Markel Insurance SE, Munich, Switzerland Branch Küsnacht

Report on Financial Condition

For year ended December 31, 2021

Tabel of Contents

1. SUMMARY3
2. BUSINESS ACTIVITIES3
2.1 Company information
2.2 Business activities
2.3 Business during 20214
2.4 Changes during 20214
3. BUSINESS PERFORMANCE5
3.1 Underwriting Performance5
3.2 Investment Performance5
3.3 Performance of other activities5
3.4 Any other information5
FINMA RS 2021 026
STATUTORY ACCOUNTS
KPMG AUDIT REPORT21

1. Summary

The Branch Manager submits the Financial Condition Report ("FCR") for Markel Insurance SE, Munich, Switzerland Branch Küsnachtforthe period from 1 January 2021 to 31 December 2021.

The Branch was incorporated on 9 January 2019 and became active as a non-life insurer including reinsurance business in August 2020. The business volume steadily increased resulting in a gross premium income of CHF 821k for the financial year 2021.

2. Business activities

2.1 Company information

Company information	
Name & Legal Form	Markel Insurance SE, Munich, Switzerland Branch Küsnacht A branch of Markel Insurance SE (MISE)
Firm Number	CHE – 435.102.703
Address	Limbergstrasse 34, CH-8700 Küsnacht
Supervisory authority	Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, CH-3003 Bern
External Auditor	KPMG AG Badenerstrasse 172, CH-8036 Zürich
MISE'S immediate Parent	Markel Holdings GmbH

2.2 Business activities

Markel Insurance SE (MISE) is a subsidiary of Markel Holdings GmbH, a German holding company. Markel Insurance SE, Munich, Switzerland Branch Küsnacht ("the Switzerland branch") was formed on January 8th 2019 and received the license from FINMA on January 20th, 2020. The Switzerland branch has issued Swiss policies of insurance for Markel Insurance SE, Munich. As of December 31, 2021 it holds licenses to write the following lines of business:

Lines of business	
Class	Risks
B6 – Ships	
B7 – Goods in Transit	Only in connection with property insurance in categories B9, B13, B14
B8 — Fire and natural hazards	Only in connection with property insurance in categories B9, B13, B14
B9 – Other damage to property	Equine
B12 – Liability for ships	
B13 -General liability	All risks
B14 – Credit	All risks
B15 – Suretyship	
B16 – Miscellaneous financial loss	Only in connection with property insurance in categories B9, B13, B14

In each of our businesses, we seek to provide quality products and excellent customer service so that we can be a market leader. We believe that our specialty product focus and niche market strategy enable us to develop expertise and specialized market knowledge. We seek to differentiate ourselves from competitors by our expertise, service, continuity, and other value-based considerations. Overall, our corporate strategy is about simplification and targeted market leadership.

Currently, the Switzerland branch is solely writing third party liability business. The ramp-up for the other lines of business is planned for 2022.

2.3 Business during 2021

The Switzerland Branch started writing business in the second half of 2020. Based on premium figures according to the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b OR), 100% of the gross written premium by the Switzerland Branch was General Liability business.

2.4 Changes during 2021

The Branch applied for the additional line of business Suretyship and received the license from FINMA on 6th December 2021.

3. Business Performance

3.1 Underwriting Performance

Gross written premiums for the period were CHF 821k (31k), consisting of general liability business.

Net written premiums for the year were CHF 80k (3k) and all related to general liability business. An internal quota-share reinsurance arrangement existed for all Markel Insurance SE business. Under this agreement, the Branch reinsured up to 90%, less the relevant percentage ceded to third-party reinsurers, to Markel Bermuda Limited, a fellow Markel subsidiary.

3.2 Investment Performance

MISE's business strategy recognizes the importance of both consistent underwriting and operating profits and superior investment returns to build shareholder value. MISE relies on sound underwriting practices to produce investable funds while minimizing underwriting risk. Most investable assets come from premiums paid by policyholders. Policyholder funds are invested in high-quality fixed income securities.

Branch investments as of 31 December 2021 consisted of government bonds issued by the Swiss Confederation, which is rated AAA. In the current market environment, these shows ignificantly fewer negative developments than the stock markets or other bonds. A deterioration in the issuer credit rating is highly unlikely and we therefore do not expect any longer-term negative impact on tied assets.

3.3 Performance of other activities

Not applicable.

3.4 Any other information

Not applicable.

