MONUMENT
Assurance Belgium

Monument Assurance Belgium

Solvency and Financial Condition Report
at 31st December 2020

25 March 2021

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Samenvatting

Dit is het Solvency and Financial Condition Report (“**SFCR**”) (Rapport over de solvabiliteit en financiële positie) voor Monument Assurance Belgium (“**MAB**” of de “**Onderneming**”) voor het jaar eindigend op 31 december 2020. Het doel van het SFCR is om te voldoen aan de openbaarmakingsvereisten van de artikelen 290 tot en met 303 van de Gedelegeerde Verordening (EU) nr. 2015/35 en artikelen 95 en 96 van de wet van 13 maart 2016 op het statuut van en het toezicht op verzekerings- of herverzekeringsondernemingen (“**Solvabiliteit II-wet**”).

In dit rapport worden nominale bedragen vermeld in duizenden euro (€ '000), tenzij anders vermeld, conform artikel 2 van Uitvoeringsverordening (EU) nr. 2015/2452.

Bedrijfsinformatie

Monument Re Ltd ("**Monument Re**") rondde de acquisitie van ABN AMRO Life Capital Belgium NV ("**AALCB**") af op 28 maart 2018, toen de naam van de onderneming eveneens werd gewijzigd in Monument Assurance Belgium NV ("**MAB**").

MAB is een levensverzekeringsmaatschappij, opgericht in België onder het nummer 0478.291.162, met vergunning van de Nationale Bank van België ("**NBB**") om levenspolissen van Tak 21, Tak 22, Tak 23 en Tak 26 aan te bieden. MAB heeft sinds 2012 geen nieuwe bedrijfsactiviteiten onderschreven. Bijgevolg kan MAB worden beschouwd als een “gesloten boek” onderneming.

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

Op 28 maart 2018 werd Monument Insurance Belgium Services Srl ("**MIBS**") opgericht om de administratie van het Belgische bedrijf te ondersteunen. Het belangrijkste doel voor de oprichting van het dienstenverleningsbedrijf was om het personeel te kunnen inzetten bij alle activiteiten en entiteiten binnen de Monument Re Group terwijl schaalvoordelen binnen de Belgische activiteiten worden gerealiseerd. Door de uitbesteding kan de Onderneming optimaal gebruik maken van middelen en operationele efficiëntie maximaliseren.

De bedrijfsstrategie van de Onderneming is om:

- te focussen op de afvloeiing van de bestaande gesloten polissenportefeuilles (c. 40,000) per 31 december 2020 (c. 45,000 per 31 december 2019), er tegelijkertijd voor zorgend dat acties en klantenservice van hoogwaardige kwaliteit een prioriteit blijven;

- Ter ondersteuning van de strategie van de Monument Re Group, die erop gericht is oplossingen te bieden voor activa-intensieve levensverzekeringsportefeuilles door middel van herverzekering of acquisitie op de Europese markt;
- te blijven zoeken naar mogelijkheden om de Onderneming te laten groeien door verzekeringsportefeuilles te verwerven, voornamelijk die in run-off en te richten op lijfrente, gegarandeerd sparen of beschermingsproductlijnen; en
- risicodiversificatie te stimuleren en kapitaalsynergieën te creëren in overeenstemming met de Monument Group-strategie.

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

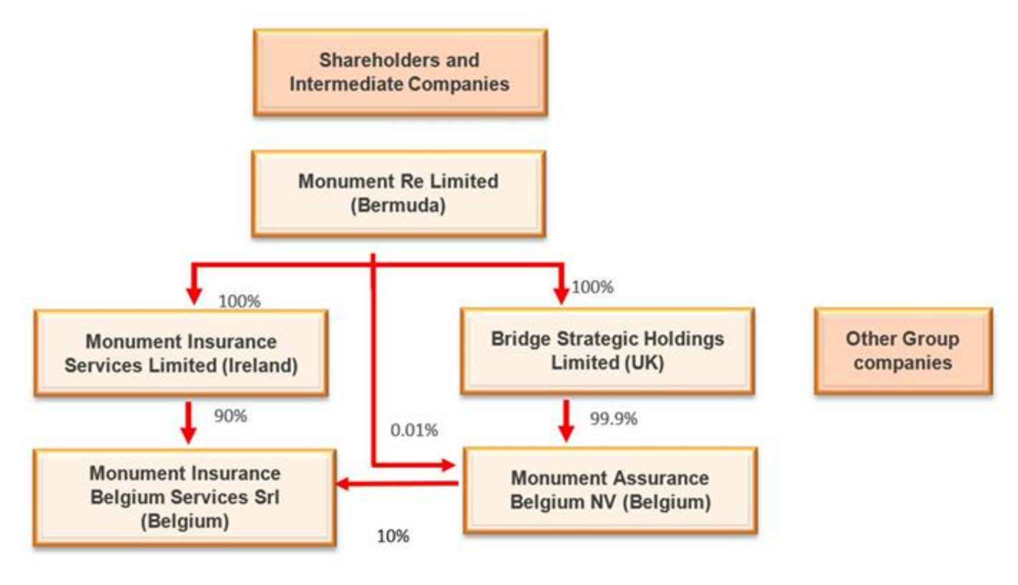
In overeenstemming met deze strategie:

- Op 31 mei 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van langetermijn-, spaar- en kredietlevensverzekeringen van Alpha Insurance, een Belgische verzekeringsmaaschappij en dochteronderneming van Enstar Group Limited, (de “**Alpha-portefeuille**”, of “**Alpha**”) (ca. 33.598 polissen per 31 december 2020).
- Op 16 december 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van niet-Curanova lange-termijn-spaarcontracten van Curalia OVV (de “**NCN-portefeuille**” respectievelijk “**Curalia**”) (ca. 4.495 polissen per 31 december 2020). Het beheer van deze portefeuille blijft wel bij Curalia.
- Op 18 augustus 2020 is MAB een overeenkomst met betrekking tot portefeuille overdracht aangegaan met Allianz Benelux SA/NV. Deze overeenkomst betreft een gesloten-boek portefeuille van klassiek leven contracten (ca. 95.000 polissen) met een hypotheken portefeuille van ca. 4.500 polissen. (de “**Allianz Portfolio**”)

De Onderneming blijft actief zoeken naar mogelijkheden voor verdere groei op de Belgische markt.

Ter ondersteuning van de intentie van de Monument Re Group om het kapitaal en de liquiditeit efficiënt te beheren, maakt de Onderneming gebruik van een intra-groepsherverzekering (Intragroup reinsurance "**IGR**") om risico's af te staan die kunnen worden herverzekerd aan Monument Re, terwijl een deel van het risico wordt behouden. Dit draagt bij tot risicospreiding en kapitaal- en liquiditeitssynergieën op groepsniveau. Het IGR-verdrag werd in 2019 bijgewerkt om de dekking van de Alpha-portefeuille en de NCN-portefeuille op te nemen vanaf de effectieve datum van de overdracht van de portefeuille. Het IGR-verdrag zal worden bijgewerkt om de dekking van de Allianz portefeuille op te nemen vanaf de effectieve datum van de overdracht van de portefeuille. De Onderneming zal een percentage van 70% hanteren voor de Allianz portefeuille.

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



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

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

Prestaties

De einddatum van het huidige boekjaar van de Onderneming is 31 december. Dit rapport is voor het jaar eindigend op 31 december 2020 met vergelijkingen ten opzichte van het voorgaande jaar voor de statutaire periode van 12 maanden die eindigt op 31 december 2019. Afschriften van de financiële overzichten van de Onderneming zijn verkrijgbaar via de website van de Nationale Bank van België.

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

De belangrijkste uitdagingen voor de Onderneming vanuit een operationeel perspectief in 2020 waren de integratie van (i) de Alpha-portefeuille en (ii) de NCN-portefeuille. Beide portefeuilles zijn ingedekt via de IGR dat sinds 31 december 2018 van kracht is.

De resultaten van de Onderneming voor de periode worden hieronder weergegeven in ***Section A. Business and Performance.*** De operationele prestaties en run-off van de portefeuille bleven presteren in lijn met de vooruitzichten, en de onderneming rapporteerde een verzekeringstechnische winst voor de verslagperiode van € 5,76 miljoen (2019: een winst van € 5,54 miljoen).

Governancesysteem

De Onderneming heeft een governancesysteem ingevoerd dat past bij de bedrijfsstrategie en -activiteiten. Er is een duidelijke delegatie van verantwoordelijkheden, rapportagelijnen en toewijzing van functies door middel van de gedocumenteerde taakomschrijvingen van het desbetreffende comité en de charters van sleutelfuncties. Het governancesysteem omvat vereisten met betrekking tot: de geschiktheid en betrouwbaarheid van personen die verantwoordelijk zijn voor sleutelfuncties, beloningspraktijken en uitbestedingsactiviteiten. Een belangrijk deel van de bedrijfsactiviteiten en de governanceregelingen van de Onderneming is uitbesteed aan het dienstenverleningsbedrijf, Monument Insurance Belgium Services ("**MIBS**"), een (indirecte) dochteronderneming van Monument Re.

Op basis van het proportionaliteitsbeginsel en rekening houdend met de omvang van MAB (kleine entiteit), de activiteiten (gesloten boeken) en het type producten (Tak 21), is de rapportering enigszins aangepast. De Onderneming handhaaft echter de naleving van alle lokale wettelijke en reglementaire rapportagevereisten.

Er waren geen materiële wijzigingen in het governancesysteem gedurende het jaar eindigend op 31 december 2020, waarbij het dagelijks beheer van het bedrijf werd gedelegeerd aan het directiecomité (Management Committee of "**MC**"). Bovendien zijn alle onafhankelijke controlefuncties, uitgezonderd de actuariële functie, ondergebracht in de Monument Re groep. Het directiecomité heeft zich geëngageerd om het governancesysteem binnen MAB verder te versterken.

