Monument Assurance Belgium

Solvency and Financial Condition Report
at 31 December 2023

8 April 2024

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Samenvatting

Inleiding en Oogmerk

Dit is de Solvency and Financial Condition Report ("**SFCR**") voor Monument Assurance Belgium ("**MAB**" of de "**Onderneming**") voor het jaar eindigend op 31 december 2023. De SFCR heeft tot doel te voldoen aan de openbaarmakingsvereisten van de artikelen 290 tot en met 303 van gedelegeerde verordening (EU) 2015/35 van de Commissie ("**Gedelegeerde Verordening**") en de artikelen 95 en 96 van de wet van 13 maart 2016 op het statuut van en het toezicht op de verzekerings- of herverzekeringsondernemingen ("**Solvabiliteit II-wet**").

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

Bedrijfsinformatie

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

MAB is een levensverzekeringsmaatschappij opgericht in België onder het registratienummer 0478.291.162 en heeft een vergunning van de Nationale Bank van België ("**NBB**") om tak 21-, tak 22-, tak 23- en tak 26-levensverzekeringen en tak 1a-schadepolissen aan te bieden. MAB heeft sinds 2012 geen nieuwe activiteiten meer onderschreven en kan dus worden beschouwd als een “gesloten boek”-onderneming.

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

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

Daarnaast maakt de Onderneming gebruik van een specifiek intra-groep dienstverleningsbedrijf om de administratie van de Belgische activiteiten te ondersteunen. Het hoofddoel voor de oprichting van de dienstverlenende bedrijven is om het mogelijk te maken personeel in te zetten in alle activiteiten en entiteiten binnen de Monument Re Group en tegelijkertijd schaalvoordelen te behalen binnen de Belgische activiteiten. De uitbesteding stelt het bedrijf in staat om optimaal gebruik te maken van middelen en de operationele efficiëntie te maximaliseren. In 2023 maakte MAB gebruik van de ondersteuning van het volgende dienstverleningsbedrijf: Monument Insurance European Services NV ("**MIES**"). MIES, een geregistreerde verzekeringstussenpersoon, verleent ondersteunende diensten aan MAB op basis van een kritieke uitbestedingsovereenkomst. Hiernaast heeft MIES een tak in Ierland, die onder meer ondersteunende diensten aan die Ierse Monument-entiteit verleent.

De bedrijfsstrategie van de Onderneming is:

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

De Monument Groep streeft ernaar om door middel van een strategie van herverzekering en/of overnames risico's op basis van activa aan te gaan binnen de risicobereidheid en deze activiteiten of portefeuilles efficiënt te beheren. De focus ligt op twee hoofdgebieden, namelijk

- Acquisitie van portefeuilles of verzekeraars, voornamelijk die welke worden afgebouwd en voornamelijk gericht zijn op lijfrente-, gegarandeerde spaar- of gekoppelde producten; en
- Herverzekering van langlopende, activa-intensieve verplichtingen, meestal met garanties.

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

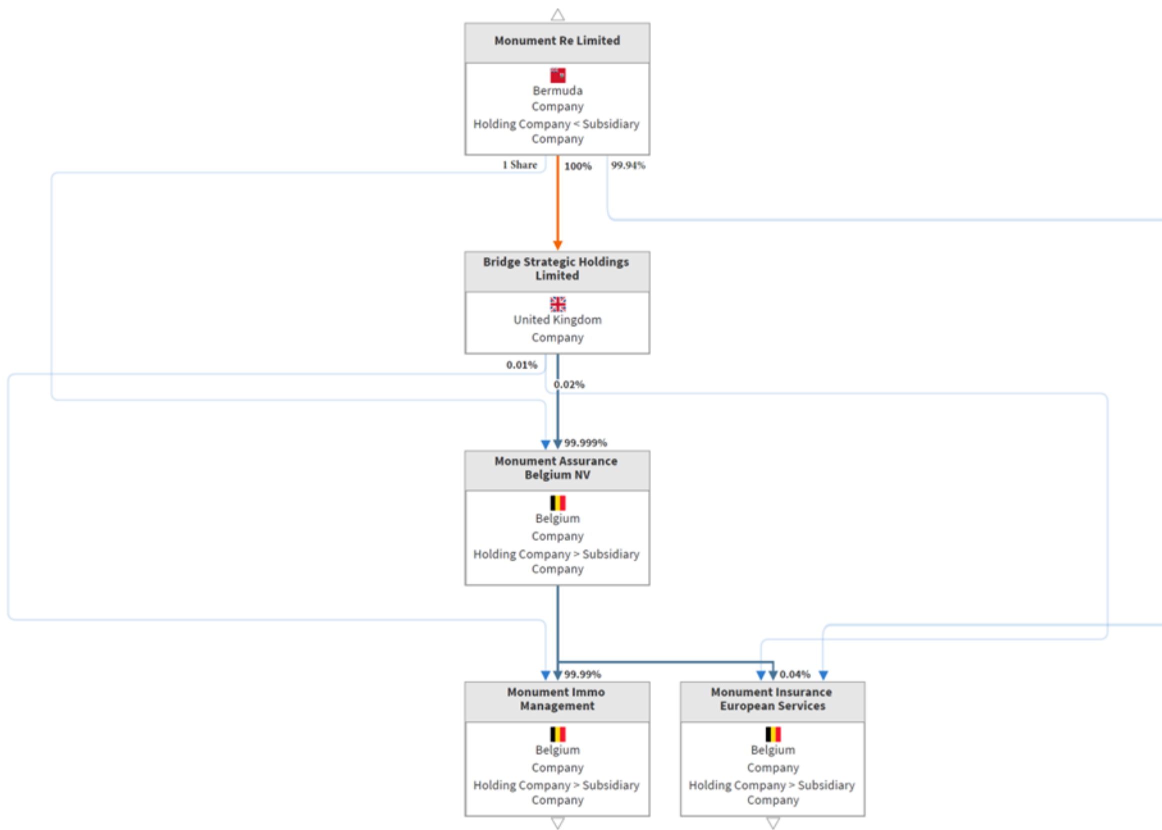
In overeenstemming met deze strategie werden de volgende levensverzekeringsportefeuilles verworven:

- Op 31 mei 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van langetermijnspaar- en kredietlevensverzekeringen van Alpha Insurance NV, een Belgische samengestelde verzekeringsmaatschappij en een volledige dochteronderneming van Enstar Group Limited, (de "**Alpha**-**portefeuille**", of "**Alpha**") (24,879 polissen op 31 december 2023).

- Op 16 december 2019 heeft MAB de overdracht uitgevoerd van een portefeuille van niet-Curanova langlopende spaarcontracten van Curalia OVV (respectievelijk de "**NCN-portefeuille**" en "**Curalia-portefeuille**") (4,293 polissen op 31 december 2023). Het beheer van deze portefeuille blijft bij Curalia.
- Op 1 april 2021 heeft MAB de overdracht van de levensverzekeringsportefeuille van tak 21 en 22 van Allianz Benelux NV uitgevoerd. Deze overname heeft betrekking op een gesloten portefeuille van klassieke levensverzekeringen (63,680 polissen op 31 december 2023) samen met hypotheken (3,029 polissen op 31 december 2023) (de "**Allianz-portefeuille**").
- Op 15 december 2021 heeft MAB de overdracht uitgevoerd van de tak 21- en 23-levensverzekeringsportefeuille, en co-verzekeringscontracten en de herverzekeringsovereenkomsten met betrekking tot die kantoren van Integrale NV (259,679 polissen per 31 december 2023) (de "**Integrale-portefeuille**"). De polisadministratie werd gedaan door Monument Assurance Belgium Services SA ("**MABS**"), dat op 31 december 2022 opging in Monument Insurance European Services SA ("**MIES**"), op basis van een uitbestedingsovereenkomst.
- Op 31 oktober 2022 droeg AXA Belgium NV de volgende boeken over aan MAB: (i) klassieke levensverzekeringscontracten in de takken 21 en 22 (zonder flexibele premie) (met inbegrip van de aanvullende verzekeringen hierbij), (ii) levensverzekeringscontracten in tak 21 en schadeverzekeringscontracten in tak 1 ingeschreven door Family Protect NV tussen 2010 en 2016 of door AXA Belgium NV tussen 2013 en 2018 onder de titel "Capital Cash", "Cover Cash", of "Accidental Cash", (iii) levensverzekeringscontracten in tak 23 die tussen 2012 en 2015 zijn afgesloten onder de titel "Happy Life" (150,986 polissen per 31 december 2023)(de "**AXA-portefeuille**"). Om een vlotte overgang tussen de verzekeringsmaatschappijen te garanderen, sloten MAB en AXA Belgium NV een overgangsovereenkomst voor uitbesteding, waarin AXA Belgium NV de polisadministratie van dit boek gedurende 2023 heeft voortgezet en die werd beëindigd na de succesvolle migratie van de AXA-portefeuille in januari 2024.
- Op 30 juni 2023 heeft MAB de overdracht uitgevoerd van een portefeuille van klassieke individuele tak 21 levensverzekeringspolissen en de onderliggende activa (6,849 polissen per 31 december 2023) van Federale Verzekering, Vereniging van Onderlinge Levensverzekeringen (de "**Federale-portefeuille**"). Met Federale Verzekering, Vereniging van Onderlinge Levensverzekeringen is een overgangsovereenkomst gesloten tot juni 2025 (met vier mogelijke verlengingen van telkens drie maanden) met betrekking tot de administratie en het beheer van deze portefeuille.
- In de tweede helft van 2023 tekende de Onderneming een overeenkomst met een andere Belgische verzekeringsmaatschappij voor de overdracht van een portefeuille groepslevensverzekeringen. Deze overeenkomst is op de datum van dit verslag nog steeds vertrouwelijk, aangezien de partijen wachten op de goedkeuring van de NBB om over te gaan tot de daadwerkelijke overdracht van de portefeuille.

Ter ondersteuning van de intentie van Monument Re Group om kapitaal en liquiditeit efficiënt te beheren, maakt de Onderneming gebruik van intragroepherverzekering ("**IGR**") om risico's die kunnen worden herverzekerd aan Monument Re af te staan, met behoud van een deel van het risico. Dit draagt bij aan de diversificatie van risico's en kapitaal- en liquiditeitssynergieën op groepsniveau. Het IGR-Verdrag werd in de loop van 2023 bijgewerkt met dekking van de Federale-portefeuille op 30 oktober 2023. De Federale IGR staat op 75%. Er is een afzonderlijk IGR afgesloten voor de Integrale-portefeuille.

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



Performance

De huidige einddatum van het boekjaar van de Onderneming is 31 december. Dit verslag heeft betrekking op het jaar eindigend op 31 december 2023 met vergelijkingen van het voorgaande jaar voor de wettelijke periode van 12 maanden die eindigt op 31 december 2022. Kopieën van de jaarrekening van de Onderneming kunnen worden geraadpleegd op de website van de Nationale Bank van België.

Terwijl jaar 2022 werd gedreven door grote macro-economische volatiliteit en rentestijgingen, markeerde jaar 2023 een stabilisatie van de renteklimaat en een geleidelijke normalisatie van de inflatiecijfers. De stabilisatie van de macro-economische omgeving was gunstig voor de beurskoersen met een herstel van de belangrijkste indexen.

Opgemerkt moet worden dat de vastgoedmarkt nog steeds te lijden heeft onder de herziening van de financieringstarieven. De neerwaartse druk op de transactieprijzen blijft groot, met negatieve gevolgen voor de transactievolumes.

Ondanks de blootstelling aan vastgoed en de bijkomende waardeverminderingen van Monument Immo Management bleven de economische eigen middelen van MAB relatief stabiel over het jaar dankzij gedisciplineerde financiële hedgingstrategieën en de IGR.

De passivaportefeuille presteerde over het algemeen conform de verwachtingen. Het fenomeen van collectieve afkoop dat zich voordeed bij de collectieve levensverzekeringen (Integrale-portefeuille) was minder zichtbaar in 2023, waarbij het collectieve vertrek zich concentreerde op enkele namen en tijdens het eerste semester van het jaar.

In een context waarin de solvabiliteitsratio van Monument Re daalde tot in de buurt van het operationele streefniveau, heeft MAB besloten om zijn beleggingsportefeuille gedeeltelijk minder risicovol te maken door bedrijfsobligaties te vervangen door staatsobligaties. Deze voorzichtige managementactie had een positieve impact op de solvabiliteitsratio van het bedrijf, maar zal de toekomstige financiële inkomsten tijdelijk verlagen met een tastbare impact die in 2024 wordt verwacht.

Naar Belgische normen is het boekjaar 2023 positief met een sterk nettoresultaat dat wordt ondersteund door de vrijval van een voorziening voor uitgestelde inkomsten en de realisatie van winst op afgestoten bedrijfsobligaties.

De resultaten van het bedrijf voor de periode worden hieronder weergegeven in ***Section A. Business and Performance***. Het bedrijf rapporteerde over de verslagperiode een verzekeringstechnische winst van € 17,000,366m (2022: een verlies van €24,328,451m).

Bestuurssysteem

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

Het bedrijf is geëvolueerd in het jaar 2023, de volgende wijzigingen moeten worden opgemerkt:

- In overeenstemming met artikel 52 van de Solvency II-wet werd in 2023 een bijkomend gespecialiseerd comité opgericht, namelijk het Risk and Compliance Committee ("**RCC**"), dat de Raad van Bestuur ondersteunt.
- Per 1 januari 2023 is een nieuwe uitvoerend directeur begonnen als Chief Risk Officer ("**CRO**"), die hiërarchisch verantwoordelijk is voor de risicobeheerfunctie, de compliancefunctie en de functionaris voor gegevensbescherming. Daarnaast is hij de "personne-relais" voor de actuariële functiehouder en de hoogst verantwoordelijke voor AML, waardoor de tweede verdedigingslinie wordt versterkt. Hiernaast is per 1 januari 2023 een nieuwe Compliance Officer begonnen.
- Twee niet-uitvoerende bestuurders hebben de Vennootschap verlaten. Er is een nieuwe voorzitter benoemd. Er is een Fit & Proper-dossier ingediend bij de NBB over de benoeming van een nieuwe niet-uitvoerende bestuurder, waarvan de goedkeuring van de NBB wordt verwacht. Ten slotte is de Onderneming bezig met de toevoeging van een nieuwe niet-uitvoerende onafhankelijke bestuurder aan de Raad van Bestuur.

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

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

Risicoprofiel

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

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

Waardering voor solvabiliteitsdoeleinden

De asset-allocatie evolueert in overeenstemming met de beoogde asset-allocatie van MAB. In het bijzonder moet worden opgemerkt dat in 2023 een herbalancering werd uitgevoerd waarbij bedrijfsobligaties werden omgezet in staatsobligaties.

