

Squadron Reinsurance DAC

Solvency and Financial Condition Report

Reporting period ended 31 December 2024

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EXECUTIVE SUMMARY

This Report refers to the business of Squadron Reinsurance DAC ('Squadron' or 'the Company'), a reinsurance captive authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2024.

Squadron has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company's business strategy is to provide insurance coverage to Grifols S.A. group entities. The impact of insurance risk volatility on the Company's capital base is mitigated through the purchase of retrocession from appropriate counterparties. The investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which Squadron is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Squadron can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals.

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over a forward looking three-year business planning period. The results of this exercise are used to better inform decision making within the Company.

During 2024, the Company entered into an intercompany loan with its immediate shareholder, Grifols Worldwide Operations Limited. The intercompany loan matures in December 2027 and can be recalled at any time upon request. There were no other material changes to Squadron's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

As at 31 December 2024, the Company had eligible own funds of US\$123.6m (2023: US\$118.9m) available to meet its Solvency Capital Requirement ('SCR') of US\$31.2m (2023: US\$21.5m); resulting in a Solvency Ratio of 396% (2023: 549%), which is in compliance with the regulatory solvency requirements per the Solvency II regulations. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement ('MCR') of US\$7.8m (2023: US\$5.4m) was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

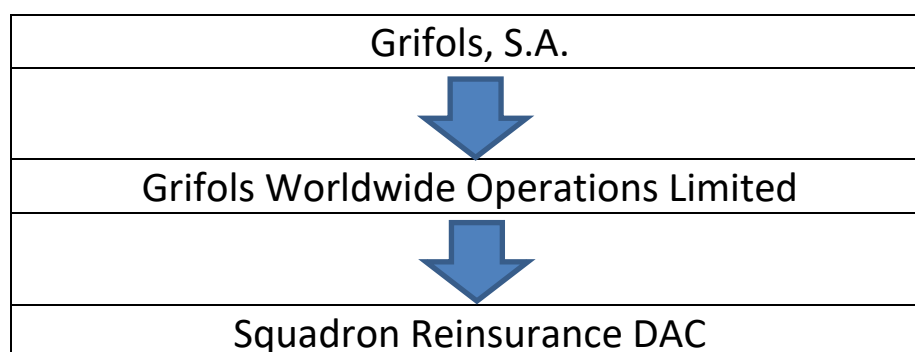
Squadron is a captive reinsurance undertaking, underwriting only the risks of its parent group, Grifols S.A. ('Grifols'). The principal activity of the Company is the provision of insurance to companies within the Grifols group. The Company's business address and registered office is 15 George's Quay, Dublin 2, Ireland.

Squadron is incorporated in Ireland and is licensed by the Central Bank of Ireland ('the CBI') as a captive reinsurance undertaking under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485). The Company is authorised to carry on the business of non-life reinsurance. The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

Squadron conducts all of its significant business activities, including underwriting, premium collection, claims reserving & payments, and investing from its offices in Ireland. As such, Squadron strives to ensure compliance with all relevant Irish laws and regulations. The Company's external auditor is Deloitte, located at 29 Earlsfort Terrace, Dublin 2, Ireland.

The operation of the Company is subject to the local regulatory requirements in Ireland within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example, capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

The Company is a wholly-owned subsidiary of Grifols S.A. which is incorporated in Barcelona, Spain. Its immediate parent is Grifols Worldwide Operations Limited. A summary of the ownership structure is shown below:



A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides reinsurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the

short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary who serves as the Head of Actuarial Function.

The Group strategy is to maintain a level of risk within Squadron that provides Grifols and its subsidiaries with the optimal insurance structure. It is therefore accepted that, in accordance with its business plan, the best strategic operating option available is for Squadron to write reinsurance business, insuring Grifols S.A. and its subsidiaries for the following lines of business:

- Fire and other damage to Property
- General Liability
- Marine, Aviation & Transport

All policies are subject to original policy deductibles with Squadron reinsuring the first layer of each and every loss from primary insurers, up to pre-determined limits per claim, and annual aggregates.

The Company's underwriting performance for these lines of business for the reporting period ended 31 December 2024 and the comparative period is set out below. Amounts are presented in US Dollar (USD), which is the Company's functional currency:

	2024 USD	2023 USD
Gross Premiums Written	12,591,751	13,627,156
Reinsurers' Share	(1,907,000)	(1,850,000)
Net Premiums Written	10,684,751	11,777,156
Net Premiums Earned	11,048,845	12,637,203
Net Claims Paid	(1,084,306)	(5,887,913)
Net Change in Provision for Claims	(1,156,714)	4,139,924
Net Operating Expenses	(840,300)	(833,609)
Underwriting Result	7,967,525	10,055,605

Net premiums earned decreased due to changes in the excess Liability coverage. The net claims incurred in the current year is mainly driven by an increase in case reserves on the Liability line of business.