Verdere details van het governancesysteem van de Onderneming worden hieronder weergegeven in deel ***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 de Onderneming is blootgesteld. Het systeem omvat processen voor het identificeren, beoordelen, monitoren, beheren en rapporteren van alle risicocategorieën. Het risicobeheersysteem omvat de eigen risico- en solvabiliteitsbeoordeling (Own Risk and Solvency Assessment "**ORSA**"), die de raad van bestuur van MAB (de "**Raad**") helpt bij het bepalen of er voldoende Eigen Vermogen is om de risico's van de Onderneming gedurende haar bedrijfsplanningshorizon te dekken.

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

Waardering voor solvabiliteitsdoeleinden

De balans van de Onderneming laat zien dat de meerderheid van de activa voornamelijk bestaat uit bedrijfs- en overheidsobligaties, hypotheekfondseffecten ("**Nederlands Woonhypotheken**") en kasdeposito's van korte duur, wat consistent is met de aard en de looptijd van de onderliggende verplichtingen.

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

Kapitaalbeheer

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

De volgende tabel geeft een samenvatting van het Eigen Vermogen en de solvabiliteitspositie van de Onderneming op 31 december 2020 , met vergelijkende cijfers van vorig jaar (in € '000, behalve voor percentages):

	31st December 2020	31st December 2019
In aanmerking komend Eigen Vermogen ter dekking van de Wettelijke Solvabiliteitsvereiste	14,017	14,537
Solvabiliteitskapitaalvereiste	3,369	3,032
Minimum kapitaalvereiste	3,700	3,700
Verhouding van Eigen Vermogen tot SCR	416 %	479%
Verhouding van Eigen Vermogen tot MCR	379%	393%

Het in aanmerking komend Eigen Vermogen is tijdens de verslagperiode gedaald van € 14,5 miljoen naar € 14,0 miljoen. Deze daling was voornamelijk het gevolg van de modelwijzigingen en nieuwe aannames in de berekening van de verzekeringstechnische verplichtingen per 31 december 2020.

De SCR steeg van € 3,0 miljoen naar € 3,4 miljoen tijdens de verslagperiode. Deze verandering is hoofdzakelijk te wijten aan de bovengenoemde modelwijzigingen en nieuwe aannames in de berekening van de verzekeringstechnische verplichtingen. De absolute Minimumkapitaalvereiste (Minimum Capital Requirement "**MCR**") van € 3,7 miljoen is tijdens de verslagperiode niet gewijzigd. Aangezien MCR de SCR overschrijdt, is de solvabiliteitsratio van de Onderneming in de verslagperiode gedaald van 393% tot 379%.

Verdere details van het Eigen Vermogen en de SCR van de Onderneming zijn te vinden in deel ***Section E. Capital Management***.

Conclusies en aanbevelingen

In de uitvoering van haar strategie heeft de Onderneming haar solvabiliteitsratio verhoogd door de overname van twee portefeuilles in 2019, namelijk de Alpha-portefeuille en de NCN-portefeuille. In 2020 zette de Onderneming de uitvoering van haar strategie voort door een overeenkomst te sluiten met Allianz Benelux SA betreffende de Allianz Portefeuille. Deze transactie wordt beschouwd te worden afgerond op 1 April 2021.

In de loop van 2020 heeft de Onderneming haar governancesysteem verder versterkt en ervoor gezorgd dat er een passend kader voor risicobeheer is opgezet.

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

Executive Summary

Introduction and Purpose

This is the Solvency and Financial Condition Report ("**SFCR**") for Monument Assurance Belgium ("**MAB**" or the "**Company**") for the year ended 31st December 2020. 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 13th March 2016 on the statute and supervision of insurance or reinsurance undertakings ("**Solvency II Act**").

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

Business Information

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

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

The Company was originally 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).

On 28th March 2018, Monument Insurance Belgium Services Srl ("**MIBS**") was established to support the administration of the Belgian business. The main objective for establishing the service company 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 maximise operational efficiencies.

The business strategy of the Company is to:

- Focus on the administration of the existing in-force closed book of policies (c. 40,000 as at 31st December 2020; c. 45,000 as at 31st December 2019), whilst ensuring that high quality operations and customer service remain a priority;

- To support Monument Re Group's strategy, which is to provide solutions for asset intensive life insurance portfolios through reinsurance or acquisition in the European market;
- Continue to seek opportunities to grow the Company through acquiring insurance portfolios, primarily those in run-off, and targeting annuity, guaranteed savings or protection product lines; and,
- Drive risk diversification and create capital synergies in line with the Monument Group strategy.

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

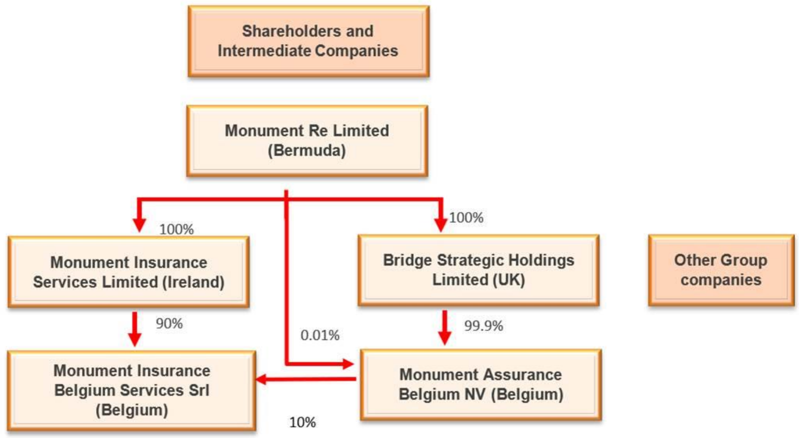
Consistent with this strategy:

- On 31st May 2019, MAB effected the transfer of a portfolio of long-term savings and credit life insurance from Alpha Insurance SA, a Belgian composite insurance company and a wholly-owned subsidiary of Enstar Group Limited, (the "**Alpha Portfolio**", or "**Alpha**") (c. 33,598 policies as at 31st December 2020).
- On 16th December 2020, MAB effected the transfer of a portfolio of non-Curanova long term savings contracts from Curalia OVV (the "**NCN Portfolio**" and "**Curalia**", respectively) (c. 4,495 policies as at 31st December 2020). Administration of this portfolio remains with Curalia.
- On 18th Augustus 2020, MAB entered into a portfolio transfer agreement with Allianz Benelux SA/NV. This agreement relates to a closed-book portfolio of classical life insurance policies (c. 95,000 policies) together with mortgages (c. 4,500) (the "**Allianz Portfolio**").

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

In support of Monument Re Group's intention to efficiently manage capital and liquidity, the Company makes use of intra-group reinsurance ("**IGR**") to cede risks that can be reinsured to Monument Re, whilst retaining a proportion of the risk. This helps to drive risk diversification and capital and liquidity synergies at the group level. The IGR-Treaty was updated during 2019 to include coverage of the Alpha portfolio and the NCN portfolio from the effective date of the portfolio transfer. The IGR-Treaty will be updated to provide coverage for the Allianz Portfolio as of the effective date of the acquisition. The Company will apply a transfer percentage of 70% on the Allianz Portfolio.

The ownership structure of MAB and MIBS is 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 31st December. This report is for the year ended 31st December 2020 with prior year comparatives for the 12-month statutory period ending 31st December 2019. Copies of the Company's financial statements may be obtained from the website of the National Bank of Belgium.

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

The main challenges for the Company from an operational perspective during 2020 were the integration of (i) the Alpha Portfolio and (ii) the NCN Portfolio. Both portfolios are captured by the IGR that has been in place since 31st December 2018.

The Company's results for the period are shown below in ***Section A. Business and Performance***. The operational performance and run-off of the portfolio continued to perform in line with projection, and the business reported an underwriting gain for the reporting period of € 5.76m (2019: a gain of € 5.54m).

System of Governance

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

Based on the proportionality principle and taking into consideration the size of MAB (small entity), activities (closed books) and type of products (branch 21), the reporting has been slightly adjusted. However, the Company maintains adherence to all local statutory and regulatory reporting requirements.

There were no material changes in the system of governance during the year ended 31st December 2020, with the day-to-day management of the business delegated to the Management Committee (the "**MC**"). All independent control functions have now, 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, insurance risk and operational risk. Further details of the Company's risk profile are provided below in ***Section C. Risk Profile*****.**

Valuation for Solvency Purposes

The Company's balance sheet shows the majority of assets comprises mainly of corporate and government bonds, mortgage fund securities ("**Dutch Residential Mortgages"** or "**DRM"**) and cash deposits of short duration, which is consistent with the nature and term of the underlying liabilities.

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 summaries the Company's Own Funds and solvency position at 31st December 2020, with prior year comparatives (in € '000, except for percentages):

	31st December 2020	31st December 2019
Eligible Own Funds to cover Regulatory Solvency Requirement	14,017	14,537
Solvency Capital Requirement	3,369	3,032
Minimum Capital Requirement	3,700	3,700
Ratio of Own Funds to SCR	416%	479%
Ratio of Own Funds to MCR	379%	393%

Eligible Own funds decreased over the reporting period from € 14.5m to € 14.0m. This decrease was principally due to the model changes and assumptions updates per 31 December 2020.

The SCR increased from € 3.0m to € 3.4m over the reporting period. This change is primarily due to the aforementioned model changes and assumptions updates. The absolute Minimum Capital Requirement ("**MCR"**) of € 3.7m is unchanged over the reporting period. Since MCR exceeds SCR, the solvency ratio of the Company decreased from 393% to 379% 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 increased its solvency ratio due to the acquisition of two portfolios in 2019, *i.e*. the Alpha Portfolio and the NCN Portfolio. Over 2020, the Company continued executing its strategy by entering into an agreement with Allianz Benelux SA for the Allianz Portfolio. This transaction is envisaged to complete by April 1st, 2021.

Over the course of 2020 the Company has continued to strengthen its system of governance and ensured that an appropriate risk management framework is in place.

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

A. Business and Performance

A.1 *Business*

A.1 (a) Name and legal form

Monument Re completed the acquisition of ABN AMRO Life Capital Belgium NV ("**AALCB**") on 28th 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 (branch 21). The Company also has a license for branch 22, branch 23 and branch 26. The Company is closed to new business.

