Solvency and Financial Condition Report

For the period 1 Jan – 31 Dec 2025

Sveriges Ångfartygs Assurans Förening

Reg.no. 557206-5265

The SFCR was republished 2026-11-20 following the correction of two amounts in section D.2.2. relating to the discounting effect and the risk margin. These corrections do not affect any other figures in the report.

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Summary

Introduction

The structure of the Solvency and Financial Condition Report (SFCR) has been prepared as described in Annex XX (twenty) of the European Union Commission delegated regulation 2015/35.

From the perspective of understanding the business and its inherent risks the most relevant currency from which to evaluate the Company is USD since most revenues and claims related costs of the company are denominated in USD. Therefore, in this summary, key figures for regulatory solvency calculations are presented in both the statutory reporting currency SEK and in USD.

Amounts within brackets represent the previous financial year. In many aspects, the SFCR overlaps with the statutory annual report; however, it provides additional insights into our solvency position, based on the perspectives of the solvency regulations. In other aspects, the annual report could provide an even more comprehensive view on the company's operations.

Business and performance

The Swedish Club (the Club) maintains a robust financial position. This is reflected in this SFCR as well as the Club's annual report.

Development of key figures for regulatory solvency calculations:

SEK million	**2025**	**2024**	**2023**	**2022**	**2021**
Eligible own funds (EOF)	3,242	3,462	2,711	2,522	2,249
Basic own funds, Tier 1 (BOF)	2,450	2,533	1,920	1,795	1,759
Ancillary own funds, Tier 2 (AOF)	792	929	790	727	670
Minimum capital requirement (MCR)	584	648	583	518	437
Solvency capital requirement (SCR)	1,584	1,859	1,581	1,454	1,340

USD million	**2025**	**2024**	**2023**	**2022**	**2021**
Eligible own funds (EOF)	352	315	272	242	269
Basic own funds, Tier 1 (BOF)	266	230	192	172	194
Ancillary own funds, Tier 2 (AOF)	86	84	79	70	74
Minimum capital requirement (MCR)	63	59	58	50	48
Solvency capital requirement (SCR)	172	169	158	139	148
Exchange rate USD/SEK	9.197	11.0	9.983	10.437	9.044

The Swedish Club is a mutual marine insurance association, owned and controlled by its members, with headquarters in Gothenburg and an international presence through branches and representative offices. The Club is licensed to provide Hull & Machinery, P&I and FD&D insurance and operates within the Marine, Aviation and Transport (MAT) line of business.

During 2025, the Club delivered stable premium growth, with gross premiums written increasing to SEK 2,674 million, driven mainly by growth in Asia and continued strength in Greece. The underwriting performance improved significantly, with a combined ratio of 91% (97% in 2024), reflecting lower claims experience and disciplined underwriting, partly supported by favourable currency effects.

Investment performance weakened in SEK terms compared with the previous year due to currency movements, resulting in a financial result of –SEK 80 million, although the underlying USD-denominated portfolio generated a positive return.

System of Governance

The Club operates within a well-defined governance framework with clearly allocated responsibilities across the Board of Directors, its committees, executive management and the three lines of defence. The Board retains ultimate responsibility for strategy, risk management and internal control.

Key functions – Risk Management, Actuarial, Compliance and Internal Audit – operate independently in line with Solvency II requirements. The governance system, including remuneration, fit and proper assessments and outsourcing arrangements, was reviewed and enhanced during 2025. A description of the system of governance is found in section B.

Risk Profile

The Club’s risk profile is primarily driven by underwriting risk, followed by market risk, credit risk and operational risk. This profile is consistent with the nature of the Club’s marine insurance business and reflects the results of the Own Risk and Solvency Assessment (ORSA).

Underwriting risk is effectively mitigated through comprehensive reinsurance arrangements and conservative net retentions. Market risk arises mainly from equity, interest rate and currency exposures within the investment portfolio, while credit risk is driven primarily by reinsurance recoverables. Operational risks are managed through structured processes, internal controls and incident reporting.

Emerging risks, including climate change, cyber risks and geopolitical developments, are actively monitored and incorporated into the Club’s risk management framework.

The material risks that the Club is exposed to are explained in section C.

Valuation for Solvency Purposes

Assets and liabilities are valued in accordance with Solvency II principles, largely using market-consistent valuations. Technical provisions consist of a best estimate and a risk margin and are calculated using established actuarial methods and EIOPA discount curves. The main difference between statutory and Solvency II technical provisions arises from discounting, the removal of prudence margins and the inclusion of the risk margin.

The valuation for solvency purposes is explained in section D.

Capital Management

The Club maintains a strong capital position and comfortably meets both the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). At year-end 2025, the SCR amounted to SEK 1,584 million, while eligible own funds provided solid coverage, with a Basic Own Funds to SCR ratio of 1.55 and an Eligible Own Funds to SCR ratio of 2.05.

The decrease in the SCR compared with 2024 is primarily explained by currency effects from the strengthening of the Swedish krona. From a USD perspective, both capital requirements and own funds increased, reflecting growth in the investment portfolio. The ORSA confirms that the Club's capital position remains resilient under adverse scenarios and aligned with its risk appetite and target credit rating.

Section E contains information on own funds and the regulatory capital requirement they must cover.

Sammanfattning (Summary in Swedish)

Introduktion

Solvens- och verksamhetsrapporten (SFCR) har upprättats enligt den struktur som beskrivs i bilaga XX (tjugo) av EU Kommissionens delegerade förordning 2015/35.

Från perspektivet att förstå verksamheten och dess inneboende risker är den mest relevanta valutan för att utvärdera företaget USD eftersom de flesta intäkter och skadekostnader för företaget är i USD. I denna sammanfattning presenteras därför nyckeltal för regulatorisk solvensberäkning både i den lagstadgade rapporteringsvalutan SEK och i USD.

Belopp presenteras i miljoner. Belopp inom parentes representerar föregående års räkenskapsår. I många aspekter överlappar SFCR och årsredovisningen varandra. SFCR ger dock ytterligare insikter om företagets solvensposition, baserat på perspektiven i solvensregelverket. I andra aspekter kan årsredovisningen ge en ännu mer utförlig bild av företagets verksamhet.

Verksamhet och resultat

Sveriges Ångfartygs Assurans Förening (SÅAF) upprätthåller en robust finansiell ställning. Det återspeglas i denna SFCR samt i företagets årsredovisning.

Utvecklingen av nyckeltal i solvenskravsberäkningen:

SEK miljoner	**2025**	**2024**	**2023**	**2022**	**2021**
Medräkningsbara kapitalbasmedel (EOF)	3,242	3,462	2,711	2,522	2,249
Primärkapital, nivå 1 (BOF)	2,450	2,533	1,920	1,795	1,759
Tilläggskapital, nivå 2 (AOF)	792	929	790	727	670
Minimikapitalkrav (MCR)	584	648	583	518	437
Solvenskapitalkrav (SCR)	1,584	1,859	1,581	1,454	1,340

USD miljoner	**2025**	**2024**	**2023**	**2022**	**2021**
Medräkningsbara kapitalbasmedel (EOF)	352	315	272	242	269
Primärkapital, nivå 1 (BOF)	266	230	192	172	194
Tilläggskapital, nivå 2 (AOF)	86	84	79	70	74
Minimikapitalkrav (MCR)	63	59	58	50	48
Solvenskapitalkrav (SCR)	172	169	158	139	148
Valutakurs USD/SEK	9.197	11.0	9.983	10.437	9.044

SÅAF är ett ömsesidigt marint försäkringsbolag som ägs och kontrolleras av sina medlemmar, med huvudkontor i Göteborg och internationell närvaro genom filialer och representationskontor. SÅAF har licens att bedriva försäkringsverksamhet inom Hull & Machinery, P&I samt FD&D och verkar inom affärsområdet Marine, Aviation and Transport (MAT).

Under 2025 uppvisade SÅAF en stabil premieutveckling, där bruttopremieinkomsten ökade till 2 674 MSEK, främst drivet av tillväxt i Asien samt fortsatt styrka i Grekland. Försäkringsresultatet förbättrades markant med en totalkostnadsprocent om 91 % (97 % föregående år), vilket speglar lägre skadeutfall, disciplinerad underwriting och delvis gynnsamma valutaeffekter.

Kapitalförvaltningens resultat försämrades mätt i SEK jämfört med föregående år, huvudsakligen till följd av valutakursrörelser, vilket resulterade i ett finansiellt resultat om -80 MSEK. Den underliggande USD-denominerade portföljen genererade dock en positiv avkastning. SÅAF bibehöll en försiktig riskprofil i kapitalförvaltningen i en miljö präglad av finansiell volatilitet.

Företagsstyrningssystem

SÅAF tillämpar ett väl definierat styrningsramverk med tydlig ansvarsfördelning mellan Styrelsen, dess kommittéer, verkställande ledning samt de tre försvarslinjerna. Styrelsen har det yttersta ansvaret för strategi, riskhantering och intern kontroll.

Centrala funktioner – Riskhantering, Aktuarie, Regelefterlevnad och Internrevision – verkar oberoende i enlighet med Solvens II kraven. Under 2025 genomfördes översyner och vidareutveckling av styrningssystemet, inklusive ersättningspolicy, fit-and-proper-bedömningar och outsourcing.

En beskrivning av företagsstyrningssystemet återfinns i sektion B.

Riskprofil

SÅAFs riskprofil domineras av försäkringsrisk, följt av marknadsrisk, kreditrisk och operativ risk. Riskprofilen är i linje med verksamhetens karaktär och överensstämmer väl med resultaten från den egna risk- och solvensbedömningen (ORSA).

Försäkringsrisken begränsas effektivt genom omfattande återförsäkringsprogram och relativt låga nettoretentioner. Marknadsrisk uppstår främst genom exponering mot aktier, räntor och valutor i investeringsportföljen, medan kreditrisken huvudsakligen är kopplad till återförsäkringsfordringar. Operativa risker hanteras genom strukturerade processer, interna kontroller och incidentrapportering.

Framväxande risker, såsom klimatrelaterade risker, cyberrisker och geopolitiska risker, följs kontinuerligt och integreras i SÅAFs riskhanteringsramverk.

De materiella riskerna som SÅAF är exponerat för förklaras i sektion C.