Premiums written relate to business incepted during the period for Grifols S.A. risks located worldwide. The gross earned premiums are split by line of business below:

	2024 USD	2023 USD
Fire and other damage to property	1,917,500	1,745,500
General Liability	9,824,251	11,110,656
Marine, aviation and transport	850,000	771,000

The gross premium written is split as follows:

Region	% of Gross Premium Written
European Economic Area	73%
United States of America	27%

The net claims incurred by line of business is set out below:

	2024 USD	2023 USD
Fire and other damage to property	(599,875)	(490,621)
General Liability	(1,385,908)	(1,049,650)
Marine, aviation and transport	(255,237)	(207,718)

As noted above, premiums written decreased due to changes in the excess Liability coverage. The net claims incurred in the current year is mainly driven by an increase in case reserves on the Liability line of business.

A.3 Investment Performance

The Company allocates its investment portfolio in cash and cash equivalents, fixed term deposits with maturity dates less than one year, and an intercompany loan.

The investment position of the Company is monitored by Grifols Group Treasury and the Board of Directors on a regular basis to ensure the investment guidelines of the Company are adhered to. The Company allocates its investments portfolio as described below.

Cash: The Company maintains cash of US\$11.4m with HSBC and money market funds of US\$8.4m with BlackRock.

Fixed Deposit: The Company has US\$26.4m on deposit with HSBC with maturity dates of less than three months. The Company has \$57.5m on deposit with BNP Paribas with maturity dates of less than three months. Interest earned for the year on cash and fixed deposits was US\$5.3m (2023: US\$5.7m).

Intercompany Loan: During 2024, the Company has advanced an intercompany loan of US\$40m. Interest earned for the year was US\$2.0m (2023: US\$nil).

The Company's investments are managed by Grifols Group Treasury and monitored by the Board.

A.4 Performance of other activities

Other than underwriting and Investment activities, the Company has no other material activities.

A.5 Other Information

There are no other material items to report in this section.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the System of Governance

In aiming to meet the requirements for sound corporate governance, ensuring efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

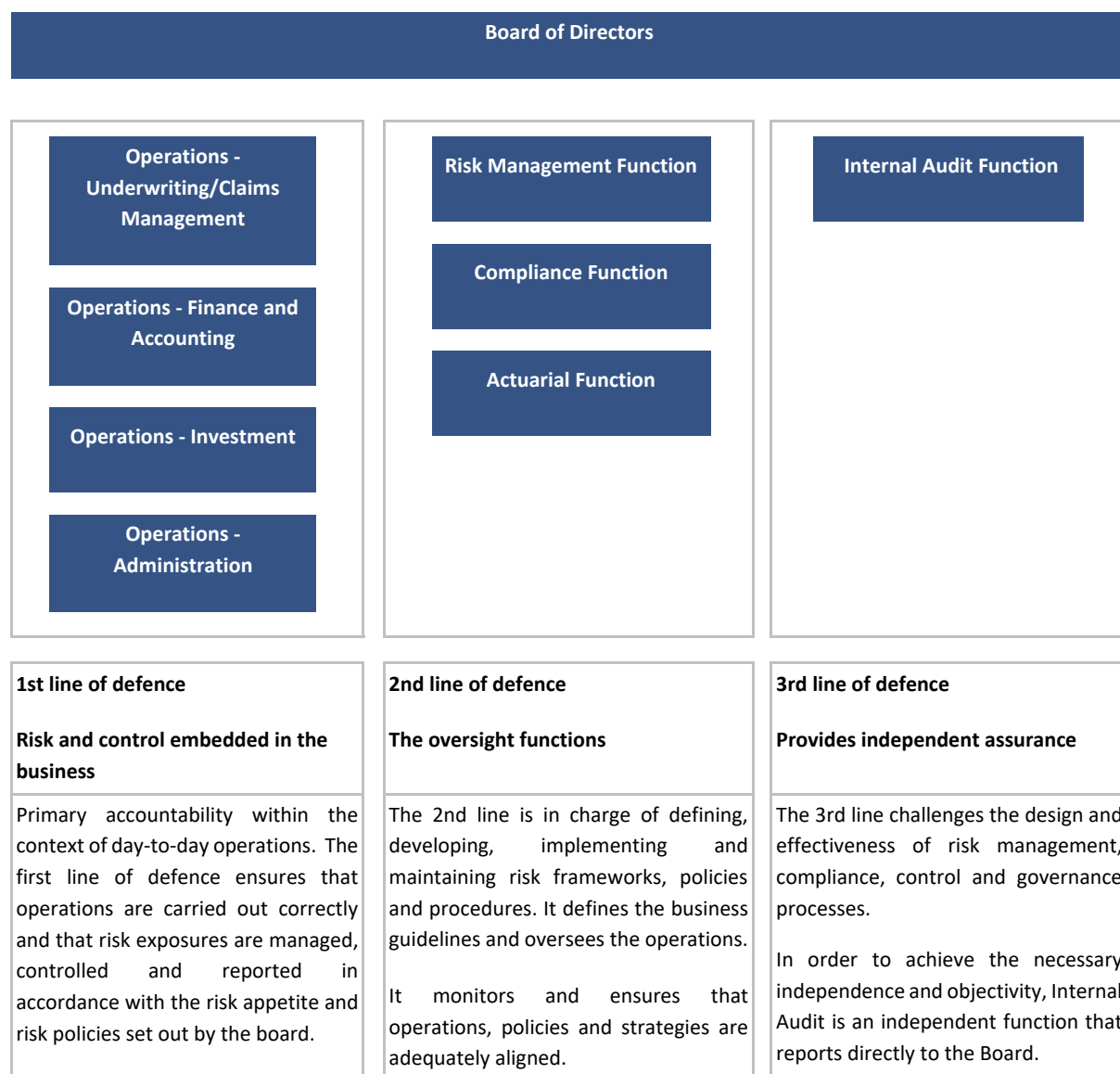
The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1. Governance Framework which is aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2. Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.
3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4. A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure since the prior reporting period. Squadron implemented the above framework in advance of the inception of Solvency II.

