MetLife

MetLife EU Holding Company Limited

Solvency II Solvency and Financial Condition Report

For the year ended 31 December 2022

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Executive summary

Background

MetLife EU Holding Company Limited (the "**Company**") is an Irish incorporated entity domiciled in Ireland and its principal activity is to serve as a holding company for European domiciled subsidiaries of MetLife, Inc.

On 1 January 2016, a new European wide regulatory regime for insurance companies ("**Solvency II**") came into force, requiring the Company for the first time to report on a consolidated Solvency II basis on behalf of itself and its subsidiaries (the "**Group**"). The Group operates its insurance business through its major subsidiaries MetLife Europe d.a.c. ("**MetLife Europe"**) and MetLife Europe Insurance d.a.c. ("**MetLife Europe Insurance**"), MetLife Europe and MetLife Europe Insurance together referred to as the "**Major Subsidiaries**". This report should be read in conjunction with the Solvency and Financial Condition Reports ("**SFCR**") of these Major Subsidiaries all of which are attached as appendices to this report.

The purpose of this report is to satisfy the public disclosure requirements of the Group pursuant to the Commission Delegated Regulation (EU) 2015/35 (The "**Delegated Acts**"), the European Insurance and Occupational Pensions Authority ("**EIOPA**") Final Report on Public Consultation No. 14/047, and the Delegated Acts supplement Directive 2009/138/EC as implemented in Ireland by the European Union (Insurance and Reinsurance) Regulations 2015.

The SFCR is an annual public document and is available on the Company's website.

Content

The following summarises the information included in the SFCR by section and notes any material changes during the year.

A - Business and performance

Significant business events

On 24 February 2022, Russia commenced an invasion of Ukraine. The invasion has had a significant impact on financial markets. The Directors have considered the impact of these developments on the Group and have determined that, to the best of their knowledge, there are no material direct material operational or financial exposures. However, the indirect impacts such as increased market volatility and heightened levels of inflation have the potential to impact the Group negatively. In this regard, the Russia-Ukraine conflict has increased the market and supply-chain disruption initially triggered by the COVID-19 pandemic resulting in high levels of inflation and rising interest rates and market volatility as a result of monetary and fiscal policy responses. Section C.6 reflects how the Russia-Ukraine conflict and the resulting economic volatility has the potential to impact the Group. The Directors will continue to monitor this ongoing situation for further developments which may impact the Group.

On 4 July 2021, the Company agreed to sell two subsidiaries, MetLife Life Insurance S.A. ("**MetLife Greece**") and MetLife Towarzystwo Ubezpieczen na Zycie i Reasekuracji S.A. ("**MetLife Poland**"), to NN Continental Europe Holdings B.V. ("**NN Group**") for €618 million. The sale of MetLife Greece was completed on 31 January 2022 and the sale of MetLife Poland was completed on 22 April 2022. The sale also included the direct subsidiaries of MetLife Greece (MetLife Mutual Fund Company) and MetLife Poland (MetLife Services Sp z.o.o, MetLife Towarzystwo Funduszy Inwestycyjnych and MetLife Powszechne Towarzystwo Emerytalne).

The UK ceased to be a member of the EU on 31 January 2020, and is no longer subject to EU law. While discussions continue between the UK and EU on a Memorandum of Understanding ("**MOU**") for financial services, there is no clear timeline. In the meantime, the UK government has begun the process of reviewing its regulatory framework. It is likely that the UK's domestic prudential regime may begin to diverge from the Solvency II Directive, but it is still unclear if it will do so in a way that would prevent a future MOU or have a material impact on the supervision of insurers. MetLife Europe expects to maintain its existing operating model, including as an inbound EEA-insurer, under the UK's Temporary Permissions Regime ("**TPR**"), which is due to last until at least the 31 December 2023 and will permit the Company to carry on its insurance business in the UK during this period.

The Company paid dividends of €778m during the year to its parent MetLife Global Holding Company II GmbH ("**MGHC II**"). The directors were satisfied that there was sufficient solvency cover to support the payment of dividend.

On 26 March 2018 the Company converted a €50.4m intercompany payable to MetLife Europe d.a.c. (Ireland), to an interest-bearing ten-year loan. On 25 March 2022, the company repaid the fourth loan installment of €5m to MetLife Europe d.a.c.

Strategy

The Group's strategy is line with the MetLife, Inc. strategy, referred to as the 'Next Horizon Strategy'. The Strategy is encapsulated within a Strategy framework that connects Purpose, Bold Commitments, Strategic Choices and Key Enablers. These are defined as:

Purpose: This is described as 'Always with you, building a more confident future'. This underpins the Strategy and sets the direction for the Company.

Bold Commitments: This defines key stakeholders as People, Shareholder, Customer and Communities and the Company's commitments to them.

Strategic Choices: This identifies what to do differently to activate the Purpose and deliver on Commitments. It is defined by three strategic pillars of Focus, Simplify and Differentiate.

Key Enablers: These are the behaviours, mind-set and culture required to successfully implement the Strategy, with focus on Culture, Customer and Efficiency Mind-set.

MetLife group's commitment to the environment reflects the corporate purpose. MetLife group's approach includes a comprehensive environmental, health and safety agenda that considers the need to use natural resources sustainably. The MetLife group's priority is to reduce the environmental impact of their global operations and supply chain, while leveraging its investments, products, and services to help protect communities and drive climate solutions. MetLife Europe, being an integral part of the MetLife group, supports the group's commitment to environmental stewardship. For example, MetLife Europe prioritises this commitment by implementing greenhouse gas emissions reduction programs, energy-efficiency initiatives, water and waste minimization strategies, recycling, climate change risk management and employee engagement on environmental initiatives throughout the Group's operations.

Details of MetLife group's sustainability program, including environmental initiatives and carbon emissions data can be found in MetLife's Sustainability Report (www.metlife.com/sustainability).

Business performance

US GAAP is the common accounting basis used for all the subsidiaries of the Group and therefore the financial performance values reported are reported under US GAAP. The Group does not prepare consolidated financial statements as it has availed of the exemption from the obligation to prepare group accounts under Section 300 of the Companies Act 2014 whereby the Group and its subsidiaries are included in the consolidated accounts for a larger group drawn up by its ultimate parent entity, MetLife, Inc.

MetLife

The US GAAP profit decreased by €(59)m to €130m (2021: €189m). The 2021 results include the profits of Poland, Greece and their subsidiaries which is primarily driving the decrease as well as foreign exchange movements. Disclosed separately is the loss on disposal of Poland and Greece, which on a US GAAP basis totals €218m, the majority of which was recognised in 2021.

The disposal of MetLife Poland and MetLife Greece meets the criteria for Held for Sale (HFS) accounting under USGAAP. HFS requires the assets to be measured at the lower of carrying value or fair value (less costs to sell). This classification resulted in a loss on disposal of €216m, of which €223m was recognised for 2021. The difference between the original loss calculation and the final loss has been recognised in 2022 as a gain of €7m.

B - Systems of governance

Governance structure and roles

The key organs of the system of governance are the Board of Directors, Executive Management and the various committees (when established). There has been no material changes to the systems of governance over the reporting period.

The Board's key purpose is to ensure the Company's prosperity by directing the Company's affairs, acting in the best interest of the shareholder and recognising Company obligations to third parties. In particular, the Board provides effective, prudent and ethical oversight of the Company and its subsidiaries.

The Board is responsible for, among other things, where relevant, reviewing and/or setting and overseeing:

- Business strategy and management
- Structure and capital
- Financial reporting and controls
- Internal controls
- Contracts
- Board membership and other appointments
- Remuneration
- Delegation of authority
- Corporate governance
- Policies and compliance

The Corporate Governance Structure defines the key areas of authority and responsibility and establishes the appropriate lines of reporting. It enables an effective risk management and allows the Group entities to carry out their activities so as to achieve their objectives. Executive Management is responsible for the day-to-day running of the Group entities and is led by the Chief Executive Officer ("**CEO**").

There is appropriate interaction with the Boards of Directors of all entities within the Group, proactively requesting information and challenging the decisions in the matters that may affect the Group. The Board of Directors is responsible for the effectiveness of the Group's risk management system.

Fit and proper requirements

The Company's Fitness and Probity Policy (the "**Policy**") sets out the minimum standards, in compliance with the relevant standards and legislation, to ensure that a person who is a Responsible Person, has the necessary qualities and competence in order to allow them to perform the duties and carry out the responsibilities of their position within the Company and its subsidiaries. The qualities and competencies relate to the integrity demonstrated by a Responsible Person in personal behaviour and business conduct, soundness of judgement, a sufficient degree of knowledge and experience and appropriate professional qualifications.

Risk management and internal controls

The Risk Management Framework of the Group (the "**Framework**") leverages the Risk Management Framework of each of the Group's subsidiaries and sets out the approaches to risk management and structure to be followed by all associates in the Group in their capacity as executives, management and staff.

The key objectives of the Framework are to:

- promote a strong risk culture across the Group;
- ensure consistent, systematic management of risks across all businesses, operations and risk types; and
- enable decision makers to direct resources efficiently to attractive business opportunities that are within the Board's risk appetite.

A key element of risk management is the Own Risk and Solvency Assessment ("**ORSA**"). The Group ORSA process is based on the preparation of individual ORSAs for each insurance subsidiary, and captures all the material risks that each insurance subsidiary faces or may face in the future in the execution of its business plans. The Group ORSA process is run in its entirety at least annually to deliver a report to the Board in the fourth quarter of each year. However, there will be certain events that may require the process to be run on an ad hoc basis. Ad hoc runs may be either the ORSA process in its entirety or only specific activities of the process. In these ad hoc runs the relevant subsidiary uses its experience from stress tests and scenario analyses to determine whether changes from internal decisions and / or external factors could impact the Group's risk profile significantly. The ORSA is integrated into the management processes and decision making process at the Group level.

The control framework of the Group leverages the control framework of each of the Group's subsidiaries in promoting the importance of having appropriate internal controls, and ensuring that all associates are aware of their role in the internal control system. The control framework sets out clear standards for the design, operation, validation and oversight of the system of internal control. It defines how effective internal control is achieved through joined responsibilities of the subsidiaries' general managers and the heads of functions.

C - Risk profile

The Group is exposed to underwriting, market, credit, liquidity and operational risk. Overall the risk profile reduced over the year mainly due to the completion of the sale of MetLife Greece and MetLife Poland to NN Group during 2022.

The Group is exposed to underwriting risks in its businesses, including mortality risk, longevity risk, morbidity risk, policyholder behaviour risk, and expense risk due to the nature of its subsidiaries. These risks are identified and assessed as part of the product development process, in which appropriate underwriting conditions are defined for all underwriting risks associated with the insurance policies over their whole life cycle on an entity level. Underwriting risks are primarily mitigated through diversification and single-exposure limits for different components such as mortality and invalidity. Risks in excess of such limits can be accepted but must be reinsured. Catastrophe reinsurance is used to limit the total loss that can be incurred as the result of single events, and to manage risk concentrations.

The Group is exposed to market risks, including interest rates due to timing differences of asset and liability cash flows and basis differences between valuation rates, different currencies and equity markets, either indirectly through revenues that depend on the value of investments covering unit-linked policies or directly through positions held to facilitate policyholder transactions or guarantees provided to policyholders. Market risks are primarily mitigated through aligning assets and liabilities, in particular in terms of currencies and timing of cash flows. Equity exposures from the book of unit-linked policies are managed through product design and selection of suitable investment funds. The Group's market risk exposure reduced due to the completion of the sale of MetLife Greece and MetLife Poland.

The Group is exposed to credit risks (i.e. the risk of a value decrease of assets or increase of liabilities due to the default of third parties, or the increase of the probability of such a default and/or the associated loss). Exposure to credit risk comes from the investment portfolio of each subsidiary. Credit risks are primarily mitigated through asset allocation, diversification and single-exposure limits. For counterparty exposures, the Company may require the placement of collateral.

The Group is exposed to liquidity risks where it is obliged to settle liabilities at short notice and assets cannot be liquidated at all or only with very significant haircuts. Given the long-term nature of its business, there are only very few areas in which liquidity risk can arise. These risks are identified and assessed as part of every subsidiary's ALM process. The exposures to market risks have been stable over the course of the reporting period. Liquidity risks are primarily mitigated through asset allocation, diversification and single-exposure limits, and by avoiding entering obligations to provide liquidity to counterparties.

The Group is exposed to operational risk consistent with other financial institutions, including the impact of changes in the regulatory and legal environments, the dependency on multiple internal and external operators (investment activities as an example), and complex modelling for financial reporting and solvency reporting. Operational risks are identified and assessed with regards to their frequency and potential impact as part of the risk management process, in which risks and controls are documented by risk owners and validated by the risk management function. Operational risk is derived both by the subsidiaries and Group operating processes.

The Group is also exposed to emerging and evolving risks. The Group currently considers geopolitical risk related to the conflict in Ukraine, economic uncertainty related to a high inflationary environment, changing customer and partner expectations, disruptive technology (including transformative technology for insurance distribution (InsurTech) and cybersecurity issues) and regulatory change (noting the large volume of change in the pipeline) as key emerging risks.

In addition to the risks outlined above, the Group is also exposed to the risks posed by sustainability and more specifically climate change. Climate risk is unique as a category of risk in that it can impact the Group and its business model across a variety of the traditional risk categories. In addition, climate risk can impact the Group differently across the short, medium and long term. Increasing regulatory focus from an Environment, Social and Governance perspective has looked to inform firms on how the management of climate risks should be approached. They set out a framework for how firms should consider climate risk including a number of requirements spanning governance, risk management, scenario analysis and disclosure. The Group continues to develop its capabilities to manage climate risk in line with emerging and evolving methods, tools and available data.

As above, a key risk also remains around the potential for regulatory divergence between the UK and EU following the UK's departure from the EU.

The Group reviews its risk exposures regularly and considers potential actions to align exposure to risk appetite.

D - Valuation for solvency purposes

Assets

Assets are valued at fair value for Solvency II. This represents the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As already noted in Section A, the Company has availed of an exemption under Section 300 of the Companies Act 2014 to produce consolidated financial statements and therefore the Company's IFRS financial statements are prepared on an unconsolidated basis. As a result this section describes the accounting policies applied for Group Solvency II reporting purposes.

Technical Provisions

The technical provisions correspond to the current amount the Group would have to pay if they were to transfer their insurance obligations immediately to another undertaking. The value of technical provisions are equal to the sum of a best estimate liability ("**BEL**") and a risk margin. The best estimate corresponds to the probability weighted average of future cash-flows taking account of the time value of money. The cash-flow projections reflect the expected realistic future demographic, legal, medical, technological, social and economic developments over the lifetime of the insurance and reinsurance obligations. The risk margin is a fair value adjustment that captures the cost of holding the unhedgeable part of the Solvency Capital Requirement ("**SCR**") over the lifetime of the policies in force. The calculation of amounts recoverable from reinsurance contracts follow the same principles and methodology as presented above for the calculation of other parts of the technical provisions.

The calculation of amounts recoverable from reinsurance contracts follow the same principles and methodology as presented above for the calculation of other parts of the Technical Provisions.

Gross Technical Provisions decreased by €4,176m from €9,078m in 2021 to €4,902m in 2022. The change in gross Technical Provisions is driven principally by the disposal of MetLife Poland and MetLife Greece. Drivers of this decrease also include organic changes in relation to new business, actual experience, market movements and roll-forward of the technical provisions on the in-force business.

E - Capital management

Capital Management Policy

Capital planning is carried out quarterly. Dividends are paid from subsidiaries to the Company in line with the capital plan as appropriate, taking into account any local legal or regulatory restrictions. Once paid into the Company the current practice is to release these dividends to the parent company.

There has been no material changes to capital management policy over the reporting period.

Own funds and Solvency Capital Requirement

The SCR is calculated using the standard formula approach. This method is on a modular approach consisting of a core of life, non-life, market, health and counterparty default risks with associated sub-modules. These are aggregated using correlation matrices, both at the sub-module and the main module level. The capital charges use stresses for each of the individual risks as calibrated by EIOPA. EIOPA also provides the standard correlation matrices for the purpose of aggregation. The operational risk component and adjustments for the risk absorbing effect of future profit sharing and deferred taxes are then allowed for, to give the overall SCR.

The own funds, SCR, solvency ratio and Minimum Capital Requirement ("**MCR**") are as follows:

	2022 €'m	2021 €'m	Movement €'m
Net assets	**1,316**	**1,818**	**(502)**
Less Foreseeable dividends	**—**	**627**	**(627)**
Total Own Funds	**1,316**	**1,191**	**125**
Less Restrictions:			
Deferred Tax Assets	—	32	**(32)**
Total Eligible Own Funds for SCR	1,316	1,159	157
SCR	634	846	(212)
Solvency Ratio	209%	137%	72%
Total Eligible Own Funds for MCR	1,289	1,128	161
MCR	281	387	(106)

Own Funds increased by €157m from €1,159m in 2021 to €1,316m in 2022. The primary driver of this increase is the gain from the disposal of MetLife Poland and MetLife Greece (€295m), offset by payment of dividends.

The SCR decreased by €212m from €846m in 2021 to €634m in 2022 mainly due to the disposal of MetLife Poland and MetLife Greece, market movements, and organic changes in the business. These changes were partially offset by the impact of the assumption, methodology and model updates.

The solvency ratio increased from 137% in 2021 to 209% in 2022. This is above the target capital level of 150%. The increase is mainly due to the reduction in the SCR in 2022 as a result of the disposal of MetLife Greece and MetLife Poland. The reduction in own funds as a result of the disposal was recognised in 2021 so overall the solvency ratio has increased. The Group has had own funds in excess of both the SCR and MCR requirements over the reporting period.

The Group has had own funds in excess of both the SCR and MCR requirements over the reporting period. The ORSA assessments to date indicate that the Group is adequately capitalised.

Appendix

This includes all public Quantitative Reporting Templates ("**QRTs**").

Approval

The SFCR has been approved by the Board of Directors on 16th May 2023.

A Business and performance

A.1 Business

A.1.1 Overview

As noted in the Executive summary, the Company is an Irish incorporated entity domiciled in Ireland and its principal activity is to serve as a holding company for European domiciled subsidiaries of MetLife, Inc. The Group is regulated by:

Central Bank of Ireland (CBI),
New Wapping Street,
North Wall Quay,
Dublin 1

The Group operates its insurance business through its Major Subsidiaries MetLife Europe and MetLife Europe Insurance, details of which are outlined in the next Section 1.2 Group structure. MetLife Europe and MetLife Europe Insurance's regulatory supervisor is the CBI.

The Group's external auditor is Deloitte, whose address is:

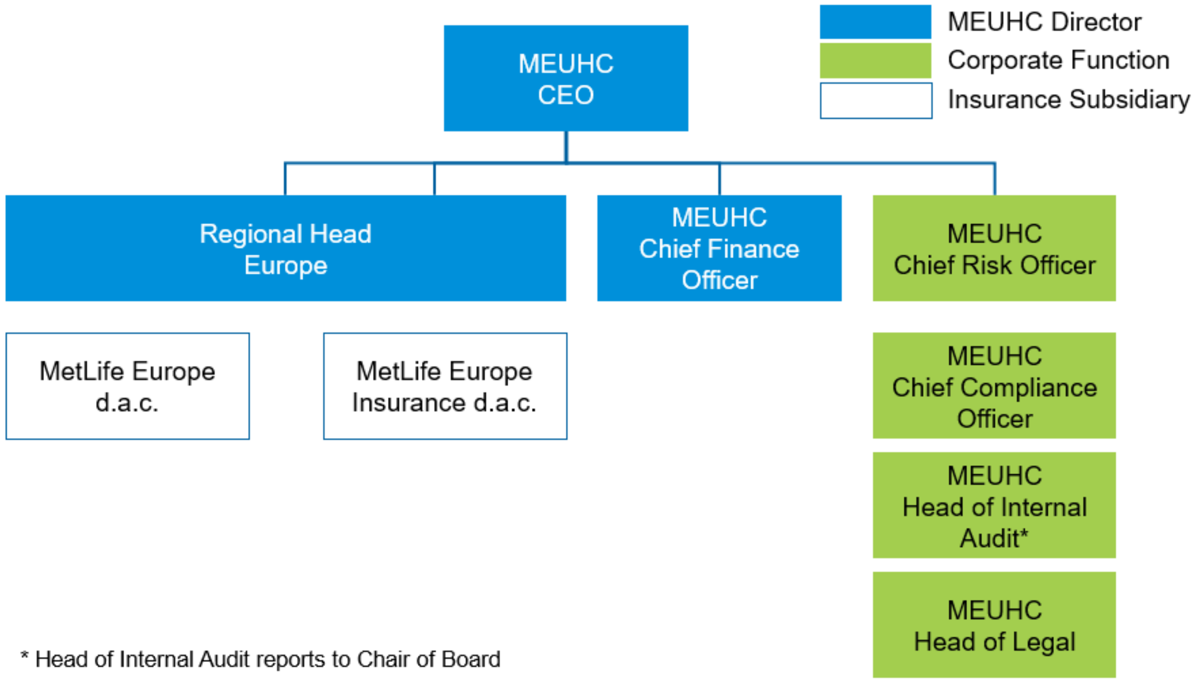
Deloitte Ireland LLP,
Chartered Accountants and Statutory Audit Firm,
Deloitte and Touche House,
Earlsfort Terrace,
Dublin 2

The underwriting performance for the Group's significant lines of business in its material insurance subsidiaries are noted in section A.2.