Värdering för solvensändamål

Tillgångar och skulder värderas i enlighet med Solvens II-principerna, i huvudsak baserat på marknadsvärden. De försäkringstekniska avsättningarna består av en bästa skattning och en riskmarginal och beräknas med etablerade aktuariella metoder och EIOPA:s diskonteringskurvor. De huvudsakliga skillnaderna mellan redovisade och solvensbaserade avsättningar härrör från diskontering, borttagande av försiktighetsmarginaler samt inkludering av riskmarginal.

Värdering för solvensändamål förklaras i sektion D.

Kapitalhantering

SÅAF har en stark kapitalposition och uppfyller med god marginal både Solvenskapitalkravet (SCR) och Minimikapitalkravet (MCR). Vid utgången av 2025 uppgick SCR till 1 584 MSEK, och kapitaltäckningen var betryggande med en kvot för primärt kapital i förhållande till SCR om 1,55 samt en kvot för totalt medräkningsbart kapitalbasmedel om 2,05.

Minskningen av SCR jämfört med föregående år förklaras huvudsakligen av valutaeffekter till följd av den stärkta svenska kronan. Sett i USD ökade både kapitalkrav och kapitalbasen, främst som en följd av ökade värden i investeringsportföljen. ORSA-processen bekräftar att SÅAFs kapitalisering är robust och i linje med fastställd riskaptit samt målsättningen att upprätthålla en stabil kreditrating.

Sektion E innehåller information om kapitalbasen och de regulatoriska kapitalkrav den måste täcka.

A. Business and performance

A.1. Business

The Swedish Club (the Club) is an independent, self-managed, mutual insurance association, headquartered in Gothenburg, Sweden, with registered branch offices in Hong Kong, Singapore, Oslo and London and representative offices in Piraeus and Tokyo. The Club is owned and controlled by its members, the policy holders. Mutuality means that the Club's interests are identical to the collective interests of the members. The Club's registered name is Sveriges Ångfartygs Assurans Förening, and its secondary registered name is The Swedish Club.

The Club is registered and domiciled in Sweden and licensed by the Swedish financial supervisory authority (Finansinspektionen) to carry out Direct and Indirect Non-life insurance under the following classes:

6. Ships (H&M)
12. Liability for ships (P&I)
17. Legal expenses (FD&D)

The Company's insurance classes are all classified under the line of business for Marine, Aviation and Transport (MAT) according to the Solvency II[1] regulation.

Finansinspektionen's contact details can be obtained from its website: www.fi.se and it can be contacted directly at Brunnsgatan 3 in central Stockholm or by phone on +46 8 408 980 00.

The Company's external auditors are PwC, SE-113 97 Stockholm, Sweden.

Visiting address: Torsgatan 21, Tel: +46 10 213 30 00, Website: www.pwc.se

The Club's newly established Hong Kong branch received its insurance license in February 2025.

Parts of the pool P&I reinsurance protection are covered by the captive company, Hydra Insurance Company Limited (Bermuda), which is partly owned by the Club. Hydra is a segregated accounts company incorporated under the laws of Bermuda in which each member of the international group of P&I clubs (IG) is an account owner. Hydra's assets are segregated in separate cells in such a way that they can only be used to satisfy the liabilities of the 'owning' Club. The regulatory reported figures for

[1] Solvency II is the prudential regime for insurance and reinsurance undertakings in the EU with the aim to ensure the adequate protection of policyholders and beneficiaries. Solvency II is an economic risk-based approach, which should enable the assessment of the "overall solvency" of insurance and reinsurance undertakings through quantitative and qualitative measures.

claims incurred includes the changes in the value of Hydra. This is booked as a change in other technical provisions in the statutory accounts.

The Club writes insurance with members domiciled in several countries. The most important markets by premiums and policyholders' country of domicile are shown in the table below.

Market, amounts in million SEK	%	2025	2024
Greece	28%	757	746
China	17%	465	408
Singapore	11%	299	322
Germany	7%	189	199
Hong Kong	5%	143	130
Sweden	5%	128	122
Cyprus	3%	76	80
Taiwan	3%	75	88
Norway	3%	69	80
Other countries	18%	473	439
Gross premiums written		**2 674**	**2 613**

The Swedish Club delivered stable and slightly positive premium growth, driven primarily by strong increases in China and Hong Kong, solid expansion in diversified markets and continued resilience in Greece. However, the underlying expansion is not fully visible in the table above due to the strengthening of the Swedish krona towards the US Dollar.

The market mix is slowly shifting toward Asia, reflecting global fleet trends.

Credit rating

The Club has the ratings of A- with AMBest and BBB+ with Standard & Poor's.

Prospects for 2026

The rules-based international order that has long supported global trade and shipping is facing increasing pressure. Together with geopolitical tensions and economic uncertainty in several key regions, this contributes to a more challenging environment for assessing the global economic outlook for the year ahead.

While the Club's core insurance operations are generally less sensitive to short-term economic fluctuations, the broader economic and financial environment may influence claims developments and the performance of the Club's investment portfolio.

Entering 2026, the Club continues to maintain a level of investment risk exposure that is lower than that implied by the long-term strategic asset allocation. This reflects a prudent and balanced approach to capital management in an environment characterised by heightened financial market volatility.

The Club will continue to prioritise underwriting discipline and the quality of the insurance portfolio. Price adequacy remains a key focus, with sustainable underwriting performance taking precedence over volume growth

Financial markets during the initial months of 2026 have been characterised by volatility, including weaker equity markets and somewhat higher interest rates. Taken together, these developments have had a negative impact on the Club's asset management performance.

Despite the uncertain external environment, the Club's competitive position remains strong. The Club's solid capital position, disciplined underwriting approach and prudent investment management provide resilience and continue to support confidence among members, business partners and other stakeholders.

A.2. Underwriting performance

Amounts in million SEK, net of reinsurance	**2025**	**2024**
Premiums earned (A)	2,049	2,032
Claims incurred (B)	-1,427	-1,571
Net operating expenses (C)	-440	-401
Combined ratio (B+C)/A	91%	97%

The underwriting performance strengthened significantly in 2025. Premium growth remained stable, while a substantial reduction in claims drove a marked improvement in profitability. Although operating expenses increased, this was more than offset by the improved claims ratio. As a result, the combined ratio improved to 91%, down from 97% in the previous year, reflecting a solid return to strong and sustainable underwriting profitability. Included in the combined ratio for 2025 is significant favourable currency effect due to the strengthening of the Swedish krona towards the US Dollar.

A.3. Investment performance

Amounts in million SEK	**2025**	**2024**
Quoted shares	103	144
Interest-bearing securities	161	223
Other financial income and expenses	8	21
Forward exchange agreement	44	-38
Gains/Losses on foreign exchange, net	-396	140
Financial result	-80	490
Total return	6%	7%

As measured in SEK, the Swedish Club's investment performance in 2025 weakened compared with 2024. However, the underlying portfolio, which is mainly denominated in USD, continued to generate a positive return of 9% (7%). The year was characterised by higher contributions from both equities and interest-bearing securities. The forward exchange agreements provided some positive effects.

Gains and losses recognised directly in equity

No gains and losses are recognised directly in equity.

Investments in securitisation

The Club does not have any direct investments in securitisation assets.

A.4. Performance of other activities

No other material income or expenses have been incurred over the reporting period.

A.5. Any other information

In light of the current hostilities in the Arabian Gulf, as of mid-March 2026, The Swedish Club has a number of insured vessels operating in the area around the Gulf and the Strait of Hormuz.

At present, the extent of any potential consequences is difficult to quantify.

The Swedish Club assesses that the reinsurance protection is sufficient in relation to the Club's risk appetite and capital position.

The situation is monitored continuously, and we are also analysing potential indirect effects, such as changes in insured values, trade routes, operational patterns, and

sanctions or counterparty exposure. Based on the information currently available, we assess that the Club's exposure and capital position are consistent with our established risk tolerance.

For war risk hull insurance, the Club is covered by a reinsurance program with an Annual Aggregate Deductible of USD 3 million, which constitutes the Club's maximum net exposure within this arrangement regardless of the number of losses and total insured values.

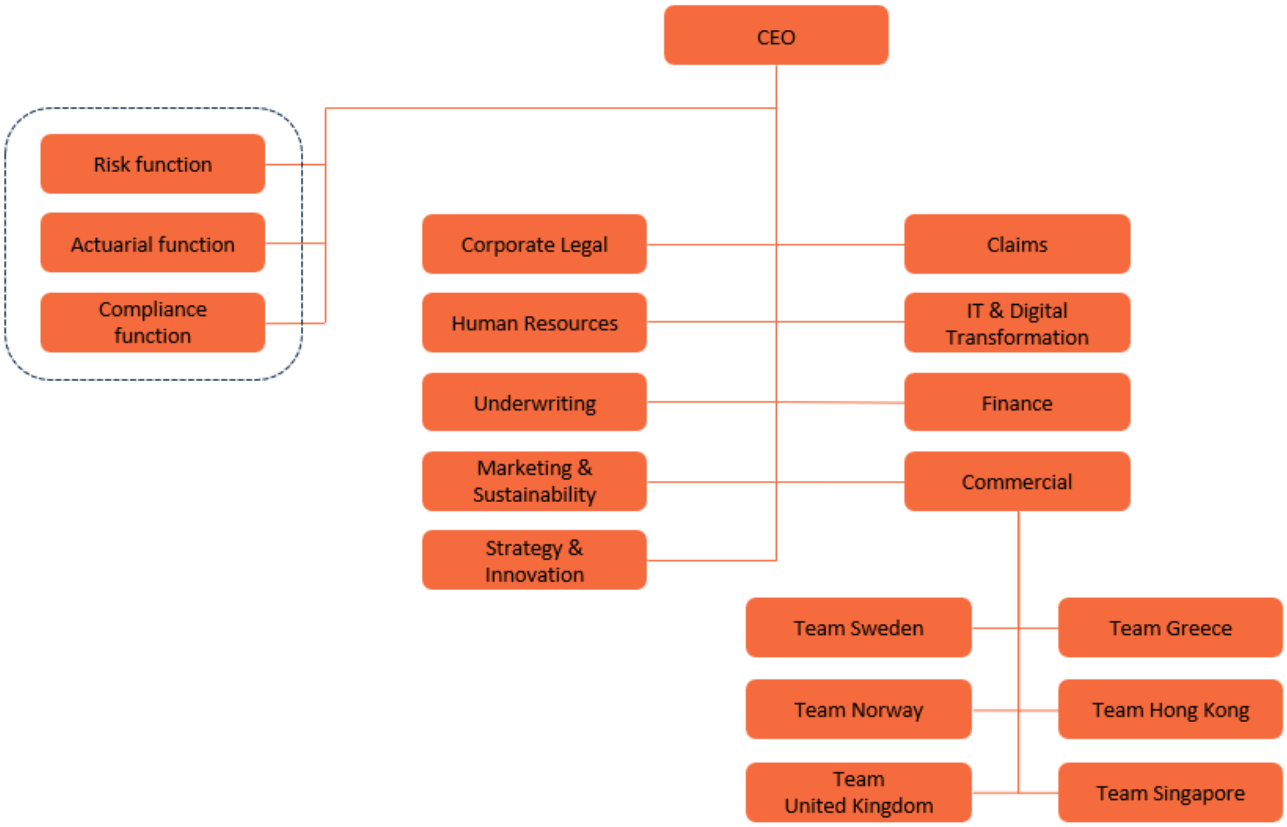
For non-poolable liability insurance that includes war risks, the total aggregated exposure amounts to approximately USD 4 million, which is assessed to be within the Club's established risk tolerance and capacity.