Given the limited scale and complexity of the Company, and having reviewed the risks facing the company thoroughly, the Board is satisfied that the system of governance in place is adequate.

The various functions assisting the Board, including the Compliance Function, have defined lines of reporting directly to the Board. In relation to any violation of relevant law by the Company, the Compliance Function, as well as reporting to the Board, will, in certain circumstances, also be required to report to outside bodies such as the CBI.



Remuneration and material transactions

Members of the Board of Directors receive no remuneration for their services as directors to the Company.

A management fee is paid by the Company to the appointed management company, Aon Insurance Managers (Dublin) Ltd. for outsourced services provided which include the provision of a director.

One of the Directors of Squadron Reinsurance DAC is a partner at the appointed law firm Osborne Clarke. During 2024, the Company paid a fee to Osborne Clarke for the provision of a Director.

As a captive reinsurer, all inward premium flows and claims payments relate to insured risks of the shareholder group. The Company holds an intercompany loan with its immediate shareholder. Other than these transactions which arise in the normal course of business, the Company had no material

transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit & Proper Policy

The 'Fit and Proper' requirement is the standard required by the CBI when appointing pre-approval controlled function holders.

The Company has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions. In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role;
- the skills, experience and relevant qualifications of the proposed individual;
- results of due diligence enquiries;
- conflicts of interest;
- time requirements and other commitments;
- competence and integrity; and
- financial soundness.

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required, e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered. Squadron is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance Function adopts appropriate control and due diligence processes in the selection and vetting of individuals to ensure that identified individuals meet the regulators' fit and proper criteria at the point of registration.

The Board undertakes responsibility for performing the equivalent function of an Audit Committee in relation to the reporting period ended 31 December 2024.

B.3 Risk Management System

The Risk Management System details the Company's strategic objectives in documented Risk Policies for each risk including limits and operational checkpoints, as well as documenting functional identification, mitigation and monitoring processes.

In order to set out how the Risk Management Strategy, the Risk Appetite and the specific controls are implemented, the Company's risk management policies are documented and reviewed on an annual

basis. These policies, being the cornerstones of the Risk Management Framework, are specified essentially for each risk category.

The purpose of the risk policies is to ensure a common understanding and to specify risk definitions and related approaches in order to secure the robustness of the Company's global Risk Management System, i.e.:

- identify risks that may impact the Company's strategic and business objectives;
- assess the risk exposure level, defined as the product between the probability of the risk occurrence and the impact of the risk for the Company and compare it to the Risk Appetite Framework;
- manage risks by identifying the appropriate risk response with which to develop a plan to mitigate, transfer or resolve with actions assigned to stakeholders;
- implement the actions defined in the response to the risk; and
- monitor and update on progress of actions undertaken to mitigate the impact of risks and escalate through reporting.

Own Risk and Solvency Assessment

Each year, Squadron carries out an Own Risk and Solvency Assessment ('ORSA') to provide its Board of Directors with a forward-looking risk and capital assessment.

The approach may be summarized as follows:

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of the Own Risk Solvency Assessment process, the Company selects the appropriate and realistic stress and scenario tests as determined by the Board to be appropriate for the Company. Risks and scenarios to which the Company is exposed during the business planning period, and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits are assessed for the business planning period, considering the evolving risk profile.