A.1.2 Group structure

The Company is wholly owned by its immediate parent company MetLife Global Holding Company II GmbH ("**MGHC II**"), a company incorporated in Switzerland and its ultimate parent company is MetLife, Inc., a company domiciled in the United States of America.

The Major Subsidiaries of the Group are depicted in the simplified structure below.



* Head of Internal Audit reports to Chair of Board

MetLife Europe

MetLife Europe d.a.c. is an Irish incorporated entity domiciled in Ireland and is authorised by the CBI to transact life assurance business in life classes I, III, IV and VI and non-life classes 1 and 2 under the European Union (Insurance and Reinsurance) Regulations 2015. MetLife Europe has branches in the United Kingdom, Italy, Spain, Portugal, France, Czech Republic, Slovakia, Romania, Hungary, Cyprus and Bulgaria. It operates via Freedom of Service ("**FOS**") in the UK, Poland, Germany, Austria, and the Netherlands. It also has a wholly owned subsidiary in the UK, MetLife Pension Trustees Limited. As of 2022 it no longer underwrites any risk in Russia in light of the geopolitical situation.

MetLife Europe Insurance

MetLife Europe Insurance d.a.c. is an Irish incorporated entity domiciled in Ireland and is authorised by the CBI to transact non-life insurance businesses in non-life classes 1, 2, 8, 9, 14, 16 and 18 under the European Union (Insurance and Reinsurance) Regulations 2015. Authorisation for non-life class 14 relates solely to certain Loss of Employment cover in Italy. It has branches across Europe in Spain, Portugal, Italy, France, Slovakia, Czech Republic and Romania. It operates via FOS in Germany, Austria, Greece and Poland. Similar to MetLife Europe, it no longer underwrites any risk in Russia as of 2022 in light of the geopolitical situation.

Non insurance entities and joint ventures

The Group also consists of a number of non-insurance subsidiaries which include pension funds and service entities. Further details on these entities can be seen in the detailed structure below.

Disposal of subsidiaries

MetLife Greece

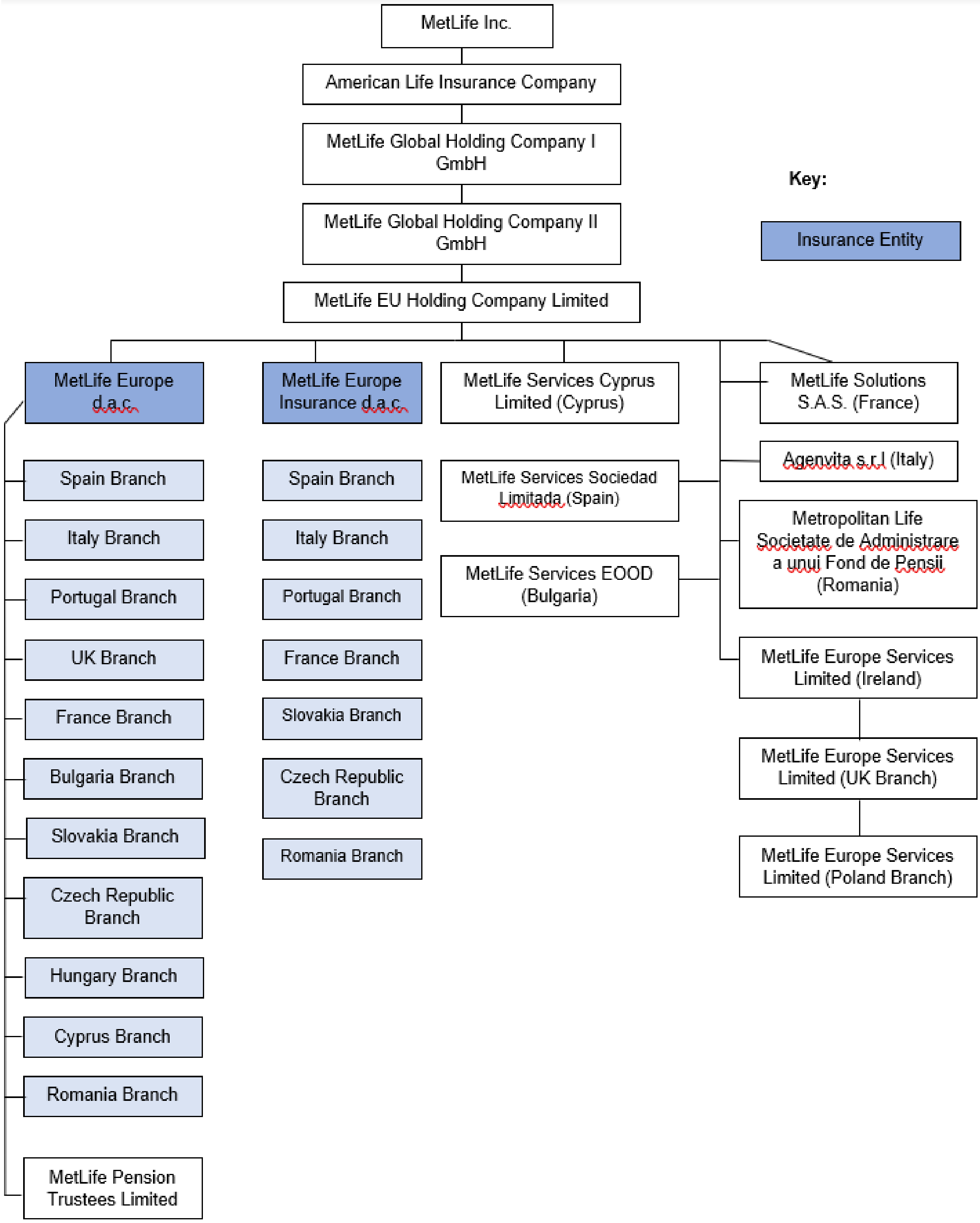
On 4 July 2021, the Company agreed to sell MetLife Greece to NN Group. The sale was completed on 31 January 2022.

MetLife Poland

On 4 July 2021, the Company agreed to sell MetLife Poland to NN Group. The sale was completed on 22 April 2022.

The sale of MetLife Greece and MetLife Poland included the sale of their direct subsidiaries, MetLife Mutual Fund Company, MetLife Services Sp z.o.o, MetLife Towarzystwo Funduszy Inwestycyjnych and MetLife Powszechne Towarzystwo Emerytalne.

Detailed structure as at 31 December 2022:



Group consolidation

For Solvency II reporting purposes the Group is consolidated under Method 1 accounting consolidation-based method, using risk-free rates with volatility adjuster for Euro denominated best estimate liabilities in MetLife Europe, and using risk-free rates for all other blocks of business. Full consolidation is applied to all wholly-owned subsidiaries of the Company. Full diversification of risk is allowed for MetLife Europe and MetLife Europe Insurance, but not the smaller entities as this is not deemed material.

The Company does not prepare consolidated financial statements as it has availed of the exemption from the obligation to prepare group accounts under Section 300 of the Companies Act 2014 whereby the Company and its subsidiaries are included in the consolidated accounts for a larger group drawn up by its ultimate parent entity, MetLife, Inc. The accounts of MetLife, Inc. are prepared in accordance with US GAAP and have been prepared in a manner equivalent to consolidated accounts in accordance with the provisions of the Seventh Directive (83/349 EEC).

As such the material differences between the Group results reported for Solvency II and the Company's financial statements are due to consolidation adjustments and the inclusion of the subsidiaries assets and liabilities.

Number of Employees

The Company does not employ any staff directly. The table below sets out the average monthly number of employees of the Company's Major Subsidiaries during 2022 and 2021. It does not include employees employed by the non-insurance subsidiaries.

	31 December 2022	**31 December 2021**
MetLife Europe	1,268	1,204
MetLife Europe Insurance	27	27

A.1.3 Significant business and external events

On 24 February 2022, Russia commenced an invasion of Ukraine. The invasion has had a significant impact on financial markets. The Directors have considered the impact of these developments on the Group and have determined that, to the best of their knowledge, there are no material direct material operational or financial exposures. However, the indirect impacts such as increased market volatility and heightened levels of inflation have the potential to impact the Group negatively. In this regard, the Russia-Ukraine conflict has increased the market and supply-chain disruption initially triggered by the COVID-19 pandemic resulting in high levels of inflation and rising interest rates and market volatility as a result of monetary and fiscal policy responses. Section C.6 reflects how the Russia-Ukraine conflict and the resulting economic volatility has the potential to impact the Group. The Directors will continue to monitor this ongoing situation for further developments which may impact the Group.

The UK ceased to be a member of the EU on 31 January 2020, and is no longer subject to EU law. While discussions continue between the UK and EU on a Memorandum of Understanding ("**MOU**") for financial services, there is no clear timeline. In the meantime, the UK government has begun the process of reviewing its regulatory framework. It is likely that the UK's domestic prudential regime may begin to diverge from the Solvency II Directive, but it is still unclear if it will do so in a way that would prevent a future MOU or have a material impact on the supervision of insurers. MetLife Europe expects to maintain its existing operating model, including as an inbound EEA-insurer, under the UK's Temporary Permissions Regime ("**TPR**"), which is due to last until at least 31 December 2023 and will permit MetLife Europe to carry on its insurance business in the UK during that period.

The Company paid dividends of €778m during the year to its parent MGHC II. The directors were satisfied that there was sufficient solvency cover to support the payment of dividend.

On 26 March 2018 the Company converted a €50.4m intercompany payable to MetLife Europe d.a.c. (Ireland), to an interest-bearing ten-year loan. On 25 March 2022, the company repaid the fourth loan installment of €5m to MetLife Europe d.a.c.

On 4 July 2021, the Company agreed to sell two subsidiaries, MetLife Greece and MetLife Poland, to NN Continental Europe Holdings B.V. (NN Group) for €618 million. The sale of MetLife Greece was completed on 31 January 2022 and the sale of MetLife Poland was completed on 22 April 2022. The sale also included the direct subsidiaries of MetLife Greece (MetLife Mutual Fund Company) and MetLife Poland (MetLife Services Sp z.o.o, MetLife Towarzystwo Funduszy Inwestycyjnych and MetLife Powszechne Towarzystwo Emerytalne).

A.1.4 Total performance

US GAAP is the common accounting basis used for all the subsidiaries of the Group and therefore the financial performance values throughout Section A of this document are reported under US GAAP.

As mentioned previously in section A.1.2, the Company has an exemption from preparing consolidated financial statements. The following sets out quantitative information on the Group's total performance for the year with a comparative to 31 December 2021.

Adjusted earnings is defined as adjusted income less adjusted expenses, both net of income tax. It excludes the impact of market volatility, which could distort trends, and income and costs related to non-core products and divested businesses and certain entities required to be consolidated under US GAAP. Adjusted income also excludes net investment gains (losses) and net derivative gains (losses). Analysis is provided in the following sections:

Total performance	**Section reference**	**2022**	**2021**
USGAAP		**€'m**	**€'m**
Adjusted			
Underwriting result	A.2.1	323	305
Investment income	A.3.1	66	97
Other income	A.4	28	52
Expenses	A.4	(198)	(214)
Tax	A.4	(40)	(51)
Total adjusted earnings		**179**	**189**
Non-adjusted			
Investment income	A.3.1	(622)	415
Direct interest credited to policyholder account balances	A.4	581	(413)
Reinsured interest credited to policyholder account balances	A.4	(454)	192
Net investment gain	A.4	—	41
Guaranteed fees net of reinsurance	A.4	1	4
Interest on funds withheld	A.4	454	(192)
Foreign exchange gain	A.4	(23)	15
Expenses	A.4	(38)	(82)
Tax	A.4	25	(4)
Divested Business Poland and Greece	A.4	27	24
Total non-adjusted earnings		**(49)**	**—**
Profit for the financial year		**130**	**189**
Loss on Sale of Poland and Greece to NN Group		7	(223)
Profit for the financial year (adjusted for Loss on Sale to NN Group)		**137**	**(34)**

The disposal of MetLife Poland and MetLife Greece meets the criteria for Held for Sale ("**HFS**") accounting under USGAAP. HFS requires the assets to be measured at the lower of carrying value or fair value (less costs to sell). This classification resulted in a loss on disposal of €217m, of which €223m was recognised for 2021. The difference between the original loss calculation and the final loss has been recognised in 2022 as a gain of €6m.

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A.2 Underwriting performance

A.2.1 Underwriting performance against prior year by line of business

The following is quantitative information on the Group's underwriting performance at an aggregate level and by Solvency II line of business:

USGAAP 2022	Health Insurance €'m	Insurance with profit participation €'m	Index linked and unit linked €'m	Other life insurance €'m	Non-life insurance €'m	Total €'m
Net earned premium	306	24	(32)	624	86	1,008
Fee income	1	4	127	1	—	133
Total premium and fee income	**307**	**28**	**95**	**625**	**86**	**1,141**
Benefits and claims incurred	50	130	—	290	40	510
Change in technical provisions	5	(49)	6	(1)	4	(35)
Total policyholder benefits	**55**	**81**	**6**	**289**	**44**	**475**
Commission	112	3	44	147	23	329
Other variable expenses	24	(5)	—	63	6	88
Total variable expenses	**136**	**(2)**	**44**	**210**	**29**	**417**
Deferred acquisition costs	(10)	(14)	(22)	(24)	(4)	(74)
Underwriting result	**126**	**(37)**	**67**	**150**	**17**	**323**

A.2.1 Underwriting performance against prior year by line of business (continued)

USGAAP 2021	Health Insurance €'m	Insurance with profit participation €'m	Index linked and unit linked €'m	Other life insurance €'m	Non-life insurance €'m	Total €'m
Net earned premium	344	37	(38)	625	88	1,056
Fee income	1	14	206	2	—	223
Total premium and fee income	**345**	**51**	**168**	**627**	**88**	**1,279**
Benefits and claims incurred	(117)	(206)	—	(328)	(36)	(687)
Change in technical provisions	5	111	(13)	5	(1)	107
Total policyholder benefits	**(112)**	**(95)**	**(13)**	**(323)**	**(37)**	**(580)**
Commission	(120)	(9)	(45)	(146)	(24)	(344)
Other variable expenses	(27)	23	(2)	(52)	(6)	(64)
Total variable expenses	**(147)**	**14**	**(47)**	**(198)**	**(30)**	**(408)**
Deferred acquisition costs	17	19	(53)	28	3	14
Underwriting result	**103**	**(11)**	**55**	**134**	**24**	**305**

The 2022 underwriting profit of €323m increased by €18m from €305m in the prior year. This is primarily driven by business growth in MetLife Europe and lower claims in UK group business.

See the narrative analysis in section A.2.2 which sets out the main drivers of the movements in underwriting profits in the solo entities.

A.2.2 Underwriting performance against prior year by solo entity

The Group operates its insurance business through its Major Subsidiaries. The underwriting performance of these entities is set out in the table below:

	MetLife Europe		MetLife Poland		MetLife Greece		MetLife Europe Insurance	
USGAAP	**2022 €'m**	**2021 €'m**	**2022 €'m**	**2021 €'m**	**2022 €'m**	**2021 €'m**	**2022 €'m**	**2021 €'m**
Premium and fee income	1,124	1,142	—	53	—	64	18	20
Benefits and claims incurred	471	495	—	37	—	47	2	1
Variable expenses	409	364	—	17	—	17	10	10
Deferred acquisition costs	(71)	(6)	—	(2)	—	(3)	(2)	(3)
Underwriting result	**315**	**289**	**—**	**1**	**—**	**3**	**8**	**13**

The underwriting results are primarily driven by:

- The MetLife Europe underwriting profit increase is primarily due to lower claims in the UK group business and business growth in the UK and Romania in the health line of business.
- The MetLife Europe Insurance underwriting profit decrease is primarily driven by the miscellaneous financial loss line of business. This is mainly due to an increase in claims, lower business growth in Romania and the full year impact of the Portugal ALICO reinsurance treaty, which was extended to Portugal with effect from 1 July 2021.

A.3 Investment performance

A.3.1 Investment return

	2022	2021
USGAAP	**€'m**	**€'m**
Adjusted investment income		
Non unit-linked fixed interest securities		
Net interest income	65	98
Investment management expenses	(3)	(5)
Other	—	—
Mortgage loan income	4	4
Total adjusted investment income	**66**	**97**
Non-adjusted investment income		
Unit-linked assets		
Dividend income	51	54
Net interest income	3	4
Realised gains	77	228
Unrealised (losses)/gains	(743)	132
Investment management expenses	1	(2)
Non unit-linked fixed interest securities		
Realised (losses)/gains	(1)	9
Other		
Net gain from derivatives	(10)	(10)
Total non-adjusted investment income	**(622)**	**415**
Total investment return	**(556)**	**512**

Total investment return decreased by €(1,068)m from €512m in 2021 to €(556)m in 2022.

Non Unit-Linked Fixed Interest Securities:

Net interest income is reducing year on year due to a combination of reducing asset holdings, and reduced yields available on reinvested assets leading to continued reducing yields on the Group's asset portfolios. Note that the reducing portfolio yield has been occurring for several years now.

The non unit-linked realised gains are driven by limited trading activity (sales/maturities) throughout the year.

For unit linked assets:

Unrealised losses were experienced on the Group's book. This reduction is due to the poor performance of equity markets over 2022, primarily driven by Russia’s war in Ukraine, high inflation and tightening monetary policy negatively impacting risk assets around the world.

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The decrease in realised gains is largely due to the sale of assets on the UK Wealth Management book (in line with run-off) which were lower due to poor market performance during 2022.

Divested business of €27m has been deducted from the total investment return and is shown in section A.4.

A.3.2 Gains recognised in equity

	2022	2021
USGAAP	**€'m**	**€'m**
Investment gains recognised directly in equity	(229)	211

The gains reflect the accumulation of the movements from amortised cost to fair value on available for sale financial assets. They are disclosed in equity in US GAAP.

The investment gains have decreased by €(440)m from €211m in 2021 to €(229)m in 2022. This is driven by continuing increasing interest rates leading to a decrease in market value of available for sale assets.

A.3.3 Investments in securitisations

The Group has no investments in securitisations.

A.4 Performance of other activities

The other income and expenses of the Group for the year are set out below:

	2022	2021
USGAAP	**€'m**	**€'m**
Performance of other activities		
Adjusted		
Other income	28	52
Expenses	(198)	(214)
Tax	(40)	(51)
Total adjusted	**(210)**	**(213)**
Non-adjusted		
Foreign exchange (loss)/gain	(23)	15
Interest on funds withheld	454	(192)
Guaranteed fees net of reinsurance	1	4
Direct interest credited to policyholder account balances	581	(413)
Reinsured interest credited to policyholder account balances	(454)	192
Net investment gain	—	41
Expenses	(38)	(82)
Tax	25	(4)
Divested Business Poland and Greece	27	24
Total non-adjusted	**573**	**(415)**
Net results from other activities	**363**	**(628)**

Net results from other activities have increased by €991m from €(628)m in 2021 to €363m in 2022 mainly driven by:

- Operating expenses have increased by €51m mainly due to the 2021 MetLife Bermuda opening balances which offset against the underwriting result and an increase in salary costs and other general expenses.

- The non-operating expenses variance is due to the 2021 MetLife Bermuda opening balances. The opening balances offset against the variance in guarantee fees net of reinsurance and net investment gains/(losses).

- Interest on funds withheld relates to relates to ceded investment income on the reinsurance treaty with MetLife Bermuda and offsets against the reinsured interest credited to policyholder account balances.

- Direct interest credited to policyholder account balances has increased by €895m. This is driven by the increase in unit-linked investment income (see section A.3.1).

