



**SHIPOWNERS**

SECURITY FOR SMALL & SPECIALIST VESSELS

# Solvency & Financial Condition Report (SFCR)

Single SFCR as at  
31 December 2021

The Shipowners' Mutual Protection and  
Indemnity Association (Luxembourg)





## INTRODUCTION

# Welcome to our SFCR 2021

## WHO WE ARE

**We are a mutual insurance association offering Protection & Indemnity (P&I), Legal Costs Cover and associated insurances to smaller and specialist vessel owners, operators and charterers around the world.**

As a mutual association, the Club is owned and governed by its Members. Members share risk and we operate on a non profit-making basis. The Board of Directors is substantially drawn from the Membership. Underwriting, claims and loss prevention services are provided by the Managers of the Club.



**Read more online**  
About us



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**Total Members**

# 8,263

↑ 2020: 8,182



**Entered Vessels**

# 34,167

↑ 2020: 33,831

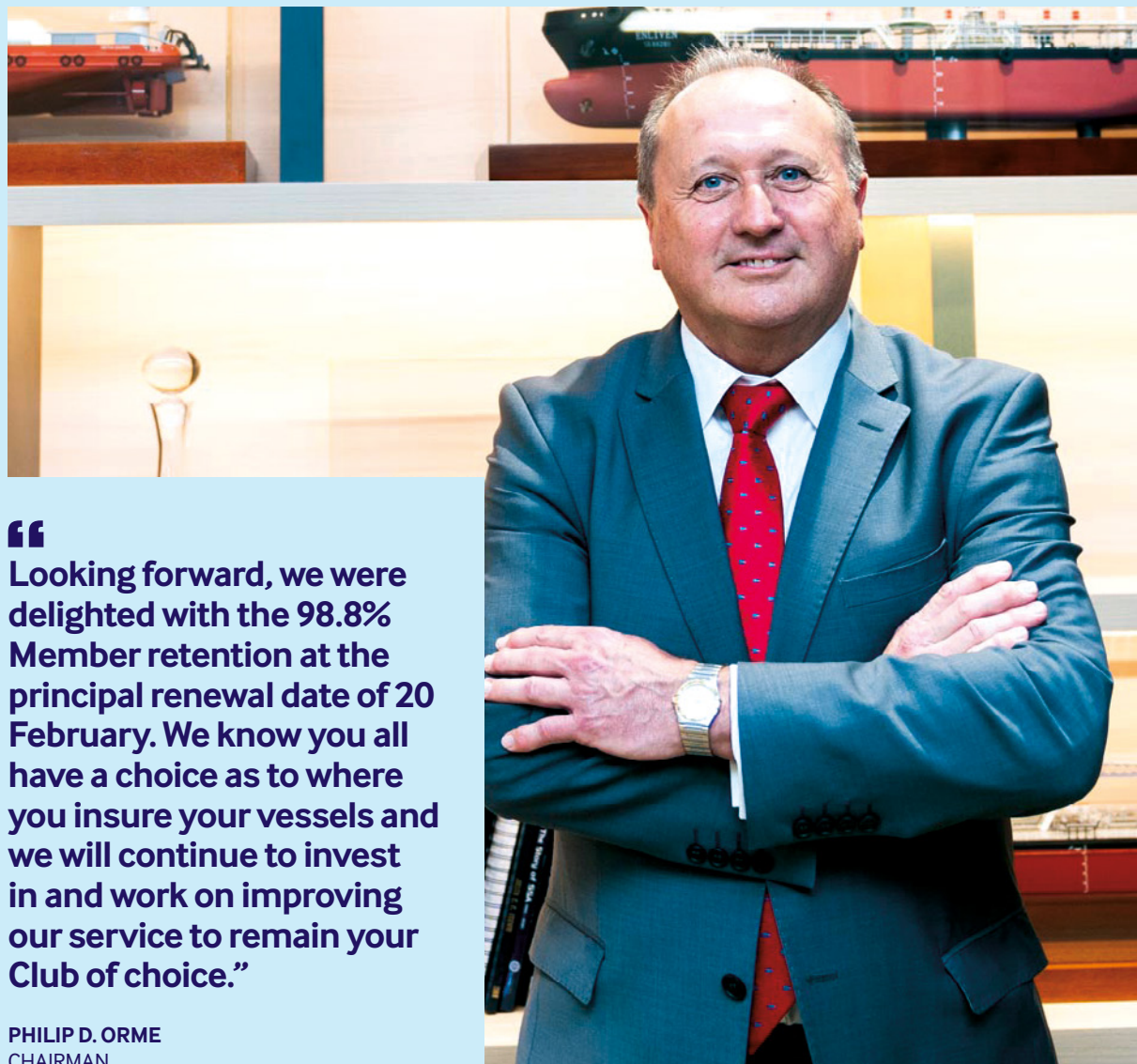


**GT Total Entered Tonnage**

# 28,720,926

↑ 2020: 27,830,243

## CHAIRMAN'S REPORT



“Looking forward, we were delighted with the 98.8% Member retention at the principal renewal date of 20 February. We know you all have a choice as to where you insure your vessels and we will continue to invest in and work on improving our service to remain your Club of choice.”

PHILIP D. ORME  
CHAIRMAN

Two years ago, as I sat down to write my Chairman's Report, I opened it with: “As I draft my Chairman's Report, we find ourselves in the midst of a health and wealth crisis that none of us have experienced before with the COVID-19 pandemic reaching all parts of the globe.”

At that time, I had no idea that two years later we would still be suffering with the problems caused by the pandemic, albeit somewhat less life threatening due to the medical advances and vaccine programmes in most parts of the world. Nor did I think we would have a conflict in Western Europe, with worldwide inflation beginning to bite both commercially in the form of claims costs and domestically in our day to day lives.

Notwithstanding all of these difficulties, your Club finds itself in a strong position at the end of 2021. Responsible underwriting for the benefit of all Members in the last year brought an increase in premium by 7.3% to US\$ 249.0m and has resulted in a modest overall surplus of US\$ 17.4m. This surplus is partly the result of an underwriting gain of US\$ 2.9m, delivering a Combined Ratio slightly ahead of budget at 98.7%. Investment gains were also slightly ahead of forecast with a gain of US\$ 15.6m, driven by a gross return on the portfolio of 3.5%. The above result means that Free Reserves were at a record high of US\$ 396.4m. We were pleased to have our Standard & Poor's A rating, with a stable outlook, reaffirmed during the year.



Standard & Poor's Rating

**A** stable

— 2020: A stable



Membership Retention

**98.8%**

↑ 2020: 98.0%



## CHAIRMAN'S REPORT

### CONTINUED

This rating has been helped by us having a high level of consistency in our results (delivering in line with what we forecast), and having good diversification through our product types, vessel types and the global trading regions within which we operate.

I am pleased to report our Solvency Capital Ratio of 207% (2020: 190%). We have seen an increase in the available capital from last year on account of the Club's 2021 surplus. Overall, the Solvency Capital Requirement has remained stable, as increases in Market and Insurance risk were offset by decreases in Counterparty Default and Operational risk. Excluding contingent capital, our Solvency Capital Ratio is 157% (2020: 140%).

Looking forward, we were delighted with the 98.8% Member retention at the principal renewal date of 20 February. We know you all have a choice as to where you insure your vessels and we will continue to invest in and work on improving our service to remain your Club of choice. We welcome our ongoing loyal Members, new Members and those returning to the Club. Chief Executive Simon Swallow and our excellent teams in Luxembourg, London, Singapore, Athens and Hong Kong, together with our unrivalled broker network, are there for you to help you get the appropriate cover for your operation, promptly issue the necessary documentation and most importantly, pay your claim should you be unfortunate in suffering a casualty.

Thank you for being part of The Shipowners' Club.



**PHILIP D. ORME**  
CHAIRMAN



## SUMMARY

This report has been produced in respect of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) ("the Club") to satisfy its public reporting requirements under the Solvency II insurance regulation regime. The information contained in this report covers the year ending 31 December 2021.

## Underwriting result (US\$ m)

2.9m

↑ 2020: (9.0)m

## Overall surplus (US\$ m)

17.4m

↓ 2020: 39.1m

## Capital and reserves (US\$ m)

396.4m

↑ 2020: 379.1m



This report has been produced on a single Group basis, a fact which reflects that on a day-to-day basis the Club manages itself as a Group. Where it differs from that of the Group, this report also includes information about the Club on a standalone legal entity basis ("Solo") and about Spandilux S.A. ("Spandilux"), a Luxembourg-domiciled reinsurance subsidiary of the Club.

The Club's business remains stable in terms of risks underwritten, its system of governance and its risk profile. At a Group consolidated level on a mid-market investment valuation basis, the Club recorded an underwriting surplus of US\$ 2.9m and an overall surplus of US\$ 17.4m for the year ending 31 December 2021 and closed the year with US\$ 396.4m of capital and reserves.

The Club's approach to capital management and valuation for solvency purposes remains stable and this is demonstrated through its Solvency ("SCR") and Minimum ("MCR") capital ratios which are shown in Table 1. The capital requirements are calculated in accordance with the Solvency II standard formula which the Club has determined to be appropriate for its risk profile.

The Solvency II regulations allow recognition in the solvency ratio of the contingent capital that the Club can call in the form of supplementary calls from mutual Members. Consistent with many other International Group clubs, the Club has been given regulatory approval to make this inclusion. This permission increases the Group and Solo solvency ratios by 50%, the maximum increase allowable.

TABLE 1: SOLVENCY AND MINIMUM CAPITAL RATIOS BY ENTITY

| Entity           | Solvency Capital Ratio (including contingent capital) % | Solvency Capital Ratio (excluding contingent capital) % | Minimum Capital Ratio % |
|------------------|---|---|-------------------------|
| <b>Group</b>     | <b>207%</b>   | <b>157%</b>   | <b>302%</b>             |
| (2020)           | 190%  | 140%  | 276%                    |
| <b>Solo</b>      | <b>258%</b>   | <b>208%</b>   | <b>831%</b>             |
| (2020)           | 241%  | 191%  | 765%                    |
| <b>Spandilux</b> | <b>388%</b>   | <b>388%</b>   | <b>906%</b>             |
| (2020)           | 357%  | 357%  | 817%                    |



## REGULATORY REQUIREMENTS

This report has been produced to satisfy the relevant articles of the Solvency II Directive<sup>1</sup> and supporting Commission Delegated<sup>2</sup> regulation as incorporated into the Luxembourg Insurance Law of 7 December 2015<sup>3</sup>.

The information contained in this report has been approved by the Club Board in accordance with its public disclosure reporting policy.

Unless stated otherwise, all figures shown in this report are in US\$ m. Individual figures have been rounded and this may result in rounding differences in tables of figures shown.

<sup>1</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

<sup>2</sup> Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

<sup>3</sup> <http://legilux.public.lu/eli/etat/leg/loi/2015/12/07/n1/jo>

<sup>4</sup> Articles 306-311 of Commission Delegated Regulation (EU) 2015/35.



This report includes sections covering the five required areas as follows<sup>4</sup>:

Business and performance

[▶ Read more](#)  
on page 6

System of governance

[▶ Read more](#)  
on page 10

Risk profile

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on page 16

Valuation for solvency purposes

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on page 20

Capital management

[▶ Read more](#)  
on page 25

## BUSINESS AND PERFORMANCE

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) is a Luxembourg-domiciled mutual insurance association, whose principal activity is the insurance and reinsurance of marine protection and indemnity (P&I) risks on behalf of its membership.

As a mutual insurance association, it does not have a share capital and the liability of its Members is limited to the calls and supplementary premiums set by its Directors.

The Club is the sole owner of two reinsurance captives, Spandilux S.A. a Luxembourg-domiciled reinsurer and SOP (Bermuda) Limited, a Bermuda-domiciled reinsurer.

In accordance with the scope of the Solvency II regulations, this report concerns the activities of the Club on a Group basis, as well as the activities of the Club on a Solo basis and the activities of Spandilux where they differ from those of the Group.

The Club is domiciled, authorised and regulated in Luxembourg by the Commissariat Aux Assurances ("CAA"). The CAA is also the Club's Group supervisor. Contact details for the CAA can be found on its website: [www.caa.lu](http://www.caa.lu).

As at 31 December 2021 the Club's external auditor was Deloitte Luxembourg S.a.r.l. located at 20 Boulevard de Kockelscheuer, L-1821 Luxembourg.

The Club has over 8,200 Members, utilising a controlled distribution model through owners' brokers. These brokers introduce a strong majority of the Club's premium income and as such are key partners of the Club. The diverse nature of the Club's Membership base helps to deliver stability to its operations.

The Club has over 34,000 entered vessels from eight main vessel types, representing more than 28m of gross tonnage (GT), with a focus on providing P&I coverage to small, regionally trading vessels and other specialist craft. Its Members operate in a variety of specialist sectors across the globe, providing a spread of risk and low exposure to individual catastrophic events.

The Shipowners' Protection Limited ("SPL") fulfils the role of Club Manager. Business is underwritten from the Club's London office and its branch in Singapore, supported by a further branch in Hong Kong, and through a small number of delegated underwriting authority agreements.





## BUSINESS AND PERFORMANCE

### CONTINUED

A full list of the Group's undertakings, related branches, structure and governance is included in Appendix A.

The Club is interactively rated by credit rating agency Standard & Poor's. The Club's credit rating was upgraded from A- to A with a stable outlook in November 2016. The A (stable) rating was reaffirmed following the most recent rating review conducted in January 2022 and the subsequent Standard & Poor's credit review meeting in mid-March 2022.

Spandilux is a wholly-owned subsidiary of the Club. Under the terms of a quota share reinsurance treaty between Spandilux and the Club, Spandilux reinsures a fixed proportion of risks written by the Club, and in return is liable for the same proportion of claims in respect of the reinsurance ceded. Spandilux did not write any other business during the reporting period.



### BUSINESS OVERVIEW


During the year we have all faced challenges as a result of the global pandemic, just as we did during 2020. We have been active throughout the year in supporting those Members who had COVID-19 claims. We have also had to manage COVID-19 collateral risks arising from incidents, such as dealing with delays in responding to casualties, as restrictions prevented salvors and surveyors from attending onsite. Never was it more important to be part of a collectively stronger International Group of P&I Clubs, who sought to ensure that we placed the welfare and safety of our seafarers high on the agenda.

Our product offering, which seeks to provide the widest liability cover to the owners of smaller and specialised vessels, has not changed. However, our risk appetite has had to adjust during the year, as our Members' vessels in some sectors, such as offshore, coastal dry cargo and tankers, has become larger and more sophisticated.



**The Club's recently released Annual Report provides further information on the Club's operations over the past 12 months and can be found on the Club's website.**



 **Read online**  
Our 2021 Annual Report

We have responded to this by continuing to focus on our specialist niche and maintaining our strict underwriting discipline, whilst working alongside our key business partners, our reinsurers, in order to accommodate this new tonnage. We are grateful to our reinsurance brokers Gallagher Re for their support throughout the year and our lead fundamental reinsurers Swiss Re, Axis, Convex and the following markets for the trust that they place in the Club.

We have been energetically supported in our management role during the year by an engaged and dedicated Board of Club Directors. This is most evident in the Board's commitment to embrace change through developing our digital technologies. With some 34,000 entered vessels, we value the importance of producing accurate documentation and delivering this promptly. This includes the all-important certificates to trade, provided through Blue Cards aligned to the International Conventions. Over the course of the year, we made further enhancements to our underwriting system, allowing underwriters the ability to quote and bind risks seamlessly, aided by increased automation. Our goal remains to make it easier for the broker to work with the Club and we believe that ongoing investment in system solutions will help deliver against this goal.

Changes in technology during the year have also allowed us to continue the roll-out of our enhanced pre-employment crew medical scheme, Medisea.

As we look ahead, certain vessel sectors are benefiting from changing market conditions whilst others still face challenging operational conditions. We hope to continue to see a steady recovery from the global pandemic and an easing of the related restrictions as we look forward to rekindling our relationships across the globe, in person where possible.



## BUSINESS AND PERFORMANCE

CONTINUED

### UNDERWRITING PERFORMANCE

The Club writes a single line of business, marine P&I insurance. The Club also writes incidental amounts of legal costs and personal accident cover for Members purchasing P&I cover. For reporting purposes, all business is categorised as Marine, Aviation and Transport.

Business is underwritten from the Club's London office, from its branch in Singapore and through a small number of delegated underwriting authority agreements. In the year to 31 December 2021, the Club produced an underwriting surplus of US\$ 2.9m. Table 2 provides a summary of the Club's technical underwriting account for the period ending 31 December 2021 together with a comparison to the prior period information.

The Club is a member of the International Group of P&I clubs (IG) and party to the IG Pooling Agreement. In addition, the Club purchases market excess of loss treaty reinsurance for claims within the IG retention of US\$ 10m each and every claim. These reinsurance covers are subject to annual aggregate deductibles but have the effect of reducing the impact of individual large losses on the Club.

These arrangements have proved to be effective in a claims environment that in recent years has experienced declining claims frequency but increasing claims severity, particularly in respect of larger claims.

### INVESTMENT PERFORMANCE

The Club's Board of Directors is responsible for setting and monitoring the Club's investment strategy in accordance with its investment risk appetite. The investment strategy is codified in the Club's investment policy statement which specifies the Club's strategic asset allocation, performance benchmarks and key risk metrics.

The Club's investment strategy complies with the 'prudent person principle' and provides for appropriate matching of assets and liabilities by currency at the level of the Group balance sheet. Consideration is also given to the matching of assets and liabilities by duration. The investment strategy specifies the parameters within which the investment managers can work, including tactical asset allocation, individual security concentration limits and credit quality limits. The Club does not invest in securitised products.

The Club's investment portfolio had a market value of US\$ 635.3m (2020: US\$ 624.7m) inclusive of accrued interest as at 31 December 2021. The composition and performance as at, and for the period ending 31 December 2021 on a market value basis of the portion of the Club's investment portfolio for which the investment managers are responsible is shown in Table 3. The composition of the full investment portfolio is shown later in this report (Table 12). The performance and composition of the Spandilux investment portfolio is similar to that of the Group and had a market value of US\$ 63.4m (2020: US\$ 61.1m) as at 31 December 2021.

TABLE 2: 2021 Group technical account

|                                  | 2021       | 2020         |
|----------------------------------|------------|--------------|
| Net Earned Premium               | 223.2      | 207.2        |
| Claims Incurred                  | (161.2)    | (157.1)      |
| Net Operating Expenses           | (59.1)     | (59.2)       |
| <b>Technical Account Balance</b> | <b>2.9</b> | <b>(9.0)</b> |

TABLE 3: Group investment portfolio composition and performance for the period ending 31 December 2021

|                                 | Weight        | Actual Performance | Benchmark Performance | Relative Performance |
|---------------------------------|---------------|--------------------|-----------------------|----------------------|
| Fixed Income (Main Bonds)       | 68.7%         | (1.59)%            | (1.14)%               | (0.45)%              |
| Fixed Income (Collateral Bonds) | 3.7%          | (0.70)%            | 0.05%                 | (0.75)%              |
| Equities (Consolidated)         | 25.3%         | 16.51%             | 17.99%                | (1.48)%              |
| Cash                            | 2.3%          |                    |                       |                      |
| <b>Total</b>                    | <b>100.0%</b> | <b>3.45%</b>       | <b>3.48%</b>          | <b>(0.03)%</b>       |

## BUSINESS AND PERFORMANCE

CONTINUED



On a mid-market basis, the investment gain for the period was US\$ 15.6m (2020: gain US\$ 49.8m) driven by both the bond and equity portfolio performance during 2021. No gains or losses were recognised directly in equity during the period. Table 4 provides the components of the Group investment result on a mid-market basis, together with a comparison to the prior period information.

### OVERALL PERFORMANCE

Taken together, the underwriting surplus and investment gain along with other items produces an overall surplus for the period of US\$ 17.4m on a mid-market investment valuation basis. Table 5 provides a summary of the Club's overall performance for the period comparison to the prior period information.

Details of the Solo entity and Spandilux technical, investment and overall performance for the period ending 31 December 2021 (and prior period) are given in Appendix B.

The solvency positions of the Group, Solo entity and Spandilux are considered in more detail in the capital management section of this report.

**TABLE 4: 2021 Group investment returns**

|  | 2021         | 2020  |
|--|--------------|-------|
| Investment Income                            | <b>12.5</b>  | 13.5  |
| Fixed Income                                 | <b>12.4</b>  | 12.7  |
| Equities                                     | –            | 0.6   |
| Collective Investment Vehicles               | <b>0.1</b>   | 0.2   |
| Investment Management Charges                | <b>(3.9)</b> | (2.3) |
| Realised and unrealised gains on investments | <b>6.9</b>   | 38.6  |
| <b>Result</b>                                | <b>15.6</b>  | 49.8  |

**TABLE 5: 2021 Group income and expenditure result**

|                           | 2021         | 2020  |
|---------------------------|--------------|-------|
| Technical Account Balance | <b>2.9</b>   | (9.0) |
| Investment Return         | <b>15.6</b>  | 49.8  |
| Taxation                  | <b>(0.3)</b> | (1.3) |
| Other Income/(Charges)    | <b>(0.8)</b> | (0.4) |
| <b>Result</b>             | <b>17.4</b>  | 39.1  |



## SYSTEM OF GOVERNANCE

The Club is governed in accordance with its governance charter and subject to its constitution by a board of 11 non-executive directors (“NEDs”) that meets on an at least quarterly basis. The role of the Board is to direct the high level strategy of the Club in consultation with the Club’s Managers where applicable.