Related Solvency Capital Requirement ('SCR')/Minimum Capital Requirement ('MCR') and solvency ratios are then calculated for each year, resulting in the stressed financial plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the stress scenarios. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs. the Risk Appetite framework.	Will provide a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Will provide a plan for capital needs over the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to the SCR under Pillar I.	Will gather information about projected Solvency ratios and explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that the ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensure that risk exposures are measured on a regular basis, triggering exception reports for the Board.

In line with CBI requirements, the Head of Actuarial Function provides an Actuarial Opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board.

The capital risk appetite for Squadron is to keep eligible own funds above 125% of the SCR at all times.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components:

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders, as well as the Internal Audit process, enables the Company to continuously monitor and adapt, when necessary, its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations, as formalized hereafter.

Detailed Processes and Embedded Control Activities

In order to set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Compliance Function

The Compliance Function is an integral component of the Company's governance system. The Company has outsourced its Compliance Function to its Insurance Managers. The Insurance Managers have appointed a Head of Compliance who is responsible for overseeing all compliance activities and ensuring the Compliance Function of the Company is adequately resourced. The Compliance Function reports to the Board at each and every Board meeting on its activities.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;

- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risks faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;
- identification and communication throughout the Company of the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's Internal Control System by facilitating an objective and independent assessment.

It assists the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes employed by the Company.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

B.6 Actuarial Function

The Company has established an effective Actuarial Function, including a nominated Head of Actuarial Function ("HOAF") approved by the CBI, which carries out the following key tasks:

- Coordination of the calculation of technical provisions;
- Identification of any inconsistencies with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and proposal of corrections as appropriate;
- Explanation of any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- Assessment of the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements;
- Consideration of the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion; and
- Provision of a report, in writing, at least annually to the Board of Directors.

The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:

- Calculation of Technical Provisions;
- Identification of deficiencies and recommendations as to how such deficiencies could be remedied;
- Methodologies & assumptions used in the calculation of technical provisions;
- Data sufficiency & quality;
- Experience analysis;
- Report to the Board on reliability & adequacy of Technical Provisions;
- Opinion on the Underwriting policy; and
- Opinion on Reinsurance arrangements.

The Actuarial Function should contribute to the effective implementation of the Risk Management System, in particular:

- with regard to risk modelling underlying the calculation of the SCR and MCR;
- contributing to the ORSA process;
- thinking critically and organizing the execution of actuarial approaches; and
- providing an Actuarial Opinion to the Board of Directors in respect of the ORSA.

Responsibility

The person in charge of the Actuarial Function shall meet all the following criteria:

- Be a duly qualified actuary and have experience of more than five years in the field of insurance and / or reinsurance;
- The Head of Actuarial Function is a pre-approval control function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011; and
- The Head of Actuarial Function reports to the Board on an annual basis.

B.7 Outsourcing

The objectives of Squadron's Outsourcing Policy are to ensure that the outsourcing of critical or important operational Functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over, key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders or to facilitate effective supervision by regulators;
- Conflicts of interest; or
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is also allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business. The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service providers.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's critical or important Functions or activities need not be included within the scope of this policy.

The Board is responsible for reviewing the performance of outsourced service providers against the agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

The following critical or important Functions / activities are outsourced:

Critical or important Function	Outsourced Service Provider
Operations - Finance and Accounting	Aon Insurance Managers – Ireland
Operations - Underwriting and Claims Administration	Aon Insurance Managers – Ireland
Operations - Investment	Grifols Treasury – Spain;

	Aon Insurance Managers – Ireland
Compliance Function including Head of Function	Aon Insurance Managers – Ireland
Risk Management	Head of Risk Management Function – Spain; Aon Insurance Managers – Ireland
Actuarial Function including Head of Function	Aon UK Limited – United Kingdom
Internal Audit	Head of Internal Audit Function – Spain; Aon Commercial Services Ireland Ltd - Ireland

B.8 Any Other Material Information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. RISK PROFILE

The Company's **Risk Register** combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategic objectives.

The **Risk Appetite Framework** adopted by the Board sets out the level of risks that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risks.

The Board's annual ORSA process is based on the Company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting Risk

The Company enters into agreements that transfer reinsurance risk. The Company is licenced by the CBI to carry on reinsurance business and currently writes Fire and Other Damage to Property, General Liability and Marine, Aviation and Transport insurance.

The risk under any reinsurance agreement is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term.

As the Company is a captive reinsurer, the Company is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the number of unrelated lines of business and the varying geographical locations of the underlying risks. The Company additionally manages its insurance risk exposures through the purchase of retrocession cover.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation, affect the estimates.

Whilst considerable judgment is involved, the Directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation. Annual support and certification is provided by the Actuarial Function.

C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations.

The Company maintains cash and deposits at banks which have daily liquidity. The intercompany loan matures in December 2027 and can be recalled at any time upon request. Therefore, liabilities can be matched as they fall due for payment. The Company holds funds in Euro and USD to match the currency of the liabilities.