- Foreign exchange gains decreased by €9m due mainly foreign exchange movements in Hungary and Head Office partially offset by foreign exchange movements in UK.

- Divested business relates to transactions that took place following the announcement of the sale of MetLife Greece and MetLife Poland in July 2021. This is offset in the underwriting and investment results as well as within the line items above. This results in variances by category when compared to the prior year however the overall impact on total performance is nil.

A.5 Any other information

A.5.1 Material transactions during the year

All intra-group operations and transactions are at arm's length as it would be if the operations and transactions were with a third party. Materiality for significant transactions is at least 5% of the lowest solo SCR directly or indirectly involved in the transaction.

Material intra-group costs during the year

Internal cost sharing between the Group entities is primarily managed through MetLife Europe Services Limited ("**MESL**") and the MetLife Services European Economic Interest Group ("**MetLife EEIG**"). MetLife Services EEIG is the administrative entity responsible for recharging the costs. The costs recharged relate to Solvency II, actuarial support, information technology and investment management services. The MetLife Services EEIG is only applicable to EU resident operations.

The table below provides a list of significant intra-group transactions ("**IGT**") entered into by the Group entities during 2022. The transactions are aggregated at an entity level.

Intra-group transactions during 2022

To:	**From:**	**€'m**
MetLife Europe d.a.c.	MetLife Services EEIG	34
MetLife Europe Insurance d.a.c.	MetLife Services EEIG	2
MetLife Europe d.a.c.	MetLife Europe Services Limited	41

Material capital transactions during the year

The table below provides a list of significant intra-group capital transactions entered into by Group entities during 2022. It details the significant dividend payments and capital contributions made between group entities during the year and other significant transactions.

Dividends paid within the Group

To:	**From:**	€'m
MetLife EU Holding Company Limited	MetLife Europe d.a.c.	155
MetLife EU Holding Company Limited	MetLife Europe Insurance d.a.c.	2

Payables within the Group - related to interest bearing loan

To:	From:	**€'m**
MetLife Europe d.a.c.	MetLife EU Holding Company Limited	30

A.5.2 Leases

The Group uses IFRS 16 to measure leases.

For Solvency II, this has resulted in the recognition of a "right-of-use" asset on the balance sheet of €25m (2021: €28m), and a corresponding liability representing the obligation to make lease payments of €28m (2021: €31m).

Expenses of €8m (2021: €10m) were incurred in the year in relation to the above leases.

A.5.3 Events after reporting

On 27 March 2023, the company repaid the fifth loan installment of €5m to MetLife Europe d.a.c. (Ireland).

B System of governance

B.1 General information on the system of governance

B.1.1 Governance structure

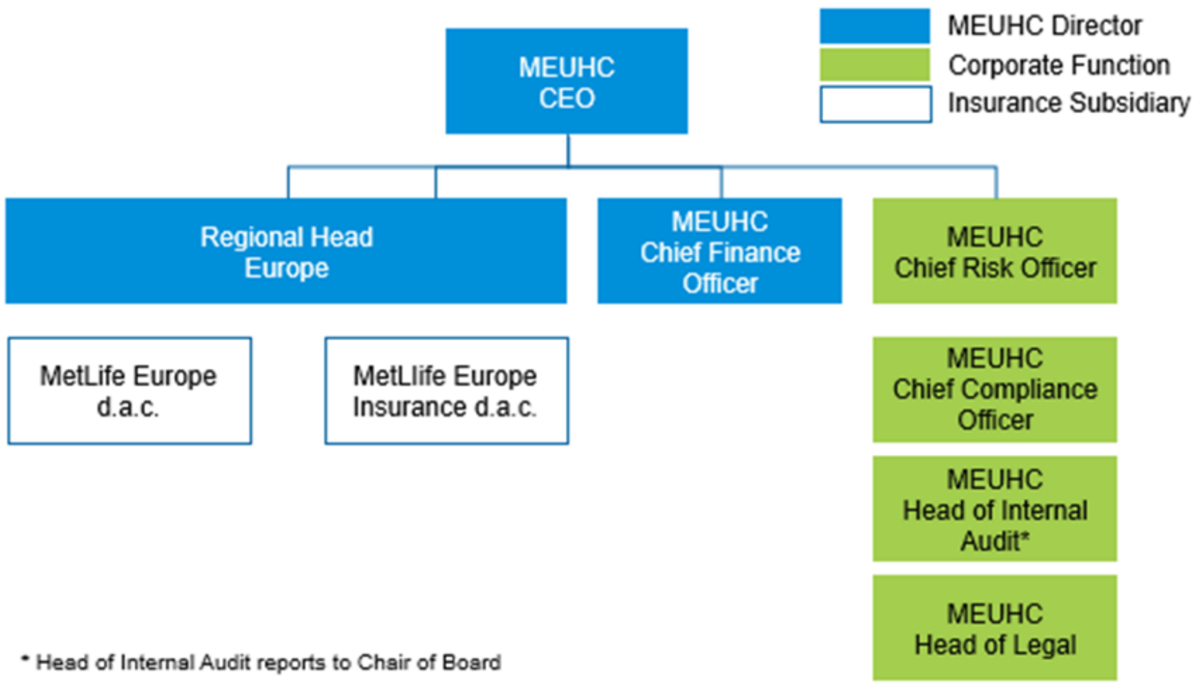
A consistent governance structure is in place across the Group supporting clear decision making, roles and responsibilities. The Company Directors' Handbook (the "**Handbook**") describes the structure and role of the Company's Board and Executive. The Handbook ensures that there is a common understanding of the following:

- key organs (i.e. the Board, Executive Management and committees) and their roles;
- membership of the Board, its role, the frequency of meetings and the process for making changes to Board membership;
- where applicable, the membership of each Board committee, each committee's role, the frequency of meetings and how changes to membership are effected;
- who is empowered to act on behalf of the Company and in what capacity and to what extent; and
- how certain key individuals are appointed and resign or are removed.

The governance structure defines the key areas of authority and responsibility and establishes the appropriate lines of reporting. It enables effective risk management and allows the Group entities to carry out their activities so as to achieve their objectives.

Executive Management is responsible for the day-to-day running of the Group entities and is led by the Chief Executive Officer ("**CEO**"). The following chart indicates the positions of key function holders within the Board and Executive team and how they are led by and report to the CEO.

Figure: Executive management organisational structure as at 31 December 2022



B.1.2 Role of the Board

The Board's key purpose is to ensure the Company's prosperity by directing the Company's affairs, acting in the best interest of the shareholder and recognising Company obligations to third parties. In particular, the Board provides effective, prudent and ethical oversight of the Company and its subsidiaries.

The Board is responsible for, among other things, reviewing and/or setting and overseeing:

- Business strategy and management
- Structure and capital
- Financial reporting and controls
- Internal controls
- Contracts
- Board membership and other appointments
- Remuneration
- Delegation of authority
- Corporate governance
- Policies and compliance

There is appropriate interaction with the Boards of Directors of all entities within the Group, proactively requesting information and challenging the decisions in matters that may affect the Group. The Board of Directors is responsible for the effectiveness of the risk management system of the Group.

Delegation to management

The Board may delegate certain matters by board resolution, by terms of reference to committees of the Board or by power of attorney to specific individuals to act on behalf of the Board in respect of certain matters. Where the Board delegates authority it monitors the exercise of this delegated authority.

Meetings of the Board, Board working sessions and Board training sessions

The Board endeavours to meet at least four times a year, with members attending in person, where possible. All Board meetings are arranged through the company secretary and the Chair. Minuting of all Board meetings follows an established Board/Committee minute review process.

B.1.3 Role of Directors

The role of the director includes the following:

- participate actively in constructively challenging and developing strategies proposed by the executive team;
- participate actively in the Board's decision making process; and
- exercise appropriate oversight over execution of agreed goals and objectives and monitor reporting of performance.

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B.1.4 Matters reserved for the Board

Strategy and management

- Responsibility for the overall management of the Company.
- Approval of the Company’s strategy and commercial objectives.
- Approval of the Company’s business plans and any deviations to those plans.
- Oversight of the Company’s operations ensuring:
  - competent and prudent management;
  - sound planning;
  - an adequate system of internal control;
  - adequate accounting and other records; and
  - compliance with statutory and regulatory obligations.
- Review of the performance of the Company in the light of the Company’s strategy, commercial objectives and business plans and ensuring that any necessary corrective action is taken.
- Extension of the Company’s activities into new businesses or geographic areas.
- Any decision to cease to operate all or any material part of the Company’s businesses.
- Any decision regarding funding of subsidiaries.

Structure and capital

- Changes to the Company’s corporate structure.
- Changes to the Company’s management and control structure.
- Changes relating to the Company’s capital structure, including share issuances and reduction in capital.

Financial reporting and controls

- Approval of the annual report and accounts.
- Approval of the dividend policy.
- Declaration of any interim dividend and recommendation of any final dividend.
- Approval of any significant changes in accounting policies or practices.
- Approval of regulatory returns.
- Approval of any external auditor fees.

Internal controls

- Ensuring maintenance of a sound system of internal control and risk management including:
  - Approving an appropriate statement for inclusion in the annual report; and
  - Approval of any internal audit plan.
- Reviewing the effectiveness of the Company’s risk and control processes.
- Approval of the Risk Management Framework.

Non-insurance contracts

- Material capital expenditures by nature or amount (materiality to be determined by the Head of Legal - EMEA). Note: Material includes, but is not limited to, total consideration in excess of €7,500,000.
- Material contracts by nature or amount entered into by the Company (materiality to be determined by the Head of Legal - EMEA). Note: Material includes, but is not limited to, total consideration in excess of €7,500,000.

Board membership and other appointments

- Changes to the structure, size and composition of the Board.
- Ensuring adequate succession planning for the Board and senior management.
- Appointments to, and removals from, the Board (including non-executive directors).
- Selection and removal of the Chair of the Board and the Chief Executive Officer.
- Membership and chairmanship of Board committees (when established).
- Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
- Appointment or removal of the Company Secretary.
- Appointment, reappointment or removal of any external auditor.

Remuneration

- Determining the Compensation Policy for independent non-executive directors, if any.

Delegation of authority

- The division of responsibilities between the Chair, the Chief Executive Officer and other executive directors, which should be in writing.
- Approval of terms of reference of Board committees (when established).
- Receiving reports from Board committees on their activities (when established).
- Approval of the Company's authorised signatories.
- Authorising individuals to grant powers of attorney.

Corporate governance

- Determining the independence of directors.
- Considering the balance of interests between shareholders, employees and customers.

Compliance

- Approval of policies where they differ from policies of the MetLife, Inc. Group.

Other

- The making of political donations.
- Prosecution, defence or settlement of litigation material by nature or in excess of €7,500,000 per matter (materiality to be determined by the Head of Legal - EMEA).
- Approval of schedule of matters reserved for the Board.

B.1.5 Role of Chief Executive Officer (CEO)

The Board shall appoint a CEO who is the most senior executive officer and has ultimate executive responsibility for the Company's operations, compliance and performance. The CEO is the main link between the executive management team and the Board and is a director of the Company. The Board has delegated certain authorities to the CEO.

B.1.6 Board committee structure

At present there are no committees of the Board.

B.1.7 Main roles and responsibilities of key functions

Chief Finance Officer (CFO)

The CFO is a member of executive management and reports to the CEO and is a director of the company. The CFO is the senior executive officer with responsibility for the finance operations of the Company and the Board delegated certain authorities to the CFO.

Chief Risk Officer (CRO)

The CRO is a member of executive management and reports to the CEO. The CRO's primary responsibility is to the Board. The CRO shall report to the Board periodically and shall have direct access to the Chair.

The CRO is the senior executive officer with responsibility for the risk management function and for maintaining and monitoring the effectiveness of the Group’s risk management system. The CROs of the operating subsidiaries report to the Company's CRO, and chair such subsidiaries' risk committees.

Head of Compliance

The Head of Compliance is a member of executive management and reports to the CEO, with primary responsibility for ensuring that all entities in the Group remain compliant with applicable laws, requirements and regulations and with the Group’s compliance policies, procedures and programmes. The Heads of Compliance of the operating subsidiaries report to the Company's Head of Compliance.

Head of Internal Audit

The Head of Internal Audit reports to the Chair of the Board and matrix reports to the CEO. Responsibilities include: providing input and challenge to management regarding the effectiveness of risk management and internal control processes across all entities in the Group; evaluating the design and operating effectiveness of the policies and processes; developing, presenting and executing appropriate risk-based audit plans in accordance with MetLife, Inc. global audit methodology; presenting audit plans for review and approval by the respective board or Audit Committee of the Group entities and assisting the Audit Committees' in meeting their fiduciary responsibilities.

Finance and actuarial functions

The finance and actuarial functions of the Group entities report to the CFO. These functions deliver financial planning and analysis, reporting, and actuarial services to the Company and its subsidiaries. Their responsibilities include general management input and statutory duties set out in legislation (subject also to regulation and professional guidance).

In particular, shared reporting and actuarial services supporting the CFO determine the bases, methods and assumptions used at group level for the valuation of assets and liabilities for solvency purposes.

B.1.8 Material changes

Over the reporting period, there has been no material changes in the system of governance.

B.1.9 Remuneration

The Group adopts the remuneration policy and practices determined by MetLife, Inc. The Company Board and the Company's subsidiary Boards are responsible for ensuring that in adopting the policy that it is in line with the risk strategies of the Group and that it is consistent with and promotes sound and effective risk management. The subsidiary Boards provide oversight of the remuneration policy and practices and ensures that these do not promote excessive risk taking.

Remuneration policy

MetLife, Inc.'s compensation programme is designed to:

- provide competitive total compensation opportunities that will attract, retain and motivate high-performing employees;
- align compensation plans with its short-term and long-term business strategies;
- align the financial interests of the executives with those of its shareholders through stock-based incentives and stock ownership requirements; and
- reinforce the pay for performance culture by making a meaningful portion of total compensation variable, and differentiating awards based on company and individual performance.

MetLife, Inc. uses a competitive total compensation structure that consists of base salary, annual incentive awards and stock-based long-term incentive award opportunities.

Variable remuneration for eligible MetLife associates is determined by a combination of grade/ seniority, individual performance and MetLife Inc.'s performance. These measures are in place to promote prudent and effective risk management and not to promote excessive risk taking.

The Company and its subsidiaries do not provide supplementary pension schemes (i.e. superior conditions for some individuals) or early retirement schemes for members of the Board or other key function holders.

B.1.10 Material transactions with related parties

Material transactions with shareholder

The company paid a dividend of €778m to its parent, MetLife Global Holding Company II GmBH ("**MGHC II**") during the year.

Other intra group balances and transactions are set out in Section A.5.1.

Material transactions with persons who exercise a significant influence

There were no material transactions with any persons who exercise a significant influence on the Group over the reporting period.

Material transactions with members of the Board

There were no material transactions with members of the Board over the reporting period.

B.1.11 Adequacy of system of governance

The Board regularly reviews the adequacy of the system of governance, both as a whole and in selected areas, to confirm it remains adequate for the Group’s needs, and to prioritise areas of improvement. There were no major changes required to the system of governance during 2022 as a result of these reviews.

B.2 Fit and proper requirements

B.2.1 Fit and proper policy

The Fitness and Probity Policy (the "**Policy**") sets out the minimum standards, in compliance with the relevant standards and legislation, to ensure that a person who is a Responsible Person, has the necessary qualities and competence in order to allow them to perform the duties and carry out the responsibilities of their position within the Company and its subsidiaries. The qualities and competencies relate to the integrity demonstrated by a Responsible Person in personal behaviour and business conduct, soundness of judgement, a sufficient degree of knowledge and experience and appropriate professional qualifications.

Compliance with the Policy is mandatory for the Company. Specifically, the Policy sets out and describes the approach for assessing and monitoring individuals' fitness and probity.

Assessment of fit and proper

The Company does not permit a person to perform a Controlled Function ("**CF**") as defined by the CBI unless it is satisfied on reasonable grounds that the person complies with the required standards and has obtained confirmation from the person that he or she agrees to abide by the standards.

The required standards provide that a Responsible Person must be:

- competent and capable;
- honest, ethical and act with integrity; and
- financially sound.

The Company has in place appropriate procedures to maintain a register of all Responsible Persons (the "**Register**") and a record of all due diligence undertaken in respect of such Responsible Persons.

Notification is made to the relevant supervisors (to the extent required) following any change to the Register arising either from the appointment, resignation, retirement, removal or material change in the responsibilities of a Responsible Person's role. The notification is carried out by Compliance following the review of the fit and proper assessment and completion of an individual questionnaire, if required based upon the event in question.

Fitness criteria

In determining a Responsible Person's competence and capability for performing their role, assessments may include, but will not be limited to whether the person:

- satisfies the relevant training and competence requirements, which may be satisfied by evidence of qualifications (e.g. diplomas, degrees and professional memberships) and capability appropriate to the corresponding position description; and
- has demonstrated by experience that they are able, or can reasonably be expected to be able, to perform the intended function. Employment and reference checks may be used to establish such ability.

Probity criteria

In determining a Responsible Person's honesty, integrity and reputation for performing his/her role, the following factors may be considered, among others:

- Has the person been convicted of any criminal offence, whether or not presently of record; particularly relevant being any offence involving dishonesty, fraud, financial crime or other offences under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking and or other financial services, insolvency, consumer credit companies, insurance, and consumer protection, money laundering, market manipulation or insider dealing.

- Has the person had any adverse finding against him/her or settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate.
- Has the person had personal involvement in any investigation or disciplinary proceeding resulting in sanction or adverse finding with any requirements or standards of any supervisory bodies/regulatory authorities, clearing houses and exchanges, professional bodies, or government bodies or agencies.
- Has the person been involved as a Responsible Person with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or been expelled by the CBI or government body or agency or alternate regulator.
- Has the person been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority as a result of the removal of the relevant licence or registration.
- Has the person served as a director, partner, or chief executive of a business that has gone into insolvency, liquidation or administration while personally connected with that organisation or within one year after that connection.
- Has the person been investigated, disciplined, censured, suspended or criticised by a supervisory body/regulatory authority, professional body, government body or agency, a court or tribunal, whether publicly or privately, with which such Responsible Person has been involved.
- Has the person been dismissed or resigned, upon request, from employment or from a position of trust, fiduciary appointment or similar capacity while holding a position as a Responsible Person.

The aforementioned criteria will be considered in relation to a person's ability to perform the relevant CF. In addition, checks to ensure compliance with laws and regulations must include appropriate legal review.

Frequency of assessment

A person proposed to perform a CF will be assessed prior to appointment and before any contract is signed.

All Responsible Persons will be reassessed on an annual basis as set out in the Company's procedure documents and in accordance with the relevant legislation. Notwithstanding the above, if a Responsible Person becomes aware of a material change in his/her circumstances that could affect his/her fit and proper assessment, he/she must notify the Head of Human Resources without delay.

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

B.3.1 Risk management structure

The Risk Management Framework of the Group (the "**Framework**") leverages the Risk Management Framework of each of the Group's subsidiaries and sets out the approaches to risk management and structure to be followed by all associates in the Group in their capacity as executives, management and staff.

The key objectives of the Framework are to:

- promote a strong risk culture across the Group;
- ensure consistent, systematic management of risks across all businesses, operations and risk types; and

- enable decision makers to direct resources efficiently to attractive business opportunities that are within the Board's risk appetite.

Scope and application

All business activity and decisions are made in the context of, and in compliance with, the Framework. Every associate is sufficiently familiar with the Framework as it is relevant to their role, and exercises sound judgement to act within the Framework in their daily work. It is the responsibility of management to ensure that they have the capability, resources and knowledge to operate within this Framework and exercise their duties under it.

Risk governance

In its mandate to support MetLife, Inc. Group's strategy in Europe, the Group subsidiaries are active in diverse segments, markets and products; decisions are made and implemented across borders; and business environments are the result of operating in multiple countries across the European Economic Area ("**EEA**"). The Framework is designed to facilitate, on an on-going basis, the systematic management of risks consistent with this specific situation, by integrating risk management into business practices and decision mechanisms at the appropriate levels of each legal entity.

The Board owns the risk appetite and strategy, and defines it in consideration of the existing business and potential opportunities to develop and grow the business, and each Group entity's capacity to absorb losses. As part of the MetLife, Inc. Group, risk appetite takes strategic direction from MetLife's 'Enterprise Risk Appetite', as defined by the MetLife, Inc. Board.

