Financial Condition Report 2022

Antares

ANTARES REINSURANCE COMPANY LIMITED

Financial Condition Report (FCR)
For the financial year ended 31 December 2022

Contents

1 EXECUTIVE SUMMARY

Antares Reinsurance Company Limited and its subsidiaries (collectively the "Group"/ "Company") is an 'A-' rated reinsurer and as at Year End 2022 it held Tier 1 capital of $601.7 million.

AntaresRe also has the following fully owned subsidiaries:

- Registered in Gibraltar and regulated by the Gibraltar Financial Services Commission ("GFSC")
  - West Bay Insurance PLC , formerly known as Zenith Insurance PLC ("West Bay")
  - Markerstudy Insurance Company Limited ("MICL")
  - St. Julians Insurance Company Limited ("SJICL")
- Registered in Malta and regulated by the Malta Financial Services Authority ("MFSA")
  - QIC Europe Insurance Company Limited ("QEL") with its head office in Malta and branch office in the UK

The Solvency and Financial Condition Reports for the above entities provide further information in line with their respective regulatory requirements.

During 2022, USD $450m of subordinated debt which qualified as Tier 2 capital in AntaresRe was redeemed. In its place, QIC injected USD $450m of Tier 1 capital into AntaresRe. In addition, QIC injected a further USD $145m of Tier 1 capital during 2022.

AntaresRe's solvency ratio relative to the Enhanced Capital Requirement (ECR) as at year end 2022 was 94% (Q3 2022: 175%). The reduction in Solvency ratio is due to adverse performance of the Gibraltar operations that are 'held for sale'. A formal Capital Management Action Plan has been implemented, which includes a further Tier 1 capital injection of $100m and risk transfer activities which has since restored the solvency ratio to regulatory required levels.

Key factors affecting the financial condition of the Group during 2022 were:

- The Gross Written Premiums reduced to USD $1.6 billion in 2022 (USD $2.2 billion in 2021) due to changes in the underwriting portfolio. The group continues to focus on ensuring underwriting profitability. The value of premiums in USD terms also impacted by exchange rate movements where the USD strengthened against other currencies in which premium is received.
- Net investment income in 2022 was USD $54.9m in 2022 compared to USD $68.8m in 2021 for the Group. This reduction is attributed to a material rise in yield curves over 2022 in response to inflationary pressures, generating unrealised losses from certain securities in the bond portfolio. Rising yields and interest rates also led to a rise in the facility interest expense on the company's debt facility.

Key facets of the underlying financial condition include:

- Diversified portfolio, covering a mix of reinsurance and direct insurance business;
- High quality investment portfolio;
- Use of well rated or fully collateralised providers of outwards reinsurance; and
- Careful management of high severity exposures.

The Group actively monitors the risk and capital position and continues to operate its business in line with its vision, values and culture. During 2022 we continued to monitor the risk environment.

In 2022, the Company entered into discussions to sell the Company's share capital in West Bay Insurance Plc and Markerstudy Insurance Company Limited. The discussions are now in a materially advanced state. This development does not change the business-as-usual operation of the company. It should be noted that completion of the sale is dependent on the satisfaction of a number of subjectivities, including on the potential buyer obtaining all necessary regulatory change of control approvals.

2 BUSINESS AND PERFORMANCE

2.1 The Company

Antares Reinsurance Company Limited (AntaresRe) is licensed under the Insurance Act 1978 (the "Insurance Act"), as amended, and related regulations to write general business as a Class 4 insurer and is a global multi-line reinsurer writing all major property, casualty and specialty lines of business. The Company operates from its headquarters in Bermuda and through its branch offices in London and Zurich. AntaresRe closed its Dubai branch on 20th July 2020 and ceased underwriting through its Zurich branch In January 2022.

AntaresRe has the following fully owned subsidiaries:

- Registered in Gibraltar and regulated by the Gibraltar Financial Services Commission ("GFSC")
  - West Bay Insurance PLC , formerly known as Zenith Insurance PLC ("West Bay")
  - Markerstudy Insurance Company Limited ("MICL")
  - St. Julians Insurance Company Limited ("SJICL")
- Registered in Malta and regulated by the Malta Financial Services Authority ("MFSA")
  - QIC Europe Insurance Company Limited ("QEL") with its head office in Malta and branch office in the UK

AntaresRe was initially established in 2009 under the name Q-Re LLC and its domicile was transferred to Bermuda on 24th November 2015 of where it continued under the name of Qatar Reinsurance Company Limited. The name was changed as part of the Antares rebrand to Antares Reinsurance Company Limited with effect from 14 October 2022.

In July 2018, AntaresRe acquired the three Gibraltar insurance companies mentioned above. West Bay underwrites UK motor insurance policies through a long-term Managing General Agent ("MGA") agreement with Markerstudy Insurance Services Limited. With effect from 31st December 2021 MICL ceased to underwrite any new business, with all new business being underwritten by West Bay instead. SJICL was in run off when acquired by AntaresRe and remains in that position.

In 2022, the Company entered into discussions to sell the Company's share capital in West Bay Insurance Plc and Markerstudy Insurance Company Limited. The discussions are now in a materially advanced state. This development does not change the business-as-usual operation of the company. It should be noted that completion of the sale is dependent on the satisfaction of a number of subjectivities, including on the potential buyer obtaining all necessary regulatory change of control approvals.

No material additional risks have been identified, beyond those reported elsewhere within this document.

1 QEL's Italy Branch was closed on the 13th January 2022

2.2 Insurance supervisor and approved auditors

AntaresRe is regulated by the Bermuda Monetary Authority ("BMA"). In 2019, the Group was notified of the BMA's approval to be group supervisor of the insurance group "Qatar (Bermuda) Group". The BMA designated Antares Reinsurance Company Limited, as a member of the insurance group to be the designated insurer for the purposes of the Insurance Act 1978.

The BMA acts as Insurance supervisor for AntaresRe and Group supervisor for the Antares (Bermuda) Group.

This FCR is prepared in accordance with the Bermuda Monetary Authority's ("BMA") Insurance (Public Disclosure) Rules 2015 and Insurance (Group Supervision) Rules 2011, and associated guidance.

Insurance and Group Supervisor
Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton HM 12
Bermuda

Approved Auditors – Bermuda Statutory Reporting
KPMG Ltd
Crown House
4 Par-la-Ville Road
Hamilton HM08
Bermuda

Approved Auditors – IFRS Accounts
KPMG LLP 15 Canada Square
London
E14 5GL
United Kingdom

AntaresRe's ultimate parent company is regulated by the Qatar Central Bank.

The fully owned subsidiaries of AntaresRe continue to operate in line with the local regulatory requirements which include requirements from the Solvency II regime.

2.3 Ownership Structure

AntaresRe is a wholly-owned subsidiary of QIC Capital LLC, which in turn is a wholly-owned subsidiary of Qatar Insurance Company Q.S.P.C. (QIC), the ultimate parent of the QIC Group of companies and a leading Qatari publicly-listed insurer.

QIC was the first domestic insurer in Qatar and is currently the largest insurance company in the Middle East and North Africa (MENA), with total shareholders' equity of USD $1.7billion (as of 31 December 2022).

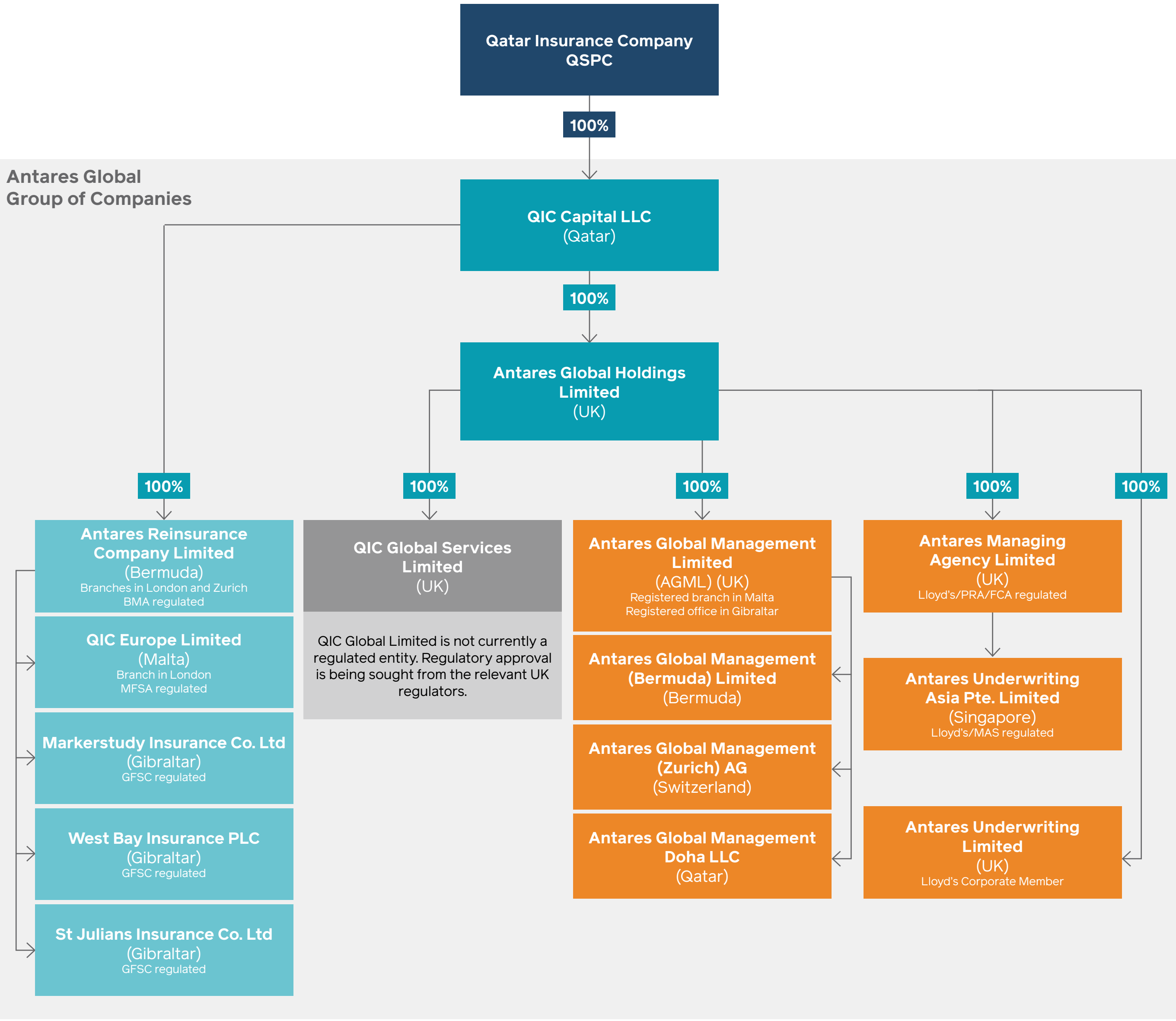
As per shareholders register on 31st December 2022, General Retirement and Social Insurance Authority, a public pension fund for Qatari and GCC citizens, holds 10.59% of the paid-up share capital of the Company, the Military Pension Fund owns 3.85% of the shares in the Company, and Brooq Trading Company owns 5.37% of the shares in the Company.

These three shareholders own in total 19.82% of the shares of the Company and the rest of the shareholdings is held by a diverse set of investors not belonging to any particular group, association, or family.

QIC is among the highest rated insurers in the Gulf region with a financial strength rating of "A-" from S&P Global Ratings (with a stable outlook) and "A- (Excellent)" from A.M. Best. AntaresRe is backed by a parental guarantee from QIC and is also rated "A-" by S&P Global Ratings and "A-" (Excellent)" by A.M. Best.

2.4 Group Structure

Figure 2.4: Group structure



2.5 Underwriting Performance

Total Gross Written Premiums, on a consolidated basis, reduced to USD $1.6 billion in 2022 compared to USD $2.2 billion in 2021. On a standalone basis the Gross Written Premium remained broadly stable at around USD $0.8 billion.

During 2022 the Group overall written premium reduced as a result of changes in the underwriting portfolio. The Group continues to focus on ensuring underwriting profitability. The value of premiums in USD terms also impacted by exchange rate movements where the USD strengthened against other currencies in which premium is received.

Figure 2.5: Gross Written Premium by Business Segment and by Domicile on a Financial Year basis

Gross Written Premium by Business Segment for the Reporting Period (USD)				
	Standalone		Consolidated	
Line of Business	2022 USD'000s AntaresRe	2021 USD'000s AntaresRe	2022 USD'000s AntaresRe	2021 USD'000s AntaresRe
Marine, Aviation, Transport & Energy	8,902	352	8,901	862
Property	155,688	369,574	180,167	407,435
Credit & Surety	25,891	3,504	26,883	3,501
Casualty (Including Motor)	578,364	404,078	1,317,923	1,783,103
Agriculture	43,968	41,903	104,627	76,291
Total	**812,813**	**819,412**	**1,638,501**	**2,271,192**

Gross Written Premium by Domicile of Reinsured for the Reporting Period (USD)				
	Standalone		Consolidated	
Territory	2022 % AntaresRe	2021 % AntaresRe	2022 % AntaresRe	2021 % AntaresRe
Africa	1,874	2,373	1,885	2,257
Americas	105,661	162,152	106,285	154,244
Asia	11,978	11,855	12,049	11,277
Europe	686,765	636,028	1,511,710	2,096,750
Oceania	6,534	7,005	6,573	6,663
Total	**812,813**	**819,412**	**1,638,501**	**2,271,192**

2.6 Investment Performance

Net investment income decreased from USD $68.8m in 2021 to USD $55.0m at Group level.

