loss for the reporting period of €24,328,451m (2021: a gain of €12,772,271m).

System of Governance

The Company has established a system of governance which is appropriate to the Company's business strategy and operations. There is clear delegation of responsibilities, reporting lines and allocation of functions prescribed by documented 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 service company, MIES, a subsidiary of Monument Re.

The Company has evolved over the year 2022, the following changes are to be noted:

- An Audit Committee, supporting the Board of Directors, has been established.
- A non-executive director has been replaced by another non-executive director on 28 June 2022.
- An executive director has left the Company on 31 December 2022. His replacement will take over the role of Chief Risk Officer, having hierarchical responsibility over the risk management function, the compliance function, and the Data Protection Officer. The Chief Risk Officer is also the "personne-relais" for the outsourced actuarial function holder. This change strengthens the second line of defence. In addition, the former Chief Risk Officer took over the role of Chief Financial Officer.

- The NBB and FSMA approved the nomination of a new Compliance Officer on 20 December 2022, with entry into force 1 January 2023. The former Compliance Officer remains executive director and Chief Corporate Officer.
- The Management Committee is supported by the extended MC and Management team.

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.

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, underwriting or insurance 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 2022 following the closing of AXA transaction the 31st of October 2022.

The asset allocation evolves in accordance with the target asset allocation of MAB. One must especially note the acquisition of and investment portfolio sold by EuroPrima NV the 18th of October 2022. This acquisition allowed MAB to deploy €352m into fund exposed to both private credit and trade finance asset classes. The investment is managed into Monument ICAV and will be further restructured to match the target strategies of the different sub-funds of the ICAV installed by Monument Re in 2019.

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 2022, with prior year comparatives (in € '000, except for percentages):

	31 December 2022	31 December 2021
Eligible Own Funds to cover Regulatory Solvency Requirement	372,081	312,966
Solvency Capital Requirement	147,722	127,366
Minimum Capital Requirement	66,475	57,315
Ratio of Own Funds to SCR	**252%**	**246%**
Ratio of Own Funds to MCR	560%	546%

Eligible Own funds increased significantly over the reporting period from €312,9m to € 372,1m. This increase was principally due to the acquisition of the AXA portfolio in October 2022 where a capital injection of €50m was carried out.

The SCR increased from € 127,4m to € 147,7m over the reporting period. This change is also principally due to the aforementioned acquisition and subsequent reinsurance applicable on the whole balance sheet of the Company. The absolute MCR of € 66.5m increases by €9,2m compared to year-end 2021. The solvency ratio of the Company increased from 246% to 252% over the reporting period.

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 one portfolio in 2022, i.e. the AXA Portfolio with the associated capital injection.

Moreover, the Company entered into an agreement with a Belgian Insurance company for a life insurance book transaction. This transaction is envisaged to complete over the course of Q3 2023, after regulatory approval.

In line with the growth of the Company, the Company has to continue to strengthen its system of governance. For instance, the establishment of additional specialized committees will be assessed in accordance with Article 52 of the Solvency II Law in 2023.

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 is closed to new business. The Company has a license for:

- life insurance branches: 21, 22, 23 and 26
- non-life branches: 1a

<u>Name and registered office of the Company is:</u>

Monument Assurance Belgium NV|SA
Koning Albert II-laan 19 (8° verdieping|étage|floor)
BE-1210 Brussels

The shareholders' meeting of the Company is set for the 15th day of May. The articles of association were last coordinated on 28 October 2022, following a capital increase in the amount of €50,000,000.

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

<u>Local Supervisors:</u>

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

<u>Group supervisor of the Group to which the Company belongs:</u>

Bermuda Monetary Authority
BMA House
43 Victoria Street
Bermuda, Hamilton

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

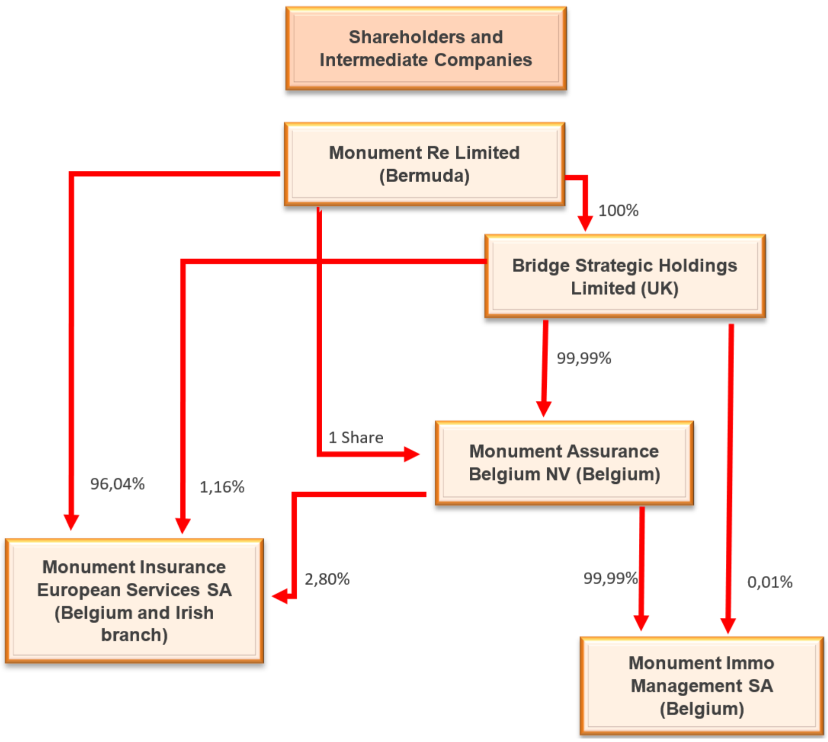
PricewaterhouseCoopers Bedrijfsrevisoren
Mr. Tom Meuleman and Ms. Dominique Van de Peer
Culliganlaan 5
BE-1831 Machelen

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 2.8 % of MIES, while 96.04% is owned by Monument Re Limited ("**MonRe**") and 1.16% is owned by Bridge Strategic Holdings limited, as a result of the merger of Monument Assurance Belgium Services SA into Monument Insurance European Services SA on 31 December 2022.
- MAB owns 99.99% of the shares in Monument Immo Management ("**MIM**").
- MAB owns some shares in different companies following the Integrale portfolio transaction.

The ownership structure of Monument in Belgium as at 31 December 2022 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, multiple 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.

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.

Monument Insurance European Services NV

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 NV ("**MIES**"). On 31 December 2022, Monument Assurance Belgium Services SA ("**MABS**") merged into Monument Insurance European Services NV ("**MIES**"), creating one Belgian service company. Subsequently, MIES is MAB's most important OSP for policy administration. MIES is regulated by the FSMA as an insurance intermediary.

Significant Events

Significant events can be found below in ***Section A.1 (g) 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). Lastly, the Company obtained in 2022 the license for non-life insurance, namely accidents other than workplace accidents (branch 1a). Since the Company's core activity is the management of life insurance, it was decided to terminate the non-life policies, acquired following the AXA transaction, in line with the legal and contractual requirements. MAB has no intention to underwrite these insurances in the future.

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
202112	1,910	58	78	4	**2,050**
202212	1,891	58	75	3	**2,027**
Evolution (YTD)	**-19**	**0**	**-3**	**-1**	**-23**

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	22,038	7,987	30,025
202112	19,702	7,607	27,309
Evolution (YTD)	**-2,336**	**-380**	**-2,716**

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Total
202112	0	132	26,085	3,808	30,025
202212	0	119	23,666	3,524	27,309
Evolution (YTD)	**0**	**-13**	**-2419**	**-284**	**-2,716**

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 2022, the NCN portfolio consisted of approximately 4,382 policies.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	**Total**
202112	35	4,420	0	0	4,455
202212	35	4,347	0	0	4,382
Evolution (YTD)	**0**	**-73**	**0**	**0**	**-73**

Allianz Portfolio

The Allianz classic life insurance, excl. flexible premium, portfolio was acquired on 1 April 2021. The majority, branch 21 products, consists 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 3,400 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**
202112	2,186	1,047	63,605	12,609	**79,447**
202212	1,936	910	57,251	10,559	**70,656**
Evolution (YTD)	-250	-137	-6,354	-2,050	**-8,791**

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 on 31.12.2022	Number of Policies on 31.12.2021	Difference number of policies
MAB	Universal Life	N/A	19,864	22,620	**-2,756**
	Traditional Life	N/A	4,653	4,831	**-178**
	N/A	Defined Benefit	8,916	10,919	**-2,003**
	N/A	Defined Contribution (without sector plans)	157,182	165,036	**-7,854**
	N/A	Defined Contribution – sector plans	71,332	64,159	**7,173**
	N/A	Cash Balance	909	620	**289**
	Unit Linked	N/A	692	1,097	**-405**
	N/A	Unit Linked	51	55	**-4**
	Annuities	N/A	486	431	**55**
	N/A	Annuities	2,696	2,540	**156**
	N/A	Annuities – disability	41	22	**19**
Total	N/A	N/A	**263,599**	**272,330**	**-8,731**

The following observations can be noted:

- The reduction of number of policies is mainly driven by the arrival of the fiscal maturity of the Certfilex-8 policies, arrival to maturities and the collective transfer of employee benefit plans.
- The increase of policies in the sector scope is due to an important turnover in the affiliates. There is an increase to the number of annuitants due to new claims on the disability scope and conversion of pension capital into annuities in accordance with the option offered by the complementary pension law.