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

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

Kapitaalbeheer

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

De volgende tabel geeft een overzicht van het eigen vermogen en de solvabiliteitspositie van de Onderneming op 31 december 2023, met vergelijkingen van het voorgaande jaar (in € '000, met uitzondering van percentages):

	31 december 2023	**31 december 2022**
In aanmerking komend eigen vermogen ter dekking van het wettelijk solvabiliteitsvereiste	386,404	372,081
Solvabiliteitskapitaalvereiste	102,089	147,722
Minimumkapitaalvereiste	45,940	66,475
Verhouding eigen vermogen tot SCR	378%	252%
Verhouding eigen vermogen tot MCR	841%	560%

Het in aanmerking komend eigen vermogen is in de rapporteringsperiode aanzienlijk gestegen van € 372,1m naar €386,4m.

De SCR daalde van € 147,7m naar € 102,1m over de rapporteringsperiode. Deze daling kan enerzijds worden verklaard door een herbalancering door de Onderneming in 2023, waarbij bedrijfsobligaties worden omgezet in staatsobligaties, en anderzijds door de toepassing van het verliesabsorberend vermogen van uitgestelde belastingen voor de eerste keer in 2023.

De absolute MCR daalde in lijn met de SCR van € 66,5m naar € 45,9m vergeleken met eind 2022. De solvabiliteitsratio van de Onderneming steeg in de verslagperiode van 252% naar 378%.

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

Conclusies en aanbevelingen

Ter uitvoering van haar strategie heeft de Onderneming de overname van één portefeuille in 2023 afgerond, namelijk de Federale-portefeuille. Gezien de relatief beperkte omvang van de portefeuille was er geen extra kapitaalinjectie nodig om de gesloten portefeuille traditionele levensverzekeringen over te nemen.

Bovendien sloot de Onderneming een overeenkomst met een Belgische verzekeringsmaatschappij voor een levensverzekeringsboektransactie. Deze transactie is bedoeld om in de loop van de eerste helft van 2024 te voltooien, na de goedkeuring van de toezichthouders.

In lijn met de groei van de Onderneming moet de Onderneming zijn bestuurssysteem blijven versterken. Wat betreft gespecialiseerde comités, bijvoorbeeld, in lijn met de oprichting van een Risico- en Compliancecomité, zullen gespecialiseerde comités en een lokaal remuneratiecomité binnen afzienbare tijd worden opgericht.

Over het geheel genomen heeft de Onderneming het jaar afgesloten met een SCR-ratio van 378%, wat een aanzienlijke stijging is ten opzichte van het einde van het jaar 2022.

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

Executive Summary

Introduction and Purpose

This is the Solvency and Financial Condition Report (“**SFCR**”) for Monument Assurance Belgium (“**MAB**” or the “**Company**”) for the year ended 31 December 2023. The purpose of the SFCR is to meet the public disclosure requirements of Articles 290 to 303 of the Commission Delegated Regulation (EU) 2015/35 (“**Delegated Regulation**”) and Articles 95 and 96 of the Law of 13 March 2016 on the statute and supervision of insurance or reinsurance undertakings (“**Solvency II Law**”).

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

Business Information

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

MAB is a life insurance company incorporated in Belgium under registered number 0478.291.162 and is licensed by the National Bank of Belgium (“**NBB**”) to offer branch 21, branch 22, branch 23 and branch 26 life policies, and branch 1a non-life policies. MAB has not underwritten new business since 2012 and can thus be considered a closed book company.

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

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

In addition, the Company uses a dedicated intra-group service company 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 maximize operational efficiencies. Over 2023, MAB utilized the support of the following service company: Monument Insurance European Services NV (“**MIES**“). MIES, a registered insurance intermediary, provides support services to MAB on the basis of a critical outsourcing agreement. Furthermore, MIES has a branch in Ireland, which provides, amongst others, support services to the Irish Monument entity.

The business strategy of the Company is to:

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

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.

Thus, the Company is actively seeking to grow through acquisition of in-force life insurance portfolios. This strategy is focused on closed books.
Consistent with this strategy the following life insurance portfolios were acquired:

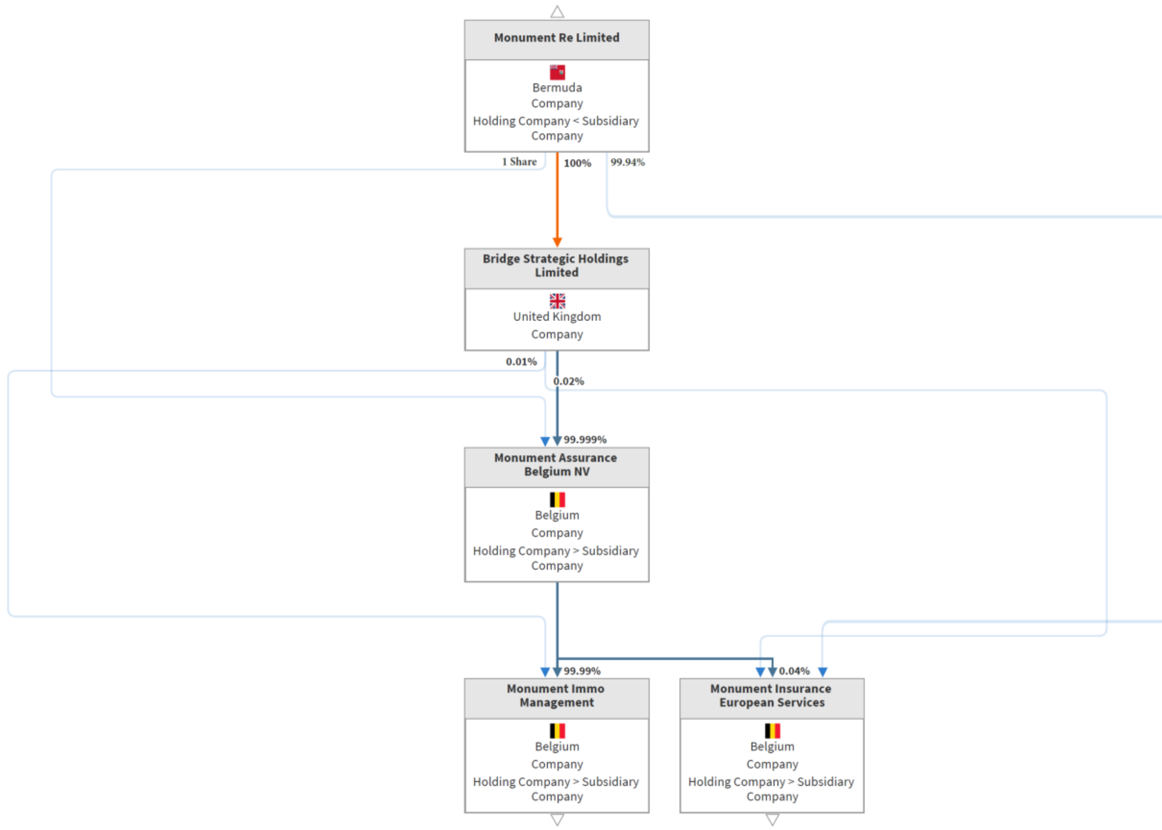
- On 31 May 2019, MAB carried out the transfer of a portfolio of long-term savings and credit life insurance from Alpha Insurance SA, a Belgian composite insurance company and a wholly-owned subsidiary of Enstar Group Limited, (the “**Alpha Portfolio**”, or “**Alpha**”) (24,879 policies as at 31 December 2023).
- On 16 December 2019, MAB carried out the transfer of a portfolio of non-Curanova long term savings contracts from Curalia OVV (the “**NCN Portfolio**” and “**Curalia**”, respectively) (4,293 policies as at 31 December 2023). Administration of this portfolio remains with Curalia.
- On 1 April 2021, MAB carried out the transfer of the branch 21 and 22 life insurance portfolio from Allianz Benelux SA. This acquisition relates to a closed-book portfolio of classical life insurance

policies (63,680 policies as at 31 December 2023) together with mortgages (3,029 policies as at 31 December 2023) (the "**Allianz Portfolio**").

- On 15 December 2021, MAB carried out the transfer of the branch 21 and 23 life insurance portfolio, and co-insurance contracts and the reinsurance contracts concerning those branches from Integrale NV (259,679 policies as at 31 December 2023) (the "**Integrale Portfolio**"). The policy administration was done by Monument Assurance Belgium Services SA ("MABS"), which merged into Monument Insurance European Services SA ("MIES") on 31 December 2022, on the basis of an outsourcing agreement.
- On 31 October 2022, AXA Belgium NV transferred the following books to MAB: (i) classic life insurance contracts in branches 21 and 22 (without flexible premium) (including the supplementary insurances herewith, (ii) life insurance contracts in branch 21 and non-life insurance contracts in branch 1 subscribed by Family Protect NV between 2010 and 2016 or by AXA Belgium NV between 2013 and 2018 under the title "Capital Cash", "Cover Cash", or "Accidental Cash", (iii) life insurance contracts in branch 23 underwritten between 2012 and 2015 under the title "Happy Life" (150,986 policies as at 31 December 2023) (the "**AXA portfolio**"). In order to guarantee a smooth transition between the insurer companies, MAB and AXA Belgium NV concluded a transitional outsourcing agreement, in which AXA Belgium NV continued with the policy administration of this book in 2023 until the successful sequenced migration of the AXA portfolio finalised in January 2024.
- On 30 June 2023, MAB carried out the transfer of a portfolio of classic individual branch 21 life insurance policies and the underlying assets (6,849 policies as at 31 December 2023) from Federale Verzekering, Vereniging van Onderlinge Levensverzekeringen (the "**Federale Portfolio**"). A transitional services agreement, until 28 June 2025 (with possibility to extend further), has been concluded with Federale Verzekering, Vereniging van Onderlinge Levensverzekeringen regarding the operation and management of this portfolio.
- In the second half of 2023, the Company signed an agreement with another Belgian insurance company for the transfer of a group life insurance portfolio. This agreement is still governed by confidentiality at the date of this report, as Parties are awaiting the approval from the NBB to proceed with the effective transfer of the portfolio.

In support of Monument Re Group's intention to efficiently manage capital and liquidity, the Company makes use of intra-group reinsurance ("**IGR**") to cede risks that can be reinsured to Monument Re, whilst retaining a proportion of the risk. This helps to drive risk diversification and capital and liquidity synergies at the group level. The IGR-Treaty was updated in 2023 to include coverage of the Federale Portfolio on 30 October 2023. The Federale IGR is at 75%. A separate IGR has been concluded for the Integrale. Portfolio.

The ownership structure of MAB and MIES 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.



Performance

The current accounting year end date of the Company is 31 December. This report is for the year ended 31 December 2023 with prior year comparatives for the 12-month statutory period ending 31 December 2022. Copies of the Company's financial statements may be obtained from the website of the National Bank of Belgium.

While year 2022 was driven by important macro-economic volatility and interest rate rise, year 2023 marked a stabilisation of interest rate environment and a progressive normalisation of inflation rates. The stabilisation of the macro-economic environment was favourable to quoted stock prices with a recovery of main indexes.

One must note that the real-estate market continues to suffer from the revision of the financing rate. Downward pressure on transaction price remains important with negative impact on transaction volumes.

Despite its exposure to real-estate and additional impairments acted on Monument Immo Management, the economic own funds of MAB were relatively stable over the year thanks to disciplined financial hedging strategies and the IGR.

The liability portfolio performed overall in line with expectations. The collective surrender phenomenon observed in collective life (Integrale portfolio) was less visible in 2023 with collective departure concentrated on a few names and during the first semester of the year.

In a context where the solvency ratio of Monument Re reduced near its target operating level, MAB has decided to partly de-risk its investment portfolio through a replacement of corporate bonds into govies. This prudent management action had positive impact on the solvency ratio of the company but will temporarily reduce future financial earnings with tangible impact expected in 2024.

Under Belgian norms, the financial year 2023 is positive with a strong bottom-line result supported by release of deferred income provision and gains realisation on divested corporate bonds.

The Company's results for the period are shown below in Section A. Business and Performance. The business reported an underwriting gain for the reporting period of € 17,000,366m (2022: a loss of € 24,328,451m).

System of Governance

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

The Company has evolved over the year 2023, the following changes are to be noted:

- In accordance with Article 52 of the Solvency II Law, an additional specialized committee was established in 2023, namely the Risk and Compliance Committee ("**RCC**"), supporting the Board of Directors ("**Board**").
- As of 1 January 2023, a new Executive Director started his role as Chief Risk Officer ("**CRO**"), having hierarchical responsibility over the risk management function, the compliance function and the Data Protection Officer. In addition, he is the "personne-relais" for the actuarial function holder, and the high responsible for AML, thus strengthening the second line of defence. Furthermore, a new Compliance Officer started as of 1 January 2023.
- Two non-executive directors have left the Company. A new chairman has been appointed. A Fit & Proper file was submitted to the NBB on the appointment of a new non-executive director, whose

approval from the NBB is awaited. Lastly, the Company is in progress to add a new non-executive independent director to the Board of Directors.

The day-to-day management of the business is delegated to the Management Committee (the "**MC**"). All independent control functions have, asides from the actuarial function, been insourced within the Monument Re Group. The MC remains committed to continuing 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 the Board in determining whether there are adequate Own Funds to cover the Company's risks over its business planning horizon.

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

Valuation for Solvency Purposes

The asset allocation evolves in accordance with the target asset allocation of MAB. One must especially note that a rebalancing exercise was performed in 2023 moving corporate bonds into government bonds.

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

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

Capital Management

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

The following table summarizes the Company's Own Funds and solvency position at 31 December 2023, with prior year comparatives (in € '000, except for percentages):

	31 December 2023	31 December 2022
Eligible Own Funds to cover Regulatory Solvency Requirement	386,404	372,081
Solvency Capital Requirement (SCR)	102,089	147,722
Minimum Capital Requirement (MCR)	45,940	66,475
Ratio of Own Funds to SCR	378%	252%
Ratio of Own Funds to MCR	841%	560%

Eligible Own funds increased significantly over the reporting period from €372,1m to € 386,4m.

The SCR decreased from € 147,7m to € 102,1m over the reporting period. This decrease can be explained on the one hand by a rebalancing exercise performed by the Company in 2023, moving corporate bonds into government bonds and on the other hand side by the application of the Loss Absorbing Capacity of Deferred Taxes for the first time in 2023.