The Board does so by receiving regular reports from the Managers at the quarterly Board meetings on the development of the Club’s business and finances, on the basis of which it is able to make informed decisions.

Board activities are supported by three Board committees covering Finance, Remuneration and Audit & Risk, with each committee reporting back to the Board. Spandilux is governed by a separate board of non-executive directors while the three Board committees meet on behalf of both the Club and its subsidiary companies.

The agendas of the Board itself, and those of its Committees which report back to the Board, cover a full range of governance and compliance issues during the course of a year in accordance with a specified matrix of activities. This ensures that the key risks associated with the management of the Club are regularly monitored and reviewed and that appropriate steps are taken to address them.

There have been no material changes to the system of governance and no material transactions with persons who exercise significant influence over the Club or its subsidiaries during the reporting period.

The Club considers its system of governance to be appropriate to the nature, scale and complexity of its operations given the risks it faces in the course of doing business.

### BOARD COMPOSITION

Nine of the non-executive directors have been drawn from the Club’s Membership and/or have expertise in the area of shipping and seafaring, and they provide broad representation by geographical region and vessel type, as well as specific functional and operational expertise. One non-executive director brings specific skills,

experience and expertise to the Board in the area of investments and one non-executive director brings specific skills, experience and expertise to the Board in the area of reinsurance.

The Spandilux board is comprised of three NEDs including one NED who brings specific skills, experience and expertise to the Board in respect of investments.

The Club’s Luxembourg office is responsible for the corporate secretariat functions of the Club under the direction of the Club’s general manager.

### CLUB MANAGEMENT

The Club is managed on a day-to-day basis by SPL, which in similar fashion to a number of other IG clubs is a wholly owned subsidiary of the Club, under a management services agreement which describes the responsibilities of each party. SPL is governed by its own board of executive directors that meets on an at least quarterly basis.

SPL provides day-to-day insurance company management services including supporting the required key Solvency II functions, namely Actuarial, Compliance, Internal Audit and Risk Management. Under this agreement the key functions, each led by a SPL Director with the exception of Internal Audit which is led by the Audit & Risk Committee Chair, have the necessary authority, resources and operational independence to carry out their tasks and report on them to each of the SPL, Club and subsidiary boards. Responsibility for the Club’s investments is retained by the Club Board.

The Club’s governance map and organisational chart provide a pictorial representation of the information described above (see Appendix A). The Club’s key functions and their roles and responsibilities are described later in this report.

SYSTEM OF GOVERNANCE

CONTINUED

REMUNERATION

Remuneration and reward is overseen by the Remuneration Committee of the Board. Non-executive directors are remunerated on a fixed fee basis for responsibilities undertaken and Board, Committee and ad-hoc meetings attended. The level of fees payable is reviewed every three years by the Remuneration Committee and is subject to review at Club General Meetings.

The Club’s remuneration policy is underpinned by ten core remuneration principles which are set out in its remuneration policy. The approach to remuneration is consistent with the Club’s risk appetite and includes appropriate governance and controls. The Club’s remuneration practices discourage any conflicts of interest, potential misconduct or risk taking that is excessive in view of the management strategy.

FIT AND PROPER REQUIREMENTS  
Club Board

In order to ensure that it can discharge its collective responsibility the Board has an established training and competency framework that seeks to develop the contribution that Directors individually make to the Board’s collective responsibility for the good governance of the Club. This framework covers general and specific expectations that NEDs are expected to meet in a range of areas that include governance, oversight, controls, risk management, regulatory requirements, financial analysis and control, business strategy and the broader market and business environment.

Directors are elected to the Board for a term of three-years, after which they must be re-elected to serve a subsequent term. The Board has an agreed process whereby Directors self-assess their own contribution and understanding against an agreed set of competencies.

Over the term of their three year appointment, each NED meets with the Club Chairman to consider the self- assessment results and identify any areas for specific individual development.

The training and competency framework encourages the development of expertise at Board level. It is also relevant to the re-election process for Directors and to the appointment of new Directors.

In addition to training and competency requirements, NEDs are subject to the obligations set out in the Club’s Governance Charter which covers conflicts of interest and business ethics rules. Notwithstanding that NEDs are drawn principally from the Membership and may have individual interests as Members, in their role as NEDs they represent the Members as a whole and are required to make decisions solely in the Club’s interest and independently of any personal or membership interest.

Club managers

As Club Manager, SPL has procedures in place to ensure that individuals in key positions of influence and responsibility are fit and proper and competent to execute their assigned responsibilities. Assessments of fitness and propriety are made as part of the recruitment process and on an annual basis as part of the performance review process.

SPL Directors are required to certify on an annual basis that they meet the Club’s requirements with respect to honesty, integrity, reputation and financial soundness. Table 6 shows the individuals responsible for each of the Solvency II key functions from both a Group and Solo perspective:

TABLE 6: Group and Solo Solvency II key function holders

| Key function    | Responsible role             | Qualifications |
|-----------------|------------------------------|----------------|
| Actuarial       | SPL Director & Chief Actuary | FIA, FCAS      |
| Compliance      | SPL Director & Chief Actuary | FIA, FCAS      |
| Internal Audit  | Audit & Risk Committee Chair | FCA            |
| Risk Management | SPL Director & Chief Actuary | FIA, FCAS      |





## SYSTEM OF GOVERNANCE

CONTINUED

### RISK MANAGEMENT

Risk is the potential for loss or failure to meet the Club's corporate objectives as a consequence of internal or external events. Effective risk management is fundamental to the operation of the business, and is embedded through Board-level commitment, management buy-in, understanding and defining what is required of the Managers and staff, continuous improvement through effective monitoring and risk reporting, and cross-process communication.

The Club's risk management framework is designed with the aim of ensuring compliance with the risk management requirements of the Solvency II regulatory regime.

The Club adopts a 'three lines of defence' approach to risk management as part of its internal control environment and this is explained further in the Internal Control section below. The Club's risk management policy is necessary to support its business strategy and is aligned with the Club's commitment to best practice. Oversight of the Club's risk management framework lies with the Board of Directors, through its Audit & Risk Committee.

The Club's policy is to identify all realistic significant risks faced in implementing the business strategy and record them in its risk register. Risks are analysed by reference to likelihood of occurrence and potential severity of impact. The level of acceptable risk ('risk appetite') is identified for each risk and controls are established with the aim of ensuring that this level is not exceeded.

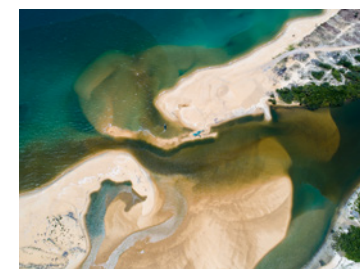
To assist the Club with remaining within its stated risk appetite, which is expressed through the Club's Board-approved strategic targets, process level risk tolerances have been defined in key areas.

The risk management function coordinates a quarterly review and sign-off of all risks and controls in the Club's risk register with the Club's risk owners. The results of this exercise are used to assess the level of residual risk relative to the Club's risk appetite in each of its key risk areas.

In addition to the identification, measurement, mitigation, monitoring, management and reporting of the existing risks logged in the Club's risk register, the Club's emerging risk working group meets on a quarterly basis to consider emerging risks and their potential impact on the Club.

The work of the risk management function is subject to periodic review by the internal audit function. The risk management function formally reports to the Club's Audit & Risk Committee twice a year. This is in addition to reporting to the Club Board on specific risk-related matters, including the results of the Club's own risk and solvency assessment ("ORSA") process.

### KEY AREAS OF PROCESS LEVEL RISK



**SYSTEM OF GOVERNANCE**  
CONTINUED

**ORSA**

The Club conducts a single Group ORSA on an annual basis in accordance with its ORSA policy which is approved by the Club's Audit & Risk Committee and in turn the Club Board. The stable nature of the Club and its capital requirements make conducting the ORSA on an annual basis appropriate. The ORSA policy also makes provision for more frequent execution of the process if circumstances require this.

The ORSA process is coordinated by the actuarial and risk management functions with oversight and input from the Club Board and the Board of Spandilux, together with input from the SPL directors and SPL functional managers. The ORSA process provides linkage between the Club's risk profile and capital requirement and is designed to assess the Club's material risks and the capital required to support them. The Club's risk profile is driven by its risk appetite.

The ORSA process (Table 7) assesses the capital required to support the risk-taking the Club engages in and compares it to the free reserves available to meet this need. This assessment is primarily achieved through calculation of the Club's core capital requirement which is assessed based on the Solvency II standard formula which the Club has determined appropriately reflects the Club's risk profile. Core capital requirements are also calculated and analysed for the Club's key risk carrier entities.

Sensitivity and scenario testing of the capital requirement is performed and consideration given to the Club's controls and procedures, particularly with respect to risk management.

The results of the single Group ORSA process provides the landscape against which the Club's strategic decisions are made and provide a mechanism to assess the capital impact of decisions under consideration.

**INTERNAL CONTROL SYSTEM**

The Club has a robust system of internal controls in place through its 'three lines of defence' model and this system is used to manage the risks faced by the Club within its risk appetite. This includes first line of defence activities which are primarily documented in the functional procedure manuals, second line activities conducted by the actuarial, compliance and risk management functions, and third line activities performed by the internal and external auditors, as well as the Board and its committees.

**COMPLIANCE FUNCTION**

The activities of the compliance function are performed in accordance with the Club's compliance monitoring programme and have been designed to address the requirements of Article 46(2) of the Solvency II Directive and Article 270 of the Commission Delegated Regulation.

The Club's approach to compliance protects the interests of Members, employees and other stakeholders, including Correspondents, surveyors and third-party claimants, and aims to ensure adherence to relevant regulatory and legal requirements. This approach fosters a culture that achieves compliance with these requirements by establishing and overseeing appropriate organisational and technical measures, including relevant processes, policies, procedures and practices, management, controls, training, and reporting.

**TABLE 7: ORSA process**

|   |  |
|---|--|
| <b>Review of Strategy</b>                   | Club business strategy, targets and risk appetite  |
| <b>Club risk profile</b>                    | Current risk profile, risk management framework and significant risks  |
| <b>SCR calculation</b>                      | Solvency capital requirement calculated using Standard Formula   |
| <b>Linkage of SCR and significant risks</b> | Assessment of whether all significant risks are covered by the SCR   |
| <b>Strategic business plan</b>              | Strategic business plan forms basis of 'forward-looking' capital assessment  |
| <b>'Forward-Looking' capital assessment</b> | Calculation of SCR at each future year-end over the business planning horizon  |
| <b>Scenario testing</b>                     | Assessing impact of specific scenario tests on future SCR requirements   |
| <b>Mitigation procedures</b>                | Assessing processes and controls in place to reduce risk of significant risks crystallising together with plans in place to manage such events should they occur |
| <b>Results &amp; conclusions</b>            | Key results of the ORSA process, conclusions reached and recommendations for the Club's Board and Managers to consider in taking the business forward            |



## SYSTEM OF GOVERNANCE

### CONTINUED

As well as compliance with the requirements of the Club's lead regulator, the CAA, the requirements of the Monetary Authority of Singapore (MAS), the Insurance Authority (IA) in Hong Kong, the Prudential Regulatory Authority (PRA) in the UK and the Financial Conduct Authority (FCA) in the UK are also adhered to wherever they apply.

Consideration is always given to the requirements of all relevant regulatory bodies, with particular reference to the requirements of Solvency II.

The compliance function conducts a programme of compliance monitoring which is a process that validates the controls in place and provides evidence that they are functioning as required. The aim of the compliance monitoring programme is to evidence, monitor and provide assurance to the Board and its committees, senior management and other internal and external key business stakeholders that the Club is acting in accordance with legislative and regulatory requirements.

The compliance monitoring plan schedule covers all applicable regulatory risks. It is regularly reviewed to ensure that it represents a fair assessment of risks to be monitored, in order that verification that operational and reporting issues within the business are conducted in accordance with the regulatory and legal requirements can be made to the Managers, the Audit & Risk Committee and the Board.

The compliance monitoring plan provides assurance to key business stakeholders, both internal and external, that the business is adhering to legislative and regulatory requirements, identifying and monitoring key risks, particularly regulatory and conduct risks, and supporting the business in finding and implementing solutions including those that have a commercial impact.

### RISK FUNCTION

The risk function is responsible for advising, enabling, monitoring and reporting on risk and risk-related activities within the Club. The risk function supports management and the Board in the effective operation of the risk management framework through a series of activities which include:

- Maintaining and developing the Club's risk register.
- Monitoring compliance with the quarterly review and certification by risk owners of their risks within the risk register and any resulting actions.
- Monitoring risk in relation to strategic considerations and major initiatives the Club may be undertaking.
- Conducting a rolling programme of detailed review of the completeness and accuracy of the risks facing the Club and their assessment within the risk register.
- Maintaining a Club-wide perspective and aggregated view of the risk profile, including potential risk aggregations and interdependency between the risks included within the risk register.
- Measuring and managing potential risk aggregations through stress and scenario and reverse stress testing.
- Assessing the Club's regulatory capital requirements at least annually.
- On an annual basis, completing the ORSA in accordance with the ORSA policy and presenting the results in the ORSA report.
- Reviewing any significant risk events and material near misses which may have resulted in the Club's risk tolerances being exceeded.
- Reporting to the SPL Board, Audit & Risk Committee, Club Board and Subsidiary Boards on the outcome of the risk function's activities, together with any recommendations based on the outcomes.
- Ongoing development and implementation of the risk management framework

### INTERNAL AUDIT FUNCTION

The Club conducts a risk-based programme of internal audits in accordance with its Internal Audit Policy and Internal Audit Charter. Internal audits are scheduled using a three-year rolling plan that is reviewed on an annual basis to respond to changes in risk. Internal audit is outsourced to BDO LLP for the purpose of providing a greater level of subject matter expertise to these audits and this function than would be available within a single individual or small team directly employed by an organisation of the size of SPL. This arrangement also ensures the independence of the internal audit function from the activities it reviews.

The internal audit function is accountable to the Audit & Risk Committee and for day-to-day matters liaises with the Chief Financial Officer of SPL. The Audit & Risk Committee Chair is the key function holder who retains responsibility for the performance of the internal audit function under its contractual agreement with the Club.



SYSTEM OF GOVERNANCE  
CONTINUED

ACTUARIAL FUNCTION

The Chief Actuary is responsible for ensuring that the responsibilities of the actuarial function are dispensed in accordance with its terms of reference and reports to the Chief Financial Officer. The Chief Actuary is a Fellow of the Institute of Actuaries and a Fellow of the Casualty Actuarial Society, with over 19 years of experience as a qualified actuary. He also has extensive experience in actuarial reserving, capital modelling and risk management.

The SPL Board, of which the Chief Actuary is a member, has satisfied itself that the Chief Actuary has the relevant knowledge and experience to fulfil the regulatory requirements.

The Chief Actuary is supported by an Actuarial Manager who is a UK qualified actuary. The presence of two qualified actuaries enables separation of production and review.

The actuarial function conducts a range of activities in each of the areas required by Article 48 of the Solvency II Directive. These activities are described in the annual actuarial function report to the Club Board.

OUTSOURCING

The Club uses a range of service providers in the course of doing business. A number of these fall within the Solvency II definition of outsourcing (Table 8) and must comply with the Club's outsourcing and procurement policy to ensure risk is managed and agreed service standards are maintained.

The Club manages its outsourcing arrangements and ensures agreed service standards are maintained in accordance with its outsourcing and procurement policy. The policy includes the requirement to conduct a risk and materiality assessment before entering into a new outsourcing agreement and to ensure that a written agreement is in place covering the arrangement.



MARCUS TARRANT  
DIRECTOR &  
CHIEF ACTUARY

Marcus Tarrant joined the Shipowners' Club in 2014 as Chief Actuary and was appointed as a Director of the management board in January 2017. As Chief Actuary, Marcus is focused on maintaining the Club's financial stability and leads the Club's Actuarial, Compliance and Risk Management functions.

Marcus is a graduate of City University, London, a Fellow of the Institute of Actuaries (UK) and a Fellow of the Casualty Actuarial Society (US).

Delegated underwriting authorities

The Club has issued a small number of delegated underwriting authorities to third parties who underwrite business on behalf of the Club.

Such arrangements bring together the underwriting and claims expertise of the Club with the clients of these trusted third parties. These arrangements are conducted in accordance with strict written agreements which are subject to regular formal reviews.

Delegated underwriting authorities account for approximately 4% of the Club's premium income and would not be considered material in accordance with the Club's outsourcing policy materiality criteria, but for the requirements of Guideline 61 of the EIOPA Guidelines on System of Governance covering underwriting. These guidelines stipulate that delegated underwriting authorities must comply with the Club's outsourcing policy irrespective of size. Delegated authority arrangements are subject to periodic audit.

Inter-Group outsourcing

Whilst SPL is a wholly owned and controlled subsidiary of the Club, the functions fulfilled by SPL are akin to an outsourced service, whereby the Club has charged SPL with the fulfilment of certain of its objectives and responsibilities. By virtue of the Club's ownership and control of SPL, the Club has control over appointments to the SPL Board.

Given the material nature of the responsibilities undertaken by SPL on behalf of the Club, the Club has a contingency plan in the event of SPL failure to discharge its duties. This is important to the Club but also to the regulators of the Club and its subsidiaries and branches.



TABLE 8: Outsourced activities

| Activity                           | Service Provider | Description  | Region         |
|------------------------------------|------------------|--|----------------|
| Internal Audit                     | BDO              | Internal audit plan and all internal audits conducted                            | UK             |
| Delegated Underwriting Authorities | Various          | 4% of premium income written through delegated underwriting authority agreements | European Union |
| Inter-Group Outsourcing            | SPL              | Management services outsourced to SPL  | UK             |





## RISK PROFILE

The Club is exposed to risk through its principal activity of providing insurance cover to its Members. In addition, it is exposed to financial and operational risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities.

There have been no material changes in the Club, Solo entity or Spandilux risk profile over the reporting period.

Risk is managed and mitigated through a combination of appropriate processes and controls and holding capital in accordance with the information described in the capital management section of this report.

The Club has developed a range of stress and scenario tests, including reverse stress tests, to assess the robustness of the Club's capital position and further understand the sensitivity of the capital position to specific stresses and scenarios. These stress and scenario tests are reviewed on a periodic basis to confirm their ongoing relevance and appropriateness.

The work performed provides comfort to the Club with respect to the robustness of its processes and procedures and the level of capital held. The Club does not anticipate any additional material risk exposures to those considered as part of the ORSA process.

## UNDERWRITING RISK

This is the risk inherent in any underwriting contract, represented by the unpredictability of the insured event occurring and uncertainty about the quantum of any resulting claim. The potential risk to the Club is that business is written for insufficient premium or provides inappropriate cover, or that the frequency or severity of the insured events is higher than expected.

The Club's underwriting strategy documents its appetite for risk, as well as its pricing and reinsurance policy. The pricing policy reflects the loss experience and quality and management of vessels entered, and aims to be commensurate with the cover provided. The underwriting risk is further mitigated by maintaining a well-balanced and diverse insurance portfolio, in terms of vessel type, trading pattern and geographical spread.

The Club offers high limits P&I insurance, supported through an extensive market reinsurance programme placed by the IG on behalf of the Group clubs.

## RISK PROFILE

### CONTINUED

In addition, the Club offers coverage to Members on a fixed premium basis with limits of up to US\$ 1bn available supported by the Club's own reinsurance programme, although in practice lower limits are often purchased by Members.

Reinsurance is a key tool used to reduce the underwriting risk exposure and to stabilise underwriting results. The Club's reinsurance programme is subject to annual review and agreement by the Board of Directors to ensure that it continues to be an effective tool for achieving these objectives. The Club utilises the services of professional reinsurance brokers in the purchase of its fundamental reinsurance programme and benefits from their expertise and experience when considering the ongoing appropriateness, structure and pricing of the programme.

The Club expects to purchase a similar programme to that currently in place over the Club's business planning horizon.

In addition to its own reinsurance programme, the Club is party to the IG Pooling Agreement, whereby for the 2021 policy year individual claims of between US\$ 10m and US\$ 100m are pooled. Above this level, the IG purchases reinsurance protection up to US\$ 3.1bn on behalf of all members of the Group.

As a measure of underwriting risk exposure, for the year- ending 31 December 2021 the premium amounts that were written are shown in Table 9.

### RESERVING RISK

This represents the risk that reserves established in the balance sheet are insufficient to meet the cost of outstanding claims, as a result of inadequate case reserves or inadequate reserves for claims that have been incurred but not reported.

The Club has an established conservative estimating policy in place, based on always estimating the cost of the claim in the appropriate currency, always reflecting the most up-to-date information available and not deviating from a pessimistic basis (worst reasonable likely outcome) for estimating a claim. The reserving process uses a variety of statistical and actuarial techniques, with the level of reserves calculated using internal actuarial resources and maintained on a conservative basis.

On an annual basis the outstanding claims reserves are subject to audit by the Club's external auditors, as part of their overall audit. The unqualified audit opinion that was confirmed at the most recent meeting of the Club's Audit & Risk Committee provides comfort as to the level of the Club's claims reserves as at 31 December 2021.

As a measure of reserving risk exposure, for the year ending 31 December 2021 the Solvency II technical provisions were as shown in Table 10. Solvency II technical provisions are comprised of premium provisions, claims provisions and a risk margin, with the claims provisions forming the largest component.

### REGULATORY RISK

This represents the risk to the Club of a loss or reputational damage resulting from a failure to respond to and comply with a changing regulatory landscape. The Club actively adheres to regulatory requirements in worldwide jurisdictions where it operates, and in addition monitors all entities within the insurance and accounting systems against relevant sanction lists on a daily basis.