C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents;
- Investments and deposits with credit institutions;
- Intercompany Loan;
- Reinsurers' share of insurance liabilities; and
- Amounts due from cedants.

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions, and additionally has limits in place in relation to the proportion of cash which can be held by any one financial institution. The Company holds no structured products or guarantees.

The Company has an intercompany loan in place with its immediate shareholder. The value of this loan at 31 December 2024 was US\$40M. The immediate shareholder is not rated however the Company considers the rating of the ultimate shareholder when assessing credit risk. The ultimate shareholder's credit rating with Standard & Poors at the end of the period was B+.

The Company has in place a Reinsurance Strategy which sets out the minimum rating that a retrocessionaire must hold; Squadron are only permitted to retrocede risk to a retrocessionaire that holds a financial strength rating of A- or above.

C.4 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost. The Company is exposed if proceeds from financial assets are not sufficient to fund obligations arising from its reinsurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from reinsurance claims. Liquidity risk is managed by investing primarily in highly rated deposits which the Company deems to be very liquid and intercompany loan which can be recalled on demand.

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing reinsurance contracts that are expected to be received in the future are not received for any reason other than the insured event having occurred, regardless of the legal or contractual rights of the policyholder to discontinue to policy.

At 31 December 2024, the expected profit in future premiums is US\$nil (2023: US\$2,277,617).

C.5 Operational Risk

Operational risk entails the potential exposure of the Company to incidences of fraud, material error or delay in the processes of the Company, regulatory sanction, external events and compliance breaches. Operational risk is managed by a strong governance structure which includes the extensive oversight of the shareholder, Board of Directors and executive management.

The Company maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions in order to avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, the Company puts in place service level agreements and fee penalties for non-performance as well as regularly reviewing the outsourced service providers.

In addition, the Company is subject to internal and external audit.

C.6 Other Material Risk

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of: the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite and Risk Tolerances for each of these major risks identified;

- Ensure the Company Strategy is implemented correctly including approval, review and monitoring of agreed Key Performance Indicators for the Company; and
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

No other material risks have been identified.

C.7 Any other information

There are no other material items to report in this section.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Squadron prepares its statutory financial statements in accordance with Financial Reporting Standards 102 & 103 ("FRS 102/103") as adopted by the EU and applicable law, and in accordance with the provisions of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015). The Company transitioned to FRS 102/103 for the year ended 31 December 2023.

Squadron uses the historical cost convention.

Squadron has 3 material classes of assets for solvency purposes:

- Cash and cash equivalents - \$19,707,253
- Fixed deposits with credit institutions (with maturity less than one year) - \$83,872,350
- Other loans and mortgages - \$40,000,000

Cash and cash equivalents comprise cash at banks and in hand, money market funds, and pledged cash (the withdrawal of which is subject to restrictions). Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

There is no difference in the valuation of these assets between the financial statements and the Solvency II Annual Quantitative Reporting Templates ('QRT's'). However, in the Solvency II balance sheet, money market funds are classified as "Collective Investments Undertakings" and pledged cash is classified as "other investments" on the Solvency II balance sheet.

In addition, fixed deposits with original maturities less than three months, which are classified as cash and cash equivalents in the financial statements, are classified as "deposits other than cash equivalents" in the Solvency II balance sheet. For Solvency II purposes, accrued interest on fixed deposits, which is reported separately in the statutory financial statements, is included within "deposits other than cash equivalents."

Other loans and mortgages comprise the Intercompany loan and is stated at market value for both solvency and financial statement purposes, the only difference being the inclusion of accrued interest in the above balance

The prudent person principle has been applied in assessing investment in the Company's assets.

D.2 Technical Provisions

Provision is made for notified losses on all underwriting years. The Company has regard to the loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for reinsurance liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the

results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and incurred but not reported losses (“IBNR”).

Best Estimate of Unpaid Claim Liabilities

The overall methodology for estimating Squadron’s unpaid claim liabilities is based upon a combination of several actuarial valuation methods that, based on the Actuarial Function’s opinion, are believed to accurately reflect the reserve requirement for the individual policy year and line of business.

The Head of Actuarial Function estimates ground-up gross ultimate (the sum total of paid claims, case estimates, cost of claims function related overhead costs (‘ULAE’) and IBNR) by policy year, allocating an IBNR and ULAE for each line of business and policy year for future claim development.

Key Assumptions

The actuary has identified the following assumptions as being the most significant assumptions underlying the methodology:

1. That the range analysis applied has been estimated by considering 50% and 200% of the best estimate prior loss ratio for the lower and upper reserves respectively, and that this range is significantly larger than what one may expect to see in a larger, more diversified insurance company;
2. The relatively few claims and lack of extensive development patterns add to the uncertainty of the Best Estimates;
3. That the Best Estimates are neither deliberately overstated nor deliberately understated, and that is equally likely for this to be understated as it is overstated;
4. That the techniques and assumptions employed are appropriate for the purpose of determining the Best Estimate, and that the actual amounts required to meet future claim payments may differ, due to the inherent uncertainty of insurance.