The fall in income was attributed to a material rise in yield curves over 2022 in response to inflationary pressures, which led to unrealised losses from certain securities within the bond portfolio. Rising yields and interest rates also led to a rise in the facility interest expense on the Company's debt facility.

The Group's investment strategy is heavily weighted towards fixed income and cash deposits, with concentration limits in place. It invests in a combination of sovereign and investment grade fixed income securities. The balance of the portfolio is held as equities and mutual funds. The investment income for the reporting period was as follows:

Figure 2.6: Investment Performance

	AntaresRe (USD'000)		AntaresRe Group (USD'000)	
Income Allocation	YTD Dec 2022	YTD Dec 2021	YTD Dec 2022	YTD Dec 2021
Net Interest Income	**39,270**	**36,120**	**51,844**	**53,369**
–on Cash & Deposits	13,896	11,602	14,149	14,730
–on Fixed Income	34,468	28,168	47,191	42,564
–Facility & Repo Interest Expenses	(9,093)	(3,650)	(9,496)	(3,925)
Dividend Income	**46**	**42**	**46**	**42**
Realised Gain / (Loss)	**16,399**	**8,615**	**17,178**	**9,364**
Unrealised Gain / (Loss)	**(8,553)**	**12,299**	**(9,016)**	**11,734**
Gross Investment Income	**47,162**	**57,076**	**60,052**	**74,508**
Less: Advisory Fee	(3,906)	(4,163)	(5,069)	(5,735)
Net Investment Income	**43,256**	**52,913**	**54,983**	**68,775**

2.7 Other Material Income and Expenses

The main expenses outside of underwriting and investment relate to employee compensation. The table below shows a breakdown of the Group's operating and administrative expenses:

Figure 2.7: Expenses

Expense	2022 USD'000s AntaresRe	2021 USD'000s AntaresRe	2022 USD'000s AntaresRe Group	2021 USD'000s AntaresRe Group
Employee related costs	21,129	21,625	36,030	33,712
Rental expenses	2,453	3,164	4,091	4,256
Maintenance and IT expenses	2,142	2,227	3,502	2,989
Other expenses	1,367	15,186	23,979	25,170
Total	**27,091**	**42,202**	**67,602**	**66,127**

*Includes professional fees, travel expenses, Board of Directors remuneration and certain costs relating to foreign exchange.

The USD $1.5m increase in Group expenses from USD $66.1 million to USD $67.6 million was mainly driven by additional employee costs. The number of employees grew during the year which increased staff costs.

2.8 Other material information

2.8.1 Board and management changes

The following Board changes occurred during 2022:

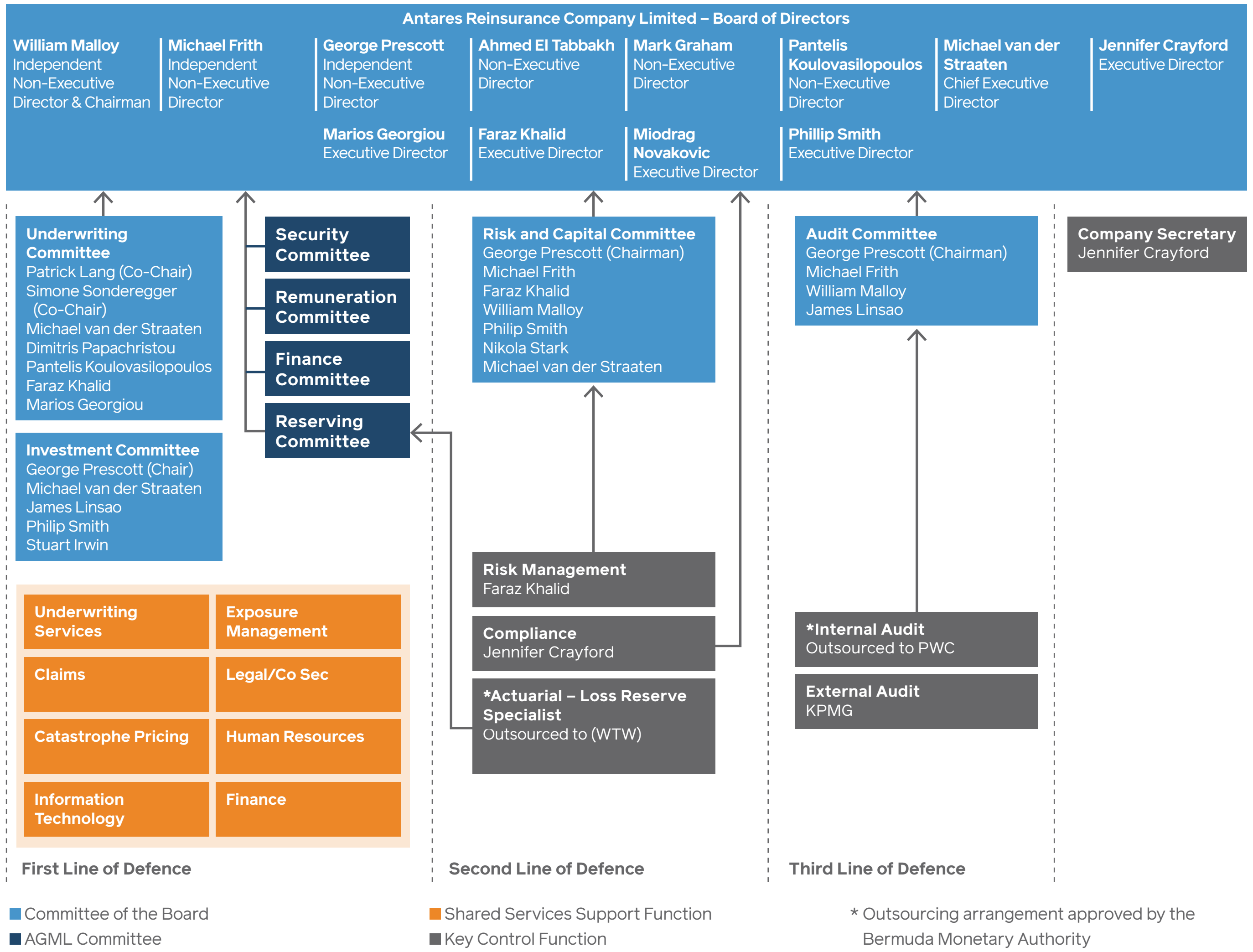
- The joint Chief Underwriting Officer ("CUO") role held by Pantelis Koulovasilopoulos (Long-tail) and Luke Roden (Short-tail) was combined under the responsibility of Mr Koulovasilopoulos with effect from 1 February 2022. Mr Koulovasilopoulos was appointed as an Executive Director with effect from 20 March 2022.
- Marios Georgiou was appointed as Group Chief Actuary and Executive Director of AntaresRe with effect from 1 June 2022.
- Luke Roden resigned as Global Head of Ceded Re and an Officer of AntaresRe with effect from 30 June 2022.
- Misha Novakovic was appointed as Chief Underwriting Officer of AntaresRe with effect from 29 September 2022. With the appointment of Mr Novakovic as Chief Underwriting Officer, Pantelis Koulovasilopoulos (former Chief Underwriting Officer) was no longer an officer of the Company. However, Mr Koulovasilopoulos remained as a member of the AntaresRe Board of Directors.

The Board and management changes of the Malta and Gibraltar entities can be found in their respective Solvency and Financial Condition Reports ("SFCR").

3 GOVERNANCE STRUCTURE

AntaresRe has established a sound and effective corporate governance framework that is appropriate to the size, nature, complexity, and risk profile of the Company. The governance structure presented below reflects the position as at the 31st of December 2022.

Figure 3: Governance Framework



Governance structures for the Malta and Gibraltar entities can be found in their respective SFCRs.

The following sections provide details of AntaresRe's governance structure.

The Composition of the Board of Directors for AntaresRe, at the time of writing this report, is:

1. William Malloy (Independent Non-Executive Director and Chairman)
2. Michael Van der Straaten (Chief Executive Officer ("CEO") and Executive Director)
3. Ahmed El Tabbakh (Non-Executive Director)
4. George Prescott (Independent Non-Executive Director)
5. Michael Frith (Independent Non-Executive Director)
6. Mark Graham (Non-Executive Director)
7. Faraz Khalid (Chief Risk Officer ("CRO") and Executive Director)
8. Philip Smith (Finance Director and Executive Director)
9. Jennifer Crayford (Executive Director)
10. Pantelis Koulovasilopoulos (Non-Executive Director)
11. Marios Georgiou (Group Chief Actuary and Executive Director)
12. Misha Novakovic (Chief Underwriting Officer ("CUO") and Executive Director)

AntaresRe has appointed the following officers whose roles are included in the secondment agreement between AGML and AntaresRe.

1. Michael Van der Straaten (CEO and Executive Director)
2. Faraz Khalid (CRO and Executive Director)
3. Philip Smith (Finance Director and Executive Director)
4. Jennifer Crayford (Compliance Officer and Company Secretary and Executive Director (Principal Representative))
5. Benjamin Train (Loss Reserving Specialist) – Outsourced role.
6. Marios Georgiou (Group Chief Actuary and Executive Director)
7. Misha Novakovic (CUO and Executive Director)

3.1 Board and Senior Executives

3.1.1 Structure, Roles and Responsibilities

The Board is responsible for ensuring that proper systems and risk management oversight are adopted by the Company and that standards for compliance are adhered to. As at 31 December 2022, the Board of Directors consisted of three independent Non-Executive Directors, three Non-Executive Directors and six Executive Directors. Collectively, the Board provides an appropriate balance of skills, experience, knowledge and independent challenge.

The Board has established a Risk and Capital Committee, an Audit Committee, an Investment Committee and an Underwriting Committee to assist it in the effective discharge of its duties, although it continues to retain ultimate responsibility. In addition to the Board committees, the Company has established at an Antares Global level, supporting all Antares Global companies, a Finance Committee, a Reserving Committee, a Security Committee, and a Remuneration Committee, to assist the Chief Executive Officer and senior executives in discharging their duties and responsibilities in relation to the prudent management and oversight of the Company's activities.

The Board's oversight responsibilities include:

- Approval of AntaresRe strategy, annual business plan and any individual large or complex transactions;
- Monitoring operating performance against the approved plan;
- Ensuring sufficient capital is held to maintain AntaresRe's ongoing solvency;
- Oversight of the Risk Management System, including setting AntaresRe's risk appetite and tolerances (see the AntaresRe Risk Policy for further details);
- Setting and oversight of the effectiveness of AntaresRe's Governance Structure and Internal Control System as detailed within this policy;
- Setting and oversight of adherence to corporate policies; and
- Ensuring AntaresRe meets minimum regulatory requirements.
- Protecting the interests of policyholders, shareholders and other stakeholders

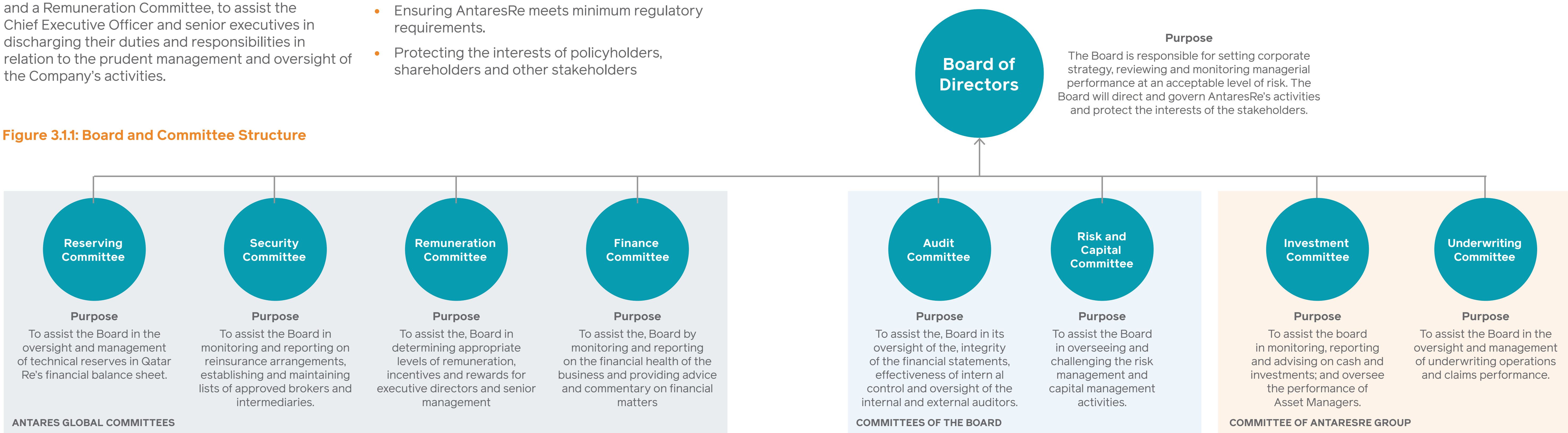
The Board meets at least quarterly and at other times as required and carries out its duties within established terms of reference. The Board is provided with accurate, appropriate and timely information to enable it to monitor and review key areas, including the performance of the Company and the key risks to which it is exposed.