The Club has a defined process to monitor compliance with worldwide regulatory issues and to respond to any new developments as they are identified. The UK's exit from the EU ("Brexit"), presents a specific regulatory and operational risk for insurance companies.

The Brexit transition period ended on 31 December 2020.

The Club has an approved presence in both the UK and in the EU and as such can continue to operate in both jurisdictions post Brexit. There are still ongoing uncertainties with regards to Brexit and these will continue to be monitored to ensure the Club's business is not materially adversely affected.

### CREDIT RISK

This is the risk to the Club of a loss resulting from a counterparty being unable to meet its contractual obligations.

The main credit risk arises from the potential for reinsurers to default on their obligations under the terms of the reinsurance policy. The Club manages this risk by ensuring that the reinsurance security used is both strong and diverse. The financial standing of reinsurers is kept under regular review.

The Club is also exposed to its Members not paying premiums when due. Strong credit control procedures are in place to mitigate this risk. In addition, the Rules of the Club allow it to terminate an entry from inception in case of non-payment of premiums. Furthermore, the payment of claims in respect of a policy is suspended if premiums associated with that policy are outstanding.

The Club also holds cash balances with a number of banks and this provides a further credit risk exposure to the Club.

As a measure of credit risk exposure, for the year ending 31 December 2021 the reinsurance recoverables, reinsurance receivables, insurance and intermediaries receivables and cash and cash equivalents were as shown in Table 11.

**TABLE 9: Gross and net written premium by entity**

| Entity    | Gross Written Premium | Net Written Premium |
|-----------|-----------------------|---------------------|
| Group     | 257.5                 | 231.5               |
| Solo      | 257.5                 | 102.2               |
| Spandilux | 6.9                   | 6.9                 |

**TABLE 10: Gross and net technical provisions by entity**

| Entity    | Gross Technical Provisions | Net Technical Provisions |
|-----------|----------------------------|--------------------------|
| Group     | 556.3                      | 440.1                    |
| Solo      | 549.5                      | 256.2                    |
| Spandilux | 17.2                       | 17.2                     |

**TABLE 11: Credit risk exposures by entity**

| Exposure                                 | Group | Solo  | Spandilux |
|--|-------|-------|-----------|
| Reinsurance Recoverables                 | 116.2 | 293.3 | –         |
| Reinsurance Receivables                  | 0.5   | 36.7  | 0.7       |
| Insurance and Intermediaries Receivables | 21.2  | 21.3  | –         |
| Cash and Cash Equivalents                | 151.4 | 107.9 | 0.4       |



RISK PROFILE  
CONTINUED

MARKET RISK

This represents the risk associated with fluctuation in the value or income generated from investments, including the impact of fluctuations in interest and exchange rates.

The Club has an investment strategy in place which is aligned to its business plan, and which is designed to preserve its capital, so that its liabilities can always be met as and when they fall due. The investment policy is regularly reviewed and the portfolio is well diversified to reduce the impact of fluctuations in interest rates, market prices and foreign currency exchange rates.

The investment management and custodian functions are provided by third party experts, and are regularly monitored by the Finance Committee of the Board, as well as by the internal audit function.

The Club's assets are invested in accordance with the 'prudent person principle' as described in the Business and Performance section of this report. The Club does not participate in securities lending or borrowing transactions, repurchase or reverse repurchase agreements. The Club's investment portfolio had a market value of US\$ 635.3m inclusive of accrued interest as at 31 December 2021 and was composed of the asset classes shown in Table 12.

CURRENCY RISK

The Club has worldwide insurance operations and undertakes financial transactions in various currencies. As a consequence, it is exposed to foreign currency exchange rate fluctuations.

For the year ending 31 December 2021 the Group wrote US\$ 257.5m of premium of which US\$ 174.8m was receivable in US\$.

The Club has a process for matching assets and liabilities in the appropriate currencies.

LIQUIDITY RISK

This represents the risk that the Club could fail to meet its financial obligations due to some difficulty or inability to liquidate investments at short notice, or through unanticipated cash flow requirements.

Cash flow requirements are forecast and monitored. The Club maintains a high concentration of liquid assets, including within its investment portfolio and in terms of cash and cash equivalents, to ensure that adequate funds are always in place to meet its financial obligations. The investment portfolio has a mix of short, medium and long-term investments to satisfy the Club's cash flow requirements.

The Club does not have any borrowings, but it does have credit and guarantee facilities in place with major banks. In practice, these facilities are rarely utilised to meet short-term financial obligations.

The Club calculates the value of expected profit in future premiums by comparing the present value of expected future cash inflows with the present value of expected future cash outflows in respect of the same business. These cashflows are evaluated in accordance with the technical provisions calculation basis requirements set out in the Solvency II Directive and Commission Delegated Regulation. As at 31 December 2021, the Club's expected profit in future premium is US\$ 3.0m.

CONCENTRATION RISK

The Club is not exposed to material risk concentrations in terms of its Members, investments or external reinsurers. The large and diverse nature of the Club's Membership, both in terms of vessel sector and geographical diversification, means that no individual Member is significant to the Club's operations.

The map on page 19 helps to demonstrate this diversification.

The Club places limits on investment in individual securities to manage its market concentration risk.

A broad panel of reinsurers is utilised as part of the Club's external reinsurance programme to limit exposure to any single reinsurer and minimum credit rating requirements are in place.

OPERATIONAL RISK

The major sources of operational risk for the Club are those associated with process reliability, information security and financial crime. The Club has a number of key performance indicators in place to identify and manage operational risk, and systems are under regular review to ensure that they are streamlined and responsive to the needs of the business.

The Club also seeks to minimise its operational risk through the recruitment and retention of appropriately skilled staff. Appropriate recruitment, training and performance review processes are in place to support this objective.

GROUP RISK

On a day-to-day basis the Club manages itself as a Group and all business is written through the Club's parent company. Under the terms of a quota share reinsurance treaty between the Club and its reinsurance subsidiaries, the Club cedes a fixed proportion of the risks it writes, and in return cedes the same proportion of claims in respect of the business ceded. No other business was written by these reinsurance subsidiaries during the reporting period.

This intercompany reinsurance arrangement facilitates the spreading of jurisdictional risk. It also provides the Club with an insurance risk carrier in a second well developed and regulated insurance market which provides the Club with operational flexibility.

TABLE 12: Group investment portfolio composition as at 31 December 2021

| Entity           | Weight        |
|------------------|---------------|
| Fixed Income     | 70.05%        |
| Equities         | 8.22%         |
| Equities (Funds) | 16.29%        |
| Cash             | 5.44%         |
| <b>Total</b>     | <b>100.0%</b> |

## RISK PROFILE

CONTINUED

### WHERE WE OPERATE



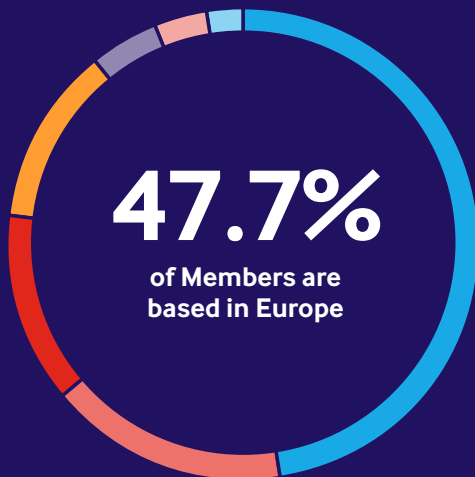
Total Members

8,263

↑ 2020: 8,182



Total Members by region



|   |       |
|---|-------|
| Europe  | 3,942 |
| Australia, New Zealand<br>& the South Pacific | 1,357 |
| Southeast Asia & the Far East                 | 1,069 |
| Central & South America                       | 1,005 |
| North America                                 | 394   |
| Middle East & India                           | 292   |
| Africa  | 204   |



## VALUATION FOR SOLVENCY PURPOSES

Assets and liabilities are evaluated for solvency purposes in accordance with the Solvency II requirements. For statutory reporting purposes the Club values its assets in accordance with Luxembourg financial reporting requirements ("Lux GAAP"). This, in particular, results in investments being reported under Lux GAAP at the lower of cost and market value. No changes were made to the statutory recognition and valuation bases used during the reporting period.

**TABLE 13: Group assets on a Solvency II and Lux GAAP basis**

| Assets                                       | Solvency II  | Lux GAAP       | Difference    |
|--|--------------|----------------|---------------|
| Equities                                     | 52.2         | 51.4           | 0.9           |
| Bonds  | 445.0        | 439.7          | 5.3           |
| Collective Investment Vehicles               | 103.5        | 100.5          | 3.0           |
| Property, plant & equipment held for own use | 11.1         | 11.0           | 0.1           |
| Intangible Assets                            | –            | 32.1           | (32.1)        |
| Deferred Acquisition Costs                   | –            | 11.7           | (11.7)        |
| Reinsurance Recoverable                      | 116.2        | 118.4          | (2.3)         |
| Insurance and intermediaries receivables     | 21.2         | 53.3           | (32.1)        |
| Pension benefit surplus                      | 0.8          | –              | 0.8           |
| Other Assets                                 | 189.9        | 194.0          | (4.0)         |
| <b>Total</b>                                 | <b>939.9</b> | <b>1,012.0</b> | <b>(72.1)</b> |

Assets and liabilities for solvency purposes are prepared using the Accounting Consolidation Method (Method 1) in accordance with the Club's processes and procedures and are subject to the usual review and approval mechanisms prior to use.

The Club does not make use of the matching adjustment, volatility adjustment, transitional risk-free interest rate term structure or any of the other Solvency II transitional arrangements in its valuation basis.

### GROUP ASSETS

Table 13 below shows the differences in the statutory and solvency value of the Club's assets as at 31 December 2021.

Differences in the value of investments reflect the increase in the market value of equities, bonds and collective investment vehicles between the time of purchase and 31 December 2021.

Quoted market prices are available on a daily basis for the Club's investments through software which aggregates information from the Club's investment manager, custodian and broader market information.

A local branch of an international real estate agent has provided an updated market valuation of the Club's property in Singapore as at 31 December 2021, as opposed to the depreciated value shown on a statutory basis.

Intangible assets and deferred acquisition costs are recognised on a statutory basis but not a solvency basis. Differences in the reinsurance recoverable are attributable to the solvency valuation basis employed for technical provisions which is explained in the liabilities section below.



Differences in insurance and intermediaries receivables are due to the reclassification of the component of the receivables not yet due into technical provisions.

The difference in the value of pension benefit surplus results from the recognition on a solvency basis of the value of the pension benefit surplus that is not recognised on a statutory basis in accordance with Lux GAAP.

All other assets are valued for solvency purposes on the same basis as they are for statutory purposes.

## VALUATION FOR SOLVENCY PURPOSES

CONTINUED

### GROUP LIABILITIES

Table 14 shows the differences in the statutory and solvency value of the Club's liabilities as at 31 December 2021.

Differences in the value of technical provisions reflect the different valuation rules on a solvency and statutory basis (described within the Technical Provisions Methodology section on page 22).

The difference in the value of deferred tax liabilities is attributable to the additional tax that would be payable on the Club's investments on a mid-market valuation basis and on the funds held within the Spandilux claims equalisation provision to make them available at Group level.

Differences in insurance and intermediaries payables and reinsurance payables are due to the reclassification of the component of the payables not yet due into technical provisions.

The excess of assets over liabilities decreases from its statutory value as a result of the valuation differences in respect of the Club's assets and liabilities already described.

All other liabilities are valued for solvency purposes on the same basis as they are for statutory purposes.



### SOLO ASSETS

Table 15 shows the differences in the statutory and solvency value of the Club's assets on a Solo entity basis as at 31 December 2021.

The difference in the value of holdings in related undertakings is attributable to the difference in the book and solvency values of the Club's participations in its subsidiary entities. Solvency value has been determined as the net asset value of each participation where net asset value is calculated using a balance sheet evaluated at the reporting period end in accordance with the Solvency II requirements.

The difference in receivables (trade, not insurance) relates to the classification of the pension benefit surplus.

Differences in property held for own use, intangible assets, deferred acquisition costs, reinsurance recoveries, insurance and intermediaries payables, and the pension benefit surplus are for the same reasons described for the Group.

**TABLE 14: Group liabilities on a Solvency II and Lux GAAP basis**

| Liabilities                              | Solvency II  | Lux GAAP     | Difference    |
|--|--------------|--------------|---------------|
| Technical Provisions                     | 556.3        | 586.4        | (30.1)        |
| Best Estimate                            | 533.5        | —            |               |
| Risk Margin                              | 22.8         | —            |               |
| Deferred Tax Liabilities                 | 9.3          | —            | 9.3           |
| Insurance and intermediaries payables    | 1.4          | 19.7         | (18.3)        |
| Reinsurance payables                     | 1.8          | 6.1          | (4.3)         |
| Other Liabilities                        | 8.5          | 8.5          | —             |
| <b>Total</b>                             | <b>577.2</b> | <b>620.7</b> | <b>(43.5)</b> |
| <b>Excess of assets over liabilities</b> | <b>362.7</b> | <b>391.3</b> | <b>(28.6)</b> |

**TABLE 15: Solo assets on a Solvency II and Lux GAAP basis**

| Liabilities                                  | Solvency II  | Lux GAAP     | Difference   |
|--|--------------|--------------|--------------|
| Holdings in Related Undertakings             | 473.7        | 9.4          | 464.2        |
| Property, plant & equipment held for own use | 9.6          | 9.5          | 0.1          |
| Intangible Assets                            | —            | 20.5         | (20.5)       |
| Deferred Acquisition Costs                   | —            | 11.7         | (11.7)       |
| Reinsurance Recoverable                      | 293.3        | 450.4        | (157.1)      |
| Insurance and intermediaries receivables     | 21.3         | 53.2         | (31.9)       |
| Pension benefit surplus                      | 0.8          | —            | 0.8          |
| Receivables (trade, not insurance)           | 13.3         | 14.1         | (0.8)        |
| Other Assets                                 | 165.7        | 165.7        | —            |
| <b>Total</b>                                 | <b>977.7</b> | <b>734.6</b> | <b>243.2</b> |



## VALUATION FOR SOLVENCY PURPOSES

CONTINUED

### SOLO LIABILITIES

Table 16 shows the differences in the statutory and solvency value of the Club's liabilities on a Solo entity basis as at 31 December 2021.

Differences in the value of technical provisions reflect the different valuation rules on a solvency and statutory basis (described below). The difference in the value of deferred tax liabilities, insurance and intermediaries payables and reinsurance payables is as described above for the Club. The excess of assets over liabilities increases from its statutory value as a result of the valuation differences in respect of the Club's assets and liabilities already described.

### SPANDILUX ASSETS

Table 17 shows the differences in the statutory and solvency value of the Spandilux assets as at 31 December 2021. Differences in investments are for the same reasons described for the Group.

### SPANDILUX LIABILITIES

Table 18 shows the differences in the statutory and solvency value of the Spandilux liabilities as at 31 December 2021.

Differences in the value of technical provisions reflect the different valuation rules on a solvency and statutory basis (described below). In particular, the claims equalisation provisions which forms part of other technical provisions is a feature of the Lux GAAP basis but not Solvency II.

The difference in the value of deferred tax liabilities is attributable to the additional tax that would be payable on Spandilux assets on a mid-market valuation basis.

The excess of assets over liabilities increases from its statutory value as a result of the valuation differences in respect of Spandilux assets and liabilities already described.

### TECHNICAL PROVISIONS METHODOLOGY

The Club's principal activity is the insurance of marine protection and indemnity risks on behalf of its Membership. All of the Club's business falls within the Marine, Aviation and Transport Solvency II line of business classification.

On a Lux GAAP basis the Club's technical provisions are calculated on an undiscounted basis and there is no requirement for the carried reserves to be set on a best estimate basis. In practice the carried reserves include an element of prudence to ensure a sufficient degree of certainty that the reserves will be sufficient to meet the future claim liabilities. This is consistent with the Board's reserving philosophy.

For solvency purposes the Club's technical provisions are calculated in accordance with the Solvency II regulations. These regulations require calculation of best estimate future claim, expense and premium cash flows, all discounted for the time value of money using the relevant risk-free yield curve specified by the European Insurance and Occupational Pensions Authority ("EIOPA"), and the addition of a risk margin.

A range of actuarial methodologies and assumptions are employed in the calculation of the claims provision, premium provision and risk margin which together comprise the Club's technical provisions. The Club does not write any business where technical provisions are estimated as a whole. There are no embedded options or guarantees provided within the Club's business. The Club does not make use of simplified methods in its calculation of technical provisions. The technical provisions calculation methodology described below is applicable on a Group and Solo basis and also to Spandilux.

**TABLE 16: Solo liabilities on a Solvency II and Lux GAAP basis**

| Liabilities                              | Solvency II  | Lux GAAP      | Difference     |
|--|--------------|---------------|----------------|
| Technical Provisions                     | 549.5        | 586.4         | (36.9)         |
| Best Estimate                            | 533.5        |               |                |
| Risk Margin                              | 16.0         |               |                |
| Deferred Tax Liabilities                 | 0.2          | –             | 0.2            |
| Insurance and intermediaries payables    | 1.4          | 19.7          | (18.3)         |
| Reinsurance payables                     | 1.8          | 158.6         | (156.9)        |
| Other Liabilities                        | 3.7          | 3.7           | –              |
| <b>Total</b>                             | <b>556.5</b> | <b>768.4</b>  | <b>(211.9)</b> |
| <b>Excess of assets over liabilities</b> | <b>421.2</b> | <b>(33.8)</b> | <b>455.1</b>   |

**TABLE 17: Spandilux assets on a Solvency II and Lux GAAP basis**

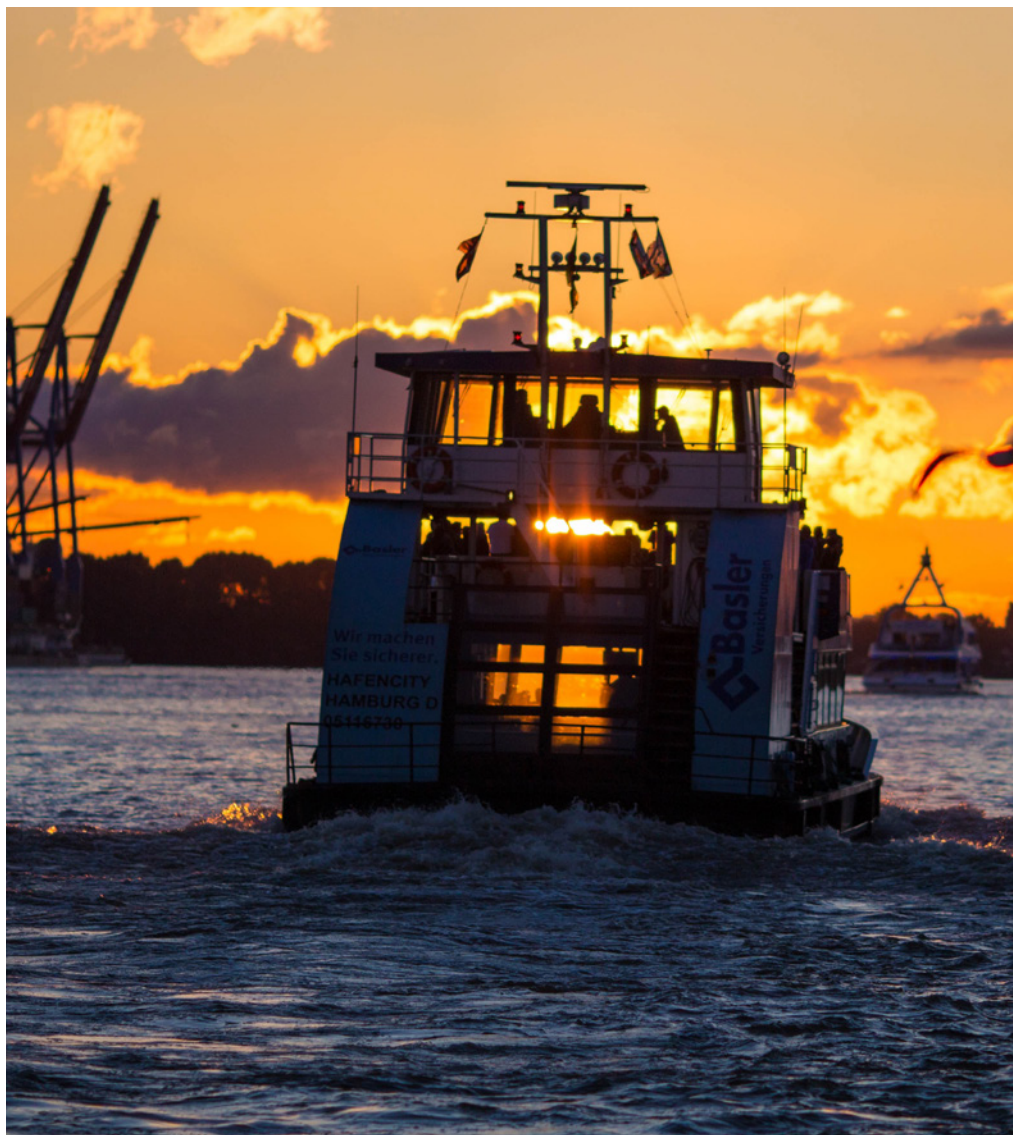
| Assets                                      | Solvency II | Lux GAAP    | Difference |
|---|-------------|-------------|------------|
| Equities                                    | 5.6         | 5.5         | 0.1        |
| Bonds                                       | 44.7        | 44.1        | 0.5        |
| Collective Investment Vehicles Other Assets | 11.1        | 10.8        | 0.3        |
| Other Assets                                | 3.2         | 3.6         | (0.4)      |
| <b>Total</b>                                | <b>64.6</b> | <b>64.0</b> | <b>0.5</b> |

**TABLE 18: Spandilux liabilities on a Solvency II and Lux GAAP basis**

| Liabilities                              | Solvency II | Lux GAAP    | Difference    |
|--|-------------|-------------|---------------|
| Technical Provisions                     | 17.2        | 17.6        | (0.4)         |
| Best Estimate                            | 16.4        |             |               |
| Risk Margin                              | 0.8         |             |               |
| Other Technical Provisions               | –           | 36.0        | (36.0)        |
| Deferred Tax Liabilities                 | 9.2         | –           | 9.2           |
| Other Liabilities                        | 0.2         | 0.2         | –             |
| <b>Total</b>                             | <b>26.6</b> | <b>53.7</b> | <b>(27.1)</b> |
| <b>Excess of assets over liabilities</b> | <b>38.0</b> | <b>10.3</b> | <b>27.7</b>   |

## VALUATION FOR SOLVENCY PURPOSES

CONTINUED



### Uncertainty

Actuarial methods contain implicit assumptions and limitations that users of actuarial information should be aware of. For example, when projecting the ultimate cost of claims, certain actuarial methods assume that the trends and patterns observed within the historical claims data will continue into the future. Actual loss emergence, and hence the ultimate cost of claims, may differ, perhaps significantly, to the extent that these historic trends and patterns do not continue in the future or do not capture events or exposures that the Club is exposed to in more recent periods.