While ultimately the Board owns the risk appetite and therefore controls the overall risk profile, this profile is the result of the actions taken by the entire organisation as mandated by the Board. The entities' "three lines of defence" incorporates independent reporting lines into the Board and provides the Board with assurance while also demonstrating strong governance with robust controls for every decision that impacts the risks that the Company faces.

Each operating subsidiary, under the lead of the CRO, designs and operates appropriate risk management structures, including risk reporting of both existing and emerging risks, risk appetite, risk and control registers, and regular review by Executive Management.

Risk management function

The Risk Function operates an enterprise-wide, comprehensive system to identify, aggregate, measure and report risks across the Group, and assesses how the full range of risks and their interaction impact the Group's aggregate solvency, liquidity, earnings, business and reputation.

The Risk Function leverages MetLife's Global Risk Management Function for challenge and support, escalating risks and issues as required.

Structure of the Risk Function

Each insurance subsidiary within the Group has its own CRO, reporting to the Company's CRO, responsible for monitoring and reporting on all material risks.

B.3.2 Risk management strategies by category of risk

Allocation of risk ownership

In the following section, ownership of a risk shall be read to include also ownership of any crystallisations of that risk as losses, issues or near misses.

While the Board ultimately owns the aggregate risk profile, executive managers are mandated to own and manage certain risks.

Operational risks and business risks are primarily managed within the Group subsidiaries. In contrast, credit risk, market risk / Asset Liability Matching ("**ALM**") risk and liquidity risks are managed centrally at an aggregate level, with support from the entities in the identification and monitoring of particular product or transaction-linked exposures.

Credit risk

Credit risk relates to unanticipated loss due to:

- another party's failure to perform its financial obligations to the Company, including failure to perform them in a timely manner (default risk);
- increasing doubts over another party's ability to meet its financial obligations (migration risk); or
- increases in the discounts that markets apply to the value of obligations with default risk (spread risk).

Credit risk of cash deposits, general-account investments, and derivative counterparties is managed by the Treasury and Investment Functions, and overseen by Group management.

Market risk

Market risk relates to the potential loss or change in value arising from the impact of external market and economic factors on assets and liabilities.

Market risk includes the direct impact of market prices on securities held, as well as other potential effects of financial market movements on the Group's business, such as losses on illiquid liabilities that take market prices as valuation inputs, or increased benefit costs on insurance products.

For management purposes, market risk is broken down into the following categories:

- Interest rate risk: Risk of loss caused by adverse movements in interest rates, credit spreads, or the level of observed and market implied interest rate volatility.
- Equity risk: Risk of loss caused by adverse movements in public, private, and real estate equity prices and equity index levels, or the level of observed and market implied equity market volatility.
- Foreign exchange risk: Risk of loss caused by adverse movements in currency exchange rates or the level of observed and market implied volatility in currency markets.

The Group seeks to incur only minimal market risk exposure as arises from its insurance business.

Liquidity risk

Liquidity risk relates to the risk of incurring punitive costs to make available sufficient cash to meet its financial obligations as they fall due.

Liquidity risk is managed by each Group entity's Treasury Function and overseen at the centralised level.

The Group seeks to incur only minimal liquidity risk exposure across all entities as arises from their insurance business, and maintain sufficient liquidity at all times to meet liabilities as they become due, in the short, medium and longer term, even in stress scenarios. Liquidity exposures can arise from the following:

- actual experience differs from expected in the prediction of cash flows;
- policyholder optionality;
- catastrophic events;
- non-marketability of assets; or

- funding of cash collateral for derivative positions.

The Group carries out regular liquidity stress testing, allowing for key liquidity risk exposures including the impact of policyholder surrenders and the requirement to post additional collateral on derivatives in stressed conditions, and quantitative limits are identified as part of each subsidiary's Risk Strategy and Appetite.

Insurance risk

The Group is exposed to insurance risk through its insurance subsidiaries. Insurance risk relates to unanticipated fluctuations in the timing, frequency and severity of insured events relative to expectations, arising, for instance, from mortality, morbidity, longevity, or policyholders' exercise of options.

The insurance subsidiaries develop insurance products and underwrite risks in line with approved standards. Each insurance class needs to be approved by the relevant insurance subsidiary's Board prior to any business being underwritten. The Board can delegate to management the authority to approve products that do not have the potential to materially change the risk profile.

The insurance portfolio held by the Group is a well-diversified portfolio of life insurance risk for appropriate reward, and limits the exposure to single risks and catastrophic events. The diversification is achieved through the operation in multiple countries across the EEA and reinsurance.

Operational and business risk

Operational risk arises from unexpected loss due to inadequate or failed internal processes, people and systems, or from external events (including legal risk). Specifically, conduct risk relates to losses, typically from supervisory intervention caused by misconduct in the insurance market, such as mis-selling or product design that is unsuitable for the intended client. The Group is exposed to conduct risk through its conduct and that of its subsidiaries not being in accordance with our desired culture or defined policies and procedures.

Business risk is the possibility a company will have lower than anticipated profits, influenced by numerous factors, including sales volume, lapses, sales and maintenance costs, competition and achievable margins.

Operational and business risk is intricately tied to the overall management of a business and is therefore the responsibility of each legal entity. Operational risk also arises in the Group, such as finance, actuarial, etc. Each function is responsible for the management of operational risk in their respective area.

Sustainability Risk

Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability. Certain elements of this risk are difficult to quantify and there is a high degree of uncertainty regarding its ultimate impact. As with Operational Risk, Sustainability Risk is intricately tied to the overall management of the business and is therefore the responsibility of each subsidiary.

Model Risk

The Group is also exposed to Model Risk. The Model Risk process is managed internally whereby subsidiary owners are required to certify on a quarterly basis that they have appropriately identified, assessed, managed, and reported on the Company’s Model, Tool and End User Computing ("**EUC**") risks.

B.3.3 Compliance with prudent person principle

The Board approves each subsidiary's investment guidelines, taking account of the asset/liability relationship on a subsidiary level, its overall risk tolerance, its long term risk/return requirements, its liquidity requirements and its solvency position, in line with the Solvency II 'prudent person' principle.

B.3.4 Own Risk and Solvency Assessment (ORSA)

ORSA process

The ORSA process is a continuous cycle of assessment and is significantly dependent on the key interactions between business planning, capital management and stress testing, in order to obtain the results which provide senior management and the Board with comfort that adequate solvency levels are maintained. In line with the Group's strategy and business plans, the ORSA confirms that the risks and capital tied up in the legacy interest-rate sensitive blocks of business are controlled, and that the new business produces a well diversified book of protection business, in which stable persistency and scale efficiencies are key elements in managing the volatility of solvency capital. Stress and scenario testing therefore includes shocks to the macro-economic environment and lapse events.

The Group ORSA process is based on the preparation of individual ORSAs for each insurance subsidiary, and captures all the material risks that each subsidiary faces or may face in the future in the execution of its business plans. The Group ORSA process is run in its entirety at least annually to deliver a report to the Board in the fourth quarter of each year for review and approval. However, there will be certain events that may require the process to be run on an ad hoc basis. Ad hoc runs may be either the ORSA process in its entirety or only specific activities of the process. In these ad hoc runs the relevant subsidiary uses its experience from stress tests and scenario analyses to determine whether changes from internal decisions and / or external factors could impact the Group's risk profile significantly. The ORSA is integrated into the management processes and decision making process in the Group level. In the last reporting period no interim ORSA took place.

The process for performing and ongoing monitoring of the ORSA includes the following:

- Collaboration between the Company's Risk Function, MetLife Inc's Corporate Risk Management and subsidiary CROs, to develop proposed macro-economic assumptions and stresses for projections, which are to be reviewed and approved by the appropriate subsidiaries' risk committee;
- Identification of the specific risk profiles taking into account the approved risk tolerance limits and business strategy and external environment;
- Assessment of the appropriateness of the standard formula;
- Forward-looking stress and scenario analysis over the business plan to provide an adequate basis for the assessment of the overall solvency needs;
- Contingency plans to address material risks that could have a significant impact on the solvency position or viability of each subsidiary if they were to happen but which it is not appropriate to hold a capital buffer for; and
- Quarterly reports to the Company's board on the development of subsidiaries' solvency, analysis of underlying drivers and outlook.

The above process is undertaken by each insurance subsidiary and aggregated at the Group level to ensure that the capital management activities and the risk management system are interlinked and that all key decision making processes are aligned with the ORSA process.

B.4 Internal control system

B.4.1 Internal Controls

The control framework of the Group leverages the control framework of each of the Group's subsidiaries in promoting the importance of having appropriate internal controls, and ensuring that all associates are aware of their role as part of the internal control system. The control framework sets out clear standards for the design, operation, validation and oversight of the system of internal control. It defines how effective internal control is achieved through joined responsibilities of the subsidiaries' general managers and the heads of functions.

The control framework defines control activities as the policies and procedures that mitigate both the Group's and separate legal entities' risks to the intended level. Control activities can be preventative, corrective, detective or directive, and include a range of activities as diverse as delegation of authority, segregation of duties and required approvals, verifications, reconciliations, reviews of operating performance, documentation, and safeguarding of assets.

All key controls are registered with the associated risks in each subsidiary's Risk and Control Self-Assessment ("**RCSA**"), and managed as part of that process to validate their effectiveness and address identified weaknesses. Ongoing monitoring occurs in the ordinary course of operations of each legal entity. Due to changing conditions, management regularly determine whether the internal control system continues to be relevant in its ability to address the Group's risks.

B.4.2 Key procedures

The Group's control environment comprises an extensive catalogue of controls that are defined for each function, and include but are not limited to the following:

Control Name	Description
Approval and Authorisation	Confirmation or sanction of employee decisions, events or transactions based on a review by the appropriate supervisor
Business Resumption	Controls that ensure that business operations can resume in the event of disaster or IT outage, including Business Continuity and Disaster Recovery Planning and Testing, system back-up and data retention
Code of Accounts Structure	Design of the general ledger or subledger account codes to assist in minimising errors and allow for effective data capture and reporting
Documentation	Substantiation of decisions, exceptions, transactions, and other events, including confirmations, notices and/or disclosures that are required to be sent to clients
Hiring/Selection	Due diligence and escalation process in connection with information received as a result of a background check conducted on candidates
Input Form Design, Edits, and Validations	Controls that ensure the completeness, accuracy, and/or integrity of data input into information systems, including business rules built into the design of system interfaces to reduce the probability of data input errors, input data validation against known or expected values, or verifying the integrity and origin of data
Physical Safeguarding Mechanisms	Controls that protect the Group's assets through direct measures such as locks, bars, use of safes to secure valuables
Policies and Procedures	Define control standards for particular areas, and reference aids or resources to assist employees in performing their duties

Control Name	Description
Process Monitoring	These controls include reviewing transaction error reports, reviewing compliance with applicable laws/regulations, conducting quality assurance reviews, financial statement reviews, etc.
Reconciliations/ Comparisons	Ensure that two or more data sets/elements match, for example reconciling bank accounts, comparisons of subledger totals to control accounts, comparisons of data transfer record counts, etc;
Segregation of Duties	Reduce the risk of accidental errors, incomplete or inadequate performance of controls, and fraud
Strategic Monitoring and Governance	Management of Lines of Business, including short and long-term planning, organisational design/staffing, key performance indicator reviews, risk management, data governance, knowledge management, etc;
System Access Approval and Monitoring	Authorisation, identification and authentication of appropriate access to IT resources
System Change Control	Ensure changes to IT systems meet the needs, perform as expected, and do not create security vulnerabilities
System Data Encryption	Ensure sensitive data is encrypted in at-risk IT assets such as laptops, smart phones/blackberry's and back-up tapes
System Monitoring and Response	Ensure the technology environment is monitored, and that appropriate actions are taken based on the results
System Security Configurations	Security configurations at the software, infrastructure, hardware, or network layers that ensure the confidentiality of data
Third-Party Monitoring	Ensure that third parties are operating in accordance with agreements and contracts and deviations are acted upon by management
Training/Communication	Ensure that employees, at all levels, receive training to provide them with the competences required to perform their duties
Validity/Existence Tests	Controls that validate the existence of assets. Examples include physical inventory counts to determine that quantities and descriptions of goods and/or supplies on hand are accurate, fixed asset inventories to validate the existence of items represented in the accounts, and other similar processes

Independent control oversight

The control functions oversee control activities performed by the 'First Line of Defence' which together ensures that the control environment continues to be effective and meets the Board's expected level of control.

B.4.3 Description of compliance function

The Compliance Risk Management ("**CRM**") Function is an important part of an effective internal control system and the three lines of defence model. CRM provides strategic advice and challenge to first line, partnering closely with them while fulfilling its responsibilities to key stakeholders, such as customers, shareholders, regulators and employees. CRM provides a framework for the Group's lines of businesses and functions to identify, assess and mitigate compliance risk, establish controls and embed CRM in business processes. It also intends to help management be reasonably assured that effective processes are in place to ensure adherence to applicable laws and regulations. The framework ensures that any uncovered compliance issues are appropriately addressed and that ownership of the compliance risks and mitigating actions are assigned to business process owners. In this regard, the Group is committed to having in place an effective CRM framework wherever it does business and is guided by its core values, appropriate rules, structures, processes, training, documentation and controls to help prevent, detect and remediate compliance breaches and deficiencies.

The CRM Framework consists of the following key elements:

- Compliance Risk Identification and Prioritisation;
- Compliance Risk and Control Assessments;
- Monitoring and Testing Programme; and
- Policies and Procedures.

Each legal entity's Board has overall responsibility for setting and overseeing that entity's compliance arrangements. Management has responsibility for maintaining compliance with all applicable laws and regulations and the commitment and support of management is an essential component of a successful CRM Framework. The core role of CRM is to provide assurance to the management, and ultimately to the regulator, that all entities are operating within the letter and the spirit of the legal and regulatory framework. The subsidiaries' CRM reports to the group Compliance Office.

The Compliance function performs the following actions:

- In line with the CRM Framework, identification and assessment of compliance risks, including but not limited to, the completion of compliance monitoring and testing activities to ensure independent oversight and review of policies and procedures.
- Regulatory Change Management (in line with the Regulatory Change Procedure):
  - advising senior management, in conjunction with the Legal Function, on compliance with applicable laws and regulations; and
  - assessing the possible impact of changes in the regulatory environment on the operations of the subsidiary.
- Supporting a robust training programme to ensure all staff are fully up to date with and understand all aspects of compliance programmes and regulations.
- Reviewing compliance policies, procedures and controls on a regular basis.
- In addition, the Head of Compliance is also responsible for providing compliance oversight of the activities in all branches of the subsidiaries.

B.5 Internal audit function

B.5.1 Internal audit

The primary role of Internal Audit ("**IA**") is to support the Board and Executive Management in ensuring that risks are identified, and controls are properly designed and operating effectively to protect MetLife's assets, reputation, sustainability, and compliance with laws and regulations. IA also assesses internal control, compliance, and governance processes for adequacy of design and operating effectiveness through sample-based audit procedures. With its audit work, IA strives to provide assurance, advice and insights that improve operations and add value.

Roles and responsibilities of internal audit

The Internal Audit mandate is broad, encompassing all of the MEUHC Group's business activities.

The Head of Internal Audit is accountable for:

- Identifying all auditable areas within MetLife and proposing a risk-based audit plan to the relevant Committees of related entities that covers key risks, emerging risks and regulatory obligations in line with the MetLife risk management and internal controls framework.
- Implementing the approved audit plan of relevant Committees of related entities, reviewing audit reports and communicating the results to those Committees and the MEUHC Board.
- Maintaining an audit-issues tracking system to identify the status of significant audit issues and the corrective actions planned by management.
- Recruiting, developing and retaining personnel with the skills, knowledge, experience and professional certifications needed to conduct IA duties effectively.
- Contracting for experts when needed for audit engagements; the audit work remains the responsibility of IA and must be consistent with MetLife's Inc IA Charter.
- Meeting with Executive Management to discuss audit risk-related matters
- Reporting to the relevant Committees of related entities and the MEUHC Board on the adequacy of management's internal controls found through testing, key IA initiatives, adequacy of IA resource levels and the status of open issues and management action plans.

IA is responsible for:

- Performing objective examinations of sample evidence to provide independent assessments to the MEUHC Board, the relevant Committees of related entities, management, and outside parties on the effectiveness of the first and second lines, governance, risk management and control processes for MetLife.
- Evaluating the adequacy and effectiveness of internal controls, making recommendations to management, as appropriate, and applying auditor knowledge to recognize and report indicators of suspected fraud, inappropriate transactions, and compliance breaches to the MetLife Special Investigations Unit and Compliance functions.
- At the request of the MEUHC Board, relevant Committees of related entities and Executive Management, performing advisory services and special reviews related to governance, risk management and controls as appropriate for the organization, providing they do not compromise the role and independent function of IA.

Internal audit standards and policies

Audit Standards and Policies
IA must exercise due professional care in the execution and communication of audit work. To meet this requirement, IA and its auditors adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Code of Ethics, the Core Principles for the Professional Practice of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing ("**Standards**") and the definition of Internal Auditing. IA employs methodology to ensure auditors and audit work align with the Standards and the Chief Auditor reports regularly to the Board, Executive Management and relevant Committees of related entities on conformance with the Standards.

Quality Assurance
On behalf of the Chief Auditor, the Global Audit Operations team within IA is responsible for ensuring adherence to IA's internal processes and procedures. This includes managing a Quality Assurance and Improvement Program ("**QAIP**") that evaluates IA conformance with the IIA International Standards for the Professional Practice of Internal Auditing, and the IIA Code of Ethics. The QAIP includes results from external assessments, required at least once every five years by a qualified, independent assessor. The Chief Auditor communicates QAIP results to senior management and the Board.

Reporting structure

The Head of Internal Audit reports to the Chair of the Board and matrix reports to the CEO, with direct and continuing access to the CEO as required. The Head of Internal Audit does not participate in the decision-making process of management or the Board, but may be invited by the CEO or Board, as the case may be, to attend any meetings and receive any information needed for successful execution of the Internal Audit function.

Additionally, all audit managers may be invited by management to observe decision making forums as needed for successful execution of the audit function. This access ensures that major issues and concerns are communicated at the appropriate level and that IA's independence is maintained.

B.5.2 Independence and Objectivity

IA is required to maintain independence and objectivity from business management and will operate free of conditions that threaten its ability to carry out activities in an unbiased manner. To maintain objectivity, internal auditors are prohibited from having operational responsibility or authority over areas audited and will not implement internal controls, develop procedures, install systems, prepare records, or engage in activity that may impair judgment. The Chief Auditor ensures IA remains free from all conditions that threaten independence and objectivity and will confirm independence annually to the relevant Committees of related entities.

B.6 Actuarial function

B.6.1 Actuarial

The actuarial function at the Group level provides guidance and monitoring tools across all legal entities. It is also responsible for overseeing policy in respect of product profitability and risk.

The actuarial function for each of the Major Subsidiaries is detailed in Section B.6 of each of their reports.

B.7 Outsourcing

B.7.1 Outsourcing policy

The Group entities may outsource activities internally and externally, particularly in the areas of customer service, back-office operations and IT, in order to benefit from expertise and efficiencies not practically available in individual operations. Each outsourcing arrangement has a functional owner in the senior management team who is responsible for the management and first line oversight of the arrangement. The procurement function oversees the Third Party Risk Due Diligence and facilitates its completion for all vendors identified as potential outsourcing providers.

All outsourcing is subject to the requirements of the outsourcing policy, which ensures that all outsourcing arrangements are subject to appropriate due diligence, approval, written agreements and oversight, and that the risks associated with entering outsourcing arrangements are identified and effectively managed.

B.8 Any other information

All information has been disclosed in the preceding sections.

C Risk profile

C.1 Underwriting risk

C.1.1 Material exposures

The Group is exposed to underwriting risks in its businesses, including mortality risk, longevity risk, morbidity risk, policyholder-behaviour risk, and expense risk due to the nature of its subsidiaries. These risks are identified and assessed as part of the product development process, in which appropriate underwriting conditions are defined for all underwriting risks associated with the insurance policies over their whole life cycle on an entity level.

Exposures to underwriting risks decreased over the reporting period due to higher interest rates and changes in the mix of business. Going forward, exposure to underwriting risks is expected to increase further with continued focus on sales of protection business.

C.1.2 Material risk concentrations

Through its operations, the Group seeks to underwrite a highly diversified and balanced portfolio of underwriting risks. In certain business lines, material geographical risk concentrations can arise.