AXA Portfolio

On 25 October the NBB approved the AXA book transaction with entry into force 31 October 2022. The AXA book consists of the life assurance contracts belonging to branches 1, 21, 22 and 23. More specifically, the life insurance book consisted of:

- Classical Life:
  - Pillar 2: employer-sponsored contracts (with optional employee contributions), as well as specific contracts for self-employed people.
  - Pillar 3: tax-deductible individual pension savings. Two regimes exists (which can be combined) with different maximums for the tax deductible premium: the "pension saving" regime and the "long-term saving" regime.
  - Pillar 4: non-tax deductible individual pension savings.
- Annuities: The annuities were migrated to the Imagine policy administration platform and presented as part of the Integrale book of business administered by the Liège office of MIES, previously known as MABS.
- Happy Life: Happy Life is a post-retirement branch 23 product designed to capture pension savings in exchange of annuity payments.
- Cash: The AXA Insurance Portfolio includes one Branch 1 non-life insurance product, i.e. 'Accidental Cash'. This product provides insurance against personal life accident leading to death, hospitalization and/or total permanent incapacity. Benefit takes the form of a lump sum payment in case of death or incapacity and to a daily flat payment in case of hospitalization. Since the Company's core activity is the management of life insurance, it was decided to cancel these policies in line with the conditions of Article 85 of the Insurance Act of 4 April 2014 as well as Article 7 of the General Terms and Conditions (Contract Duration). MAB has no intention to underwrite these insurances in the future.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Happy Life	Cash	Total
202212	3,173	2,436	130,969	20,016	58	19,470	176,122

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

The following significant events occurred during the year 2022:

- MAB has continued to implement the structural Work From Home Policy, where staff should go to the office 3 days a week post-Covid.
- In Q4 2022, MAB migrated the Allianz Portfolio from the Allianz policy administration systems and archives into the Monument policy administration systems and archives. Consequently, the transitional services agreement with Allianz Benelux SA has ended.
- On 31 December 2022, MABS merged into MIES, subsequently there is one intra-group service company in Belgium, MIES. There was no significant impact on the services delivered by MABS or MIES to MAB, on the basis of a critical outsourcing agreement, following the merger. The services continue through MIES.
- Following the due diligence work in 2022, MAB signed on 6 January 2023, the portfolio transaction agreement with a Belgian insurance company on the sale of its retail life portfolio, which is a mix of second and third pillar life insurance agreements. The life insurance book is a mix of third pillar and second pillar contracts. The book contains 6,7k policies with total reserves of €124m and 52 annuity policies with a total reserve of €2m. The license for the entire book is a Branch-21 license.

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 ("**BE GAAP**").

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 table present the operating performance as reported in the Company's financial statements for the year ended 31 December 2022. Prior year comparatives are for the year ended 31 December 2021.

We hereafter define the operating performance as the sum of the different profit and loss component excluding realized and unrealized losses on investments and derivatives. This view provides an understanding of the recurring profitability of the life activities excluding impact stemming out from loss and gains realized on divestures and impairments booked on assets.

Given the business model of Monument and the use of intra-group reinsurance, the different building blocks of the operating performance is affected by the quota share cession of underlying component. We hereafter present reinsurance impact for each component.

The table provides a consolidated view for the whole insurance activities of MAB with a ventilation of the branch 23 line of activity.

MAB Profit and Loss (000's)	Year-End 2022	Year-End 2021
Net Underwriting Income	**42.988**	**(5.815)**
Premiums	*2.555.694*	*1.076.797*
Claims	*(497.135)*	*(87.554)*
Change in Reserves	*(2.013.394)*	*(1.008.277)*
Reinsurance Impact	*(2.177)*	*13.218*
Operating Expenses	**(9.124)**	**(14.546)**
Gross Operating Expenses	*(34.747)*	*(23.627)*
Reinsurance Impact	*25.622*	*9.081*
Net Investment Income	**17.355**	**(230)**
Investment Income	*82.934*	*12.050*
Amortisation	*(13.107)*	*(12.124)*
Reinsurance Impact	*(52.472)*	*(155)*
Unit-linked Result	**179**	**0**
Other Income or Loss	**3.738**	**36.153**
Operating Result	**55.136**	**15.562**

One can observe a positive operating performance of €55,136k.

The magnitude of premiums and change in reserve reported in net underwriting income component is driven by the transfer of AXA portfolio in 2022 and Integrale portfolio in 2021.

A.3 Investment Performance

A.3 (a) Income & expenses

The table below provides an overview of the investment P&L net of investment expense and IGR reinsurance.

The net contribution of investment P&L to MAB result in 2022 is a loss of €57,259k. The net recurring income of €17,355k being more than compensated by market driven losses of €74,614k net of IGR reinsurance.

This negative result is driven by loss realization on bonds and derivatives, impairments on participations and the accounting of derivatives at the lowest of cost or market under BE GAAP.

MAB Profit and Loss (000's)	Q4 2022 (YTD)	Q4 2021 (YTD)
Net Investment Income	**17.355**	**(230)**
Investment Income	*82.934*	*12.050*
Amortisation	*(13.107)*	*(12.124)*
Reinsurance Impact	*(52.472)*	*(155)*
Unrealised Investment Gain (Loss)	**(31.083)**	**(2.073)**
Derivatives (measured at LoCoM)	*(48.620)*	*(8.710)*
Other Assets	*(34.530)*	*0*
Reinsurance Impact	*52.066*	*6.637*
Realised Investment Gain (Loss)	**(43.122)**	**1.415**
Derivatives	*(95.107)*	*4.591*
Bonds	*(278.560)*	*358*
Other Assets	*20.229*	*665*
Reinsurance Impact	*310.316*	*(4.199)*
Net Forex Gain / (Loss)	**(409)**	**0**
Gross FX	*(2.806)*	*0*
Reinsurance Impact	*2.397*	*(0)*

The Company's investment expenses (gross of reinsurance) reported in the financial statements for the year 2022 were €4,917m. Investment income disclosed in the previous table is net of the investment expense.

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, GSAM, to invest in securitizations. Any change to allow GSAM 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

Consolidated BE GAAP result

Table below provides an overview of the P&L of MAB under BE GAAP norm.

One can observe that the positive operating performance is more than compensated by the realized and unrealized investment losses booked in the P&L.

Given the non-deductibility of losses incurred on participation, MAB has booked a tax provision for the corporate income tax of €4,85m.

MAB Profit and Loss (000's)	Year-End 2022	Year-End 2021
Net Underwriting Income	**42.988**	**(5.815)**
Operating Expenses	**(9.124)**	**(14.546)**
Net Investment Income	**17.355**	**(230)**
Unit-linked Result	**179**	**0**
Other Income or Loss	**3.738**	**36.153**
Operating Result	**55.136**	**15.562**
Unrealised Investment Gain (Loss)	**(31.083)**	**(2.073)**
Realised Investment Gain (Loss)	**(43.122)**	**1.415**
Net Forex Gain / (Loss)	**(409)**	**0**
Adjusted Investment Result	**(74.614)**	**(658)**
Result before tax	**(19.478)**	**14.904**
Tax	*(4.850)*	*(2.132)*
Result after tax	**(24.328)**	**12.772**

Other

The Company benefits from the IGR-Treaties entered into between MAB and Monument Re.

One must distinguish the reinsurance treaty entered in force the 31th December 2018 and deploying proportional cession of underwritten risks on all transactions except Integrale and the reinsurance treaty dedicated to Integrale's transaction where specific investment portfolio are deployed and where an adjustment mechanism is foreseen to cover the risk on MAB participation into MIM.

Under the Reinsurance Agreements Monument Re reinsures all liabilities arising out of the Company's portfolio, covering market, insurance and operational (expense) risks.

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 outsourcee, 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 performance more generally not performing as expected.

The reinsurance also 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 on the expenses incurred on the MAB life business portfolio for the quota share percentage specific to each transactions. MAB covers this risk for the non-ceded part.

Within the Monument group, risk limits on several high level ESG metrics in relation to Monument Re's investment portfolios are approved.

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;
- Carlo Elsinghorst, 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
- Adrien Collinet, executive director.[1]

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 2022, the Board of Directors convened seven 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:

[1] Mr. Cobley was the executive director of MAB until 31 December 2022.

- 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 Integrity policy
- Supervision of the activities and the MC
- the risk policy
- the Company's corporate and effective governance
- the Company's Remuneration Policy

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;
- Natacha Delie;
- Jean-Philippe Aoust;
- Adrien Collinet.

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 – 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 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 Company's Board; and
- Compliance – monitor and manage regulatory developments and any compliance issues.

The MC convenes on a weekly basis (with the exception of July and August) on the basis of a rolling agenda. Each weekly meeting is set a specific theme, so the members of the MC can discuss the topics in depth. The Management Committee covered a range of topics, dedicating one week a month to each of these themes, including:

- Change – IT;
- Operations – Outsourcing;
- HR - Legal & Compliance - Internal audit;
- Financial - Actuarial - Investment – Risk.

In addition, if there were five Management Committees in a month, an open session was held to discuss any outstanding issues or new developments. Outsourcing topic is integrated in the MC's rolling agenda.

The Committee evaluates on a regular basis the periodicity of its meetings. The MC invites on a regular basis expert for particular sections of their meeting and may ask other members of the Company or Group to attend the committee meetings from time to time so they are able to take proper decision after having being duly informed.

Internally, the MC is advised by senior managers in regard to various topics like: projects, outsourcing, HR and actuarial. Senior managers can be invited to MC meetings, but have no decision power. Key senior managers who report to the MC are the Head of HR and the Chief Operations Officer.

Specialised committees

Pursuant to Article 52, §1 of the Belgian Solvency II Law, 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.

The Board of Directors agreed during the Board meeting of 28 March 2018 that they do not 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, a Risk Committee ("**RC"**) and an Investment Committee ("**IC**").