A key source of uncertainty within the Club's technical provisions is the outcome of its 100 largest claims in a given policy year and how they develop to their ultimate value.

Unless explicitly allowed for, actuarial methods may not anticipate or make any allowance for extraordinary changes in the legal, social, regulatory or economic environment that could affect the frequency or severity of claims or development of claims to their ultimate amounts.

### Claims provision

The best estimate claims provision calculations use a range of standard actuarial methods including the Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio methods. These methods are applied separately to the homogeneous groupings into which the Club segments its business for the purpose of actuarial analysis, namely own Member claims segmented by claim size and the Club's share of other IG club pool claims. The claims provision also makes allowance for claims handling expenses.

These methods are applied to the gross of reinsurance data to produce gross of reinsurance best estimates. The net of reinsurance best estimate is calculated by assigning the estimated aggregate gross of reinsurance ultimate claim cost amounts at the individual claim level and the Club's reinsurance structure is applied to produce the net of reinsurance position.

### Premium provision

The ultimate loss ratios and payment patterns for the most recent accident year derived in the claims provision analysis are utilised in the estimate of the premium provision. Acquisition, administrative and claims handling expenses are considered as part of the future cash outflows.

The premium provision calculations are performed gross and net of reinsurance and take account of the period end unearned premium reserve and the volume of bound but not incepted business.

### Receivables and payables

Consistent with market practice, the components of insurance and intermediaries receivables, insurance and intermediaries payables and reinsurance payables not yet due are reclassified into technical provisions.

### Contract boundaries

Under the 'legal obligation' basis of Solvency II<sup>5</sup>, all existing contracts must be valued as part of technical provisions, whether the contracts have incepted or not. The Club's technical provisions therefore take account of business that has incepted prior to the end of the reporting period, as well as business to which the Club is legally obligated but which has not incepted prior to the end of the reporting period.

<sup>5</sup> Articles 17 & 18 of Commission Delegated Regulation 2015/35.



## VALUATION FOR SOLVENCY PURPOSES

CONTINUED

### Events not in data

Technical provisions must reflect the possibility of losses to the Club that are of a type or scale not reflected in the Club's historic claims data. Such events are referred to as 'events not in data'. This could be due to changes in the exposures faced by the Club based on the business written or changes in the legal, social, regulatory or economic environment.

The Club has made separate additional provisions for events not in data within both its claims and premium provisions based on considerations of a hypothetical latent claim exposure and large loss incident respectively.

### Investment management expenses

Provision must be made for investment management expenses in respect of the assets supporting the technical provisions. The Club pays annual investment management and custodian expenses based on the value of assets under management. An investment management expense reserve has been calculated in respect of the assets supporting the full run-off of the undiscounted technical provisions.

### Profit in future premium

The Club has considered the profit in future premium by assessing the sufficiency of the future cash inflows to be received relative to the related cash outflows on business to which the Club is legally obligated.

### Discounting

The undiscounted technical provisions, including both the claims provision and premium provision, are discounted for the time value of money using the relevant currency yield curve published by EIOPA and the claim payment patterns derived in the Club's actuarial analysis.

### Credit risk adjustment

Projected reinsurance recoveries are adjusted to reflect the risk of default taking account of the credit standing of the Club's reinsurers.

### Risk margin

The risk margin is calculated as part of the SCR calculation process using the cost of capital approach as specified in Article 77 of the Solvency II Directive. The method adopted within the SCR calculation is a simplification that the SCR in future years is proportional to the run-off of the technical provisions. The Club believes that this approach is proportionate to the nature, scale and complexity of its business and is consistent with the approach taken by many market participants including those of a similar nature, scale and complexity.

### Data quality

The Club continues to develop its information technology infrastructure and this continues to enhance the availability, quality and granularity of the data available for actuarial analysis. The Club also continues to develop its information reporting capabilities and this supports the technical provisions calculation process.

The Club makes numerous assumptions in the calculation of its technical provisions and these are documented in the Club's expert judgement log. However, none of these adjustments are the result of significant deficiencies in the Club's data.

### Assumptions

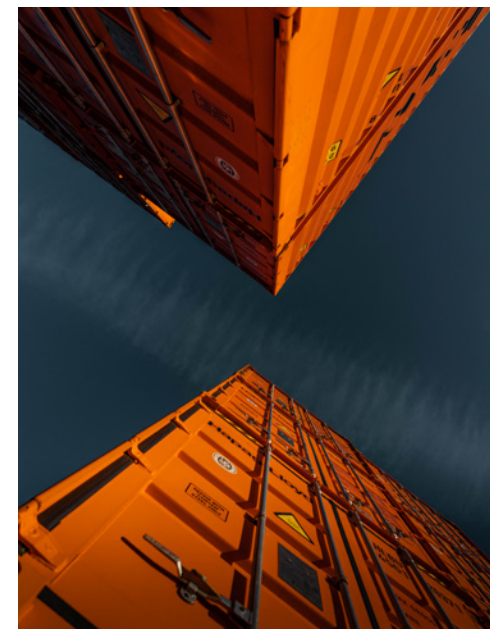
In respect of ceded reinsurance, the Club assumes that its market reinsurance program will respond as intended and that reinsurers will pay valid claims. Consideration of the associated credit risk is made through the Club's regulatory capital calculation. For the purpose of assessing solvency, the Club assumes that its reinsurance program will be renewed on similar terms using a similar structure for the future year of new business incorporated into the assessment.

### TECHNICAL PROVISIONS RESULTS

Application of the methodology described above results in two key differences between the statutory and solvency technical provisions. These relate to the best estimate and risk margin respectively.

Differences in the best estimate are primarily attributable to the scope of what must be included in technical provisions (as described above) and the application of discounting.

The risk margin is required on a solvency basis but not on a statutory basis and is designed to reflect the additional funds a willing buyer would require in an arms-length transaction to purchase the technical provision liabilities given the uncertainties involved.



## CAPITAL MANAGEMENT

The Club manages the risks it faces through a series of processes and controls, which are reviewed on a quarterly basis. In addition, it holds capital to cover unexpected losses arising from the risks it faces and to meet its regulatory obligations. As a result of its most recent review, credit rating agency Standard & Poor's has rated the Club 'AAA' from a capital adequacy perspective.

The Club operates a capital management policy with the aim of ensuring that the Group, subsidiaries and branches can continuously meet their regulatory and internally set capital requirements. The policy aims to ensure that own funds of sufficient magnitude and quality exist to meet the capital requirements on a continuous basis.

The Club determines its expected capital requirement over its rolling three-year business planning horizon. This forward-looking assessment takes account of planned changes to the Club's risk profile and the expected development in the external environment in which it operates.

The Club's medium-term capital management plan is monitored by the Club Board and takes account of all relevant factors to ensure that the Club's capital position is accurate and develops in an expected and controlled manner over its forward-looking time horizon.

### GROUP OWN FUNDS

The Club has a simple capital structure with no external capital providers – all capital is attributable to the Club's Members. As a mutual insurance association the Club does not have a share capital. Own funds are comprised of the items shown in Table 19 and do not include any items that are subject to transitional arrangements.

The Club's eligible own funds have increased by US\$ 37.0m since the prior year-end. Table 20 shows the movements by own fund item which are further explained in the sections below.

### Reconciliation reserve

The reconciliation reserve accounts for the majority of the Club's own funds and is comprised of retained surpluses generated by the Club through its principal activity of providing insurance of marine protection and indemnity risks on behalf of its Membership and investment of the associated assets.

These amounts have been directly calculated from the Club's consolidated Group data. The components of the Group reconciliation reserve are shown in Table 21 opposite.

**TABLE 19: 2021 Group own funds**

| Own Fund Item           | Tier | Total Available Amount | SCR Eligible Amount | Minimum SCR Eligible Amount |
|-------------------------|------|------------------------|---------------------|-----------------------------|
| Reconciliation Reserve  | One  | 362.7                  | 362.7               | 362.7                       |
| Ancillary Own Funds     | Two  | 159.0                  | 114.7               | –                           |
| Non-available Own Funds | One  | (2.9)                  | (2.9)               | (2.9)                       |
| <b>Total</b>            |      | <b>518.9</b>           | <b>474.6</b>        | <b>359.9</b>                |

**TABLE 20: Change in Group own funds since last year-end**

| Own Fund Item           | Tier | Total Amount | SCR Eligible Amount | Minimum SCR Eligible Amount |
|-------------------------|------|--------------|---------------------|-----------------------------|
| Reconciliation Reserve  | One  | 37.9         | 37.9                | 37.9                        |
| Ancillary Own Funds     | Two  | 4.0          | (0.4)               | –                           |
| Non-available Own Funds | One  | (0.5)        | (0.5)               | (0.5)                       |
| <b>Total</b>            |      | <b>41.4</b>  | <b>37.0</b>         | <b>37.4</b>                 |

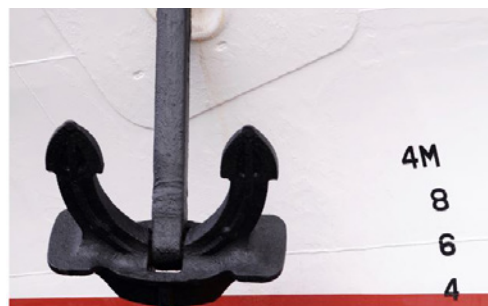
**TABLE 21: Group reconciliation reserve**

| Own Fund Item                      | Amount       |
|------------------------------------|--------------|
| Statutory Available Capital        | 391.3        |
| Investments                        | 5.1          |
| Intangible Assets                  | (32.1)       |
| Deferred Acquisition Costs         | (11.7)       |
| Pension Benefit Surplus            | 0.8          |
| Technical Provisions               | 27.9         |
| Deferred Tax Liabilities           | (9.3)        |
| Receivables and Payables           | (9.4)        |
| Solvency II Reconciliation Reserve | (28.6)       |
| <b>Total</b>                       | <b>362.7</b> |



## CAPITAL MANAGEMENT

CONTINUED



### Ancillary own funds

Ancillary own funds ("AOF") are comprised of unbudgeted supplementary calls in respect of open policy years which can be levied on mutual Members of the Club by the Board. In estimating its available own funds as at 31 December 2021, the Club has made allowance for the AOF that would be available to it as a result of additional premiums received from an unbudgeted supplementary call levied on the mutual Members of the Club.

The total amount of AOF included in the Club's own funds is based on the approval of the Club's calculation methodology that was received from the CAA in November 2020 and is valid through 31 December 2023. This methodology considers the additional premium that might be called on the three open policy years and its ability to collect these amounts. The amount of eligible AOF to meet the SCR is limited by the regulatory limit of 50% of the SCR.

Ancillary own funds have increased by US\$ 4.0m from the prior period due to a higher level of mutual premium on the three open policy years compared to the prior period. The Group SCR has decreased to US\$ 229.4m (2020: US\$ 230.3m) which decreases the amount of eligible ancillary own funds due to the regulatory eligibility limit of 50% of the SCR.

### Non-available own funds

Certain restrictions are placed on the assets held in the Club's Hydra cell due to the Hydra funding rules. The Club has recognised this restriction in accordance with Article 330.5 of the Commission Delegated Regulation 2015/35 and this results in a US\$ 2.9m (2020: US\$ 2.3m) reduction to the Club's available own funds.

### Governance

The Club does not expect to repay or redeem any own fund item or raise additional own funds over its business planning horizon and no capital distributions to Members have been made in the period ending 31 December 2021. There are no material terms and conditions attached to the Club's own funds items. However, Board approval is required to levy an unbudgeted supplementary call in respect of open policy years to raise the AOF amounts described.

The Club ensures that own-fund items, both at issue and subsequently, are correctly classified in accordance with the Solvency II regulations. In practice, as a mutual organisation, issuance of own fund items occurs infrequently and does not tend to form part of the Club's medium-term capital management plan.

The Club also ensures that own-funds items are not encumbered by the existence of any agreements or connected transactions, or as a consequence of a Group structure.

The Club ensures that AOF items can be called in a timely manner when necessary. The Club has identified and documented any arrangements, legislation or products that give rise to ring-fenced funds, and ensures that appropriate calculations and adjustments in the determination of the SCR and own funds are made. The contractual terms governing own fund items are clear and unambiguous in relation to the criteria for classification into tiers.

The Club expects the value of its own funds to increase over its business planning horizon. This reflects the expectation that the Club will consistently produce a small underwriting surplus and generate positive investment returns over the period which will contribute to increasing own funds in the form of growth in the reconciliation reserve. The SCR is also projected to increase over the business planning horizon and this in turn will lead to growth in the eligible AOF amounts that can be included in the Club's solvency ratio calculation.

## CAPITAL MANAGEMENT

### CONTINUED

#### GROUP CAPITAL REQUIREMENTS

The Group SCR is calculated in accordance with the Solvency II standard formula and does not make use of simplified calculations, transitional measures or duration-based equity risk calculations. The Club has complied with all of its Solvency II regulatory capital requirements at all times during the reporting period.

The Club expects its SCR to increase over its business planning horizon. Based on the stress and scenario testing work conducted as part of the Club's ORSA as at 31 December 2021, the Club does not foresee a reasonable risk of non-compliance with its SCR over its business planning horizon. Ongoing monitoring of the Club's risk and capital position will assist in ensuring that compliance is maintained.

Table 22 shows the key components of the Group capital requirement together with an explanation of the key driver of the amounts in each case. The Group solvency ratio is shown both including and excluding ancillary own funds as it is important to understand the difference in the solvency ratio based on the Club's current actual financial position and the solvency ratio based on the position if the contingent capital amounts were called and realised.

The Club's capital position is robust on both bases and is commensurate with the risks undertaken in the course of doing business.

The Club's minimum Group SCR (Table 23) is calculated in accordance with the formula specified in the Solvency II regulations and is therefore based on the net of reinsurance technical provisions excluding the risk margin and the last 12 months of net written premium.

It also takes account of the proportional share of the MCR of the Club's related reinsurance companies.

Expected growth in premium and reserve volumes over the business planning horizon and no expected changes to the Club's investment policy, which is set in accordance with the prudent person principle, creates the expectation that the minimum SCR will also increase over this period.

Based on the stress and scenario testing work conducted as part of the single Group ORSA as at 31 December 2021, the Club does not foresee a reasonable risk of non-compliance with its minimum SCR over its business planning horizon. Ongoing monitoring of the Club's risk and capital position continues to ensure that compliance is maintained at each of the Group, Solo and Spandilux level.

#### SOLO OWN FUNDS

Club own funds on a Solo entity basis are comprised of the items in Table 24 (opposite) and do not include any items that are subject to transitional arrangements.

On a Solo entity basis, own funds eligible to meet the SCR have increased by \$58.5m since the prior period. Table 25 shows the movement by own fund item.

The reconciliation reserve accounts for the majority of the Club's own funds and is comprised of retained surpluses generated by the Club through its principal activity of providing insurance of marine protection and indemnity risks on behalf of its Membership and investment of the associated assets. (Table 26, page 28).

**TABLE 22: Group solvency ratio**

| Component                         | Amount       | Key Driver                                       |
|-----------------------------------|--------------|--|
| SCR (see below)                   | 229.4        |  |
| Eligible Own Funds (incl. AOF)    | 474.6        | Retained underwriting and investment surpluses   |
| Eligible Own Funds (excl. AOF)    | 359.9        | Retained underwriting and investment surpluses   |
| <b>Solvency Ratio (incl. AOF)</b> | <b>207%</b>  |  |
| <b>Solvency Ratio (excl. AOF)</b> | <b>157%</b>  |  |
| <b>SCR</b>                        | <b>229.4</b> |  |
| LACDT Adjustment                  | (4.4)        | Additional tax payable on solvency basis         |
| Operational Risk                  | 16.0         | Calculated as proportion of technical provisions |
| <b>Basic SCR<sup>6</sup></b>      | <b>217.9</b> |  |
| Market Risk                       | 104.4        | Investment risk                                  |
| Credit Risk                       | 12.6         | Reinsurance recovery, cash balance default risk  |
| Non-Life Underwriting Risk        | 159.5        | Net technical provisions, future plan premium    |

6 The Basic SCR is less than the sum of its constituent components as the Standard Formula makes allowance for diversification between component risk types by assuming they are only partially correlated i.e. it is unlikely all components will deteriorate together.

**TABLE 23: Group minimum SCR solvency ratio**

| Component                  | Amount |
|----------------------------|--------|
| Minimum SCR                | 119.2  |
| Eligible Own Funds         | 359.9  |
| Minimum SCR Solvency Ratio | 302%   |

**TABLE 24: Solo own funds**

| Own Fund Item          | Tier | Total Amount | SCR Eligible Amount | MCR Eligible Amount |
|------------------------|------|--------------|---------------------|---------------------|
| Reconciliation Reserve | One  | 421.2        | 421.2               | 421.2               |
| Ancillary Own Funds    | Two  | 159.0        | 101.3               | –                   |
| <b>Total</b>           |      | <b>580.2</b> | <b>522.6</b>        | <b>421.2</b>        |

**TABLE 25: Change in Solo own funds since last year-end**

| Own Fund Item          | Tier | Total Amount | SCR Eligible Amount | MCR Eligible Amount |
|------------------------|------|--------------|---------------------|---------------------|
| Reconciliation Reserve | One  | 53.4         | 53.4                | 53.4                |
| Ancillary Own Funds    | Two  | 4.0          | 5.1                 | –                   |
| <b>Total</b>           |      | <b>57.4</b>  | <b>58.5</b>         | <b>53.4</b>         |



## CAPITAL MANAGEMENT

CONTINUED



As described in the valuation for solvency purposes section above, the difference in the value of holdings in related undertakings is attributable to the difference in the book and solvency values of the Club's participations in its subsidiary entities. Solvency value has been determined as the net asset value of each participation where net asset value is calculated using a balance sheet evaluated at the reporting period end in accordance with the Solvency II requirements.

### SOLO CAPITAL REQUIREMENTS

The Club's Solo SCR is calculated in accordance with the Solvency II standard formula and does not make use of simplified calculations, transitional measures or the duration-based equity risk calculations. The Club has complied with its regulatory capital requirements on a Solo basis at all times during the reporting period.

Table 27 shows the key components of the Club's Solo capital requirement together with an explanation of the key driver of the amounts in each case. The Club's Solo solvency ratio is shown both including and excluding ancillary own funds as it is important to understand the difference in the solvency ratio based on the Club's current actual financial position and the solvency ratio based on the position if the contingent capital amounts were called and realised.

The Club's Solo capital position is robust on both bases and is commensurate with the risks undertaken in the course of doing business.

The Club's Solo MCR is calculated in accordance with the formula specified in the Solvency II regulations and is therefore based on the net of reinsurance technical provisions excluding the risk margin and the last 12 months of net written premium. (Table 28, right).

**TABLE 26: Solo reconciliation reserve**

| Reconciliation Reserve Item        | Amount       |
|------------------------------------|--------------|
| Statutory Available Capital        | (33.8)       |
| Holdings in Related Undertakings   | 464.2        |
| Intangible Assets                  | (20.5)       |
| Deferred Acquisition Costs         | (11.7)       |
| Technical Provisions               | (120.1)      |
| Pension Benefit Surplus            | 0.8          |
| Deferred Tax Liabilities           | (0.2)        |
| Receivables and Payables           | 142.6        |
| Solvency II Reconciliation Reserve | 455.1        |
| <b>Total</b>                       | <b>421.2</b> |

**TABLE 27: Solo solvency ratio**

| Component                         | Amount       | Key Driver                                       |
|-----------------------------------|--------------|--|
| SCR                               | 202.7        |  |
| Eligible Own Funds (incl. AOF)    | 522.6        | Retained underwriting and investment surpluses   |
| Eligible Own Funds (excl. AOF)    | 421.2        | Retained underwriting and investment surpluses   |
| <b>Solvency Ratio (incl. AOF)</b> | <b>258%</b>  |  |
| <b>Solvency Ratio (excl. AOF)</b> | <b>208%</b>  |  |
| <b>SCR</b>                        | <b>202.7</b> |  |
| LACDT Adjustment                  | (0.2)        | Additional tax payable on solvency basis         |
| Operational Risk                  | 16.0         | Calculated as proportion of technical provisions |
| <b>Basic SCR<sup>7</sup></b>      | <b>186.8</b> |  |
| Market Risk                       | 132.5        | Equity participation risk                        |
| Credit Risk                       | 25.5         | Reinsurance recovery, cash balance default risk  |
| Non-Life Underwriting Risk        | 85.0         | Net technical provisions, future plan premium    |

7 The Basic SCR is less than the sum of its constituent components as the Standard Formula makes allowance for diversification between component risk types by assuming they are only partially correlated i.e. it is unlikely all components will deteriorate together.