In summary, we do not foresee that our results will be materially affected in the short term, as we are protected through our reinsurance arrangements. Negotiations for next year's reinsurance may become more expensive, but this will likely apply to the entire industry.

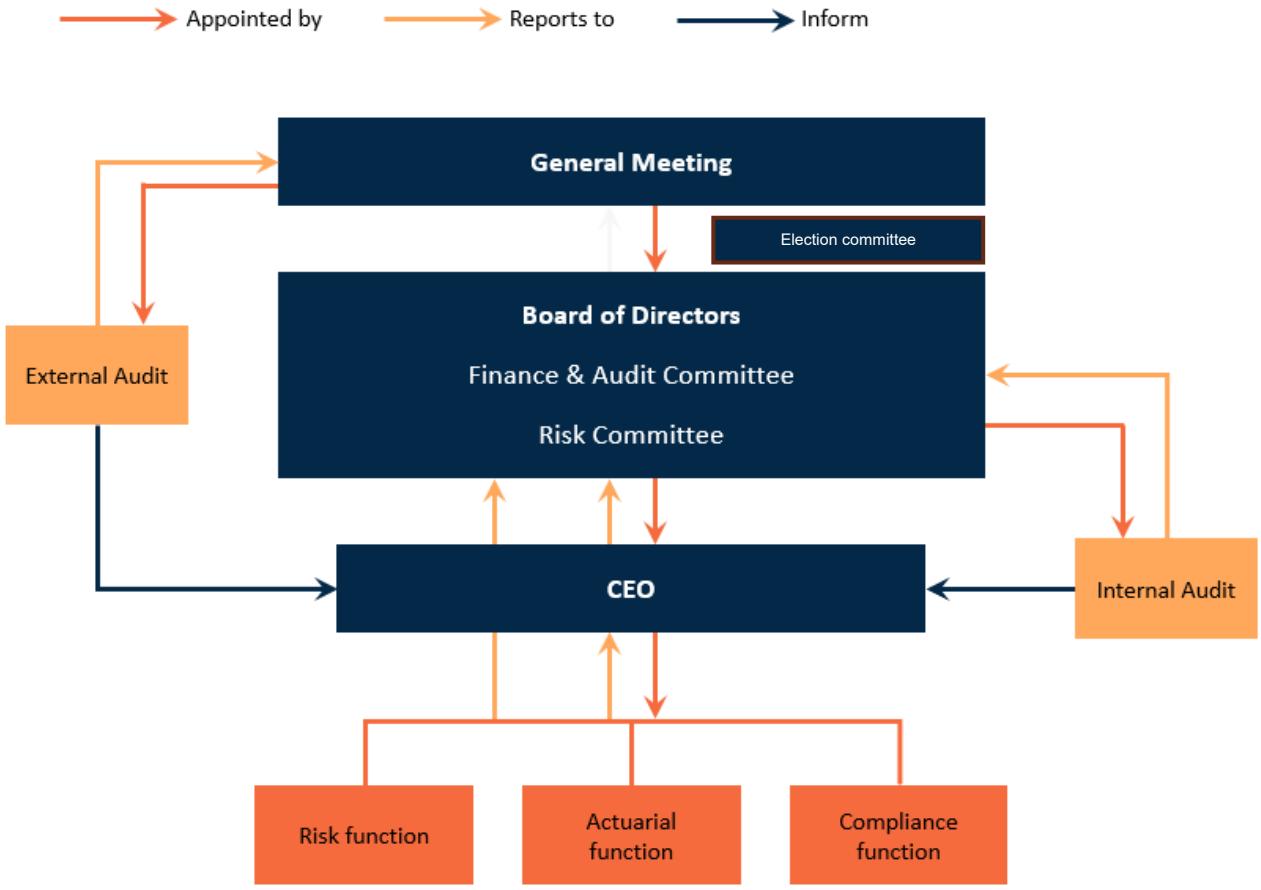
B. System of governance

B.1. General information on the system of governance

The Club's organisation is illustrated as follows:



The chart below illustrates the Club's corporate governance.



The annual general meeting (AGM) is the highest authority and consists of all the Club's members. It elects Board directors and members of the Club's Election Committee, approves the annual accounts, appoints external auditors, and deals with any other business duly referred.

The Election Committee proposes to the AGM suitable board member candidate(s), as well as fees and other remunerations. It comprises three members. The CEO is *ex officio*. At least one of the members shall not be employed by the Club or be a member of the Club. The Chairman of the Election Committee shall not be a member of the Club's Board.

The Board of Directors has the ultimate responsibility for the Club's business operating in accordance with applicable laws and regulations. The Board decides on the Club's strategic direction and establishes directives (policies) as well as ensuring that appropriate internal instructions for risk management and risk control exist.

The Board continuously monitors the Club's operations, financial performance and asset management. The Board shall have regular interaction with any committee it establishes as well as with the Management Group and Key Functions. The Board shall request information proactively and challenge this when necessary. The duties and responsibilities of the Board are set out in its working procedures. The Board consists of 20 members including two staff representatives.

The Board has two Committees that report to and advise the Board; the Finance & Audit Committee and the Risk Committee. The Finance & Audit Committee presently consists of five members. The CEO and the CFO are *ex officio*. It shall also serve as a link between the Board and the Functions for Auditing and Compliance. Further duties include supervision of the Club's financial reporting, the effectiveness of the Club's internal control and internal audit and monitoring the auditing of the annual accounts. The Finance & Audit committee has had four meetings during 2025.

The Risk Committee reports to, and is advisory to, the Board on matters of risk management. It assists the Board in fulfilling its responsibilities in relation to the oversight of risks. The Risk Committee shall review and monitor the effectiveness and completeness of the Club’s risk management system. It shall also serve as a link between the Board and the Risk Management Function. The Risk Committee consists of four members. The CEO, CFO and CRO are *ex officio*. The Risk Committee has had four meetings in 2025.

The Chief Executive Officer (the CEO) has the ultimate responsibility for the management and organisation of the Club and shall ensure that adequate resources are in place to enable compliance with internal governance documents.

The Management Group consists of the Club´s operational Chief Officers. The Management Group operates under the CEO´s authority, as delegated by the Board, and implements the CEO´s instructions in practice.

Effective internal control is a condition for sound and prudent management of the Club. The internal control within the organisation is exercised through three levels, three lines of defence. The first level is carried out by the operational functions. The second level is independent from the operational function and consists of the Risk Management Function, the Actuarial Function, and the Compliance Function. The third level, which is independent from all other functions, is the function for Internal Audit. The internal auditor is appointed by the Board. In terms of the Club’s Corporate Governance System, Directives (policies), at the highest level, are adopted by the Board and encompass the objectives, principles and mandates that the Board requires the Club to adhere to in its operations. Guidelines and Instructions, which are subordinate to Directives, set out operational processes and procedures used within the Club to ensure compliance with the Directives. These documents constitute the Club´s

Corporate Governance System. They are subject to an annual review. More frequent reviews shall be undertaken whenever material changes occur, for example, regulatory amendments or modifications to the Club´s structure, operations and processes.

Enhancements were made to the Club's Corporate Governance System in 2025. No other material changes in the system of governance have taken place over the reporting period.

B.1.1. Remuneration policy

Each year, the Board reviews and adopts a policy (Directive) establishing the Club´s remuneration policy. Its objective is to promote sound, prudent risk management and prevent excessive risk-taking that could jeopardise Members' interests or the Club's financial stability.

Before the adoption of this year's remuneration Directive a risk analysis of the implications of the remuneration system proposed was considered by the Board. The result of the risk analysis performed was that the Club's remuneration policy does not involve any tangible risks and that conflicts of interest when determining the remuneration are avoided through the use of different levels of authority where decisions on remuneration are made. In line with the policy objective outlined above, the assessment is based primarily on the conclusion that the policy supports the Club's long-term interests, that it promotes effective risk management and discourages excessive risk taking.

Remuneration model and criteria for variable remuneration

Fixed monthly salary is the primary source of remuneration. Variable remuneration is used as a supplement to the fixed salary and it is either collective or individual. The variable remuneration is meant to stimulate or reward performance that is exceptional and promotes the Club's long-term interests. The Board may suspend payment of variable remuneration if it feels that there are exceptional circumstances and that such payment would be inappropriate, or that it would be contrary to the Club's interests. Senior management may suspend or reduce the bonus payment to an employee if the employee fails to comply with the rules and regulations or has other behavioural issues. Variable remuneration payments are only made in cash.

Collective variable remuneration

The collective remuneration is a bonus that is based on the result criteria Combined Ratio and Required Return on capital. The Club's potential total bonus amounts to 20% of the surplus after consideration for the return on capital requirement, which is an amount decided by the Board. The maximum bonus amount, however, is limited to 10% of the Club's gross annual payroll amount, including social security expenses and

employer's contributions. The maximum bonus amount per individual is limited to 10% of his or her gross annual salary.

Individual variable remuneration

The individual variable remuneration is a bonus based on performance and results. All employees (subject to caveats in individual circumstances) are in principle eligible, but the Board decides when it comes to senior executives. Remuneration to employees who work in the Risk Management Function, Compliance Function or Actuarial Function is to be based on their performance on regulatory compliance, internal control or risk control and it should be independent of the work areas that they control.

Individual bonuses may not exceed 3% of the employee's gross annual salary. Neither may the Club's total payments for individual bonuses exceed 2% of the Club's total annual gross payroll amount.