C.1.3 Material risk mitigation practices

Underwriting risks are primarily mitigated through diversification and single-exposure limits for different components such as mortality and invalidity. Risks in excess of such limits can be accepted but must be reinsured. Catastrophe reinsurance is used to limit the total loss that can be incurred as the result of single events, and to manage risk concentrations.

The economic effect of its reinsurance programme is regularly reviewed and potential actions that may improve its efficiency are considered. Such actions include recapturing low-retention treaties, and additional covers of, for instance, pandemic risk.

C.1.4 Material risk sensitivities

As required by the calculations to determine the SCR using the Solvency II Standard Formula ("**SF**"), the Group determines the impact of increases in expected loss rates, and pandemic events through the subsidiaries input. The SF calculations also take into account the impact of increased lapses and expenses on the expected profit in future premiums.

	31-Dec-22
	€'m
Mortality risk	**140**
Longevity risk	**8**
Disability risk	**82**
Lapse risk	**492**
Expense risk	**81**
Catastrophe risk	**114**

C.2 Market risk

C.2.1 Material exposures

The Group is exposed to market risks, including interest rates, due to timing differences of asset and liability cash flows and basis differences between valuation rates, different currencies, credit spreads, and, indirectly, equity markets through revenues that depend on the value of investments covering unit-linked policies and positions held to facilitate policyholder transactions. These risks coming from the separate subsidiaries are identified and assessed as part of the ALM process, in which all balance sheet values are mapped to their relevant market drivers. In line with the Prudent Person Principle, the Group invests in assets whose risks can be properly identified, measured, managed, controlled, reported and appropriately taken into account as part of the ORSA process.

The exposures to market risks have reduced over the period due to a reduction in equity and currency risk following the sale of the Polish and Greek entities during 2022 offset by an increased interest rate risk due to higher interest rates.

C.2.2 Material risk concentrations

Market risks are concentrated to the interest rates and investment markets of the Group's major functional currencies, including Euro, Pound Sterling and the Czech Koruna.

C.2.3 Material risk mitigation practices

Market risks are primarily mitigated through managing and monitoring risks at an entity level. Alignment of assets and liabilities, in particular in terms of timing of cash flows and currencies is taking place while exposure to changes in credit spreads are mitigated by investing in a diversified and high-quality investment portfolio. The 100% UK Wealth Management reinsurance with MetLife Bermuda ensures all of the risks on this business are fully reinsured. Equity exposures from the non-UK book of unit-linked policies are managed through product design and selection of suitable investment funds.

C.2.4 Material risk sensitivities

As required by the calculations to determine the SCR using the SF, the Group determines the impact of changes in interest rates, currency values against the Euro and equity levels.

	31-Dec-22 **€'m**
Interest Rate Risk	**26**
Equity Risk	**94**
Property Risk	**18**

C.3 Credit risk

C.3.1 Material exposures

The Group is exposed to credit risks (i.e. the risk of a value decrease of assets or increase of liabilities due to the default of third parties, or the increase of the probability of such a default and/or the associated loss). Exposure to credit risk comes from the investment portfolio of each subsidiary and from a number of counterparties related to risk mitigation.

These risks are identified and assessed as part of the ALM and reinsurance process, in which the creditworthiness of the obligor is monitored. The exposures to credit risks have been relatively stable over the course of the reporting period.

The exposure to credit risk has reduced over the reporting period mainly due to the increase in interest rates over the period and reduction in corporate bond holdings following the 2022 dividend payment.

C.3.2 Loan portfolio

The Group invests in mortgage loans which are principally collateralised by commercial real estate properties. The credit risk exposure in commercial real estate loans stems from various factors, including the supply and demand of leasable commercial space, creditworthiness of tenants and partners, capital markets volatility and interest rate fluctuations. The exposure is limited by the Investment guidelines.

In addition, on a limited number of legacy products, loans can be extended to policyholders as long as they are fully covered by the cash value of the policy.

C.3.3 Material risk concentrations

In line with investment guidelines and the reinsurance risk policy, the Group maintains a highly diversified portfolio and limits the exposure to individual obligor's.

The Group has a material reinsurance counterparty exposure to MetLife Bermuda mainly due to the 100% UK Wealth Management quota share treaty. This counterparty risk is mitigated by a robust collateral arrangement with the reinsurer, which is monitored on an ongoing basis.

C.3.4 Material risk mitigation practices

Credit risks are primarily mitigated through asset allocation, diversification and single-exposure limits. For counterparty exposures, the Group may require the placement of collateral.

C.3.5 Material risk sensitivities

As required by the calculations to determine the SCR using the SF, the Group determines the impact of changes in credit spreads and a potential extreme loss of counterparty exposures. The latter exposures relate almost entirely to significant financial banks and reinsurers, and contribute only marginally to the overall risk profile.

	31-Dec-22
	€'m
Spread risk	**80**
Counterparty default risk	**55**

C.4 Liquidity risk

C.4.1 Material exposures

The Group is exposed to liquidity risks where it is obliged to settle liabilities at short notice and assets cannot be liquidated at all or only with very significant haircuts. Given the long-term nature of its business, there are only very few areas in which liquidity risk can arise. These risks are identified and assessed as part of every subsidiary's ALM process. The exposures to liquidity risks have been stable over the course of the reporting period.

The Group's investments are typically highly liquid. In its assessment of liquidity, the Group can also take into account the cash inflows and outflows arising from regular business activities over the course of the liquidity horizon considered. An element of these cashflows relates to the expected profits included in future premiums ("**EPIFP**"). The total amount of the EPIFP as calculated in accordance with Article 260(2-4) of the Delegated Acts was €1,132m as at 31 December, 2022.

C.4.2 Material risk concentrations

In line with Investment Guidelines, a highly diversified portfolio is maintained at the Group Level. Concentrations can arise on a local level but overall concentrations are not considered material. Liquidity stress testing is carried out to ensure that sufficient liquidity would be available in such events.

C.4.3 Material risk mitigation practices

Liquidity risks are primarily mitigated through asset allocation, diversification and single-exposure limits, and by avoiding entering obligations to provide liquidity to counterparties.

C.4.4 Material risk sensitivities

The Group performs regular stress tests of its liquidity position in adverse events, including significant and abrupt changes in financial markets and policyholder behaviour. These stress tests consider the timing of obligations and the ability to liquidate assets over different time horizons, as well as the impact of such liquidations on realised values. The results of the liquidity stress tests over the reporting period showed that the Group had sufficient liquidity even in extreme events.

C.5 Operational risk

C.5.1 Material exposures

The Group is exposed to operational risk consistent with other financial institutions, including the impact of changes in the regulatory and legal environments, the dependency on multiple internal and external operators, for investment activities as an example, and complex modelling for financial reporting and solvency reporting. Operational risks are identified and assessed with regards to their frequency and potential impact as part of the risk management process, in which risks and controls are documented by risk owners and validated by the Risk Management Function. Operational risk is derived both by the subsidiaries and Group operating processes.

C.5.2 Material risk concentrations

The Group prefers to concentrate activities in focused and tightly-controlled operations and ensures that operations have independent review, alternative back-up sites, and business continuity plans.

C.5.3 Material risk mitigation practices

Operational risks are primarily mitigated through functional controls, which are integral elements of the Group's Risk Framework, independently validated by Risk, Compliance (where applicable) and Internal Audit functions.

C.5.4 Material risk sensitivities

In order to assess material risk sensitivities, each operational risk is rated regarding frequency and potential impact on an inherent basis (i.e. before effective control) and on a residual basis (i.e. taking into account effective controls) to create a current risk heat map. Control remediation action plans are put in place as and when required.

C.6 Other material risks

The Group is also exposed to emerging and evolving risks and undertakes a top-down semi-annual analysis which provides a holistic view of all external factors that could trigger new risks or opportunities for the Group. At a subsidiary level, an emerging risk register is maintained which incorporates this analysis and the output of the discussions at appropriate governance fora, along with discussions with subject matter experts.

The key emerging and evolving risks facing the Group relate to emerging external factors, in particular:

- **Geopolitical risk**: The key risks being the armed conflict in Ukraine, increased nationalism across Europe threatening the stability of the ESM, and economic instability related to these. At the time of writing the direct impacts to the Group of the conflict in Ukraine have been limited but the indirect impacts such as increased market volatility, inflation and cyber risk threats continue to evolve and can impact the Group negatively. Political risk threatening the stability of the EU single market is another key area of concern for the Group. This has been observed previously with Brexit and the impact this can have on markets as well as the Group's operating model. Single market consistency is important for the strategy of Group and any risks to this are closely monitored. In addition, developments in US-China relations and Chinese domestic policies pose further geopolitical risk and related economic uncertainty.
- **Economic risk**: Emerging risk concerns relate to the future path of inflation, monetary policy and fiscal policy and the interconnected nature of these risks prompting further macro-economic uncertainty. The key drivers of uncertainty in this area include the conflict in Ukraine, ongoing supply chain issues and the resulting monetary and fiscal policy actions being taken to combat inflation. Recent policy actions appear to have had an impact on inflation, however significant uncertainty remains. Should inflation persist this will potentially lead to an increase

in expenses for the Group resulting in both income statement impacts and balance sheet impacts as expenses are capitalised in the Solvency II technical provisions.

- **Social risk**: Key risks of note relate to changing customer and partner expectations, labour market changes, and future mortality and morbidity trends. Customer and partner expectations covers the risk that the Group is unable to execute on its digitalisation and product innovation strategies in line with customers' and partners evolving expectations. Labour market changes and changing social trends can impact on the working population creating skills shortages. This has the potential to impact the Group's digitalisation strategy if there are shortages of skills in this area. In addition, there is a risk of changing mortality trends, particularly in the UK and France where the Group's exposure to mortality risk is higher. The impact of COVID-19 on future mortality trends is unclear with additional factors such as ageing populations, mental health impacts and medical advances contributing to the uncertainty.
- **Technological risk**: One of the key risks noted is Cyber Risk, in particular the increased sophistication of attacker's capabilities and the need for companies' cyber security measures to keep pace. Technological risk also includes data privacy and further technological disruption which could impact business performance. Recent advances in Artificial Intelligence can potentially impact the Group in a variety of ways, including contributing to increased cyber risk.
- **Legal and Regulatory risk**: The very large volume of change in the pipeline and the potential costs and risks associated with this, including potential impacts on future business performance, product offerings and solvency. Of particular note is the increasing regulatory focus on areas around conduct risk, for example EIOPA's review of credit protection insurance and its consultation on a framework to address value for money risk on unit-linked products.

As outlined earlier, the Group is also exposed to the risks posed by sustainability and more specifically climate change. Climate risk is unique as a category of risk in that it can impact the Group and its business model across a variety of the traditional risk categories. In addition, climate risk can impact the Group differently across the short, medium and long term. Increasing regulatory focus from an Environment, Social and Governance perspective has looked to inform firms on how the management of climate risks should be approached. They set out a framework for how firms should consider risks associated with climate change and sustainability more broadly including a number of requirements spanning governance, risk management, scenario analysis and disclosure. The Group continues to develop its capabilities to manage climate risk in line with emerging and evolving methods, tools and available data.

The UK ceased to be a member of the EU on 31 January 2020 and is no longer subject to EU law. While discussions continue between the UK and EU on a MOU for financial services, there is no clear timeline. In the meantime, the UK government has begun the process of reviewing its regulatory framework. It is likely that the UK's domestic prudential regime may begin to diverge from the Solvency II Directive, but it is still unclear if it will do so in a way that would prevent a future MOU or have a material impact on the supervision of insurers. MetLife Europe expects to maintain its existing operating model, including as an inbound EEA-insurer, under the UK's TPR, which is due to last until at least the 31 December 2023 and will so permit the Group to carry on its insurance business in the UK during this period.

C.7 Any other information

The material elements of the Group's risk profile are all covered above. The Group reviews its risk exposures regularly and considers potential actions to align exposure to risk appetite.

D Valuation for Solvency purposes

D.1 Assets

The disclosures below describe the accounting policies/valuation techniques under Solvency II for the assets and liabilities of the Group.

Basis of valuation

The valuation of assets for Solvency II has been determined in line with the Solvency II Directive and related guidance. Unless expressly stated in the notes below, the Group has valued its assets at fair value. In order to establish the fair value of assets, the following guiding principle has been applied:

- Assets are valued at the amounts for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction.

The determination of fair value of financial assets, which comprise substantially all of the assets of the Group, is set out below.

Fair value of financial assets with active market

When available, the fair value of financial assets is based on quoted prices in active markets that are readily and regularly obtainable. These are the most liquid of the Group's financial assets, and valuation of these assets does not involve management's judgement.

Fair value of financial assets with no active market

When developing fair values, where quoted prices are not available, the Group uses one of three broad valuation techniques or a combination thereof: (i) the market approach, (ii) the income approach, and (iii) the cost approach. The significant inputs to these valuation techniques are inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data. When observable inputs are not available, inputs that are not observable in the market or cannot be derived principally from, or corroborated by, observable market data, are used. These unobservable inputs are based in large part on management's judgement or estimation, and cannot be supported by reference to the market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such financial assets, and are considered appropriate given the circumstances. Actual results may differ materially from these estimates.

Such estimates are reviewed on an ongoing basis, and any difference recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. For deposits within one year of the balance sheet date, the Group believes that the fair value is represented by the amounts realisable, on account of their short term nature.

Group valuation of assets

The following table shows the assets of the Group as reported in its Quantitative Reporting Templates ("**QRTs**") under Solvency II. As outlined in section A, the Company has availed of an exemption under section 300 of the Companies Act 2014 to produce consolidated financial statements and as a result the Company's IFRS financial statements are prepared on an unconsolidated basis.

As a result this section describes the accounting policies applied for Group Solvency II reporting purposes.

Assets of the Group as at 31 December, 2022

Assets	Solvency II value 2022 €'m
Goodwill	—
Deferred acquisition costs	—
Intangible assets	—
Deferred tax assets	26
Property, plant and equipment held for own use	71
Investments (other than assets held for index-linked and unit-linked funds)	1,957
Property (other than for own use)	1
Participations	—
Government Bonds	1,062
Corporate Bonds	881
Structured Notes	—
Collective Investments Undertakings	1
Derivatives	6
Deposits other than cash equivalents	6
Assets held for index-linked and unit-linked funds	3,849
Loans and mortgages to individuals	—
Other loans and mortgages	127
Loans on policies	11
Reinsurance recoverables	3,016
Insurance and intermediaries receivables	110
Reinsurance receivables	29
Receivables (trade, not insurance)	94
Cash and cash equivalents	276
Total Assets	**9,566**

MetLife

D.1.1 Intangible assets

Under Solvency II, intangible assets are not recognised unless the Group is able to sell the asset for a price derived from an active market. Thus the Group does not recognise intangible assets under Solvency II.

D.1.2 Deferred tax assets

Under Solvency II, deferred tax assets are recognised on the estimated future tax effects of temporary differences, unused tax losses carried forward and unused tax credits carried forward. Deferred tax is only recognised where it is probable that it will be realised, i.e. that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax laws enacted or substantively enacted at the reporting date, on an undiscounted basis. When determining whether deferred tax assets can be realised, the Group considers projected future taxable profits in excess of those profits arising from the reversal of existing taxable temporary differences.

Deferred tax assets are not set off against deferred tax liabilities, unless such assets and liabilities have arisen in the same tax jurisdiction in line with local legislation and practice.

Separate deferred tax assets and liabilities are not recognised for the Group. The amount included in the balance sheet are an amalgamation of the deferred tax assets and liabilities of the subsidiaries.

The following table shows the composition of the deferred tax balances:

Solvency II	**Deferred tax liability €m**	**Deferred tax asset €m**	**Tier III available asset balance €m**
MetLife Europe	154	24	24
MetLife Europe Insurance	1	1	1
Non Insurance Entities	5	1	1
Group	**160**	**26**	**26**

Please see the individual D.1.2 Deferred Tax Assets disclosure notes in the SFCR for the Solo entities listed above for additional detail regarding the following:

(i) Impact of tax rate changes,
(ii) Recognition of Deferred Tax Assets relating to local net operating losses
(iii) Assumptions made in relation to the Loss- Absorbing Capacity of the Deferred Tax ("**LACDT**").

D.1.3 Property, plant and equipment held for own use

Under Solvency II, property, plant and equipment held for own use is stated at fair value. Certain equipment items may be held at depreciated value if not materially different to the fair value.

Leasehold assets are presented on the balance sheet under Property, plant and equipment held for own use. A lease is defined as a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under Solvency, II right-of-use assets are recognised at fair value at the lease commencement date.

D.1.4 Investments (other than assets held for index-linked and unit-linked contracts)

Under Solvency II, investments are stated at fair value, as set out below. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial instruments reported are measured based on an exit price.

The valuation techniques and source of pricing inputs used by the Group for significant categories of investments are produced below:

D.1.4.1 Property (other than for own use)

Under Solvency II, property (other than own use) is stated at fair value. The valuation is based on market appraisals provided by a property appraiser within required timeframes.

D.1.4.2 Holdings in related undertakings, including participations

The Company has a number of wholly owned subsidiaries as depicted in section A.1.2 Group structure. Full consolidation has been applied to all wholly owned subsidiaries of the parent company.

Under Solvency II, joint ventures are valued using the adjusted equity method. The adjusted equity method requires valuing such investments based on the Company's share of the excess of assets over liabilities of the related undertaking, using the Solvency II (fair value) valuation principles.

D.1.4.3 Equities

Equities listed on a recognised exchange are valued using the quoted prices for identical instruments.

Unlisted equities are valued using observable inputs where available, including quoted prices for listed equities in active markets for similar instruments, quoted prices for listed equities in markets that are not considered active, and to a lesser extent, matrix pricing, discounted cash flow methodologies or independent non-binding broker quotations. Such instruments are principally valued using the market approach.

D.1.4.4 Bonds

Government bonds listed on a recognised exchange are valued using the quoted prices for identical instruments.

Government bonds which are not listed, are principally valued using the market approach. Valuations are based primarily on matrix pricing or other similar techniques using standard market observable inputs, including benchmark yields, issuer ratings, broker-dealer quotes, issuer spreads and reported trades of similar instruments, including those within the same sub-sector or with a similar maturity or credit rating.

Government bonds for which observable inputs are not available, are principally valued using the market approach. Valuations are based primarily on independent non-binding broker quotations and inputs, including quoted prices for identical or similar instruments that are less liquid and based on lower levels of trading activity. Certain valuations are based on matrix pricing that utilise inputs that are unobservable or cannot be derived principally from, or corroborated by, observable market data, including credit spreads.

Corporate bonds listed on a recognised exchange are valued using quoted prices or quoted prices for similar assets.

Corporate bonds which are not listed, are principally valued using the market and income approaches. Valuations are based primarily on quoted prices for similar listed instruments in active markets, quoted market prices for similar listed instruments in markets that are not considered active, or using matrix pricing or other similar techniques that use standard market observable inputs such as benchmark yields, spreads off benchmark yields, new issuances, issuer rating, duration, and trades of identical or comparable instruments. Privately-placed instruments are valued using matrix pricing methodologies using standard market observable inputs, and inputs derived from, or corroborated by, market observable data including market yield curve, duration, call provisions, observable prices and spreads for similar publicly traded or privately traded issues that incorporate the credit quality and industry sector of the issuer, and in certain cases, delta spread adjustments to reflect specific credit-related issues.

Corporate bonds for which observable inputs are not available, are principally valued using the market approach. Valuations are based primarily on matrix pricing or other similar techniques that utilise unobservable inputs or inputs that cannot be derived principally from, or corroborated by, observable market data, including illiquidity premium, delta spread adjustments to reflect specific credit-related issues, credit spreads, and inputs including quoted prices for similar instruments that are less liquid and based on lower levels of trading activity. Certain valuations are based on independent non-binding broker quotations.

D.1.4.5 Collective investments undertakings

Collective investments undertakings listed on a recognised exchange are valued using the quoted prices provided by the investment managers, that are based on their respective net asset values.

Unlisted investment funds are principally valued based on prices from the investment managers, which are based on European Venture Capital Association Guidelines, including price/earnings ratio based valuation. The prices released by investment managers of the underlying funds are reviewed, and where appropriate, adjustments are made to reflect the impact of changes in market conditions between the date of the valuation and the end of the reporting period. The valuation of these investment funds is largely based on inputs that are not based on observable market data.

D.1.4.6 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Certain fair values are obtained from quoted market prices in active markets. When quoted prices are not available, other valuation techniques are applied. The valuation techniques incorporate all factors that market participants would consider and are based on observable market data, to the extent possible. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Fair value is derived and recorded at the instrument's exit value.