The absolute MCR decreased in line with the SCR from € 66,5m to €45,9m compared to the year-end 2022. The solvency ratio of the Company increased from 252% to 378% 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 completed the acquisition of one portfolio in 2023, i.e. the Federale Portfolio. Given the relatively limited size of the portfolio, there was no additional capital injection required to take over the closed book of traditional life business.

Moreover, the Company entered into an agreement with a Belgian Insurance company for a life corporate insurance book transaction. This transaction is envisaged to complete over the course of the first half of 2024, after having obtained regulatory approval.

In line with the growth of the Company, the Company continues to strengthen its system of governance. For instance regarding specialised committees, in line with the establishment of a Risk and Compliance Committee, a local remuneration committee will be established in due course.

Overall, the Company ended the year with a SCR ratio of 378% which is a significant increase compared to the end of year of 2022.

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

A. Business and Performance

A.1 Business

A.1 (a) Name and legal form

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

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

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

Name and registered office of the Company is:

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

The shareholders' meeting of the Company is set for the 15th day of May. The articles of association were last coordinated on 23 November 2023, following a capital decrease by absorption of losses in the amount of €14,585,206.

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 HM12

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

PricewaterhouseCoopers Bedrijfsrevisoren
Mr. Tom Meuleman[1]
Culliganlaan 5
BE-1831 Machelen

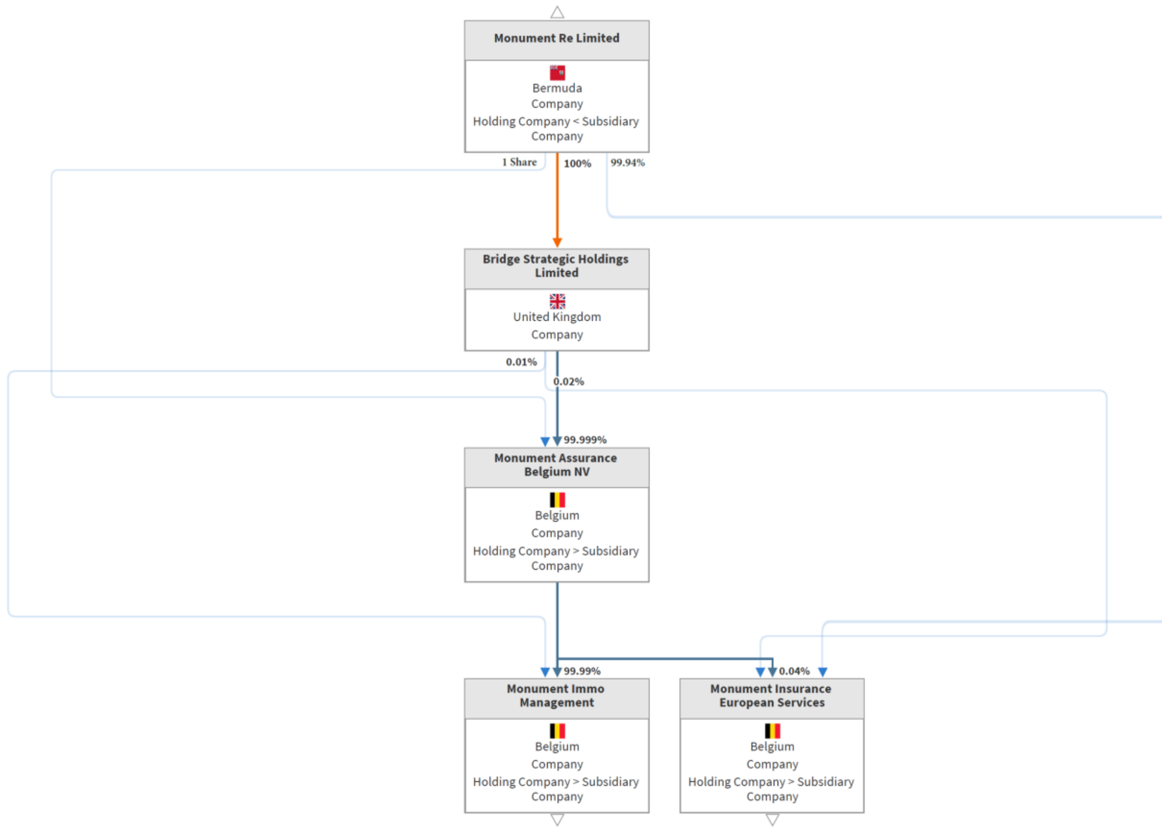
A.1 (d) Holders of qualifying holdings in the undertaking

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

- MAB owns 0.04% of MIES, while 99.94% is owned by MonRe and 0.02% is owned by Bridge Strategic Holdings limited.
- MAB owns 99.99% of the shares in Monument Immo Management ("**MIM**").
- MAB owns some shares in different companies following the Integrale portfolio transaction.

The ownership structure of Monument in Belgium as at 31 December 2023 is set out in the following simplified chart:

[1] On 10 January 2024, the external auditor has notified the Company that Ms. Dominique Van de Peer has stepped down.



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 Supervision by the BMA through Solvency II Equivalence attained on a permanent basis from the European Commission.

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

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

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

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

Monument Insurance European Services NV

Monument Insurance Belgium Services Srl ("**MIBS**") was incorporated on 28 March 2018. The principal driver in establishing MIBS was to achieve greater cost-efficiency and mobility of talent by supporting services across a number of Group entities. On 31 December 2021, Monument Insurance Services Limited ("**MISL**") merged into MIBS, subsequently rebranded into Monument Insurance European Services NV ("**MIES**"). The next year, on 31 December 2022, Monument Assurance Belgium Services SA ("**MABS**") merged into Monument Insurance European Services NV ("**MIES**"), creating one Belgian service company. Subsequently, MIES is MAB's most important OSP for policy administration. MIES is regulated by the FSMA as an insurance intermediary.

Significant Events

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

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

General area

The Company was originally authorised in 2002 to carry out life insurance activity, whether or not linked to investment funds, with the exception of dowry and birth insurance (branch 21). In addition, permission was also granted to carry out the following activities: life, dowry and birth insurance in connection with investment funds (branch 23) and capitalization transactions (branch 26). In 2021 MAB was granted a license for birth and marriage insurance (branch 22). Lastly, in 2022 the Company obtained a license for non-life insurance, namely accidents other than workplace accidents (branch 1a). Since the Company's core activity is the management of life insurance, it was decided to terminate the non-life policies, acquired following the AXA transaction, in line with the legal and contractual requirements. MAB has no intention to underwrite these insurances in the future.

MAB has not underwritten new business since 2012 and can thus be considered a closed book company.

In addition, the Company has provided services in Belgium, the Netherlands and Luxembourg under a Freedom of Services license. In 2021 it was also 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
2022.12	1,891	58	75	3	2,027
2023.12	1,878	57	73	3	2,011
Evolution (YTD)	**-17**	**-1**	**-2**	**0**	**-16**

Alpha Portfolio

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

Number of contracts	Credit Life	Traditional Life	Grand Total
2022.12	19,702	7,607	27,309
2023.12	17,620	7,259	24,879
Evolution (YTD)	**-2,082**	**-348**	**-2,430**

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Total
2022.12	0	119	23,666	3,524	27,309
2023.12	0	100	21,502	3,277	24,879
Evolution (YTD)	**0**	**-19**	**-2,164**	**-247**	**-2,430**

NCN Portfolio

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

By 31 December 2023, the NCN portfolio consisted of approximately 4,293 policies.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	**Total**
2022.12	35	4,347	0	0	4,382
2023.12	35	4,258	0	0	4,293
Evolution (YTD)	**0**	**-89**	**0**	**0**	**-89**

Allianz Portfolio

The Allianz classic life insurance, excl. flexible premium, portfolio was acquired on 1 April 2021. The majority, i.e. branch 21 products, consists of simple product offering composed mostly of endowment policies, with and without protection riders, carrying relatively high guarantees averaging 4.24%. There is also a small number of Branch 22 products. Additionally, a mortgage book of 3,400 Belgian prime residential mortgages was also included in the transaction.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	**Total**
2022.12	1,936	910	57,251	10,559	70,656
2023.12	1,755	812	52,112	9,001	63,680
Evolution (YTD)	**-181**	**-98**	**-5,139**	**-1,558**	**-6,976**

Integrale portfolio

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

More specifically, the life insurance book consisted of:

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

cooperation agreement with AFER Europe (with regard to Integral Perspective Immo), and with Test Achats (with regard to Integral Perspective Test Achats).

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

Life Co	Individual Life Product Type	Group Life Product Types	Number of Policies on 31.12.2023	Number of Policies on 31.12.2022	Difference number of policies
MAB	Universal Life	N/A	16,657	19,864	**-3,207**
	Traditional Life	N/A	4,526	4,653	**-127**
	N/A	Defined Benefit	8,670	8,916	**-246**
	N/A	Defined Contribution (without sector plans)	155,734	157,182	**-1,448**
	N/A	Defined Contribution – sector plans	69,647	71,332	**-1,685**
	N/A	Cash Balance	890	909	**-19**
	Unit Linked	N/A	588	692	**-104**
	N/A	Unit Linked	21	51	**-30**
	Annuities	N/A	467	486	**-19**
	N/A	Annuities	2,431	2,696	**-265**
	N/A	Annuities – disability	48	41	**7**
Total	N/A	N/A	**259,679**	**266,822**	**-7,143**

The following observations can be noted:

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

AXA Portfolio

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

- Classical Life:
  - Pillar 2: employer-sponsored contracts (with optional employee contributions), as well as specific contracts for self-employed people.
  - Pillar 3: tax-deductible individual pension savings. Two regimes exists (which can be combined) with different maximums for the tax deductible premium: the “pension saving” regime and the “long-term saving” regime.
  - Pillar 4: non-tax deductible individual pension savings.
- Annuities: The annuities were migrated to the Imagine policy administration platform and presented as part of the Integrale book of business administered by MIES.
- Happy Life: Happy Life is a post-retirement branch 23 product designed to capture pension savings in exchange of annuity payments.
- Cash products: The AXA Insurance Portfolio includes one Branch 1 non-life insurance product, i.e. ‘Accidental Cash’. This product provides insurance against personal life accident leading to death, hospitalization and/or total permanent incapacity. Benefit takes the form of a lump sum payment in case of death or incapacity and to a daily flat payment in case of hospitalization. Since the Company’s core activity is the management of life insurance, it was decided to cancel these policies in line with the conditions of Article 85 of the Insurance Act of 4 April 2014 as well as Article 7 of the General Terms and Conditions (Contract Duration). MAB has no intention to underwrite these insurances in the future. Besides ‘Accidental Cash’, the there is also the branch 21 products named ‘Capital Cash’ and ‘Cover Cash’.

Number of contracts	Group Pension Scheme	Individual Pension Scheme	Individual Fiscal	Individual Non-Fiscal	Happy Life	Cash Products	Total
2022.12	3,173	2,436	130,969	20,016	58	19,470	176,122
2023.12	2,884	2,531	117,819	24,540	52	3,160	150,986
Total	**-289**	**95**	**-13,150**	**4,524**	**-6**	**-16,310**	**-25,136**

Federale Portfolio

On 30 June 2023, MAB carried out the transfer of a portfolio of classic individual branch 21 life insurance policies and the underlying assets from Federale Verzekering, Vereniging van Onderlinge Levensverzekeringen.

More specifically, the classical individual life insurance book consisted of:

Number of contracts	INAMI Classical (CDSR – Mixte)	PLCI / VAPZ UL	PLCI / VAPZ Classical (Mixte-CDAR-CDSR)	Pension Savings Classical	No Fiscal & LT Classical (Mixte-CDAR-CDSR)	Vie Entière – Terme Fixe No Fisc LT	Rentes	Total
2023.12	6	556	142	2,449	3,485	155	56	6,849

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

The following significant events occurred during the year 2023:

- At the date of this report, the Company has signed an agreement with another Belgian insurance company for the transfer of a group life insurance portfolio. This agreement is still governed by confidentiality at the date of this agreement as Parties are awaiting the approval from the NBB to proceed with the effective transfer of the portfolio.
- The AXA portfolio was migrated in two phases: in July 2023 and from December 2023 to January 2024, into the Monument policy administration systems and archives. Consequently, the transitional services agreement with AXA Belgium SA has ended.

A.2 Underwriting Performance

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

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

The following table presents the operating performance as reported in the Company's financial statements for the year ended 31 December 2023. Prior year comparatives are for the year ended 31 December 2022.

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

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

The table provides a consolidated view for the whole insurance activities of MAB with a ventilation of the branch 23 line of activity (Unit-Linked Result).

MAB Profit & Loss [000's€]	FY-2023	FY-2022
Net Underwriting Income	**5.674**	**42.988**
Premiums	*315.578*	*2.555.694*
Claims	*(710.780)*	*(497.135)*
Change in Reserves	*351.499*	*(2.013.394)*
Reinsurance Impact	*49.378*	*(2.177)*
Operating Expenses	**(11.631)**	**(9.124)**
Gross Operating Expenses	*(47.554)*	*(34.747)*
Reinsurance Impact	*35.923*	*25.622*
Net Investment Income	**55.358**	**17.355**
Investment Income	*125.592*	*82.934*
Amortisation	*15.918*	*(13.107)*
Reinsurance Impact	*(86.151)*	*(52.472)*
Unit-linked Result	**713**	**179**
Other Income or Loss	**1.519**	**3.738**
Operating Result	**51.634**	**55.136**

One can observe a positive operating performance of €51,634k.

The reduced magnitude of the premiums and change in reserves can be attributed by the absence of large transactions during the financial year 2023, compared to FY-2022 which saw the transaction of the AXA portfolio in the 4th quarter of 2022. The AXA portfolio subsequently contributes substantially to the increase in claims observed in 2023 compared to 2022.

A.3 Investment Performance

A.3 (a) Income & expenses

The table below provides an overview of the Investment Profit and Loss ("**P&L**") net of investment expenses and IGR.

The net contribution of investment P&L to MAB result in 2023 is a gain of €29,728k. Increased recurring investment income combined with positive realised gains on investments deliver a superior return over market driven Unrealised Results.

This positive result is partially driven by the favourable interest rate movements observed during the last quarter of 2023 and the subsequent impacts on the Derivatives "Lower of Cost or Market" (LoCoM) valuation.