Following the growth of the Company, MAB intends to increase the governance over the Company. A local Audit Committee ("**AC**") has been established in 2022. The AC advises the Board and make recommendations to the Board regarding 1) the annual accounts, 2) the financial reporting, 3) the statutory auditor and 4) Internal Audit. The AC shall consist of at least three members. All members of the AC shall be non-executive Directors of the Company, a majority of whom shall be independent directors. The AC shall meet at least quarterly per annum at appropriate intervals in the financial reporting and audit cycle, plus additional meetings as necessary or as determined by the Chairman. The first meeting was held on 8 September 2022.

The establishment of other specialized committees, like the Risk Committee, will be assessed in accordance with Article 52 of the Solvency II Act in 2023.
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. On 31 December 2022, MABS merged into MIES, thus creating one Belgian intra-group service company supporting MAB. 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. Since August 2022, the independent control functions hold a monthly coordination meeting in order to exchange common findings, challenges and to align on the second and third line approach within MAB.

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. The Chief Risk Officer is the "personne-relais" for the outsourced activity of the actuarial function holder.

- 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.

- Internal audit function:

  The internal audit activities are outsourced to the Irish branch of MIES. The CEO of MAB is the "personne-relais" for the outsourced activity of the internal audit function, whilst the Irish branch of MIES performs 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.

- 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.

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

The composition of the Board and MC has changed due to the growth of the Company. The following changes have occurred over 2022:

- An Audit Committee has been established in 2022;
- Mr. Elsinghorst replaced Mr. Brogden as non-executive director on 28 June;
- Within the MC, Mr. Cobley has left the Company on 31 December. He is being replaced by Mr. Collinet. In addition, the former Chief Risk Officer took over the role of Chief Financial Officer.
- In order to strengthen the second line of defence, a new Compliance Officer and will report to the chief risk officer, who will be hierarchical responsible for the compliance function as of 1 January 2023.

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

There were no other material changes in the system of governance during the year ended 31 December 2022 than those mentioned in this section.

B.1 (c) Remuneration Policy and practices

Principles of the Remuneration Policy

MAB adopted the Monument Re Remuneration Policy of 15 December 2021. The Board assessed, on 30 March 2022, the general principles of the Remuneration Policy as fit for MAB's business, taking into account that a Belgian Annex is added to the Monument Group Remuneration Policy. The purpose of the Belgian annex is to adhere to the specific remuneration requirements as set for Belgian insurance companies especially Article 275 of the Delegated Regulation 2015/35 and Section 8 of the NBB Governance Circular.

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 principles of the Remuneration Policy are the following:

- The Identified Staff within the scope of the Belgian annex are:
  - The directors of the Company;
  - The responsible persons for the Independent Control Functions at MAB;
  - The staff members of MAB whose work, performed individually or as a team such as a department or section of a department, has or could have a material influence on the risk profile of MAB (so-called "Risk Takers"). As of date, no Risk Takers are identified.
- The non-executive Board members, except the independent directors, perform their mandate on a non-remunerated basis;

- A director's mandate cannot be held under an employment contract. Directors must have 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 and client administration of the portfolio to its Belgian service companies, MIES and agreed third parties;
- 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. Regarding the Identified Staff, the fixed income is sufficient, so there is no reliance on the variable income. A substantial part of the variable remuneration for Identified Staff is deferred. The deferral percentage shall in aggregate not be less than 40% of the total variable remuneration granted in any particular financial year. The deferral period shall not be less than three years and the period shall be correctly aligned with the nature of the business, its risks, and the activities of the Identified Staff in question;
- The variable portion of the remuneration of the Identified Staff reflects individual performance, the business unit, MAB and the Monument group. For the individual performance, quantitative and qualitative criteria will be taken into account For the Independent Control Functions, the variable remuneration shall be independent from the performance of the operational units and areas that are submitted to their control.

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. In essence, the variable remuneration only consists of a one-year variable or short-term incentive. A multi-year variable or long-term incentive is only in exceptional cases. 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. Thus, 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 by the Company. 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 concluded two quota share intragroup agreements ("**IGR-treaty**"):

- One put in place in January 2019 with effective date of 31 December 2018 and that covers the various portfolio underwritten by MAB. The IGR-treaty was amended and restated in 2022 in order to incorporate the acquired AXA portfolio.
- One IGR treaty is put in place in December 2021 to cover the acquired Integrale portfolio.

Finally, MAB has an outsourcing agreement with its service company MIES. Three MAB directors are also director in this service company 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 MABS into MIES on 31 December 2022. MAB holds 2.80 % of the shares in MIES.

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 & Proper requirements

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

The Fit & Proper Policy, outlined at Monument Re Group level, is applicable to all individuals identified as control function holders at the Monument group. The MAB Board of Directors 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 "persons concerned": Board members, MC members, responsible persons of independent control functions, senior management of a branch and the senior managers (N-1) as decided by the MC ("**persons concerned**").

MAB is committed to ensure that the Company adheres to the local regulations regarding the Fit & Proper Framework. For MAB, this means compliance with the Belgian Solvency II Law 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 5 May 2020 on the Overarching Circular concerning the Governance System ("**NBB Governance Circular**");
- NBB Manual on the assessment of suitability (fit & proper) of 20 December 2022 ("**Fit & 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 & 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": theoretical knowledge, experience, skills, independence, and time commitment.
- Principles in regard to "propriety": a person's honesty and integrity.

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.

MAB adheres through the External Functions Policy to the Belgian principles set out in the Royal Decree of 8 February 2022 on the approval of the NBB regulation of 9 November 2021 and the NBB Communication of 12 July 2022 on the exercise of external functions by managers and persons responsible for independent control functions of regulated companies. 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 & Proper Policy describes the level of due diligence required at recruitment stage for each person concerned. 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 is submitted to the NBB or new elements are discovered in regard to directors.

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 fitness and propriety criteria. The candidate's record is also considered as an indicator of character, honesty, integrity, fairness, and ethical behaviour.

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 & 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 & Proper qualifications of and process assessing are reported in the Regular Supervisory Report and the Solvency Financial Condition Report.

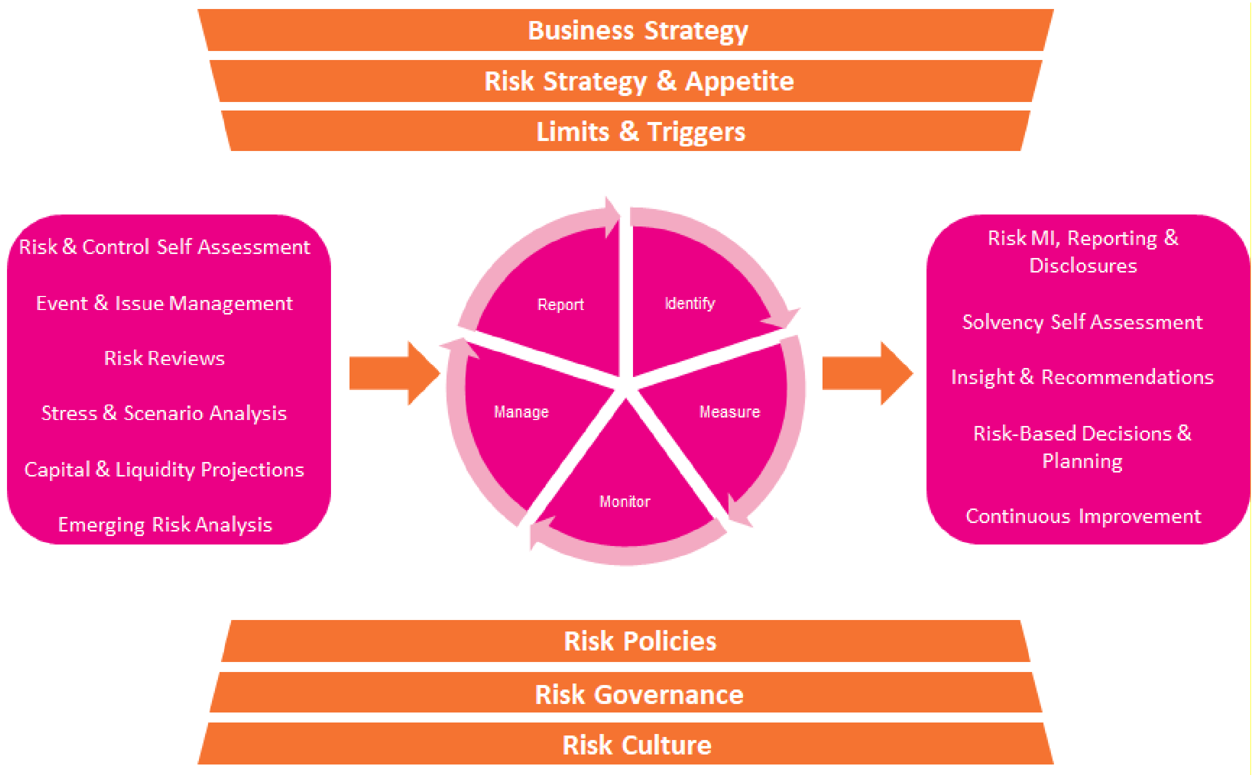
In regard to the exercise of external functions, the MC must approve formally, on a case-by-case basis, the potential exercise of each external function for a director or responsible of an independent control function, unless the exercise is a proposal of MAB. The MC advices the Board in regard to non-executive directors. 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 Board considers the business strategy of the Company in determining the risk appetite of the Company. 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
- Sustainability risk

The Risk Management Framework covers both existing risks and emerging risks, the latter being specifically considered at regular emerging risks forums at Group level.

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.