D.1.4.7 Deposits other than cash equivalents

Deposits other than cash equivalents comprise of demand deposits. These are carried at fair value on the Solvency II Balance Sheet, which are based on the amounts due on demand.

D.1.5 Assets held for index-linked and unit-linked contracts

Under Solvency II, assets held for index-linked and unit-linked contracts are stated at fair value.

Index-linked and unit-linked funds comprise of the various categories of investments and other assets described herein, principally investment funds. For disclosure of the valuation methodology used for these assets, please refer to the relevant notes in this section.

D.1.6 Loans and mortgages

Policy loans are valued at amortised cost under Solvency II. This is not considered materially different to fair value.

Under Solvency II, commercial mortgage loans are stated at fair value. Certain individual mortgage loans may be held at unpaid principal value adjusted for any deferred fees, if not materially different to the fair value.

D.1.7 Reinsurance recoverables

Under Solvency II, reinsurance recoverables are valued using the cash-flow projection model similar to that used to calculate the best estimate of liabilities.

The reinsurance recoverables are adjusted for expected defaults using internal assumptions. Further information on the best estimate of liabilities, its valuation methodology, basis and assumptions used can be found in section D.2.

D.1.8 Insurance and intermediaries receivables

This relates to the amounts due from policyholders, insurance intermediaries and other insurers linked to inward reinsurance business. Under Solvency II, these are stated at fair value.

D.1.9 Reinsurance receivables

Reinsurance receivables relate to claims and commissions reported but not yet settled by reinsurers. Under Solvency II, these are stated at fair value.

D.1.10 Receivables (trade, not insurance)

Under Solvency II, these are stated at fair value.

D.1.11 Cash and cash equivalents

Cash and cash equivalents and bank overdrafts are carried at fair value on the Solvency II balance sheet, which is based on the amounts due on demand. Bank overdrafts are disclosed in debts owed to credit institutions.

D.1.12 Any other information on assets

All other information has been disclosed in the preceding sections.

D.1.13 Deferred acquisition costs

Under Solvency II, deferred acquisition costs do not represent a recognisable asset. Cash outflows on acquisition are expensed when incurred.

D.2 Technical provisions

The Technical Provisions correspond to the current amount the Group would have to pay if they were to transfer their insurance obligations immediately to another undertaking. The value of Technical Provisions is equal to the sum of the Best Estimate Liability and the Risk Margin. The methodology employed in the calculation of the Best Estimate Liability is covered in section D.2.3 and the Risk Margin is covered in section D.2.7.

The insurance obligations have been segmented into homogeneous risk groups when calculating the Technical Provisions. The approach to segmentation is covered in section D.2.1.

The Best Estimate Liability is calculated gross, without deduction of the amounts recoverable from reinsurance contracts. Such recoverable amounts are calculated separately and are covered in section D.2.4.

D.2.1 Segmentation

Under Solvency II, undertakings analyse the business into the lines of business specified in the guidelines. The primary segmentation distinguishes between life and non-life insurance obligations. The distinction does not coincide with the legal definition, but rather with how the contract is pursued on a similar technical basis, i.e. life insurance will be considered a life insurance obligation and likewise non-life will be considered a non-life obligation.

In respect of the Group, the following are the main lines of business:

- Other life insurance;
- Insurance with profit participation;
- Index-linked and unit-linked life insurance;
- SLT Health insurance;
- Non-SLT Health Insurance; and
- Other non-life insurance.

D.2.2 Technical provisions split by line of business

Technical provisions split by gross and net of reinsurance

The table below presents the breakdown of gross and net Technical Provisions by line of business. The 2022 and 2021 numbers below are the Technical Provisions under the Risk-Free plus Volatility Adjustment basis.

Line of Business	Gross of Reinsurance	Reinsurance Relief	Net of Reinsurance
	€m	€m	€m
Index-linked and unit-linked insurance	3,622	(2,777)	845
Other life insurance	1,369	(163)	1,206
Health insurance (direct business)	(112)	(61)	(173)
Total Life	**4,879**	**(3,001)**	**1,878**
Medical expense insurance	12	(2)	10
Income protection insurance	(3)	(3)	(6)
Workers' compensation insurance	1	(1)	—
Assistance	—	—	—
Credit and Suretyship insurance	—	—	—
Miscellaneous financial loss	13	(9)	4
Total Non-Life	**23**	**(15)**	**8**
Total Technical Provisions	**4,902**	**(3,016)**	**1,886**

Gross technical provisions split by best estimate liability and risk margin

The table below presents the breakdown of gross Technical Provisions by lines of business into Best Estimate Liability ("**BEL**") and Risk Margin (methodology is covered in sections D.2.3 and D.2.7 respectively).

	2022			2021		
Line of Business	**BEL**	**Risk Margin**	**Gross Technical Provision**	**BEL**	**Risk Margin**	**Gross Technical Provision**
	€'m	**€'m**	**€'m**	**€'m**	**€'m**	**€'m**
Index-linked and unit-linked insurance	3,585	37	3,622	5,786	55	5,841
Other life insurance	1,266	103	1,369	3,155	172	3,327
Health insurance (direct business)	(163)	51	(112)	(181)	78	(103)
Gross Total Life	**4,688**	**191**	**4,879**	**8,760**	**305**	**9,065**
Medical expense insurance	10	2	12	7	2	9
Income protection insurance	(12)	10	(2)	(22)	12	(10)
Workers' compensation insurance	1	—	1	1	—	1
Assistance	—	—	—	—	—	—
Credit and suretyship insurance	—	—	—	—	—	—
Miscellaneous financial loss	11	1	12	12	1	13
Gross Total Non-Life	**10**	**13**	**23**	**(2)**	**15**	**13**
Total Gross Technical Provisions	**4,698**	**204**	**4,902**	**8,758**	**320**	**9,078**

Total Gross Technical Provisions decreased by €4,176m from €9,078m in 2021 to €4,902m in 2022. The change in Gross Technical Provisions is primarily driven by:

- The disposal of MetLife Poland and MetLife Greece which decreased the technical provisions by €2,612m
- Changes in relation to new business, actual experience, reinsurance relief and market movements (e.g. interest rates, and foreign exchange rates).
- Roll-forward of the Technical Provisions on the in-force business (release of cash flows and Risk Margin, and the unwind of the discount rate).
- Changes to the demographic and expense assumptions

Following CBI approval, MetLife Europe Insurance started selling LoE business in Italy which is a new class of insurance and is segmented under Credit and Suretyship insurance.

D.2.3 Best estimate

D.2.3.1 Methodology for the calculation of the best estimate

For all lines of business, the best estimate corresponds to the probability weighted average of future cash-flows taking account of the time value of money.

D.2.3.2 Cash-flow projections

The cash-flow projections reflect the expected realistic future demographic and economic developments over the lifetime of the insurance and reinsurance obligations. Inflation is appropriately allowed for in the calculation of the best-estimate using the appropriate type of inflation. In addition, for cash-flows relating to health insurance business, full account of claims inflation and premium adjustment clauses is taken within the calculation of the best estimate.

D.2.3.3 Recognition and derecognition of insurance and reinsurance contracts for solvency purposes

The Group observes the process of recognition and derecognition of its insurance obligations in line with the technical specifications, which states:

The calculation of the best estimate only includes future cash-flows associated with recognised obligations within the boundary of the contract. No future business is taken into account for the calculation of Technical Provisions.

An insurance obligation is initially recognised by insurance undertakings at whichever is the earlier of the date the Group becomes a party to the contract that gives rise to the obligation or the date the insurance cover begins.

A contract is derecognised as an existing contract only when the obligation specified in the contract is extinguished, discharged or cancelled or expires.

D.2.3.4 Time horizon

For all of the calculations of best estimate, a projection period of 50 years has been assumed. This reflects all material cash-flows in the portfolio.

For the variable annuity portfolio, the liability projection software projects to the term plus 1 year for each individual model point.

D.2.3.5 Gross cash-flows

The cash-flow projection used in the calculation of the best estimate takes account of all the cash in- and out-flows required to settle the insurance obligations over the time horizon.

D.2.3.6 Gross cash in-flows

The best estimate includes items such as future premiums, charges and other policyholder payments. Premiums which are due for payment by the valuation date are shown as a premium receivable on the balance sheet.

D.2.3.7 Gross cash out-flows

The cash out-flows are calculated and include future benefits payable to the policyholders or beneficiaries, expenses that will be incurred in servicing insurance obligations, commissions, unit-linked benefits and tax payments.

D.2.3.8 Life insurance obligations

Cash-flow projections used in the calculation are made separately for each policy, except where policies share significantly similar characteristics, where grouping of model point files is used. Material grouping is used in the following branches of MetLife Europe:

- Italy
- Romania
- Spain
- Slovakia

It should be noted that there are no significant differences in the nature and complexity of the risks underlying the policies that belong to the same grouping. The grouping of policies does not misrepresent the risk underlying the policies and does not misstate the expenses.

No explicit surrender value floor has been assumed for the market consistent value of liabilities for a contract.

D.2.3.9 Non-life insurance obligations

The non-life insurance business is small in relation to the life business of the Group.

D.2.3.10 Valuation of future discretionary benefits

The calculation of the best estimate takes into account future discretionary benefits which are expected to be made. The value of future discretionary benefits is calculated separately.

The material future discretionary benefits which are expected to be made by the Group are in relation to the excess interest benefit payments on European participating business. This benefit is attached to a number of different blocks of endowment, pure endowment and whole of life business.

The excess interest benefit is a benefit uplift which is generally calculated as the excess of the declared yield over the guaranteed rate. The declared yield is based on the investment return of specific pools of assets.

D.2.4 Reinsurance recoverables

The calculation of amounts recoverable from reinsurance contracts follow the same principles and methodology as presented above for the calculation of other parts of the Technical Provisions.

Where the timing of recoveries and that for direct payments markedly diverge this has been taken into account in the projection of cash-flows. Where the timing is sufficiently similar to that for direct payments the timing of direct payments has been used.

The amounts recoverable have been calculated consistently with the boundaries of the insurance contracts to which they relate.

The expenses incurred in relation to the management and administration of reinsurance contracts are allowed for in the calculation of the best estimate.

The amounts recoverable from reinsurance contracts are adjusted to take account of expected losses due to default of the counterparty. The adjustment is calculated separately and is based on an assessment of the probability of default of the counterparty and the average loss-given-default.

D.2.5 Discounting

The Group uses the volatility adjusted risk-free rates for the valuation of a proportion of the Best Estimate Liabilities. The Volatility Adjustment is applied to the Euro liabilities within MetLife Europe. The remaining liabilities are discounted using the risk-free rate methodology as published by EIOPA.

The above approach is used consistently through the Solvency II Balance Sheet, Own Funds, SCR and MCR.

D.2.6 Calculation of technical provisions as a whole

The calculation of technical provisions as a whole is not applicable to the Group.

D.2.7 Risk margin (RM)

The Risk Margin is calculated as part of Technical Provisions, in order to ensure 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, i.e. the Risk Margin is the future cost of capital ("CoC") required by a third party takeover entity in order to cover the cost of holding the SCR for the future run off of the insurance liabilities.

For the purposes of calculating the RM, the SCR refers to non-hedgeable risks only (the implicit assumption being that a third party purchasing company will hedge or mitigate all avoidable risks).

The Risk Margin is calculated by line of business and is then added to the BEL in order to obtain the Technical Provisions by line of business. The Risk Margin is calculated by:

- Projecting the non-hedgeable SCR components at each future time period using risk drivers.
- Aggregating the projected non-hedgeable SCR components using the prescribed correlation matrices.
- Taking a charge of 6% per annum on the run-off of the SCR.
- Discounting those amounts at the risk-free rates.

As allowed in Article 58 of the Delegated act the Group uses a simplified method for calculation of the Risk Margin. The method uses approximations of the amounts denoted by the terms SCR(t) referred to in Article 37(1).

D.2.8 Approximation of technical provisions

Technical provisions - un-modelled business

Due to modelling limitations on certain lines of business, the calculation of components of the BEL is not currently possible (for example, due to missing plancodes). Anything which is not modelled is included via unmodelled adjustments ("**UA**"). The basis for the UA will vary from item to item.

Technical provisions - paid-up option

The Group does not currently model the option to make policies paid up. There is no modelling of the “paid-up” decrement on the grounds of proportionality.

D.2.9 Level of uncertainty associated with technical provisions

Levels of uncertainty associated with Technical Provisions

In the calculation of Technical Provisions, it is necessary to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on periodic basis.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, are discussed below.

Key sources of estimation uncertainty

1. Unit-linked contracts

    Unit-linked account values:
    Liabilities for insurance and investment contracts include unit reserves at market value and unallocated premiums. The unit reserves are equal to the sum across unit funds of the numbers of policyholder units multiplied by the unit price (at bid price). Unallocated premiums are premiums that have been issued but not yet allocated to units. The value of the unit reserves are known and contain no uncertainty.

    Best Estimate Liability:
    The Best Estimate Liability represents the unit reserves plus the present value of future benefits, in excess of the unit reserves, to be paid to the policyholders or on behalf of the policyholders and related expenses less the present value of future charges deducted from the unit-linked account. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that could impact the valuation of the Best Estimate Liability, are discussed below.

2. Non unit-linked contracts

    Best estimate liability:
    The liabilities represent the present value of future benefits to be paid to the policyholders or on behalf of the policyholders and related expenses less the present value of future premiums. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that could impact the valuation of the Best Estimate Liability, are discussed below.

Key assumptions used in calculating the Best Estimate Liability include:

- expected future economic conditions (including risk-free interest rates, inflation rates and reinvestment rates);
- direct per policy maintenance expenses and associated inflation;
- mortality rates based on selected published actuarial mortality tables; and
- lapse rates based on expected surrender experience.

Such assumptions are captured in more detail in section D.2.3.

Expert judgement

Expert judgement is necessary in the calculation of the Best Estimate Liability in a number of different ways:

- selection of data to use, correcting errors and deciding on the treatment of outliers or extreme events;
- selection of realistic assumptions and the period of data on which such assumptions are based;
- selection of the valuation technique considering appropriate alternative methodologies; and
- incorporating appropriately in the calculations the environment under which the Group operates its business.

D.2.10 Matching adjustment

This is not applicable to the Group.

D.2.11 Volatility adjustment

The Group uses the volatility adjustment on the risk-free interest rates in accordance to Article 77d of Directive 2009/138/EC.

The volatility adjustment is applicable to all Euro-denominated branches within MetLife Europe (namely Cyprus, France, Italy, Portugal, Slovakia and Spain) and Euro liabilities from one non-Euro denominated country (Bulgaria). The application of the volatility adjustment for MetLife Europe was approved by the CBI for first use at 31 December, 2020.

The Euro Volatility Adjustment has increased from 3bps to 19bps over the year and had an impact of €12m on the Technical Provisions. The effect of the use of the volatility adjustment is as below:

	Risk - Free Rates	Volatility Adjusted Risk-Free Rates	Impact	% of Impact
	€'m	€'m	€'m	%
Total Liabilities	8,262	8,250	(12)	(0.15)%
Solvency Capital Requirement	634	634	—	0.03 %
Minimum Capital Requirement	281	281	—	— %
Basic Own Funds	1,304	1,316	12	0.91 %
Own Funds Eligible to cover the SCR	1,304	1,316	12	0.91 %
Own Funds Eligible to cover the MCR	1,277	1,289	12	0.93 %

D.2.12 Transitional risk-free interest rate-term structure

This is not applicable to the Group.

D.2.13 Transitional deduction

This is not applicable to the Group.

D.2.14 Information on actuarial methodologies and assumptions

Principal assumptions used in the determination of Technical Provisions

Solvency II requires assumptions to be based on best estimate. The assumptions are revised on a regular basis to adjust for recent experience and changes to market factors. The principal assumptions used in the determination of Technical Provisions are as follows: lapses, expenses, mortality, morbidity.

General assumption notes

1. Demographic assumptions

Mortality and morbidity assumptions are generally based on published tables updated to allow for the results of the experience studies. The published tables are generally country specific, and may be product specific. In some cases the table will be provided by a reinsurer.

Lapse/surrender/persistency assumptions tend to be Group specific but may be influenced by market data.

Whilst results on long term risk or annuity business may be relatively sensitive to demographic experience (mortality / morbidity), results tend to be more sensitive to policyholder behaviour due to the much higher absolute level and volatility of rates (e.g. lapse rates typically in the range 2% to 15%).

2. Expense assumptions

Expense assumptions are based on the results of the expense studies. They are entirely specific to each subsidiary of the Group, not only in the manner that they reflect the actual expense base of the subsidiary, but also in the way that the subsidiary allocates expenses between acquisition and maintenance and by line of business.

3. Economic assumptions

Solvency II prescribes future capital market economic assumptions to be “risk neutral”, with risk free interest rates published by EIOPA, economic assumptions are effectively limited to expense inflation.

There are also asset volatility assumptions used in the ESGs. These too are constrained to the risk neutral framework, subject to certain discretionary calibration choices beyond the scope of the present document.

Further details on the principal assumptions are below as follows:

D.2.14.1 Mortality

Mortality rates are set at a country and product level. Base mortality rates are taken from country specific standard industry tables, which vary by age and sex. Depending on the product, experience multipliers and selection factors may also be applied to bring the assumptions in line with our own experience. Where standard tables are not available in a certain country, alternatives have been used which best match the experience.

For certain products, separate mortality rates are used for accidental death and death caused by disease and sickness.

D.2.14.2 Morbidity

Morbidity incidence rates are set at a country, product and coverage level. The following split of coverages is used in the models:

- Child Protection Agreement
- Waiver of Premium
- Permanent Disability
- Temporary Disability
- Critical Illness
- Hospitalisation
- Accidental Death

Base morbidity rates are taken from country specific standard industry tables which vary by age and sex. Depending on the product, experience multipliers and selection factors may also be applied to bring the assumptions in line with our own experience.

Where coverage specific standard tables are not available one of two approaches has been used to set the assumptions. The first approach is to look for similar standard tables in other countries. The second approach is to develop bespoke tables based on specific experience.

For products with undefined benefit amounts (e.g. hospital cash), average claim amounts are used in the projection.

D.2.14.3 Persistency

Lapses

Lapse rates are set for each country within the Group and are defined at a product, premium type (regular or single), distribution channel and policy year level. Lapses for investment rider, child protection agreement and waiver of premium products depend on underlying products.

D.2.14.4 Expenses

D.2.14.4a. Expense assumption

Expenses are split into initial and renewal expenses. Expenses can be modelled as fixed, as a percentage of premium, as a percentage of sum assured or as a percentage of mathematical reserve. Expenses can vary by country, currency, product, premium type and distribution channel.

D.2.14.4b. Expense inflation assumption

Maintenance and overhead expenses are adjusted based on inflation assumptions.

D.2.14.4c. Commission assumption

Commissions are defined for each country within the Group and are split into initial and renewal commissions. Standard commission is calculated as % of premium. Depending on product, bonus commission and override commission may be included. Commission rates depend on product, premium payable year, policy year and distribution channel. All standard commission rates are calculated as a percentage of premium.

Commission is not generally an assumption subject to discretionary judgement, rather it is a well-defined parameter of the relevant product.

D.2.14.5 Premium Indexation

For certain products, indexation is applied as a percentage increase in premiums over each projection year.

D.2.14.6 Benefit escalation

For certain products, escalation is applied as a percentage increase in benefits over each projection year.

D.2.14.7 Interest rate

D.2.14.7a. Interest rate assumption

The yield curves are generated in line with the prescribed methodology. The risk free interest rate is primarily derived from the rates at which two parties are prepared to swap fixed and floating interest rate obligations. In the absence of financial swap markets, or where information of such transactions is not sufficiently reliable, the risk free interest rate is based on the government bond rates of the country.

The risk free interest rates are:

- calculated for different time periods, reflecting that the liabilities of insurance and reinsurance undertakings stretch years and decades into the future;
- calculated in respect of the most important currencies for the EU insurance market;
- adjusted to reflect that a portion of the interest rate in a swap transaction (or a government bond) will reflect the risk of default of the counterparty and hence without adjustment would not be risk free; and
- based on data available from financial markets. For those periods in the more distant future for which data are not available, the rate is extrapolated from the point at which data is available to a macroeconomic long term equilibrium rate.

The volatility adjustment ("**VA**") is applied as an increase to the risk-free ("**RF**") liability discount rate and is published by EIOPA with the risk-free rates on a monthly basis. The adjustment is based on the credit spreads observed on representative “reference portfolios” of bonds and varies by currency and country. It is broadly equal to 65% of the excess spread over risk-free (i.e. 65% of “total market yield minus risk-free minus allowance for credit risk”). The VA is level up to the last liquid point (20 years for Euro) after which it begins to reduce as the overall discount rate (risk-free plus VA) progressively converges to the ultimate forward rate.