Name and registered office of the Company is:

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

The shareholders' meeting of the Company is set for the 15th day of May. The articles of association were last coordinated on 22 March 2021 following the Capital Increase in the amount of 45,000,000 EUR.

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

Local Supervisors:

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

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

Group supervisor of the Group to which the Company belongs:

Bermuda Monetary Authority
BMA House
43 Victoria Street

Bermuda, Hamilton

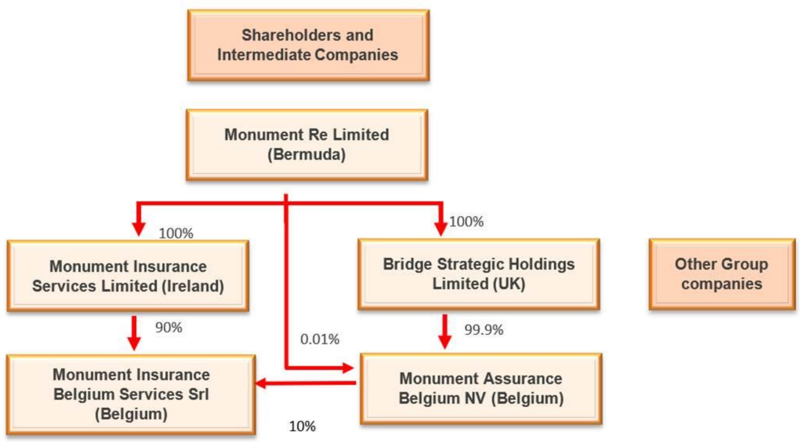
A.1 (c) Name and contact details of the external auditors

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

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

MAB is 99.99% owned by Bridge Strategic Holdings Limited, whilst Monument Re Limited holds 1 share. Furthermore, MAB owns 10% of MIBS, while 90% is owned by Monument Insurance Service Limited ("**MISL"**). As a result of the implementation of the new Belgian Company Code on 1st January 2020, the closed limited liability company ("**SPRL"**) has been changed into limited liability company ("**SRL"**).

The ownership structure of MAB and MIBS as at 31st December 2020 is set out in the following 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, nineteen (19) transactions have been signed. These transactions support the Company's strategy to build and grow the Ireland, Benelux and Crown Territories platforms as well as demonstrating the capacity to develop and transact on opportunities in other territories.

Over 2020, Monument Re built upon the success of 2019 with the completion of three transactions and the signing of three further transactions that remained subject to regulatory approval at 31st December 2020.

Monument Assurance Belgium NV ("MAB")

Monument Re acquired ABN AMRO Life Capital Belgium N.V. ("**AALCB**"), a Belgian Life insurance company. On 28th March 2018, regulatory approval was obtained from the National Bank of Belgium and subsequently, AALCB was renamed Monument Assurance Belgium N.V. ("**MAB**"). MAB is now structured directly under Bridge Strategic Holdings Ltd.

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

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

Monument Insurance Belgium Services Srl

Monument Insurance Belgium Services Srl ("MIBS") was incorporated on 28th 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.

Significant Events

On 14th August 2020, Monument Re signed an agreement to acquire a classical life retail insurance book from Allianz Benelux (Belgium). This transaction is envisaged to complete on April 1st 2021.

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

General area

MAB is licensed by the NBB to offer branch 21, branch 22, branch 23 and branch 26 life policies. MAB does not underwrite new business since 2012 and can thus be considered a closed book company. In addition, the Company provided services in Belgium, the Netherlands and Luxembourg during 2020 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**
201912	1.993	63	86	7	**2.149**
202012	1.960	61	84	4	**2.109**
Evolution (YTD)	**-33**	**-2**	**-2**	**-3**	**-40**

Alpha Portfolio

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

Number of contracts	Credit Life	Traditional Life	**Grand Total**
201912	28.982	8.739	**37.721**
202012	25.193	8.405	**33.598**
Evolution (YTD)	**-3.789**	**-334**	**-4.123**

NCN Portfolio

The NCN Portfolio was acquired on 16th 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 31st December 2020, the NCN portfolio consisted of approximately 4,500 policies.

Number of contracts	Group Pension Insurances	Individual Pension Insurances	Individual Pension Commitments	RIZIV-INAMI insurances	**Total**
201912	35	3.891	52	573	**4.551**
202012	35	3.843	51	566	**4.495**
Evolution (YTD)	**0**	**-48**	**-1**	**-7**	**-56**

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

The following significant events occurred during the year 2020:

- The Alpha portfolio has been migrated from the legacy administration system to the standard policy administration platform of MAB: UL3 in January 2020. This migration has been followed by an aftercare period that was closed by June 2020.
- An important backlog of 933 contracts (death claims, reductions, end of term, surrenders, ...) has been resolved in 2020.
- Since March 2020, all staff members of MAB, and MIBS which is MAB's most important outsourcee, have been teleworking due to the Covid-19 pandemic. It is worth noting that this did not have an impact on MAB's operations.
- The MC is advised by the Outsourcing Committee ("**OC**") in order to strengthen the outsourcing monitoring. The OC was created on 8 April 2020.
- On 18 August 2020, MAB signed an asset purchase agreement in regard to a portfolio transfer with Allianz Benelux NV. The transferred portfolio contains 95k closed classical life retail insurance contracts (Branch 21 and Branch 22 products) and covering assets including 4.7k mortgage loans.

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

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

A.2 *Underwriting Performance*

The Company's financial statements are prepared in accordance with Generally Accepted Accounting Practice in Belgium ("**BGAAP**").

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

The following tables present the balance on the technical account (underwriting performance) as reported in the Company's financial statements for the year ended 31st December 2020. Prior year comparatives are for the year ended 31st December 2019, both on an aggregate level and by Solvency ll line of business.

The following tables highlight the underwriting results for the years ended 31st December 2020, with prior year comparatives:

€ '000	2020	2019
Premium (net of reinsurance)	359	24,659
Net Claims incurred	-932	-5,078
Changes in technical provisions	6,329	-14,041
Net underwriting performance	**5,756**	**5,540**

€ '000	2020	2019
MAB	622	794
Alpha	7,233	2,444
NCN	-2,099	2,302
Net underwriting performance	**5,756**	**5,540**

The key trends noted are:

- The large premium income in 2019 was driven by the Alpha and NCN acquisitions. In 2020 there were only regular premiums received and there were no acquisitions; and
- The negative changes in technical provisions in 2019 are driven by the Alpha and NCN-portfolio acquisition / changes in transit account. The negative underwriting performance of the NCN portfolio in 2020 is driven by the €1.9m increase in Technical Provisions due to delayed RIZIV premiums that should have been received in 2019 but were received in 2020. The corresponding increase of insured amounts and subsequently the increase of the Technical Provisions was incurred in 2020.

A.3 *Investment Performance*

A.3 (a) Income & expenses

The Company's investment income excluding expenses as reported in the Financial Statements for the year 2020 was € 4,006 (2019: € 4,860) which is analysed in the following table:

	2020 € '000	2019 € '000
Bonds	3,423	4,676
Advances on policies	125	169
Cash Deposits	0	14
Other investments	458	1
Total Gross investment income	**4,006**	**4,860**
Reinsurance	3,605	4,383
Total Net Investment income	**401**	**477**

The Company's investment expenses reported in the Financial Statements for the year 2020 were € 3,483 (2019: € 2,990).

During 2020 the investment mix for the MAB and the Alpha portfolio was changed by moving a significant part of the bonds exposure into internal funds. This resulted in a decrease in bonds income for the MAB and the Alpha portfolio of €0.5m each. The NCN portfolio had a bonds income of ca €1.7m. Furthermore the realised gains amount of €2m in 2019 was moved to gains and losses in the 2020 income statement. The €0.5m other investment income in 2020 relates to the income on derivatives for the NCN portfolio.

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

Not applicable.

A.3 (c) Investments in securitisation

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

A.4 *Performance of other activities*

Not applicable.

A.5 *Any other information*

The Company benefits from the IGR-Treaty entered into between MAB and Monument Re (with effective date of 31st December 2018). Under the IGR-Treaty Monument Re reinsures all reinsured liabilities arising out of the Company's portfolio, on a quota share basis which is 90% covering market, insurance and operational (expense) risks. The IGR-Treaty will be updated to provide coverage for the Allianz Portfolio as of the effective date of the acquisition of this portfolio. The Company will apply a transfer percentage of 70% on the Allianz Portfolio (i.e. a 30% retention).

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, MIBS, 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.

Thus the reinsurance includes coverage of expenses, which means that Monument Re bears the expense risk. Expense risk is important in all run-off portfolios, as decreases of scale with general expenses remaining at the same level can impact insurers negatively. Monument Re covers this risk in respect of quota share of the expenses incurred on the MAB life business portfolio, i.e. 90% for the current portfolios and 70% on the Allianz Portfolio. MAB covers this risk in respect of the remaining percentage of the respective portfolios.

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

The Board of Directors ("**Board**") represents the administrative, management and supervisory body of the Company.

The Board is comprised of: a Chairman who is a non-executive director (“**NED”**), four additional NEDs and four executive directors (“**ED”**). 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 Board policy. The Board comes together on a quarterly basis, or ad hoc if the situation, like a portfolio transaction, requires. In 2020, the Board of Directors convened six times.

It also maintains the principle of collegial decision-making, although certain individual powers are granted to the directors, namely:

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

The Board’s responsibilities include establishing and overseeing:

- the business strategy;
- the supervision of the activities of the Management Committee (the “**MC**”);
- the amount and type of capital that is adequate to cover the risks of the business; and,
- the strategy for the on-going management of material risks.