MAB Profit & Loss [000's€]	FY-2023	FY-2022
Net Investment Income	**55.358**	**17.355**
Investment Income	*125.592*	*82.934*
Amortisation	*15.918*	*(13.107)*
Reinsurance Impact	*(86.151)*	*(52.472)*
Unrealised Investment Gain (Loss)	**(33.079)**	**(31.083)**
Derivatives (measured at LoCoM)	*35.170*	*(48.620)*
Other Assets	*(42.256)*	*(34.530)*
Reinsurance Impact	*(25.993)*	*52.066*
Realised Investment Gain (Loss)	**8.233**	**(43.122)**
Derivatives	*2.237*	*(95.107)*
Bonds	*(4.295)*	*(278.560)*
Other Assets	*4.187*	*20.229*
Reinsurance Impact	*6.104*	*310.316*
Net Forex Gain / (Loss)	**(783)**	**(409)**
Gross FX	*(4.388)*	*(2.806)*
Reinsurance Impact	*3.605*	*2.397*
Investment Result	**29.728**	**(57.259)**

The Company's investment expenses (gross of reinsurance) reported in the financial statements for the year 2023 were €9,993m. Investment income disclosed in the previous table is net of the investment expense.

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

Not applicable.

A.3 (c) Investments in securitisation

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

A.4 Performance of other activities

Not applicable.

A.5 Any other information

Consolidated BE GAAP result

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

Contrary to Financial Year 2022, in which large interest rate increases were observed, Financial Year 2023 shows a sufficient amount of operating result to compensate for the Adjusted Investment Loss.

The result before tax is at €26m. Given the non-deductibility of losses incurred on participation, MAB has booked a tax provision for the corporate income tax of €9m, resulting in a positive result after tax of €17m.

MAB Profit & Loss [000's€]	FY-2023	FY-2022
Net Underwriting Income	*5.674*	*42.988*
Operating Expenses	*(11.631)*	*(9.124)*
Net Investment Income	*55.358*	*17.355*
Unit-linked Result	*713*	*179*
Other Income or Loss	*1.519*	*3.738*
Operating Result	**51.634**	**55.136**
Unrealised Investment Gain (Loss)	*(33.079)*	*(31.083)*
Realised Investment Gain (Loss)	*8.233*	*(43.122)*
Net Forex Gain / (Loss)	*(783)*	*(409)*
Adjusted Investment Result	**(25.630)**	**(74.614)**
Result before Tax	**26.004**	**(19.478)**
Tax	**(9.004)**	**(4.850)**
Result after Tax	**17.000**	**(24.328)**

MAB has booked a fiscal provision of € 9m for the expected corporate income tax to be paid for year 2023 activities. This increased marginal tax rate is obtained due to the non-deductibility of the impairments booked on participations.

Other

In Q3 2023 and Q1 2024 MAB migrated the SoLife respectively the Alice Portfolio from the AXA policy administration systems and archives into the Monument policy administration systems and archives. Consequently, the transitional outsourcing agreement with AXA Belgium NV has ended.

In the second half of 2023, the Company signed an agreement with another Belgian insurance company for the transfer of a group life insurance portfolio. This agreement is still governed by confidentiality at the date of this report, as Parties are awaiting the approval from the NBB to proceed with the effective transfer of the portfolio.

On 31 January 2024: Monument Assurance Luxembourg S.A. ("**MAL**"), a Luxembourg subsidiary of Monument Re Limited, has completed the transfer of the closed-end long-term life insurance portfolio from Integrale Luxembourg S.A. The portfolio primarily serves the Luxembourg, Dutch and French markets and is strategically aligned with MAL's existing business model. The portfolio was transferred to MAL with unchanged policyholder terms and conditions. On the same date, the Company transferred a subordinated loan agreement, which it had acquired from Integrale SA with Integrale Luxembourg S.A. as debtor, to Integrale Luxembourg S.A.

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

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

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

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

The risks covered are mainly demographic risks and investment risk. Demographic risk generally includes increasing life expectancy (longevity) as far as the "life" component is concerned and risk of premature death (mortality) as far as the "death" component is concerned. Investment risk on the other hand includes the risk of greater than expected investment expenses, risk of interest rates (change in interest rates on affecting liabilities and cover assets), and investment performance more generally not performing as expected.

The reinsurance also includes coverage of expenses, which means that Monument Re bears the expense risk. Expense risk is important in all run-off portfolios, as decreases of scale with general expenses remaining at the same level can impact insurers negatively. Monument Re covers this risk on the expenses incurred on the MAB life business portfolio for the quota share percentage specific to each transactions. MAB covers this risk for the non-ceded part.

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

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

B. System of Governance

B.1 General information on the system of governance

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

Board of Directors ("Board")

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

The Board comprised:

- Manfred Maske, non-executive director and chairman until 19 September 2023;
- Carlo Elsinghorst, non-executive director and chairman;
- Tobias Fritsch, non-executive director until 27 November 2023;
- René Vanrijkel, independent non-executive director;
- Olivier Mortelmans, independent non-executive director;
- Koen Depaemelaere, executive director;
- Natacha Delie, executive director;
- Jean-Philippe Aoust, executive director; and
- Adrien Collinet, executive director.

The Board retains primary responsibility for corporate governance within the insurance undertaking at all times, plays an important part in ensuring effective governance and is therefore responsible for operating effective oversight consistent with the Board Terms of Reference. The Board comes together on a quarterly basis, or ad hoc if the situation, like a portfolio transaction, requires. In 2023, the Board convened nine times.

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

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

The Board's responsibilities include establishing and overseeing:

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

The Board has established and delegated responsibilities to its 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. The Board's Terms of Reference were updated twice in 2023. These updates encompassed the annual review as well as an update to reflect changes in the committees and the inclusion of the Board's responsibilities for cyber oversight.

Management Committee ("MC")

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

The MC comprised:

- Koen Depaemelaere, Chief Executive Officer ("**CEO**");
- Natacha Delie;
- Jean-Philippe Aoust;
- Adrien Collinet.

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

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

- Key Business Priorities – Determine and agree key business priorities and monitor overall performance against agreed plans, strategies and targets;
- Financial performance – Ensure the Company's financial business is managed correctly, and appropriate influence is exerted in respect to financial risks and opportunities;
- Operational performance – Oversee and manage aggregate operational performance issues including suppliers;
- Outsourcing policy & strategy, including internal Monument Group Suppliers;

- IT(including cyber security) – Oversee and deliver the strategic agenda to ensure that the change portfolio is appropriately managed;
- Risk management – Oversee and manage aggregate Financial operational, conduct, market and reputational risk issues;
- Leadership and people development – Manage the development of key talent within the Company;
- Investment Management Performance – Implement, monitor and ensure adherence to the investment policy agreed by the Company's Board; and
- Compliance – monitor and manage regulatory developments and any compliance issues.

The MC convenes at least four times a month - unless the Chairman decides to cancel a meeting due to insufficient attendance during public holidays - on the basis of a rolling agenda. Furthermore, the MC meetings are reduced in July and August. A specific theme is set for each weekly meeting, so the members of the MC can discuss the topics in depth. The MC covers a range of topics, dedicating one week a month to each of these themes, including:

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

In addition, if there were five MC meetings in a month, an open session was held to discuss any outstanding issues or new developments.

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

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

- The Extended MC is composed of the MC members, and additional leaders of the business as decided by the MC. The non-director members, who do not have decision powers, are the Chief Operations Officer and Head of HR. They are permanent invitees to the MC meetings.

- The Management Team provides advice to the MC regarding projects, business books, actuarial, compliance, investment, and outsourcing.

Specialised committees

In 2023, MAB exceeded the thresholds set out in Article 52, § 1 of the Solvency II Law, under which a company is not obliged to set up an audit committee, a remuneration committee or a risk committee if it meets 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. Consequently, MAB will establish a remuneration committee in due course.

MAB established an Audit Committee ("**AC**") on 30 March 2022 in accordance with the requirements listed in Article 52 of the Solvency II Law. The AC advises the Board and makes recommendations to the Board regarding (i) the annual accounts, (ii) the financial reporting, (iii) the statutory auditor and (iv) Internal Audit. All members of the AC shall be non-executive Directors of the Company, a majority of whom shall be independent directors. The AC meets at least quarterly per annum at appropriate intervals in the financial reporting and audit cycle, plus additional meetings as necessary or as determined by the Chairman.

MAB established a Risk and Compliance Committee ("**RCC**") on 28 June 2023 to advise the Board and make recommendations to the Board regarding all aspects related to 1) the current and future risk strategy and risk tolerance, 2) assist the Board in monitoring the MC's implementation of that strategy and 3) compliance matters. The members of the RCC are non-executive Directors of the Company, a majority of whom shall be independent directors. The RCC shall meet at least quarterly per annum at appropriate intervals plus additional meetings as necessary or as determined by the Chairman.

On 1 April 2022, the Company installed an Investment Committee ("**IC**") at MC level. Its purpose is to advise the Board and make recommendations to the Board regarding (i) the investment activities of the Company and its subsidiaries, including, but not limited to, establishing investment policy and approval of resources into implementation of such investment policy; and (ii) the treasury activities of the Company including, but not limited to, derivative transactions. The IC shall comprise of two independent non-executive directors and two executive directors, being the MAB Chief Financial Officer ("**CFO**") and the MAB CRO. At a minimum, the IC meets at least four times a year at appropriate intervals in the financial reporting and audit cycle or more frequently as circumstances require or as determined by the Chairperson or a majority of the Members. On 1 December 2023, the IC was converted to Board level.

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

Works Council

As the technical business unit of MAB has over 100 employees, a Works Council has been established since 1 January 2023. It is a two-tier body composed, on the one hand, of the CEO of the Company and the employer delegates appointed by him and, on the other, of the employee representatives elected every four years by the Company's employees.

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 intra-group service company MIES. More information on the outsourcing activities are included in ***Section B.7 Outsourcing.***

Key functions roles and responsibilities: independent control functions

The Company has established the Solvency II independent control functions of risk management, compliance, internal audit and actuarial function, in addition to other functions required to robustly operate the business.

The risk management function, actuarial function, compliance function and internal audit function together form a coherent whole of transversal control functions between which there is coordination. Since August 2022, the independent control functions hold a monthly coordination meeting in order to exchange common findings, challenges and to align on the second and third line approach within MAB.

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

- Actuarial function:

  The actuarial function holder has been outsourced to an external independent control function. The CRO is the "personne-relais" for the outsourced activity of the actuarial function holder.

- Compliance function:

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

- Internal audit function:

  The internal audit activities are outsourced to the Irish branch of MIES. The CEO of MAB is the "personne-relais" for the outsourced activity of the internal audit function, whilst the Irish branch of MIES performs the internal audit services, namely developing and delivering an agreed internal audit plan and monitoring the control environment, outlined in the Master Services Agreement between the Company and MIES.

- Risk management function:

The risk management function, led by the 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.

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

The composition of the Board and MC has changed due to the growth of the Company. The following changes have occurred over 2023:

- Mr. Vanrijkel was appointed as chairman of the RCC, following the establishment of this Committee;
- As of 1 January 2023, Mr. Collinet became the CRO, and Mr. Huygevelde the Compliance Officer.
- Mr. Maske has resigned as non-executive officer and chairman on 19 September 2023;
- Mr. Fritsch has resigned as non-executive officer on 27 November 2023;
- A Fit & Proper file was submitted to the NBB on the appointment a new non-executive director of the Company. In addition, MAB will add a new non-executive director;
- A Fit & Proper file has been submitted to the NBB in respect to the appointment of Mr. Elsinghorst as chairman of the Board. The file has been approved by the NBB in Q1 2024.

In 2023, two non-executive directors left the Monument Group, and thus also the MAB Board. On 31 December 2023, the MAB Board is not compliant with article 45,§2 of the Solvency II law, as the number of non-executive directors (three) falls short of the number of executive directors required (four). Nevertheless, MAB is committed to resolving the situation of non-compliance.

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

There were no other material changes in the system of governance during the year ended 31 December 2023 than those mentioned in this section.

B.1 (c) Remuneration Policy and practices

Principles of the Remuneration Policy

MAB adopted the Monument Re Remuneration Policy of 15 December 2021. On 16 June 2023, the Nominations, Remuneration and Governance Committee ("**NRGC**") moved to the level of Monument Group. On March 2022, the Board assessed the general principles of the Remuneration Policy as fit for MAB's business, taking into account that a Belgian Annex is added to the Monument Group Remuneration Policy. The purpose of the Belgian annex is to adhere to the specific remuneration requirements as set for Belgian insurance companies especially Article 275 of the Delegated Regulation 2015/35 and Section 8 of the NBB Governance Circular.

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

The principles of the Remuneration Policy are the following:

- The Identified Staff within the scope of the Belgian annex are:
  - The members of the Board of MAB;
  - The members of the MC of MAB;
  - The responsible persons for the Independent Control Functions at MAB (audit, risk, compliance and actuarial function);
  - The staff members of MAB whose work, performed individually or as a team such as a department or section of a department, has or could have a material influence on the risk profile of MAB (so-called "Risk Takers"). As of date, no Risk Takers are identified.
- The non-executive Board members, except the independent directors, perform their mandate on a non-remunerated basis;
- A director's mandate cannot be held under an employment contract. Directors must have a self-employed status;
- The principles set forth in the Group's Remuneration Policy are applied on its staff members. MAB does not envisage to employ any operational staff in the near future as it will deliver its business strategy. MAB also continues to outsource the policy and client administration of the portfolio to its Belgian service companies, MIES and agreed third parties;
- The various remuneration components ensure an appropriate and balanced remuneration package. Within MAB, they generally consist of a fixed pay, a bonus/variable pay and benefit and pension schemes. Regarding the Identified Staff, the fixed income is sufficient, so there is no reliance on the variable income. A substantial part of the variable remuneration for Identified Staff is deferred. The deferral percentage shall in aggregate not be less than 40% of the total variable remuneration granted in any particular financial year. The deferral period shall not be less than three years and the period shall be correctly aligned with the nature of the business, its risks, and the activities of the Identified Staff in question;
- The variable portion of the remuneration of the Identified Staff reflects individual performance, the business unit, MAB and the Monument Group. For the individual performance, quantitative and qualitative criteria will be taken into account For the Independent Control Functions, the variable remuneration shall be independent from the performance of the operational units and areas that are submitted to their control.

The Monument Re Group Board Nominations and Remuneration Committee (''**NR GC''**) 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. Lastly, MAB will set up a local remuneration committee in the course of 2024.

Performance criteria on variable components of remuneration

Staff members are eligible to participate in the Company's discretionary performance-related bonus scheme. In essence, the variable remuneration only consists of a one-year variable or short-term incentive. A multi-year variable or long-term incentive is only in exceptional cases. The reward is based on completion of individual objectives as well as Company performance. The discretionary performance bonus is based on performance against staff member objectives and Monument Re values. The annual bonus is only in cash without options or shares. Identified Staff of independent control functions are performance assessed for annual bonus against individual objectives only. Thus, their performance assessment is entirely separate from the performance of the business units and areas on which they exercise control. The bonus schemes for the Group entities are approved annually by the NRGC.