D.2.14.7b. Credited rate/Excess interest benefit ("EIB")

Certain products contain an EIB feature where policyholder benefits may receive an uplift each year depending on the performance of a portfolio of assets allocated to that business.

The future projected yield on these assets is calculated using risk neutral market consistent rates.

D.2.14.7c. Reversionary and terminal bonuses

This is not applicable to the Group.

D.2.14.8 Fund growth - Unit-linked

The assumed growth rate of unit-linked funds is consistent with the relevant risk-free interest term structure.

D.2.14.9 Discount rate/Illiquidity premium

The Group uses the volatility adjusted risk free rates for the valuation of its liabilities. No illiquidity premiums are allowed for in any country.

D.3 Other liabilities

Liabilities of the Group as at 31 December, 2022

Liabilities	**Solvency II value 2022 €'m**
Gross Technical Provisions	4,902
Contingent liabilities	—
Provisions other than technical provisions	9
Pension benefit obligations	—
Deposits from reinsurers	2,714
Deferred tax liabilities	160
Derivatives	72
Debts owed to credit institutions	6
Financial liabilities other than debts owed to credit institutions	28
Insurance and intermediaries payable	162
Reinsurance payables	49
Payables (trade, not insurance)	149
Any other liabilities not elsewhere shown	—
Total Liabilities	**8,250**
Excess of assets over liabilities	**1,316**

D.3.1 Provisions other than technical provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Under Solvency II, the amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

D.3.2 Pension benefit obligations

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist.

D.3.3 Deposits from reinsurers

Deposits from reinsurers refers to cash collateral provided by a reinsurer to cover insurance liabilities and funds withheld arrangements with reinsurers.

Under Solvency II, deposits from reinsurers are stated at fair value on the Solvency II balance sheet.

D.3.4 Deferred tax liabilities

Under Solvency II, deferred tax liability is recognised for the estimated future tax effects of temporary differences. For further details, please refer to section D.1.2.

D.3.5 Derivatives

Under Solvency II, derivative liabilities are measured at fair value. The valuation methodology for derivatives is set out in D.1.4.6 Derivatives.

D.3.6 Other financial liabilities

Other financial liabilities comprise of insurance and intermediaries payables, reinsurance payables, and payables (trade, not insurance).

Under Solvency II, these are stated at fair value.

D.3.7 Leasing

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under Solvency II, the Company recognises a right-of-use asset and lease liability at the lease commencement date. The lease liability and right-of-use asset are initially measured at the present value of the lease payments that are not paid at the commencement date. Then the right-of-use asset is depreciated on a straight-line basis and the lease liability is amortised using the effective interest method.

D.3.8 Employee benefits

The Company does not employ any staff directly.

D.3.9 Risk management

Information on risks relating to underwriting and reserving, asset-liability management, investment risk management and liquidity risk management is set out in section C.

D.3.10 Level of uncertainty associated with other liabilities

Due to the short term nature of the other liabilities obligations, the timing of outflows of economic benefits is known with reasonable certainty.

D.4 Alternative methods for valuation

Information in relation to assets that are not valued using quoted prices is set out in Section D.1.4.4.

D.5 Any other information

All information has been disclosed in the preceding sections.

E Capital management

E.1 Own funds

E.1.1 Capital management policy

Capital management framework

Capital planning is carried out quarterly. Dividends are paid from subsidiaries to the Company in line with the capital plan as appropriate, taking into account any local legal or regulatory restrictions. Once paid into the Company dividends are released to the parent company in accordance with the capital plan. There has been no material changes to capital management policy over the reporting period.

Roles and responsibilities

- The Board has ultimate responsibility for ensuring adequacy of capital for the Group.
- The CEO is responsible for guiding strategy and overall corporate risk appetite and ensuring that the right people are overseeing each function involved in capital management.
- The CFO is responsible for overseeing capital reporting and financial functions, capital allocation, and to cascade the CEO's strategy, including risk appetite, to all relevant financial divisions.
- The CRO ensures the composition and level of the Group's capitalisation supports the Group's Risk Strategy and Appetite. The CRO is responsible for the systems and structures in place to manage and monitor risks.
- The Finance Function has management responsibility for understanding capital consequences of investment strategies and decisions and coordination with relevant Treasury and Finance personnel to ensure that the capital considerations of investment decisions are properly vetted.
- Both the Risk Management Function and Finance Function ensure that adequate reporting is in place and capital requirement policies are followed correctly.

There is appropriate interaction with the Boards of Directors of all entities within the Group, proactively requesting information and challenging the decisions in the matters that may affect the Group. The Board of Directors is responsible for the effectiveness of the risk management system of the Group.

Risk appetite

The Group has developed key risk appetite statements for each subsidiary which apply on an on-going basis. The Risk Management Function reviews the Group's actual risk exposure against the overall stated risk appetite on a regular basis, at least quarterly.

The Risk Appetite and Strategy identifies the agreed target solvency level and range for the Group. The appropriateness of the risk appetite is evaluated as part of the Risk Management Function's on-going review and is subject to change over time.

Where deviations from the defined risk appetite measures occur, the Risk Management Function provides the Board with its opinion of the intensity of the deviation, along with a report on actions taken to address the deviation. Following this, the Board determines the materiality of deviations from the defined Risk Appetite measures, and whether such deviations are to be communicated to the regulator in accordance with CBI requirements.

The CRO presents regularly to the Board, including strategic decisions and policies on risk management at a Group level; the definition of entities' risk appetite and risk tolerance limits (as set out within the risk policies); the forward-looking assessment of solvency; and the identification, measurement, management, monitoring and reporting of risks at the group level.

The CRO ensures that the risk management framework and policies are implemented consistently across the Group. The Group have in place appropriate and effective tools, procedures and lines of responsibility and accountability, enabling it to oversee and steer the functioning of the risk management and internal control.

Capital planning and dividend policy

The finance function develops and maintains the medium term capital plan considering the business and risk strategies.

The capital planning process takes into account the following:

- the most recent business plan;
- material new business;
- any known management actions that are expected to materially affect the capital position;
- planned dividend payments and any scheduled capital increases; and
- outcome of the most recent Solvency II calculations and ORSA results.

Proposed dividends are considered by the Board on a case by case basis taking into account the expected capital position over a 12 month time horizon and the risks to that capital position.

Capital and liquidity management

The finance function has the responsibility of managing the excess of assets over liabilities, per established guidelines. Investment of such capital is subject to the portfolio objective of meeting operating cash flow needs and generating a modest return enhancement above risk-free levels by taking moderate duration exposure and limited credit risk. Investments will generally be selected to minimise currency exposure relative to the relevant base currency, although the finance function may also consider capital investments in US dollar to manage currency risk.

Investment guidelines are in place that govern the investment options for all assets owned by the Group.

E.1.2 Material differences between equity in the financial statements and Group excess of assets over liabilities under Solvency II

The Group is consolidated under Method 1 accounting consolidation- based method, using risk-free rates.

The Company does not prepare consolidated financial statements as it has availed of the exemption from the obligation to prepare and deliver group accounts under section 300 of the Companies Act 2014 as outlined in section A.1.2. As such the material differences between the Group results reported for Solvency II and the Company's' financial statements are due to consolidation adjustments and the inclusion of the subsidiaries assets and liabilities.

The table summarises the differences at 31 December, 2022:

	Section	€m	€m
Excess of assets over liabilities under Solvency II			1,316
Equity per the IFRS financial statements			1,732
			(416)
Material differences between Solvency II and IFRS (unconsolidated):			
Technical provisions under SII (net)	D.2	(1,886)	
Assets held for index-linked and unit-linked contracts under SII	D.1.5	3,849	
Invested assets (other than assets held for index-linked and unit-linked contracts) under SII	D.1.4	1,957	
Participations (consolidation adjustment)	D.1.4	(1,735)	
Write off of deferred acquisition costs	D.1.13	—	
Write off of goodwill and intangible assets	D.1.1	—	
Deferred tax under SII	D.3.3	(134)	
Other adjustments		(2,538)	
Economic value adjustment to properties under SII	D.1.3	71	**(416)**

The excess of assets over liabilities is primarily due to the assets and liabilities of the subsidiaries not included in the IFRS unconsolidated Financial Statements.

E.1.3 Composition and quality of own funds

The items reported are split into three categories depending on different factors such as quality, liquidity and timeline to availability when liabilities arise. Tier 1 own funds include ordinary share capital, non-cumulative preference shares and relevant subordinated liabilities. Tier 2 own funds include cumulative preference shares and subordinated liabilities with a shorter duration. Tier 3 own funds include own funds which do not satisfy the Tier 1 or Tier 2 requirements.

All of the Group's own funds are categorised as Tier 1 for Solvency II purposes with the exception of deferred tax assets which are categorised as Tier 3. Deferred tax assets were restricted by €32m as at 31 December 2021. There is no restriction of deferred tax assets as at 31 December 2022.

The eligible own funds to cover the SCR and minimum consolidated Group SCR amount increased in 2022 to €1,316m (2021: €1,159m) and €1,289m (2021: €1,128m), respectively. There are no items to report in the ancillary own funds.

E.1.4 Capital instruments in issue

Instrument	Ordinary share capital
Tier	Tier One
Permanence	Yes
Subordination	Last upon winding up
Redemption incentives	None
Amount in Issue	265,153,527
Mandatory service costs	None
Absence of encumbrance	Yes

E.1.5 Movement in own funds

Risk Free & Volatility adjustment	2022 €'m	2021 €'m	Movement €'m
Basic Own Funds			
Tier One	1,290	1,128	162
Tier Two	—	—	—
Tier Three	26	31	(5)
Total Basic Own Funds	**1,316**	**1,159**	**157**

The amount of own funds reported in 2021 includes a foreseeable dividend due to MGHC II of €627m. This relates to the proceeds of the sale of MetLife Greece and MetLife Poland. There is no foreseeable dividend as of 31 December 2022.

Own Funds increased by €157m from €1,159m in 2021 to €1,316m in 2022.

The primary driver of this increase is the gain from the disposal of MetLife Poland and MetLife Greece (€295m), offset by payment of dividends.

The Group has no ancillary own funds.

E.1.6 Eligible amount of own funds to cover SCR and MCR

	2022 €'m	2021 €'m	Movement €'m
Total Own Funds	**1,316**	**1,191**	**125**
Less Restrictions:			
Deferred Tax Assets	—	32	**(32)**
Total Eligible Own Funds for SCR	1,316	1,159	157
SCR	634	846	(212)
Solvency Ratio	209%	137%	72%
Total Eligible Own Funds for MCR	1,289	1,128	161
MCR	281	387	(106)

Total own funds of €1,316m represents the excess of assets over liabilities of €1,316m (see sections D.3 and E.1.3).

The Group has no significant restrictions on eligible own funds.

The Company manages capital in line with its Capital Management policy, and aims to maintain subsidiaries' solvency at levels that remain sufficient through adverse cycles. While any excess is considered fungible, the capacity to transfer capital may be limited through statute by the level of earnings available for distribution.

The following factors are taken into consideration in assessing the fungibility of capital:

a) whether the own-fund item is subject to legal or regulatory requirements that restrict the ability of that item to absorb all types of losses wherever they arise in the group;
b) whether there are legal or regulatory requirements that restrict the transferability of assets to another insurance or reinsurance undertaking; and,
c) whether making those own funds available for covering the group Solvency Capital Requirement would not be possible within a maximum of 9 months.

Loss absorbency

The Group's Tier One own funds are immediately available to absorb losses.

E.1.7 Reconciliation reserve - key elements

Reserve item	**Amount €'m**
Excess of assets over liabilities	1,316
Own shares (included as assets on the balance sheet)	—
Foreseeable dividends, distributions and charges	—
Other basic own funds items	292
Adjustments for restricted own funds items of MAPs and RFFs	—
Reconciliation reserve before deduction of participations	**1,024**

E.1.8 Transitional arrangements

This is not applicable to the Group.

E.1.9 Ancillary own funds

The Group does not have ancillary own funds.

E.1.10 Restrictions and deductions from own funds

The Group's Deferred Tax Assets ("**DTA**") are restricted for the purposes of calculating the eligibility of own funds to cover the SCR.

Deferred tax assets (DTA)

The total DTA for the Group is €26m, wholly available to meet the SCR for Group reporting. The Group is satisfied that the current evidence is sufficient to allow it to recognise a deferred tax asset of €26m, the majority of which relates to Head Office and UK, Czech Republic and Hungary branches.

Please see the grid below for further details:

	Deferred Tax Assets (DTA)		
Group Entity	**Total**	**Tier III non-available**	**Tier III Asset Balance**
MetLife Europe	24	—	24
MetLife Europe Insurance	1	—	1
Non Insurance Entities	1	—	1
Group Total	**26**	**—**	**26**

Minority interest (MI)

There is no MI restriction in 2022.

E.1.11 Distributions to shareholders

The Company paid €778m to its parent, MGHC II during the year.

E.1.12 Own funds - ring fenced funds (RFF)

The Group does not have RFFs.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Group's approach to Solvency Capital Requirement and Minimum Capital Requirement

Calibration of stresses

For the purpose of this section, the Group has adopted the SF approach. This method uses stresses for each of the individual risks as calibrated by EIOPA. EIOPA also provides the standard correlation matrices for the purpose of aggregation.

Undertaking Specific Parameters ("**USPs**") have not been used by the Group.

Use of matching adjustments

This is not applicable to the Group.

E.2.2 Overview of SCR standard formula calculation

This section details the capital requirements for the Group.

The assessment of the SCR using the SF approach is based on a modular approach consisting of a core of life, non-life, market, health and counterparty default risks with associated sub-modules. These are aggregated in the SF using correlation matrices, both at the sub-module and the main module level. An intangible asset module is then added (uncorrelated) to give the Basic Solvency Capital Requirement ("**BSCR**"). The operational risk component and adjustments for the risk absorbing effect of future profit sharing and deferred taxes are then allowed for, to give the overall SCR.

Hence, the SCR is calculated as follows:

SCR = BSCR - Adj + SCRop

Where

- SCR = The Overall Standard Formula Capital Charge;
- BSCR = Basic Solvency Capital Requirement;
- Adj = Adjustment for Risk Absorbing Effect of Future Profit Sharing and Deferred Taxes; and
- SCRop = The Capital Charge for Operational Risk.

Here, the “delta-Net Asset Value” ("**∆NAV**") approach is used for capturing the impact of the underlying risk module. Note that the expression ∆NAV has a sign convention whereby positive values signify a loss.

In order to calculate ∆NAV, the base scenario as well as the stressed assets and liabilities need to be calculated. The cashflows for each of these scenarios are then discounted to determine the corresponding present value of assets and liabilities. The difference between the base and the stressed assets and liabilities is the ∆NAV.

The ∆NAV is based on the Solvency II balance sheet that excludes the Risk Margin component of the Technical Provisions (i.e. uses only the Best Estimate Liability component of the Technical Provisions). Furthermore when calculating ∆NAV the following need to be allowed for:

- Where risk mitigation techniques are used in the calculation of the SCR, the scenarios required for the calculation of the market risk module incorporate its effect. The impact of hedging instruments where a financial risk mitigation instrument has been utilised;

- The revaluation of Technical Provisions allowing for any relevant adverse changes in the option take-up behaviour of policyholders in the scenario; and

- For collective investment funds, a look through approach has been used to assess the risk applying to the underlying investment vehicle. Where a collective investment fund is not sufficiently transparent to allow for a reasonable best effort allocation, reference has been made to the investment mandate.

The Group has calculated the non-life risk SCR module for its existing business and its expected new business over the next year. Premium risk under the non-life insurance and non-SLT health insurance business are based on expected premiums for the next twelve months. The stress scenarios for underwriting risks in life insurance and SLT health insurance are instantaneous and do not allow for future new business.

E.2.3 SCR and MCR results

SCR

The following table gives the amounts of the SCR components.

Risk Free & Volatility Adjustment:	2022	2021
	€'m	€'m
Market Risk	185	265
Counterparty default risk	55	52
Life underwriting risk	457	544
Health underwriting risk	191	256
Non-life underwriting risk	9	10
Diversification	(256)	(327)
Basic SCR	**641**	**800**
Operational risk SCR	68	81
Adjustment for the loss absorbing capacity of technical provisions	—	—
Adjustment for the loss absorbing capacity of deferred taxation	(79)	(45)
Non-controlled participations	—	—
Credit institutions	4	10
SCR	**634**	**846**

The SCR decreased by €212m from €846m in 2021 to €634m in 2022 mainly due to the disposal of MetLife Poland and MetLife Greece. The SCR was further reduced by regular business (e.g. new business, actual experience) and market movements (e.g. interest rates, foreign exchange rates). These changes were partially offset by the impact of the assumption, methodology and model updates.

MCR

	2022	2021
	€'m	€'m
MCR	**283**	**387**

The movement in the MCR is being driven by the movement in the SCR and the resulting impact on the MCR Cap.

Capital add-ons

The Group is not subject to any capital add-on based on instructions from the supervisor.

E.2.4 Loss absorbing capacity of deferred tax

The Loss Absorbing Capacity of Deferred Tax ("**LACDT**") for MEUHC is as follows:

	Solvency II - LACDT		
	2022	**2021**	**Movement**
Group Entity	**€'m**	**€'m**	**€'m**
MetLife Europe	80	30	50
MetLife Europe Insurance	—	—	—
MetLife Poland	—	15	(15)
Non Insurance Entities	—	—	—
Group Total	**80**	**45**	**35**

LACDT is calculated in line with EIOPA guidelines and is capped at the lower of:

i. SCR multiplied by the local statutory tax rate.
ii. Drop in Deferred Tax Liability "(**DTL**") between base and stress case cash flows calculated using the Present Value of Future Profits ("**PVFP**")
iii. Balance Sheet Deferred Tax Liability (if Deferred Tax Asset, then no LACDT).

The LACDT for France, Slovakia and Romania is based on SCR at the local tax rate while the LACDT for Portugal, Spain & Italy is capped by the net DTL recognised on the Balance Sheet in based scenario.

The underlying assumptions used for calculating the PVFP are follows:

- There is no allowance for new business sales
- Business is calculated on a ‘going concern’ basis
- Euro asset returns are projected and Euro cashflows discounted using the risk-free curve and volatility adjustment.
- Non-Euro asset returns are projected and non-Euro cashflows discounted using the risk-free rate..
- All demographic and economic assumptions are the current best estimate assumptions (in line with the best estimate liability)

E.2.5 Treatment of participating business

The Group does not have any lines of business with material discretionary benefits.

The EIB business does provide “participating” benefits linked to investment returns where such returns exceed the level guaranteed at issue, however these excess benefits are not subject to material discretion. The EIB portfolios are not treated as Ring Fenced Funds ("**RFF**"), on the grounds that the Technical Provisions cover the entire expected future cost of benefits. Full account of changes in credited rates for EIB business is allowed for in the market stresses.

E.2.6 Risk mitigation techniques and future management actions

Treatment of risk mitigation techniques

Risk mitigation techniques for the Group relate principally to reinsurance evaluated within the Technical Provisions, in the SCR stresses, and in particular also in the Counterparty Default Risk module of the SCR, with due allowance for counterparty credit rating and loss-given-default.

Treatment of future management actions

The Group has the following future management actions which have been approved by the MetLife Europe Board:

- An expense reduction of 20% is allowed for under the 40% Mass Lapse SCR stress. The rationale being that were 40% of policyholders to lapse, MetLife Europe would be able to reduce expenses by 20%. This action affects the SCR.

- The management of future overhead expenses on the significant UK unit-linked business following the decision to close this to new business in 2017. This action recognizes that the overhead costs do not run off as quickly as the policies run off, and identifies how management expects to reduce such overheads over the lifetime of the portfolio. This action affects the technical provisions with second order consequences for the SCR.

All other subsidiaries have not allowed for future management actions in the SCR calculation.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

This is not applicable to the Group.

E.4 Differences between the standard formula and any internal model used

This is not applicable to the Group.

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

The Group has had own funds in excess of both the SCR and MCR requirements over the reporting year.

E.6 Any other information

All information has been disclosed in the preceding sections.