The Board has established and delegated responsibilities to its MC 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

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

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

- Key Business Priorities – Determine and agree key business priorities and monitor overall performance against agreed plans, strategies and targets;
- Financial performance – Formulate the Company's Budget and ensure the Company's financial business is managed correctly and appropriate influence is exerted in respect of financial risks and opportunities;
- Operational performance – Oversee and manage aggregate operational performance issues including suppliers;
- Outsourcing Policy & Strategy, including internal Monument Re Group suppliers;
- IT – Oversee and deliver the strategic agenda to ensure that the change portfolio is appropriately managed;
- Risk management – Oversee and manage aggregate financial, operational, conduct, market and reputational risk issues;
- Leadership and people development – Manage the development of key talent within the Company;
- Investment Management Performance – Implement, monitor and ensure adherence to the investment policy agreed by the Board; and,
- Compliance – Monitor and manage regulatory developments and any compliance issues.

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

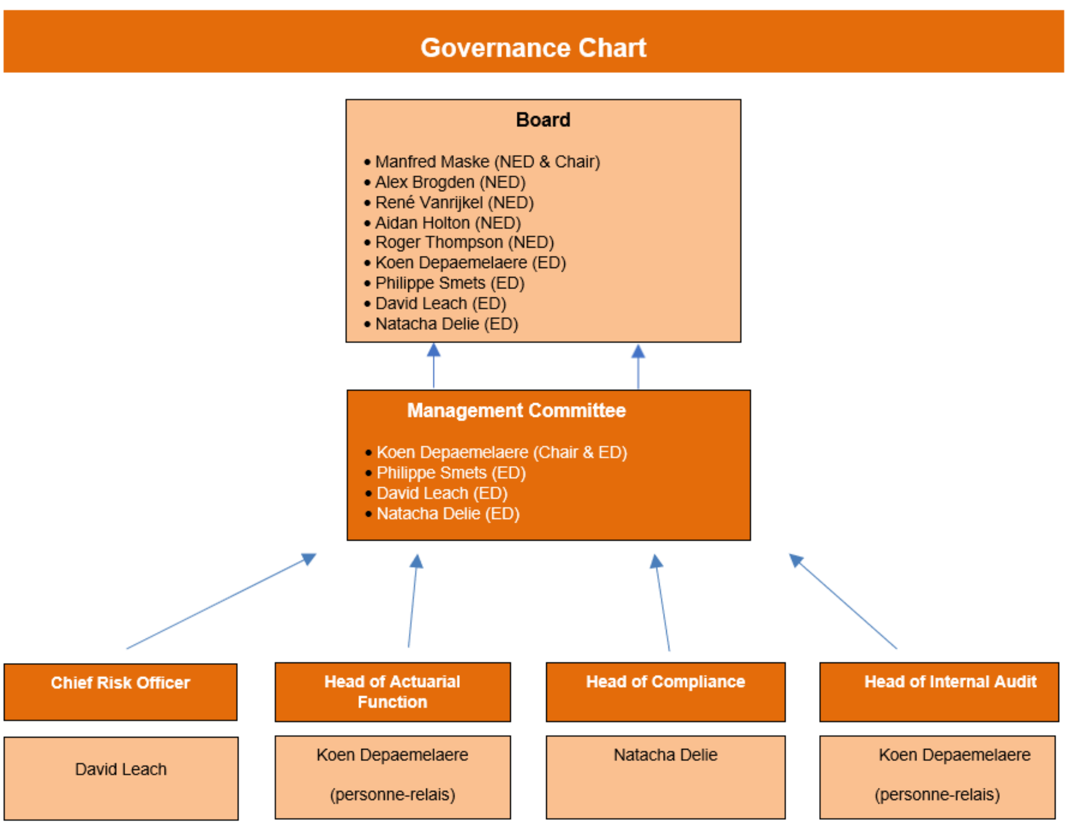
Specialised committees

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

Internally, MAB created the Outsourcing Committee ("**OC**") which advises the MC on matters regarding outsourcing. All the outsourcing relationships are discussed in the OC by the designated outsourcing relationship manager, who conducts regular service review meetings with the service providers. Subsequently, the designated relationship manager present a summary of their review to the OC, where the relationship managers can escalate any issues to. On a quarterly basis, the relationship managers conclude their findings in the KPI monitoring framework, so the MC is able to make an overall and quarterly assessment on all the outsourcing arrangements, which is presented at the Board.

Governance Chart

The Governance Chart below outlines the composition of: the Board of Directors, the Management Committee, the other Committees and the reporting lines of key functions per 31 December 2020.



The Board of Directors consists of a majority of NEDs. Furthermore, a majority of directors, in this case five including the Chairperson, are not a member of MAB's MC.

All the executive directors are members of the MC and OC. Mr. Depaemelaere acts as the CEO of MAB, while Mr. David Leach is the CRO and Ms. Delie is the Compliance Officer. Mr. Smets fulfills the task of Operational Manager.

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

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 OSP for MAB, is the servicing company MIBS. More information on the outsourcing activities are included in ***Section B.7 Outsourcing***.

Key functions roles and responsibilities: independent control functions

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

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

- Actuarial function:
  The actuarial function holder has been outsourced to an external independent control function. In addition actuarial resources within the Monument Group were utilized as actuarial support, and a new outsourcing service provider was found to deliver the first line of actuarial support. A designated representative from the MC has overall responsibility ("**Personne-relais**") for the outsourced activity of the actuarial function.

- Compliance function:
  The compliance function has been insourced since July 2019. The Compliance Officer is responsible for identifying, assessing, monitoring and reporting compliance risk exposure, focusing on compliance with applicable laws, regulatory requirements and internal policies.

- Internal audit function:
  The internal audit activities are outsourced to an intra-group outsourcing service provider as of Q2 2019. A designated representative from the MC has overall responsibility ("**Personne-relais**") for the outsourced activity of the internal audit function, whilst MISL is responsible for the internal audit services, namely developing and delivering an agreed internal audit plan and monitoring the control environment, outlined in the Master Services Agreement between the Company and MISL.

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

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

There were no other material changes in the system of governance during the year ended 31st December 2020 than those mentioned in this Section.

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

B.1 (c) Remuneration policy and practices

Principles of the Remuneration Policy

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

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

The Remuneration Policy has also been designed to meet the Company’s regulatory requirements, especially Article 275 of the Delegated Regulation. Given the update in the NBB Governance Circular, the Company has scheduled a review of this policy during 2021.

In principle,

- Almost all non-executive Board members perform their mandate on a non-remunerated basis;
- All members of the MC perform their mandate on a non-remunerated basis, save for its Chairperson and the Compliance Officer;

- The principles set forth in the Group's Remuneration Policy are applied on its staff members. MAB does not envisage to employ any operational staff in the near future as it will deliver its business strategy. MAB also continues to outsource the policy & client administration of the portfolio to its Belgian service company, MIBS and agreed third parties; and
- The various remuneration components ensure an appropriate and balanced remuneration package. Within MAB, they generally consist of a fixed pay, a bonus/ variable pay and benefit and pension schemes.

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

Performance criteria on variable components of remuneration

Staff members are eligible to participate in the Company's discretionary performance-related bonus scheme. The reward is based on completion of individual objectives as well as Company performance. The discretionary performance bonus is based on performance against staff member objectives and Monument Re values. The annual bonus is only in cash without options or shares. Identified staff of independent control functions are performance assessed for annual bonus against individual objectives only. So their performance assessment is entirely separate from the performance of the business units and areas on which they exercise control. The bonus schemes for the Group entities are approved annually by the NRGC.

Pension scheme

Staff members, except the Board, are entitled to join the Pension Plan underwritten by MIBS with Vivium (Brand of P&V Verzekeringen NV).

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 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. Originally, MAB outsourced investment management services and actuarial support services to Monument Re, however both parties agreed to terminate the actuarial support services as of 30 June 2020. Considering that a dedicated Actuarial Director has been hired, and a new OSP was found which will provide the actuarial support services (first line), it was not longer deemed necessary to have these services outsourced to Monument Re.

Both parties also concluded a quota share IGR-treaty on 19th January 2019 with effective date of 31st December 2018.

Finally, MAB entered into an intra-group outsourcing agreement with its 10% subsidiary MIBS in 2019. On 31 December 2020 and 01 March 2021, there was an update to the outsourcing agreement. The following services are outsourced:

- Finance;
- Insurance Services Administration;
- Human Resources;
- IT and Change;
- Actuarial support;
- Risk Support;
- Relation Management;
- Record Management; and,
- Mortgage services

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.

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

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

B.2 *Fit and proper requirements*

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

The Fit and Proper Policy, outlined at Monument Re Group level, is applicable to all individuals identified as controllers at: Monument Re, its subsidiaries, intermediaries and third-party service providers. In particular, a director, an officer, a secretary or senior executive is considered as a controller. Hence, MAB's controllers should comply with this Policy.

The local Fit & Proper Policy is approved by the Board of Directors on 23 September 2020. The current version adopted the Monument Group policy, with the specification of the Belgian requirements from the National Bank of Belgium. The MAB Fit & Proper Policy is applicable to all individuals identified as: Board members, MC members, responsible persons of independent control functions, and senior management of a branch ("**persons concerned**")

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

- The NBB Circular 2016_31 of 5th July 2016 revised on 13th September 2018 on the Overarching Circular concerning the Governance System ("**NBB Governance Circular**"); and
- The NBB Circular 2018_25 of 18th September 2018 on the Suitability of directors, members of the Management Committee, responsible persons of independent control functions and senior managers of financial institutions including the "Fit and Proper" handbook.

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

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

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

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

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

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

The Fit and Proper Policy describes the level of due diligence required at recruitment stage. In addition, the Company completes an annual review of the fitness and propriety of each member of the Board, MC and persons responsible for independent control functions.

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

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

The second step is during the performance where the Fit and Proper system and controls are tested periodically. Accordingly, the Company completes an annual review, of the fitness and propriety of each person concerned. Furthermore, MAB conducts an annual review on the collective suitability of the directors. 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.