**TABLE 28: Solo minimum capital requirement**

| Component          | Amount |
|--------------------|--------|
| MCR                | 50.7   |
| Eligible Own Funds | 421.2  |
| MCR Solvency Ratio | 831%   |

## CAPITAL MANAGEMENT

CONTINUED

### SPANDILUX OWN FUNDS

Spandilux own funds are comprised of the items shown in Table 29, and do not include any items that are subject to transitional arrangements.

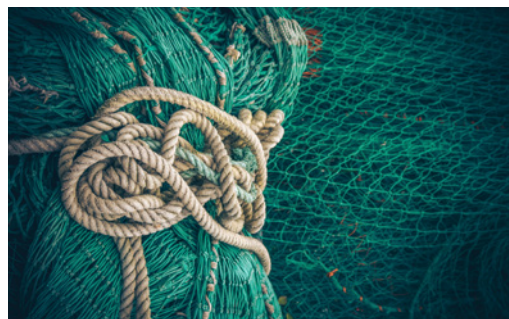
Spandilux own funds eligible to meet the SCR have increased by US\$ 3.6m since last year-end. Table 30 shows the movement by own fund item.

The reconciliation reserve (Table 31) accounts for the majority of the Spandilux own funds and is comprised of retained surpluses generated by the company through its principal activity of providing reinsurance of marine protection and indemnity risks of certain risks written by the Club and investment of the associated assets.

The difference in the value of technical provisions is attributable to the claims equalisation provisions which forms part of other technical provisions on a Lux GAAP basis but is not a feature of the Solvency II basis. The difference in the value of deferred tax liabilities is attributable to the additional tax that would be payable on the Spandilux assets on a mid- market valuation basis.

### SPANDILUX CAPITAL REQUIREMENTS

The Spandilux SCR is calculated in accordance with the Solvency II standard formula and does not make use of simplified calculations, transitional measures or the duration- based equity risk calculations. The company has complied with its regulatory capital requirements at all times during the reporting period. (Table 32).



The Spandilux capital position is robust and commensurate with the risks undertaken in the course of doing business. The loss absorbing capacity of deferred tax adjustment of US\$ 3.3m applied to the SCR is lower than the balance sheet deferred tax liability amount of US\$ 9.2m shown in Table 31.

This is because the adjustment applied to the SCR is calculated as the lower of the solvency balance sheet amount and the Spandilux tax rate applied to the sum of the basic SCR and operational risk SCR.

The Spandilux MCR is calculated in accordance with the formula specified in the Solvency II regulations and is therefore based on the net of reinsurance technical provisions excluding the risk margin and the last 12 months of net written premium.

### TABLE 33: Spandilux minimum capital requirement

| Component          | Amount |
|--------------------|--------|
| MCR                | 4.2    |
| Eligible Own Funds | 38.0   |
| MCR Solvency Ratio | 906%   |

### TABLE 29: Spandilux own funds

| Own Fund Item          | Tier | Total Amount | SCR Eligible Amount | MCR Eligible Amount |
|------------------------|------|--------------|---------------------|---------------------|
| Ordinary Share Capital | One  | 3.0          | 3.0                 | 3.0                 |
| Share Premium Account  | One  | 7.0          | 7.0                 | 7.0                 |
| Reconciliation Reserve | One  | 28.0         | 28.0                | 28.0                |
| <b>Total</b>           |      | <b>38.0</b>  | <b>38.0</b>         | <b>38.0</b>         |

### TABLE 30: Change in Spandilux own funds since last year-end

| Own Fund Item          | Tier | Total Amount | SCR Eligible Amount | MCR Eligible Amount |
|------------------------|------|--------------|---------------------|---------------------|
| Ordinary Share Capital | One  | —            | —                   | —                   |
| Share Premium Account  | One  | —            | —                   | —                   |
| Reconciliation Reserve | One  | 3.6          | 3.6                 | 3.6                 |
| <b>Total</b>           |      | <b>3.6</b>   | <b>3.6</b>          | <b>3.6</b>          |

### TABLE 31: Spandilux reconciliation reserve

| Reconciliation Reserve Item        | Amount      |
|------------------------------------|-------------|
| Statutory Available Capital        | 10.1        |
| Investments                        | 0.5         |
| Technical Provisions               | 36.4        |
| Deferred Tax Liability             | (9.2)       |
| Solvency II Reconciliation Reserve | 27.7        |
| <b>Total</b>                       | <b>38.0</b> |

### TABLE 32: Spandilux solvency ratio

| Component                    | Amount      | Key Driver                                       |
|------------------------------|-------------|--|
| SCR                          | 9.8         |  |
| Eligible Own Funds           | 38.0        | Retained underwriting and investment surpluses   |
| <b>Solvency Ratio</b>        | <b>388%</b> |  |
| <b>SCR</b>                   | <b>9.8</b>  |  |
| LACDT Adjustment             | (3.3)       | Additional tax payable on solvency basis         |
| Operational Risk             | 0.5         | Calculated as proportion of technical provisions |
| <b>Basic SCR<sup>8</sup></b> | <b>12.5</b> |  |
| Market Risk                  | 9.7         | Investment risk                                  |
| Credit Risk                  | 0.2         | Cash balance default risk                        |
| Non-Life Underwriting Risk   | 5.8         | Net technical provisions, future plan premium    |

<sup>8</sup> The Basic SCR is less than the sum of its constituent components as the Standard Formula makes allowance for diversification between component risk types by assuming they are only partially correlated i.e. it is unlikely all components will deteriorate together.



# Appendices



## APPENDIX A: STRUCTURE AND GOVERNANCE

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) Group is comprised of a number of undertakings and related branches over which it has control. A list of these undertakings and branches is shown below.

| Undertaking  | Registered Office | Legal Form | Proportion of Capital Held |
|--|-------------------|------------|----------------------------|
| The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) | Luxembourg        | Mutual     | 100%                       |
| The Shipowners' Protection Limited                                       | United Kingdom    | Non-Mutual | 100%                       |
| SOP (Bermuda) Limited  | Bermuda           | Non-Mutual | 100%                       |
| Spandilux S.A.   | Luxembourg        | Non-Mutual | 100%                       |
| Hydra Insurance Company Limited – Shipowners Cell                        | Bermuda           | Non-Mutual | 100%                       |
| The Shipowners' Protection Hellas LLC                                    | Greece            | Non-Mutual | 100%                       |
| Shipowners' Management Limited   | United Kingdom    | Non-Mutual | 100%                       |

There is no material difference between the scope of the Group used for the consolidated financial statements and the scope used for determining the consolidated data on which the Group's solvency position is calculated in accordance with Article 335 of the Delegated Regulation.

In addition to the undertakings shown above, the Club operates the following branches:

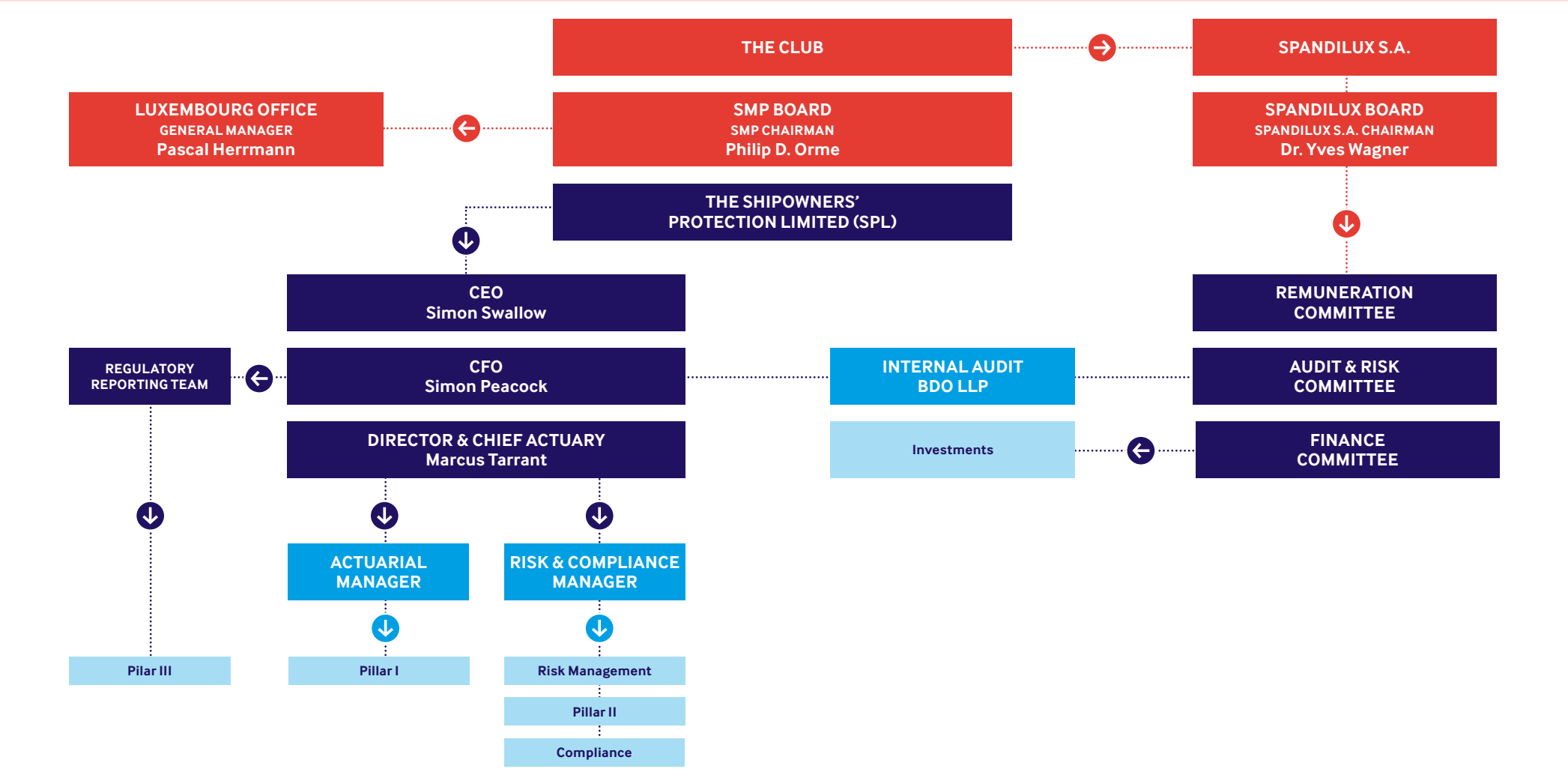
- The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) – Singapore branch
- The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) – Hong Kong branch



APPENDIX A: STRUCTURE AND GOVERNANCE

CONTINUED

ORGANISATION CHART





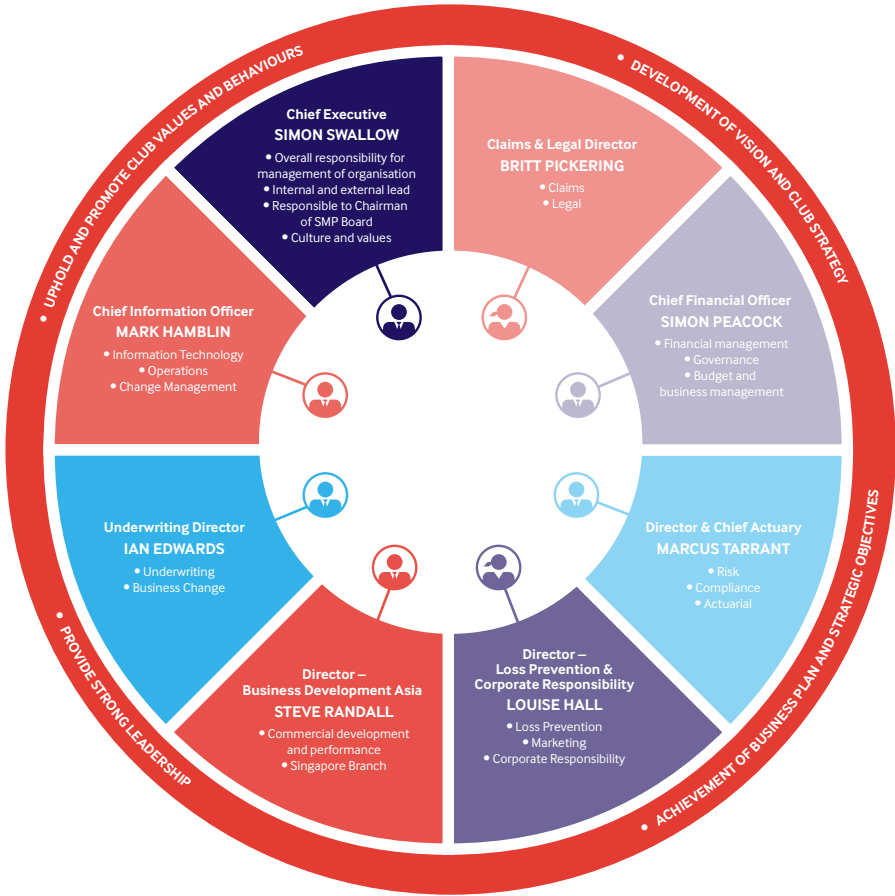
APPENDIX A: STRUCTURE AND GOVERNANCE

CONTINUED

GOVERNANCE FRAMEWORK



EXECUTIVE MANAGEMENT AND LEADERSHIP TEAM



## APPENDIX A: STRUCTURE AND GOVERNANCE

CONTINUED

### THE COMMITTEES AND THEIR RESPONSIBILITIES

#### The Board

**CHAIR:**  
**PHILIP ORME**

**Responsibilities include:**

- Determining strategic objectives, acceptable level of risk and key policies.
- Effective discharge of its obligations and meeting at least once a quarter in order to monitor the development of the Club's activities.
- Delegation to the Club Managers, The Shipowners' Protection Limited, a wholly owned subsidiary of the Club, of operational management of the Club while maintaining ultimate oversight of, and responsibility for the management.
- Providing oversight through scrutiny at every quarterly meeting of the Club's business operation on the basis of reports prepared by the Managers.
- Engaging in constructive and critical discussion of the strategy and key policies put forward by the Managers and contributing to their development.

#### Audit & Risk Committee

**CHAIR:**  
**KATHY MEADS**

**Responsibilities include:**

- Monitoring the integrity of the financial reporting process and the financial statements and any formal announcements relating to financial performance.
- Reporting to the Board on the statutory audit outcome and its contribution to the integrity of financial reporting.
- Reviewing the Club's significant accounting policies and any changes to them.
- Making recommendations to the Board and its subsidiaries as to the terms of engagement, including the remuneration, of the external auditors.
- Reviewing the external auditors' independence and objectivity, including with respect to any non-audit services.
- Reviewing with the external auditors the findings of their work.
- Reviewing the effectiveness of the corporate governance framework and other operational matters required under Solvency II.
- Reviewing the effectiveness of the internal control and risk management systems.
- Maintaining oversight of the Club's risk and regulatory compliance processes and procedures and monitoring their effectiveness.
- Monitoring significant risk and regulatory matters affecting the Club and resolution of any material compliance or regulatory breaches or other matters arising.

#### Finance Committee

**CHAIR:**  
**DONALD MACLEOD QC**

**Responsibilities include:**

- Monitoring and reporting to the Board the quarterly financial position of the Club, including the annual financial result.
- Monitoring key Solvency II financial and solvency measures.
- Making recommendations to the Board and its subsidiaries on annual expense plans and budgets, specific capital projects, acquisitions, joint ventures and divestitures, financial structure, initiatives and regulatory matters.
- Investment strategy, including plans and strategies for hedging and mitigating risk, foreign currency exchange, interest rate exposure and other risk exposures.
- Appointment and terms of engagement, including remuneration, of the external investment managers.
- Monitoring and reporting to the Board on the performance of the external investment managers.
- Liaising with the subsidiary companies as applicable on implementation of the above matters.

#### Remuneration Committee

**CHAIR:**  
**WILLIAM EVERARD CBE**

**Responsibilities include:**

- Determining and agreeing employment, termination and retirement conditions, and remuneration and benefit packages of senior employees.
- Reviewing the overall annual percentage increase in management company staff salaries and the structure and application of the discretionary bonus scheme.
- Monitoring and reviewing succession planning for senior management including prospective senior appointments.
- Agreeing appropriate levels of remuneration for Directors of the Club and its subsidiary companies.

## APPENDIX B: SOLO ENTITY PERFORMANCE

The following tables show the underwriting, investment and overall performance on a Solo entity basis and complements the information shown for the Group in the Business and Performance section of this report.



Solo entity financial statements are produced on a statutory basis only and therefore the investment information shown on a Solo entity basis is at the lower of cost and market value and is not on a mid-market investment valuation basis.

**TABLE 34: Solo entity technical account**

|                                  | 2021          | 2020   |
|----------------------------------|---------------|--------|
| Net Earned Premium               | <b>95.3</b>   | 88.1   |
| Claims Incurred                  | <b>(35.0)</b> | (40.6) |
| Net Operating Expenses           | <b>(56.7)</b> | (55.7) |
| <b>Technical Account Balance</b> | <b>3.7</b>    | (8.3)  |

**TABLE 35: Solo entity investment result**

|  | 2021         | 2020 |
|--|--------------|------|
| Investment Income                            | —            | 0.6  |
| Fixed Income                                 | —            | 0.6  |
| Equities                                     | —            | —    |
| Collective Investment Vehicles               | —            | —    |
| Investment Management Charges                | <b>(1.1)</b> | —    |
| Realised and unrealised gains on investments | <b>(4.8)</b> | 4.1  |
| <b>Result</b>                                | <b>(5.9)</b> | 4.6  |

**TABLE 36: Solo entity income and expenditure result**

|                           | 2021         | 2020  |
|---------------------------|--------------|-------|
| Technical Account Balance | <b>3.7</b>   | (8.3) |
| Investment Return         | <b>(5.9)</b> | 4.6   |
| Taxation                  | <b>(0.3)</b> | (1.2) |
| Other Income/(Charges)    | <b>(0.5)</b> | (0.2) |
| <b>Result</b>             | <b>(3.0)</b> | (5.0) |



## APPENDIX B: SPANDILUX PERFORMANCE

The following tables show the Spandilux underwriting, investment and overall performance and complements the information shown for the Group in the Business and Performance section of this report.