MetLife

Glossary of terms

The Company	MetLife EU Holding Company Limited (Holding Company)
The Group	MetLife EU Holding Company Limited and its subsidiaries (Solvency II)
Board	The Board of Directors of the Company, or another Group entity as relevant
MetLife Europe	MetLife Europe d.a.c.
MetLife Europe Insurance	MetLife Europe Insurance d.a.c.
MetLife Poland	MetLife Towarzystwo Ubezpieczen na Zycie i Reasekuracji S.A.
MetLife Greece	MetLife Life Insurance Company S.A.
Solvency II	European Commission Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance
ALM	Asset Liability Matching
BEL	Best Estimate Liability
BRC	Board Risk Committee
BSCR	Basic Solvency Capital Requirement
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CF	Controlled Function
CFO	Chief Finance Officer
CoC	Cost of Capital
CRM	Compliance Risk Management
CRO	Chief Risk Officer
CSA	Credit Support Annexes
DAC	Deferred Acquisition Costs
DTA	Deferred Tax Assets
DTL	Deferred Tax Liabilities
EEA	European Economic Area
EIB	Excess Interest Benefit
EIOPA	European Insurance and Occupational Pensions Authority
EMEA	Europe, Middle East and Africa
ERC	Executive Risk Committee
ESG	Economic Scenario Generator
FOS	Freedom of Service
GAAP	Generally Accepted Accounting Principles
GBP	Great British Pound
HRG	Homogeneous Risk Group
IA	Internal Audit
IIA	The Institute of Internal Auditors
IFRS	International Financial Reporting Standards
ISDA	International Swaps and Derivatives Association
IT	Information Technology
LOE	Loss of Employment
MAP	Matching Adjustment Portfolio
MCR	Minimum Capital Requirement
MGHC II	MetLife Global Holding Company II GmbH (Swiss)
NAV	Net Asset Value

ORSA	Own Risk Solvency Assessment Process
PV	Present Value
QAIP	Quality Assurance and Improvement Program
QRT	Quantitative Reporting Template
RACC	Risk, Audit and Compliance Committee
RCSA	Risk and Control Self-Assessment
RFF	Ring-fenced Fund
RM	Risk Margin
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
SF	Solvency II Standard Formula
SFCR	Solvency and Financial Condition Report
SLT	Similar to Life Techniques
TP	Technical Provisions
UA	Unmodelled Adjustments
USD	United States Dollar
USPs	Undertaking Specific Parameters
US GAAP	Accounting Principles Generally Accepted in the United States of America
VAH	Variable Annuity
VA	Volatility Adjustment

Annex: Quantitative Reporting Templates

The following QRTs are reported in this annex:

- S.02.01.02 Balance Sheet
- S.05.01.02 Premiums, claims and expenses by Line of Business
- S.05.02.02 Premiums, claims and expenses by country
- S.22.01.22 Impact of long term guarantees measures and transitionals
- S.23.01.22 Own Funds
- S.25.01.22 Solvency Capital Requirement - for undertaking on Standard formula
- S.32.01.22 Undertakings in the scope of the Group

MetLife

Balance Sheet

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022_SII
Period: Annual
Currency: EUR - Euro
EIOPA QRT: S.02.01

Balance Sheet

		Solvency II value
Asset		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	26,179,216
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	70,653,337
contracts)	**R0070**	**1,957,279,808**
Property (other than for own use)	R0080	1,061,458
Holdings in related undertakings, including participations	R0090	
Equities	*R0100*	*33,543*
Equities - listed	R0110	
Equities - unlisted	R0120	33,543
Bonds	*R0130*	*1,943,181,408*
Government Bonds	R0140	1,061,985,772
Corporate Bonds	R0150	881,195,637
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	1,187,248
Derivatives	R0190	6,151,848
Deposits other than cash equivalents	R0200	5,664,302
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	3,848,565,428
Loans and mortgages	**R0230**	**137,678,317**
Loans on policies	R0240	10,878,428
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	126,799,889
Reinsurance recoverables from:	**R0270**	**3,016,108,835**
Non-life and health similar to non-life	R0280	15,056,290
Non-life excluding health	R0290	9,652,783
Health similar to non-life	R0300	5,403,507
linked	R0310	224,120,424
Health similar to life	R0320	61,333,036
Life excluding health and index-linked and unit-linked	R0330	162,787,388
Life index-linked and unit-linked	R0340	2,776,932,120
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	110,212,970
Reinsurance receivables	R0370	29,136,329
Receivables (trade, not insurance)	R0380	93,902,669
Own shares (held directly)	R0390	
in	R0400	
Cash and cash equivalents	R0410	276,243,867
Any other assets, not elsewhere shown	R0420	
Total assets	**R0500**	**9,565,960,776**

MetLife

Balance Sheet

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022_SII
Period: Annual
Currency: EUR - Euro
EIOPA QRT: S.02.01

Balance Sheet

		Solvency II value
Liabilities		
Technical provisions - non-life	**R0510**	**22,745,848**
Technical provisions - non-life (excluding health)	**R0520**	**13,222,493**
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	11,732,366
Risk margin	R0550	1,490,127
Technical provisions - health (similar to non-life)	**R0560**	**9,523,355**
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	-1,616,439
Risk margin	R0590	11,139,794
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	**1,257,052,528**
Technical provisions - health (similar to life)	**R0610**	**-111,991,676**
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	-163,061,759
Risk margin	R0640	51,070,083
linked)	**R0650**	**1,369,044,204**
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	1,266,490,822
Risk margin	R0680	102,553,382
Technical provisions - index-linked and unit-linked	**R0690**	**3,622,277,308**
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	3,584,960,501
Risk margin	R0720	37,316,808
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	9,104,574
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	2,713,531,664
Deferred tax liabilities	R0780	160,136,383
Derivatives	R0790	71,774,189
Debts owed to credit institutions	R0800	6,458,761
Financial liabilities other than debts owed to credit institutions	R0810	27,628,774
Insurance & intermediaries payables	R0820	161,824,262
Reinsurance payables	R0830	49,062,794
Payables (trade, not insurance)	R0840	148,706,031
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	**R0900**	**8,250,303,116**
Excess of assets over liabilities	**R1000**	**1,315,657,661**

MetLife

Premiums, claims and expenses by line of business

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.05.01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	25,377,238	49,964,031	190,853	0	0	0	0	0	164,900	0	2,319,633	58,448,168					136,464,823
Gross - Proportional reinsurance accepted	R0120												288,397					288,397
Gross - Non-proportional reinsurance accepte	R0130																	0
Reinsurers' share	R0140	2,076,490	2,695,701	254,248	0	0	0	0	0	0	0	266,940	48,024,256					53,317,633
Net	**R0200**	**23,300,748**	**47,268,330**	**-63,395**						**164,900**		**2,052,694**	**10,712,310**					**83,435,587**
Premiums earned																		
Gross - Direct Business	R0210	25,520,592	47,607,492	202,179	0	0	0	0	0	164,900	0	2,238,375	54,472,546					130,206,084
Gross - Proportional reinsurance accepted	R0220												288,397					288,397
Gross - Non-proportional reinsurance accepte	R0230																	0
Reinsurers' share	R0240	2,115,985	2,695,701	263,350	0	0	0	0	0	0	0	266,940	46,905,783					52,247,757
Net	**R0300**	**23,404,607**	**44,911,792**	**-61,171**						**164,900**		**1,971,436**	**7,855,160**					**78,246,724**
Claims incurred																		
Gross - Direct Business	R0310	10,737,147	31,496,763	176,998	0	0	0	0	0	0	0	199,755	3,279,861					45,890,524
Gross - Proportional reinsurance accepted	R0320												-17,142					-17,142
Gross - Non-proportional reinsurance accepte	R0330																	0
Reinsurers' share	R0340	1,156,512	1,760,867	200,282	0	0	0	0	0	0	0	46,027	2,034,865					5,198,553
Net	**R0400**	**9,580,635**	**29,735,895**	**-23,284**								**153,728**	**1,227,855**					**40,674,829**
Changes in other technical provisions																		
Gross - Direct Business	R0410	0	-955,917	0	0	0	0	0	0	0	0	-14,765	-44,716					-1,015,399
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepte	R0430																	0
Reinsurers' share	R0440	0	-2,026	0	0	0	0	0	0	0	0	0	-42,951					-44,977
Net	**R0500**		**-953,891**									**-14,765**	**-1,765**					**-970,422**
Expenses incurred	**R0550**	**3,833,830**	**16,398,085**	**21,457**								**1,484,751**	**17,214,580**					**38,952,704**
Other expenses	R1200																	
Total expenses	**R1300**																	**38,952,704**

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	347,186,345	97,819,540	214,844,484	827,875,127	0	0	531,300	17,011,004	1,505,267,798
Reinsurers' share	R1420	32,677,317	4,365,935	649,061	190,939,501	0	0	0	0	228,631,815
Net	**R1500**	**314,509,028**	**93,453,604**	**214,195,422**	**636,935,626**			**531,300**	**17,011,004**	**1,276,635,983**
Premiums earned										
Gross	R1510	348,811,859	97,663,297	214,844,484	799,453,544	0	0	531,300	17,011,004	1,478,315,487
Reinsurers' share	R1520	32,680,903	4,321,515	649,061	190,220,973	0	0	0	0	227,872,451
Net	**R1600**	**316,130,956**	**93,341,782**	**214,195,422**	**609,232,572**			**531,300**	**17,011,004**	**1,250,443,036**
Claims incurred										
Gross	R1610	65,447,632	183,925,337	566,635,472	386,492,864	0	0	-872,106	591,825	1,202,221,025
Reinsurers' share	R1620	7,733,680	1,011,624	186,503	101,949,774	0	0	0	0	110,881,582
Net	**R1700**	**57,713,953**	**182,913,712**	**566,448,969**	**284,543,090**			**-872,106**	**591,825**	**1,091,339,443**
Changes in other technical provisions										
Gross	R1710	-787,911	24,800,829	580,045,200	-356,775	0	0	0	0	603,701,342
Reinsurers' share	R1720	868	-614,208	461,020,104	-2,557,949	0	0	0	0	457,848,815
Net	**R1800**	**-788,779**	**25,415,037**	**119,025,096**	**2,201,174**					**145,852,527**
Expenses incurred	**R1900**	**128,895,339**	**11,890,506**	**81,308,942**	**305,876,280**			**463,698**	**5,948,070**	**534,382,835**
Other expenses	**R2500**									**-417,078,647**
Total expenses	**R2600**									**117,304,189**

MetLife

Premiums, claims and expenses by country

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.05.02

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		SK	IT	CY	CZ	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,253,164	34,004,420	21,505,455	19,517,330	18,379,014	17,281,431	111,940,815
Gross - Proportional reinsurance accepted	R0120	-7,212	0	0	0	0	295,609	288,397
Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0
Reinsurers' share	R0140	-828,569	288,887	13,546,733	65,261	2,692,797	16,610,619	32,375,728
Net	**R0200**	**2,074,521**	**33,715,533**	**7,958,722**	**19,452,069**	**15,686,217**	**966,421**	**79,853,484**
Premiums earned								
Gross - Direct Business	R0210	1,263,800	33,923,162	20,210,849	19,594,761	18,329,025	17,168,787	110,490,385
Gross - Proportional reinsurance accepted	R0220	-7,212	0	0	0	0	295,609	288,397
Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0
Reinsurers' share	R0240	-828,569	288,887	14,930,647	95,593	2,692,797	16,503,607	33,682,963
Net	**R0300**	**2,085,157**	**33,634,275**	**5,280,202**	**19,499,168**	**15,636,228**	**960,788**	**77,095,819**
Claims incurred								
Gross - Direct Business	R0310	259,263	6,836,372	3,379,147	9,190,875	24,556,842	467,266	44,689,764
Gross - Proportional reinsurance accepted	R0320	-11,405	0	0	0	0	-5,737	-17,142
Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0
Reinsurers' share	R0340	-582,119	633,057	2,654,863	-4,052	1,173,840	454,061	4,329,650
Net	**R0400**	**829,978**	**6,203,315**	**724,284**	**9,194,926**	**23,383,002**	**7,468**	**40,342,972**
Changes in other technical provisions								
Gross - Direct Business	R0410		-14,765			-955,917		-970,683
Gross - Proportional reinsurance accepted	R0420		0					0
Gross - Non-proportional reinsurance accepted	R0430		0					0
Reinsurers' share	R0440		82			-2,108		-2,026
Net	**R0500**		**-14,848**			**-953,809**		**-968,657**
Expenses incurred	**R0550**	-442,091	14,723,831	6,395,307	2,880,436	5,931,452	1,472,993	30,961,928
Other expenses	**R1200**							
Total expenses	**R1300**							**30,961,928**

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400		GB	IT	FR	ES	RO	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	9,916,465	397,829,583	226,623,546	198,076,217	106,160,842	104,469,323	1,043,075,977
Reinsurers' share	R1420	89,897	98,518,445	83,633,674	17,118,732	12,602,737	3,720,583	215,684,068
Net	**R1500**	**9,826,568**	**299,311,139**	**142,989,872**	**180,957,485**	**93,558,105**	**100,748,740**	**827,391,909**
Premiums earned								
Gross	R1510	9,976,157	391,005,727	224,060,601	199,346,696	105,021,177	86,946,389	1,016,356,748
Reinsurers' share	R1520	89,897	97,307,816	84,551,180	17,114,417	12,163,314	3,721,071	214,947,694
Net	**R1600**	**9,886,261**	**293,697,911**	**139,509,421**	**182,232,279**	**92,857,863**	**83,225,318**	**801,409,053**
Claims incurred								
Gross	R1610	14,557,786	643,651,826	66,875,773	75,613,076	30,837,594	35,034,581	866,570,636
Reinsurers' share	R1620	69,873	69,284,885	28,699,586	7,466,647	1,962,228	475,821	107,959,041
Net	**R1700**	**14,487,913**	**574,366,941**	**38,176,186**	**68,146,428**	**28,875,366**	**34,558,760**	**758,611,596**
Changes in other technical provisions								
Gross	R1710	32,885,936	436,519,181	-5,763,680	-14,532,655	771,619	-719,938	449,160,464
Reinsurers' share	R1720	23,479,858	437,540,246	-2,591,925	-634,555	0	0	457,793,625
Net	**R1800**	**9,406,078**	**-1,021,066**	**-3,171,755**	**-13,898,100**	**771,619**	**-719,938**	**-8,633,161**
Expenses incurred	**R1900**	-14,451,773	64,285,396	83,162,420	85,124,209	67,727,269	45,082,743	330,930,264
Other expenses	**R2500**							-415,785,680
Total expenses	**R2600**							**-84,855,416**

MetLife

Impact of long term guarantees measures and transitionals

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.22.01

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	4,902,075,684	-69		12,094,545	
Basic own funds	R0020	1,315,657,661	0		-12,037,037	
Eligible own funds to meet Solvency Capital Requirement	R0050	1,315,657,661	0		-12,037,037	
Solvency Capital Requirement	R0090	633,784,741	0		-213,627	

MetLife

Own Funds

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.23.01

Own Funds Group

		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						
Ordinary share capital (gross of own shares)	R0010	947	947			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	265,153,527	265,153,527			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	1,024,323,972	1,024,323,972			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	26,179,215				26,179,215
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	**R0280**					
Total basic own funds after deductions	**R0290**	**1,315,657,661**	**1,289,478,445**			**26,179,215**

MetLife

Own Funds

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.23.01

Own Funds Group

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - Total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	**1,315,657,661**	**1,289,478,445**			**26,179,215**
Total available own funds to meet the minimum consolidated group SCR	**R0530**	**1,289,478,445**	**1,289,478,445**			
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	**1,315,657,661**	**1,289,478,445**			**26,179,215**
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	**1,289,478,445**	**1,289,478,445**			
Minimum consolidated Group SCR	**R0610**	**280,891,850**				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	**5**				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	**1,315,657,661**	**1,289,478,445**			26,179,215
Group SCR	**R0680**	**633,784,741**				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	**2**				

MetLife

Own Funds

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.23.01

Own Funds Group

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	**1,315,657,661**				
Own shares (included as assets on the balance sheet)	R0710					
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	**291,333,689**				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Other non available own funds	R0750					
Reconciliation reserve	**R0760**	**1,024,323,972**				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life Business	R0770	1,096,777,588				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	35,689,836				

Total EPIFP	**R0790**	**1,132,467,424**

MetLife

Solvency Capital Requirement - for groups on Standard Formula

Entity: 36483_999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Solvency II: Group Purpose
Currency: EUR - Euro
EIOPA QRT: S.25.01

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	184,659,023		
Counterparty default risk	R0020	54,881,607		
Life underwriting risk	R0030	457,497,937		
Health underwriting risk	R0040	191,388,197		
Non-life underwriting risk	R0050	8,508,344		
Diversification	R0060	-255,893,763		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	**R0100**	**641,041,345**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	68,442,019
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-79,731,941
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	**R0200**	**629,751,423**
Capital add-on already set	R0210	
Solvency capital requirement	**R0220**	**633,784,741**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	280,891,850
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	4,033,318
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	4,033,318
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	**R0570**	**633,784,741**

MetLife

Undertakings in the scope of the group - Public Disclosure

Entity: 36483 999 - MetLife EU Holding Company Limited
Scenario: 2022 Solvency II
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.32.01

Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
GB	635400NHEHNLNOOCON25	1 - LEI	MetLife Pension Trustees Limited	8 - Credit institution, investment firm and financial institution	incorporated companies limited by sha	2 - Non-mutual	Financial Conduct Authority
IE	549300D366WPHJ4OJ240	1 - LEI	MetLife Europe d.a.c.	4 - Composite undertaking	incorporated companies limited by sha	2 - Non-mutual	Central Bank of Ireland
IE	635400NKTDCRIP8MW721	1 - LEI	MetLife Europe Services Limited	10 - Ancillary services undertaking as defined in Article 1 (53) of	incorporated companies limited by sha	2 - Non-mutual	Not Required
IE	635400UXRXZZHNPISH82	1 - LEI	MetLife Europe Insurance d.a.c.	2 - Non life insurance undertaking	incorporated companies limited by sha	2 - Non-mutual	Central Bank of Ireland
IE	635400CHXE7WQ4KORZ69	1 - LEI	MetLife Services EEIG	10 - Ancillary services undertaking as defined in Article 1 (53) of	Unlimited	2 - Non-mutual	Not Required
CY	635400CGNSC556VFPB57	1 - LEI	MetLife Services Cyprus Limited	10 - Ancillary services undertaking as defined in Article 1 (53) of	εταιρεία περιορισμένης ευθύνης με μετ	2 - Non-mutual	Cyprus Insurance Companies Control
RO	635400LWSV74E2BPCB36	1 - LEI	Metropolitan Life SAFPAP S.A.	8 - Credit institution, investment firm and financial institution	Societate pe actiuni	2 - Non-mutual	Autoritatea de Supraveghere Financiara - Sectorul de Pensii Private
BG	635400CCB11TOGGW6B84	1 - LEI	MetLife Services EOOD	10 - Ancillary services undertaking as defined in Article 1 (53) of	Еднолично дружество сограничена о	2 - Non-mutual	Not Required
IT	635400TW2BMPPHFLE121	1 - LEI	Agenvita S.r.l.	10 - Ancillary services undertaking as defined in Article 1 (53) of	S.r.L	2 - Non-mutual	Not Required
FR	635400XE43DKKBISHK71	1 - LEI	MetLife Solutions S.A.S.	10 - Ancillary services undertaking as defined in Article 1 (53) of	Société par Actions Simplifiée	2 - Non-mutual	Not Required
IE	635400BZJFKMRZMKBB72	1 - LEI	MetLife EU Holding Company Limited	5 - Insurance holding company as defined in Article 212(1) (f) of	incorporated companies limited by sha	2 - Non-mutual	Not Required
ES	6354004CVGQFI9SJOV31	1 - LEI	MetLife Services Sociedad Limitada	10 - Ancillary services undertaking as defined in Article 1 (53) of	incorporated companies limited by sha	2 - Non-mutual	Not Required

Identification code of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
635400NHEHNLNOOCON25	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		4 - Method 1: Sectoral rules
549300D366WPHJ4OJ240	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400NKTDCRIP8MW721	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400UXRXZZHNPISH82	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400CHXE7WQ4KORZ69	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400CGNSC556VFPB57	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400LWSV74E2BPCB36	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		4 - Method 1: Sectoral rules
635400CCB11TOGGW6B84	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400TW2BMPPHFLE121	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400XE43DKKBISHK71	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
635400BZJFKMRZMKBB72	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation
6354004CVGQFI9SJOV31	100.00%	100.00%	100.00%		1 - Dominant	100.00%	1 - Included in the scope		1 - Method 1: Full consolidation