Financial situation report: quantitative template "Performance Solo L"

Currency: CHF or annual report currency
Amounts stated in millions

Total Previous Reporting Previou								Swiss I	ousiness					Non-Swis	s business
Gross premiums Year		To	otal	Individ	dual life	Grou	up life	Unit-linked I	ife insurance	-		To	otal	To	otal
\$ Reinsurers' share of goss premiums \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned premium reserves \$ Reinsurers' share of change in unearned states (gross) \$ Reinsurers' share of payments for insurance claims \$ Reinsurers' share of acquisation or unti-linked ite insurance \$ Reinsurers' share of acquisation and administration expenses \$ Reinsurers' share of acquisation and a															Reporting vear
3 Premiums for own account (1 + 2) 4 Change in unearmed premium reserves 5 Reinsurers' share of change in unearmed premium reserves 6 Premiums earmed for own account (3 + 4 + 5) 7 Other income from insurance business 8 Total income from underwriting business (6 - 7) 9 Payments for insurance claims (gross) 10 Reinsurers' share of change for insurance claims 11 Change in technical provisions 12 Reinsurers' share of change for insurance claims 13 Change in technical provisions 13 Change in technical provisions or unit-linked life insurance 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Acquisition and administration expenses 16 Reinsurers' share of acquisition and administration expenses 17 Acquisition and administration expenses for own account (15 + 16) 18 Other underwriting expenses for own account (16 + 16) 19 Other insurance claims for own account (16 + 16) 10 Univestment income 10 Univestment income 11 (Investment income 12 Univestment income 13 Change in technical provisions for unit-linked life insurance 24 Other financial income 25 Other financial income 26 Other financial income 27 Univestment income 28 Other financial expenses 29 Other financial expenses 30 Ceptat and interest income from unit-linked life insurance 30 Other financial expenses 30 Ceptat and interest income from unit-linked life insurance 30 Other financial expenses 30 Ceptat and interest income from unit-linked life insurance 30 Other financial expenses 30 Ceptat and interest income from unit-linked life insurance 30 Ceptat and interest income from unit-linked life insurance 30 Ceptat and interest income from unit-linked life insurance 30 Ceptat and interest income from unit-linked life insurance 30 Ceptat and interest income from unit-linked life insurance 31 Ceptat and interest income from unit-linked life insurance 32 Ceptat and interest income from unit-linked life insurance 33 Ceptat and interest income from unit-linked life insurance 44 Other financial expenses 45 Ceptat Ceptat Ceptat Ceptat Ceptat Cept	1 Gross premiums	1 /				,						,	,		
A Change in unearned premium reserves	2 Reinsurers' share of gross premiums	-													
5 Reinsurers' share of change in uneamed premium reserves 6 Premiums amend for own account (3 + 4 + 5) 7 Other income from insurance business 8 Total income from insurance business (8 + 7) 9 Payments for insurance claims (gross) 10 Reinsurers' share of payments for insurance claims 11 Change in technical provisions 12 Reinsurers' share of change in technical provisions 13 Change in technical provisions (13 Change in technical provisions (14 Expenses of insurance claims for own account (9 + 10 + 11 + 12 + 13) (15 Acquisition and administration expenses (14 + 17 + 16) (non-life insurance) (15 - 16) (16 expenses for own account (15 + 16) (16 expenses for own account (15 + 16) (16 expenses for own deventing expenses for own account (15 - 16) (16 expenses for own deventing expenses for own account (15 - 16) (16 expenses for underwriting business (14 + 17 + 16) (non-life insurance contry) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for underwriting expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for underwriting expenses for own account (15 - 16) (17 expenses for ow	3 Premiums for own account (1 + 2)	-													
6 Premiums earned for own account (3 + 4 + 5) 7 Other income from insurance business 8 Total income from underwriting business (6 + 7) 9 Payments for insurance claims (gross) 10 Reinsurers' share of payments for insurance claims 11 Change in technical provisions 12 Reinsurers' share of change in technical provisions 13 Change in technical provisions for until-inteed life insurance 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Cauguistion and administration and administration expenses 17 Acquisition and administration expenses for own account (15 + 16) 18 Other underwriting expenses for own account (15 + 16) 19 Total expenses from underwriting business (14 + 17 + 18) (non-ilife insurance only) 10 Investment income 11 Investment income 12 Investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 25 Other financial income 26 Operating result (4 + 14 + 17 + 18 - 22 + 23 + 24 + 25) 26 Other infancial income 27 Interest expenses of interest-bearing liabilities 28 Other income 29 Other expenses 30 Extraordinary incomelexpenses	4 Change in unearned premium reserves	-													
To Other income from insurance business State of payments for insurance claims (gross)	5 Reinsurers' share of change in unearned premium reserves	-													
State Income from underwriting business (6 + 7)	6 Premiums earned for own account (3 + 4 + 5)	-													
9 Payments for insurance claims (gross) 11 Change in technical provisions 12 Reinauters' share of payments for insurance claims 13 Change in technical provisions 14 Reinauters' share of change in technical provisions 15 Change in technical provisions for unti-linked life insurance 16 Reinauters' share of change in technical provisions for unti-linked life insurance 17 Acquisition and administration expenses 18 Reinauters' share of acquisition and administration expenses 19 Reinauters' share of acquisition and administration expenses for own account (15 + 16) 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) 10 Investment income 10 Investment expenses 10 Capital and interest income from unit-linked life insurance 10 Clarif financial income 10 Clarif financial expenses 10 Clother financial expenses 10 Clother financial expenses 10 Clother financial compenses 10 Clother financial income 11 Clother financial expenses 12 Clother financial expenses 13 Clother financial expenses 14 Clother financial expenses 15 Clother financial expenses 16 Clother financial expenses 17 Interest expenses for interest-boaring liabilities 18 Clother financial expenses 19 Clother financial expenses 10 Clothe	7 Other income from insurance business	-													