Pensions and similar remuneration

The pension obligations are comprised of pension plans that are regulated through collective agreement and national insurance laws. The obligations consist of both defined contributions and defined benefit plans. For defined contribution plans, pension costs consist of the premium paid for securing the pension obligations in life insurance companies. The Club’s pension plans for collective pension agreements are guaranteed through insurance agreements.

B.1.2. Related-party transactions

There are no non-insurance related-party transactions with Board members. Neither are there any related non-insurance related-party transactions with senior executives of the Club.

B.2. Fit and proper requirements

In line with Solvency II and the Insurance Distribution Directive, the Club’s policy establishes a clear and structured framework for assessing the suitability of individuals in regulated positions and certain functions within the Club. The objective is to ensure that such individuals possess the necessary competence, integrity and financial soundness to carry out their duties in a sound, responsible and professional manner in compliance with regulatory requirements. The scope and execution of the assessments vary depending on the position or function, based on applicable regulatory requirements.

Assessments cover Board members, the CEO, Key Function holders, individuals in Key Functions, staff involved in AML/CFT tasks, and individuals engaged in insurance

distribution. Fit and proper assessments evaluate qualifications, experience, integrity, reputation, financial soundness, and conflicts of interest. Suitability assessments apply to individuals in insurance distribution and focus on eligibility, good repute, knowledge, and competence. All assessments must be completed in connection to appointment and repeated regularly through annual self-declarations and full reassessments every third year.

Roles and responsibilities are clearly assigned: The Board approves CEO assessments, the CEO approves assessments of Key Function holders, and the Election Committee approves Board assessments. The Chief Legal Officer (CLO) manages assessments for Board members, the CEO, Key Function holders, and individuals in Key Functions, while the Chief People Officer (CPO) manages assessments for distribution staff and AML/CFT personnel. Department managers approve assessments for their units.

The Club's policy details requirements for Board members, including fitness (e.g., knowledge of shipping, insurance, finance, accounting, actuarial science, leadership), propriety, and insurance distribution knowledge. Collective Board competence must also be assessed to ensure appropriate coverage across governance, regulatory knowledge, financial analysis, and market expertise.

The CEO must meet the same requirements as Board members, with assessments approved by the Board. Key Function holders and individuals overseeing outsourced Key Functions require advanced qualifications and experience, especially in actuarial, risk management, compliance, or internal audit. Annual self-declarations and recurring reassessments are required.

Individuals in Key Functions must meet fitness and propriety standards, though requirements may be less stringent than for Key Function holders. AML/CFT-related roles must demonstrate specialised knowledge, with the MLRO requiring advanced competence in the Club's risk exposure. These individuals must receive annual AML/CFT training.

Individuals directly involved in insurance distribution must meet legal eligibility standards, have good repute, and demonstrate extensive knowledge of insurance distribution laws, Club products, claims handling, complaints handling, ethics, and market practices. They must pass a knowledge test and demonstrate at least six months of relevant practical experience.

Annual reassessments confirm continued compliance for all categories, and full reassessments occur at regular intervals. Continuous training requirements apply, including at least 15 hours annually for distribution staff. The policy contains a checklist

stipulating documentation and information that needs to be obtained in connection with an assessment (with difference in documentation and/or information depending on the type of role or function that is being assessed). The Club policy also stipulates that assessment information must be handled securely with limited access.

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

Risk management strategy

The purpose of The Swedish Club's risk management system is to create and protect value for the members of the undertaking. The risk management system safeguards that the Club operates within acceptable limits according to its defined risk appetite and tolerance levels.

The system is characterised by a holistic, integrated and top-down driven enterprise-wide risk management approach. Risk management is based on a risk culture shared by the entire organisation and a common risk language. The risk management activities are executed through a structured control cycle involving the systematic identification, assessment, monitoring and reporting of all existing and emerging risks.

The Risk Management Function is responsible for monitoring the effectiveness of the Club's risk management system and reporting to the CEO and, in the event of major risk exposure, directly to the Board. The function is headed by a Chief Risk Officer who operates objectively and independently from operational functions and from the administrative, management or supervisory body. The Risk Management Function reports to the Board at least twice per year.

Risk appetite and risk tolerance

The Swedish Club's risk appetite is anchored in its strategic objectives, mission and vision. It reflects applicable legal frameworks, the Club's financial robustness, its specialised expertise, and its capacity for risk management and control.

The Club is dedicated to offering insurance solutions and associated services in jurisdictions where it is licensed and where it holds the necessary expertise and risk control capabilities. This expertise extends beyond the internal organisation to collaborative arrangements with partners, which form an integral part of the Club's overall competence and risk management framework.

To ensure dynamic calibration of its risk appetite, the Club has established a defined Capital Comfort Zone. The lower limit of this zone corresponds to the internally assessed economic capital at a 99.90% confidence level, while the upper limit corresponds to the higher of the economic capital at a 99.99% confidence level or the

capital requirement associated with maintaining an A-rating from Standard & Poor's (S&P).

This range represents the level within which the Club's risk capacity, expressed as Tier 1 own funds, is intended to reside on a continuous basis while maintaining appropriate solvency coverage.

The Club applies a risk indicator termed the Capital Ratio, calculated by dividing the risk capacity by the lower boundary of the Comfort Zone.

The Club's risk framework encompasses both an overall tolerance level and specific tolerance levels for underwriting, reinsurance, investment, asset liability management and liquidity risks.

Risk Committee, Risk Forum and risk owners

The Risk Committee is a committee of the Board. It reports to and advises the Board on matters relating to risk management. The Committee assists the Board in fulfilling its responsibilities regarding oversight of risks and reviews and monitors the effectiveness and completeness of the Club's risk management system. It also serves as a link between the Board and the Risk Management Function.

The Risk Forum is a management forum where the Risk Management Function and relevant staff members meet to discuss, develop and evaluate methods and procedures to manage existing and emerging risks to which the Club is, or may be, exposed. The Forum also ensures that risk management methods and procedures are communicated effectively to the operational level where daily risk management is performed.

Within the organisation there are appointed risk owners. Risk owners are responsible for coordinating risk management activities at an operational level, representing the first line of defence. This approach supports a holistic, value-driven, top-down and integrated Risk Management framework involving the entire organisation.

Risk owners report annually to the Risk Management Function on risk management activities and developments within their respective areas.

The Own Risk and Solvency Assessment (ORSA) process

The Club has developed its own Internal Capital Model (ICM) for internal risk assessment purpose. This model quantifies the Club's risk profile and assess overall solvency needs. The ICM uses statistical modelling techniques based on the Club's historical experience and relevant external data to assess underwriting and market risk.

The primary assumption regarding business development is based on the Club's most recent financial plan.

The ORSA is conducted at least annually in accordance with the Club's Directive for Own Risk and Solvency Assessment. The process results in a written report that is approved by the Board and submitted to Finansinspektionen.

The ORSA forms an integral part of the Club's business strategy and planning process. Its results and conclusions are continuously considered in strategic decisions relating to capital management, underwriting strategy, reinsurance structure and investment allocation.

The forward-looking assessment of own funds and capital requirements is projected over a five-year horizon as part of the ORSA process. The 2025 ORSA confirmed that the Club's Tier 1 own funds remain within the defined Capital Comfort Zone and above the regulatory Solvency Capital Requirement throughout the projection period. Under the base scenario, no recapitalisation measures are expected to be required.

During the year the Club further developed its assessment of emerging risks, including climate-related developments and geopolitical developments affecting maritime trade. Operational resilience, including ICT-related risks and sanctions monitoring, also received increased attention reflecting developments in the external environment.

The Club performs stress testing and sensitivity analyses as part of the ORSA process to assess the potential impact of adverse developments on its solvency position. The results of these analyses are considered in the Club's capital management and strategic decision-making processes.

The Actuarial Function is responsible for ensuring that the data used in the capital model is complete, accurate and relevant. In addition, relevant stress tests, sensitivity analyses and reverse stress tests are performed to assess the impact of adverse scenarios on the Club's own funds and solvency position.

The internally assessed economic capital requirement remains below the regulatory Solvency Capital Requirement, reflecting differences in methodology and the prudential calibration of the standard formula.

B.4. Internal control system

The internal control system is designed to provide reasonable assurance that the Club's objectives are achieved with regard to operational effectiveness, financial reporting and regulatory compliance.

The internal control within the organisation is secured through three levels, see illustrations in section B1. The first level of internal control is carried out by the operational functions. The second and third levels are independent of the operational functions. The second level consists of the Risk Management Function, the Actuarial Function, and the Compliance Function. The third level is the Internal Audit. This function is fully independent and appointed by the Board.

Managers of an operational function or a geographical team are responsible for internal control and compliance within their area of responsibility. They make sure that the employees in the department are familiar with guidelines and instructions in the management system as well as all applicable rules and regulations. Managers shall control and follow-up compliance within their area of responsibility and take corrective action in case of non-compliance. The operational managers are also responsible for informing the Risk Management Function, the Actuarial Function, the Compliance Function, and the Internal Audit Function of any circumstance that may be relevant for the performance of their respective duties.

The Compliance Function supports the Club in ensuring that its licensed insurance business complies with applicable laws and regulations.

Activities of the Compliance Function include:

- Monitoring, controlling and following up on the Club's regulatory compliance.
- Providing support and advice to the business.
- Monitoring and analysing new and amended laws and regulations.

The Compliance Function operates on a risk-based approach and reports regularly to the CEO, the Board and the relevant committees. Its mandate and responsibilities are defined in the *Directive for the Compliance Function*, which is reviewed and approved annually by the Board.

B.5. Internal audit function

The Internal Audit Function is fully independent and outsourced to an external auditing firm. The function evaluates the system for internal control, any other parts of the system of governance, and reports its findings to the Finance & Audit Committee and to the board. The Internal Audit Function is subordinated to the Board.

The audits are conducted in accordance with the prescribed audit plan as approved by the Board.

B.6. Actuarial function

The Actuarial Function at The Swedish Club operates within the second line of defense as an integral part of the governance system. To maintain independence, the function reports directly to the Board of Directors and is governed by the *Directive for the Actuarial Function*.

The function is responsible for the following primary duties:

- Coordinating and validating technical provisions for both financial reporting and solvency calculations, ensuring their reliability and adequacy. The function assesses the appropriateness of the underlying methodologies, models, and assumptions used in these calculations.
- Expressing formal opinions on the appropriateness of the underwriting policy and the adequacy of reinsurance arrangements in relation to The Swedish Club's risk appetite.
- Monitoring and expressing an opinion on the company's solvency position, while actively contributing to the risk management framework.