Pension scheme

Staff members, except the Board members, are entitled to join the Pension Plan underwritten by the Company. Executive Board members are entitled to their choice of Pension in line with their contracts.

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

The Belgian Annex to the Monument Group Remuneration Policy emphasizes that, to incentivize responsible practices, variable compensation is, among other things, tied to non-financial performance indicators, including sustainability (ESG) performance indicators. This means that the Identified Staff are rewarded not only for financial achievements but also for their contributions to the Company's non-financial goals, including sustainability goals (environmental, social, and governance goals). By linking remuneration to sustainability, the Company ensures that its Identified Staff are personally invested in fostering a culture of responsible business practices, ultimately benefiting both the Company and the broader community.

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

Material transactions executed with shareholders

There is an outsourcing agreement in regard to investment services between MAB and Monument Re since 2019. Although Monument Re only holds one share in MAB and 99.99% of the shares are held by Bridge, Monument Re has a significant influence over MAB as it holds 100% of the shares in Bridge.

Both parties concluded two quota share intragroup agreements ("**IGR-treaty**"):

- One IGR treaty implemented in January 2019 with the effective date of 31 December 2018, and covering the various portfolios underwritten by MAB, with the sole exception of the Integrale portfolio. The IGR-treaty was amended and restated in 2023 in order to incorporate the acquired Federale portfolio.
- One IGR treaty established in December 2021, covering only the acquired Integrale portfolio.

Lastly, MAB has an outsourcing agreement with its service company MIES. Three MAB directors are also directors in this service company in order to protect MAB's interests, and in line with the Company's External Function Policy. The MAB-MIES agreement has been updated following the merger of MABS into MIES on 31 December 2022. MAB holds 0.04% of the shares in MIES.

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

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

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

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

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

B.2 Fit & Proper requirements

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

The Fit & Proper Policy, outlined at Monument Re Group level, is applicable to all individuals identified as as control/key function holder within Monument.

The MAB Board adopted the Fit and Proper Policy, with the specification of the Belgian requirements from the National Bank of Belgium. The MAB Fit & Proper Policy is applicable to all individuals identified as "persons concerned": Board members, MC members, responsible persons of independent control functions, senior management of a branch and the senior managers (N-1) as decided by the MC ("**persons concerned**").

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

- The NBB Circular 2016_31 of 5 July 2016 revised on 5 May 2020 on the Overarching Circular concerning the Governance System ("**NBB Governance Circular**");
- NBB Manual on the assessment of suitability (fit & proper) of 20 December 2022 ("**Fit & Proper Handbook**"); and
- The NBB Communication 2021_004 of 19 January 2021, Project HIVE: digitalization of the Fit & Proper process.

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

- Ensure that the members of the Board and of the MC, individually and collectively, 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 or the MC, MAB shall take steps without undue delay in order to address 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 the 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, in order to take into account the 5 assessment criteria as stated in the NBB Fit and Proper handbook, namely:

- Principles in regard to "fitness": theoretical knowledge, experience, skills, independence, and time commitment.
- Principles in regard to "propriety": a person's honesty and integrity.

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

Through its External Functions Policy, MAB adheres to the Belgian principles set out in the Royal Decree of 8 February 2022 on the approval of the NBB regulation of 9 November 2021 and the NBB Communication of 12 July 2022 on the exercise of external functions by managers and persons responsible for independent control functions of regulated companies. The External Function Policy sets out the internal rules in regard to the exercise of external functions, in order to prevent a conflict of interest and to ensure that each person concerned has sufficient time to exercise their function for MAB. All the external mandates are disclosed through the published Conflict of Interest Policy, and to the platforms of the National Bank of Belgium in accordance with the Fit and Proper requirements.

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

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

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

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

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

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

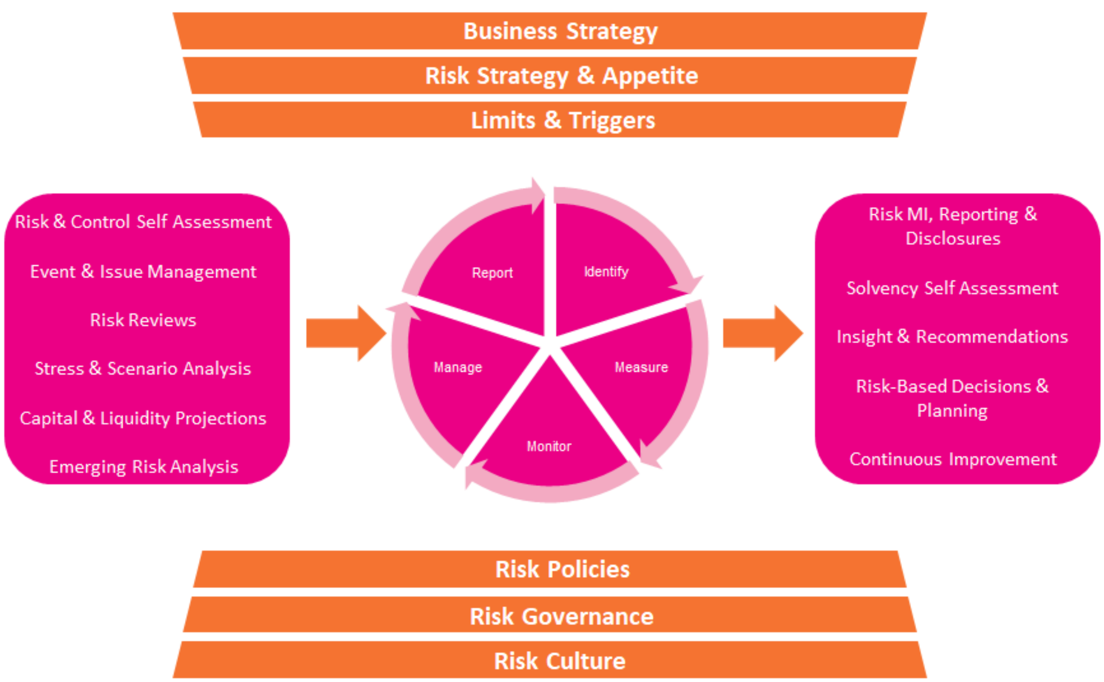
In regard to the exercise of external functions, the MC must formally approve, on a case-by-case basis, the potential exercise of each external function for a director or person responsible for an independent control function, unless the exercise is a proposal of MAB. The MC advises the Board regarding non-executive directors. The MC takes into account the responsibilities of the external function, the responsibilities of the monument function, time commitment and the potential conflict of interests. New external mandates are then reported to the NBB, and published in the Conflict of Interest Policy.

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

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

Risk Management Framework

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



Risk Strategy

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

- Insurance/underwriting risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk, including legal and compliance risk
- Group risk, including reputational risk
- Strategic risk
- Sustainability risk
- Emerging risk

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

At least annually, the Board reviews and approves the Company's risk appetite statement, which outlines the Company's appetite for each type of key risk and its strategy for accepting, managing and mitigating these risks. Risk appetite is articulated in qualitative terms and/or quantitative metrics across the key risk categories and written policies have been established to address these risks.

Risk management process and reporting procedures

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

- Risk and Control Self-Assessment ("**RCSA**");
- Own Risk and Solvency Self-Assessment ("**ORSA**");
- Event and issue management;
- Risk reviews;
- Stress and scenario analysis;
- Capital projections;
- Emerging Risk Analysis, emerging risk forum and horizon scanning; 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 the 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 and reviewed.

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

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

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

Description	Review Responsibility				
	Board	Risk and Compliance Committee	Executive Committee	CRO	Risk Management Function
Expected or actual breach of Risk Tolerance	X	X	X	X	X
Breach of Risk Trigger		X	X	X	X
Breach of Risk Limit		X	X	X	X

New Risk identified and rated High[2]			X	X	X
New Risk identified and rated Medium or lower[1]				X	X
Breach of a Risk Policy				X	X
Query regarding interpretation of this Policy					X

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

The Company's Risk Management Policy sets out the roles and responsibilities, principles and requirements regarding risk management at Board and business levels. The risk management function supports the Board and business areas in discharging their risk management-related responsibilities. The risk function reports to the MC, the RCC and the Board. The CRO is also required to attend all RCC meetings.

The risk management function operates with organisational authority and operational autonomy. The Company's CRO, and the risk management team provide review and challenges in respect to 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 its level of resourcing under review 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. Furthermore, the risk management function provides challenges to the business consistent with the Three Lines of Defence model as outlined in ***Section B.4 (a) Description of Internal Control System***.

[2] See Risk and Control Classification procedure

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. The Actuarial Function Holder provides an opinion on the ORSA process.

The ORSA includes an assessment:

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

Frequency

The regular ORSA is performed at least 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, as distinct from the capital which is required under regulation. The Company examines the appropriateness of the Standard Formula with reference to its own risk profile. It considers whether there are any significant risks that are not captured within the Standard Formula and whether there are any stress scenarios by which the Standard Formula may not adequately capture the Company's own solvency needs. As stated in the ORSA, the Company concluded that the standard formula is an appropriate basis for the assessment of its own solvency needs.

B.4 *Internal Control System*

B.4 (a) Description of Internal Control System

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

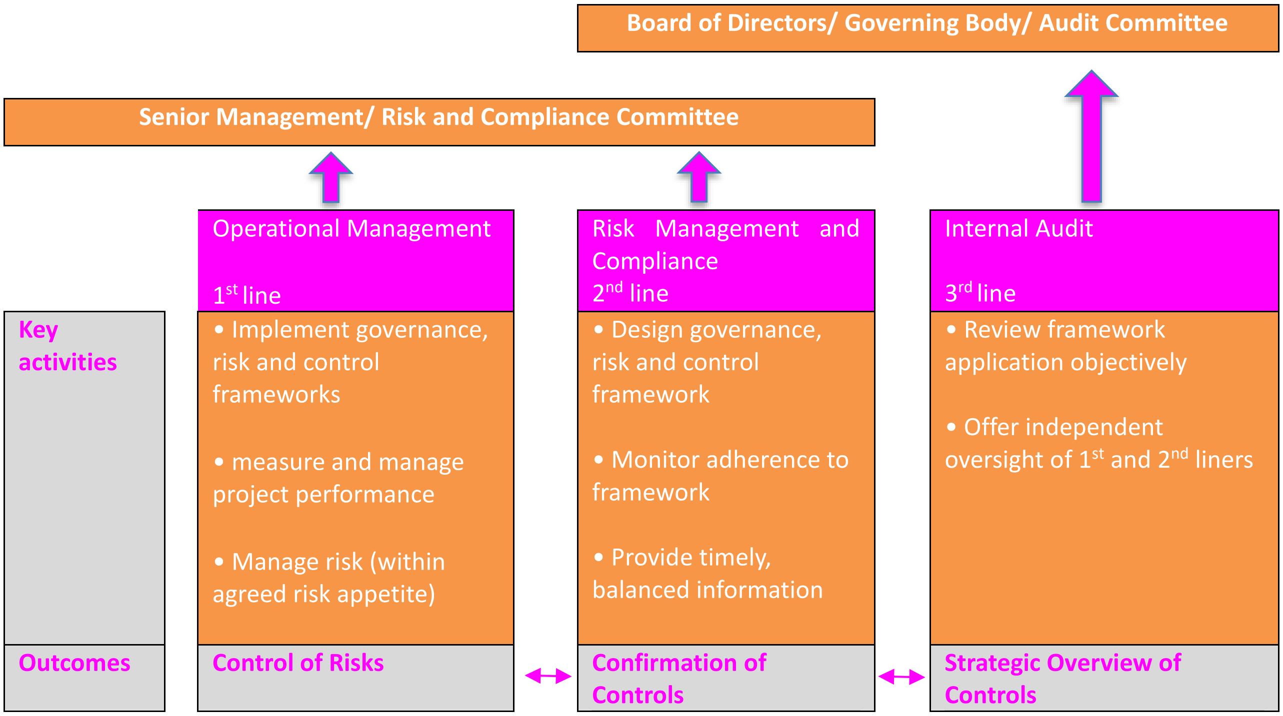
The MC and Board, including Senior Executives, are responsible for adopting an effective internal control framework.

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

The internal control system combines the following components:

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

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



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

- First line of defence:

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

  The first line:

  – undertakes risk assessments to identify all material risks and key controls;

  – owns and maintains risk and control assessments to ensure they remain fit for purpose; and

  – ensures risk assessments conform to procedures and policy requirements.

- Second line of defence:

  MAB's second line of defence is composed of the risk management function, the compliance function, and the actuarial function with a responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management and internal control framework. A coordination meeting between the second line and third line of defence has been set up since August 2022. These functions have a reporting line to the MC and to the Board. MAB has a dedicated charter/policy for each second line independent control function.

The second line:

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

- Third line of defence:

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

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

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

The RCSA process requires business functions to review and self-assess the effectiveness of controls mitigating the key risks identified. Any record of the control not being effective requires a narrative explanation as well as the assessment. This process is facilitated and overseen by the risk management function, and the results are summarized and presented to the MC, RCC and Board, 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, the RCC and the Board to provide assurance regarding the Company's adherence to laws, regulations, guidelines and specifications relevant to its business. This is provided through an annual compliance plan which is approved by the Board and through the on-going reporting against that plan. At all times, the compliance function acts within the second line of defence and independently to the business. It provides the framework to allow the business to operate in compliance with all relevant regulatory, statutory and corporate governance obligations. The Compliance Officer is also required to attend all RCC meetings.

In addition, the compliance function is part of the transversal control functions and collaborates with the other transversal functions: risk, actuarial and the internal audit function. Since August 2022, the Compliance Officer is part of the independent control functions coordination meeting in order exchange common findings, challenges and to align on the second and third line approach within MAB.

Furthermore, the Compliance Officer will be in contact with the different supervisors and competent authorities such as NBB, FSMA, Police, Justice, Financial Intelligence Units, or any other competent authorities.

B.5 Internal audit function

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

The internal audit function is outsourced as an independent control function to the Irish Branch of MIES.

A designated representative from the MC, in this case the CEO, has overall responsibility ("p*ersonne-relais"*) for the outsourced activity of the internal audit function. The Head of Internal Audit ("**HoIA**") is invited to attend MC meetings on a monthly basis and report on the status of the audit plan and results of individual audit reviews. The HoIA may also be requested to attend Audit Committee meetings, and reports to the Board.

In general, the internal audit function is responsible for developing and delivering an agreed internal audit plan and monitoring the control environment.