**TABLE 37: Spandilux technical account**

|                                  | 2021         | 2020         |
|----------------------------------|--------------|--------------|
| Net Earned Premium               | 6.8          | 6.3          |
| Claims Incurred                  | (6.2)        | (5.9)        |
| Net Operating Expenses           | (0.6)        | (1.0)        |
| <b>Technical Account Balance</b> | <b>(0.0)</b> | <b>(0.6)</b> |

**TABLE 35: Spandilux investment result**

|  | 2021       | 2020       |
|--|------------|------------|
| Investment Income                            | 1.3        | 1.6        |
| Fixed Income                                 | 1.3        | 1.5        |
| Equities                                     | –          | –          |
| Collective Investment Vehicles               | –          | 0.1        |
| Investment Management Charges                | (0.5)      | (0.2)      |
| Realised and unrealised gains on investments | 1.3        | 3.2        |
| <b>Result</b>                                | <b>2.1</b> | <b>4.6</b> |

**TABLE 36: Spandilux income and expenditure result**

|                                  | 2021       | 2020       |
|----------------------------------|------------|------------|
| Technical Account Balance        | (0.0)      | (0.6)      |
| Investment Return                | 2.1        | 4.6        |
| Taxation                         | (0.1)      | (0.1)      |
| Other Income/(Charges)           | –          | –          |
| Change in equalisation provision | 2.0        | 4.0        |
| <b>Result</b>                    | <b>0.0</b> | <b>0.0</b> |

## APPENDIX C: QUANTITATIVE REPORTING TEMPLATES

- Group Disclosures at 31 December 2021
- Solo Disclosures at 31 December 2021
- Spandilux Disclosures at 31 December 2021

(Monetary amounts in USD thousands)

## CONTINUED

# Group disclosures



## General information

|   |  |
|---|--|
| Participating undertaking name                      | Shipowners' Mutual Protection and Indemnity Association Limited (Luxembourg) |
| Group identification code                           | 529900T071SPNQ00DF14   |
| Type of code of group                               | LEI  |
| Country of the group supervisor                     | LU   |
| Language of reporting                               | en   |
| Reporting reference date                            | 31 December 2021   |
| Currency used for reporting                         | USD  |
| Accounting standards                                | Local GAAP   |
| Method of Calculation of the group SCR              | Standard formula   |
| Method of group solvency calculation                | Method 1 is used exclusively   |
| Matching adjustment                                 | No use of matching adjustment  |
| Volatility adjustment                               | No use of volatility adjustment  |
| Transitional measure on the risk-free interest rate | No use of transitional measure on the risk-free interest rate                |
| Transitional measure on technical provisions        | No use of transitional measure on technical provisions                       |

## List of reported templates

S.02.01.02 - Balance sheet  
S.05.01.02 - Premiums, claims and expenses by line of business  
S.05.02.01 - Premiums, claims and expenses by country  
S.23.01.22 - Own Funds  
S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula  
S.32.01.22 - Undertakings in the scope of the group

## S.02.01.02

## Balance sheet

|        |  | Solvency II<br>value |
|--------|--|----------------------|
| Assets |  | C0010                |
| R0030  | Intangible assets  |                      |
| R0040  | Deferred tax assets  |                      |
| R0050  | Pension benefit surplus  | 803                  |
| R0060  | Property, plant & equipment held for own use   | 11,075               |
| R0070  | Investments (other than assets held for index-linked and unit-linked contracts)        | 635,300              |
| R0080  | <i>Property (other than for own use)</i>   | 0                    |
| R0090  | <i>Holdings in related undertakings, including participations</i>                      | 0                    |
| R0100  | <i>Equities</i>  | 52,222               |
| R0110  | <i>Equities - listed</i>   | 52,222               |
| R0120  | <i>Equities - unlisted</i>   |                      |
| R0130  | <i>Bonds</i>   | 445,016              |
| R0140  | <i>Government Bonds</i>  | 193,699              |
| R0150  | <i>Corporate Bonds</i>   | 251,317              |
| R0160  | <i>Structured notes</i>  | 0                    |
| R0170  | <i>Collateralised securities</i>   | 0                    |
| R0180  | <i>Collective Investments Undertakings</i>   | 103,514              |
| R0190  | <i>Derivatives</i>   |                      |
| R0200  | <i>Deposits other than cash equivalents</i>  | 34,549               |
| R0210  | <i>Other investments</i>   | 0                    |
| R0220  | Assets held for index-linked and unit-linked contracts                                 |                      |
| R0230  | Loans and mortgages  | 0                    |
| R0240  | <i>Loans on policies</i>   | 0                    |
| R0250  | <i>Loans and mortgages to individuals</i>  |                      |
| R0260  | <i>Other loans and mortgages</i>   |                      |
| R0270  | Reinsurance recoverables from:   | 116,161              |
| R0280  | <i>Non-life and health similar to non-life</i>   | 116,161              |
| R0290  | <i>Non-life excluding health</i>   | 116,161              |
| R0300  | <i>Health similar to non-life</i>  |                      |
| R0310  | <i>Life and health similar to life, excluding index-linked and unit-linked</i>         | 0                    |
| R0320  | <i>Health similar to life</i>  |                      |
| R0330  | <i>Life excluding health and index-linked and unit-linked</i>                          |                      |
| R0340  | <i>Life index-linked and unit-linked</i>   |                      |
| R0350  | Deposits to cedants  | 0                    |
| R0360  | Insurance and intermediaries receivables   | 21,198               |
| R0370  | Reinsurance receivables  | 453                  |
| R0380  | Receivables (trade, not insurance)   | 2,053                |
| R0390  | Own shares (held directly)   |                      |
| R0400  | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0                    |
| R0410  | Cash and cash equivalents  | 151,407              |
| R0420  | Any other assets, not elsewhere shown  | 1,464                |
| R0500  | <b>Total assets</b>  | 939,914              |

## S.02.01.02

## Balance sheet

|             |  | Solvency II<br>value |
|-------------|--|----------------------|
| Liabilities |  | C0010                |
| R0510       | Technical provisions - non-life  | 556,311              |
| R0520       | <i>Technical provisions - non-life (excluding health)</i>                              | 556,311              |
| R0530       | <i>TP calculated as a whole</i>  |                      |
| R0540       | <i>Best Estimate</i>   | 533,473              |
| R0550       | <i>Risk margin</i>   | 22,838               |
| R0560       | <i>Technical provisions - health (similar to non-life)</i>                             | 0                    |
| R0570       | <i>TP calculated as a whole</i>  |                      |
| R0580       | <i>Best Estimate</i>   |                      |
| R0590       | <i>Risk margin</i>   |                      |
| R0600       | Technical provisions - life (excluding index-linked and unit-linked)                   | 0                    |
| R0610       | <i>Technical provisions - health (similar to life)</i>                                 | 0                    |
| R0620       | <i>TP calculated as a whole</i>  |                      |
| R0630       | <i>Best Estimate</i>   |                      |
| R0640       | <i>Risk margin</i>   |                      |
| R0650       | <i>Technical provisions - life (excluding health and index-linked and unit-linked)</i> | 0                    |
| R0660       | <i>TP calculated as a whole</i>  |                      |
| R0670       | <i>Best Estimate</i>   |                      |
| R0680       | <i>Risk margin</i>   |                      |
| R0690       | Technical provisions - index-linked and unit-linked                                    | 0                    |
| R0700       | <i>TP calculated as a whole</i>  |                      |
| R0710       | <i>Best Estimate</i>   |                      |
| R0720       | <i>Risk margin</i>   |                      |
| R0740       | Contingent liabilities   | 0                    |
| R0750       | Provisions other than technical provisions   | 331                  |
| R0760       | Pension benefit obligations  |                      |
| R0770       | Deposits from reinsurers   |                      |
| R0780       | Deferred tax liabilities   | 9,276                |
| R0790       | Derivatives  |                      |
| R0800       | Debts owed to credit institutions  |                      |
| R0810       | Financial liabilities other than debts owed to credit institutions                     |                      |
| R0820       | Insurance & intermediaries payables  | 1,352                |
| R0830       | Reinsurance payables   | 1,756                |
| R0840       | Payables (trade, not insurance)  | 2,333                |
| R0850       | Subordinated liabilities   | 0                    |
| R0860       | <i>Subordinated liabilities not in BOF</i>   |                      |
| R0870       | <i>Subordinated liabilities in BOF</i>   | 0                    |
| R0880       | Any other liabilities, not elsewhere shown   | 5,833                |
| R0900       | <b>Total liabilities</b>   | 577,193              |
| R1000       | <b>Excess of assets over liabilities</b>   | 362,721              |



## Premiums, claims and expenses by line of business

| Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      | Line of business for: accepted non-proportional reinsurance |          |                                |          | Total   |       |
|--|-----------------------------|---------------------------------|-----------------------------------|-----------------------|--|---|-----------------------------|---------------------------------|--------------------------|------------|----------------------|---|----------|--------------------------------|----------|---------|-------|
| Medical expense insurance  | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | Legal expenses insurance | Assistance | Misc. financial loss | Health  | Casualty | Marine, aviation and transport | Property |         |       |
| C0010  | C0020                       | C0030                           | C0040                             | C0050                 | C0060                                    | C0070                                       | C0080                       | C0090                           | C0100                    | C0110      | C0120                | C0130   | C0140    | C0150                          | C0160    |         | C0200 |
|  |                             |                                 |                                   |                       | 257,464                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 257,464 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         | 0     |
|  |                             |                                 |                                   |                       | 25,963                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 25,963  |       |
|  |                             |                                 |                                   |                       | 231,501                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 231,501 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |       |
|  |                             |                                 |                                   |                       | 249,006                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 249,006 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         | 0     |
|  |                             |                                 |                                   |                       | 25,836                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 25,836  |       |
|  |                             |                                 |                                   |                       | 223,170                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 223,170 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |       |
|  |                             |                                 |                                   |                       | 127,479                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 127,479 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         | 0     |
|  |                             |                                 |                                   |                       | -12,686                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | -12,686 |       |
|  |                             |                                 |                                   |                       | 140,165                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 140,165 |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         | 0     |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       | 0  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |       |
|  |                             |                                 |                                   |                       | 83,966                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 83,966  |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 83,966  |       |

## S.05.02.01

## Premiums, claims and expenses by country

## Non-life

R0010

| C0010        | C0020   | C0030 | C0040 | C0050  | C0060 | C0070                           |
|--------------|---|-------|-------|--|-------|---------------------------------|
| Home Country | Top 5 countries (by amount of gross premiums written)<br>- non-life obligations |       |       | Top 5 countries (by amount of gross<br>premiums written) - non-life<br>obligations |       | Total Top 5 and<br>home country |
|              | GB  | SG    |       |  |       |                                 |
| C0080        | C0090   | C0100 | C0110 | C0120  | C0130 | C0140                           |

## Premiums written

R0110 Gross - Direct Business  
R0120 Gross - Proportional reinsurance accepted  
R0130 Gross - Non-proportional reinsurance accepted  
R0140 Reinsurers' share  
R0200 Net

|   |         |         |  |  |  |         |
|---|---------|---------|--|--|--|---------|
|   | 145,082 | 101,184 |  |  |  | 246,265 |
|   |         |         |  |  |  | 0       |
|   |         |         |  |  |  | 0       |
|   | 13,972  | 11,213  |  |  |  | 25,185  |
| 0 | 131,109 | 89,971  |  |  |  | 221,080 |

## Premiums earned

R0210 Gross - Direct Business  
R0220 Gross - Proportional reinsurance accepted  
R0230 Gross - Non-proportional reinsurance accepted  
R0240 Reinsurers' share  
R0300 Net

|   |         |        |  |  |  |         |
|---|---------|--------|--|--|--|---------|
|   | 139,470 | 98,876 |  |  |  | 238,346 |
|   |         |        |  |  |  | 0       |
|   |         |        |  |  |  | 0       |
|   | 13,906  | 11,156 |  |  |  | 25,062  |
| 0 | 125,564 | 87,721 |  |  |  | 213,284 |

## Claims incurred

R0310 Gross - Direct Business  
R0320 Gross - Proportional reinsurance accepted  
R0330 Gross - Non-proportional reinsurance accepted  
R0340 Reinsurers' share  
R0400 Net

|   |        |        |  |  |  |         |
|---|--------|--------|--|--|--|---------|
|   | 80,935 | 46,866 |  |  |  | 127,802 |
|   |        |        |  |  |  | 0       |
|   |        |        |  |  |  | 0       |
|   | -7,010 | -2,840 |  |  |  | -9,849  |
| 0 | 87,945 | 49,706 |  |  |  | 137,651 |

## Changes in other technical provisions

R0410 Gross - Direct Business  
R0420 Gross - Proportional reinsurance accepted  
R0430 Gross - Non-proportional reinsurance accepted  
R0440 Reinsurers' share  
R0500 Net

|   |   |   |  |  |  |   |
|---|---|---|--|--|--|---|
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
| 0 | 0 | 0 |  |  |  | 0 |

R0550 Expenses incurred

R1200 Other expenses

R1300 Total expenses

|       |        |        |  |  |  |        |
|-------|--------|--------|--|--|--|--------|
| 1,459 | 43,916 | 30,896 |  |  |  | 76,272 |
|       |        |        |  |  |  |        |
|       |        |        |  |  |  | 76,272 |

S.23.01.22  
Own Funds

|   |   |
|---|---|
| Basic own funds before deduction for participations in other financial sector |   |
| R0010   | Ordinary share capital (gross of own shares)  |
| R0020   | Non-available called but not paid in ordinary share capital at group level  |
| R0030   | Share premium account related to ordinary share capital   |
| R0040   | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings   |
| R0050   | Subordinated mutual member accounts   |
| R0060   | Non-available subordinated mutual member accounts at group level  |
| R0070   | Surplus funds   |
| R0080   | Non-available surplus funds at group level  |
| R0090   | Preference shares   |
| R0100   | Non-available preference shares at group level  |
| R0110   | Share premium account related to preference shares  |
| R0120   | Non-available share premium account related to preference shares at group level   |
| R0130   | Reconciliation reserve  |
| R0140   | Subordinated liabilities  |
| R0150   | Non-available subordinated liabilities at group level   |
| R0160   | An amount equal to the value of net deferred tax assets   |
| R0170   | The amount equal to the value of net deferred tax assets not available at the group level   |
| R0180   | Other items approved by supervisory authority as basic own funds not specified above  |
| R0190   | Non available own funds related to other own funds items approved by supervisory authority  |
| R0200   | Minority interests (if not reported as part of a specific own fund item)  |
| R0210   | Non-available minority interests at group level   |
| R0220   | 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 |
| R0230   | Deductions for participations in other financial undertakings, including non-regulated undertakings carrying outfinancial activities  |
| R0240   | whereof deducted according to art 228 of the Directive 2009/138/EC  |
| R0250   | Deductions for participations where there is non-availability of information (Article 229)  |
| R0260   | Deduction for participations included by using D&A when a combination of methods is used  |
| R0270   | Total of non-available own fund items   |
| R0280   | Total deductions  |
| R0290   | Total basic own funds after deductions  |
| Ancillary own funds   |   |
| R0300   | Unpaid and uncalled ordinary share capital callable on demand   |
| R0310   | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand               |
| R0320   | Unpaid and uncalled preference shares callable on demand  |
| R0330   | A legally binding commitment to subscribe and pay for subordinated liabilities on demand  |
| R0340   | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC   |
| R0350   | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC  |
| R0360   | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC  |
| R0370   | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC   |
| R0380   | Non available ancillary own funds at group level  |
| R0390   | Other ancillary own funds   |
| R0400   | Total ancillary own funds   |
| Own funds of other financial sectors  |   |
| R0410   | Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies   |
| R0420   | Institutions for occupational retirement provision  |
| R0430   | Non regulated entities carrying out financial activities  |
| R0440   | Total own funds of other financial sectors  |

| Total   | Tier 1<br>unrestricted | Tier 1<br>restricted | Tier 2 | Tier 3 |
|---------|------------------------|----------------------|--------|--------|
| C0010   | C0020                  | C0030                | C0040  | C0050  |
| 0       | 0                      |                      | 0      |        |
| 0       |                        |                      |        |        |
| 0       | 0                      |                      | 0      |        |
| 0       | 0                      |                      | 0      |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 0       | 0                      |                      |        |        |
| 0       | 0                      |                      |        |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 359,859 | 359,859                |                      |        |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 0       |                        |                      |        | 0      |
| 0       |                        |                      |        | 0      |
| 0       | 0                      | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 0       |                        |                      |        |        |
| 0       |                        |                      |        |        |
| 359,859 | 359,859                | 0                    | 0      | 0      |

|   |   |   |   |   |
|---|---|---|---|---|
| 0 |   |   |   |   |
| 0 |   |   |   |   |
| 0 |   |   |   |   |
| 0 |   |   |   |   |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |

|         |         |   |   |   |
|---------|---------|---|---|---|
| 359,859 | 359,859 | 0 | 0 | 0 |
|---------|---------|---|---|---|

|         |  |  |         |         |
|---------|--|--|---------|---------|
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 159,000 |  |  |         | 159,000 |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 0       |  |  |         |         |
| 159,000 |  |  | 159,000 | 0       |

|   |   |   |   |   |
|---|---|---|---|---|
| 0 |   |   |   |   |
| 0 |   |   |   |   |
| 0 |   |   |   |   |
| 0 | 0 | 0 | 0 | 0 |



S.23.01.22  
Own Funds

Basic own funds before deduction for participations in other financial sector

Own funds when using the D&A, exclusively or in combination of method 1

R0450 Own funds aggregated when using the D&A and combination of method

R0460 Own funds aggregated when using the D&A and combination of method net of IGT

R0520 Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )

R0530 Total available own funds to meet the minimum consolidated group SCR

R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )

R0570 Total eligible own funds to meet the minimum consolidated group SCR (group)

R0610 Minimum consolidated Group SCR

R0650 Ratio of Eligible own funds to Minimum Consolidated Group SCR

R0660 Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A )

R0680 Group SCR

R0690 Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A

Reconciliation reserve

R0700 Excess of assets over liabilities

R0710 Own shares (held directly and indirectly)

R0720 Forseeable dividends, distributions and charges

R0730 Other basic own fund items

R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

R0750 Other non available own funds

R0760 Reconciliation reserve

Expected profits

R0770 Expected profits included in future premiums (EPIFP) - Life business

R0780 Expected profits included in future premiums (EPIFP) - Non- life business

R0790 Total Expected profits included in future premiums (EPIFP)

| Total | Tier 1<br>unrestricted | Tier 1<br>restricted | Tier 2 | Tier 3 |
|-------|------------------------|----------------------|--------|--------|
| C0010 | C0020                  | C0030                | C0040  | C0050  |

|   |  |  |  |  |
|---|--|--|--|--|
| 0 |  |  |  |  |
| 0 |  |  |  |  |

|         |         |   |         |   |
|---------|---------|---|---------|---|
| 518,859 | 359,859 | 0 | 159,000 | 0 |
| 359,859 | 359,859 | 0 | 0       |   |
| 474,583 | 359,859 | 0 | 114,724 | 0 |
| 359,859 | 359,859 | 0 | 0       |   |

|         |         |   |         |   |
|---------|---------|---|---------|---|
| 119,167 |         |   |         |   |
| 301.98% |         |   |         |   |
| 474,583 | 359,859 | 0 | 114,724 | 0 |
| 229,448 |         |   |         |   |
| 206.84% |         |   |         |   |

C0060

|         |
|---------|
| 362,721 |
|         |
|         |
| 0       |
|         |
| 2,862   |
| 359,859 |

|       |
|-------|
|       |
| 3,003 |
| 3,003 |

### Solvency Capital Requirement - for groups on Standard Formula

|       |  |
|-------|--|
| R0010 | Market risk  |
| R0020 | Counterparty default risk  |
| R0030 | Life underwriting risk   |
| R0040 | Health underwriting risk   |
| R0050 | Non-life underwriting risk   |
| R0060 | Diversification  |
| R0070 | Intangible asset risk  |
| R0100 | <b>Basic Solvency Capital Requirement</b>  |
|       | <b>Calculation of Solvency Capital Requirement</b>   |
| R0130 | Operational risk   |
| R0140 | Loss-absorbing capacity of technical provisions  |
| R0150 | Loss-absorbing capacity of deferred taxes  |
| R0160 | Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC  |
| R0200 | <b>Solvency Capital Requirement excluding capital add-on</b>   |
| R0210 | Capital add-ons already set  |
| R0220 | <b>Solvency capital requirement for undertakings under consolidated method</b>   |
|       | <b>Other information on SCR</b>  |
| R0400 | Capital requirement for duration-based equity risk sub-module  |
| R0410 | Total amount of Notional Solvency Capital Requirements for remaining part  |
| R0420 | Total amount of Notional Solvency Capital Requirements for ring fenced funds   |
| R0430 | Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios  |
| R0440 | Diversification effects due to RFF nSCR aggregation for article 304  |
| R0470 | Minimum consolidated group solvency capital requirement  |
|       | <b>Information on other entities</b>   |
| R0500 | Capital requirement for other financial sectors (Non-insurance capital requirements)   |
| R0510 | <i>Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies</i> |
| R0520 | <i>Institutions for occupational retirement provisions</i>   |
| R0530 | <i>Capital requirement for non-regulated entities carrying out financial activities</i>  |
| R0540 | Capital requirement for non-controlled participation requirements  |
| R0550 | Capital requirement for residual undertakings  |
|       | <b>Overall SCR</b>   |
| R0560 | SCR for undertakings included via D&A  |
| R0570 | <b>Solvency capital requirement</b>  |

[illegible]

S.32.01.22

Undertakings in the scope of the group

|     | Country | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal Name of the undertaking                                     | Type of undertaking  | Legal form   | Category (mutual/ non mutual) | Supervisory Authority       |
|-----|---------|--|---|---|--|--|-------------------------------|-----------------------------|
| Row | C0010   | C0020                                  | C0030                                     | C0040   | C0050  | C0060  | C0070                         | C0080                       |
| 1   | LU      | 529900T071SPNQ00DF14                   | LEI                                       | The Shipowners' Protection and Indemnity Association (Luxembourg) | Non life insurance undertaking   | Company limited by shares or by guarantee or unlimited | Mutual                        | Commissariat Aux Assurances |
| 2   | GB      | 529900T071SPNQ00DF14GB00001            | Specific code                             | The Shipowners' Protection Limited                                | Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35 | Company limited by shares or by guarantee or unlimited | Non-mutual                    | Commissariat Aux Assurances |
| 3   | BM      | 529900XXKSG7S9D1W317                   | LEI                                       | SOP (Bermuda) Limited   | Reinsurance undertaking  | Company limited by shares or by guarantee or unlimited | Non-mutual                    | Bermuda Monetary Authority  |
| 4   | LU      | 529900OKG1Q90KLJ3745                   | LEI                                       | Spandilux S.A.  | Reinsurance undertaking  | Company limited by shares or by guarantee or unlimited | Non-mutual                    | Commissariat Aux Assurances |
| 5   | BM      | 529900T071SPNQ00DF14BM00001            | Specific code                             | Hydra Insurance Company Limited - Shipowners Cell                 | Reinsurance undertaking  | Company limited by shares or by guarantee or unlimited | Non-mutual                    | Bermuda Monetary Authority  |
| 6   | GB      | 529900T071SPNQ00DF14GB00003            | Specific code                             | Shipowners' Management Limited                                    | Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35 | Company limited by shares or by guarantee or unlimited | Non-mutual                    |                             |
| 7   | GR      | 529900T071SPNQ00DF14GR00001            | Specific code                             | The Shipowners' Protection Hellas LLC                             | Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35 | Company limited by shares or by guarantee or unlimited | Non-mutual                    |                             |