The Actuarial Function executes its work according to an annual plan approved by the Board. While the first line of defense calculates technical provisions under IFRS and Solvency II, the Actuarial Function provides independent validation. During this process, the function ensures that the data used is sufficient, appropriate, and complete, and it rigorously assesses the uncertainty associated with the estimates.

Management ensures that the function is granted sufficient resources and full access to all necessary information. Furthermore, the Actuarial Function is responsible for ensuring that all actuarial activities comply with internal governing policies and that local regulatory requirements are reflected in the company's guidelines and procedures.

B.7. Outsourcing

Where deemed operationally appropriate and consistent with the Club´s system of governance, the Club may, as a general rule, outsource functions or activities to third-party service providers. An outsourced function or activity shall be considered critical or important where its disruption, failure or inadequate performance would materially impair the Club's system of governance, compliance with applicable legal and regulatory requirements, operations, financial position or its ability to provide services to Members.

Should the Club's internal assessment conclude that the arrangement constitutes outsourcing of a critical or important function or activity, outsourcing of such function or activity shall nevertheless not take place according to the Club's policy if it would:

1. Materially impair the quality of the Club´s system of governance,
2. Unduly increase the Club´s operational risk,
3. Impair the ability for the regulatory authorities to exercise supervision of the Club, or
4. Undermine the Club´s satisfactory and continuous service to its Members.

Further, outsourcing of a critical or important function or activity may only be carried out with prior approval from the Board. The Board shall be provided with sufficient written information to assess the risks, regulatory implications and operational impact of the proposed outsourcing prior to making its decision. The Board shall also receive a clear explanation of the general terms and conditions of the outsourcing arrangement. The decision shall be documented in the Board meeting minutes.

For outsourcing critical or important functions or activities, the Board shall, on an annual basis, receive a complete report, including supporting documentation where relevant, covering the monitoring activities performed and their outcomes. Material issues identified through monitoring shall be reported to the Board without undue delay.

Currently, the Club has outsourced two critical or important functions: the Internal Audit Function and the Actuarial Function. The appointed service provider for Internal Audit is the auditing firm BDO in Sweden, and for the Actuarial Function it is the consultancy firm Advisense. Outsourcing of the Actuarial Function will cease in 2026 and instead be managed in-house.

B.8. Any other information

No other material information is applicable.

C. Risk profile

The Club distinguishes between four main risk areas: underwriting risk, market risk, credit risk and operational risk. The following sections describe the risk profile of these risks and other material risks, including comment on the results from the regulatory solvency calculations. The table below shows the distribution of the quantified risk areas:

Underwriting risk	55%
Market risk	32%
Counterparty default risk (Credit risk)	6%
Operational risk	6%

C.1. Underwriting risk

Underwriting risk is the uncertainty that future insurance claims stemming from current exposures cannot be covered by the Club's premium income and that the claims provisions are not sufficient to cover claims costs and loss adjustment expenses for incurred claims. The former risk is called premium risk and the latter risk is called reserve risk.

The Club's comprehensive reinsurance arrangements reduce fluctuations in claims results net of reinsurance and protect the Club from losses associated with very large claims, including the aggregation of losses from multiple insured interests.

The Club's reinsurance structure, characterised by relatively low net retention and a combination of quota share, excess of loss and stop loss protection, continues to mitigate volatility and limit net exposure.

During the year the capital requirement in SEK decreased compared to the previous year. The reduction primarily reflects the currency effect and the strengthening of the Swedish krona towards the US Dollar. From a USD perspective the capital requirement is at the same level as the year before.

Amounts in million SEK	**2025**	**2024**
Premium and reserve risk	1,169	1,369
Catastrophe risk	189	283
Diversification	-128	-186
Total underwriting risk	**1,230**	**1,466**

The Club's internal risk assessment confirms that underwriting risk remains the dominant risk category. The ORSA includes stochastic simulations of underwriting results and stress scenarios covering severe single losses, frequency shifts and claims inflation. These analyses support the assessment that the current capital level provides adequate resilience against adverse underwriting developments.

The Club continuously monitors underwriting exposure, loss experience and portfolio development to ensure alignment with defined risk appetite and tolerance levels.

C.1.1. Premium risk

Premium risk represents the uncertainty that future claims and associated expenses will exceed the premiums charged for the risks assumed.

Premium risk is managed through disciplined underwriting practices and careful risk selection. Prior to acceptance, vessels and their management are assessed in accordance with established underwriting guidelines and Board-approved directives. Rating tools and pricing models are applied to support consistent and risk-adequate premium levels.

The performance of the underwriting portfolio is continuously monitored by comparing actual outcomes within each insurance class against expected results derived from internal models and simulations. These simulations form part of the Club's Internal Capital Model and are used to assess potential volatility in claims costs under adverse scenarios.

The Club's comprehensive reinsurance program further mitigates premium risk by limiting the impact of large individual claims and the aggregation of claims arising from a single event. The structure of quota share, excess of loss and stop loss protections reduces net retention and dampens volatility in underwriting results.

The Club monitors developments in claims frequency, severity and portfolio composition to ensure that premium levels remain aligned with the defined risk appetite and tolerance limits.

C.1.2. Reserve risk

Reserve risk refers to the uncertainty that established claims provisions may prove insufficient to cover the ultimate cost of claims already incurred.

Claims reserves are set on a best estimate basis, supported by established actuarial methodologies and expert judgement. The Club's claims handlers assess individual claims continuously, while the actuarial function performs regular independent reserve reviews and analyses of run-off results.

The reserving process includes the estimation of Incurred But Not Reported (IBNR) claims and incorporates assumptions regarding claims development patterns, settlement behaviour and inflation. The actuarial function evaluates the uncertainty associated with the technical provisions, including parameter, process and model uncertainty.

The main source of reserve risk stems from low-frequency, high-severity claims with extended run-off periods, which are characteristic of marine and liability insurance.

Reserve adequacy and run-off performance are monitored on a quarterly basis. The ORSA process includes stress and sensitivity analyses to assess the potential impact of adverse reserve developments on the Club's solvency position.

C.1.3. Risk concentration

Since the vessels insured by the Club are trading all over the world, the conventional definition of risk concentration, which is a consequence of the insured objects' geographical position, is not applicable. However, risk may accumulate as vessels may be insured for more than one insurance class. In these cases, the same incident can lead to claims in more than one main insurance class, also called clash claims. Based on how the different reinsurance protections have been set up, this could affect the allocation of claims costs between reinsurers and the Club.

	No of vessels	**Marine**	**PI**	**FDD**
Three classes	416	X	X	X
Two classes	317	X	X	
	24	X		X
	480		X	X
One class	6,677	X		
	337		X	
	113			X
No of Vessels	8,364			
No of Vessels per class		**7,434**	**1,550**	**1,033**

The table shows the concentration of insurance classes per vessel as of 31 December 2025: 5% of vessels were exposed to three insurance classes, 10% to two classes and 85% to one class.

The top five largest members and brokers in terms of gross annual premium are shown below. The numbers represent the total of affiliated companies, i.e., operations owned by the same parent are consolidated.

	Share of gross annual premium
Member 1	6%
Member 2	4%
Member 3	4%
Member 4	2%
Member 5	2%

	Share of gross annual premium
Broker 1	7%
Broker 2	6%
Broker 3	4%
Broker 4	4%
Broker 5	4%

C.2. Market risk

Market risk means the risk of loss or risk of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities, and financial instruments. Market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates and exchange rates. The Market risk of the Club is composed of interest rate risk, equity risk, spread risk, concentration risk and currency risk.

The Club's investments are made within the framework of the *Directive for Risk Management* and are continuously reviewed by the Finance & Audit Committee and established at least annually by the Board of Directors. The Club's investments are managed with the support of Mercer Global Investment through well diversified funds. All new funds must be approved by the Finance and Audit Committee.

The directive defines the following: responsibilities; benchmarks; rating and liquidity requirements on bond holdings; regulatory and liquidity requirements on equities; limitations regarding alternative investments and derivatives; cash counterparty limits; requirements on custodians; risk tolerance calculation methodology and risk limits; and, reporting and follow-up procedures and responsibilities.

The performance of the Club's investments is monitored continuously and summarised monthly. The market risk is calculated monthly by using a value at risk model with a time horizon of 12 months and confidence level of 99.5%, i.e., 1-in-200 level. The result of the model along with the results from the regulatory stress tests are reported to the Finance & Audit Committee.

The Club´s exposure to changes in interest rates stems from funds of interest-bearing assets and from the Club's liabilities, i.e., the cash flow of future payments which are valued on a discounted basis using the actual yield curve for US government bonds. The structure of the portfolio is such that it matches the duration of the interest-bearing assets with the duration of the liabilities to the extent possible.

Spread risk refers to the risks that arise from changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.

The investment portfolio has a composition intended to match the currency exposure of the insurance operations. Consequently, there are investments denominated in USD and EUR in amounts reflecting the calculated exposures to USD and EUR respectively regarding claim costs.

Concentration risk in the investment portfolio is captured by the look-through process applied in the regulatory solvency calculations by grouping the portfolio positions according to single name exposures.

The table below shows the distribution of the asset categories in Collective Investments Undertakings as per 31 December 2025.

Asset category	Current allocation
Equity	18%
Fixed income	82%

Investment funds where full look-through is not applied have been conservatively calculated as equity type 2 in the Solvency II market risk calculation.

The table below shows the development of the market risks compared to last year. The capital requirement in SEK for the total market risk decreased. The reduction primarily reflects the currency effect and the strengthening of the Swedish krona towards the US Dollar. Measured in USD, the capital requirement for market risk increased by 13% mainly driven by the increased size of the investment portfolio.

Amounts in million SEK	**2025**	**2024**
Interest rate risk	68	93
Equity risk	510	497
Spread risk	203	244
Concentration risk	-	-
Currency risk	80	110
Diversification	-155	-199
Total market risk	**706**	**745**

The asset allocation mentioned above includes derivatives which may be used in the investment portfolio for the purpose of rearranging the exposures. Outside the investment portfolio currency contracts are used for the purpose of hedging SEK operating expenses, the net value of these currency contracts is shown in the balance sheet as Derivatives.

C.3. Credit risk

The credit risk (also referred to as counterparty default risk) is defined as the risk of loss due to default of the Club's counterparties and debtors over the forthcoming twelve months. It includes risk-mitigating contracts, such as reinsurance arrangements and receivables from intermediaries and members.