Solvency II Technical Provisions

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities (‘BEL’) and a Risk Margin (‘RM’).

Best Estimate of Liabilities

The Solvency II BEL is comprised of a provision for claims outstanding (‘PCO’) and a premium provision (‘PP’).

The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date and is derived from an actuarial estimate of Squadron’s unpaid claim liabilities.

The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ('BBNI').

The adjustment of the estimate of unpaid claim liabilities from the statutory financial statements to a Solvency II basis requires that any margin for prudence is removed and unpaid claim liabilities are discounted to a present value basis. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2024, as published by EIOPA, to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the FRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that Squadron will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations. The BEL is calculated as the sum of the PCO and PP.

Risk Margin

The Solvency II risk margin is intended to represent an amount that Squadron would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running of the existing liabilities. The actuarial calculation of the Solvency II risk margin is consistent with the Solvency II regulations, which applies a 6% cost of capital to the amount of capital required at the beginning of each year to support the runoff of the reinsurance obligations.

Technical provisions at 31 December 2024

Solvency II gross technical provisions (\$'000)				
Line of Business	Best Estimate	Risk Margin	SII Technical Provision	FRS Total
Fire and other damage to property insurance	1,114	116	1,230	2,245
Marine, aviation and transport insurance	511	58	569	1,276
General liability insurance	7,961	831	8,792	10,089
Total	9,586	1,005	10,591	13,610

The net technical provisions after retrocession recoverable and adjustment for expected losses due to counterparty default are \$10.6m.

The main changes from the methodology used to derive the technical provisions on an FRS basis are as follows:

- i. The reserves held for future claims are calculated on a best-estimate basis with an explicit risk margin added onto this best estimate. This is different from the FRS basis where booked reserves may include some implicit margin for uncertainty.
- ii. The technical provisions include an allowance for Events Not in Data representing low frequency/high severity events.
- iii. Future premium income and claims outgoing are all discounted for the time value of money using the relevant risk-free interest rate term structure.
- iv. Bound but not incepted business is included in the analysis, with the expected claims offset by the future premium income for this business.
- v. Unearned claims are estimated rather than 100% unearned premium reserve being held.
- vi. The expected cost of future claims is offset by the future premium income.
- vii. All calculations are based on a cash flow basis. This means that any transaction that has taken place but where the cash has not yet been paid or received will be included as a future cash flow.
- viii. Additional allowance for expenses is made on the basis that the provision includes the expected expense amount needed to service all existing policies throughout their lifetime.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other Liabilities

Aside from Technical provisions, the valuation of which is detailed above, other liabilities of \$516k (2023: US\$475k) are classified as payable for Solvency II purposes. This comprises accrued expenses and deferred tax liability of \$285k.

The deferred tax liability arises as a result of the overall increase in the Company's available capital when moving from the financial statements basis of accounting to a Solvency II valuation. It is calculated by applying the prevailing corporation tax rate of 12.5% (2023: 12.5%) to the sum of all the other valuation adjustments explained in this Section D. The Company belongs to a group which is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Ireland during 2023 and came into effect from 1 January 2024. The Company's immediate shareholder is responsible for any applicable top-up tax determined for the jurisdiction as a whole and therefore no additional tax expense or liability relating to Pillar Two has been recognised by the Company.

No adjustment is required for the valuation of the above liabilities for Solvency II purposes as the amounts held under FRS measurement principles are deemed to be approximations of fair value.

All data is subject to multiple checks from outsourced service providers as well as the management and governance functions and the Board of Directors.

There were no material changes in the lapse rates used.

There were no contract boundaries applied.

There were no options or guarantees used in the calculation of technical provisions.

There was no unbundling used.

It is assumed that management actions and policyholder behaviour will remain the same during the three-year business planning period.

D.4 Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Material Information

There is no other material information to report.

E. CAPITAL MANAGEMENT

E.1 Own Funds

The Solvency II Directive and the Delegated Acts identify the criteria own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers.

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

The Company's own funds consist of the following items:

- Ordinary Share Capital; and
- Retained Earnings

Authorised	2024	2023
	EUR	EUR
5,000,000 ordinary shares of €1 each	5,000,000	5,000,000
Issued	USD	USD
635,000 ordinary shares of €1 each	669,355	669,355
Retained earnings	USD	USD
Closing balance	130,063,000	116,759,772

Profit for the year ended 31 December 2024 amounted to US\$13.3m (2023: US\$13.9m).