Undertakings in the scope of the group

|         |  |                             |   | Criteria of influence         |   |   |                 |                |                    | Inclusion in the scope of Group supervision            |                       | Group solvency calculation              |  |
|---------|--|-----------------------------|---|-------------------------------|---|---|-----------------|----------------|--------------------|--|-----------------------|---|--|
| Country | Identification code of the undertaking |                             | Type of code of the ID of the undertaking | Legal Name of the undertaking | % capital share   | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO                | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking |
| Row     | C0010                                  | C0020                       | C0030                                     | C0040                         | C0180   | C0190   | C0200           | C0210          | C0220              | C0230  | C0240                 | C0250                                   | C0260  |
| 1       | LU                                     | 529900T071SPNQ00DF14        |   | LEI                           | The Shipowners' Protection and Indemnity Association (Luxembourg) |   |                 |                | Dominant           |  | Included in the scope |   | Method 1: Full consolidation                                 |
| 2       | GB                                     | 529900T071SPNQ00DF14GB00001 |   | Specific code                 | The Shipowners' Protection Limited                                | 100.00%   |                 | 100.00%        | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |
| 3       | BM                                     | 529900XXKSG7S9D1W317        |   | LEI                           | SOP (Bermuda) Limited   | 100.00%   |                 | 100.00%        | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |
| 4       | LU                                     | 529900OKG1Q90KLJ3745        |   | LEI                           | Spandilux S.A.  | 100.00%   |                 | 100.00%        | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |
| 5       | BM                                     | 529900T071SPNQ00DF14BM00001 |   | Specific code                 | Hydra Insurance Company Limited - Shipowners Cell                 | 100.00%   |                 | 100.00%        | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |
| 6       | GB                                     | 529900T071SPNQ00DF14GB00003 |   | Specific code                 | Shipowners' Management Limited                                    | 100.00%   |                 | 100.00%        | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |
| 7       | GR                                     | 529900T071SPNQ00DF14GR00001 |   | Specific code                 | The Shipowners' Protection Hellas LLC                             | 95.00%  |                 | 95.00%         | Dominant           | 100.00%  | Included in the scope |   | Method 1: Full consolidation                                 |

APPENDIX C: QUANTITATIVE REPORTING TEMPLATES

CONTINUED

Solo disclosures

General information

|   |  |
|---|--|
| Undertaking name                                    | The Shipowners' Mutual Protection and Indemnity Association Limited (Luxembourg) |
| Undertaking identification code                     | 529900T071SPNQ00DF14   |
| Type of code of undertaking                         | LEI  |
| Type of undertaking                                 | Non-life undertakings  |
| Country of authorisation                            | LU   |
| Language of reporting                               | en   |
| Reporting reference date                            | 31 December 2021   |
| Currency used for reporting                         | USD  |
| Accounting standards                                | Local GAAP   |
| Method of Calculation of the SCR                    | Standard formula   |
| Matching adjustment                                 | No use of matching adjustment  |
| Volatility adjustment                               | No use of volatility adjustment  |
| Transitional measure on the risk-free interest rate | No use of transitional measure on the risk-free interest rate                    |
| Transitional measure on technical provisions        | No use of transitional measure on technical provisions                           |

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity



## S.02.01.02

## Balance sheet

|        |  | Solvency II<br>value |
|--------|--|----------------------|
| Assets |  | C0010                |
| R0030  | Intangible assets  |                      |
| R0040  | Deferred tax assets  |                      |
| R0050  | Pension benefit surplus  | 803                  |
| R0060  | Property, plant & equipment held for own use   | 9,647                |
| R0070  | Investments (other than assets held for index-linked and unit-linked contracts)        | 494,273              |
| R0080  | <i>Property (other than for own use)</i>   | 0                    |
| R0090  | <i>Holdings in related undertakings, including participations</i>                      | 473,674              |
| R0100  | <i>Equities</i>  | 0                    |
| R0110  | <i>Equities - listed</i>   |                      |
| R0120  | <i>Equities - unlisted</i>   |                      |
| R0130  | <i>Bonds</i>   | 0                    |
| R0140  | <i>Government Bonds</i>  | 0                    |
| R0150  | <i>Corporate Bonds</i>   | 0                    |
| R0160  | <i>Structured notes</i>  | 0                    |
| R0170  | <i>Collateralised securities</i>   | 0                    |
| R0180  | <i>Collective Investments Undertakings</i>   | 0                    |
| R0190  | <i>Derivatives</i>   |                      |
| R0200  | <i>Deposits other than cash equivalents</i>  | 20,599               |
| R0210  | <i>Other investments</i>   | 0                    |
| R0220  | Assets held for index-linked and unit-linked contracts                                 |                      |
| R0230  | Loans and mortgages  | 0                    |
| R0240  | <i>Loans on policies</i>   | 0                    |
| R0250  | <i>Loans and mortgages to individuals</i>  |                      |
| R0260  | <i>Other loans and mortgages</i>   |                      |
| R0270  | Reinsurance recoverables from:   | 293,339              |
| R0280  | <i>Non-life and health similar to non-life</i>   | 293,339              |
| R0290  | <i>Non-life excluding health</i>   | 293,339              |
| R0300  | <i>Health similar to non-life</i>  | 0                    |
| R0310  | <i>Life and health similar to life, excluding index-linked and unit-linked</i>         | 0                    |
| R0320  | <i>Health similar to life</i>  |                      |
| R0330  | <i>Life excluding health and index-linked and unit-linked</i>                          |                      |
| R0340  | <i>Life index-linked and unit-linked</i>   |                      |
| R0350  | Deposits to cedants  | 0                    |
| R0360  | Insurance and intermediaries receivables   | 21,277               |
| R0370  | Reinsurance receivables  | 36,734               |
| R0380  | Receivables (trade, not insurance)   | 13,309               |
| R0390  | Own shares (held directly)   |                      |
| R0400  | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0                    |
| R0410  | Cash and cash equivalents  | 107,923              |
| R0420  | Any other assets, not elsewhere shown  | 436                  |
| R0500  | <b>Total assets</b>  | <b>977,741</b>       |

## S.02.01.02

## Balance sheet

|             |  | Solvency II<br>value |
|-------------|--|----------------------|
| Liabilities |  | C0010                |
| R0510       | Technical provisions - non-life  | 549,499              |
| R0520       | <i>Technical provisions - non-life (excluding health)</i>                              | 549,499              |
| R0530       | <i>TP calculated as a whole</i>  | 0                    |
| R0540       | <i>Best Estimate</i>   | 533,473              |
| R0550       | <i>Risk margin</i>   | 16,027               |
| R0560       | <i>Technical provisions - health (similar to non-life)</i>                             | 0                    |
| R0570       | <i>TP calculated as a whole</i>  | 0                    |
| R0580       | <i>Best Estimate</i>   | 0                    |
| R0590       | <i>Risk margin</i>   | 0                    |
| R0600       | Technical provisions - life (excluding index-linked and unit-linked)                   | 0                    |
| R0610       | <i>Technical provisions - health (similar to life)</i>                                 | 0                    |
| R0620       | <i>TP calculated as a whole</i>  |                      |
| R0630       | <i>Best Estimate</i>   |                      |
| R0640       | <i>Risk margin</i>   |                      |
| R0650       | <i>Technical provisions - life (excluding health and index-linked and unit-linked)</i> | 0                    |
| R0660       | <i>TP calculated as a whole</i>  |                      |
| R0670       | <i>Best Estimate</i>   |                      |
| R0680       | <i>Risk margin</i>   |                      |
| R0690       | Technical provisions - index-linked and unit-linked                                    | 0                    |
| R0700       | <i>TP calculated as a whole</i>  |                      |
| R0710       | <i>Best Estimate</i>   |                      |
| R0720       | <i>Risk margin</i>   |                      |
| R0740       | Contingent liabilities   | 0                    |
| R0750       | Provisions other than technical provisions   | 331                  |
| R0760       | Pension benefit obligations  | 0                    |
| R0770       | Deposits from reinsurers   |                      |
| R0780       | Deferred tax liabilities   | 175                  |
| R0790       | Derivatives  |                      |
| R0800       | Debts owed to credit institutions  | 0                    |
| R0810       | Financial liabilities other than debts owed to credit institutions                     | 0                    |
| R0820       | Insurance & intermediaries payables  | 1,352                |
| R0830       | Reinsurance payables   | 1,756                |
| R0840       | Payables (trade, not insurance)  | 1,044                |
| R0850       | Subordinated liabilities   | 0                    |
| R0860       | <i>Subordinated liabilities not in BOF</i>   |                      |
| R0870       | <i>Subordinated liabilities in BOF</i>   | 0                    |
| R0880       | Any other liabilities, not elsewhere shown   | 2,338                |
| R0900       | <b>Total liabilities</b>   | 556,496              |
| R1000       | <b>Excess of assets over liabilities</b>   | 421,245              |

## Premiums, claims and expenses by line of business

| Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      | Line of business for: accepted non-proportional reinsurance |          |                                |          | Total   |
|--|-----------------------------|---------------------------------|-----------------------------------|-----------------------|--|---|-----------------------------|---------------------------------|--------------------------|------------|----------------------|---|----------|--------------------------------|----------|---------|
| Medical expense insurance  | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | Legal expenses insurance | Assistance | Misc. financial loss | Health  | Casualty | Marine, aviation and transport | Property |         |
| C0010  | C0020                       | C0030                           | C0040                             | C0050                 | C0060                                    | C0070                                       | C0080                       | C0090                           | C0100                    | C0110      | C0120                | C0130   | C0140    | C0150                          | C0160    |         |
|  |                             |                                 |                                   |                       | 257,464                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 257,464 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       | 155,220                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 155,220 |
|  |                             |                                 |                                   |                       | 102,245                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 102,245 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |
|  |                             |                                 |                                   |                       | 249,006                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 249,006 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       | 153,706                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 153,706 |
|  |                             |                                 |                                   |                       | 95,300                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 95,300  |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |
|  |                             |                                 |                                   |                       | 127,479                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 127,479 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       | 112,467                                  |   |                             |                                 |                          |            |                      |   |          |                                |          | 112,467 |
|  |                             |                                 |                                   |                       | 15,013                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 15,013  |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       | 0  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |         |
|  |                             |                                 |                                   |                       | 77,734                                   |   |                             |                                 |                          |            |                      |   |          |                                |          | 77,734  |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 77,734  |



## S.05.02.01

## Premiums, claims and expenses by country

## Non-life

R0010

| C0010        | C0020   | C0030 | C0040 | C0050  | C0060 | C0070                           |
|--------------|---|-------|-------|--|-------|---------------------------------|
| Home Country | Top 5 countries (by amount of gross premiums written)<br>- non-life obligations |       |       | Top 5 countries (by amount of<br>gross premiums written) - non-life<br>obligations |       | Total Top 5 and<br>home country |
|              | GB  | SG    |       |  |       |                                 |
| C0080        | C0090   | C0100 | C0110 | C0120  | C0130 | C0140                           |

## Premiums written

R0110 Gross - Direct Business  
R0120 Gross - Proportional reinsurance accepted  
R0130 Gross - Non-proportional reinsurance accepted  
R0140 Reinsurers' share  
R0200 Net

|   |         |         |  |  |  |         |
|---|---------|---------|--|--|--|---------|
|   | 145,082 | 101,184 |  |  |  | 246,265 |
|   |         |         |  |  |  | 0       |
|   |         |         |  |  |  | 0       |
|   | 89,868  | 64,574  |  |  |  | 154,442 |
| 0 | 55,214  | 36,610  |  |  |  | 91,824  |

## Premiums earned

R0210 Gross - Direct Business  
R0220 Gross - Proportional reinsurance accepted  
R0230 Gross - Non-proportional reinsurance accepted  
R0240 Reinsurers' share  
R0300 Net

|   |         |        |  |  |  |         |
|---|---------|--------|--|--|--|---------|
|   | 139,470 | 98,876 |  |  |  | 238,346 |
|   |         |        |  |  |  | 0       |
|   |         |        |  |  |  | 0       |
|   | 88,763  | 64,169 |  |  |  | 152,932 |
| 0 | 50,707  | 34,708 |  |  |  | 85,414  |

## Claims incurred

R0310 Gross - Direct Business  
R0320 Gross - Proportional reinsurance accepted  
R0330 Gross - Non-proportional reinsurance accepted  
R0340 Reinsurers' share  
R0400 Net

|   |        |        |  |  |  |         |
|---|--------|--------|--|--|--|---------|
|   | 80,935 | 46,866 |  |  |  | 127,802 |
|   |        |        |  |  |  | 0       |
|   |        |        |  |  |  | 0       |
|   | 73,407 | 41,896 |  |  |  | 115,303 |
| 0 | 7,528  | 4,971  |  |  |  | 12,499  |

## Changes in other technical provisions

R0410 Gross - Direct Business  
R0420 Gross - Proportional reinsurance accepted  
R0430 Gross - Non-proportional reinsurance accepted  
R0440 Reinsurers' share  
R0500 Net

|   |   |   |  |  |  |   |
|---|---|---|--|--|--|---|
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
|   |   |   |  |  |  | 0 |
| 0 | 0 | 0 |  |  |  | 0 |

R0550 Expenses incurred

R1200 Other expenses

R1300 Total expenses

|       |        |        |  |  |  |        |
|-------|--------|--------|--|--|--|--------|
| 2,054 | 41,043 | 30,896 |  |  |  | 73,994 |
|       |        |        |  |  |  |        |
|       |        |        |  |  |  | 73,994 |

## Non-Life Technical Provisions

R0340 Technical provisions minus recoverables from reinsurance/  
SPV and Finite Re - total

## Non-Life insurance claims

|                                   |               |
|-----------------------------------|---------------|
| Accident year / underwriting year | Accident Year |
|-----------------------------------|---------------|

R0100  
R0160  
R0170  
R0180  
R0190  
R0200  
R0210  
R0220  
R0230  
R0240  
R0250  
R0260

R0100  
R0160  
R0170  
R0180  
R0190  
R0200  
R0210  
R0220  
R0230  
R0240  
R0250  
R0260

S.23.01.01  
Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

|       |   |
|-------|---|
| R0010 | Ordinary share capital (gross of own shares)  |
| R0030 | Share premium account related to ordinary share capital   |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings |
| R0050 | Subordinated mutual member accounts   |
| R0070 | Surplus funds   |
| R0090 | Preference shares   |
| R0110 | Share premium account related to preference shares  |
| R0130 | Reconciliation reserve  |
| R0140 | Subordinated liabilities  |
| R0160 | An amount equal to the value of net deferred tax assets   |
| R0180 | Other own fund items approved by the supervisory authority as basic own funds not specified above                   |

R0220 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

R0230 Deductions for participations in financial and credit institutions

R0290 Total basic own funds after deductions

Ancillary own funds

|       |   |
|-------|---|
| R0300 | Unpaid and uncalled ordinary share capital callable on demand   |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand |
| R0320 | Unpaid and uncalled preference shares callable on demand  |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand  |
| R0340 | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC   |
| R0350 | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC  |
| R0360 | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC  |
| R0370 | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC   |
| R0390 | Other ancillary own funds   |
| R0400 | Total ancillary own funds   |

Available and eligible own funds

|       |   |
|-------|---|
| R0500 | Total available own funds to meet the SCR |
| R0510 | Total available own funds to meet the MCR |
| R0540 | Total eligible own funds to meet the SCR  |
| R0550 | Total eligible own funds to meet the MCR  |

|       |                                    |
|-------|------------------------------------|
| R0580 | SCR                                |
| R0600 | MCR                                |
| R0620 | Ratio of Eligible own funds to SCR |
| R0640 | Ratio of Eligible own funds to MCR |

Reconciliation reserve

|       |   |
|-------|---|
| R0700 | Excess of assets over liabilities   |
| R0710 | Own shares (held directly and indirectly)   |
| R0720 | Foreseeable dividends, distributions and charges  |
| R0730 | Other basic own fund items  |
| R0740 | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds |
| R0760 | Reconciliation reserve  |

Expected profits

|       |   |
|-------|---|
| R0770 | Expected profits included in future premiums (EPIFP) - Life business      |
| R0780 | Expected profits included in future premiums (EPIFP) - Non- life business |
| R0790 | Total Expected profits included in future premiums (EPIFP)                |

| Total   | Tier 1<br>unrestricted | Tier 1<br>restricted | Tier 2 | Tier 3 |
|---------|------------------------|----------------------|--------|--------|
| C0010   | C0020                  | C0030                | C0040  | C0050  |
| 0       | 0                      |                      | 0      |        |
| 0       | 0                      |                      | 0      |        |
| 0       | 0                      |                      | 0      |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       | 0                      |                      |        |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        | 0                    | 0      | 0      |
| 421,245 | 421,245                |                      |        |        |
| 0       |                        | 0                    | 0      | 0      |
| 0       |                        |                      |        | 0      |
| 0       | 0                      | 0                    | 0      | 0      |
| 0       |                        |                      |        |        |
| 0       | 0                      | 0                    | 0      |        |

|         |  |         |   |
|---------|--|---------|---|
| 0       |  |         |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 159,000 |  | 159,000 |   |
| 0       |  |         |   |
| 0       |  |         |   |
| 159,000 |  | 159,000 | 0 |

|         |         |   |         |   |
|---------|---------|---|---------|---|
| 580,245 | 421,245 | 0 | 159,000 | 0 |
| 421,245 | 421,245 | 0 | 0       |   |
| 522,584 | 421,245 | 0 | 101,339 | 0 |
| 421,245 | 421,245 | 0 | 0       |   |

|         |
|---------|
| 202,678 |
| 50,670  |
| 257.84% |
| 831.36% |

|         |
|---------|
| C0060   |
| 421,245 |
| 0       |
|         |
| 0       |
|         |
| 421,245 |

|   |
|---|
|   |
|   |
| 0 |



S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

|  |   |
|--|---|
| R0010  | Market risk   |
| R0020  | Counterparty default risk   |
| R0030  | Life underwriting risk  |
| R0040  | Health underwriting risk  |
| R0050  | Non-life underwriting risk  |
| R0060  | Diversification   |
| R0070  | Intangible asset risk   |
| R0100  | Basic Solvency Capital Requirement  |
| Calculation of Solvency Capital Requirement              |   |
| R0130  | Operational risk  |
| R0140  | Loss-absorbing capacity of technical provisions   |
| R0150  | Loss-absorbing capacity of deferred taxes   |
| R0160  | Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC |
| R0200  | Solvency Capital Requirement excluding capital add-on                                       |
| R0210  | Capital add-ons already set   |
| R0220  | Solvency capital requirement  |
| Other information on SCR                                 |   |
| R0400  | Capital requirement for duration-based equity risk sub-module                               |
| R0410  | Total amount of Notional Solvency Capital Requirements for remaining part                   |
| R0420  | Total amount of Notional Solvency Capital Requirements for ring fenced funds                |
| R0430  | Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios   |
| R0440  | Diversification effects due to RFF nSCR aggregation for article 304                         |
| Approach to tax rate                                     |   |
| R0590  | Approach based on average tax rate  |
| Calculation of loss absorbing capacity of deferred taxes |   |
| R0640  | LAC DT  |
| R0650  | LAC DT justified by reversion of deferred tax liabilities                                   |
| R0660  | LAC DT justified by reference to probable future taxable economic profit                    |
| R0670  | LAC DT justified by carry back, current year  |
| R0680  | LAC DT justified by carry back, future years  |
| R0690  | Maximum LAC DT  |

| Gross solvency capital requirement | USP   | Simplifications |
|------------------------------------|-------|-----------------|
| C0110                              | C0090 | C0120           |
| 132,525                            |       |                 |
| 25,463                             |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 84,970                             |       |                 |
| -56,110                            |       |                 |
| 0                                  |       |                 |
| 186,849                            |       |                 |
| C0100                              |       |                 |
| 16,004                             |       |                 |
| 0                                  |       |                 |
| -175                               |       |                 |
| 0                                  |       |                 |
| 202,678                            |       |                 |
| 0                                  |       |                 |
| 202,678                            |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| C0109                              |       |                 |
| No                                 |       |                 |
| LAC DT                             |       |                 |
| C0130                              |       |                 |
| -175                               |       |                 |
| -175                               |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |

USP Key

For life underwriting risk:  
1 - Increase in the amount of annuity benefits  
9 - None

For health underwriting risk:  
1 - Increase in the amount of annuity benefits  
2 - Standard deviation for NSLT health premium risk  
3 - Standard deviation for NSLT health gross premium risk  
4 - Adjustment factor for non-proportional reinsurance  
5 - Standard deviation for NSLT health reserve risk  
9 - None

For non-life underwriting risk:  
4 - Adjustment factor for non-proportional reinsurance  
6 - Standard deviation for non-life premium risk  
7 - Standard deviation for non-life gross premium risk  
8 - Standard deviation for non-life reserve risk  
9 - None

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR<sub>NL</sub> Result 39,048

- R0020 Medical expense insurance and proportional reinsurance
- R0030 Income protection insurance and proportional reinsurance
- R0040 Workers' compensation insurance and proportional reinsurance
- R0050 Motor vehicle liability insurance and proportional reinsurance
- R0060 Other motor insurance and proportional reinsurance
- R0070 Marine, aviation and transport insurance and proportional reinsurance
- R0080 Fire and other damage to property insurance and proportional reinsurance
- R0090 General liability insurance and proportional reinsurance
- R0100 Credit and suretyship insurance and proportional reinsurance
- R0110 Legal expenses insurance and proportional reinsurance
- R0120 Assistance and proportional reinsurance
- R0130 Miscellaneous financial loss insurance and proportional reinsurance
- R0140 Non-proportional health reinsurance
- R0150 Non-proportional casualty reinsurance
- R0160 Non-proportional marine, aviation and transport reinsurance
- R0170 Non-proportional property reinsurance