The Club's exposure to counterparty default is dominated by the receivables from reinsurance contracts, including the risk mitigation effect of hypothetical catastrophe scenarios, due to the extensive reinsurance program described in section C.7.
Other exposures consist of receivables from members and guarantees received from other P&I Clubs, major insurance companies and banks.

During the year the capital requirement in SEK decreased compared to the previous year. The reduction primarily reflects the currency effect and the strengthening of the Swedish krona towards the US Dollar. From a USD perspective the capital requirement is at the same level as the year before.

Amounts in million SEK	**2025**	**2024**
Counterparty default risk	142	174

C.4. Liquidity risk

Liquidity risk is the risk of loss arising from a situation where (1) there will not be enough cash to meet the needs of paying insurance claims on time, (2) sale of illiquid assets will yield less than their fair value, or (3) illiquid assets will not be sold at the desired time due to lack of buyers.

The Club seeks to ensure that a suitable level of liquid assets is held to cover all future liabilities as they fall due. There is little liquidity risk in the short term of the Club becoming short of cash funds since most of the assets in the investment portfolio can be converted to cash within a few days. In addition, the Club is not dependent on financing from capital markets. With the current setup, the capital requirement for liquidity risk is immaterial.

C.5. Operational risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, human factors, systems, or from external events.

Operational risks arise in all areas of the Club's operations and are managed through the Club's risk management framework. The Club categorises operational risks into process, human, system & information security, external and legal risks.

The responsibility for managing operational risks lies with the respective operational units, supported by the Risk Management Function. Risk owners are appointed within each department to coordinate risk management activities and ensure that identified risks are appropriately monitored and mitigated.

Operational risks are identified and assessed through regular risk workshops and ongoing monitoring within the organisation. Identified risks and mitigation actions are recorded in the Club's operational risk register.

Operational incidents and near misses are reported through the Club's incident reporting system which is accessible to all employees. Reported incidents are analysed to identify root causes and to support continuous improvement of internal processes and controls.

Operational risk management also includes monitoring of information security and ICT-related risks, reflecting the increasing reliance on digital systems and data in the Club's operations.

The Club also maintains processes for monitoring regulatory developments and compliance risks, including developments relating to sanctions regimes and financial crime prevention.

The Club also follows up and measures operational risk through the incident reporting system.

During the year the capital requirement in SEK decreased compared to the previous year. The reduction primarily reflects the currency effect and the strengthening of the Swedish krona towards the US Dollar. Measured in USD the capital requirement increased by 16% primarily due to increased gross technical provisions and premium volume.

Amounts in million SEK	**2025**	**2024**
Operational risk	140	145

C.6. Other material risks

C.6.1. Climate change risks

Climate change may influence both the asset side and the liability side of the balance sheet through physical changes in weather patterns as well as through the transition towards a lower-carbon economy.

On the liability side, climate-related developments may affect claims patterns in the maritime sector through changes in weather conditions or operational disruptions. On

the asset side, climate-related developments may influence financial markets and the valuation of investment assets.

The Club monitors developments relating to climate change and considers potential implications within its risk management framework. Climate-related risks are assessed as part of the Club's overall risk management and capital assessment processes.

The Club also monitors regulatory developments and industry initiatives relating to climate and sustainability in order to ensure that its risk management framework remains aligned with evolving external expectations. Climate-related developments are regularly considered in the Club's strategic and risk management discussions.

Climate-related risks are also considered within the Club's ORSA process and emerging risk monitoring framework.

C.6.2. Cyber risks

Cyber risk refers to the risk of loss resulting from cyber incidents such as unauthorised access to systems, data breaches, or disruption of information technology infrastructure.

Cyber incidents may affect the Club's operations through disruption of business processes, compromise of sensitive information or financial loss.

The Club manages cyber risk through its information security framework and internal control environment. This includes policies and procedures aimed at protecting systems, data and operational continuity.

Given the increasing reliance on digital systems and data within the maritime insurance industry, cyber risk remains an important area of focus within the Club's operational risk management.

C.6.3. Geopolitical risks

Geopolitical risks may affect the maritime sector through disruptions to global trade routes, political instability, armed conflicts, sanctions regimes or regulatory developments affecting shipping activities.

Such developments may influence maritime operations and insurance exposures, including through changes in trade patterns, rerouting of vessels or increased operational complexity.

The Club monitors geopolitical developments that may affect the maritime insurance environment and considers potential impacts within its risk management processes.

Particular attention is given to developments in regions where maritime trade may be affected by geopolitical tensions or regulatory changes.

The Club's underwriting guidelines, risk monitoring processes and comprehensive reinsurance program contribute to limiting volatility arising from geopolitical developments. In addition, the Club maintains a strong capital position which supports resilience in the event of adverse external developments.

Potential impacts are also considered within the Club's stress testing and ORSA processes.

C.7. Any other information

C.7.1. Risk strategies and procedures

In this section the risk management strategies and procedures are described for each of the above-mentioned risk areas.

Premium risk

Effective management of underwriting risks is fundamental to the Club's operations. Potential members' vessels and management team are thoroughly reviewed prior to acceptance. Rating systems and premium models are used to ensure that correct premium levels are charged.

The Club maintains an internal model for pricing insurance risks. The model is also used for simulation of claims costs in the Club's internal capital model, ICM. This enables consistent treatment of underwriting risk based on the capital requirements at all levels, i.e. from the company level down to the underwriting of the individual risks.

The Club's comprehensive reinsurance programs are designed to optimise the economic performance of the Club given its risk appetite and to protect the Club from the impact of catastrophic events as well as an accumulation of claims. The Club re-assesses the effectiveness and appropriateness of its reinsurance structure once a year.

Reserve risk

Reserve risk is the uncertainty associated with the provision for unsettled claims and the provision for unearned premiums. When calculating the provision for unearned premiums, consideration is given to differences in risk exposures during the policy period.

Provisions for reported claims are based on individual assessments of the expected claim costs using the latest relevant information available. Provisions for unsettled claims must reflect the total liability, which includes claims handling costs, expected claims inflation and currency considerations. Issues arising from the claims assessment are discussed once a year within the Reserve Committee.

Incurred but not reported claims, IBNR, are calculated using adequate actuarial methods described in the Actuarial Directive. The uncertainty of the estimates at different levels of confidence are also calculated.

Run-off analyses are performed giving valuable information about possible over- or underestimation of the provisions.

Market risk

The company's investment activities are governed by the Prudent Person Principle (PPP), as outlined in Article 132 of the Solvency II Directive and further specified in Article 295 of the Delegated Regulation. This principle ensures that all investments are made with a focus on security, quality, liquidity, and profitability, in line with the company's risk profile and obligations toward policyholders and beneficiaries.

The Club's objective is to optimize its long-term investment returns within the limitations of prioritizing capital preservation to ensure that the Club's liabilities to policyholders and other stakeholders are protected.

To control risks, the Board of Directors has established an investment policy within the framework of the Directive for Risk Management which governs the Club's asset management.

Investment decisions are made by the Finance & Audit Committee – a committee under the Board of Directors – who also checks performance and risk of the investments to monitor adherence to internal risk limits and regulatory requirements. Investments are selected based on strict due diligence, with a focus on liquidity, the quality of fixed-income securities, and well-diversified equity exposure. Close collaboration with investment manager Mercer quality assures these processes.

Stress tests and scenario analyses are conducted regularly to evaluate potential adverse impacts on the portfolio. Also here, the Club consults with Mercer to access the in-depth expertise and economic scenario generator tools required. Mercer also delivers ESG-related screening of investments.

As of year-end, our investment portfolio consists of 82% fixed income and 18% equities. The portfolio is diversified across different geographies and sectors to mitigate concentration.

The Club's primary objective is to maximise its long-term investment returns given its risk appetite for market risk and matching the characteristics of the assets with those of the liabilities.

The investment portfolio's currency mix and average duration plays thus an important role when matching the Club's assets and liabilities. The investment philosophy is based on risk diversification and investing primarily in assets with a high level of creditworthiness. To minimize and control risks, the Board of Directors has established an investment policy within the framework of the *Directive for Risk Management* which governs the Club's asset management.

Counterparty default risk

The way the different types of counterparty risks, mentioned in section C.3. above, are managed depending on their characteristics. For example, reinsurance counterparties are selected and managed by monitoring of their external rating development, while monitoring receivables related to members rely on internal evaluations of financial viability.

Common for all counterparties is that the Club needs to assess each counterparty's probability of default and monitor the exposure towards them at any time. Our aim is to minimize the exposures through timely calls for payments as soon as possible. The outstanding exposures are thoroughly monitored by designated Club personnel.

Counterparties' ratings are used as proxy for their probability of default. The Club relies on the ratings performed by the well-known rating institutions. However, an own assessment is also performed since the Club, together with the reinsurance brokers, is collecting relevant information in respect to the reinsurers throughout the year.

Minimum rating limits apply to the participating reinsurers, which means that no reinsurer may have a rating lower than A- (Standard & Poor's) or A3 (Moody's).

Operational risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, human factors, systems, or from external events.

The Club maintains a low risk appetite for operational risk and seeks to manage such risks through a structured framework of internal controls, documented procedures and clear allocation of responsibilities across the organisation.

Operational risks are identified, assessed and monitored through the Club's risk management framework. Key risks and mitigation measures are recorded in the operational risk register, while incidents and near misses are reported through the incident reporting system.

These processes support continuous monitoring and improvement of the Club's operational processes and help ensure that operational risks are appropriately managed.

C.7.2. Risk transfer mechanism

The Club has had a consistent reinsurance strategy for many years which uses both excess of loss, stop loss and quota share techniques for its risk mitigation.

For Marine & Energy, the Club purchases its own protection. This is based on long-term relationships with some of the world's leading reinsurance companies. For P&I, the reinsurance is based on the cooperation within the International Group of P&I Clubs, where claim costs between USD 10 million and USD 100 million are shared (the Pooling Agreement). To supplement this, the Group purchases reinsurance protection up to USD 3,100 million (Excess reinsurance program). The International Group's joint reinsurance company is Hydra Insurance Group Ltd (Bermuda). Hydra is owned by the Group's 12 members and is a so called protected cell company, which means that the assets and liabilities in each cell are legally separated from the other cells. Each of the 12 clubs owns one of the protected cells from which claims are paid and premiums received.

Hydra covers two reinsurance contracts for the clubs:

- 100% of claims between USD 30 and 100 million.
- Maximum USD 107 million of claims cost between USD 100 and 750 million.