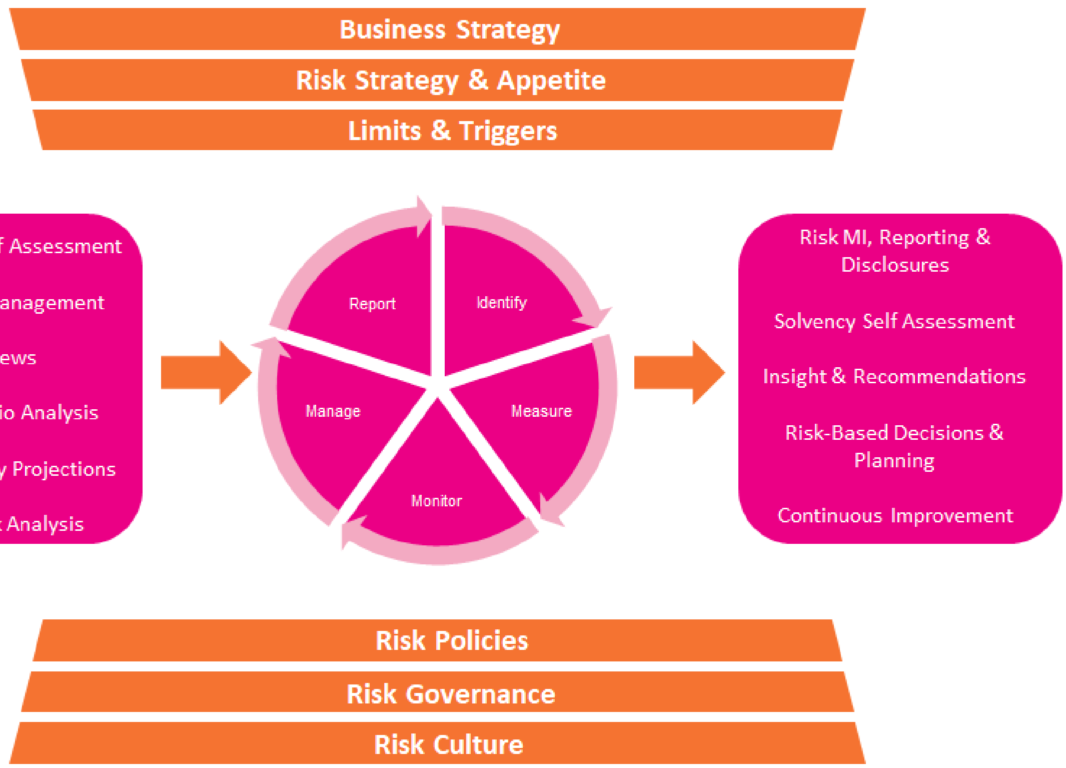
Ultimately, there is a reporting process. On the one hand, the relevant supervisory authority will be notified about any: new (re-)appointment, new elements about the suitability of the person concerned , leaving of a person concerned. On the other hand, a description of the Fit and Proper qualifications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

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

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

Risk Management Framework

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



Risk Strategy

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

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

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

Risk management process and reporting procedures

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

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

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

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

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

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

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

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

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

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

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

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

B.3 (c) Own Risk and Solvency Assessment

Process

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

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

The risk management function 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.

Frequency

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

Determination of own solvency needs

The ORSA includes an assessment of the Company's view of the capital required for the business, the own solvency needs. The Company examines the appropriateness of the Standard Formula with reference to its own risk profile. It considers whether there are any significant risks that are not captured within the Standard Formula and whether there are any stress scenarios by which the Standard Formula may not adequately capture the Company's own solvency needs. At 31st December 2020, 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.

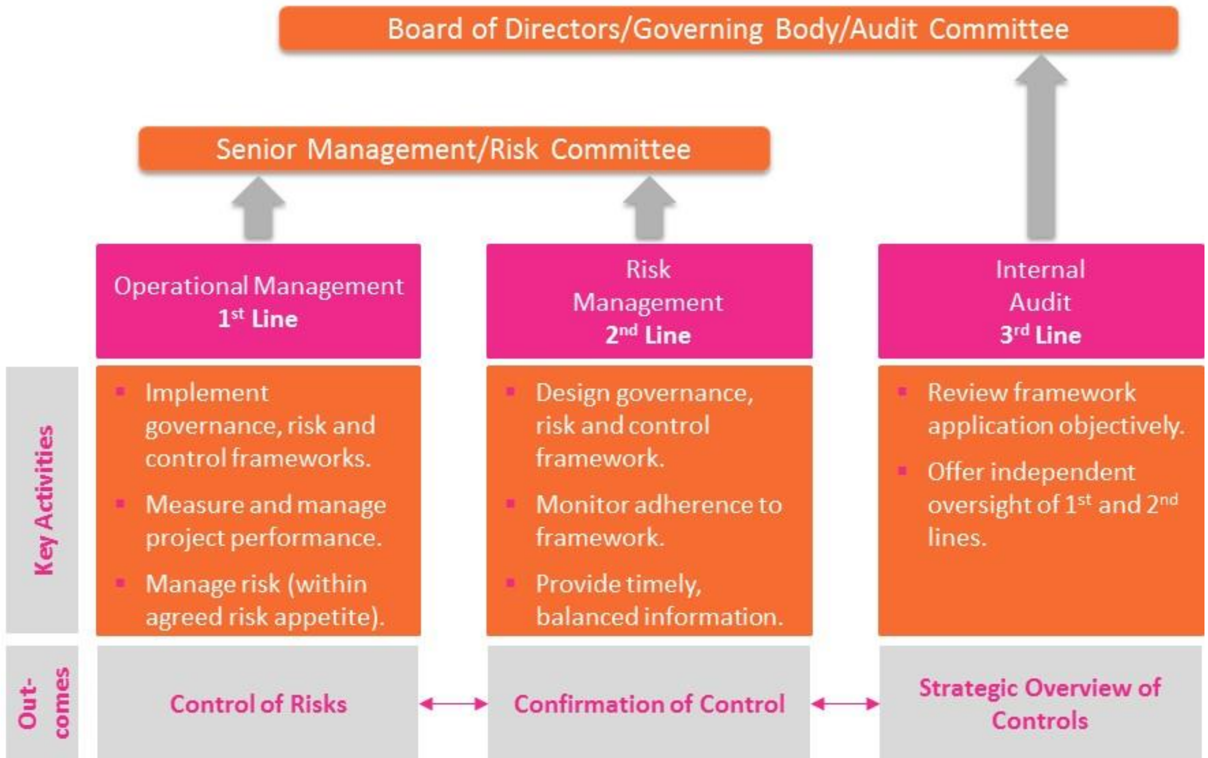
The MC and Board, including senior executives, are responsible for adopting an effective internal controls framework.

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

The internal control system combines the following components:

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

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



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

- First line of defence:

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

  The first line:

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

- Second line of defence:

  MAB's second line of defence is composed of the risk management function, the compliance function, and the actuarial function with a responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management and internal control framework. These functions report directly to the MC.

  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 is responsible for the periodic evaluation of the effective implementation of the Risk Management Framework with the Compliance Risk Management Framework across the organization, and of MAB's control environment.

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

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

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

The RCSA process requires business functions to review and self-assess the effectiveness of controls mitigating the key risks identified. The control owner is encouraged to make any relevant comments about the control and may record its operation as 'effective', 'partially effective' or 'ineffective'. Any record of the control not being effective requires a narrative explanation as well as the assessment. This process is facilitated and overseen by the risk management function, and the results are summarized and presented to Risk Committee, 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 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 MC and the Board and through the on-going reporting against that plan. At all times, the compliance function acts within the second line of defence and independently to the business. It provides the framework to allow the business to operate in a compliant manner with regards to all relevant regulatory, statutory and corporate governance obligations.

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

B.5 *Internal audit function*

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

The internal audit function is outsourced as an independent control function to MISL since 2019. On 31 December 2020, MAB and MISL updated the outsourcing agreement by the following reasons:

- The expansion of the Internal Audit team.
- To reflect the outsourcing requirements set out in section 7 ("Outsourcing") of the NBB Overarching Circular on Governance.

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

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

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

B.5 (b) Independence and objectivity

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

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

B.6 *Actuarial Function*

Implementation of the actuarial function

The actuarial function holder and first line actuarial support have been outsourced to different external OSP's. Over the course of 2020, MAB changed the OSP for the actuarial support. The new OSP will provide as of Q1 2021 the first line actuarial support, and as of Q3 2020 they produced Prophet models for MAB.

A designated representative from the MC has overall responsibility ("*Personne-relais*") for the outsourced activity of the actuarial function. Additionally, an Actuarial Director was hired in 2019 and started on the 1st March 2020.

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*

Description of Outsourcing Policy

The establishment of outsourcing arrangements with internal or external service providers is fundamental to MAB's business model and ability to achieve strategic objectives. Over the course of 2020, MAB improved their formal approach to outsourcing, taking into account the latest outsourcing requirements from the National Bank of Belgium[1]. The Board of Directors approved on 25th March 2020 and 2nd December 2020 the following outsourcing policies:

- **The Outsourcing Strategy**: The Outsourcing strategy gives a global overview why MAB decided, in line with the Group's strategy and MAB's strategic objectives, to outsource certain functions. The key outsourced activities are: policy administration, assets management, support services and Independent Control Function (the Internal Audit and Actuarial Function).
- **The Outsourcing Policy**: The purpose of the Outsourcing Policy is to outline the approach that has been developed and agreed by the Board for managing outsourcing arrangements of MAB. Therefore, the principles set out in the Outsourcing Policy are intended to establish the governance and management during the pre-contractual, contractual and post-contractual stage of all outsourced functions or activities. In addition, the Policy outlines the key requirements for specific cases of outsourcing, like: cloud-outsourcing, intra-group outsourcing, independent control functions, outsourcing outside the European Economic Area, and retention of insurance documents.
- **The OSP Framework**: the OSP Framework provides a high-level guidance in relation to the outsourcing governance process and on-going management of OSP arrangements with an emphasis on how the outsourcing risk is managed. It should also be viewed in conjunction with the Outsourcing Policy.
- **The OSP Process Manual**: the OSP Procedure details how the outsourcing process is conducted within the Company.