Solvency II own funds

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is \$123.6m (2023: US\$118.2m). This is comprised solely of Tier 1 capital.

The Company has no material ancillary own funds.

Capital management

The total capital of the Company as at 31 December 2024 consists of shareholder's equity of US\$130.7m (2023: US\$117.4m).

Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements. As at 31 December 2024, the Company has adequate capital to meet these objectives.

The Company assesses material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds. These risks could result from either internal or external events.

Management has identified Underwriting Risk, Reserve Risk, and Investment Risk as the material risks to which the Company is exposed. Management has investigated the magnitude of each of these risks as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility for those assets matching insured liabilities. All other risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the Board.

The Company regularly performs an ORSA to provide the Board with a forward-looking risk and capital assessment. The adequacy of the available capital is assessed for a 3 year forward looking period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period, and which may affect the capacity to meet its reinsurance obligations or pose a threat to the achievement of its business objectives are taken into account. The Company assesses that available and future capital is sufficient in expected and credible stressed scenarios across the current three-year Company business plan.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

Squadron's SCR as of 31 December 2024 totals US\$31.2m (2023: US\$21.5m) and results in a Solvency Ratio of 396% (2023: 549%). Squadron's MCR as of 31 December 2024 totals US\$7.8m (2023: US\$5.4m).

The split of SCR by risk modules is shown below together with the prior year comparative:

SCR Results by Risk charge	31-Dec-24 (\$'000)	31-Dec-23 (\$'000)	Movement (\$'000)
Non-Life Underwriting Risk	13,097	16,812	(3,715)
Counterparty Default Risk	764	797	(33)
Market Risk	29,274	14,106	15,168
<i>Diversification Benefit</i>	<i>(7,893)</i>	<i>(6,818)</i>	<i>(1,075)</i>
BSCR	35,242	24,896	10,345
Operational Risk	388	434	(46)
Tax Adjustments	(4,454)	(3,800)	(654)
SCR	31,176	21,531	9,645
Available Capital	123,600	118,208	5,392
Surplus	92,424	96,677	(4,253)
Solvency Ratio	396%	549%	(153)%

Squadron's SCR at 31 December 2024 has increased by US\$9.6m since the previous year end. There are a number of partially offsetting movements driving this change:

Non-Life Underwriting Risk – Ring-Fenced Fund Simplification

Although the sub-components of non-life underwriting risk have not moved substantially, the risk charge as a whole has decreased due to the ring-fenced fund (“RFF”) simplification approach outlined in Article 81(2) of the Commission Delegated Regulation (EU) 2015/35 now being applied. This acts to allow for full diversification across all lines of business, decreasing the total non-life underwriting risk charge.

Market Risk – Intercompany Loan

The intercompany loan attracts a large concentration risk of \$27.7m and a spread risk of \$2.8m.

MCR – Minimum Capital Requirement

Under the standard formula, the MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, the Solvency II Directive states the MCR must have a minimum value of €1.3m, €2.7m, €3.9m or €4m. Captive reinsurance undertakings have a minimum MCR of €1.3m (2023: €1.3m).

Having carried out the calculations and applied the relevant limits, the resultant MCR for Squadron is \$7.8m (2023: \$5.4m).

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

There was no use of duration-based equity risk sub model in the calculation of the SCR.

E.4 Differences between the Standard Model & Any Internal Model

Squadron used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with MCR and SCR

There are no issues with non-compliance with the MCR and SCR.

E.6 Any Other Material Information

There is no other material information to report.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following audited quantitative data has been added to Appendix 1.

S.02.01 – Balance sheet

S.04.05 – Activity by country – location of risk (Unaudited)

S.05.01 – Premiums, claims and expenses by line of business (Unaudited)

S.17.01 – Non-Life technical provisions

S.19.01 – Non-Life claims triangles

S23.01 – Own Funds

S25.01 – SCR using standard formula

S28.01 – MCR

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	101,585
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	8,373
R0190	Derivatives	
R0200	Deposits other than cash equivalents	84,088
R0210	Other investments	9,124
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	40,000
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	40,000
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	12
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	2,233
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	143,830

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	10,591
R0520	Technical provisions – non-life (excluding health)	10,591
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	9,586
R0550	Risk margin	1,005
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	285
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	231
R0900	Total liabilities	11,106
R1000	Excess of assets over liabilities	132,724

S.04.05.21 - Premiums, claims and expenses by country (In thousands of USD)

Non-life insurance and reinsurance obligations							
	R0010	Home country	Top 5 countries: non-life				
			ES	US	MT		
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020						
Gross Written Premium (proportional reinsurance)	R0021		10,327	1,790	475		
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030						
Gross Earned Premium (proportional reinsurance)	R0031		10,393	1,733	812		
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040						
Claims incurred (proportional reinsurance)	R0041		1,425	575			
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050						
Gross Expenses Incurred (proportional reinsurance)	R0051		956	63	74		
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