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

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

B.5 (b) Independence and objectivity

The internal audit function is independent of the Company's business management activities. It is not directly involved 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 of the Audit Committee as soon as identified. It shall also put in place procedures for oversight by a third party outside the internal audit in relation to any function for which the HoIA has direct responsibility.

B.6 Actuarial Function

B.6 (a) Implementation of the actuarial function

The actuarial function holder has been outsourced to an external Outsourcing Service Provider ("**OSP**"). The CRO is the "personne-relais" for the outsourced activity of the actuarial function

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

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

B.7 Outsourcing

B.7 (a) Description of Outsourcing Policy

The establishment of outsourcing arrangements with internal or external service providers is fundamental to MAB's business model and ability to achieve strategic objectives. The Company has set out clear policies in order to manage the different OSP relationships, and particularly:

- The Outsourcing Policy:

  The purpose of the Outsourcing Policy is to outline the minimum standards and the approach that has been developed and agreed on by the Board for managing the outsourcing arrangements of MAB. Therefore, the principles set out in the Outsourcing Policy are intended to establish the governance (key roles and responsibilities of management) during the pre-contractual, contractual and post-contractual stage of all outsourced functions or services. In addition, the Policy outlines the key requirements for specific cases of outsourcing, such as: cloud-outsourcing, intra-group outsourcing, independent control functions, outsourcing outside the European Economic Area, and retention of insurance documents. Finally, the role of the Outsourcing Manager, governing bodies, compliance department, risk department and internal audit department are defined in the Policy.

- The Outsourcing 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 includes MAB's outsourcing strategy which is aligned with the Monument Group strategy. The Framework should also be viewed in conjunction with the Outsourcing Policy.

- The OSP Process Manual:

  The OSP Process Manual defines the internal processes to be followed with respect to outsourcing of services, in order to ensure a consistent and documented approach to outsourcing across the Company.

The Company ensures strict adherence to all applicable rules and regulations, including Section 7 of the NBB Governance Circular. Where deemed appropriate, the Company will outsource specific business functions to reduce or control costs, to free internal resources and capital, and to harness skills, expertise and resources not otherwise available to MAB. However, the Company's outsourcing of critical or important operational functions or activities shall not be undertaken in such a way as to unduly increase the Company's exposure to Operational Risk. Furthermore, MAB incorporated the 15 recommendations as set in the Circular of 5 May 2020 on the recommendations of the Bank regarding cloud outsourcing.

An appropriate level of due diligence is conducted prior to completing the selection process, taking into account the criticality assessment of the OSP. The Company must notify the relevant regulatory authority in writing of any outsourcing of a critical or important function or of a critical change in regard to the outsourcing of existing critical or important functions. MAB determines whether the function or service being outsourced is deemed as critical or important on the basis of whether it is essential to the operations of the Company, in the sense that the Company would not be able to provide its services to policy-holders without this function or activity and would not meet its contractual and regulatory obligations without it. This assessment is performed prior to entering into the outsourcing arrangement.

Over 2023, all OSP's were monitored and reviewed by the Outsourcing Manager on a regular basis (at least quarterly) and reports were shared on OSP's oversight with the MAB MC on a monthly basis and at least on a quarterly basis with MAB Board.

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

On 31 December 2023, MAB (sub)outsources services to 17 different Outsourcing service providers, divided into 4 categories (Portfolio Administration, Independent Control Functions, Invest & Asset management and Other Support Functions)). All the below OSP's are considered as critical Outsourcing (except for three outsourced service providers that are considered as non-critical).

MAB full outsourcing organigram as of 31 December 2023 is set below:

Service provider: intra-group, extra-group or independent control function	Activity	Jurisdiction
Intra-Group	IT & Change (IT services)	Belgium but branch in Ireland
Extra-Group	sub-outsourcing of the IT Services	Ireland
Intra-Group	Finance, Insurance Services Administration, Human Resources, IT and Change, Actuarial support, Risk Support, Relationship Management, Record Management, Legal support services, compliance	Belgium
Intra-Group	Investment Management	Bermuda
Independent control function	Actuarial function holder	Belgium
Independent control function	Internal Audit function	Belgium but branch in Ireland
Extra-Group	Policy Administration Curalia portfolio	Belgium
Extra-Group	Investment & Asset Management	UK
Extra-Group	External Archiving	Belgium

Extra-Group	Mortgage loan services	Belgium
Extra-Group	Management of disability products	Belgium
Extra-Group	Certiflex policy administration	Belgium
Extra-Group	Policy Administration AXA	Belgium
Extra-Group	Policy Administration Federale verzekering	Belgium
Extra-Group	External inbound, DMS & digital archives services	Belgium

B.8 Any other information

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

C. Risk Profile

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

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

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

C.1 Underwriting risk

General

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

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

Mitigating Actions and Controls

IGR substantially mitigates underwriting risks.

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

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

Material risk concentrations

The following table shows the analysis of insurance contracts (excl. Branch 23) BE GAAP on a gross and net of reinsurance basis as per 31 December 2023, with prior year comparatives:

BE GAAP	31 December 2023		31 December 2022	
Country	Gross policy reserves € '000	Net policy reserves € '000	Gross policy reserves € '000	Net policy reserves € '000
Belgium	5,982,468	716,495	6,219,319	793,477

Risk sensitivity

Underwriting risk consists of the following risks:

Risk	Net SCR € '000
Mortality	1,322
Longevity	4,499
Disability-morbidity	409
Lapse	12,752
Life expense	18,367
Revision	0
Life catastrophe	535
Diversification	-8,689
SCR Underwriting	**29,195**

Expense and lapse risks remain the most significant Life underwriting risks for the Company. The inclusion of bigger portfolios such as Integrale and AXA recently resulted in significant increases in all underwriting risks.

C.2 Market risk

General

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

IGR substantially mitigates market risk.

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

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

The Company adheres to the prudent person principle in the implementation of its investment strategy. This is accomplished through an investment framework focused on governance, risk assessment and portfolio diversification.

The Company governance structure is outlined in ***Section B.1 General information on the system of governance*** of this report. The Company continually assesses the risks associated with its business objectives, particularly those related to the investment portfolio, and determines which risks to accept and which to mitigate. This is encompassed within the Risk Management Framework, as outlined in ***Section B.3 Risk Management System including the own risk and solvency assessment***, and is manifested in the Company's risk policies.

One of the key risk mitigants is to diversify the investment portfolios. This is achieved through the 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 the investment sector, issuer and credit ratings. For each mandate, the Company oversees compliance of the service providers against the limits through a regular review of each portfolio. As noted above, the governance framework establishes reporting protocols for policy compliance.

Material risk concentrations

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

Sensitivity

The assets in the portfolio consists of government bonds, corporate bonds, properties, infrastructure debt, private credit, trade finance debt, residential mortgages, loans on policies, loans, derivatives, equities, participations and cash. Those assets can be directly held or via a fund structure. The SCR for market risk consists of the following components:

Risk	Net SCR € '000
Interest rate	6,219
Equity	1,510
Property	21,627
Spread	56,559
Concentration	0
Currency	5,538
Diversification	-18,128
SCR Market risk	**73,324**

C.3 Credit risk

General

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

The Company's exposure to credit risk is derived from assets such as debt securities and from cash and reinsurance counterparties. The Company has low credit exposure with respect to receivables due from other counterparties.

Mitigating Actions and Controls

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

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

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

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

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

Furthermore, MAB regularly considers an extreme scenario in which Monument Re defaults and assesses the impact of this scenario. MAB's Capital and Management and Dividend Policy requires MAB to ensure that failure of Monument Re would not cause MAB to breach its MCR before management actions, and plausible management actions must be available to restore the solvency position within a reasonable timeframe that is acceptable to the Board. If either of these conditions is not met, then the IGR Framework requires Monument Re to make a capital injection into MAB.

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

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

Material risk concentrations

Exposure in respect of single term deposits can be materially concentrated. Monitoring of counterparty credit ratings is in place as described above. Exposure towards Monument Re in respect of the Company's IGR represents a material concentration of risk, which is mitigated as described above.

Sensitivity

As measured using the Standard Formula SCR, counterparty default risk capital net of reinsurance is € 13,9m. This amount is sensitive to the credit rating of the Company's counterparties. The level of collateralization on the reinsurance arrangement with Monument Re is sufficient to fully mitigate counterparty default risk on this basis.

C.4 Liquidity risk

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

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

Mitigating Actions and Controls

The Company monitors liquidity risks using the following methods:

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

Material risk concentrations

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

Sensitivity

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

Expected profit included in future premiums

Expected profit in future premiums ("**EPIFP**") is potentially an illiquid asset. Due to the nature of the Company's products, EPIFP differs depending on which portfolio we are considering. The total amount of EPIFP, as of year-end 2023, is € 127m.

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 principally measured through scenario analysis.

Mitigating Actions and Controls

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

- RCSA 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 MC and the Board;
- 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.

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

Material risk concentrations

The Company's operating model involves the outsourcing of various functions as described in ***Section B.7 Outsourcing***. This represents a concentration of risk and oversight measures are in place as set out above. Exit plans are required for each critical or important OSP. Key person risk owing to the relatively medium size of the Company is mitigated as described above.

Sensitivity

Size and complexity of the business are drivers of risk. As a run-off business, sensitivity is somewhat limited. Operational risk capital on the Solvency II Standard Formula basis is € 27,2m.

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;
- 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 to intra-group reinsurance (IGR) and intra-group outsourcing (see ***Sections C.3 Credit Risk*** and ***C.5 Operational Risk****).*

Material risk concentrations

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

Strategic risk

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

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

Mitigating Actions and Controls

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

- Emerging risk analysis and reporting.
- Strategic risks are measured qualitatively.

Material risk concentrations

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

Sustainability risk

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

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

Mitigating Actions and Controls

- Maintenance of a well-diversified investment portfolio;
- Oversight as part of weekly reporting provided by Group investment;
- Promoting low carbon practices e.g. video-conferencing in preference to business travel; and
- Providing opportunities for and promoting community investment.

Material risk concentrations

The Company has a substantial investment acquired from the ex-Integrale book of business in Property via MIM and Mortgage Loans. Climate change could cause a rise in sea levels which subsequently could result in a devaluation of properties in higher risk areas. Although MIM being a non-strategic asset is intended to be sold, the underlying assets are not in a high risk area. As a result, the residual risk remains limited.

Emerging Risk

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

Mitigating Actions and Controls

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

Material risk concentrations

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

C.7 Other Relevant Information

Whilst pandemics and geopolitical crises have caused a lot a volatility in the financial market, the impact on insurance risks remain limited.

The anti-money laundering tool that MAB utilizes, screens against the various economical and financial sanctions in relation to the geo-political situations. The MAB portfolios do not contain high risk clients linked to the Russo-Ukrainian war's sanction lists.

There is no other material information regarding the risk profile of the Company, other than what has been reported in this section.

D. Valuation for Solvency Purposes

The following table summarizes the valuation of the Company's assets for Solvency II purposes and the valuation used in the Company's financial statements ("**Statutory Basis**") at the reporting date. All amounts are presented in the reporting currency of the Company, which is euro (€) as at 31 December 2023.

Balance sheet	31 December 2023			
	BE GAAP € '000	Reclassification Differences € '000	Valuation Differences € '000	Solvency II € '000
Assets				
Investments - Holdings in related undertakings, including participations	479,665		25	479,689
Investments - Equities	6,786		319	7,105
Investments - Bonds	3,951,677	-	-390,130	3,561,547
Collective Investments Undertakings	2,159,158		-13,562	2,145,596
Derivatives	39,531		130,839	170,370
Assets held for index-linked and unit-linked contracts	30,477		0	30,477
Loans and mortgages	415,042		-52,975	362,067
Reinsurance recoverable	5,268,692		-642,693	4,625,999
Insurance and intermediaries receivables	25,881		0	25,881
Reinsurance receivables	11,065	-	53,559	64,624
Cash and cash equivalents	53,142	-	0	53,142
Any other assets	927,734		0	927,734
Total	**13,368,848**	**-**	**-914,617**	**12,454,231**

Liabilities				
Technical Provisions	5,961,530	-	490,413	6,451,943
Technical Provisions - unit linked products	30,775		-2,768	28,007
Provisions other than technical provisions	1,200		-	1,200
Reinsurance payables	13,129	-	-5,078	8,051
Deposit to reinsurance	4,718,691	-	-252,663	4,466,027
Deferred tax liabilities	-		15,676	15,676
Derivatives	72,989		99,262	172,251
Other payables	2,229,915	-	-1,310,117	919,798
Any other liabilities	1,315		3,557	4,872
Total	**13,029,545**	**-**	**-977,378**	**12,052,166**
Excess of assets over liabilities	**339,304**	**-**	**47,100**	**386,404**

D.1 Assets

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

Investments, loans and mortgages, cash and cash equivalents

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

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

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

- Current replacement value.

Bonds: bonds are in the form of corporate and government bonds, structured notes and investment funds. In the BE GAAP balance sheet they are valued at amortized cost and the Solvency II balance sheet at market value (quoted clean price – bid prices). Unquoted bonds are valued using the discounted cash-flows method consisting in converting future cash flow to a single current value. For the valuation of unquoted bonds, detailed analysis is performed to determine the correct spreads applied.

Participations (holdings in related undertakings): consists of "Monument Immo Management SA" ("**MIM**") and private equity. For MIM, the look-through approach is applied to value each of the balance sheet components according to the Solvency II valuation principles; in the BE GAAP balance sheet they are valued using their cost value less accumulated impairment losses. The private equity is valued at market value.

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

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

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

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

Equities: include listed and unlisted equities. Equities listed in regulated markets are in the Solvency II balance sheet valued at their quoted market price, while main unlisted equities are valued at book value less impairment if any. For the BE GAAP balance sheet both are valued at their cost value less accumulated impairment losses.

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

Derivatives: include interest rate swaps, inflation swaps, FX Forward for hedging and ALM purposes. Derivatives are valued at market value in the Solvency II balance sheet, and valued at the lower of cost or market in the BE GAAP balance sheet.

Reinsurance recoverable

This includes the best estimate of the recoverable amount from reinsurance contracts minus the reinsurance premium to be paid. A reinsurance recoverable and off-balance items are held in respect to the internal and external reinsurance arrangements.

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

Assets held for index-linked and Unit-Linked funds

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

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

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

Receivable

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

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

Valuation differences between BE GAAP and Solvency II are in section above.

D.2 Technical provisions

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

The Solvency II technical provisions must be calculated as the sum of a best estimate and a risk margin:

- The best estimate corresponds to the probability-weighted of future cashflows, taking into account the time value of money, using the relevant risk-free average interest rate term structure.