AntaresRe, and its subsidiaries, has adopted a Three Lines of Defence model to ensure appropriate segregation of roles and responsibilities across the Company. The segregation of responsibilities applies across all business functions and various review layers exist within each business function and between committees and the Board. Controls are audited on a regular basis by the Company's internal and external auditors.

The key responsibilities of the four Board committees are as follows:

- **Risk & Capital Committee ("RCC")** – provides oversight of the Company's risk management, capital management and exposure management activities. Key responsibilities include: oversight of current and future risk exposures, including the determination and monitoring of actual exposures against risk appetite and tolerance; providing guidance on the implementation of the Risk Management Framework; ensuring the maintenance of sufficient economic and regulatory capital; and promoting a risk aware culture.
- **Audit Committee ("AC")** – provides oversight of the effectiveness of internal controls and the performance of the internal and external audit functions. Key responsibilities include the development of relevant policies and the review of outputs of audit and compliance activities.
- **Underwriting Committee ("UC")** - provides oversight of the Company's underwriting and claims operations. Key responsibilities include advising on matters concerning the establishment and review of AntaresRe Group's underwriting policies and guidelines, monitoring underwriting and claims performance, overseeing underwriting operations and advising and consulting on underwriting risk management procedures and exposures.
- **Investment Committee ("IC")** – provides oversight of the investment portfolios of the AntaresRe Group and reporting thereon to the respective AntaresRe and subsidiary Boards. It also provides advice and commentary to the Boards on all relevant material Investment related matters directing and monitoring the cash and investments of AntaresRe and its subsidiaries. Key responsibilities include implementing a top-down investment approach and consistent investment strategies and policies between QIC (the parent) and the AntaresRe Group, creating a consistent framework, investment Liquidity policy, investment guidelines, and a Hedging and Asset Allocation Matrix for the AntaresRe Group to implement the strategies as set by the QIC and AntaresRe Group's respective Boards; and receiving and reviewing Asset Manager reports.

Figure 3.1.1: Board and Committee Structure



3.1.2 Remuneration Policy

Antares Global's remuneration policy sets out the principles and practice for the development, implementation and application of the employee remuneration framework for QIC Capital and all its subsidiaries referred to as Antares Global Companies, including AntaresRe.

Antares Global's remuneration philosophy is to have a remuneration framework that supports the business strategy, the risk management strategy and the long-term interests and performance of Antares Global. In particular, the philosophy is to provide total compensation that is in line with market rate and structured and calibrated so as to attract, retain, motivate and reward its employees to deliver enhanced performance in the eyes of customers and shareholders. The remuneration framework based upon this philosophy is an integral part of the offering to employees.

The remuneration framework is underpinned by a set of guiding principles:

- The remuneration framework should provide employees with total compensation that is competitive within the Insurance Market.
- The remuneration framework should promote a high-performance culture by differentiating total compensation based on the performance of the business and the performance of individuals.
- The remuneration framework should take into account the respective tasks and performance of the executives, senior management, holders of key functions and other categories of employees whose professional activities have a material impact on AntaresRe risk profile and/or results.
- Variable compensation awards should be linked to relevant performance metrics, which can include the performance of Antares Global, specific business departmental areas, and individual achievements.
- Expected individual performance should be clearly defined through a structured system of performance management, and performance against expectations should be factored into compensation decisions.
- The remuneration framework should promote sound and prudent management and not encourage risk-taking that exceeds the risk tolerance limits of the business.
- The remuneration framework should incorporate measures aimed at avoiding conflicts of interest.

Members of staff in certain locations benefit from the allocation of a standard default percentage of annual salary to a pension - or pension benefit equivalent - employer scheme. As AntaresRe does not operate any defined benefit pension schemes, it is not exposed to funding issues associated with the defined benefit pension liabilities.

During 2022 there have been no changes to the remuneration policy which determines the entitlements of the members of the Board and senior management.

3.1.3 Material Transactions with Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executives

During 2022, USD $450m of subordinated debt which qualified as Tier 2 capital in AntaresRe was redeemed. In its place, QIC injected USD $450m of Tier 1 capital into AntaresRe . In addition, QIC injected a further USD $145m of Tier 1 capital during 2022.

QIC

AntaresRe has entered into a quota share reinsurance agreement with its ultimate parent company, QIC, under which 30% of the Company's net business written during 2022 was ceded to QIC (2021- 2018: 30%; 2017: 50%; and 2016: 70%).

As part of a strategic review of the ongoing portfolio, certain business has been internally classified as 'legacy' business and is in run-off.

On 31 December 2018, AntaresRe's retained share of a portion of this legacy business was ceded 100% to QIC. This business is primarily the facultative lines but does include some other classes (e.g. Engineering).

During 2021, AntaresRe's retained share of part of UK motor business and property book was deemed as legacy and ceded 100% to QIC. QIC has some limited participation in certain other reinsurance agreements involving AntaresRe , and acts as a fronting insurer for AntaresRe in certain jurisdictions (e.g. Brazil and India).

QEL

AntaresRe provides reinsurance support to QEL via a variable quota share agreement.

Certain directors and senior executives (George Prescott, Pantelis Koulovasilopoulos, Marios Georgiou and Faraz Khalid (Mr. Khalid resigned from the QEL Board on 08 March 2023)) of AntaresRe were, during the reporting period and at the time of writing this report, also directors of QEL.

The Gibraltar Insurers

AntaresRe provides certain reinsurance support – both quota share and excess of loss -to its Gibraltar subsidiaries.

Certain directors and senior executives (George Prescott, Pantelis Koulovasilopoulos, Marios Georgiou and Faraz Khalid (Mr. Khalid resigned from the GibCo Boards on 28 February 2023) and Michael van der Straaten) of AntaresRe were, during the reporting period and at the times of writing this report, also directors of the Gibraltar Companies.

Antares Syndicate 1274

AntaresRe provides excess of loss and stop loss reinsurance to Antares syndicate 1274 at Lloyd's.

Other Group arrangements

AntaresRe participated in various intra-Group services and loan arrangements with other companies within the QIC Group.

3.2 Fitness and Proprietary Requirements

3.2.1 Fit and Proper Processes for assessing the Board and Senior Executives

The Company ensures that the Board and Senior Executives, and Key Function Holders are fit and proper to discharge their responsibilities in accordance with the following definitions:

- An assessment of whether an individual is 'fit' involves an evaluation of the person's professional qualifications, knowledge and experience to ensure they are appropriate to their role. It also demonstrates whether the person has exercised due skill, care, diligence, integrity and compliance with relevant standards that apply to the area or sector in which the individual has worked.
- An assessment of whether a person is 'proper' includes an evaluation of a person's honesty, reputation and financial soundness. This includes, if relevant, criminal convictions or disciplinary offences.

The Fit and Proper Policy applies to the following positions of responsibility:

- Board and committee members
- Key function holders - Compliance, Risk Management, Actuarial and Internal Audit;
- Officers and managers of the company; and
- Third-party service providers, including insurance managers, auditors, actuaries and country representatives.
- Any other approved roles (as required by the local regulator)

The following procedures are followed in assessing the Fit and Proper requirements:

- Ensure that a Personal Declaration ("PD") and the relevant forms are filed with the regulator.
- The directors are requested to report any changes in their status in relation to Fit and Proper requirements or any potential conflict of interest.
- An internal questionnaire is completed by all roles within the company and reassessed on at least an annual basis.

When assessing the fitness of the Board of Directors, the Company ensures that collectively the Board possesses the appropriate qualifications, experience and knowledge in the following areas:

- Insurance and financial markets knowledge;
- Business strategy and business model knowledge;
- System of governance knowledge;
- Financial and actuarial analysis knowledge and;
- Regulatory framework and requirements knowledge.

3.2.2 Professional Qualifications, Skills and Expertise of the Board and Senior Executives

Board of Directors

William Malloy
Independent Non-Executive Director and Chairman

William Malloy joined the Board of AntaresRe in 2021 and is currently Chairman of AntaresRe's Board and a member of the Audit Committee and Risk and Capital Committee.

Mr Malloy has extensive leadership experience in the insurance industry, spending over a decade with AIG where he held various executive positions in the United States and Europe. He subsequently served as CEO for Marsh UK and Europe, and ultimately became Marsh's global president. More recently, he was a partner at investment firm Aquiline Capital Partners LLC, where he served in multiple chairman and CEO roles, including Non-executive Chairman of Ark Syndicate Holdings and served as the President of the Specialty Division of Acrisure Ventures. Mr Malloy currently serves as CEO for Distinguished Programs.

Ahmed El Tabbakh
Non-Executive Director

Ahmed El Tabbakh joined the Board of AntaresRe in 2019 as alternate Director to Mr. Al Fadala and replaced Mr. Al Fadala as a Director in March 2020. Mr. El Tabbakh joined QIC Group in 2011 and has over ten years of experience in the industry. Mr. El Tabbakh was appointed Deputy CEO International for QIC in February 2019. He has a wide range of knowledge and expertise in Audit, Advisory and Financial services to a broad range of industries.

Prior to joining the QIC Group, Mr. El Tabbakh was working with KPMG audit and advisory in Qatar and in Egypt. Mr El Tabbakh is a qualified Chartered Accountant and a Fellow of the Association of Chartered Certified Accountants (ACCA) in the UK. He is also a member of the CFA institute and holds an MBA degree from Oxford Brookes University.

George Andrew Prescott
Independent Non-executive Director

George Prescott joined the Board of AntaresRe in 2013 and is currently Chairman of the Audit Committee and the Risk and Capital Committee. Mr. Prescott has significant experience in investment management, accountancy, corporate finance activities, internal audit and compliance. From 1997 until his retirement in 2009, he was Deputy Group Chief Executive of Ecclesiastical Insurance Group (EIG) with responsibility for EIG's investment, finance, internal audit and compliance functions. Prior to joining EIG in 1980, Mr. Prescott worked as a fund manager for Henry Schroder Wagg & Company Limited (now Schroders). He began his career in 1967 at Harmood Banner & Company (now PricewaterhouseCoopers). Mr. Prescott was previously a member of the Association of British Insurers' Investment Committee and currently holds a number of non-executive appointments.

Mr. Prescott received a Bachelor of Arts degree in Spanish and French from Queen Mary College at the University of London. He is also a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales.

Michael Frith
Independent Non-Executive Director

Michael Frith joined AntaresRe's Board in 2019 and is a Member of its Audit Committee and Risk and Capital Committee. Mr Frith currently serves as an independent director on a number of Bermuda incorporated companies in the insurance and finance sector. He is Senior Counsel at a major Bermuda law firm, and Managing Director of the corporate services business and is a former Director (Partner) at a major Bermuda law firm, where he practiced for over 16 years.

His legal practice focuses on all aspects of Bermuda corporate law, including all types of Bermuda corporate structures, equity and debt financings (public and private), IPOs. Michael has particular experience advising on the formation and ongoing regulatory and transactional requirements of all types of Bermuda corporate and insurance structures, including commercial insurers and reinsurers (both life and non-life), captive insurers, ILS structures (including collateralised reinsurers, sidecars and cat bonds), segregated account companies and insurance intermediaries on regulatory and transactional matters.

In 2019, Mr. Frith served as Advisor to the Bermuda Registrar of Companies, advising on the development and implementation of the Economic Substance Act 2018, and related Regulations and Guidance Notes. Mr. Frith also serves on the Economic Substance Task Force, providing industry advice to the Minister of Finance in relation to the economic substance requirements.

Mr. Frith has been a member of the Insurance Advisory Committee since 2011, advising the Minister of Finance on matters relating to the development and regulation of the insurance industry in Bermuda.

Mark Graham
Non-Executive Director

Mark Graham joined the Board in March 2020. Mr. Graham was appointed Chief Risk Officer for QIC in January 2016. This role comprises Group-level responsibility for Risk Management, Exposure Management, Capital Modelling, Compliance and Corporate Governance. At the time of QIC's acquisition of Antares in 2014 he was Chief Risk Officer and Chief Operating Officer, a position he had held since joining Antares in 2012. Prior to joining Antares, Mr. Graham headed his own company, Acuitas Consulting Ltd, which provided strategic and operational advice to insurance businesses in the London market.

Mr. Graham previously spent ten years working for Chaucer Holdings PLC, a FTSE-250 listed company, initially as Group Actuary and later as Chief Financial Officer. Prior to his time at Chaucer, Mr. Graham was Chief Actuary at Ashley Palmer Ltd. He started work in the insurance industry in 1987, having completed a BSc in Geophysics and an MSc in Mining Geology and Mineral Exploration. Mr. Graham is a Fellow of the Institute of Actuaries.