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 analysis;
- capital 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:

Description	Review Responsibility				
	Board	Board acting as Risk Committee	Executive Committee	CRO	Risk Management Function
Expected or actual breach of Risk Tolerance	X	X	X	X	X
Breach of Risk Trigger		X	X	X	X
Breach of Risk Limit		X	X	X	X
New Risk identified and rated High[2]			X	X	X
New Risk identified and rated Medium or lower[1]				X	X
Breach of a Risk Policy				X	X
Query regarding interpretation of this Policy					X

[2] See Risk and Control Classification procedure

B.3 (b) Implementation and integration of the risk management system into the organization 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 organizational 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 coordinates 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. The Actuarial Function Holder provides an opinion on the ORSA process.

The ORSA includes an assessment:

- of the Company's view of the capital required for the business, the own solvency needs, as distinct from the capital which is required under regulation.
- the Standard Formula taking into account the risk profile of the Company.

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. As stated in the ORSA, 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.

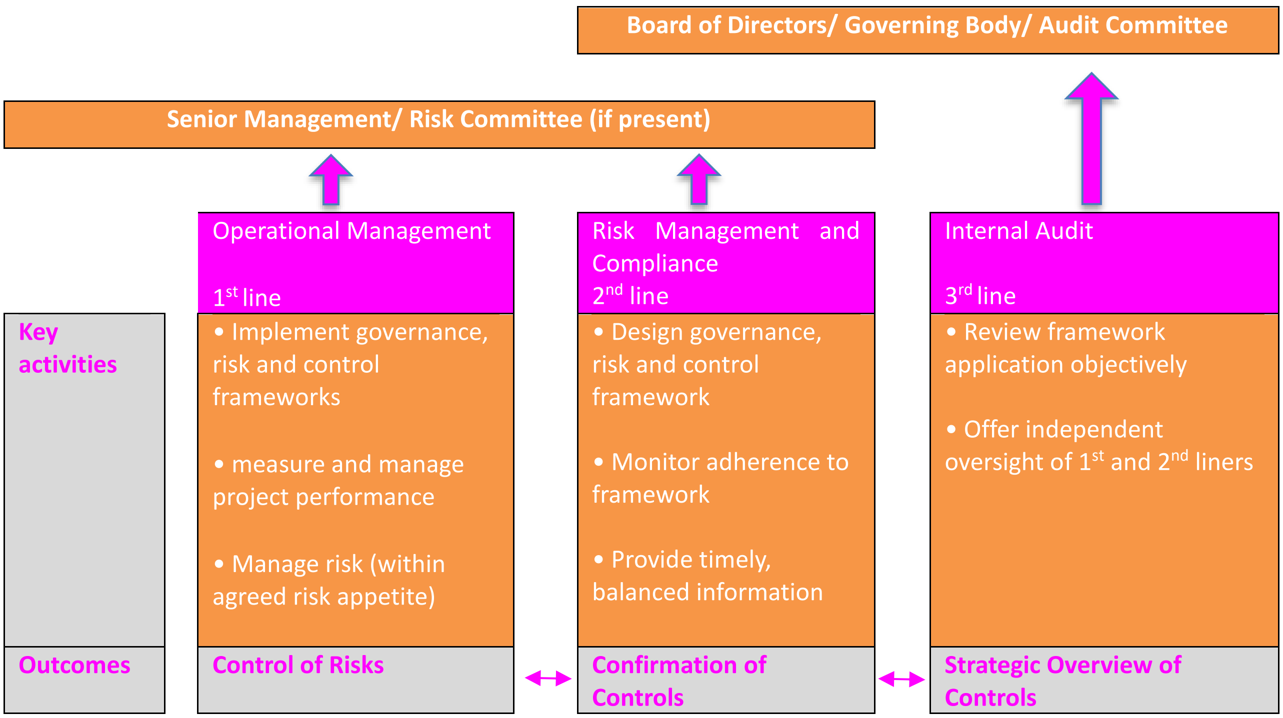
The Board has established an Internal Control practice through different policies that outline the processes by which the internal control system is implemented to provide for and maintain the suitability and effectiveness of internal control. The policies outline the roles and responsibilities, procedures 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. A coordination meeting between the second line and third line of defence has been set up since August 2022. 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 defence 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 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 risk management function 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. 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. Since August 2022, the Compliance Officer is part of the independent control functions coordination meeting in order exchange common findings, challenges and to align on the second and third line approach within MAB.

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 the Irish Branch of MIES.

A designated representative from the MC, in this case the CEO, has overall responsibility ("p*ersonne-relais"*) for the outsourced activity of the internal audit function. The Head of Internal audit ("**HoIA**") is invited to attend Management Committee meetings 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 Audit Committees.

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 Audit Committee on a quarterly basis. The annual audit plan is also reported to the Audit Committee in the fourth quarter.

Since August 2022, the actuarial function holder is part of the independent control functions coordination meeting in order exchange common findings, challenges and to align on the second and third line approach within MAB.

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 Audit Committee 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 have been outsourced to an external OSP. The Chief Risk Officers is the "personne-relais" for the outsourced activity of the actuarial function

Since August 2022, the actuarial function holder is part of the independent control functions coordination meeting in order exchange common findings, challenges and to align on the second and third line approach within MAB.

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. The Company has set out clear policies in order to manage the different OSP relationships, and particularly:

- The Outsourcing Policy:

  The purpose of the Outsourcing Policy is to outline the minimum standards and 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 (key roles and responsibilities of management) during the pre-contractual, contractual and post-contractual stage of all outsourced functions or services. 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, retention of insurance documents. Ultimately, the role of the Outsourcing Manager, governing bodies, compliance department, risk 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 define the internal processes to be followed with respect to outsourcing of services to ensure a consistent and documented approach to outsourcing across the Company.

The Company ensures strict adherence to all applicable rules and regulations, including Section 7 of 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 MAB. 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 as set in the Circular of 5 May 2020 on the recommendations of the Bank regarding cloud outsourcing.

An appropriate level of due diligence shall be conducted prior to completing the selection process, taking into account the criticality assessment of the OSP. The Company must notify the relevant regulatory authority in writing of any outsourcing of a critical or important function or of a critical change in regard to the outsourcing of existing critical or important functions.

Over 2022, all OSP's were monitored and reviewed by the Outsourcing Manager on a regular basis (at least quarterly) and reports were shared on OSP's oversight with the Management Committee on a monthly basis. 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

MAB (sub)outsources services to 17 service providers, divided in 2 categories (intra-group and extra-group service providers). MAB outsourced critical and/or important functions to 14 service providers. Furthermore, there are two independent control functions.

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, Human Resources, IT and Change, Actuarial support, Risk Support, Relationship Management, Record Management, Legal support services, compliance	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	UK
Extra-Group	External Archiving	Belgium
Extra-Group	Mortgage loan services	Belgium
Extra-Group	Management of disability products	Belgium
Extra-Group	Certiflex policy administration	Belgium
Extra-Group	Policy Administration AXA	Belgium
Extra-Group	External inbound, DMS & digital archives services	Belgium

B.8 Any other information

The system of governance is considered appropriate for the Company. There is no other material information regarding the system of governance of the Company other than what has been reported in this section.

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, activities (closed books) and type of products the Company maintains adherence to all local statutory and regulatory reporting requirements. In line with the growth of the Company, the establishment of additional specialized committees will be assessed in accordance with Article 52 of the Solvency II Law in 2023.

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 Law, 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 (excl. Branch 23) BE GAAP on a gross and net of reinsurance basis as per 31 December 2022, with prior year comparatives:

BE GAAP	31 December 2022		31 December 2021	
Country	Gross policy reserves € '000	Net policy reserves € '000	Gross policy reserves € '000	Net policy reserves € '000
Belgium	6,219,319	793,477	4,029,646	253,750

The large increase between 2021 and 2022 is explained by the acquisition of the AXA Portfolio in October 2022.

Risk sensitivity

Underwriting risk consists of the following risks:

Risk	Net SCR € '000
Mortality	1,492
Longevity	3,980
Disability-morbidity	488
Lapse	22,940
Life expense	16,814
Revision	0
Life catastrophe	610
Diversification	-9,946
SCR Underwriting risk	**36,378**

Expense and lapse risks remain the most significant. The inclusion of bigger portfolio's like Integrale and AXA recently resulted in significant increases in all underwriting risks.

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.

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

Market risk concentrations are limited, as illustrated by concentration risk capital in the table below.

Sensitivity

The assets in the portfolio consists of government bonds, corporate bonds, investment in mortgage loans, direct and via a fund structure, advances on pensions, loans, collective investment undertakings, derivatives, equities, participations and cash. The Solvency Capital Requirement (SCR) for market risk consists of the following components:

Risk	Net SCR € '000
Interest rate	4,649
Equity	8,415
Property	28,173
Spread	70,012
Concentration	0
Currency	4,253
Diversification	-16,760
SCR Market risk	**98,741**

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 low credit exposure with respect to receivables due from other counterparties.

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 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 post 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, as well as Monument Re's liquidity relative to its Liquidity Policy, which requires Monument Re to hold sufficient assets 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. MAB's Capital and Management and Dividend Policy 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.

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***).

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 net of reinsurance is € 15,2m. 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 basis.

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 is well diversified and has no concentration above the limits set out in the investment Policy. The capital requirement under Solvency II is nil for concentration Risk.

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. Due to the nature of the Company's products, EPIFP differs depending which portfolio we are considering. The total amount of EPIFP, as of year-end 2022, is € 192,3m.

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.

It security systems have been established in order to protect systems and are periodically tested. A business continuity plan is in place and tested annually for effectiveness.

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 OSP.

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

Sensitivity

Size and complexity of the business are drivers of risk. As a run-off business, sensitivity is somewhat limited. Operational risk capital on the Solvency II Standard Formula basis is € 28,8m.