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

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

All outsourcing agreements were monitored and reviewed by the Outsourcing Committee ("**OC**"), which is an advisory body to the Management Committee. Consequently, the OC ensured that outsourced

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

activities were conducted in adherence with the outsourcing policies, the terms set out in outsourcing agreements and with applicable regulatory requirements. In practice, MAB used a KPI monitoring approach for each outsourcing relationship. The KPI Monitoring tool is presented by each individual relationship manager to the OC a quarterly basis. Subsequently, the OC could report issues to the MC, which could escalate it to the Board of Directors in case of important or critical functions. Furthermore, the Board of Directors receives summary of the overall and quarterly outsourcing assessment.

Outsourcing and jurisdiction of critical or important operational functions or activities

Over the course of 2020, MAB outsourced services to fourteen service providers. However, MAB has also terminated an outsourcing agreement with one service provider, and replaced an service provider. Consequently, as of 31 December 2020, MAB has thirteen outsourcing arrangements, divided in:

- two independent control functions;
- four intra-group service providers of critical and/or important activities;
- six extra-group service providers, of which four provide critical and/or important activities.

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

Service provider: intra-group, extra-group or independent control function	Activity	Jurisdiction
Intra-group	IT & Change (IT services)	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 and Mortgage services	Belgium
Intra-group	Finance (only regulatory reporting through one-gate)	Luxembourg
Intra-group	Investment Management	Bermuda
Extra-group	Policy Administration Curalia portfolio	Belgium
Independent control function	Actuarial function holder	Belgium
Independent control function	Internal Audit function	Ireland
Extra-Group	Investment & Asset Management	UK
Extra-Group	External Archiving	Belgium

B.8 *Any other information*

Following the completion of the acquisition of the Allianz Portfolio, the Company will further strengthen its system of governance structure by appointing amongst others an independent director and having its Chief Financial Officer present in its MC and Board.

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

Based on the proportionality principle and taking into consideration the size of MAB (small entity), activities (closed books) and type of products (branch 21) the Company maintains adherence to all local statutory and regulatory reporting requirements.

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

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 previously sold on the Belgian market. The insurance risks involved with administering this run-off business include mortality risks, morbidity 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 morbidity risks;
- Risk is measured principally in terms of Solvency Capital Requirement ("**SCR**"), supplemented by sensitivity tests to key assumptions, and stress and scenario testing; and
- Lapse management/ monitoring.

Material risk concentrations

The following table shows the analysis of insurance contracts on a gross and net of reinsurance basis as of 31st December 2020, with prior year comparatives:

	31st December 2020		31st December 2019	
Country	Gross policy reserves € '000	Net policy reserves € '000	Gross policy reserves € '000	Net policy reserves € '000
Belgium	322,876	32,474	307,290	31,032

Risk sensitivity

Underwriting risk consists of the following risks:

Risk	€ '000
Mortality	144
Longevity	50
Disability-morbidity	—
Lapse	443
Life expense	711
Revision	—
Life catastrophe	125
Diversification	-371
SCR Underwriting risk	**1,102**

Expense and lapse risks remain the most significant.

C.2 *Market risk*

General

Market risk means the risk of loss or other adverse financial impact on the Company arising from movements in markets. This risk category comprises equity risk, interest rate risk 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 exposure using interest rate derivatives, managed according to the requirements of the Company's Derivatives and Hedging Policy.
- Regular monitoring of exposures relative to market risk limits, supplemented by stress and scenario testing.
- Risk is measured using standard metrics such as "DV01", the sensitivity of asset and liability values to small changes in market variables.

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

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

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

Material risk concentrations

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

Sensitivity

The assets in the portfolio consists of government bonds, corporate bonds, investment in mortgage loans via a fund structure, bank deposits, advances on pensions and cash. The SCR for market risk consists of the following components.

Risk	€ '000
Interest rate	399
Equity	3
Property	0
Spread	1,784
Concentration	288
Currency	44
Diversification	-875
SCR Martket risk	**1,643**

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 is largely mitigated by collateral.

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

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

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

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

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

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

Material risk concentrations

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

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

Sensitivity

As measured using the Standard Formula SCR, counterparty default risk capital is € 1,036. 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 has a € 51.6m investment via a Qualifying Irish Alternative Fund (**"QIAF"**) in a DRM fund, which has monthly liquidity subject to discretion on the part of the asset manager.

Sensitivity

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

Expected profit included in future premiums

Expected profit in future premiums ("**EPIFP"**) is potentially an illiquid asset. The drop in EPIFP compared to 2019 is caused by the fall in interest rates and the model improvements as well as the updated assumptions, in particular the expense assumptions.

EPIFP	€ '000	Total
Interest rate	30	30

C.5 *Operational risk*

General

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

Mitigating Actions and Controls

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

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

Material risk concentrations

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

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

Sensitivity

Size and complexity of the business are drivers of risk. As a run-off business, sensitivity is somewhat limited. Operational risk capital on the Solvency II Standard Formula basis is € 777.

C.6 *Other material risks*

Group risk

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

Mitigating Actions and Controls

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

Material risk concentrations

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

Strategic risk

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

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

Mitigating Actions and Controls

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

Material risk concentrations

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

Sustainability risk

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

Mitigating Actions and Controls

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

Material risk concentrations

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

Emerging Risk

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

Mitigating Actions and Controls

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

Material risk concentrations

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

C.7 *Other Relevant Information*

The global financial system faced a stress event unprecedented in modern times in the form of the Covid-19 pandemic. The Company took immediate steps to deploy its business continuity measures providing staff with the tools and facilities necessary to enable them to work from home, which all have continued to do for the last 12 months. Whilst not perfect (and we have been acutely aware that this has been far from ideal for many), members of staff have succeeded in keeping the business operations functioning without any notable interruption and the Company would like to express its sincere appreciation of their remarkable efforts. No significant financial impact as a result of the pandemic has been recorded by the Company. The business continuity measures taken by the Company in 2020 are still in place and have been proven successful.

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

D. Valuation for Solvency Purposes

The following table summarises 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 31st December 2020.

Balance sheet	31st December 2020			
	BGAAP € '000	Reclassification Differences € '000	Valuation Differences € '000	Solvency II € '000
Assets				
Investments - Bonds	184,294		11,054	195,348
Other investments	127,252		9,590	136,842
Reinsurance recoverable	259,234		31,168	290,403
Reinsurance receivables	4,562		—	4,562
Cash and cash equivalents	10,682		—	10,682
Any other assets	2		—	2
Total	**586,026**		**51,812**	**637,839**
Liabilities				
Technical Provisions	288,037		35,645	323,682
Payables	2,968		-1,528	1,440
Deposit to reinsurance	279,437		18,811	298,249
Other liabilities	676		-225	450
Total	**571,118**		**52,703**	**623,821**
Excess of assets over liabilities	**14,908**		**-891**	**14,017**

D.1 *Assets*

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

Investments and 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 and investment funds. In the BGAAP balance sheet they are valued at amortized cost and the Solvency II balance sheet at market value (quoted clean price – bid prices).

Cash and cash equivalents: cash and cash equivalents are valued at their nominal value in both the BGAAP and Solvency II balance sheet.

Other investments include:

- Advances: the advances on pension consist of loans to policyholders. Advances are only permitted to enable the transferee to acquire, renovate, or repair real estate. The market value is determined by discounting the cash flows against the risk-free swap interest rate without volatility adjustment. In the BGAAP balance sheet, the advances are valued at amortized cost.
- Mortgage Funds: in the form of investment funds, in the BGAAP balance sheet valued at amortized cost and the Solvency II balance sheet at market value.
- Deposits: are valued in the BGAAP balance sheet at amortized cost. There is no observed market price for the term deposits. The market value has been determined based on discounted cash flows at the risk-free swap interest rate without volatility adjustment.

Reinsurance recoverable

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

- A reinsurance treaty in place with SCOR, which reinsures 100% of the mortality and rider benefit risks. SCOR is AA- rated by Standard & Poor’s with a stable outlook; and

- An intragroup reinsurance arrangement with Monument Re, on a 90% quota share basis, reinsuring market, insurance and operational (expense) risks. Monument Re, as the ultimate parent company of MAB, based in Bermuda operates in a Solvency II equivalent regime.

Reinsurance receivable

Reinsurance receivable includes amounts due from reinsurers. Reinsurance receivables are valued at their nominal value in both the BGAAP and Solvency II balance sheet.

Other Assets

Other assets include accrued charges and deferred income. The accrued charges and deferred income consist mainly of accrued interest that is not yet due and which is equal to the nominal value of the interest on bonds and deposits since the last payment.

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 BGAAP and Solvency II are in section above.

D.2 *Technical provisions*

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

The following table contains the technical provisions for the Company as of 31st December 2020:

	31st December 2020		
	Solvency II € '000	GAAP € '000	Difference € '000
Best Estimate Liabilities	322,876	288,037	-34,839
Risk Margin	806	-	-806
Total	**323,682**	**288,037**	**-35,645**

The following table contains the technical provisions for the Company by material line of business as of 31st December 2020:

	31st December 2020			
	Material LOB 1	Material LOB 2	Material LOB 3	Total
	€ '000	€ '000	€ '000	€ '000
Best Estimate Liabilities	53,627	93,605	175,643	322,876
Risk Margin	135	231	440	806
Total	**53,762**	**93,836**	**176,083**	**323,682**

For the categorisation in business lines in the table a distinction is made between Monument Legacy ("**Material LOB 1**"), Alpha ("**Material LOB 2**") and Curalia ("**Material LOB 3**") insurance policies.

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

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

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

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

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

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

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

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

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

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

The technical provision, as determined in the BGAAP financial statements (including a "flashing light 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. A flashing light reserves is an extra provisions that the National Bank of Belgium requires life insurers in Belgium to set up in order to assure that sufficient funds are available at all times to fulfill guarantees given to clients within their contracts.

D.2 (d) Matching adjustment and volatility adjustment

The Company makes use of volatility adjustment. Removal of the VA has the effect of increasing the Technical Provisions by € 2.6m and reducing Own Funds by € 0.3m, after an allowance for reinsurance. Given that the absolute minimum of the MCR is the binding constraint on the Solvency II balance sheet, the SCR has not been revalued. The Solvency position of MAB would reduce from 379% to 372% as a result of removing the VA.