Michael van der Straaten
Executive Director and Chief Executive Officer

Michael van der Straaten held the position of interim Chief Executive Officer from January 2019 and was confirmed as Chief Executive Officer and appointed to the Board as an Executive Director in April 2019.

Mr. van der Straaten began his career at Lloyd's as a box manager and non-marine property treaty underwriter. Mr. van der Straaten joined AntaresRe in December 2016 from Chubb Tempest Re where he held the role of Deputy Head of London and Head of Casualty, overseeing the development of the international casualty and motor portfolios. Prior to this, Mr. van der Straaten held various underwriting positions with a primary focus on casualty lines alongside wider management responsibilities.

Faraz Khalid
Executive Director and Chief Risk Officer

Faraz Khalid was appointed Executive Director and Chief Risk Officer for AntaresRe in May 2020. Prior to this, Mr. Khalid was the QIC Global, Head of Risk Management and QEL Director of Risk Management, a role he has held since 2018. He has also previously served as the Head of Risk Management at Antares Managing Agency Limited, a sister company of AntaresRe . At the time of QIC's acquisition of Antares in 2014, he was appointed as interim Head of Group ERM and Senior Vice President for QIC Group. Mr. Khalid has taken an active role in various London market initiatives including his membership of the Lloyd's Market Association (LMA) Chief Risk Officer (CRO) Committee. Prior to joining Antares, Mr Khalid spent 8 years working in the Risk Assurance Services with PricewaterhouseCoopers London.

Mr. Khalid is a Fellow Chartered Accountant (FCA) with the Institute of Chartered Accountants in England and Wales (ICAEW) and he holds MSc. Business Information Technology Systems from the University of Strathclyde Glasgow. Mr. Khalid is a Certified Information Systems Auditor (CISA) from ISACA U.S.A and he has completed the Lloyd's of London Leadership Programme from the London Business School.

Philip Smith
Executive Director and Finance Director

Philip Smith was appointed Executive Director and Finance Director for AntaresRe in November 2020. Mr. Smith joined AntaresRe in February 2016 as the Global Head of Technical Accounting and was later appointed as Finance Manager. Mr. Smith graduated from George Washington University in 1984 after attaining his BBA in Accounting and his MBA in International Business. He began his career in 1984 with Coopers and Lybrand Bermuda where he earned his Certified Public Accounting (CPA) designation. In 1990 he joined Centre Solutions Ltd, a Bermuda Class 4 reinsurer, where he held various management positions in Finance. After leaving Centre Solutions in 2004 as Vice President Finance, Mr. Smith held a number of senior financial roles in other Bermuda Class 4 Insurers including Vice President at Allied World Assurance Company, Senior Vice President at Platinum Underwriters Holding Limited and Head of Finance at Torus Insurance (Bermuda) Limited, before joining AntaresRe in 2016.

Mr. Smith also serves on various Bermuda Government boards including the Public Funds Investment Committee which advises the Minister of Finance on the management and investing of over USD $2 billion in investments of Bermuda Government pension funds, and the Bermuda Pension Commission whose role is to advise the Minister of Finance on the National Pension Scheme and to ensure that all Bermuda pensions are managed in accordance with the law.

Jennifer Crayford
Executive Director and Compliance Officer & Company Secretary

Jennifer Crayford was appointed Executive Director for AntaresRe in November 2021. Mrs. Crayford joined AntaresRe in February 2020 and was appointed by the Board of Directors as Key Function Holder for Compliance with effect from 13th February 2020 and as Company Secretary of the Company with effect from the 21st of April 2020. She was also approved by the BMA as Principal Representative for AntaresRe Insurance Company Limited and Qatar (Bermuda) Group effective 17th March 2020.

Prior to joining AntaresRe , Mrs. Crayford was Senior Compliance Analyst and Assistant Company Secretary at Renaissance Re Europe AG (Previously: Tokio Millennium Re).

Marios Georgiou
Group Chief Actuary and Executive Director

Marios Georgiou was appointed Group Chief Actuary and Executive Director for AntaresRe in June 2022.

Mr Georgiou joined AntaresRe in May 2018. He has held a number of Reserving roles within the Group, and he has recently been appointed as the Chief Actuary of AntaresRe Group.

Prior to joining AntaresRe he has held various leadership position in organisations within the London Market and has gained extensive experience across many fields of actuarial work.

Mr Georgiou is a Fellow of the UK Institute of Actuaries having qualified in 2011.

Pantelis Koulovasilopoulos
Non-Executive Director

Mr. Koulovasilopoulos joined Antares Reinsurance Company Limited in 2017 as Deputy Chief Underwriting Officer for Long Tail and Specialty and was subsequently appointed Chief Underwriting Officer for Long Tail and Specialty in April 2019. The joint Chief Underwriting Officer ("CUO") role was combined under the responsibility of Pantelis Koulovasilopoulos in February 2022 and Mr Koulovasilopoulos was appointed the overall CUO for AntaresRe and Antares Global. The AntaresRe Board approved this role change and Mr. Koulovasilopoulos was appointed Chief Underwriting Officer and Executive Director for AntaresRe in March 2022. In November 2022, it was decided to separate out the role to add an AntaresRe Group Chief Underwriting Officer position and while Mr Koulovasilopoulos was no longer an Officer of the Company, he remained as a Non-Executive Director.

Mr. Koulovasilopoulos has over 25 years' experience in pricing and modelling risk for a broad range of products and markets across both insurance and reinsurance and prior to joining AntaresRe he was Chief Actuary for Chubb Tempest Re (previously Ace Tempest Re) where he was responsible for the management and oversight of all actuarial matters for the firm's activities outside of the Unites States of America, Canada and Bermuda. He was also previously the Group Chief Pricing Actuary for Aspen and Chief Pricing Actuary for Zurich Global Corporate UK.

Mr. Koulovasilopoulos is a Fellow of the Institute and Faculty of Actuaries and a member of the London Market Actuaries Group. He was also appointed as Chief Executive Officer for QIC Europe Limited in November 2019.

Misha Novakovic
Executive Director

Misha Novakovic was appointed Chief Underwriting Officer in November 2022 and was appointed Executive Director for AntaresRe in March 2023.

Throughout three decades in insurance and reinsurance Mr. Novakovic has held different actuarial and underwriting positions across multiple lines of business. He joined AntaresRe in 2018 and now oversees the underwriting of AntaresRe as Chief Underwriting Officer. Mr. Novakovic is also a Coverholder for Bermuda sourced Antares syndicate business. He is a Fellow of Casualty Actuarial Society (FCAS) and Associate of Society of Actuaries (ASA).

Senior Executives

Michael van der Straaten
Chief Executive Officer

Mr. van der Straaten's biography can be found in the section above.

Luke Roden
Global Head of Ceded Reinsurance

Luke Roden has a track record of developing and maintaining large, profitable portfolios of treaty reinsurance business over the last 25 years and has been central to the development of the Company since his appointment in 2012. Mr. Roden has lived and worked in North America, Europe, Bermuda and the Middle East during his career. He was the Head of Ceded Reinsurance. Mr. Roden left the Company effective 30th June 2022.

Faraz Khalid
Chief Risk Officer

Mr. Khalid's biography can be found in the section above.

Philip Smith
Finance Director

Mr. Smith's biography can be found in the section above.

Pantelis Koulovasilopoulos
Chief Underwriting Officer
(March 2022 – November 2022)

Mr. Koulovasilopoulos's biography can be found in the section above.

Ben Train
Loss Reserve Specialist and Group Actuary

Ben Train was appointed as the Loss Reserve Specialist and Group Actuary on 21st November 2019. Mr. Train is an Associate Director of Willis Towers Watson and joined the UK team in 2012. In 2019 Mr. Train moved to the Bermuda office.

Over this time, Mr. Train has gained a wide range of experience in loss reserving, capital modelling and reinsurance pricing. He has worked across multiple jurisdictions including the UK, Bermuda, Middle East, Gibraltar and the US, and has delivered assignments for insurance and reinsurance companies, captives and Lloyd's syndicates.

Mr. Train has in-depth reserving experience in the key geographies and exposures that are written by Antares Reinsurance Company. A particular focus of his work has been the UK Motor market where he has carried out reserve reviews for a number of entities both for direct and reinsurance business. He has been heavily involved with producing reserving methodologies and assumptions to allow for the impact of the changing Ogden discount rate and has carried out impact assessments for several insurance and reinsurance companies.

Jennifer Crayford
Compliance Officer and Company Secretary (Principal Representative)

Mrs. Crayford's biography can be found in the section above.

Misha Novakovic
Chief Underwriting Officer

Mr. Novakovic's biography can be found in the section above.

3.3 Risk Management and Solvency Self-Assessment

3.3.1 Risk Management Processes and Procedures

Risk management is a continuous process that is used in the implementation of the business strategy and allows for an appropriate understanding of the nature and significance of the risks to which the business is exposed, including sensitivity to those risks and its ability to mitigate them.

AntaresRe has an embedded Risk Management System ("RMS") that is designed to assess, control, and monitor risks from all sources for the purpose of increasing short and long-term value to the stakeholders.

Risk governance is a major component of the overall risk framework and provides for clear roles and responsibilities in the oversight and management of risk. It also provides a framework for the reporting and escalation of risk and control issues across the Company. AntaresRe's governance framework is built using a 'three lines of defence' model which is highlighted in Figure 3.3.1 below.

Figure 3.3.1: Three lines of defence model

1st line of defence	2nd line of defence	3rd line of defence
• Risk owner (operational management) • Internal control owners	• Compliance • Risk • Actuarial	• Internal audit • External audit
Responsible for managing the risk through deployment and execution of controls and management oversight.	Independently reports on 1st line of defence activities. Reporting typically involves bringing independent perspective or challenge.	Independently provide assurance over the process.

The Risk Management Framework is implemented and integrated through the various committees, processes and procedures.

The Risk Management Framework is underpinned by three distinct yet interrelated pillars:

- Capital Management;
- Exposure Management; and
- Risk Management.

This allows for an integrated approach to the management of all identified material risk categories.

The risk management framework at AntaresRe's subsidiaries is to the extent it is appropriate, consistent with the risk framework of AntaresRe.

This section provides an overview of the key aspects of the overall Risk Management Framework in place within AntaresRe, including the processes and procedures used to identify, assess, control and mitigate risks.

Risk register

The risk register provides the overall risk profile of AntaresRe and includes the following 37 risks, grouped by risk category:

Risk Category	Risk
Insurance – Underwriting risk	• Inappropriate risk pricing • Inappropriate and inadequate reinsurance • Failure to ensure contract certainty at inception • Inappropriate underwriting activities • Inappropriate exposure monitoring • Inappropriate selection/monitoring of delegated authorities
Insurance – Reserving risk	• Inappropriate reserving
Market risk (including FX Risk)	• Asset & Liability mismatch • Inappropriate investment strategy & underperformance
Credit risk	• Downgrade or default of non-insurance counterparties • Failure of coverholder, broker or policyholder • Failure of reinsurer to settle claims
Liquidity risk	• Risk of insufficient liquid assets to meet liabilities as they fall due
Operational risk	• Inappropriate Claims Management • Failure to ensure timely and accurate financial statements and reporting • Ineffective management of IT and/or failure or lack of key infrastructure • Inappropriate Governance & Management Oversight • Disputes/litigation around insurance contracts • Disputes/litigation around non-insurance activities • Inappropriate selection/monitoring of outsourcing provider • Breach of regulatory or legislative requirements • Failure to efficiently adhere to tax requirements and regulations • Failure to ensure business resilience against disruption • Inappropriate Data Quality • Unauthorised access to data and systems • Inappropriate culture & poor competence • Inappropriate conduct of business • Inappropriate Communication • Internal/External Financial Fraud • Ineffective Project and Change Management • Unacceptable levels of model error, inaccuracy, and uncertainty (Model Risk) • Inappropriate management of emerging risks
Group risk	• Failure of group, subsidiaries or shared services
Strategic risk	• Risk of inappropriate strategy • Failure to ensure sufficient capital • Poor reputation with Key Stakeholders • Failure to manage climate change (and transitional) risks

Separate risk registers are maintained for each of AntaresRe's subsidiaries, with a consistent approach to risk attestation and assessment.

Risk owners are required to assess the inherent and residual risk position using standardised assessment ratings. As part of the risk and control self-assessment, the risk owners have responsibility to identify and assess the design and performance of the key controls in place to mitigate the impact and probability of each risk event occurring. The key controls and their ratings are documented in the risk register, discussed with the control owners quarterly and updated by the Risk Function, who also challenges the assessment.

The assessment is subject to a quarterly attestation process with independent oversight provided by the Risk Function. Output from the assessment and key changes to the risk profile are reported to and reviewed by the Risk and Capital Committee with escalation to the full Board as appropriate.