Linear formula component for life insurance and reinsurance obligations

R0200 MCR<sub>L</sub> Result 0

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

Overall MCR calculation

R0300 Linear MCR 39,048

R0310 SCR 202,678

R0320 MCR cap 91,205

R0330 MCR floor 50,670

R0340 Combined MCR 50,670

R0350 Absolute floor of the MCR 2,911

R0400 Minimum Capital Requirement 50,670

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|
| C0020   | C0030   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 240,133   | 102,245   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |
| 0   |   |

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|---|--|
| C0050   | C0060  |
|   |  |
|   |  |
|   |  |
|   |  |

APPENDIX C: QUANTITATIVE REPORTING TEMPLATES

CONTINUED

Spandilux

disclosures

General information

|   |   |
|---|---|
| Undertaking name                                    | Spandilux S.A   |
| Undertaking identification code                     | 529900OKG1Q90KLJ3745  |
| Type of code of undertaking                         | LEI   |
| Type of undertaking                                 | Reinsurance undertakings                                      |
| Country of authorisation                            | LU  |
| Language of reporting                               | en  |
| Reporting reference date                            | 31 December 2021  |
| Currency used for reporting                         | USD   |
| Accounting standards                                | Local GAAP  |
| Method of Calculation of the SCR                    | Standard formula  |
| Matching adjustment                                 | No use of matching adjustment                                 |
| Volatility adjustment                               | No use of volatility adjustment                               |
| Transitional measure on the risk-free interest rate | No use of transitional measure on the risk-free interest rate |
| Transitional measure on technical provisions        | No use of transitional measure on technical provisions        |

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity



## S.02.01.02

## Balance sheet

|               |  | Solvency II<br>value |
|---------------|--|----------------------|
| <b>Assets</b> |  | <b>C0010</b>         |
| R0030         | Intangible assets  |                      |
| R0040         | Deferred tax assets  |                      |
| R0050         | Pension benefit surplus  |                      |
| R0060         | Property, plant & equipment held for own use   | 0                    |
| R0070         | Investments (other than assets held for index-linked and unit-linked contracts)        | 63,412               |
| R0080         | <i>Property (other than for own use)</i>   | 0                    |
| R0090         | <i>Holdings in related undertakings, including participations</i>                      | 1                    |
| R0100         | <i>Equities</i>  | 5,601                |
| R0110         | <i>Equities - listed</i>   | 5,601                |
| R0120         | <i>Equities - unlisted</i>   |                      |
| R0130         | <i>Bonds</i>   | 44,650               |
| R0140         | <i>Government Bonds</i>  | 20,101               |
| R0150         | <i>Corporate Bonds</i>   | 24,549               |
| R0160         | <i>Structured notes</i>  | 0                    |
| R0170         | <i>Collateralised securities</i>   | 0                    |
| R0180         | <i>Collective Investments Undertakings</i>   | 11,106               |
| R0190         | <i>Derivatives</i>   |                      |
| R0200         | <i>Deposits other than cash equivalents</i>  | 2,055                |
| R0210         | <i>Other investments</i>   | 0                    |
| R0220         | Assets held for index-linked and unit-linked contracts                                 |                      |
| R0230         | Loans and mortgages  | 0                    |
| R0240         | <i>Loans on policies</i>   | 0                    |
| R0250         | <i>Loans and mortgages to individuals</i>  |                      |
| R0260         | <i>Other loans and mortgages</i>   |                      |
| R0270         | Reinsurance recoverables from:   | 0                    |
| R0280         | <i>Non-life and health similar to non-life</i>   | 0                    |
| R0290         | <i>Non-life excluding health</i>   | 0                    |
| R0300         | <i>Health similar to non-life</i>  | 0                    |
| R0310         | <i>Life and health similar to life, excluding index-linked and unit-linked</i>         | 0                    |
| R0320         | <i>Health similar to life</i>  |                      |
| R0330         | <i>Life excluding health and index-linked and unit-linked</i>                          |                      |
| R0340         | <i>Life index-linked and unit-linked</i>   |                      |
| R0350         | Deposits to cedants  | 0                    |
| R0360         | Insurance and intermediaries receivables   |                      |
| R0370         | Reinsurance receivables  | 713                  |
| R0380         | Receivables (trade, not insurance)   | 8                    |
| R0390         | Own shares (held directly)   |                      |
| R0400         | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0                    |
| R0410         | Cash and cash equivalents  | 446                  |
| R0420         | Any other assets, not elsewhere shown  |                      |
| R0500         | <b>Total assets</b>  | <b>64,579</b>        |

## S.02.01.02

## Balance sheet

|             |  | Solvency II<br>value |
|-------------|--|----------------------|
| Liabilities |  | C0010                |
| R0510       | Technical provisions - non-life  | 17,160               |
| R0520       | <i>Technical provisions - non-life (excluding health)</i>                              | 17,160               |
| R0530       | <i>TP calculated as a whole</i>  | 0                    |
| R0540       | <i>Best Estimate</i>   | 16,355               |
| R0550       | <i>Risk margin</i>   | 805                  |
| R0560       | <i>Technical provisions - health (similar to non-life)</i>                             | 0                    |
| R0570       | <i>TP calculated as a whole</i>  | 0                    |
| R0580       | <i>Best Estimate</i>   | 0                    |
| R0590       | <i>Risk margin</i>   | 0                    |
| R0600       | Technical provisions - life (excluding index-linked and unit-linked)                   | 0                    |
| R0610       | <i>Technical provisions - health (similar to life)</i>                                 | 0                    |
| R0620       | <i>TP calculated as a whole</i>  |                      |
| R0630       | <i>Best Estimate</i>   |                      |
| R0640       | <i>Risk margin</i>   |                      |
| R0650       | <i>Technical provisions - life (excluding health and index-linked and unit-linked)</i> | 0                    |
| R0660       | <i>TP calculated as a whole</i>  |                      |
| R0670       | <i>Best Estimate</i>   |                      |
| R0680       | <i>Risk margin</i>   |                      |
| R0690       | Technical provisions - index-linked and unit-linked                                    | 0                    |
| R0700       | <i>TP calculated as a whole</i>  |                      |
| R0710       | <i>Best Estimate</i>   |                      |
| R0720       | <i>Risk margin</i>   |                      |
| R0740       | Contingent liabilities   |                      |
| R0750       | Provisions other than technical provisions   |                      |
| R0760       | Pension benefit obligations  |                      |
| R0770       | Deposits from reinsurers   |                      |
| R0780       | Deferred tax liabilities   | 9,231                |
| R0790       | Derivatives  |                      |
| R0800       | Debts owed to credit institutions  | 0                    |
| R0810       | Financial liabilities other than debts owed to credit institutions                     | 0                    |
| R0820       | Insurance & intermediaries payables  |                      |
| R0830       | Reinsurance payables   |                      |
| R0840       | Payables (trade, not insurance)  |                      |
| R0850       | Subordinated liabilities   | 0                    |
| R0860       | <i>Subordinated liabilities not in BOF</i>   |                      |
| R0870       | <i>Subordinated liabilities in BOF</i>   | 0                    |
| R0880       | Any other liabilities, not elsewhere shown   | 200                  |
| R0900       | <b>Total liabilities</b>   | 26,592               |
| R1000       | <b>Excess of assets over liabilities</b>   | 37,988               |

## Premiums, claims and expenses by line of business

| Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      | Line of business for: accepted non-proportional reinsurance |          |                                |          | Total |
|--|-----------------------------|---------------------------------|-----------------------------------|-----------------------|--|---|-----------------------------|---------------------------------|--------------------------|------------|----------------------|---|----------|--------------------------------|----------|-------|
| Medical expense insurance  | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | Legal expenses insurance | Assistance | Misc. financial loss | Health  | Casualty | Marine, aviation and transport | Property |       |
| C0010  | C0020                       | C0030                           | C0040                             | C0050                 | C0060                                    | C0070                                       | C0080                       | C0090                           | C0100                    | C0110      | C0120                | C0130   | C0140    | C0150                          | C0160    |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       | 6,856                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,856 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   | 0                     | 6,856                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,856 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       | 6,784                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,784 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   | 0                     | 6,784                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,784 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       | 6,161                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,161 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   | 0                     | 6,161                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,161 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       | 6,005                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,005 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 0     |
|  |                             |                                 |                                   | 0                     | 6,005                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 6,005 |
|  |                             |                                 |                                   | 0                     | 1,172                                    |   |                             |                                 |                          |            |                      |   |          |                                |          | 1,172 |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          |       |
|  |                             |                                 |                                   |                       |  |   |                             |                                 |                          |            |                      |   |          |                                |          | 1,172 |

## S.05.02.01

## Premiums, claims and expenses by country

## Non-life

R0010

| C0010        | C0020   | C0030 | C0040 | C0050  | C0060 | C0070                           |
|--------------|---|-------|-------|--|-------|---------------------------------|
| Home Country | Top 5 countries (by amount of gross premiums written)<br>- non-life obligations |       |       | Top 5 countries (by amount of<br>gross premiums written) - non-life<br>obligations |       | Total Top 5 and<br>home country |
| C0080        | C0090   | C0100 | C0110 | C0120  | C0130 | C0140                           |

## Premiums written

R0110 Gross - Direct Business

R0120 Gross - Proportional reinsurance accepted

R0130 Gross - Non-proportional reinsurance accepted

R0140 Reinsurers' share

R0200 Net

|       |  |  |  |  |  |       |
|-------|--|--|--|--|--|-------|
|       |  |  |  |  |  | 0     |
| 6,856 |  |  |  |  |  | 6,856 |
|       |  |  |  |  |  | 0     |
|       |  |  |  |  |  | 0     |
| 6,856 |  |  |  |  |  | 6,856 |

## Premiums earned

R0210 Gross - Direct Business

R0220 Gross - Proportional reinsurance accepted

R0230 Gross - Non-proportional reinsurance accepted

R0240 Reinsurers' share

R0300 Net

|       |  |  |  |  |  |       |
|-------|--|--|--|--|--|-------|
|       |  |  |  |  |  | 0     |
| 6,784 |  |  |  |  |  | 6,784 |
|       |  |  |  |  |  | 0     |
|       |  |  |  |  |  | 0     |
| 6,784 |  |  |  |  |  | 6,784 |

## Claims incurred

R0310 Gross - Direct Business

R0320 Gross - Proportional reinsurance accepted

R0330 Gross - Non-proportional reinsurance accepted

R0340 Reinsurers' share

R0400 Net

|       |  |  |  |  |  |       |
|-------|--|--|--|--|--|-------|
|       |  |  |  |  |  | 0     |
| 6,161 |  |  |  |  |  | 6,161 |
|       |  |  |  |  |  | 0     |
|       |  |  |  |  |  | 0     |
| 6,161 |  |  |  |  |  | 6,161 |

## Changes in other technical provisions

R0410 Gross - Direct Business

R0420 Gross - Proportional reinsurance accepted

R0430 Gross - Non-proportional reinsurance accepted

R0440 Reinsurers' share

R0500 Net

|       |  |  |  |  |  |       |
|-------|--|--|--|--|--|-------|
|       |  |  |  |  |  | 0     |
| 6,005 |  |  |  |  |  | 6,005 |
|       |  |  |  |  |  | 0     |
|       |  |  |  |  |  | 0     |
| 6,005 |  |  |  |  |  | 6,005 |

R0550 Expenses incurred

R1200 Other expenses

R1300 Total expenses

|       |  |  |  |  |  |       |
|-------|--|--|--|--|--|-------|
| 1,172 |  |  |  |  |  | 1,172 |
|       |  |  |  |  |  |       |
|       |  |  |  |  |  | 1,172 |



## Non-Life Technical Provisions

**R0010** **Technical provisions calculated as a whole**

Total Recoverables from reinsurance/SPV and Finite Re after the  
**R0050** adjustment for expected losses due to counterparty default  
associated to TP calculated as a whole

## Non-Life insurance claims

|                                   |               |
|-----------------------------------|---------------|
| Accident year / underwriting year | Accident Year |
|-----------------------------------|---------------|

R0260R0260

S.23.01.01  
Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

|       |   |
|-------|---|
| R0010 | Ordinary share capital (gross of own shares)  |
| R0030 | Share premium account related to ordinary share capital   |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings |
| R0050 | Subordinated mutual member accounts   |
| R0070 | Surplus funds   |
| R0090 | Preference shares   |
| R0110 | Share premium account related to preference shares  |
| R0130 | Reconciliation reserve  |
| R0140 | Subordinated liabilities  |
| R0160 | An amount equal to the value of net deferred tax assets   |
| R0180 | Other own fund items approved by the supervisory authority as basic own funds not specified above                   |

R0220 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

R0230 Deductions for participations in financial and credit institutions

R0290 Total basic own funds after deductions

Ancillary own funds

|       |   |
|-------|---|
| R0300 | Unpaid and uncalled ordinary share capital callable on demand   |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand |
| R0320 | Unpaid and uncalled preference shares callable on demand  |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand  |
| R0340 | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC   |
| R0350 | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC  |
| R0360 | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC  |
| R0370 | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC   |
| R0390 | Other ancillary own funds   |
| R0400 | Total ancillary own funds   |

Available and eligible own funds

|       |   |
|-------|---|
| R0500 | Total available own funds to meet the SCR |
| R0510 | Total available own funds to meet the MCR |
| R0540 | Total eligible own funds to meet the SCR  |
| R0550 | Total eligible own funds to meet the MCR  |

|       |                                    |
|-------|------------------------------------|
| R0580 | SCR                                |
| R0600 | MCR                                |
| R0620 | Ratio of Eligible own funds to SCR |
| R0640 | Ratio of Eligible own funds to MCR |

Reconciliation reserve

|       |   |
|-------|---|
| R0700 | Excess of assets over liabilities   |
| R0710 | Own shares (held directly and indirectly)   |
| R0720 | Foreseeable dividends, distributions and charges  |
| R0730 | Other basic own fund items  |
| R0740 | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds |
| R0760 | Reconciliation reserve  |

Expected profits

|       |   |
|-------|---|
| R0770 | Expected profits included in future premiums (EPIFP) - Life business      |
| R0780 | Expected profits included in future premiums (EPIFP) - Non- life business |
| R0790 | Total Expected profits included in future premiums (EPIFP)                |

| Total  | Tier 1<br>unrestricted | Tier 1<br>restricted | Tier 2 | Tier 3 |
|--------|------------------------|----------------------|--------|--------|
| C0010  | C0020                  | C0030                | C0040  | C0050  |
| 3,000  | 3,000                  |                      | 0      |        |
| 7,000  | 7,000                  |                      | 0      |        |
| 0      | 0                      |                      | 0      |        |
| 0      |                        | 0                    | 0      | 0      |
| 0      | 0                      |                      |        |        |
| 0      |                        | 0                    | 0      | 0      |
| 0      |                        | 0                    | 0      | 0      |
| 27,988 | 27,988                 |                      |        |        |
| 0      |                        | 0                    | 0      | 0      |
| 0      |                        |                      |        | 0      |
| 0      | 0                      | 0                    | 0      | 0      |
| 0      |                        |                      |        |        |
| 0      | 0                      | 0                    | 0      |        |

|   |  |   |   |
|---|--|---|---|
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  |   |   |
| 0 |  | 0 | 0 |

|        |        |   |   |   |
|--------|--------|---|---|---|
| 37,988 | 37,988 | 0 | 0 | 0 |
| 37,988 | 37,988 | 0 | 0 |   |
| 37,988 | 37,988 | 0 | 0 | 0 |
| 37,988 | 37,988 | 0 | 0 |   |

|         |
|---------|
| 9,782   |
| 4,192   |
| 388.34% |
| 906.15% |

|        |
|--------|
| C0060  |
| 37,988 |
| 0      |
|        |
| 10,000 |
|        |
| 27,988 |

|   |
|---|
|   |
|   |
| 0 |

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

|  |   |
|--|---|
| R0010  | Market risk   |
| R0020  | Counterparty default risk   |
| R0030  | Life underwriting risk  |
| R0040  | Health underwriting risk  |
| R0050  | Non-life underwriting risk  |
| R0060  | Diversification   |
| R0070  | Intangible asset risk   |
| R0100  | Basic Solvency Capital Requirement  |
| Calculation of Solvency Capital Requirement              |   |
| R0130  | Operational risk  |
| R0140  | Loss-absorbing capacity of technical provisions   |
| R0150  | Loss-absorbing capacity of deferred taxes   |
| R0160  | Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC |
| R0200  | Solvency Capital Requirement excluding capital add-on                                       |
| R0210  | Capital add-ons already set   |
| R0220  | Solvency capital requirement  |
| Other information on SCR                                 |   |
| R0400  | Capital requirement for duration-based equity risk sub-module                               |
| R0410  | Total amount of Notional Solvency Capital Requirements for remaining part                   |
| R0420  | Total amount of Notional Solvency Capital Requirements for ring fenced funds                |
| R0430  | Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios   |
| R0440  | Diversification effects due to RFF nSCR aggregation for article 304                         |
| Approach to tax rate                                     |   |
| R0590  | Approach based on average tax rate  |
| Calculation of loss absorbing capacity of deferred taxes |   |
| R0640  | LAC DT  |
| R0650  | LAC DT justified by reversion of deferred tax liabilities                                   |
| R0660  | LAC DT justified by reference to probable future taxable economic profit                    |
| R0670  | LAC DT justified by carry back, current year  |
| R0680  | LAC DT justified by carry back, future years  |
| R0690  | Maximum LAC DT  |

| Gross solvency capital requirement | USP   | Simplifications |
|------------------------------------|-------|-----------------|
| C0110                              | C0090 | C0120           |
| 9,661                              |       |                 |
| 235                                |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 5,786                              |       |                 |
| -3,139                             |       |                 |
| 0                                  |       |                 |
| 12,542                             |       |                 |
| C0100                              |       |                 |
| 491                                |       |                 |
| 0                                  |       |                 |
| -3,250                             |       |                 |
| 0                                  |       |                 |
| 9,782                              |       |                 |
| 0                                  |       |                 |
| 9,782                              |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| C0109                              |       |                 |
| No                                 |       |                 |
| LAC DT                             |       |                 |
| C0130                              |       |                 |
| -3,250                             |       |                 |
| -3,250                             |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |

USP Key

For life underwriting risk:  
1 - Increase in the amount of annuity benefits  
9 - None

For health underwriting risk:  
1 - Increase in the amount of annuity benefits  
2 - Standard deviation for NSLT health premium risk  
3 - Standard deviation for NSLT health gross premium risk  
4 - Adjustment factor for non-proportional reinsurance  
5 - Standard deviation for NSLT health reserve risk  
9 - None

For non-life underwriting risk:  
4 - Adjustment factor for non-proportional reinsurance  
6 - Standard deviation for non-life premium risk  
7 - Standard deviation for non-life gross premium risk  
8 - Standard deviation for non-life reserve risk  
9 - None



S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

C0010

|       |                          |       |
|-------|--------------------------|-------|
| R0010 | MCR <sub>NL</sub> Result | 2,644 |
|-------|--------------------------|-------|

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|
|---|---|

C0020C0030

|       |  |        |       |
|-------|--|--------|-------|
| R0020 | Medical expense insurance and proportional reinsurance                   | 0      |       |
| R0030 | Income protection insurance and proportional reinsurance                 | 0      |       |
| R0040 | Workers' compensation insurance and proportional reinsurance             | 0      |       |
| R0050 | Motor vehicle liability insurance and proportional reinsurance           | 0      |       |
| R0060 | Other motor insurance and proportional reinsurance                       | 0      |       |
| R0070 | Marine, aviation and transport insurance and proportional reinsurance    | 16,355 | 6,856 |
| R0080 | Fire and other damage to property insurance and proportional reinsurance | 0      |       |
| R0090 | General liability insurance and proportional reinsurance                 | 0      |       |
| R0100 | Credit and suretyship insurance and proportional reinsurance             | 0      |       |
| R0110 | Legal expenses insurance and proportional reinsurance                    | 0      |       |
| R0120 | Assistance and proportional reinsurance                                  | 0      |       |
| R0130 | Miscellaneous financial loss insurance and proportional reinsurance      | 0      |       |
| R0140 | Non-proportional health reinsurance                                      | 0      |       |
| R0150 | Non-proportional casualty reinsurance                                    | 0      |       |
| R0160 | Non-proportional marine, aviation and transport reinsurance              | 0      |       |
| R0170 | Non-proportional property reinsurance                                    | 0      |       |

Linear formula component for life insurance and reinsurance obligations

C0040

|       |                         |   |
|-------|-------------------------|---|
| R0200 | MCR <sub>L</sub> Result | 0 |
|-------|-------------------------|---|

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|---|--|
|---|--|

C0050C0060

|       |   |  |  |
|-------|---|--|--|
| R0210 | Obligations with profit participation - guaranteed benefits           |  |  |
| R0220 | Obligations with profit participation - future discretionary benefits |  |  |
| R0230 | Index-linked and unit-linked insurance obligations                    |  |  |
| R0240 | Other life (re)insurance and health (re)insurance obligations         |  |  |
| R0250 | Total capital at risk for all life (re)insurance obligations          |  |  |

Overall MCR calculation

C0070

|       |                             |       |
|-------|-----------------------------|-------|
| R0300 | Linear MCR                  | 2,644 |
| R0310 | SCR                         | 9,782 |
| R0320 | MCR cap                     | 4,402 |
| R0330 | MCR floor                   | 2,446 |
| R0340 | Combined MCR                | 2,644 |
| R0350 | Absolute floor of the MCR   | 4,192 |
| R0400 | Minimum Capital Requirement | 4,192 |

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