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.

The Company adopts sustainable business practices and provides opportunities for and promotes community investment. The Company is considering further opportunities to embed sustainability considerations into its investment strategy and supplier decisions.

Mitigating Actions and Controls

- Maintenance of a well-diversified investment portfolio;
- Oversight as part of weekly reporting provided by Group investment;
- 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 a substantial investment acquired from the ex-Integrale book of business in Property via MIM and Mortgage Loans. Climate change could affect in a rise in sea levels that could result in a devaluation of properties in higher risk areas. Although MIM being a non-strategic asset is intended to be sold, the underlying assets are not in a high risk area. As a result, the remaining risk remains limited.

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 affect the Company. It would generally be anticipated that widescale, material change of this nature would be managed over a period of time and include industry consultation, in order for insurers to respond and plan appropriately.

C.7 Other Relevant Information

Whilst COVID-19 and subsequently the Ukrainian Crisis have caused a lot a volatility in the financial market, the impact on insurance risks remain limited. The COVID-19 pandemic did not lead to a substantial increase of deaths within the Monument portfolio.

The anti-money laundering tool that MAB utilizes, screens against the various economical and financial sanctions in relation to the situation in Ukraine. The MAB portfolios do not contain high risk clients linked to these sanction lists.

The COVID-19 crisis has enabled the Company to put into practice a full remote working, testing at the same time the Business Continuity Plan.

There is no other material 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 2022.

Balance sheet	31 December 2022			
	BE GAAP € '000	**Reclassification Differences € '000**	**Valuation Differences € '000**	**Solvency II € '000**
Assets				
Investments - Holdings in related undertakings, including participations	685,324		444	685,768
Investments - Equities	21,082		186	21,268
Investments - Bonds	4,028,081	-	-594,966	3,433,114
Collective Investments Undertakings	2,327,885		-102,203	2,225,682
Derivatives	14,214		163,046	177,260
Assets held for index-linked and unit-linked contracts	34,150		541	34,691
Loans and mortgages	436,185		-56,756	379,430

Reinsurance recoverable	5,428,134		-909,268	4,518,866
Insurance and intermediaries receivables	31,546		-1,285	30,262
Reinsurance receivables	59,149	-	-6,656	52,493
Cash and cash equivalents	80,934	-	-527	80,407
Any other assets	22,498		-6,638	15,860
Total	**13,169,183**	**-**	**-1,514,082**	**11,655,102**
Liabilities				
Technical Provisions	7,630,195	-	- 1,196,865	6,433,331
Technical Provisions - unit linked products	34,150			32,649
Reinsurance payables	8,484	-	- 6,656	1,828
Deposit to reinsurance	4,852,749	-	4,374,155	4,374,155
Deferred tax liabilities	-		16,230	16,230
Derivatives	97,264		200,084	200,084
Other payables	187,600	-	6,328	193,929
Any Other payables	35,350		- 4,535	30,815
Total	**12,845,793**	**-**	**3,388,741**	**11,283,020**
Excess of assets over liabilities	**323,391**	**-**	**48,691**	**372,081**

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 BE GAAP balance sheet they are valued at amortized cost and the Solvency II balance sheet at market value (quoted clean price – bid prices). Unquoted bonds are valued using the income approach consisting in converting future cash flow to a single current value.

Participations (holdings in related undertakings): consists of "Monument Immo Management SA" ("**MIM**"), Monument Insurance Europe Services SA ("**MIES**") 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 BE GAAP balance sheet they are valued using their cost value less accumulated impairment losses. The private equity is valued at market value.

Collective investment undertakings: these funds are evaluated on a quarterly basis by the Managers of the funds. These are either funds in Corporate Private Debt and Infrastructure Debt or ICAV funds. Under BE GAAP, impairments are recorded when they are permanent in nature.

Cash and cash equivalents: cash and cash equivalents (e.g. receivables) are valued at their nominal value in both the BE GAAP 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 EIOPA risk free rate curve with volatility adjustment. Application of the VA is defined by the fact that VA is also applied on the liability side. In the BE GAAP balance sheet, the advances are valued at amortized cost.

Loans and mortgages: in the form of investment funds and loans to individuals. The mortgage loans are valued at amortized cost for the BE GAAP balance sheet, and at market value for the Solvency II balance sheet. 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: include listed and unlisted equities. Equities listed in regulated markets are in the Solvency II balance sheet valued at their quoted market price, while main unlisted equities are valued at book value less impairment if any. For the BE GAAP balance sheet both are valued at their cost value less accumulated impairment losses.

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

Derivatives: include interest rate swaps, inflation swaps, FX Forward for hedging and ALM purposes. Derivatives are valued at market value in the Solvency II balance sheet, and valued at the lower of cost or market in in the BE GAAP 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 and off-balance items are held in respect of the internal and external reinsurance arrangements.

Monument Re, as the ultimate parent company of MAB, based in Bermuda operates in a Solvency II equivalent regime.

Assets held for index-linked and Unit-Linked funds

The valuation of the assets held for index-linked and Unit-Linked funds is the market value.

The Unit-Linked are composed of listed assets and unlisted assets:

- The assets listed in regulated markets are valued at the quoted market price at the reporting date.

- The unlisted assets are composed of shares in affiliated companies owned by MIM and intercompany loans. For the affiliated companies, the look-through approach is applied to value each of the balance sheet components according to the Solvency II valuation principles. The intercompany loans are kept at residual value.

Receivable

Receivables include reinsurance receivables, insurance and intermediaries receivables and receivables from trade. All receivables are valued at their nominal value in both the BE GAAP 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 BE GAAP 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 Solvency II technical provisions have to be calculated as the sum of a best estimate and a risk margin:

- The best estimate corresponds to the probability-weighted of future cashflows, taking into account the time value of money, using the relevant risk-free average interest rate term structure.
- The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over their lifetime. The cost of capital rate is defined by the regulator and is set at 6%.

The following table contains the technical provisions for the Company as of 31 December 2022 of the total Company:

	31 December 2022		
	Solvency II € '000	**GAAP € '000**	**Solvency II € '000**
Best Estimate Liabilities	6,433,698	6,219,319	-214,379
Risk Margin	32,281	-	-32,281
Total	**6,465,979**	**6,219,319**	**-246,660**

Insurance and reinsurance undertakings shall segment their obligations into homogeneous risk groups, and as a minimum by lines of business, when calculating their technical provisions. The segmentation of insurance and reinsurance obligations into lines of business and homogeneous risk groups should reflect the nature of the risks underlying the obligation.

All technical provisions of the Company are classified as Life technical provisions even though they are not all pure life insurances from a legal perspective. The non-pure life insurances represent a very small proportion of the portfolio and classification as life insurances can be justified by the fact the provisions are calculated on a similar to life basis.

The life insurance technical provisions of the Company are split in following lines of Business:

- Insurance with profit participation
- Index-linked and unit-linked insurance
- Other life insurance

The following table contains the technical provisions for the Company by material line of business as of 31 December 2022:

	31 December 2022			
	Material LOB1	Material LOB 2	Material LOB 3	Total
	€ '000	€ '000	€ '000	€ '000
Best Estimate Liabilities	6,316,610	32,089	85,000	6,433,698
Risk Margin	31,399	560	322	32,281
Total	**6,348,008**	**32,649**	**85,322**	**6,465,979**

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

In order to arrive at a best estimate that corresponds to the probability-weighted average of future cash flows as referred to in Article 77(2) of Directive 2009/138/EC, the cash flows projection used in the calculation of the best estimate should take account of all uncertainties in the cash flows.

The cash flow projection used in the calculation of the best estimate include all of the following cash flows:

- Premium income cash-flows
- Benefit payments to policy holders and beneficiaries:

    a. Maturity benefits
    b. Death benefits
    c. Disability benefits
    d. Surrender benefits

e. Annuity benefits
f. Additional riders

- Payments that the insurance undertaking incurred in providing contractual benefits that are paid in kind;
- Expenses that the undertaking will incur (e.g. maintenance expenses or commissions);
- Taxation payments which are, or are expected to be, charged to policy holders or are required to settle the insurance or reinsurance obligations.

The cash flow projection used in the calculation of the best estimate shall, explicitly or implicitly, take account of all uncertainties in the cash flows, including all of the following characteristics:

- Uncertainty in the timing, frequency and severity of insured events;
- Uncertainty in claim amounts, including uncertainty in claims inflation, and in the period needed to settle and pay claims;
- Uncertainty in the amount of expenses;
- Uncertainty in policyholder behaviour;
- Dependency between two or more causes of uncertainty;
- Dependency of cash flows on circumstances prior to the date of the cash flow.

This uncertainty is measured by using assumptions which should be realistic. The assumptions used by the Company to determine the cash flows include mortality, surrender rates, reductions rates, experience ratings, withdrawals rates, expenses, inflation and interest rates.

The Company recognizes an insurance obligation falling within the boundary of the contract at whichever is the earlier of the date the undertaking becomes a party to the contract that gives rise to the obligation, or, the date the insurance cover begins.

The calculation of the best estimate only includes future cash-flows associated with existing insurance and reinsurance contracts, i.e. no future expected new business or contracts should be taken into account. Furthermore, all expected future premiums on existing contracts within the contract boundaries of the contract are taken into account "irrespective of their profitability";

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 BE GAAP financial statements (including a “flashing light reserve” and claims reserve) 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. As part of the transfer, only the pure technical provisions where transferred, without any prudential buffers already set up for this portfolio (e.g. flashing light provision).

The flashing light reserves is an extra provision 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 fulfil guarantees given to clients within their contracts.