The Club's Hydra cell's share of Hydra is approximately 4%. Further information about IG and its reinsurance scheme can be found at www.igpandi.org.

C.7.3. Stress testing and sensitivity analysis

As a complement to the economic capital assessment performed using the Club's internal capital model, the Club performs a range of stress tests and scenario analyses to assess the potential impact of adverse developments on its solvency position.

These analyses cover the Club's main risk categories, including underwriting risk, market risk, counterparty credit risk and operational risk. The purpose of the stress testing framework is to evaluate the resilience of the Club's capital position under severe but plausible conditions and to support risk management and strategic decision-making.

For underwriting risk, stress tests consider events such as large individual marine incidents, aggregation of losses across policies, shifts in claims frequency and severity,

and extreme but plausible loss events. The analysis is performed net of reinsurance to reflect the risk retained by the Club.

Market risk stresses assess the sensitivity of the investment portfolio to adverse developments in financial markets. These include shocks to equity markets, interest rate movements, credit spread widening and currency movements. Scenario analyses are also used to evaluate the potential impact of different forward-looking macroeconomic environments on the investment portfolio.

Credit risk stresses assess the potential impact of counterparty defaults, including reinsurance counterparties and member or client receivables. Operational risk scenarios consider the potential impact of significant operational disruptions or external events.

The results of these analyses confirm that the Club maintains a robust capital position and that its solvency position remains resilient under the adverse conditions considered. The outcomes of the stress tests and scenario analyses are considered as part of the Club's ongoing risk management and capital planning processes.

D. Valuation for solvency purposes

D.1. Assets

Amounts in million SEK		
	Swedish GAAP	**Solvency II**
Investment assets	4,990	4,990
Reinsurance recoverables	1,789	1,635
Receivables	857	857
Other assets	525	424
Total assets	**8,161**	**7,906**

The Club's investments are for Solvency II purposes valued at market value with the same principles used in the statutory accounts.

The reinsurance recoverables have, for solvency purposes, been discounted with the risk-free yield curve for US dollars given by EIOPA.

The difference in other assets is explained by deferred acquisition costs which are netted in the technical provisions for Solvency II but disclosed under deferred acquisition costs in the statutory accounts.

D.2. Technical provisions

D.2.1. Methodology of calculating the technical provision for Solvency II purposes

Technical provisions are calculated as the sum of a best estimate and a risk margin. The best estimate is the probability weighted average of future cash flows discounted with relevant term structures, published by EIOPA. The cash flows are estimated using well established actuarial projection methods, based on historical claims and exposure data, and applied expert judgement.

The best estimate is calculated separately for each of the following homogenous risk groups, gross and net of reinsurance recoverables adjusted for counterparty risk:

- Marine: Hull & Machinery and Energy
- FD&D: Freight, Demurrage & Defence
- P&I: Protection & Indemnity
- Pool claims

These risk groups have similar risk characteristics in terms of underwriting policy, claims settlement patterns, risk profile, product features, and expense structure and are large enough to ensure robust statistical analysis for each group using accurate, complete and appropriate data. The best estimate of the premium provisions and the best estimate of the claims provisions are calculated separately for each homogeneous risk group and aggregated by assuming no dependence structure between.

The risk margin is calculated for the portfolio as a whole, based on the discounted solvency capital requirement for all future run-off years for underwriting, reinsurance counterparty and operational risks - whereas market risk is assumed to be nil - multiplied by the cost of capital level given by the regulator.

The calculation of the technical provision is coordinated by the actuarial function and validated on a quarterly basis.

D.2.2. Reconciliation between the technical provisions presented in the statutory accounts and the technical provisions calculated on Solvency II basis.

The tables below show the amounts of provision booked in the statutory accounts and the provisions calculated for solvency purposes along with the differences between these.

Amounts in SEK million	Swedish GAAP	Solvency II	Difference
Gross			
Premium provision	611	567	-43
Claims provision	4,674	4 110	-564
Risk margin		190	190
Total	**5,284**	**4 867**	**-418**
Reinsurer's share			
Premium provision	58	53	-5
Claims provision	1,732	1 583	-149
Counterparty default adjustment		-1	-1
Total	**1,789**	**1,635**	**-155**
Net technical provisions	**3,495**	**3 232**	**-263**

The difference between the provisions, net of reinsurance, calculated on Solvency II basis and that booked in the statutory accounts amounts to SEK 263 million i.e., the provision according to Solvency II is lower than that shown in the statutory accounts.

There are five possible sources for the differences between the two regimes and these are:

1. Different valuation principles for calculating the premium provisions: The notion of unearned premiums doesn't exist in the solvency valuation. Instead, the premium provision described above is used. The effect of the different valuation principles used amounts to nil. This is because the combined ratio assumed in the solvency II calculation of the premium provision is 100% and thus the undiscounted premium provision equals the unearned premium reserve in the statutory accounts.
2. Prudence margin: In the statutory accounts it is allowed to use a prudence margin in contrast to the solvency calculations where such a margin is not allowed. This effect amounts to SEK 191 million.
3. Discounting effect: The cash flows from the technical provisions calculated for solvency purposes are discounted with the risk-free yield curve for US dollars while the technical provisions shown in the statutory accounts are undiscounted. The discounting effect amounts to SEK 262 million.

4. Counterparty default adjustment: Receivables from counterparties need to be adjusted for counterparty default. These affects both the reinsurer's share of premium provisions and the reinsurer's share of claim provisions. The effect of the adjustment amounts to SEK 1 million.
5. Risk margin: There is no risk margin in the statutory accounts while the risk margin is part of the technical provisions calculated on solvency basis. The risk margin amounts to SEK 190 million.

The differences between the provisions, net of reinsurance, calculated on Solvency II basis and those disclosed in the statutory accounts are grouped and summarised by source in the table below:

Amounts in million SEK	**Difference**
Premium provisions	-
Prudence margin net claim provisions	-191
Discounting of technical provisions	-262
Counterparty default adjustment	1
Risk margin	190
Total	**-263**

The largest difference between the technical provisions accounted for in the statutory statement is the discounting effect.

D.2.3. Uncertainty associated with the value of technical provisions

Since the technical provisions are estimated based on historical outcomes of claims development, there are uncertainties associated with these estimates. These uncertainties are estimated using so called bootstrapping methods which capture both process error (random variations) and parameter error (variations due to the uncertainty around the parameters used in the model). The results of these calculations show that the probability of the technical provision disclosed in the statutory accounts to be insufficient for the total payments for all claims incurred at the balance date on ultimo basis, i.e., for the whole runoff period. The main source of uncertainty in the technical provisions stems from low frequency, high severity type of claims with multi-year run-off periods.

D.3. Other liabilities

Amounts in million SEK	Swedish GAAP	Solvency II
Pension benefit obligations	2	2
Deferred tax	163	197
Insurance & Intermediaries payables	145	145
Reinsurance payables	106	106
Payables (trade, not insurance)	5	5
Any other liabilities, not elsewhere shown	134	134
Total	**556**	**589**

The liabilities described above are all valued using the same valuation bases, methods, and main assumptions for solvency purposes as in the statutory accounts. There are no material changes over the reporting period regarding these principles.

In the statutory annual accounts, the Club recognised a net deferred tax liability (DTL) position of SEK 163 million. As an effect of Solvency II valuation adjustments, the net DTL recognised in the Solvency II balance sheet is SEK 197 million.

The revalued items are specified in the table below with a tax rate of 20.6% applied.

Amounts in million SEK	
Statutory DTL	163
Elimination of intangible assets	-8
Elimination of deferred acquisition cost	-13
Recalculation of net technical provisions	54
Solvency II DTL	**197**

D.4. Alternative methods for valuation

The Club does not use alternative methods for valuation.

D.5. Any other information

No other material information is applicable.

E. Capital management

E.1. Own funds

The Club's objective is to maintain a solvency level within the limits defined in the Club's Directive for Risk Management. An additional objective is to achieve a combination of a capital position and a risk profile that is at least in line with meeting the requirements of a stable A rating from Standard & Poor's.

The directive sets out the Club's overall risk appetite, its quantitative tolerance levels, defines tolerance limits for each relevant and material category of risk and states the desired level of capitalization of the Club as a function of its own risk tolerance and business plans.

The Club's main risk categories including insurance risks and market risks are monitored periodically. The time horizon of the business planning is 3 years, however, in the ORSA process a 5-year projection is used.

The Club has maintained sufficient capital to meet its capital requirements throughout the period covered by this report.

Finansinspektionen has approved an application from the Club to use a method for determining ancillary own funds as tier 2 capital. The method is approved until 31 December 2028 and will after this date require a new approval. The maximum amount allowed can never exceed 50% of the SCR.

The tier 2 ancillary own funds represent the ability for the Club to make an additional call for premiums. However, the probability for this to materialize is low.

The eligible amount of own funds, tier 1, and tier 2 capital, to cover the Solvency Capital Requirement is SEK 3,242 (3,462) million. The eligible amount of own funds to cover the Minimum Capital Requirement is SEK 2,450 (2,533) million and is comprised entirely of Tier 1 Basic Own Funds.

The following table explains the differences between the statutory accounts and the excess of assets over liabilities as calculated for solvency purposes.

Amounts in million	**SEK**
Statutory equity and untaxed reserves	2,484
Prudence margin - net technical provision	191
Discounting effect - net technical provision	262
Risk margin - net technical provision	-190
Intangible assets	-36
Deferred acquisition cost	-64
Deferred tax	-197
Solvency II excess of assets over liabilities	**2,450**

E.2. Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the main risk modules of the SCR calculation using the Standard Formula.

Amounts in million SEK	**2025**	**2024**
Market risk	706	745
Counterparty default risk	142	174
Non-life underwriting risk	1,230	1,466
Diversification between risk modules	-438	-488
Operational risk	140	145
Loss-absorbing capacity of deferred taxes	-197	-183
Total SCR	**1,584**	**1,859**

The Club uses EIOPA's Solvency II Standard Formula. Simplified calculations for the standard formula computation or Undertaking Specific Parameters (USP) are not used.

During the year the solvency capital requirement in SEK decreased compared to the previous year. The reduction primarily reflects the currency effect and the strengthening of the Swedish krona towards the US Dollar. From a USD perspective both the solvency capital requirement and the own funds have increased primarily due to increased value in the asset portfolio.

The amount of the Club's MCR at the end of the reporting period was SEK 584 million.

The inputs used to calculate the MCR are the best estimate net of reinsurance and the written premiums net of reinsurance in the last 12 months.