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

Not applicable.

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

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

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

No material changes were made in the assumptions calculating technical provisions compared to previous reporting period.

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 BGAAP and Solvency II balance sheet.

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

There are no differences between the BGAAP 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

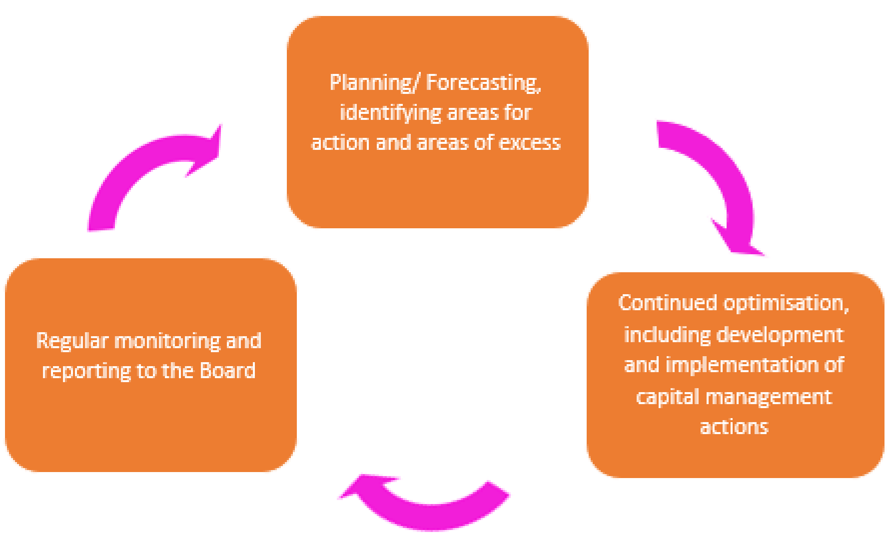
- Capital levels shall be assessed regularly to ensure that they remain appropriate to support the Group's operations
- Appropriate processes maintained to enable effective monitoring and reporting of capital positions across the Group including the impact of new transactions

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 31st December 2020, with prior year comparatives (in € '000, except for percentages):

	31st December 2020	31st December 2019
Own Funds	14,017	14,537
Solvency Capital Requirement (SCR)	3,369	3,032
Minimum Capital Requirement (MCR)	3,700	3,700
Absolute Floor of Minimum Capital Requirement	416 %	479 %
Relevant Solvency Ratio	379 %	393 %

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

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

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

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

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

	Total Own funds 31st December 2020 € '000	Total Own funds 31st December 2019 € '000	Eligible Own Funds to cover SCR 31st December 2020 € '000	Eligible Own Funds to cover SCR 31st December 2019 € '000	Eligible Own Funds to cover MCR 31st December 2020 € '000	Eligible Own Funds to cover MCR 31st December 2019 € '000
Ordinary Share Capital	14,908	14,784	14,908	14,784	14,908	14,784
Reconciliation reserve	-891	-247	-891	-247	-891	-247
Other Own Funds	-	-	-	-	-	-
Total Basic Own Funds	**14,017**	**14,537**	**14,017**	**14,537**	**14,017**	**14,537**

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 2020 € '000	31st December 2019 € '000
Shareholder Equity per financial statements	**14,908**	**14,784**
Difference in the valuation of assets	53,566	13,838
Difference in the valuation of technical provisions	-54,456	-14,084
Solvency II Excess of Assets over Liabilities	**14,017**	**14,537**

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 31st December 2020.

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

There are no material items deducted from Own Funds at 31st December 2020.

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

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

The following table shows the Company's SCR and MCR requirements as of 31st December 2020, with prior year comparatives:

	31st December 2020 € '000	31st December 2019 € '000
SCR	3,369	3,032
MCR	3,700	3,700

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

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

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

These modules are then combined using correlation factors as defined by EIOPA, with an allowance for operational risk. The following table shows the split of the SCR as of 31st December 2020, with prior year comparatives:

	31st December 2020 € '000	31st December 2019 € '000
Market risk	1,867	1,265
Counterparty default risk	498	1,036
Life underwriting risk	1,102	987
Basic Solvency Capital Requirement	2,591	2,332
Operational Risk	777	700
Solvency Capital Requirement (before minimum)	**3,369**	**3,032**

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 31st December 2020 or 31st December 2019.

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

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

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

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

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

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

The SCR has increased compared to 31st December 2019. This is primarily due to the drop in interest rates and the enhancement of the applied look-through approach in the market risk module.

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

Not applicable.

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

Not applicable.

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

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

E.6 *Any other information*

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

Appendix 1 - List of public QRT to be disclosed

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

- Template S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in section S.02.01 of Annex II to this Regulation;

- Template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.01 of Annex II to this Regulation, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- Template S.05.02.01 of Annex I, specifying information on premiums, claims and expenses by country using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.02 of Annex II;

- Template S.12.01.02 of Annex I, specifying information on the technical provisions relating to life insurance and health insurance pursued on a similar technical basis to that of life insurance ('health SLT') for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35, following the instructions set out in section S.12.01 of Annex II to this Regulation;

- Template S.23.01.01 of Annex I, specifying information on own funds, including basic own funds and ancillary own funds, following the instructions set out in section S.23.01 of Annex II;

- Template S.25.01.21 of Annex I, specifying information on the Solvency Capital Requirement calculated using the Standard Formula, following the instructions set out in section S.25.01 of Annex II;

- Template S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity, following the instructions set out in section S.28.01 of Annex II;

Appendix 2 - Glossary

AALCB	ABN AMRO Life Capital Belgium NV
ACC	Audit and Compliance Committee
Alpha or Alpha Portfolio	Portfolio of long-term savings and credit life insurance from Alpha Insurance in Belgium
BGAAP	Generally Accepted Accounting Practice in Belgium
Bridge	Bridge Strategic Holdings Limited
CBI	Central Bank of Ireland
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
DRM	Dutch Residential Mortgages
ED	Executive Director
EIOPA	European Insurance and Occupational Pension Authority
EPIFP	Expected profit included in future premiums
FSMA	Financial Services and Markets Authority
Group	Monument Re Group presented in Section A.1(e) Position
GSAMI	Goldman Sachs Asses Management International
Governance	NBB Governance Circular
GreyCastle	GreyCastle Holdings Ltd
HoAF	Head of Actuarial Function
HoIA	Head of Internal Audit
IC	Investment Committee
IGR	Intra-group reinsurance
Inora	Inora Life Designated Activity Company
Laguna	Laguna Life Designated Activity Company
MAB	Monument Assurance Belgium NV
MADAC	Monument Assurance Designated Activity Company
MC	MAB's Management Committee
MCR	Minimum Capital Requirement
MI	Management Information
MIBS	Monument Insurance Belgium Services Srl
MIDAC	Monument Insurance Designated Activity Company
MISL	Monument Insurance Service Limited
MLIDAC	Monument Life Insurance Designated Activity Company
Monument Re	Monument Re Limited
NBB	National Bank of Belgium
NBB Governance Circular	Circular NBB_2018_23 of the Overarching circular on the system of governance

NCN Portfolio	A portfolio of non-Curanova long term savings contracts from Curalia
NED	Non-Executive Director
Nordben	Nordben Life and Pension Insurance CO Limited
NRGC	Monument Re Group Nominations Remuneration and Governance Committee
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
Own Funds	According to art. 87 of Solvency II Directive 2009/138/EU,
Persons 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
PPI	Payment Protection Insurance
Private credit	Debt issued by companies/entities privately to banks or other investors. It is generally unrated, and it is considered for SII-purposes between a BBB and B
QIAF	Qualifying Irish Alternative Fund is a regulated collective
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
Reinsurance recoverables	Reinsurance recoverables represent the amount of best estimate liability expected to be recovered via reinsurance treaties or special purpose reinsurance vehicles and correspond to the expected present value of the future cash flows referring to the in-force reinsurance agreements.
Risk Management Framework	The Risk Management Framework is the structured process used to identify potential threats to an organisation and to define the strategy for removing or minimising the impact of
SCR	See: 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 reinsurance undertakings.

Solvency Capital Requirement	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 valuation used in the Company's financial statements at the reporting date.
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 over-sight functions established by management are the second line of defence, and internal auditor is the third.
UFR	Ultimate Forward Rate
VA	Volatility Adjustment

General information

		C0010
Undertaking name	R0010	Monument Assurance Belgium
Undertaking identification code and type of code	R0020	LEI/213800MJ23NBMAXX2M80
Type of undertaking	R0040	Life undertakings
Country of authorisation	R0050	BELGIUM
Language of reporting	R0070	Dutch
Reporting submission date	R0080	07-04-2021
Financial year end	R0081	31-12-2020
Reporting reference date	R0090	31-12-2020
Regular/Ad-hoc submission	R0100	Regular reporting
Currency used for reporting	R0110	EUR
Accounting standards	R0120	Local GAAP
Method of Calculation of the SCR	R0130	Standard formula
Use of undertaking specific parameters	R0140	Don't use undertaking specific parameters
Ring-fenced funds	R0150	Not reporting activity by RFF
Matching adjustment	R0170	No use of matching adjustment
Volatility adjustment	R0180	Use of volatility adjustment
Transitional measure on the risk-free interest rate	R0190	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	R0200	No use of transitional measure on technical provisions
Initial submission or re-submission	R0210	Initial submission
Exemption of reporting ECAI information	R0250	Not exempted
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/2020/04/SFCR-incl-QRT_final_as.pdf
Ad hoc XBRL technical field 1	R0990	
Ad hoc XBRL technical field 2	R0991	
Ad hoc XBRL technical field 3	R0992	