The claims provision is a provisions for claims incurred and known, and therefore reducing the pure mathematical reserves, but not yet settled. These reserves are accounted for both in Solvency II and BE GAAP.

On top of the mathematical reserves, a Value of Business Acquired (“**VOBA**”) is separately presented on the BE GAAP Balance Sheet. The VOBA is representing the surplus of the market value of the assets received over the amount of BE GAAP technical provisions and booked on the Liability side of the balance sheet. The VOBA has for sole purpose to avoid that there is a BE GAAP own funds impact of MAB after the acquisition. For the determination of the VOBA, the book value of the assets and other liabilities is set equal to the market value. The VOBA is not visible on the Solvency II balance sheet as implicitly embedded in the market valuation under Solvency II.

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 per 31 December 2022 by € 90,6m and reducing Own Funds by € 14,8m, after an allowance for reinsurance. Given that the absolute minimum is the binding constraint on the Solvency II balance sheet, the SCR has not been revalued. The Solvency position of MAB would reduce from 252% to 239% 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) Bases, methods and main assumptions used for the valuation for solvency purposes***, ***reinsurance recoverable.***

In return for the IGR, Monument Re has been paid a reinsurance commission to MAB which has been either received in full upfront, either been booked as a receivable and spread over time.

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 AXA, 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 that are valued at nominal value in both the BE GAAP and Solvency II balance sheet;
- Deferred taxes: valued on the basis of the difference between the Solvency II values and the values ascribed to assets and liabilities as recognized and valued for tax purposes (Delegated Regulation (EU) 2015/35, Art. 15). No deferred taxes are recognized on the Balance Sheet under BE GAAP;

- Unmodelled business: there's a small unmodelled business present on the Balance Sheet. The unmodelled business valued at BE GAAP Value in the 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 BE GAAP 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

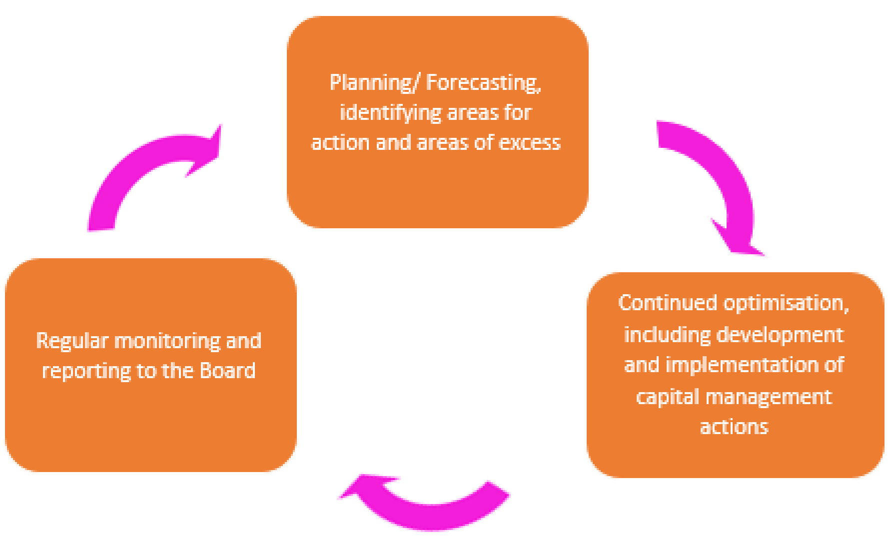
- Capital levels shall be assessed regularly to ensure that they remain appropriate to support the Group's operations
- Appropriate processes maintained to enable effective monitoring and reporting of capital positions across the Group including the impact of new transactions

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 2022, with prior year comparatives (in € '000, except for percentages):

	31st December 2022	31st December 2021
Own Funds	372,081	312,966
Solvency Capital Requirement (SCR)	147,722	127,366
Minimum Capital Requirement (MCR)	66,475	57,315
Absolute Floor of Minimum Capital Requirement	4,000	4,000
Relevant Solvency Ratio	**252%**	**246%**

The Company has an internal target to maintain a Solvency Ratio above 160%.

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 31 December 2022 € '000	Total Own funds 31 December 2021 € '000	Eligible Own Funds to cover SCR 31 December 2022 € '000	Eligible Own Funds to cover SCR 31 December 2021 € '000	Eligible Own Funds to cover MCR 31 December 2022 € '000	Eligible Own Funds to cover MCR 31 December 2021 € '000
Ordinary Share Capital	337,245	287,245	337,245	287,245	337,245	287,245
Reconciliation reserve	34,836	25,721	34,836	25,721	34,836	25,721
Other Own Funds	0	0	0	-	0	-
Total Basic Own Funds	**372,081**	**312,966**	**372,081**	**312,966**	**372,081**	**312,966**

In 2018 an intra-group reinsurance agreement with Monument Re was implemented to mitigate part of the risk of the balance sheet.

Recently following Capital Increases occurred:

- 2021: € 45m capital increase following the acquisition of the Allianz book of business;
- 2021: € 225m capital increase following the acquisition of the Integrale book of business;
- 2022: € 50m capital increase following the acquisition of the AXA book of business.

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 2022 € ’000	31st December 2021 € ’000
Shareholder Equity per financial statements	**337,245**	**287,245**
Difference in the valuation of assets	-1,527,937	-149,041
Difference in the valuation of technical provisions	1,579,003	179,018
Deferred tax liabilities	-16,230	-4,257
Solvency II Excess of Assets over Liabilities	372,081	312,966

The reasons for the valuation differences between BE GAAP equity according to the financial statements and the excess of assets over liabilities according to Solvency II, as shown in the table, are explained in ***Section D. Valuation for Solvency Purposes***.

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 2022.

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

There are no material items deducted from Own Funds at 31 December 2022.

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 2022, with prior year comparatives:

	31 December 2022 € '000	31 December 2021 € '000
SCR	147,722	127,366
MCR	66,475	57,315

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 2022, with prior year comparatives:

	31 December 2022 € '000	31 December 2021 € '000
Market risk	98,741	84,171
Counterparty default risk	15,239	18,419
Life underwriting risk	36,378	30,121
Basic Solvency Capital Requirement	118,873	103,206
Operational Risk	28,848	24,160
Solvency Capital Requirement (before minimum)	**147,722**	**127,366**

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 2022 or before.

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

The 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 € 4m. The calculation results in an MCR of € 66,5m.

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

Over the last years, the SCR of the Company has materially increased. The increase in capital requirements is a direct effect of the fast growing business. In addition recent evolutions in market conditions like rise in interest rate or rising inflation, caused underwriting risks like surrender or expense risks to go up.

The Company has little to no appetite for exposures to market fluctuations like the latter. To control these exposures, various hedging strategies are put in place. Therefore, from a balance sheet perspective, these fluctuations are neutralized.

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 - Glossary

AALCB	ABN AMRO Life Capital Belgium NV
AC	Audit Committee
ALM	Asset and Liability Management
BE GAAP	Generally Accepted Accounting Practice in Belgium
Bridge	Bridge Strategic Holdings Limited
BRM	Belgian Residential Mortgages
CEO	Chief Executive Officer
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
Delegated Regulation	Commission Delegated Regulation (EU) 2015/35 of October 2014
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
GSAM	Goldman Sachs Asses Management International
Governance Circular	NBB Governance Circular
HoIA	Head of Internal Audit
HR	Human Resources
IC	Investment Committee
ICAV	Irish Collective Asset Management Vehicle
IGR	Intra-group reinsurance
IT	Information Technology
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 NV
MIM	Monument Immo Management
MISL	Monument Insurance Service Limited
Monument Re/MonRe	Monument Re Limited
NBB	National Bank of Belgium
NBB Governance	Circular NBB_2018_23 of the Overarching circular on the system of
NCN Portfolio	A portfolio of non-Curanova long term savings contracts from Curalia
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 defined as the sum of basic Own Funds and ancillary Own Funds

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
Private credit	Debt issued by companies/entities privately to banks or other investors
QIAF	Qualifying Irish Alternative Fund is a regulated collective investment scheme
QRT	Quantitative Reporting Template
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
Reinsurance recoverables	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 held by insurance and reinsurance undertakings in order to ensure that ruin occurs no more often than once in every 200 cases or, alternatively, that those undertakings will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months (Solvency II Directive 2009/138/EU).
SSA	Private and Public Sovereign and Agency debt
Statutory Basis	The valuation of the Company's assets for Solvency II purposes and the
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, internal auditor is the third line.
UFR	Ultimate Forward Rate
VA	Volatility Adjustment
VOBA	Value of Business Acquired

Appendix 2 - 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;

Basic Information - General

		Columns
		C0010
Rows		
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	03-02-2023
Financial year end	R0081	31-12-2022
Reporting reference date	R0090	31-12-2022
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
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/2022/04/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/2022/04/SFCR-incl-QRT_final_as.pdf
PEPP reporting	R0300	Not reported as no PEPP
Ad hoc XBRL technical field 1	R0990	
Ad hoc XBRL technical field 2	R0991	
Ad hoc XBRL technical field 3	R0992	