Capital model

AntaresRe has developed its own Stochastic Risk Model (QSTORM), which is used to calculate the Company's own view of the economic capital required to support its business plan and to meet its strategic objectives. QSTORM is a critical component of the overall risk management framework and feeds into a number of the other risk assessment processes.

The model is calibrated at the 1-in-200-year or 99.5% value at risk ("VaR") confidence level over a one-year time horizon. The model assesses the Company's solvency by analysing its one-year profit and loss distribution, including cash flows projected to ultimate on a consolidated and standalone basis.

Exposure management

The main risk faced by the Company is insurance risk, which is driven by reserve risk, followed by premium and cat risk. Natural perils play an important role and are monitored by the exposure management team. Different approaches are taken to natural peril catastrophe and non-natural peril catastrophe exposure management, and continue to be monitored on an ongoing basis. Approaches taken include:

- Natural peril catastrophe exposure is monitored on a quarterly basis through probabilistic (AEP/OEP), deterministic monitoring (e.g. Realistic Disaster Scenarios (RDS)) and other accumulation monitoring. This includes monitoring of exposure for key regions/perils across a range return periods and methods (including 1-in-250 year (AEP) loss, and individual event exposures RDS exposures. AntaresRe recognises that the 1-in-250-year return period does not capture the whole distribution of possible losses and, therefore, also monitors the probability curve across a variety of return periods, assessing the loss severity around the 1-in-250-year loss. In addition, there is further monitoring utilising a stacked limits view of exposures (sums of limits).
- Non-natural peril catastrophe exposure is measured by reference to line of business specific Realistic Disaster Scenarios (RDS), where the methodologies used and scenarios run depend on the nature of the business underwritten. In addition, the Credit and Surety portfolio is monitoring and managed by the EM team utilising detailed underlying data to produce aggregates by region/peril.

Emerging risks

The Company defines an emerging risk as an issue that is perceived to be potentially significant, but which may not be fully understood or allowed for in the identified risk profile and related mitigation. An emerging risk can be an entirely new risk or an element that is not fully understood and/or mitigated, of an already identified risk. Emerging Risks are assessed at the Emerging Risk Group (ERG). ERG members consist of the wider management team. The ERG members are required to escalate applicable emerging risks in their relevant areas to the Enterprise Risk Management ("ERM") Department as soon as they are identified and deemed relevant to the Company's activities. The Emerging Risks are then formally discussed at the ERG meeting for assessment. An emerging risk register is maintained, and the most material emerging risks are included in the regular risk reporting.

Risk reporting

The RCC receives a quarterly risk report that covers the following core risk information:

- Exposures against risk appetite and tolerances
- Results of quarterly self-assessment on risk register control activities
- Emerging risks
- Material operational risk events (and near misses)
- Any proposed changes to the Risk Management Framework

Management information

A management information facilitates monitoring of the following key areas:

- Achievement of strategic objectives
- Business performance
- Investment performance and liquidity
- Concentration exposures
- Reserving adequacy
- Capital requirements
- Material risks faced by the business
- Risk appetite and tolerance
- Effectiveness of the control environment
- Material outsourced functions
- Compliance with laws and regulations

3.3.2 Implementation and Integration of Risk Management and Solvency Self-Assessment Systems

The Risk Management function is responsible for developing, implementing, and maintaining the Risk Management Framework and associated policies across the Company. The Risk Management Framework is implemented and integrated through the various committees, processes and procedures described under section 3.3.1. These processes contribute to solvency self-assessment, supporting the identification and measurement of all material risks to which the Company is exposed and informing the decision-making process.

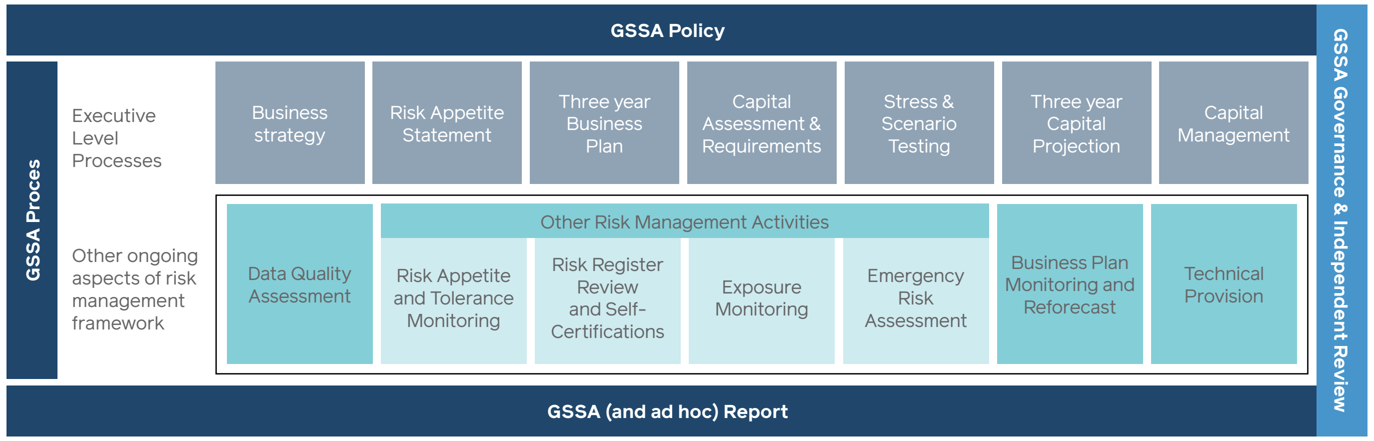
The solvency self-assessment processes operate throughout the year. The Group Solvency Self-Assessment ("GSSA") report summarises the output for the Board and management on an annual basis, and more frequently if the output self-assessment changes materially. The continued validity of the GSSA report is reported to the RCC quarterly.

The key processes forming part of the overall solvency self-assessment process are shown in the figure below:

The RCC and/or Board are involved in a number of activities which contribute to the GSSA. This involvement includes:

- Business planning
- Setting of risk appetite and tolerance statements
- Approval of major changes to the internal capital model
- Review of risk management reporting, including exposure management, risk and control self-assessment, risk events and emerging risks

Figure 3.3.2 AntaresRe Group GSSA Processes



3.3.3 Relationship between Solvency Self-Assessment, Solvency Needs and Capital and Risk Management Systems

AntaresRe considers two capital measures for solvency purposes; regulatory and internal capital. Regulatory capital is set in accordance with the Enhanced Capital Requirement described further in Section 6.2. AntaresRe also considers its own capital requirements as summarised within its Group Solvency Self-Assessment (GSSA) report. This process considers both regulatory and internally assessed capital assessments, capital needs, as well as the wider output from the risk management process. These aspects are also considered as part of our ongoing risk monitoring and reporting process. This process also considers the business plan for over a one-year and three-year time horizon. The business plan is aligned with the risk appetite statements, which define the type and amount of risk AntaresRe is willing to accept and manage, along with the types of risk to avoid.

Furthermore, our internal assessment of risk and capital is also used to support business decision-making process including: business planning; outwards retrocession analysis; portfolio management; development of appropriate contingency arrangements; and plans and to prioritise risk mitigation actions. The self-assessment process supports the identification of the key risk drivers of required capital and facilitates comparisons of alternative strategies to optimise the return on capital.

3.3.4 Solvency Self-Assessment Approval Process

The GSSA Report is prepared by the ERM Function with contributions from other areas of the business. It is signed by the CRO and reviewed and approved by the RCC. This approval process is consistent with the Three Lines of Defence approach to risk management, with the report prepared by the second line (Risk) and reviewed by other second line functions – e.g. Compliance - prior to approval. Input from the first line is provided through the risk and control assessment process, and a review by the third line (Internal Audit) of the GSSA processes on a regular basis.

3.4 Compliance Function

The Compliance Function acts in an advisory, oversight and assurance capacity to ensure that the Company has the necessary systems and controls to enable it to adhere, on an ongoing basis, to regulatory and legislative requirements. The Compliance Function develops company-wide compliance policies and procedures and provides guidance and support on regulatory and legislative requirements. It ensures that all staff receive adequate training on various compliance-related matters, and that business is written in accordance with applicable licensing requirements. The Compliance Officer maintains an open and cooperative relationship with regulators and is responsible for promoting and embedding a culture of compliance and integrity throughout the Company. A Compliance Report is prepared quarterly for the Board.

3.5 Internal Control Framework

The Board is responsible for the establishment of an Internal Control Framework through which to facilitate and provide reasonable assurance over the following:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with laws and regulations

Ultimate accountability for ensuring that the Company has an adequate internal control framework rests with the AntaresRe Board. Whilst the Board maintains oversight of the Company's internal control framework, it has delegated to its sub committees the responsibility for the day-to-day and operational management of the key elements, functions and processes that make up the Company's Internal Control Framework.

Antares Global's key internal control functions include:

- Compliance Function
- Risk Management Function
- Actuarial Function
- Internal Audit Function

Each of the key internal control functions is independent from AntaresRe's operational functions thereby ensuring they can undertake their activities in an unbiased and objective manner. Additionally, each of the key internal control functions has access to all individuals and relevant records throughout the company to ensure that they can investigate and fully understand the Company's activities and performance.

Controls can take a variety of different forms, including but not limited to the following:

- Approvals
- Authorisations
- Verifications
- Reconciliations
- Opinions (e.g. expert judgements)
- Management reviews

3.6 Internal Audit Function

The Internal Audit function is segregated from all operational functions and provides independent assurance on the effectiveness of the risk management, internal control and governance frameworks. It has unrestricted access to all areas of the organisation so as to effectively carry out its duties. Internal Audit is overseen by the Audit Committee which approves an annual internal audit plan. Findings and action points arising from each review are discussed with the relevant business areas and reported to the Audit Committee. The Internal Audit Function is outsourced to PricewaterhouseCoopers AG (PwC) under an arrangement approved by the BMA.

3.7 Actuarial Function

The AntaresRe Group Chief Actuary is responsible for the Actuarial Function, with the support of Actuaries working for each regulated entity.

The AntaresRe Group Chief Actuary provides oversight of actuarial activity, ensuring that relevant standards are met, while also supporting strategic projects and providing guidance to the senior executives and the Board. The key responsibilities of the Actuarial Function are to:

- Coordinate the calculation of reserves and technical provisions, including the preparation of quarterly Reserve Reports to the Risk and Capital Committee, and the AntaresRe Board and the other relevant Antares Global companies.
- Document reserving methodology, assumptions, benchmarks, data issues and changes applied during reserving
- Assess the sufficiency and quality of data used in the calculation of reserves and technical provisions, recommending improvements as appropriate.
- Review the calculation of technical provisions and reserves at least quarterly, reporting compliance with the Reserving Policy to the Boards.
- Provide reserve figures for Internal Capital Modelling input and provide estimates for quantification of Reserve Risk in capital modelling.
- Build, document and maintain pricing tools, including methodologies, assumptions, default selections, benchmarks and treatment of data.
- Assist underwriters' use of pricing tools and assist with contract design and correct data entry.
- Assist Internal Capital Modelling in calibration of underwriting insurance risk.
- Build and maintain planning tool and provide feedback to Underwriting and Management on performance to date against plan.
- Contribute to Enterprise Risk Management, including:
    - Reporting and quantification of risk, particularly with respect to insurance risk and its effective mitigation;
    - The production of the ORSA and GSSA (as relevant) and other regulatory reporting, including commenting on the Underwriting Policy;
    - Assisting in setting and monitoring risk appetite.
- Contributing to stress and scenario testing and reverse stress testing.

The AntaresRe Group Chief Actuary is a qualified actuary and a Fellow of the UK Institute and Faculty of Actuaries (FIA 2011). He has more than 20 years of experience working in general insurance and reinsurance. The Group Chief Actuary has a direct reporting line to the AntaresRe Global Chief Actuary. The teams supporting the Actuarial Function also consist of suitably qualified and experienced people.

The Loss Reserve Specialist Opinion and Group Actuary for the Company is outsourced externally to Willis Towers Watson.

3.8 Outsourcing

3.8.1 Outsourcing Policy

Antares Global's outsourcing policy applies to all internal and external outsourcing arrangements and describes how all outsourcing agreements are arranged, overseen, monitored and managed.

Outsourcing is used to complement AntaresRe's overall business strategy, objectives and risk appetite. Arrangements are only considered and entered into where they offer improved business performance, both operationally and financially. AntaresRe does not seek to enter into any outsourcing arrangements that will result in reduced standards or an increased level of risk exposure that breaches the risk appetite.

AntaresRe understands that, in accordance with regulatory requirements, where it outsources any of its activities either to external third-party service providers or intra-group entities, it will continue to be responsible and held accountable for the performance and output of those activities.

Each outsourcing arrangement is subject to robust processes:

- The business function owner is responsible for demonstrating the rationale for selecting and shortlisting the potential provider.
- Each service provider is subject to due diligence.
- A formal approval process is in place (including review of contracts by legal experts).
- The BMA is notified of any new outsourcing arrangements or changes to existing outsourcing arrangements.
- Service provider assessments are performed.
- Validation may be sought through an independent audit.

The business function owners are responsible for identifying and assessing the risks associated with an outsourcing arrangement and ensuring that the service providers have adequate internal control systems in place.