- The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over their lifetime. The cost of capital rate is defined by the regulator and is set at 6%.

The following table contains the technical provisions net of reinsurance for the Company as of 31 December 2023 of the total Company:

	31 December 2023		
	Solvency II € '000	**GAAP € '000**	**Solvency II € '000**
Best Estimate Liabilities	6,455,017	5,992,305	-462,712
Risk Margin	24,933	-	-24,933
Total	**6,479,982**	**5,992,305**	**-487,645**

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

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

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

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

The following table contains the technical provisions for the Company by material line of business as of 31 December 2023:

	Best Estimate Liabilities	**Risk Margin**	**Total**
	€ '000	**€ '000**	**€ '000**
Material LOB 1	40,881	340	41,221
Material LOB 2	61,351	363	61,715

Material LOB 3	125,768	122	125,890
Material LOB 4	970,853	1,784	972,637
Material LOB 5	2,800,501	19,767	2,820,269
Material LOB 6	2,455,662	2,557	2,458,219
Total	**6,455,017**	**24,933**	**6,479,951**

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

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

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

- Premium income cash-flows;
- Benefit payments to policy holders and beneficiaries:
    a. Maturity benefits
    b. Death benefits
    c. Disability benefits
    d. Surrender benefits
    e. Annuity benefits
    f. Rider benefits
- Profit sharing allocated to the policyholder, both including deterministic as well as stochastic profit sharing;
- Expenses that the undertaking will incur (e.g. maintenance expenses or commissions);
- Taxation payments which are, or are expected to be, charged to policy holders or are required to settle the insurance or reinsurance obligations.

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

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

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

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

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

For contracts eligible to profit sharing according to the profit sharing policy of the Company, and additional best estimate of future profit sharing is added to the reserving. This financial optionality is measured both in a deterministic as well as stochastic (Time value of Future Financial option) way.

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

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

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

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

The technical provision, as determined in the BE GAAP financial statements (including several prudential buffers like "flashing light reserve", LAT reserve or claims reserve) is equal to the accumulated savings value with a guaranteed return applicable. The assumptions used in this valuation are based on tariff actuarial parameters, which contain a level of prudence versus the best estimate assumptions used in the Solvency II BEL. As part of the transfer, only the pure technical provisions were transferred, without any prudential buffers already set up for this portfolio (e.g. flashing light provision).

The flashing light reserves is an extra provision that the National Bank of Belgium requires life insurers in Belgium to set up in order to ensure that sufficient funds are available at all times to fulfil guarantees given to clients within their contracts.

The LAT reserve or Liability Adequacy reserve is an additional prudential buffer under local GAAP for guaranteeing the adequacy of the local GAAP reserve to fulfil the liabilities. The Company has a small historical LAT reserve in the accounting.

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

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

D.2 (d) Matching adjustment and volatility adjustment

The Company makes use of volatility adjustment. Removal of the VA has the effect of increasing the Technical Provisions per 31 December 2023 by € 99,2m and reducing Own Funds by € 11 after an allowance for reinsurance. Removal of the VA would reduce the SCR by € 1,8 m. The Solvency position of MAB would be reduced from 378% to 361% as a result of removing the VA.

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

Not applicable.

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

See ***Section D.1 (a) Bases, methods and main assumptions used for the valuation for solvency purposes***, ***reinsurance recoverable.***

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

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

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

D.3 Other liabilities

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

Other liabilities consist of:

- Short-term liabilities that are valued at nominal value in both the BE GAAP and Solvency II balance sheet;
- Deferred taxes: valued on the basis of the difference between the Solvency II values and the values ascribed to assets and liabilities as recognized and valued for tax purposes (Delegated Regulation (EU) 2015/35, Art. 15). No deferred taxes are recognized on the Balance Sheet under BE GAAP;
- Unmodelled business: there's a small unmodelled business present on the Balance Sheet. The unmodelled business valued at BE GAAP Value in the Solvency II balance sheet.
- For contracts eligible for profit sharing according to the profit sharing policy of the Company, and additional best estimate of future profit sharing is added to the reserving. This financial optionality as measured both in a deterministic as well as stochastic (Time value of Future Financial option) way.

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

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

D.4 Alternative methods for valuation

No alternative valuation methods were applied.

D.5 Any other material information

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

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

E. Capital Management

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

E.1 Own funds

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

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

The primary objective of the Company is to ensure compliance with externally imposed capital requirements and to maintain appropriate capital ratios in order to provide security for stakeholders, including cedants and policyholders, 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:

- Definition of internal targets and Risk appetite limits based on companies strategy
- Continuous monitoring and forecasting
- Ensure sufficient and relevant Management actions for highly unlike scenarios

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

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

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

Summary of the Own Funds and solvency position at 31 December 2023, with prior year comparatives (in € '000, except for percentages):

	31st December 2023	31st December 2022
Own Funds	386,404	372,081
Solvency Capital Requirement (SCR)	102,089	147,722
Minimum Capital Requirement (MCR)	45,940	66,475
Absolute Floor of MCR	4,000	4,000
Relevant Solvency Ratio	378%	252%

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

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

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

Solvency II defines Basic Own Funds as the sum of:

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

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

	Total Own funds 31 December 2023 € '000	Total Own funds 31 December 2022 € '000	Eligible Own Funds to cover SCR 31 December 2023 € '000	Eligible Own Funds to cover SCR 31 December 2022 € '000	Eligible Own Funds to cover MCR 31 December 2023 € '000	Eligible Own Funds to cover MCR 31 December 2022 € '000
Ordinary Share Capital	322,660	337,245	322,660	337,245	322,660	337,245
Reconciliation reserve	63,744	34,836	63,744	34,836	63,744	34,836
Other Own Funds						
Total Basic Own Funds	**386,404**	**372,081**	**386,404**	**372,081**	**386,404**	**372,081**

In 2018 an IGR agreement with Monument Re was implemented to mitigate part of the risk of the balance sheet.

Recent capital evolutions are shown below:

- 2021: € 45m capital increase following the acquisition of the Allianz book of business;
- 2021: € 225m capital increase following the acquisition of the Integrale book of business;
- 2022: € 50m capital increase following the acquisition of the AXA book of business;
- 2023: € 14,5m capital decrease by absorption of losses from the past.

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 2023 € '000	31st December 2022 € '000
Shareholder Equity per financial statements	**322,660**	**337,245**
Difference in the valuation of assets	-897,974	-1,527,937
Difference in the valuation of technical provisions	977,394	1,579,003
Deferred tax liabilities	-15,676	-16,230
Solvency II Excess of Assets over Liabilities	386,404	372,081

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

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

Not applicable.

E.1 (e) Ancillary Own Funds

The Company did not have any ancillary own fund items at 31 December 2023.

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

There are no material items deducted from Own Funds at 31 December 2023

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

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

The following table shows the Company's SCR and MCR requirements as of 31 December 2023, with prior year comparatives:

	31 December 2023 € '000	31 December 2022 € '000
SCR	102,089	147,722
MCR	45,940	66,475

In 2023, the Company has executed a significant rebalancing exercise, transferring a large part of the corporate bonds towards government bonds. This action triggered an important reduction in Solvency Capital Requirements for Spread risk and thus Market risk. Consequently reducing the total Solvency Capital Requirements and increasing the Solvency Ratio.

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

The Basic SCR 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 net of IGR as of 31 December 2023, with prior year comparatives:

	31 December 2023 € '000	31 December 2022 € '000
Market risk	73,324	98,741
Counterparty default risk	13,894	15,239
Life underwriting risk	29,195	36,378
Basic Solvency Capital Requirement	90,578	118,873
LAC-DT	-15,669	N/A
Operational Risk	27,187	28,848

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

E.2 (c) Use of simplified calculations

The Company did not use any simplified calculations or undertaking-specific parameters to arrive at its SCR as of 31 December 2023 or before.

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

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

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

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

The MCR is calculated according to the requirements of the Delegated Regulation whereby the MCR is dependent on the level of the best estimate, the risk capital, the SCR and an absolute minimum of € 4m. The calculation results in an MCR of € 45.9m.

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

Over the last years, the SCR of the Company has materially decreased. The decrease in capital requirements can be explained by:

1. The rebalancing exercise performed by the Company in 2023. This exercise resulted in a significant reduction of the of Spread risk capital requirements;
2. The application of the Loss Absorbing Capacity of Deferred Taxes. Since Q2 2023, the Company is applying the LAC DT to calculate the SCR;

3. Being a consolidator of purely closed books, the Company is subject to reductions in capital requirements following the run-off nature of the business;
4. Significant des-investments in Property risk also resulted in acceleration of the decrease in capital requirements.

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

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

Not applicable.

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

Not applicable.

E.5 Non-compliance with the Minimum Capital Requirement (MCR) and non-compliance with the Solvency Capital Requirement (SCR)

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

E.6 Any other information

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

Appendix 1 - Glossary

AALCB	ABN AMRO Life Capital Belgium NV
AC	Audit Committee
ALM	Asset and Liability Management
BE GAAP	Generally Accepted Accounting Practice in Belgium
Bridge	Bridge Strategic Holdings Limited
BRM	Belgian Residential Mortgages
CEO	Chief Executive Officer
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
Delegated Regulation	Commission Delegated Regulation (EU) 2015/35 of October 2014
DRM	Dutch Residential Mortgages
EIOPA	European Insurance and Occupational Pension Authority
EPIFP	Expected profit included in future premiums
FSMA	Financial Services and Markets Authority
Group	Monument Re Group
GSAM	Goldman Sachs Asses Management International
Governance Circular	NBB Governance Circular
HoIA	Head of Internal Audit
HR	Human Resources
IC	Investment Committee
ICAV	Irish Collective Asset Management Vehicle
IGR	Intra-group reinsurance
IT	Information Technology
MAB	Monument Assurance Belgium NV
MABS	Monument Assurance Belgium Services SA
MC	MAB's Management Committee
MCR	Minimum Capital Requirement
MI	Management Information
MIBS	Monument Insurance Belgium Services Srl
MIES	Monument Insurance European Services NV
MIM	Monument Immo Management
MISL	Monument Insurance Service Limited
Monument Re/MonRe	Monument Re Limited
NBB	National Bank of Belgium
NBB Governance	Circular NBB_2018_23 of the Overarching circular on the system of
NCN Portfolio	A portfolio of non-Curanova long term savings contracts from Curalia
NR Comm	Monument Re Group Nominations and Remuneration Committee
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
Own Funds	According to art. 87 of Solvency II Directive 2009/138/EU, Own Funds are defined as the sum of basic Own Funds and ancillary Own Funds

Person concerned	All individuals identified in MAB's Fit & Proper Policy
Personne-relais	A designated representative from the MC has overall responsibility for the outsourced activity
Private credit	Debt issued by companies/entities privately to banks or other investors
QIAF	Qualifying Irish Alternative Fund is a regulated collective investment scheme
QRT	Quantitative Reporting Template
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
Reinsurance recoverables	Reinsurance recoverables represent the amount of best estimate liability
Risk Management Framework	The Risk Management Framework is the structured process used to identify and assess risk, and to define the strategy for mitigating the impact of these risks as well as the mechanisms to effectively control and evaluate actions.
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
Solvency II Law	Law of 13 March 2016 on the statute and supervision of insurance or
Solvency Capital	The Solvency Capital Requirement is determined as the economic capital to be held by insurance and reinsurance undertakings in order to ensure that ruin occurs no more often than once in every 200 cases or, alternatively, that those undertakings will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months (Solvency II Directive 2009/138/EU).
SSA	Private and Public Sovereign and Agency debt
Statutory Basis	The valuation of the Company’s assets for Solvency II purposes and the
The Board	MAB’s Board of Directors
The Company	Monument Assurance Belgium NV
Three Lines of Defence	In the Three Lines of Defence model, management control is the first line of defence in risk management, the various risk control and compliance oversight functions established by management are the second line of defence, internal auditor is the third line.
UFR	Ultimate Forward Rate
VA	Volatility Adjustment
VOBA	Value of Business Acquired

Appendix 2 - List of public QRT to be disclosed

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

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

Basic Information - General

S.01.02.01.01 - Basic Information - General

		Columns
		Report information
		C0010
Rows		
Undertaking name	R0010	Monument Assurance Belgium
Undertaking identification code	R0020	LEI/213800MJ23NBMAXX2M80
Type of undertaking	R0040	Life undertakings
Country of authorisation	R0050	BELGIUM
Language of reporting	R0070	Dutch
Reporting submission date	R0080	04-02-2024
Financial year end	R0081	31-12-2023
Reporting reference date	R0090	31-12-2023
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 the webpage where the Solvency and Financial Condition Report is disclosed	R0255	https://www.monumentregroup.com/wp-content/uploads/2023(/04/SFCR-incl-QRT_final_as.pdf
Direct URL to download the Solvency and Financial Condition Report	R0260	https://www.monumentregroup.com/wp-content/uploads/2023/04/SFCR-incl-QRT_final_as.pdf
Captive business	R0270	No captive business conducted
Run-off business	R0280	Partial run-off undertaking/Run-off portfolio
M&A during the period	R0290	Mergers or acquisitions occurred during the reporting period
PEPP reporting	R0300	Not reported as no PEPP
Ad hoc XBRL technical field 1	R0990	
Ad hoc XBRL technical field 2	R0991	
Ad hoc XBRL technical field 3	R0992	

Variant of Solvency II template S.02.01.01 with ECB add-ons (annual reporting, solo)