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			
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6.543.093.162,46	7.076.586.107,49	
Property (other than for own use)	R0080			
Holdings in related undertakings, including participations	R0090	685.768.466,37	685.324.046,03	
Equities	R0100	21.268.439,47	21.082.165,87	
Equities - listed	R0110	14.645.950,00	14.459.676,40	
Equities - unlisted	R0120	6.622.489,47	6.622.489,47	
Bonds	R0130	3.433.114.151,67	4.028.080.595,71	
Government Bonds	R0140	1.658.782.851,12	2.090.645.180,37	
Corporate Bonds	R0150	1.768.488.319,71	1.937.435.415,34	
Structured notes	R0160	5.842.980,84	0,00	
Collateralised securities	R0170			
Collective Investments Undertakings	R0180	2.225.682.332,35	2.327.885.291,25	
Derivatives	R0190	177.259.772,59	14.214.008,63	
Deposits other than cash equivalents	R0200			
Other investments	R0210			
Assets held for index-linked and unit-linked contracts	R0220	34.690.687,64	34.149.796,80	
Loans and mortgages	R0230	379.429.894,62	436.185.417,30	
Loans on policies	R0240	43.910.421,22	50.096.935,88	
Loans and mortgages to individuals	R0250	279.602.283,29	333.169.208,41	
Other loans and mortgages	R0260	55.917.190,11	52.919.273,01	
Reinsurance recoverables from:	R0270	4.518.866.121,11	5.428.133.874,06	
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	4.518.866.121,11	5.428.133.874,06	
Health similar to life	R0320			
Life excluding health and index-linked and unit-linked	R0330	4.518.866.121,11	5.428.133.874,06	
Life index-linked and unit-linked	R0340			
Deposits to cedants	R0350		0,00	
Insurance and intermediaries receivables	R0360	30.261.753,34	31.546.333,43	
Reinsurance receivables	R0370	52.492.984,66	59.149.464,80	
Receivables (trade, not insurance)	R0380	15.860.200,52	20.089.216,46	
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	80.406.787,50	80.934.199,90	
Any other assets, not elsewhere shown	R0420	0,00	2.409.020,72	
Total assets	R0500	11.655.101.591,85	13.169.183.430,96	
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	6.433.330.504,09	7.630.195.392,52	
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	6.433.330.504,09	7.630.195.392,52	
Technical provisions calculated as a whole	R0660			
Best Estimate	R0670	6.401.609.167,95		
Risk margin	R0680	31.721.336,14		
Technical provisions - index-linked and unit-linked	R0690	32.648.968,17	34.149.796,80	
Technical provisions calculated as a whole	R0700	0,00		
Best Estimate	R0710	32.089.319,33		
Risk margin	R0720	559.648,84		
Other technical provisions	R0730			
Contingent liabilities	R0740			
Provisions other than technical provisions	R0750			
Pension benefit obligations	R0760			
Deposits from reinsurers	R0770	4.374.155.320,37	4.852.748.971,45	
Deferred tax liabilities	R0780	16.230.183,07		
Derivatives	R0790	200.084.065,67	97.264.007,33	
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	7.618.859,42	9.197.044,72	
Reinsurance payables	R0830	1.827.722,11	8.484.202,60	
Payables (trade, not insurance)	R0840	186.309.778,69	178.403.257,06	
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	30.814.941,30	35.350.058,74	
Total liabilities	R0900	11.283.020.342,89	12.845.792.731,22	
Excess of assets over liabilities	R1000	372.081.248,96	323.390.699,74	

Balance sheet

		Solvency II value	Statutory accounts value
		C0010	C0020
Rows			
Assets			
Goodwill	R0010		0,00
Deferred acquisition costs	R0020		0,00
Intangible assets	R0030	0,00	0,00
Deferred tax assets	R0040	0,00	0,00
Pension benefit surplus	R0050	0,00	0,00
Property, plant & equipment held for own use	R0060	0,00	0,00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6.543.093.162,46	7.076.586.107,49
Property (other than for own use)	R0080	0,00	0,00
Holdings in related undertakings, including participations	R0090	685.768.466,37	685.324.046,03
Equities	R0100	21.268.439,47	21.082.165,87
Equities - listed	R0110	14.645.950,00	21.082.165,87
Equities - unlisted	R0120	6.622.489,47	0,00
Bonds	R0130	3.433.114.151,67	4.028.080.595,71
Government Bonds	R0140	1.658.782.851,12	2.090.645.180,37
Corporate Bonds	R0150	1.768.488.319,71	1.937.435.415,34
Structured notes	R0160	5.842.980,84	0,00
Collateralised securities	R0170	0,00	0,00
Collective Investments Undertakings	R0180	2.225.682.332,35	2.327.885.291,25
Derivatives	R0190	177.259.772,59	14.214.008,63
Deposits other than cash equivalents	R0200	0,00	0,00
Other investments	R0210	0,00	0,00
Assets held for index-linked and unit-linked contracts	R0220	34.690.687,64	34.690.687,58
Loans and mortgages	R0230	379.429.894,62	436.185.417,30
Loans on policies	R0240	43.910.421,22	50.096.935,88
Loans and mortgages to individuals	R0250	279.602.283,29	333.169.208,41
Other loans and mortgages	R0260	55.917.190,11	52.919.273,01
Reinsurance recoverables from:	R0270	4.518.866.121,11	5.428.133.874,06
Non-life and health similar to non-life	R0280	0,00	0,00
Non-life excluding health	R0290	0,00	0,00
Health similar to non-life	R0300	0,00	0,00
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	4.518.866.121,11	5.428.133.874,06
Health similar to life	R0320	0,00	0,00
Life excluding health and index-linked and unit-linked	R0330	4.518.866.121,11	5.428.133.874,06
Life index-linked and unit-linked	R0340	0,00	0,00
Deposits to cedants	R0350	0,00	93.008.296,94
Insurance and intermediaries receivables	R0360	30.261.753,34	31.546.333,43
Reinsurance receivables	R0370	52.492.984,66	59.149.464,80
Receivables (trade, not insurance)	R0380	15.860.200,52	20.089.216,46
Own shares (held directly)	R0390	0,00	0,00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0,00	0,00
Cash and cash equivalents	R0410	80.406.787,50	80.393.309,12
Any other assets, not elsewhere shown	R0420	0,00	-187.935.497,03
Total assets	R0500	11.655.101.591,85	13.071.847.210,15
Liabilities			
Technical provisions - non-life	R0510	0,00	0,00
Technical provisions - non-life (excluding health)	R0520	0,00	0,00
Technical provisions calculated as a whole	R0530	0,00	
Best Estimate	R0540	0,00	
Risk margin	R0550	0,00	
Technical provisions - health (similar to non-life)	R0560	0,00	0,00
Technical provisions calculated as a whole	R0570	0,00	
Best Estimate	R0580	0,00	
Risk margin	R0590	0,00	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	6.433.330.504,09	6.582.286.664,67
Technical provisions - health (similar to life)	R0610	0,00	0,00
Technical provisions calculated as a whole	R0620	0,00	
Best Estimate	R0630	0,00	
Risk margin	R0640	0,00	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	6.433.330.504,09	6.582.286.664,67
Technical provisions calculated as a whole	R0660	0,00	
Best Estimate	R0670	6.401.609.167,95	
Risk margin	R0680	31.721.336,14	
Technical provisions - index-linked and unit-linked	R0690	32.648.968,17	31.932.616,89
Technical provisions calculated as a whole	R0700	0,00	
Best Estimate	R0710	32.089.319,33	
Risk margin	R0720	559.648,84	
Other technical provisions	R0730		0,00
Contingent liabilities	R0740	0,00	0,00
Provisions other than technical provisions	R0750	0,00	0,00
Pension benefit obligations	R0760	0,00	0,00
Deposits from reinsurers	R0770	4.374.155.320,37	4.852.748.971,45
Deferred tax liabilities	R0780	16.230.183,07	0,00
Derivatives	R0790	200.084.065,67	0,00
Debts owed to credit institutions	R0800	0,00	0,00
Financial liabilities other than debts owed to credit institutions	R0810	0,00	0,00
Insurance & intermediaries payables	R0820	7.618.859,42	9.197.044,72
Reinsurance payables	R0830	1.827.722,11	8.484.202,60
Payables (trade, not insurance)	R0840	186.309.778,69	1.229.167.014,06
Subordinated liabilities	R0850	0,00	0,00
Subordinated liabilities not in Basic Own Funds	R0860	0,00	0,00
Subordinated liabilities in Basic Own Funds	R0870	0,00	0,00
Any other liabilities, not elsewhere shown	R0880	30.814.941,30	37.602.293,99
Total liabilities	R0900	11.283.020.342,89	12.751.418.808,38
Excess of assets over liabilities	R1000	372.081.248,96	320.428.401,77

Premiums, claims and expenses by line of business

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		168.449.804,18	132.448,50	2.941.872,51					171.524.125,19
Reinsurers' share	R1420		1.949.810.883,48	0,00	2.203.899,01					1.952.014.782,49
Net	R1500		-1.781.361.079,30	132.448,50	737.973,50					-1.780.490.657,30
Premiums earned										
Gross	R1510		168.449.804,18	132.448,50	2.941.872,51					171.524.125,19
Reinsurers' share	R1520		1.949.810.883,48	0,00	2.203.899,01					1.952.014.782,49
Net	R1600		-1.781.361.079,30	132.448,50	737.973,50					-1.780.490.657,30
Claims incurred										
Gross	R1610		2.995.889.345,28	19.205.326,74	7.907.276,07					3.023.001.948,09
Reinsurers' share	R1620		337.675.759,96	0,00	5.858.529,02					343.534.288,98
Net	R1700		2.658.213.585,32	19.205.326,74	2.048.747,05					2.679.467.659,11
Changes in other technical provisions										
Gross	R1710		281.885.984,12	23.835.743,19	4.934.116,61					310.655.843,92
Reinsurers' share	R1720		143.227.633,08	0,00	4.083.967,77					147.311.600,85
Net	R1800		138.658.351,04	23.835.743,19	850.148,84					163.344.243,07
Expenses incurred	R1900		12.230.279,42	148.851,16	144.347,13					12.523.477,71
Administrative expenses										
Gross	R1910		3.351.263,99	0,00	103.227,06					3.454.491,05
Reinsurers' share	R1920		884.091,51	0,00	92.904,35					976.995,86
Net	R2000		2.467.172,48	0,00	10.322,71					2.477.495,19
Investment management expenses										
Gross	R2010		5.263.568,94	148.851,08	50.949,20					5.463.369,22
Reinsurers' share	R2020		3.814.681,56	0,00	45.854,28					3.860.535,84
Net	R2100		1.448.887,38	148.851,08	5.094,92					1.602.833,38
Claims management expenses										
Gross	R2110		19.603.428,22	0,00	1.081.546,17					20.684.974,39
Reinsurers' share	R2120		14.766.896,81	0,00	973.391,55					15.740.288,36
Net	R2200		4.836.531,41	0,00	108.154,62					4.944.686,03
Acquisition expenses										
Gross	R2210		3.878.175,06	0,00	0,00					3.878.175,06
Reinsurers' share	R2220		2.806.560,31	0,00	0,00					2.806.560,31
Net	R2300		1.071.614,75	0,00	0,00					1.071.614,75
Overhead expenses										
Gross	R2310		9.365.795,28	0,08	207.748,89					9.573.544,25
Reinsurers' share	R2320		6.959.721,89	0,00	186.974,00					7.146.695,89
Net	R2400		2.406.073,39	0,08	20.774,89					2.426.848,36
Other expenses	R2500									0,00
Total expenses	R2600									12.523.477,71
Total amount of surrenders	R2700		107.525.549,38	49.895,17	598.898,76					108.174.343,31