Balance sheet

Balance sheet

S.02.01.02

		Solvency II value	Statutory accounts value
		C0010	C0020
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	319,399,293	300,943,598
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090	1,855	1,855
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	195,347,764	184,294,182
Government Bonds	R0140	71,959,655	64,239,609
Corporate Bonds	R0150	123,388,110	120,054,573
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180	118,705,024	116,375,998
Derivatives	R0190	5,344,649	271,563
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230	12,792,653	10,604,269
Loans on policies	R0240	12,792,653	10,604,269
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	290,402,531	259,234,231
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	290,402,531	259,234,231
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330	290,402,531	259,234,231
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360		
Reinsurance receivables	R0370	4,562,191	4,562,191
Receivables (trade, not insurance)	R0380		
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	10,681,875	10,681,875
Any other assets, not elsewhere shown	R0420		
Total assets	R0500	637,838,542	586,026,163

Balance sheet

Balance sheet

S.02.01.02

		Solvency II value	Statutory accounts value
		C0010	C0020
Rows			
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	323,681,652	288,036,878
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	323,681,652	288,036,878
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670	322,876,146	
Risk margin	R0680	805,507	
Technical provisions - index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750		
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770	298,248,842	279,437,384
Deferred tax liabilities	R0780		
Derivatives	R0790		
Debts owed to credit institutions	R0800		
Financial liabilities other than debts owed to credit institutions	R0810	450,424	675,820
Insurance & intermediaries payables	R0820		
Reinsurance payables	R0830		
Payables (trade, not insurance)	R0840	976,999	976,999
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	463,497	1,991,391
Total liabilities	R0900	623,821,414	571,118,473
Excess of assets over liabilities	R1000	14,017,129	14,907,690

Premiums, claims and expenses by line of business

Life

S.05.01.02

		Columns								
		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	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		923,647		2,752,855					3,676,502
Reinsurers' share	R1420		840,092		2,477,569					3,317,661
Net	R1500		83,555		275,285					358,841
Premiums earned										
Gross	R1510		923,647		2,752,855					3,676,502
Reinsurers' share	R1520		840,092		2,477,569					3,317,661
Net	R1600		83,555		275,285					358,841
Claims incurred										
Gross	R1610		4,384,208		4,589,338					8,973,546
Reinsurers' share	R1620		3,699,886		4,691,193					8,391,079
Net	R1700		684,322		-101,855					582,467
Changes in other technical provisions										
Gross	R1710		424,853		-5,524,140					-5,099,287
Reinsurers' share	R1720		1,034,737		-6,731,079					-5,696,342
Net	R1800		-609,884		1,206,939					597,055
Expenses incurred	R1900		367,264		335,842					703,106
Administrative expenses										
Gross	R1910		229,984		695,349					925,333
Reinsurers' share	R1920		206,986		625,814					832,800
Net	R2000		22,998		69,535					92,533
Investment management expenses										
Gross	R2010		765,125		306,945					1,072,070
Reinsurers' share	R2020		688,612		276,251					964,863
Net	R2100		76,512		30,695					107,207
Claims management expenses										
Gross	R2110		229,984		695,349					925,333
Reinsurers' share	R2120		206,986		625,814					832,800
Net	R2200		22,998		69,535					92,533
Acquisition expenses										
Gross	R2210		0		0					0
Reinsurers' share	R2220		0		0					0
Net	R2300		0		0					0
Overhead expenses										
Gross	R2310		2,447,551		1,660,773					4,108,324
Reinsurers' share	R2320		2,202,796		1,494,696					3,697,491
Net	R2400		244,755		166,077					410,832
Other expenses	R2500									0
Total expenses	R2600									703,106
Total amount of surrenders	R2700		16,090		654,763					670,854

Life and Health SLT Technical Provisions

Life and Health SLT Technical Provisions

S.12.01.02

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance		
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees
		C0020	C0030	C0040	C0050	C0060	C0070	C0080
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	230,889,845						91,986,301
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	207,614,861						82,787,671
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	207,614,861						82,787,671
Recoverables from SPV before adjustment for expected losses	R0060	0						0
Recoverables from Finite Re before adjustment for expected losses	R0070	0						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	207,614,861						82,787,671
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	23,274,985						9,198,630
Risk Margin	R0100	576,021				229,486		
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0110							
Best estimate	R0120							
Risk margin	R0130							
Technical provisions - total	R0200	231,465,866				92,215,787		
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	23,851,005				9,428,116		
Best Estimate of products with a surrender option	R0220	23,274,985				9,198,630		
Gross BE for Cash flow								
Cash out-flows								
Future guaranteed and discretionary benefits	R0230					78,435,341		
Future guaranteed benefits	R0240	216,531,231						
Future discretionary benefits	R0250							
Future expenses and other cash out-flows	R0260	13,874,697				25,588,162		
Cash in-flows								
Future premiums	R0270	1,587,632				12,037,203		
Other cash in-flows	R0280							
Percentage of gross Best Estimate calculated using approximations	R0290	0				0		
Surrender value	R0300	156,068,636				54,583,352		
Best estimate subject to transitional of the interest rate	R0310							
Technical provisions without transitional on interest rate	R0320							
Best estimate subject to volatility adjustment	R0330	230,889,845				91,986,301		
Technical provisions without volatility adjustment and without others transitional measures	R0340	233,499,065				92,817,729		
Best estimate subject to matching adjustment	R0350							
Technical provisions without matching adjustment and without all the others	R0360	233,499,065				92,817,729		

Life and Health SLT Technical Provisions

Life and Health SLT Technical Provisions

S.12.01.02

		Columns						
		Annuities stemming from non-life insurance contracts and	Accepted reinsurance					Total (Life other than health insurance, incl. Unit-Linked)
				Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted	
		C0090	C0100	C0110	C0120	C0130	C0140	C0150
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							322,876,146
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040							290,402,531
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050							290,402,531
Recoverables from SPV before adjustment for expected losses	R0060							0
Recoverables from Finite Re before adjustment for expected losses	R0070							0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080							290,402,531
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090							32,473,615
Risk Margin	R0100							805,507
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0110							
Best estimate	R0120							
Risk margin	R0130							
Technical provisions - total	R0200							323,681,652
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210							33,279,121
Best Estimate of products with a surrender option	R0220							32,473,615
Gross BE for Cash flow								
Cash out-flows								
Future guaranteed and discretionary benefits	R0230							294,966,572
Future guaranteed benefits	R0240							216,531,231
Future discretionary benefits	R0250							0
Future expenses and other cash out-flows	R0260							39,462,859
Cash in-flows								
Future premiums	R0270							13,624,834
Other cash in-flows	R0280							0
Percentage of gross Best Estimate calculated using approximations	R0290							
Surrender value	R0300							210,651,988
Best estimate subject to transitional of the interest rate	R0310							0
Technical provisions without transitional on interest rate	R0320							0
Best estimate subject to volatility adjustment	R0330							322,876,146
Technical provisions without volatility adjustment and without others transitional measures	R0340							326,316,794
Best estimate subject to matching adjustment	R0350							0
Technical provisions without matching adjustment and without all the others	R0360							326,316,794

Life and Health SLT Technical Provisions

Life and Health SLT Technical Provisions

S.12.01.02

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		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						
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040						
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050						
Recoverables from SPV before adjustment for expected losses	R0060						
Recoverables from Finite Re before adjustment for expected losses	R0070						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200						
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210						
Best Estimate of products with a surrender option	R0220						
Gross BE for Cash flow							
Cash out-flows							
Future guaranteed and discretionary benefits	R0230						
Future guaranteed benefits	R0240						
Future discretionary benefits	R0250						
Future expenses and other cash out-flows	R0260						
Cash in-flows							
Future premiums	R0270						
Other cash in-flows	R0280						
Percentage of gross Best Estimate calculated using approximations	R0290						
Surrender value	R0300						
Best estimate subject to transitional of the interest rate	R0310						
Technical provisions without transitional on interest rate	R0320						
Best estimate subject to volatility adjustment	R0330						
Technical provisions without volatility adjustment and without others transitional measures	R0340						
Best estimate subject to matching adjustment	R0350						
Technical provisions without matching adjustment and without all the others	R0360						

Own funds

S.23.01.01

Own funds

Rows		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	17,245,392	17,245,392		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	-3,228,263	-3,228,263			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
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				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	14,017,129	14,017,129	0	0	0
Ancillary own funds						
Ancillary own funds	R0300	0			0	
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			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	14,017,129	14,017,129	0	0	0
Total available own funds to meet the MCR	R0510	14,017,129	14,017,129	0	0	
Total eligible own funds to meet the SCR	R0540	14,017,129	14,017,129	0	0	0
Total eligible own funds to meet the MCR	R0550	14,017,129	14,017,129	0	0	
SCR	R0580	3,368,500				
MCR	R0600	3,700,000				
Ratio of Eligible own funds to SCR	R0620	4				
Ratio of Eligible own funds to MCR	R0640	4				

Reconciliation reserve

Rows		Columns
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	14,017,128.6355
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	17,245,392
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-3,228,263
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	6,869,816
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	6,869,816

Solvency Capital Requirement - for undertakings on Standard Formula

S25.01.21

Basic Solvency Capital Requirement

Sheets
Z Axis:

Article 112	Z0010	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Rows				
Market risk	R0010	1,866,729	1,866,729	0
Counterparty default risk	R0020	498,138	498,138	0
Life underwriting risk	R0030	1,101,666	1,101,666	0
Health underwriting risk	R0040	0	0	0
Non-life underwriting risk	R0050	0	0	0
Diversification	R0060	-875,379	-875,379	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	2,591,154	2,591,154	

Calculation of Solvency Capital Requirement

Sheets
Z Axis:

Article 112	Z0010	No

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Operational risk	R0130	777,346
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	3,368,500
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,368,500
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	0

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

S.28.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
Rows		
MCRNL Result	R0010	

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Rows			
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		Columns
		C0040
Rows		
MCRL Result	R0200	1,720,122

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

S.28.01.01

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	23,274,985	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	9,198,630	
Total capital at risk for all life (re)insurance obligations	R0250		951,109,376

Overall MCR calculation

		Columns
		C0070
Rows		
Linear MCR	R0300	1,720,122
SCR	R0310	3,368,500
MCR cap	R0320	1,515,825
MCR floor	R0330	842,125
Combined MCR	R0340	1,515,825
Absolute floor of the MCR	R0350	3,700,000
Minimum Capital Requirement	R0400	3,700,000