SE.02.01.16.01 - Balance sheet

		Columns		
		Solvency II value	Statutory accounts value	Reclassification adjustments
		C0010	C0020	EC0021
Rows				
Assets	AR0009			
Goodwill	R0010			
Deferred acquisition costs	R0020			
Intangible assets	R0030			
Deferred tax assets	R0040			
Pension benefit surplus	R0050			
Property, plant & equipment held for own use	R0060			
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	6,364,307,081.07	6,636,816,311.08	
Property (other than for own use)	R0080			
Holdings in related undertakings, including participations	R0090	479,689,177.66	479,664,640.59	
Equities	R0100	7,104,673.68	6,785,947.68	
Equities - listed	R0110	239,781.88	239,782.88	
Equities - unlisted	R0120	6,864,891.80	6,546,164.80	
Bonds	R0130	3,561,546,846.91	3,951,676,706.01	
Government Bonds	R0140	2,585,714,905.24	2,947,737,611.95	
Corporate Bonds	R0150	968,168,622.71	997,687,598.62	
Structured notes	R0160	7,663,318.96	6,251,495.45	
Collateralised securities	R0170	0.00	0.00	
Collective Investments Undertakings	R0180	2,145,596,271.21	2,159,157,791.93	
Derivatives	R0190	170,370,111.62	39,531,224.87	
Deposits other than cash equivalents	R0200	0.00	0.00	
Other investments	R0210	0.00	0.00	
Assets held for index-linked and unit-linked contracts	R0220	30,476,703.71	30,476,703.71	
Loans and mortgages	R0230	362,067,304.57	415,041,892.47	
Loans on policies	R0240	42,061,672.38	49,471,363.85	
Loans and mortgages to individuals	R0250	256,660,929.04	296,274,338.84	
Other loans and mortgages	R0260	63,344,703.15	69,296,189.78	
Reinsurance recoverables from:	R0270	4,625,998,951.80	5,268,691,743.51	
Non-life and health similar to non-life	R0280	0.00	0.00	
Non-life excluding health	R0290	0.00	0.00	
Health similar to non-life	R0300	0.00	0.00	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	4,625,998,951.80	5,268,691,743.51	
Health similar to life	R0320	0.00	0.00	
Life excluding health and index-linked and unit-linked	R0330	4,625,998,951.80	5,268,691,743.51	
Life index-linked and unit-linked	R0340	0.00	0.00	
Deposits to cedants	R0350	0.00	0.00	
Insurance and intermediaries receivables	R0360	25,880,902.41	25,880,902.41	
Reinsurance receivables	R0370	64,623,949.39	11,064,511.30	
Receivables (trade, not insurance)	R0380	927,734,359.42	927,734,359.42	
Own shares (held directly)	R0390	0.00	0.00	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0.00	0.00	
Cash and cash equivalents	R0410	53,142,013.05	53,142,013.05	
Any other assets, not elsewhere shown	R0420	0.00	0.00	
Total assets	R0500	12,454,231,265.42	13,368,848,436.95	
Liabilities	AR0509			
Technical provisions - non-life	R0510			
Technical provisions - non-life (excluding health)	R0520			
Technical provisions calculated as a whole	R0530			
Best Estimate	R0540			
Risk margin	R0550			
Technical provisions - health (similar to non-life)	R0560			
Technical provisions calculated as a whole	R0570			
Best Estimate	R0580			
Risk margin	R0590			
Technical provisions - life (excluding index-linked and unit-linked)	R0600	6,451,943,220.69	5,961,529,904.69	
Technical provisions - health (similar to life)	R0610	0.00		
Technical provisions calculated as a whole	R0620	0.00		
Best Estimate	R0630	0.00		
Risk margin	R0640	0.00		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	6,451,943,220.69	5,961,529,904.69	
Technical provisions calculated as a whole	R0660	0.00		
Best Estimate	R0670	6,427,281,773.65		
Risk margin	R0680	24,661,447.04		
Technical provisions - index-linked and unit-linked	R0690	28,007,379.92	30,775,461.52	
Technical provisions calculated as a whole	R0700	0.00		
Best Estimate	R0710	27,735,576.70		
Risk margin	R0720	271,803.22		
Other technical provisions	R0730			
Contingent liabilities	R0740			
Provisions other than technical provisions	R0750	1,200,000.00	1,200,000.00	
Pension benefit obligations	R0760	0.00	0.00	
Deposits from reinsurers	R0770	4,466,027,416.95	4,718,690,716.93	
Deferred tax liabilities	R0780	15,676,346.37	0.00	
Derivatives	R0790	172,251,191.66	72,989,029.00	
Debts owed to credit institutions	R0800	0.00	0.00	
Debts owed to credit institutions resident domestically	ER0801			
Debts owed to credit institutions resident in the euro area other than domestic	ER0802			
Debts owed to credit institutions resident in rest of the world	ER0803			
Financial liabilities other than debts owed to credit institutions	R0810	0.00	0.00	
Debts owed to non-credit institutions	ER0811			
Debts owed to non-credit institutions resident domestically	ER0812			
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813			
Debts owed to non-credit institutions resident in rest of the world	ER0814			
Other financial liabilities (debt securities issued)	ER0815			
Insurance & intermediaries payables	R0820	6,079,429.93	6,079,429.93	
Reinsurance payables	R0830	8,050,731.81	13,129,064.30	
Payables (trade, not insurance)	R0840	913,719,034.73	2,223,835,963.75	
Subordinated liabilities	R0850	0.00	0.00	
Non-negotiable instruments held by credit institutions resident domestically	ER0851			
Non-negotiable instruments held by credit institutions resident in the euro area other than domestic	ER0852			
Non-negotiable instruments held by credit institutions resident in rest of the world	ER0853			
Non-negotiable instruments held by non-credit institutions resident domestically	ER0854			
Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic	ER0855			
Non-negotiable instruments held by non-credit institutions resident in rest of the world	ER0856			
Subordinated liabilities not in Basic Own Funds	R0860			
Subordinated liabilities in Basic Own Funds	R0870			
Any other liabilities, not elsewhere shown	R0880	4,872,269.21	1,315,121.62	
Total liabilities	R0900	12,067,827,021.27	13,029,544,691.74	
Excess of assets over liabilities	R1000	386,404,244.15	339,303,745.21	

Premiums, claims and expenses by line of business

S.05.01.01.02 - Life

Sheets

Z Axis:	Z0001	1

		Columns								
		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit	Index-linked and unit-linked	Other life insurance	Annuities stemming from	Annuities stemming from	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Rows										
Premiums written	AR1409									
Gross	R1410		207,505,786.37	58,231.57	1,021,718.34					208,585,736.28
Reinsurers' share	R1420		241,093,002.10	0.00	0.00					241,093,002.10
Net	R1500		-33,587,215.73	58,231.57	1,021,718.34					-32,507,265.82
Premiums earned	AR1509									
Gross	R1510		207,505,786.37	58,231.57	1,021,718.34					208,585,736.28
Reinsurers' share	R1520		241,093,002.10	0.00	0.00					241,093,002.10
Net	R1600		-33,587,215.73	58,231.57	1,021,718.34					-32,507,265.82
Claims incurred	AR1609									
Gross	R1610		725,842,494.81	6,440,906.55	247,490.90					732,530,892.26
Reinsurers' share	R1620		448,438,591.59	0.00	0.00					448,438,591.59
Net	R1700		277,403,903.22	6,440,906.55	247,490.90					284,092,300.67
Expenses incurred	R1900		15,900,229.15	53,455.31	2,805.97					15,956,490.42
Administrative expenses	AR1909									
Gross	R1910		2,346,476.56	0.00	27,411.23					2,373,887.79
Reinsurers' share	R1920		1,763,937.87	0.00	24,670.11					1,788,607.98
Net	R2000		582,538.69	0.00	2,741.12					585,279.81
Investment management expenses	AR2009									
Gross	R2010		10,993,271.06	53,455.31	0.00					11,046,726.37
Reinsurers' share	R2020		7,508,133.64	0.00	0.00					7,508,133.64
Net	R2100		3,485,137.42	53,455.31	0.00					3,538,592.73
Claims management expenses	AR2109									
Gross	R2110		24,638,074.26	0.00	0.00					24,638,074.26
Reinsurers' share	R2120		18,507,859.08	0.00	0.00					18,507,859.08
Net	R2200		6,130,215.18	0.00	0.00					6,130,215.18
Acquisition expenses	AR2209									
Gross	R2210		9,930,470.16	0.00	0.00					9,930,470.16
Reinsurers' share	R2220		7,473,219.74	0.00	0.00					7,473,219.74
Net	R2300		2,457,250.42	0.00	0.00					2,457,250.42
Overhead expenses	AR2309									
Gross	R2310		9,795,127.10	0.00	648.43					9,795,775.53
Reinsurers' share	R2320		6,550,039.66	0.00	583.59					6,550,623.25
Net	R2400		3,245,087.44	0.00	64.84					3,245,152.28
Balance - other technical expenses/income	R2510									0.00
Total technical expenses	R2600									15,956,490.42
Total amount of surrenders	R2700		182,584,488.88	0.00	0.00					182,584,488.88

Life and Health SLT Technical Provisions

S.12.01.01.01 - Life and Health SLT Technical Provisions

Columns		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and		Accepted reinsurance				Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	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	AR0028														
Best Estimate	AR0029														
Gross Best Estimate	R0030	6,361,645,605.30			27,735,576.70			65,636,168.35							6,455,017,350.35
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	4,567,514,341.57			0.00			58,486,921.93							4,626,001,263.50
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	4,567,514,341.57			0.00			58,486,921.93							4,626,001,263.50
Recoverables from SPV before adjustment for expected losses	R0060														0.00
Recoverables from Finite Re before adjustment for expected losses	R0070														0.00
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	4,567,512,029.87			0.00			58,486,921.93							4,625,998,951.80
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	1,794,133,575.43			27,735,576.70			7,149,246.42							1,829,018,398.55
Risk Margin	R0100	24,298,283.92	271,803.22			363,163.12									24,933,250.26
Amount of the transitional on Technical Provisions	AR0109														
Technical Provisions calculated as a whole	R0110														
Best estimate	R0120														
Risk margin	R0130														
Technical provisions - total	R0200	6,385,943,889.22	28,007,379.92			65,999,331.47									6,479,950,600.61
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	1,818,431,859.35	28,007,379.92			7,512,409.54									1,853,951,648.81
Best Estimate of products with a surrender option	R0220	6,361,645,605.30	27,735,576.70			65,636,168.35									6,455,017,350.35
Gross BE for Cash flow	AR0228														
Cash out-flows	AR0229														
Future guaranteed and discretionary benefits	R0230		28,397,874.65			56,078,630.89									6,785,689,662.28
Future guaranteed benefits	R0240	4,188,595,295.29													4,188,595,295.29
Future discretionary benefits	R0250	2,512,617,861.45													2,512,617,861.45
Future expenses and other cash out-flows	R0260	523,378,153.72	666,164.99			16,012,237.92									540,056,556.64
Cash in-flows	AR0269														
Future premiums	R0270	864,793,056.44	0.00			6,454,700.46									871,247,756.90
Other cash in-flows	R0280	0.00	1,328,462.94												1,328,462.94
Percentage of gross Best Estimate calculated using approximations	R0290	0.00%	0.00%			0.00%									
Surrender value	R0300	0.00	0.00			0.00									0.00
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	6,361,645,605.30	27,735,576.70			65,636,168.35									6,455,017,350.35
Technical provisions without volatility adjustment and without others transitional measures	R0340	6,483,702,644.21	28,015,532.48			66,969,935.30									6,578,688,111.99
Best estimate subject to matching adjustment	R0350														
Technical provisions without matching adjustment and without all the others	R0360														
Expected profits included in future premiums (EPIFP)	R0370	125,530,937.76	0.00			987,673.66									126,518,611.43

Own funds

S.23.01.01.01 - Own funds

Sheets

Z Axis:	Z0001	1

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	AR0009					
Ordinary share capital (gross of own shares)	R0010	322,660,185.62	322,660,185.62			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	63,744,058.53	63,744,058.53			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	AR0219					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions	AR0229					
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	386,404,244.15	386,404,244.15			
Ancillary own funds	AR0299					
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds	AR0499					
Total available own funds to meet the SCR	R0500	386,404,244.15	386,404,244.15			
Total available own funds to meet the MCR	R0510	386,404,244.15	386,404,244.15			
Total eligible own funds to meet the SCR	R0540	386,404,244.15	386,404,244.15			
Total eligible own funds to meet the MCR	R0550	386,404,244.15	386,404,244.15			
SCR	R0580	102,089,061.24				
MCR	R0600	45,940,077.56				
Ratio of Eligible own funds to SCR	R0620	378.50%				
Ratio of Eligible own funds to MCR	R0640	841.10%				

S.23.01.01.02 - Reconciliation reserve

Sheets

Z Axis:	Z0001	1

Rows		Value
		C0060
Reconciliation reserve	AR0699	
Excess of assets over liabilities	R0700	386,404,244.15
Own shares (held directly and indirectly)	R0710	0.00
Foreseeable dividends, distributions and charges	R0720	0.00
Other basic own fund items	R0730	322,660,185.62
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0.00
Reconciliation reserve	R0760	63,744,058.53
Expected profits	AR0769	
Expected profits included in future premiums (EPIFP) - Life business	R0770	126,518,635.47
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0.00
Total Expected profits included in future premiums (EPIFP)	R0790	126,518,635.47

Solvency Capital Requirement - for undertakings on Standard Formula

S.25.01.01.01 - Basic Solvency Capital Requirement

Sheets

Z Axis:	Z0001	1
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	73,324,471.74	73,324,471.74	
Counterparty default risk	R0020	13,893,851.46	13,893,851.46	
Life underwriting risk	R0030	29,195,484.07	29,195,484.07	
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-25,835,312.04	-25,835,312.04	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	90,578,495.22	90,578,495.22	

S.25.01.01.02 - Calculation of Solvency Capital Requirement

Sheets

Z Axis:	Z0001	1
Article 112	Z0010	No

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	27,186,912.39
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-15,676,346.37
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	102,089,061.24
Capital add-ons already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	102,089,061.24
Other information on SCR	AR0399	
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	

S.25.01.01.03 - Approach to tax rate

Sheets

Z Axis:	Z0001	1
Article 112	Z0010	No

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

S.25.01.01.04 - Calculation of loss absorbing capacity of deferred taxes

Sheets

Z Axis:	Z0001	1
Article 112	Z0010	No

		Before the shock	After the shock
		C0110	C0120
Rows			
DTA	R0600		
DTA carry forward	R0610		
DTA due to deductible temporary differences	R0620		
DTL	R0630	15,676,346.37	0.00

Minimum Capital Requirement - Only life or only non-life insurance or reinsuranc

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

		Columns
		Result
		C0040
Rows		
MCRL Result	R0200	67,748,950.26

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

Sheets

Z Axis:	Z0001	1

		Columns	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Rows			
Obligations with profit participation - guaranteed benefits	R0210	1,762,700,928.97	
Obligations with profit participation - future discretionary benefits	R0220	0.00	
Index-linked and unit-linked insurance obligations	R0230	27,735,576.70	
Other life (re)insurance and health (re)insurance obligations	R0240	37,691,376.84	
Total capital at risk for all life (re)insurance obligations	R0250		2,204,782,771.50

S.28.01.01.05 - Overall MCR calculation

Sheets

Z Axis:	Z0001	1

		Columns
		Value
		C0070
Rows		
Linear MCR	R0300	67,748,950.26
SCR	R0310	102,089,061.24
MCR cap	R0320	45,940,077.56
MCR floor	R0330	25,522,265.31
Combined MCR	R0340	45,940,077.56
Absolute floor of the MCR	R0350	4,000,000.00
Minimum Capital Requirement	R0400	45,940,077.56