Life and Health SLT Technical Provisions

Life and Health SLT Technical Provisions

		Columns																		
		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	Annuities stemming from non-life insurance contracts and	Accepted reinsurance	Accepted reinsurance: Insurance with profit participation	Accepted reinsurance: Index-linked and unit-linked insurance	Accepted reinsurance: Other life insurance	Accepted reinsurance: Annuities stemming from non-life accepted	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)	Health insurance (direct business): Contracts without options and guarantees	Health insurance (direct business): Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	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	6.316.609.515,72		32.089.319,33	0,00		0,00	84.999.652,23							6.433.698.487,28						
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	4.448.758.162,27		0,00	0,00		0,00	70.110.960,36							4.518.869.122,63						
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	4.448.758.162,27		0,00	0,00		0,00	70.110.960,36							4.518.869.122,63						
Recoverables from SPV before adjustment for expected losses	R0060	0,00		0,00	0,00		0,00	0,00							0,00						
Recoverables from Finite Re before adjustment for expected losses	R0070	0,00		0,00	0,00		0,00	0,00							0,00						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	4.448.755.189,15		0,00	0,00		0,00	70.110.931,97							4.518.866.121,11						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	1.867.854.326,57		32.089.319,33	0,00		0,00	14.888.720,26							1.914.832.366,17						
Risk Margin	R0100	31.398.610,03	559.648,84			322.726,11									32.280.984,98						
Amount of the transitional on Technical Provisions																					
Technical Provisions calculated as a whole	R0110	0,00	0,00			0,00									0,00						
Best estimate	R0120	0,00		0,00	0,00		0,00	0,00							0,00						
Risk margin	R0130	0,00	0,00			0,00									0,00						
Technical provisions - total	R0200	6.348.008.125,75	32.648.968,17			85.322.378,34									6.465.979.472,26						
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	1.899.252.936,60	32.648.968,17			15.211.446,37									1.947.113.351,15						
Best Estimate of products with a surrender option	R0220	6.286.880.703,80	33.813.684,38			84.999.652,23									6.405.694.040,41						
Gross BE for Cash flow																					
Cash out-flows																					
Future guaranteed and discretionary benefits	R0230		31.561.354,17			55.358.660,82									6.610.040.445,08						
Future guaranteed benefits	R0240	6.523.120.430,08													6.523.120.430,08						
Future discretionary benefits	R0250	0,00													0,00						
Future expenses and other cash out-flows	R0260	523.160.912,71	3.820.555,81			17.193.783,66									544.175.252,17						
Cash in-flows																					
Future premiums	R0270	889.305.338,67	0,00			7.440.598,41									896.745.937,08						
Other cash in-flows	R0280	3.215.676,17	1.568.225,60			0,00									4.783.901,77						
Percentage of gross Best Estimate calculated using approximations	R0290	2,50%	0,00%			59,91%															
Surrender value	R0300	5.899.104.244,58	31.932.665,10			72.412.669,84									6.003.449.579,51						
Best estimate subject to transitional of the interest rate	R0310	0,00	0,00			0,00									0,00						
Technical provisions without transitional on interest rate	R0320	0,00	0,00			0,00									0,00						
Best estimate subject to volatility adjustment	R0330	6.316.609.515,72	32.089.319,33			84.999.652,23									6.433.698.487,28						
Technical provisions without volatility adjustment and without others transitional measures	R0340	6.437.212.229,32	32.628.027,03			86.696.530,83									6.556.536.787,19						
Best estimate subject to matching adjustment	R0350	0,00	0,00			0,00									0,00						
Technical provisions without matching adjustment and without all the others	R0360	0,00	0,00			0,00									0,00						

Own funds

Own funds

Rows		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 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	337.245.391,62	337.245.391,62		0,00	
Share premium account related to ordinary share capital	R0030	0,00	0,00		0,00	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0,00	0,00		0,00	
Subordinated mutual member accounts	R0050	0,00		0,00	0,00	0,00
Surplus funds	R0070	0,00	0,00			
Preference shares	R0090	0,00		0,00	0,00	0,00
Share premium account related to preference shares	R0110	0,00		0,00	0,00	0,00
Reconciliation reserve	R0130	34.835.857,34	34.835.857,34			
Subordinated liabilities	R0140	0,00		0,00	0,00	0,00
An amount equal to the value of net deferred tax assets	R0160	0,00				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
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	0,00				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0,00	0,00	0,00	0,00	0,00
Total basic own funds after deductions	R0290	372.081.248,96	372.081.248,96	0,00	0,00	0,00
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0,00			0,00	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0,00			0,00	
Unpaid and uncalled preference shares callable on demand	R0320	0,00			0,00	0,00
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0,00			0,00	0,00
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0,00			0,00	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0,00			0,00	0,00
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0,00			0,00	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0,00			0,00	0,00
Other ancillary own funds	R0390	0,00			0,00	0,00
Total ancillary own funds	R0400	0,00			0,00	0,00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	372.081.248,96	372.081.248,96	0,00	0,00	0,00
Total available own funds to meet the MCR	R0510	372.081.248,96	372.081.248,96	0,00	0,00	
Total eligible own funds to meet the SCR	R0540	372.081.248,96	372.081.248,96	0,00	0,00	
Total eligible own funds to meet the MCR	R0550	372.081.248,96	372.081.248,96	0,00	0,00	
SCR	R0580	147.721.700,48				
MCR	R0600	66.474.765,21				
Ratio of Eligible own funds to SCR	R0620	251,88%				
Ratio of Eligible own funds to MCR	R0640	559,73%				

Reconciliation reserve

Rows		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	372.081.248,96
Own shares (held directly and indirectly)	R0710	0,00
Foreseeable dividends, distributions and charges	R0720	0,00
Other basic own fund items	R0730	337.245.391,62
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0,00
Reconciliation reserve	R0760	34.835.857,34
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	192.333.145,67
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0,00
Total Expected profits included in future premiums (EPIFP)	R0790	192.333.145,67

Solvency Capital Requirement - for undertakings on Standard Formula

Basic Solvency Capital Requirement

		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	98.741.127,79	98.741.127,79	
Counterparty default risk	R0020	15.238.559,49	15.238.559,49	
Life underwriting risk	R0030	36.377.825,07	36.377.825,07	
Health underwriting risk	R0040	0,00	0,00	
Non-life underwriting risk	R0050	0,00	0,00	
Diversification	R0060	-31.484.163,75	-31.484.163,75	
Intangible asset risk	R0070	0,00	0,00	
Basic Solvency Capital Requirement	R0100	118.873.348,60	118.873.348,60	

Calculation of Solvency Capital Requirement

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0,00
Operational risk	R0130	28.848.351,88
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	0,00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,00
Solvency Capital Requirement excluding capital add-on	R0200	147.721.700,48
Capital add-on already set	R0210	0,00
Solvency capital requirement	R0220	147.721.700,48
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0,00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	0,00

Approach to tax rate

Sheets
Z Axis:

Article 112	Z0010	No

		Yes/No
		C0109
Rows		
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes

Sheets
Z Axis:

Article 112	Z0010	No

		Before the shock	After the shock
		C0110	C0120
Rows			
DTA	R0600	0,00	0,00
DTA carry forward	R0610	0,00	0,00
DTA due to deductible temporary differences	R0620	0,00	0,00
DTL	R0630	16.230.183,07	16.230.183,07

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activ

Linear formula component for life insurance and reinsurance obligations

		Columns
		C0040
Rows		
MCRL Result	R0200	71.280.896,04

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	1.867.854.326,57	
Obligations with profit participation - future discretionary benefits	R0220	0,00	
Index-linked and unit-linked insurance obligations	R0230	32.089.319,33	
Other life (re)insurance and health (re)insurance obligations	R0240	14.888.720,26	
Total capital at risk for all life (re)insurance obligations	R0250		2.332.853.714,99

Overall MCR calculation

		Columns
		C0070
Rows		
Linear MCR	R0300	71.280.896,04
SCR	R0310	147.721.700,48
MCR cap	R0320	66.474.765,21
MCR floor	R0330	36.930.425,12
Combined MCR	R0340	66.474.765,21
Absolute floor of the MCR	R0350	4.000.000,00
Minimum Capital Requirement	R0400	66.474.765,21