	2025	2024
Ratio of Basic own funds to SCR	1.55	1.36
Ratio of Eligible own funds to SCR	2.05	1.86
Ratio of Basic own funds to MCR	4.20	3.91

Since the Club's dominating currency, both in terms of premium and claim payments, is USD, the risk calculations in SEK between quarters can be heavily influenced by currency effects to a larger extent than if the calculations were carried out in USD. However, irrespective of reporting currency the solvency ratios are always the same due to the currency effects in the own funds. See the summary for key figures for regulatory solvency calculations in USD.

The Club's internal capital assessment continues to reflect the underlying risk profile of the business and supports the conclusion that the current capital position provides adequate resilience. Stress testing and scenario analyses performed as part of the ORSA process support the Club's assessment that its current capital position provides adequate resilience against adverse developments.

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

Not applicable to the Club.

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

No internal or partial internal model is used to calculate the Regulatory Capital Requirement.

E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

As the Club has not faced any form of non-compliance with the MCR, or non-compliance with the SCR during the reporting period, or at the reporting date, no further information is included here.

E.6. Any other information

The directors do not consider that there is any further material information for the reporting period which should be disclosed regarding the capital management of the Club.

Appendix

Quantitative reporting templates

All monetary amounts in this appendix are in SEK thousands (regulatory reporting currency).

Disclosed templates for the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC:

S.02.01.02	Specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC,
S.04.05.21	Premiums, claims and expenses by country
S.05.01.02	Specifying information on premiums, claims and expenses using the valuation and recognition principles used in the financial statements
S.17.01.02	Specifying information on non-life technical provisions
S.19.01.21	Specifying information on non-life insurance claims in the format of development triangles. The amounts have been converted from USD to SEK as of the reporting date.
S.23.01.01	Specifying information on own funds, including basic own funds and ancillary own funds
S.25.01.21	Specifying information on the Solvency Capital Requirement calculated using the standard formula
S.28.01.01	Specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	16 474
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	4 990 309
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	4 966 782
Derivatives	**R0190**	23 527
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	1 634 595
Non-life and health similar to non-life	**R0280**	1 634 595
Non-life excluding health	**R0290**	1 634 595
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	804 590
Reinsurance receivables	**R0370**	52 061
Receivables (trade, not insurance)	**R0380**	82
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	264 292
Any other assets, not elsewhere shown	**R0420**	143 351
Total assets	**R0500**	7 905 754

S.02.01.02

Liabilities		Solvency II value C0010
Technical provisions – non-life	**R0510**	4 866 768
Technical provisions – non-life (excluding health)	**R0520**	4 866 768
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	4 677 019
Risk margin	**R0550**	189 749
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	1 934
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	196 741
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	145 438
Reinsurance payables	**R0830**	105 643
Payables (trade, not insurance)	**R0840**	5 476
Subordinated liabilities	**R0850**	
Subordinated liabilities not in basic own funds	**R0860**	
Subordinated liabilities in basic own funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	133 939
Total liabilities	**R0900**	5 455 938
Excess of assets over liabilities	**R1000**	2 449 816

S.04.05.21

Premiums, claims and expenses by country

S.04.05.21.01

Home country: Non-life insurance and reinsurance obligations

		Home country
		C0010
Premiums written (gross)		
Gross Written Premium (direct)	R0020	116 838
Gross Written Premium (proportional reinsurance)	R0021	
Gross Written Premium (non-proportional reinsurance)	R0022	
Premiums earned (gross)		
Gross Earned Premium (direct)	R0030	123 555
Gross Earned Premium (proportional reinsurance)	R0031	
Gross Earned Premium (non-proportional reinsurance)	R0032	
Claims incurred (gross)		
Claims incurred (direct)	R0040	26 211
Claims incurred (proportional reinsurance)	R0041	
Claims incurred (non-proportional reinsurance)	R0042	
Expenses incurred (gross)		
Gross Expenses Incurred (direct)	R0050	20 040
Gross Expenses Incurred (proportional reinsurance)	R0051	
Gross Expenses Incurred (non-proportional reinsurance)	R0052	

S.04.05.21

Premiums, claims and expenses by country

S.04.05.21.02

Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations

Country		Greece	China	Singapore	Germany	Hong Kong
	R0010	C0020	C0020	C0020	C0020	C0020
Premiums written (gross)						
Gross Written Premium (direct)	R0020	700 590	508 868	305 995	175 328	153 089
Gross Written Premium (proportional reinsurance)	R0021		11 228			
Gross Written Premium (non-proportional reinsurance)	R0022					
Premiums earned (gross)						
Gross Earned Premium (direct)	R0030	739 102	424 590	292 326	185 706	133 462
Gross Earned Premium (proportional reinsurance)	R0031		10 764			
Gross Earned Premium (non-proportional reinsurance)	R0032					
Claims incurred (gross)						
Claims incurred (direct)	R0040	166 581	855 043	128 224	113 646	38 037
Claims incurred (proportional reinsurance)	R0041		3 415			
Claims incurred (non-proportional reinsurance)	R0042					
Expenses incurred (gross)						
Gross Expenses Incurred (direct)	R0050	122 255	143 810	75 161	34 494	28 153
Gross Expenses Incurred (proportional reinsurance)	R0051		130			
Gross Expenses Incurred (non-proportional reinsurance)	R0052					

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						2 663 245											2 663 245
Gross - Proportional reinsurance accepted	**R0120**						11 228											11 228
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**						563 753											563 753
Net	**R0200**						2 110 720											2 110 720
Premiums earned																		
Gross - Direct Business	**R0210**						2 576 269											2 576 269
Gross - Proportional reinsurance accepted	**R0220**						10 764											10 764
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**						538 114											538 114
Net	**R0300**						2 048 918											2 048 918
Claims incurred																		
Gross - Direct Business	**R0310**						2 070 989											2 070 989
Gross - Proportional reinsurance accepted	**R0320**						3 415											3 415
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**						852 200											852 200
Net	**R0400**						1 222 205											1 222 205
Expenses incurred	**R0550**						629 074											629 074
Other expenses	**R1200**																	
Total expenses	**R1300**																	629 074

S.17.01.02

Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross - Total	**R0060**						567 411											567 411
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**						52 686											52 686
Net Best Estimate of Premium Provisions	**R0150**						514 725											514 725
Claims provisions																		
Gross - Total	**R0160**						4 109 607											4 109 607
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**						1 581 909											1 581 909
Net Best Estimate of Claims Provisions	**R0250**						2 527 698											2 527 698
Total Best estimate - gross	**R0260**						4 677 019											4 677 019
Total Best estimate - net	**R0270**						3 042 424											3 042 424
Risk margin	**R0280**						189 749											189 749
Amount of the transitional on Technical Provisions																		
TP as a whole	**R0290**																	
Best estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**						4 866 768											4 866 768
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**						1 634 595											1 634 595
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	**R0340**						3 232 173											3 232 173

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-6 303	R0100	-6 303	-6 303
N-9	R0160	420 319	263 131	143 540	146 797	81 593	-40 211	12 478	285	9 561	2 023		R0160	2 023	1 039 515
N-8	R0170	336 542	369 975	104 514	70 230	65 328	43 020	55 180	37 247	5 366			R0170	5 366	1 087 402
N-7	R0180	311 946	278 280	121 315	97 501	20 590	23 239	31 781	7 113				R0180	7 113	891 766
N-6	R0190	294 670	367 198	116 954	115 928	31 082	97 968	85 281					R0190	85 281	1 109 080
N-5	R0200	374 172	368 503	111 453	85 720	129 840	26 433						R0200	26 433	1 096 120
N-4	R0210	609 641	852 844	1 554 296	117 903	150 425							R0210	150 425	3 285 110
N-3	R0220	283 950	406 825	225 842	224 028								R0220	224 028	1 140 645
N-2	R0230	232 551	355 455	186 288									R0230	186 288	774 294
N-1	R0240	286 355	392 511										R0240	392 511	678 866
N	R0250	425 441											R0250	425 441	425 441
													Total R0260	1 498 605	20 876 417

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											47 251	R0100	45 101
N-9	R0160	676 058	373 810	266 247	120 504	70 926	40 287	108 676	13 347	4 432	3 866		R0160	3 690
N-8	R0170	890 747	379 972	206 688	156 130	104 337	85 624	14 405	-5 005	-4 366			R0170	-4 167
N-7	R0180	709 302	354 721	289 795	202 376	146 390	69 279	60 533	52 797				R0180	50 396
N-6	R0190	943 265	541 877	413 606	271 667	268 014	186 795	162 924					R0190	155 513
N-5	R0200	996 952	557 958	351 500	276 294	110 938	96 761						R0200	92 359
N-4	R0210	1 437 029	1 166 309	434 112	276 108	240 824							R0210	229 869
N-3	R0220	941 554	892 581	640 296	558 471								R0220	533 067
N-2	R0230	1 409 389	897 691	782 973									R0230	747 356
N-1	R0240	1 628 308	1 420 223										R0240	1 355 617
N	R0250	1 034 878											R0250	987 801
													Total R0260	4 196 602

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010					
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2 449 816	2 449 816			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	2 449 816	2 449 816			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	791 914			791 914	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400	791 914			791 914	
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	3 241 730	3 241 730		791 914	
Total available own funds to meet the MCR	R0510	2 449 816	2 449 816			
Total eligible own funds to meet the SCR	R0540	3 241 730	3 241 730		791 914	
Total eligible own funds to meet the MCR	R0550	2 449 816	2 449 816			
SCR	R0580	1 583 827				
MCR	R0600	583 536				
Ratio of Eligible own funds to SCR	R0620	2,05				
Ratio of Eligible own funds to MCR	R0640	4,20				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	2 449 816
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	2 449 816
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	706 473		
Counterparty default risk	R0020	142 152		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	1 229 557		
Diversification	R0060	-437 925		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	1 640 257		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	140 311
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-196 741
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	1 583 827
Capital add-on already set	R0210	
Solvency capital requirement	R0220	1 583 827
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	1

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	-196 741
LAC DT justified by reversion of deferred tax liabilities	R0650	-196 741
LAC DT justified by reference to probable future taxable profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	-196 741

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	583 536

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	3 042 424	1 929 761
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	583 536
SCR	R0310	1 583 827
MCR cap	R0320	712 722
MCR floor	R0330	395 957
Combined MCR	R0340	583 536
Absolute floor of the MCR	R0350	43 700
		C0070
Minimum Capital Requirement	R0400	583 536