Life insurance and reinsurance obligations							
	R1010	Home country	Top 5 countries: life and health SLT				
		C0010	C0020	C0021	C0022	C0023	C0024
Gross Written Premium	R1020						
Gross Earned Premium	R1030						
Claims incurred	R1040						
Gross Expenses Incurred	R1050						

S.05.01.02 - Premiums, claims and expenses (In thousands of USD)

		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
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written									
Gross - Direct Business	R0110								0
Gross - Prop reinsurance accepted	R0120								12,592
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								1,907
Net	R0200	0	0	0	0	0	0	0	10,685
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220								12,937
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								1,888
Net	R0300	0	0	0	0	0	0	0	11,049
Claims incurred									
Gross - Direct Business	R0310								0
Gross - Prop reinsurance accepted	R0320								2,000
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	2,000
Expenses incurred	R0550								1,093
Balance - other technical	R1210								
Total technical expenses	R1300								1,093

S.17.01.02 - Non Life technical provisions (In thousands of USD)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensatio n insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060						88	264	1,875				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	88	264	1,875	0	0	0	0
Claims provisions													
Gross	R0160						423	850	6,087				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	423	850	6,087	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	511	1,114	7,961	0	0	0	0
Total Best estimate - net	R0270	0	0	0	0	0	511	1,114	7,961	0	0	0	0
Risk margin	R0280						58	116	831				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	568	1,230	8,793	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	568	1,230	8,793	0	0	0	0

S.17.01.02 - Non Life technical provisions (In thousands of USD)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
<u>Premium provisions</u>						
Gross	R0060					2,227
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	2,227
<u>Claims provisions</u>						
Gross	R0160					7,359
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	7,359
Total Best estimate - gross	R0260	0	0	0	0	9,586
Total Best estimate - net	R0270	0	0	0	0	9,586
Risk margin	R0280					1,005
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	10,591
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	10,591

S.19.01.21 - Claim development triangles (In thousands of USD)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		
Prior	R0100													
N-9	R0160		356	804	37			5						
N-8	R0170		174	167		0								
N-7	R0180		1,071	218	64									
N-6	R0190		266	198				168						
N-5	R0200		208	326		500	641							
N-4	R0210		361	39	5,000	81								
N-3	R0220	6	578	62	99									
N-2	R0230		230	40										
N-1	R0240													
N	R0250													
Total													1,029	11,697

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100												
N-9	R0160	1,134	1,273	60			62	15					
N-8	R0170	697	257	3		23	174	156	155				
N-7	R0180	1,528	319	62	75	28	21	12	13				11
N-6	R0190	1,564	134	113	42	30	18	18					16
N-5	R0200	1,363	888	1,513	2,124	1,641	881						791
N-4	R0210	1,899	725	5,508	391	258							243
N-3	R0220	-1,258	1,485	981	1,750								1,574
N-2	R0230	2,916	1,600	1,231									1,150
N-1	R0240	-64	1,497										1,364
N	R0250	2,460											2,210
Total													7,359

S.23.01.01 - Own funds (In thousands of USD)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	669	669			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	122,931	122,931			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	123,600	123,600	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of USD)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	123,600	123,600	0	0	0
Total available own funds to meet the MCR	R0510	123,600	123,600	0	0	
Total eligible own funds to meet the SCR	R0540	123,600	123,600	0	0	0
Total eligible own funds to meet the MCR	R0550	123,600	123,600	0	0	
SCR	R0580	31,176				
MCR	R0600	7,794				
Ratio of Eligible own funds to SCR	R0620	3.964604113				
Ratio of Eligible own funds to MCR	R0640	15.85841543				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	132,724
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	669
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	9,124
Reconciliation reserve	R0760	122,931
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

S.25.01.21 - SCR using standard formula (In thousands of USD)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	29,274		
Counterparty default risk	R0020	764		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	13,097		
Diversification	R0060	-7,893		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	35,242		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	388
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-4,454
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	31,176
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	31,176
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

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

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	-4,454
LAC DT justified by reversion of deferred tax liabilities	R0650	-285
LAC DT justified by reference to probable future taxable economic profit	R0660	-4,169
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	-5,913

S.28.01.01 - MCR (In thousands of USD)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	2,287

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	511	771
Fire and other damage to property insurance and proportional reinsurance	R0080	1,114	1,740
General liability insurance and proportional reinsurance	R0090	7,961	8,174
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

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

Overall MCR calculation		C0070
Linear MCR	R0300	2,287
SCR	R0310	31,176
MCR cap	R0320	14,029
MCR floor	R0330	7,794
Combined MCR	R0340	7,794
Absolute floor of the MCR	R0350	1,351
Minimum Capital Requirement	R0400	7,794