The table below outlines the outsourced functions that are considered critical or important:

Function / Work performed as at 31 December 2022	Jurisdiction of the Function	Name of Provider
Internal Audit	Zurich / Bermuda	PWC
Company Secretarial	Bermuda	Antares Global Services Limited
Compliance	Bermuda	Antares Global Services Limited
Investment Advisors	Doha	Epicure Investment Management LLC
Finance	Bermuda	Antares Global Services Limited
HR Support	Zurich	Antares Global Services Limited
IT Services	London	Antares Global Services Limited
Reinsurance services	Bermuda / London	Antares Global Services Limited
Risk Management	Bermuda / London	Antares Global Services Limited
Actuarial	Bermuda / London	Antares Global Services Limited / Willis Towers Watson *

*Please refer to section 3.8.2

The Board maintains oversight and control of all outsourced functions.

3.8.2 Outsourced Functions

The Company's material outsourced activities are detailed below.

Internal Audit
PricewaterhouseCoopers (PwC)

AntaresRe currently outsources its internal audit activities to PwC. The Internal Audit function reports directly to the Audit Committee and administratively to the General Counsel.

Investment managers and advisors
Epicure Investment Management LLC (Epicure)

Epicure (Formerly Qatar Economic Advisors (QEA)), is a wholly-owned subsidiary of QIC that provides investment advisory services. Epicure has been appointed investment managers for AntaresRe and its subsidiaries. Epicure manages the portfolio under an Investment Advisory Agreement, which outlines the authorities granted, together with an investment guidelines document, which provides more specific policy guidance. Epicure is responsible for monitoring the investment performance and providing quarterly investment reports to the Investment Committee, who in turn provides updates to the Board through the Finance Report.

Investment managers and advisors
External

The Company also works with external managers to diversify the portfolio allocation as well as for alternative assets. The Company appointed HSBC Global Asset Management (UK) Limited as the investment manager to manage Developed Market mandate along with securitised assets. The relationship with the investment manager is overseen by the Antares Global Finance Director.

Loss Reserve Specialist and Group Actuary
Willis Towers Watson

Mr. Train is an Associate Director of Towers Watson (Bermuda) Limited in Bermuda. The Bermuda Monetary Authority approved Mr Train in December 2019 as an Approved Loss Reserve Specialist in respect of Antares Reinsurance Company Limited and as a Group Actuary in respect of Antares (Bermuda) Group.

4 RISK PROFILE

4.1 Material Risk Exposures and Risk Mitigation

AntaresRe has adopted the following material risk categories:

- Insurance – (including Underwriting and Reserving) risk
- Market risk (including foreign exchange Risk)
- Credit risk
- Liquidity risk
- Operational risk
- Group risk
- Strategic risk

Please refer to Section 3.3.1 for a full list of risks identified via the risk register.

The Company has established a framework of internal controls, which seeks to mitigate risks and limit the probability of losses or other adverse outcomes as well as providing a framework for the overall management and oversight of the business. The controls are rated according to their effectiveness of both design and operation, with independent challenge provided by the Risk function. The Internal Audit function provides independent assurance on the performance of the controls.

If a new risk is identified, it is assessed, measured, and managed through the establishment of internal controls, with regular monitoring through the Risk Management Framework. The various risk mitigation techniques are regularly assessed to ensure they are appropriate to the nature and scale of the risks assumed.

The risk register captures the key controls for each risk and records the assessment of the effectiveness of each control as determined by the risk and control owners.

The Company's material risk categories are outlined below. Details of the QEL and Gibraltar Insurers material risk exposures and risk mitigation activities, which are consistent to that implemented at AntaresRe, can be found in the relevant Solvency and Financial Condition Report ("SFCR") for each company, which are made available on the relevant websites, or upon request.

4.1.1 Insurance risk

Insurance risk is AntaresRe's most significant risk. The principal risk associated with insurance contracts underwritten by the Company is that the actual claim payments or the timing thereof differ from expectations. This is influenced by the frequency and severity of claims and subsequent development of long-tail claims. The book is balanced between low frequency and high severity lines of business, and other lines of business which experience more attritional losses. Exposures are limited through defined underwriting limits and by purchasing reinsurance. The high-severity-low-frequency exposure mostly relates to natural catastrophe perils in the United States and, the business related to these perils continued to reduce during 2022. The largest exposure to attritional losses is through the proportional UK motor portfolio. Large losses impacting this portfolio is protected through the purchase of excess of loss reinsurance.

Insurance risk can be broken down into underwriting, catastrophe and reserve risk.

The main underwriting and reserving objectives are to ensure that:

- Risks are sufficiently identified and understood on contracts prior to accepting business.
- Policies are sufficiently priced so as to cover any future losses.
- Sufficient reserves are available to cover these liabilities.

AntaresRe purchases both treaty and facultative reinsurance to reduce the risk of excessive claims volatility. It enters into reinsurance arrangements within defined limits to ensure that the exposure to counterparty credit risk arising out of reinsurance arrangements does not exceed the defined risk appetite and tolerance statements. It ensures that the reinsurer provides adequate security by partnering with strongly rated reinsurers and ensuring that full collateralisation is in place for non-rated reinsurers. The Outwards Reinsurance team (Ceded Re) maintains a list of approved reinsurers and has defined processes governing reinsurance purchase.

Underwriting risk

Underwriting risk relates to the unexpired risk on business already incepted or bound and reflects the risk that premiums are not sufficient to cover future losses. Underwriting risk arises as a result of differences in the frequency and severity of claims compared to the Company's expectations. Exposures to underwriting risk are measured and monitored through a range of Realistic Disaster Scenarios ("RDS") as part of the Exposure Management Framework.

The Company mitigates exposure to underwriting risk through a robust suite of underwriting controls, which include defined limits, pricing models, peer review processes and oversight from the Underwriting Committee. A number of controls which mitigate against the risk of inadequate pricing and risk selection are in operation. These controls are assessed and documented within the risk register, including:

- The underwriting business plan approval process;
- Portfolio review and performance monitoring;
- Underwriting authority letters;
- Loss watch list which acts as an early warning system to identify potential losses;
- Documentation and challenge of pricing rationale;
- Pricing model governance and controls;
- Pricing data quality checks.

Catastrophe risk

Catastrophe risk arises primarily from property catastrophe and other property business lines. Catastrophe risk exposure is managed through the exposure limit framework, with oversight from the Underwriting Committee. The Exposure Management Framework provides for real-time aggregate limit monitoring (both frequency and severity) for policies entered on the underwriting system to reduce the risk of unforeseen accumulations arising with modelled portfolio roll-up activities taking place at least quarterly. Event limits are set by peril and region within the underwriting guidelines for all countries where business is written.

Natural catastrophe exposure is monitored using both a stochastic approach (measuring, for example, the 1-in-250-year Occurrence Exceedance Probability ("OEP") value at risk ("VaR")) to assess exposures. We utilise probabilistic vendor models for most important peril region scenarios to determine these. For natural catastrophes, actuarial methods are used to determine loss frequency and severity for peril regions where no vendor model is available. For perils/regions where AntaresRe has limited exposure, it uses statistical software to increase the number of loss events analysed by Monte Carlo simulation. The outcome of this assessment shows that the Company's largest exposures are to US North East Coast windstorms. There are also material exposures to non-US perils.

Non-natural peril catastrophe exposure is monitored through RDS, which are defined for each line of business. A suite of scenarios with different frequency and severity assumptions has been defined to make assessments on the tail risk. The return period associated with each scenario is determined by expert judgement and, where available, by considering relevant historical observation points.

Reserve risk

Reserve risk arises from the inherent uncertainty surrounding the adequacy of the reserves or technical provisions set aside to cover insurance liabilities. The risk is that the current reserves (including incurred but not reported ("IBNR") reserves) are not sufficient to cover the run-off of the claims which have already occurred. The main contributor to reserve risk is non-proportional casualty business (which is longer tailed than other lines of business).

Reserve risk exposure is managed within the Actuarial function and through defined reserving best practices, which are overseen and approved by the Reserving Committee. A number of controls are in place to ensure that reserving processes are adequate and that reserving data is complete and appropriate. These controls are assessed and documented within the risk register, including:

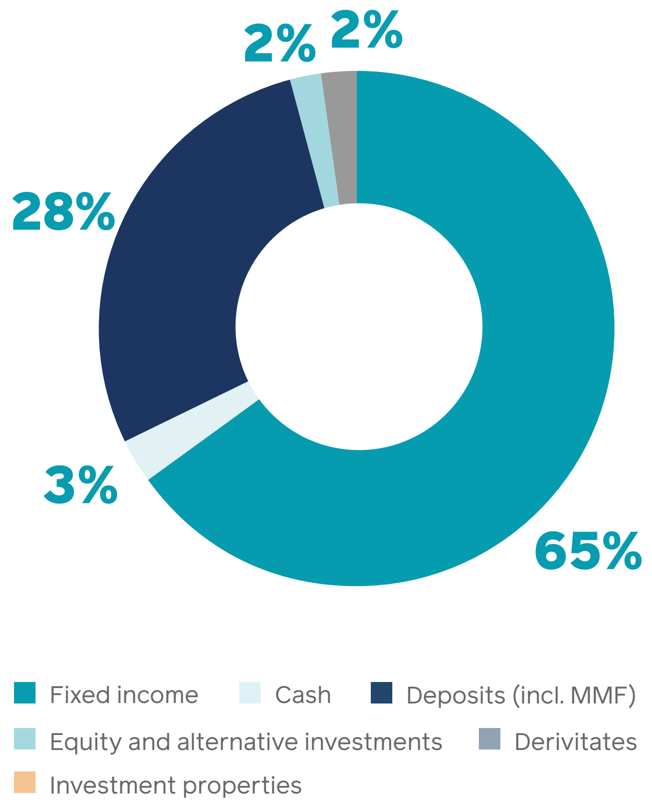
- Reserving policy outlining standards and target reserve strength;
- Reserving Committee review, challenge and determination of management best estimate;
- Underwriter review and challenge of reserves;
- Independent opinion on reserves.

In addition to the specific management of underwriting, catastrophe and reserve risk management as described in this section, the company also measures and monitors these risks though the quarterly assessment against risk appetite, and tolerance statements and quarterly self-assessment on risk register and control activities. The Company analyses the output from the internal model to understand the relative capital requirements and modelled uncertainty surrounding the portfolio by line of business.

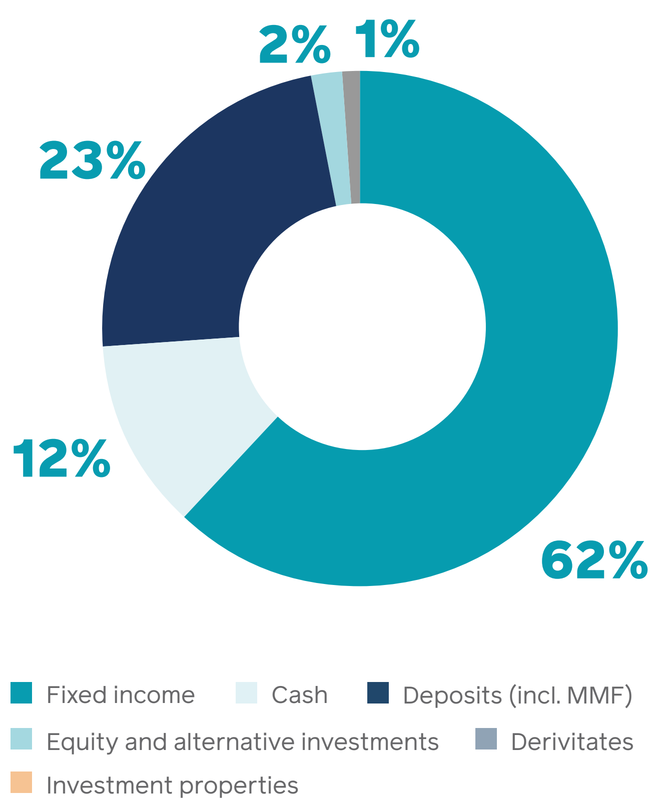
4.1.2 Market Risk

Market risk can cause the Company to suffer losses due to unfavourable financial market developments. Market risk arises from foreign currency exposure risk, fixed income portfolio related interest rate risk, spread risk and credit risk, which includes migration and default risk. In addition, the firm is impacted by equity price risk due to of equity exposure within the investment portfolio. As at 31 December 2022, on a AntaresRe Consolidated basis, the fixed income portfolio made up 62% (Standalone 65%) of the overall portfolio, as shown in the graph below, with an average rating of BBB+. The allocation to equities, alternatives and derivatives was approximately 3% (Standalone 4%) with the remaining portion held in cash and fixed deposits. The Company uses hedging arrangements to mitigate against unfavourable foreign exchange and interest rate movements.

AntaresRe Standalone investment allocation as at 31st December 2022



AntaresRe Consolidated investment allocation as at 31st December 2022



In respect to the Companies derivative exposure, these instruments are held for the purpose of providing risk mitigation benefits against adverse foreign exchange and interest rate movements.

Investment risk

The investment strategy is tailored to meet the Company's business needs, objectives and regulatory requirements. The investment strategy sets out a number of objectives including:

- Preservation of capital
- Delivering an appropriate return relative to risk
- Ensures liquidity requirements are met

AntaresRe's investment mandate is intended to limit its exposures to market risk and volatility, and the adherence to these guidelines and their continued suitability are overseen by the Board. In particular, exposure is limited to assets such as private equity, real estate, hedge funds and other (non-fixed income/non-equity) managed funds. The investment mandate is heavily weighted towards fixed income and cash deposits.

The Board approves and monitors the implementation of the investment mandates by the investment advisors. An Investment Committee is in place which has responsibility for monitoring investment portfolios and reporting to the Board as appropriate. It also provides advice and commentary on all material investment matters. An update on the investment portfolio is included in the Board meeting materials. Asset allocations are compared to minimum and maximum allocations and constraints per the investment mandate and risk appetite and tolerance statements to ensure compliance.

Liquidity risk

Liquidity risk arises when the Company is unable to meet payment obligations as and when they fall due. This risk is measured by assessing the appropriateness of the controls in place to monitor and manage liquidity risk exposure and supplement this with cash flow analysis arising from stress testing exercises. Liquidity risk is managed through the overall investment strategy, which is focused on allocations to more liquid instruments and wider monitoring of the overall liquidity profile of the investment portfolio. The overall investment portfolio is considered very liquid. The actuarial team also provides information to the investment advisors on a quarterly basis relating to the maturity profile of the insurance liabilities in order to facilitate appropriate asset allocations.

Concentration risk

Concentration risk can arise when the investment portfolio is not appropriately diversified across counterparties, geographical regions and industries. Concentration risk is measured with reference to AntaresRe's risk appetite and tolerance statements, which limit the concentration of asset holdings on a regional, country and counterparty level. To mitigate against concentration risk, the concentration of asset holdings on a regional, country and counterparty level are maintained by reference to the risk appetite limits.

4.1.3 Credit risk

This represents the risk of counterparties defaulting and not being able to make payments, resulting in losses to AntaresRe. A credit risk event can also occur due to the failure of reinsurers to settle claims in full or the failure of a broker, agent or banking provider.

The Ceded Reinsurance team actively monitors exposure to reinsurance counterparties. To minimise exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk. Minimum security ratings or collateral requirements are in place for reinsurance counterparties. Antares Global has established a Security Committee to provide oversight across all the group entities.

All brokers, and manging general agents providing service to the subsidiaries, are subject to due diligence procedures and, depending on the significance, frequent reviews and/or specific ongoing oversight activities. The technical accounting / credit control department prepare and monitor aged debt reports, establishing provisions for amounts which are not expected to be recovered due to default.

An approval process is in place for accepting all new banking counterparties, with minimum security ratings also in place. The security rating of all banking and custodian counterparties is monitored on an ongoing basis.

Furthermore, investments are a potential source of potential credit risk. To mitigate this risk, the Investment Guidelines include details of permitted securities, minimum credit ratings and maximum concentrations.

4.1.4 Operational risk

Operational risk arises from inadequacy or the failure of processes, people or systems, or from external events that impact the operational capability of the Company. AntaresRe monitors operational risk exposures through the effectiveness status of the risk register control activities and emerging risk processes, which are overseen by the RCC. The risk register and emerging risk processes also cover strategic risks, reputational risks and legal and litigation risks.

AntaresRe seeks to manage operational risk exposure through the implementation of a robust internal control framework and an effective governance framework, as described in detail in section 3. An effective business continuity plan and disaster recovery plans have also been established and tested.

4.1.5 Group risk

Group risk represents the risks arising as a result of being part of an insurance group, including exposures resulting from intra-Group transactions. It arises from the relationship with the ultimate parent company, including the reinsurance cover provided by QIC and the dependence on the parental guarantee and Group credit rating. These risks are managed by the CEO.

Operational dependency on the parent reduced significantly since the Company's redomicile to Bermuda, with Epicure (a subsidiary of QIC) being the only remaining material intra-Group outsourcing arrangement.

AntaresRe's capital basis is also supported by Tier 1 capital. The Company remains integral to, and dependent on, the QIC Group credit rating. QIC's international operations (including AntaresRe, its subsidiaries and Antares).

4.1.6 Strategic risk

The risk of business strategy failure is mitigated through the review and sign-off of the business plan by the Board and alignment of the business plan, risk appetite, capital requirements and underwriting guidelines. Formal communication of the business plan is provided to the Company's underwriters and business partners. As outlined in section 3.2, the Company ensures that Board members and senior executives are fit and proper to discharge their responsibilities, which includes providing the necessary strategic direction. Stress and scenario testing helps to identify and assess the risks to the business plan.

4.1.7 Reputational risk

Reputational risk is considered as a by-product of inappropriate/inadequate management and mitigation of all other risk categories. The risk of adverse publicity is mitigated through the effective corporate governance framework and Board oversight of the Company's strategies, policies and risk appetite as well as our wider management of other risk categories. Risk management is fully integrated into the business planning process, and there is a strong culture of compliance with laws and regulations and risk awareness throughout the Company.

4.1.8 Legal/litigation risk

As described under section 3.4, the Compliance Function provides expert guidance on current and proposed regulatory requirements in the jurisdictions in which the Company operates. The legal team performs ongoing monitoring of material changes in laws and regulations to ensure the impact of any changes is communicated to relevant parties. It also plays a significant role across a number of activities, including the drafting and review of company policies, management of claims disputes and review of outwards reinsurance transactions.

4.2 Monitoring the External Risk Environment

The Company continuously monitor the wider external risk environment, which includes emerging risks identified through the emerging risk process, as outlined in section 3.3.

The following risks have been identified as having a potential material impact on the business, and have led to implementation of associated mitigation and contingency planning:

Emerging Risk	Comment
COVID-19 Pandemic Insurance Exposure	The COVID-19 pandemic remains ongoing, and there remains uncertainty around how losses and reinsurance recoveries may further develop in response to COVID-19 losses. Please see the note below on how COVID-19 impacts on the AntaresRe Group. This is a risk that continues to be monitored.
IFRS-17	IFRS 17 has a direct impact to the accounting for insurance contracts ARe as an IFRS reporter will be directly impacted. A project has been set up to establish and implement the necessary processes for IFRS17 reporting.
Climate Change	Climate Change is an increasing area of focus from many stakeholders, and has the potential to generate physical, liability and transitional loss impacts. There may also be operational impacts. This is a risk that continues to be monitored and considered as part of wider ongoing risk management processes, including regulatory expectations in this area.
Environmental, Social and Governance (ESG)	There continues to be an ongoing focus from stakeholders on ESG topics. There is also increased potential for enquiries from stakeholders in this topic.
Social & Economic Inflation	Social inflation (e.g. increased awards by courts) and economic inflation both have the potential to increase insurance losses and investments in both the short and medium term

COVID-19:

As noted above, the effects from COVID-19 is a potential risk, and exposure from COVID-19 is most likely to arise from AntaresRe's subsidiaries, and in particular, QIC Europe Limited (QEL). The majority of covered COVID claims have been settled and for those that remain open, QEL continues to work with its policyholders to resolve all COVID-related claims. Post the 2021 Supreme Court judgement in the FCA test case, there remain certain unresolved coverage and quantification issues that are being addressed. The legal evolution on continuing cases is routinely monitored and a framework is in place to review our reserves in response to legal developments.

4.3 Risk Concentrations

The Company's Board-approved risk appetite and tolerance statements govern the concentration limits in relation to counterparties, credit quality and geographical locations so as to avoid any material risk concentration. The Risk Function, in liaison with the business areas and risk owners, performs a qualitative and quantitative assessment of exposures against the defined appetite and tolerances on a quarterly basis.

In addition to the appetite and tolerance limits there are a number of different managerial level limits that are used across different functions to manage risk exposures within the approved risk appetites. For example, investments are managed within the scope of the approved Investment Mandate. Regular reporting of asset positions against the mandate is performed and monitored by the Board.

Similarly, for underwriting risk, catastrophe capacity is allocated across key perils/regions. The Company's exposure management function also provides monitoring of aggregate risk exposures by peril and region.

4.4 Investment of Assets in Accordance with the Prudent Person Principle

The Antares Global Finance Director has executive responsibility for the oversight of the Company's investment portfolio and the relationship with its investment managers. In line with the Prudent Person Principle, AntaresRe maintains a diversified and sufficiently liquid portfolio of investments to ensure that liability cash flows are covered appropriately as they fall due. Epicure, who are appointed as investment manager for AntaresRe, provide a range of investment advisory and management services to the Company, in accordance with its investment guidelines and investment mandate. The Company also works with external managers to support a diversified portfolio allocation and to gain exposure to alternative assets. The Company appointed HSBC Global Asset Management (UK) Limited as the investment manager to manage a Developed Market mandate along with securitised assets.

The investment allocation is weighted mainly towards fixed income Bonds and cash deposits, with concentration limits in place. The Company invests in a combination of sovereign and investment grade fixed income securities. The small amount of portfolio is invested in equity funds (mostly Epicure managed) and third party Private Equity funds.

Total Gross portfolio of AntaresRe Group is USD $1.99 billion as at 31st December 2022.

An investment mandate is approved by the Board and includes details of permitted investments (including limits), minimum credit ratings and maximum concentrations. The Board provides oversight of the company AntaresRe's investment strategy and performance. The investment strategy ensures the Company only invests in instruments that any reasonable individual with objectives of capital preservation and return on investment would own and that are in the best interests of policyholders. The guidelines only allow investment risks that the Company can properly identify, measure, respond to, monitor, control and report. The guidelines are set to ensure appropriate and adequate capital, liquidity and ability to meet policyholder obligations.

4.5 Stress Testing and Sensitivity Analysis

The use of stress and scenario analysis is a key element of the Risk Management Framework. A range of stress and scenario tests are performed on an ongoing basis to assess material risks and ensure that the Company has sufficient capital and liquidity to meet its policyholder obligations as they fall due.

Exposure Management performs regular stress testing of the RDSs, alongside wider modelling of catastrophe exposures.

The Company also conducts prescribed stress and scenario testing and analysis as part of its Capital and Solvency Return to the BMA, which helps determine the financial capacity to absorb the materialisation of shocks to both financial market and underwriting conditions.

Reverse stress test scenarios consider the impact of certain extreme events relating to QIC that could cause significant strain on the Company and outline the mitigating factors in place to protect against these. The Company considers scenarios which would cause both severe financial stress and severe operational stress.

5 SOLVENCY VALUATION

The assessment of available and required regulatory capital is made by taking an economic view of assets and liabilities, in accordance with the BMA's Economic Balance Sheet ("EBS") framework. The EBS is produced on a consolidated basis in line with generally accepted accounting principles ("GAAP") (which in this instance means International Financial Reporting Standards ("IFRS")) subject to certain regulatory filters and adjustments as prescribed by the BMA. If GAAP principles permit both a fair value model and a non-economic valuation model for valuing an asset or liability, a fair value model is used. All contractual liabilities or contingent liabilities arising from off-balance sheet arrangements are recognised on the EBS.

5.1 Valuation of Assets for Solvency Purposes

Cash and cash equivalents, fixed income securities, equities, other investments, and all other assets on the EBS are recorded at fair value in line with IFRS, with both changes in fair value and realised gains/losses netted off Statutory Economic Capital and Surplus. In cases where the IFRS principles do not require fair value, investments are valued using the EBS Valuation hierarchy, as defined in the BMA's "Guidance Note for Statutory Reporting Regime" for the reporting period's statutory filing.

5.2 Valuation of Liabilities for Solvency Purposes

The main liabilities on the EBS are the technical provisions, net of reinsurance recoverables, which consist of liabilities for claims outstanding and premium provisions. Other liabilities include insurance and reinsurance balances payable, loans and notes payable and lease arrangements.

5.2.1 Valuation of Technical Provisions

Technical provisions comprise the sum of the best estimate cash flows and a risk margin and are calculated using the BMA's "Guidance Note for Statutory Reporting Regime". The gross and net technical provisions are shown separately.

The best estimate liability aims to represent the probability-weighted average of future cash flows required to settle the insurance obligations attributable to the lifetime of the Company's policies. The best estimate cash flows include future best-estimate premium payments, claim payments, expenses expected to be incurred in servicing policies over their lifetime, investment costs and any payments to and from reinsurers. The best estimate liability is discounted using the currency specific standard rate yield curves as published by the BMA, which are derived from the risk-free interest rate term structure with an illiquidity adjustment.

The best estimate is shown separately for outstanding claims provisions (in respect of claims incurred whether reported or not) and premium provisions (in respect of expected future claims events). Premium provisions include an allowance for business which has been bound but not incepted ("BBNI") at the valuation date.

The risk margin is added to the discounted best estimate to allow for the cost of capital and reflect the market value of the technical liabilities. The risk margin is calculated using a cost of capital approach with reference to the insurance risk, counterparty credit risk and operational risk components of the Bermuda Solvency Capital Requirement ("BSCR") formula. A cost of capital rate of 6% is applied to the cost of capital to cover the full period needed to run off the insurance liabilities. The cost of capital in each future year is discounted using the risk-free discount curve as provided by the BMA.

As part of our annual process, an independent external review of AntaresRe, QEL and the Gibraltar Companies' reserving as at 31 October 2022 was completed during Q4 2022. The review covered both reserving methodology and the reserves themselves, including calculations of technical provisions and identified enhancements have been incorporated in the year end results.

5.2.2 Recoverables from Reinsurance Contracts

The best estimate of the amounts recoverable from reinsurance contracts and other risk transfer mechanisms is calculated separately from the gross best estimate. The calculation is based on principles consistent with those underlying the gross best estimate, projecting all cash flows associated with the recoverables and discounting using the standard rate yield curve. The cash flows include reinstatement premiums and any expenses in relation to the management and administration of reinsurance claims. The cash flows take account of timing differences between payment of the gross claims and receipt of the related reinsurance recoverables.

An adjustment is made to reflect the expected losses on reinsurance recoverable due to counterparty default. The adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting from the default and the ability to offset premium liabilities owing from AntaresRe in the event of a default.

5.2.3 Valuation of Other Liabilities

Other liabilities appearing on the EBS are all recorded at fair value in line with IFRS. Amounts payable in more than one year are discounted at the relevant risk-free rate.

5.3 Other Material Information

There is no other material information, beyond that identified elsewhere within this report.

6 CAPITAL MANAGEMENT

AntaresRe Group is required by the BMA to hold available statutory capital and surplus of an amount that is equal to or exceeds the Enhanced Capital Requirement ("ECR"). The ECR is the higher of the BSCR (the BMA standard formula capital requirement) and the Minimum Margin of Solvency ("MSM"). The BSCR forms part of the regulatory regime that has equivalence with Europe's Solvency II. The MSM is calculated based on the higher of various metrics from the statutory accounts with a floor set at 25% of the BSCR.

AntaresRe is required by the BMA, as a standalone licensed class 4 reinsurer, to hold eligible capital and surplus of an amount that is equal to or exceeds the ECR. The BMA also defines the Target Capital Level as 120% of the ECR and although not a capital requirement per se, insurers are expected to hold eligible capital resources to cover it.

AntaresRe Group's available statutory economic capital of USD $601.7 million consists solely of Tier 1 basic capital.

The available statutory economic capital for AntaresRe, as a standalone licensed class 4 reinsurer, under the BMA rules is also presented at a consolidated basis.

6.1 Eligible Capital

6.1.1 Capital management

Capital adequacy is maintained with reference to risk appetite and tolerance statements, which are defined in terms of the Company's regulatory and internal model solvency ratios. AntaresRe's risk appetite defines what it seeks to achieve based on normal commercial situations. At any given time, the capital management policy is to maintain a strong capital base to enable the Company to support the business plan based on its own view of the capital required, while meeting regulatory capital requirements on an ongoing basis.

The Risk Management Framework is embedded in strategic planning, decision making and budgeting. As part of this framework, the level of capital is assessed to maintain solvency at the thresholds targeted within the risk appetite and tolerance statements, given the Company's risk profile. The GSSA processes enable AntaresRe to identify, assess, monitor, manage and report on the current and emerging risks that the Company faces, and to determine the capital necessary to ensure that overall solvency needs are met at all times.

The Capital Management Action Plan identifies the various thresholds below which available capital may be depleted, and the actions that will be adopted to maintain capital adequacy in line with the risk appetite and tolerance statements. The capital position can be managed by either increasing the amount of available capital or by taking action which reduces the required capital. The approach taken depends on the specific circumstances of the event giving rise to the depletion of available capital.

6.1.2 Tiers of Eligible Capital

The BMA have a three-tiered capital system, which is designed to assess the quality of insurers' capital resources eligible to satisfy their regulatory capital requirement. The tiered capital system (Tiers 1, 2 and 3) classifies capital instruments into a given tier based on their loss absorbency characteristics. The highest-quality capital is eligible for Tier 1, which is able to absorb losses under all circumstances, including as a going-concern, during run-off, wind-up and insolvency. Tier 2, while providing full protection to policyholders in a wind-up or insolvency, has moderate loss absorbency on a going-concern basis. Tier 3 meets, on a limited basis, some of the characteristics exhibited in Tiers 1 and 2.

Eligibility limits are applied to each tier in determining the amounts eligible to cover regulatory capital requirement levels. Only Tier 1 and Tier 2 capital are eligible to cover the MSM (where Tier 2 cannot exceed 25% of Tier 1). Tier 2 capital is only eligible to cover the SCR up to an amount of 66.67% of Tier 1 capital. Tier 2 and Tier 3 capital in total cannot exceed 66.67% of Tier 1 capital, whereas Tier 3 capital on its own cannot exceed 17.65% of the sum of Tier 1 and Tier 2.

Eligible capital consists of paid-in share capital and retained earnings. AntaresRe currently holds only Tier 1 Capital and confirms conformance to the eligibility limits to cover the MSM and ECR.

At the end of the reporting period, the eligible capital was categorised as follows (USD millions):

Figure 6.1.2: Eligible Capital to cover ECR

Tier	Eligible Capital (USD million)
Tier 1	601.7
Tier 2	0
Total	601.7

6.1.3 Eligible Capital subject to Transitional Arrangements

At the end of the reporting period, the Company did not hold any eligible capital subject to transitional arrangements. The ECR and Risk Margin is calculated fully on the 2019 methodology of the BSCR.

6.1.4 Factors Affecting Encumbrances Affecting the Availability and Transferability of Capital to Meet the ECR

AntaresRe has entered into certain reinsurance contracts with cedants that require it to fully collateralise or pledge assets equal to the estimated policyholder obligations. Pledged assets are held in trust accounts for the benefit of the cedant. These assets are released to us upon the settlement of the policyholder obligations. The Company benefits from investment income received on these assets.

6.1.5 Ancillary Capital Instruments Approved by the BMA

AntaresRe does not currently hold any Ancillary Capital Instruments

6.1.6 Differences in Shareholder's Equity as Stated in the Financial Statements versus the Available Capital and Surplus

The key differences between the shareholder's equity as stated in the IFRS financial statements and the available capital and surplus as stated in the Economic Balance Sheet are as follows:

- The reinsurance contract liabilities and reinsurance contract assets in the IFRS financial statements are replaced by the technical provisions in the Economic Balance Sheet. The technical provisions are calculated in accordance with the Insurance (Prudential Standards) (Class 4, Class 3B Solvency Requirement) Rules 2008 as amended. This calculation basis is described under section 5.2.
- Certain assets carried on the IFRS balance sheet are considered as prudential filters and thus non-admitted assets when assessing the Economic Balance Sheet. These assets which include intangible assets and prepaid expenses, are deducted from the IFRS balance sheet when arriving at the Economic Balance Sheet

6.2 Capital Requirements

The Board has approved the following capital matrices which are monitored on a regular basis.

Entity	Risk Appetite	Tolerance
AntaresRe	The solvency ratio as determined by the Bermuda Enhanced Capital Requirement (ECR) Framework should be maintained at 140%-180% which is the Internal Capital Requirement range, and the solvency ratio should not fall below 140%	AntaresRe has limited tolerance for Eligible Own Funds to fall below the Internal capital requirement. As per equity funding deed, the Shareholder and Ultimate Parent shall provide, at the request of QRE and within two months the required contribution as is necessary to restore ECR solvency ratio to at least 140%
	The minimum solvency ratio as determined by the Bermuda Minimum Margin of Solvency should not fall below 120%.	As appetite
MICL & SJL	The solvency ratio as determined by the EU Solvency II Solvency Capital Requirement (SCR) Framework should be maintained at 140%-160% which is the Internal Capital Requirement range, and the solvency ratio should not fall below 140%	Limited tolerance for Eligible Own Funds to fall below the Internal capital requirement.
West Bay (formerly ZIP)	The solvency ratio as determined by the EU Solvency II Solvency Capital Requirement (SCR) Framework should be maintained at 160% which is the Internal Capital Requirement, and the solvency ratio should not fall below 160%	Limited tolerance for Eligible Own Funds to fall below the Internal capital requirement. As per equity funding deed, the Shareholder and Ultimate Parent shall provide, at the request of West Bay and within two months the required contribution as is necessary to restore ECR solvency ratio to at least 160%
QEL	The solvency ratio as determined by the EU Solvency II Solvency Capital Requirement (SCR) Framework should be maintained at 140%-160% which is the Internal Capital Requirement range, and the solvency ratio should not fall below 140%	Limited tolerance for Eligible Own Funds to fall below the Internal capital requirement.

In addition, the Company must, at all times, have the ability to raise adequate liquidity to fund two independent 1-in-250-year events on a gross basis requiring liquidity within 12 months.

6.2.1 ECR and MSM

At the end of the reporting period, the Group's regulatory capital requirements were as follows:

Figure 6.2.1(1): Regulatory Capital Requirements

AntaresRe	(USD million)
Enhanced Capital Requirement (ECR)	641.5
Available Capital and Surplus	601.7
ECR ratio	94%

The Class 4 and Group ECR number are identical. Since the AntaresRe ECR ratio was below the levels outlined in Section 6.2, our Capital Management Action Plan was triggered. Further details on actions taken can be found in Section 7.3.

The Group MSM of USD $368.0 million comprises the following capital allocations:

Figure 6.2.1(2): Minimum Solvency Margin by entity

MSM / MCR	(USD million)
Antares Reinsurance Company Limited	304.8
QIC Europe Limited	10.6
Markerstudy Insurance Co. Ltd.	9.3
West Bay Insurance Plc	39.1
St Julians Insurance Co. Ltd.	4.2
Group Total MSM	**368.0**

As at 31 December 2022, the Company was compliant with the MSM requirement.

AntaresRe's solvency ratio relative to the Enhanced Capital Requirement (ECR) as at year end 2022 was 94% (Q3 2022: 175%). The reduction in Solvency ratio is due to adverse performance of the Gibraltar operations that are 'held for sale'. A formal Capital Management Action Plan has been implemented, which includes a further Tier 1 capital injection of $100m and risk transfer activities which has since restored the solvency ratio to regulatory required levels.

6.2.2 Company Specific Parameters

The Company has not made use of any Company Specific Parameters at the end of the reporting period.

6.2.3 Approved Internal Model

This section is not applicable as the Company does not use an approved internal model for the calculation of the Company's regulatory capital requirements.

7 SUBSEQUENT EVENTS

7.1 Board and senior management changes

The AntaresRe Board approved Mr. Misha Novakovic as Executive Director on 23 March 2023.

The AntaresRe Board accepted Ms. Jennifer Crayford's resignation as Compliance Officer, Company Secretary, Executive Director, and Principal Representative effective 28 April 2023.

The AntaresRe Board approved Mr. Philip Smith as Principal Representative effective 28 April 2023.

7.2 Significant events

There have been no "significant events" identified in line with the definition set out in the Insurance (Public Disclosure) Rules 2015 not otherwise disclosed in this report.

7.3 Other subsequent events

The following items continue to be monitored by AntaresRe Group:

Capital Management Action Plan: AntaresRe's solvency ratio relative to the Enhanced Capital Requirement (ECR) as at year end 2022 was 94%. The reduction in Solvency ratio was primarily impacted by results in its Gibraltar operations that are 'held for sale'. To address this, and in accordance with the Company's Capital Management Action Plan, an additional USD $100million of Tier 1 capital has been injected from QIC, alongside other capital management actions. These collective actions which have been implemented, have restored the solvency ratio to in excess of the regulatory capital requirement.

Sale of Gibraltar based Subsidiaries: In 2022, the Company entered into discussions to sell the Company's share capital in West Bay Insurance Plc and Markerstudy Insurance Company Limited. The discussions are now in a materially advanced state, and the potential buyer has now sent a near-final share purchase agreement to its investors for approval. While negotiations continue on certain ancillary documents (including, for example, an updated 2023 binding authority agreement), it is currently anticipated that the parties will shortly be in a position to exchange on the sale. It should be noted that completion of the sale is dependent on the satisfaction of a number of subjectivities, including on the potential buyer obtaining all necessary regulatory change of control approvals.

8 DECLARATION

This Financial Condition Report fairly represents the financial condition of the Company in all material aspects during the reporting period.

Signed and dated:

Faraz Khalid
Chief Risk Officer
30 April 2023

Michael van der Straaten
Chief Executive Officer
30 April 2023

Disclaimer
Some of the statements in this financial condition report may consist of forward-looking statements or statements of future expectations based on the information available to the Company currently.

There are many factors and conditions, financial or economic, whether owing to market conditions or the happening of catastrophic events that may cause actual events or results to be materially different from those that may be antic¬ipated by such statements.

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Neither Qatar Re, nor its parent and its subsidiaries or affiliated companies, accept any liability what¬soever for any decision made, or action taken or not taken, including the consequences thereof, in connection or conjunction with, directly or indirectly, the information and/or statements contained in this financial condition report.

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