9 Payments for insurance claims (gross) 11 Change in technical provisions 11 Change in technical provisions 12 Reinsuters' share of change in technical provisions 13 Change in technical provisions for unti-linked life insurance 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Acquisition and administration expenses 16 Reinsurers' share of acquisition and administration expenses 17 Acquisition and administration expenses or own account (15 + 16) 18 Other underwriting expenses for own account (15 + 16) 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) 10 Investment income 11 Investment expenses 12 Capital and inferest income from unit-linked life insurance 13 Capital and inferest income from unit-linked life insurance 14 Citer financial expenses 15 Coher financial expenses 16 Coher financial expenses 17 Interest expenses for interest-bearing liabilities 18 Citer financial expenses 19 Coher financial expenses 20 Citer financial expenses 21 Citer financial expenses 23 Capital and interest income from unit-linked life insurance 24 Citer financial expenses 25 Citer financial expenses 26 Citer financial expenses 27 Interest expenses for interest-bearing liabilities 28 Citer financial expenses 29 Citer financial expenses 20 Citer financial expenses 20 Citer financial expenses 21 Profit / 10 seberos taxes (26 + 27 + 28 + 29 + 30)	8 Total income from underwriting business (6 + 7)		İ	İ	İ		İ				İ	İ	İ		
10 Reinsurers' share of payments for insurance claims 11 Change in technical provisions 12 Reinsurers' share of change in technical provisions 13 Change in technical provisions for unit-linked life insurance 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Acquisition and administration expenses 16 Reinsurers' share of acquisition and administration expenses 17 Acquisition and administration expenses on the control of the con		1	İ	İ	İ		İ				İ	İ	İ		
12 Reinsurers' share of change in technical provisions Change in technical provisions for unit-linked life insurance Lexenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) Lexenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) Lexenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) Lexenses for insurance claims for own account (15 + 16) Lexenses for own account (15 + 16) Lexenses for own account (15 + 16) Lexenses for own account (15 + 16) Lexenses for own account (15 + 16) Lexenses for own account (15 + 16) Lexenses for own account (15 + 18) Lexenses for own a	10 Reinsurers' share of payments for insurance claims														
13 Change in technical provisions for unit-linked life insurance 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Acquisition and administration expenses 16 Reinsurers' share of acquisition and administration expenses 17 Acquisition and administration expenses or own account (15 + 16) 18 Other underwriting expenses for own account 19 Total expenses from underwriting business (14 + 17 + 18) (non-life Insurance only) 10 Investment income 11 Investment expenses 12 Net investment income (20 + 21) 13 Capital and interest income from unit-linked life insurance 14 Other financial expenses 15 Other financial expenses 16 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 17 Interest expenses for interest-bearing liabilities 18 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit (15 sps before taxes (26 + 27 + 28 + 29 + 30)	11 Change in technical provisions													1	
Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13) 15 Acquisition and administration expenses Reinsurers' share of acquisition and administration expenses 17 Acquisition and administration expenses for own account (15 + 16) Other underwriting expenses for own account 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) Investment income 1 Investment expenses 22 Not Investment income (20 + 21) 33 Capital and interest income from unit-linked life insurance 40 Other financial income 50 Other financial expenses 61 Opporating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 71 Interest expenses for interest-bearing liabilities 82 Other income 93 Other expenses 94 Other financial income 95 Other financial expenses 96 Other income 97 Other financial income 98 Other income 99 Other expenses 90 Other expenses 91 Other expenses 93 Other income 94 Other expenses 95 Other financial income 96 Other financial income 97 Other expenses 98 Other income 99 Other expenses 90 Other expenses	12 Reinsurers' share of change in technical provisions													1	
15 Acquisition and administration expenses 16 Reinsurers' share of acquisition and administration expenses of rown account (15 + 16) 18 Other underwriting expenses for own account 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) 20 Investment income 21 Investment expenses 22 Net Investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 35 Other financial expenses 36 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 37 Interest expenses for interest-bearing liabilities 38 Other income 39 Other expenses 40 Other expenses 50 Other financial expenses 51 Other financial expenses 52 Other financial expenses 53 Other expenses 54 Other income 55 Other income 56 Other financial expenses 57 Other financial expenses 58 Other income 59 Other expenses 50 Other income 50 Other income 51 Other income 52 Other income 53 Other expenses 54 Other income 55 Other income 56 Other income 57 Other income 58 Other income 59 Other expenses 50 Other income 60 Other income 60 Other income 60 Other income 61 Other income 61 Other income 62 Other income 63 Other income 64 Other income 65 Other income 65 Other income 66 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Other income 67 Othe	13 Change in technical provisions for unit-linked life insurance													1	
Reinsurers' share of acquisition and administration expenses 7A Acquisition and administration expenses for own account (15 + 16) 8 Other underwriting expenses for own account (15 + 18) 10 total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) 20 Investment income 21 Investment expenses 22 Net Investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 25 Other financial expenses 30 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 30 Other expenses 40 Other expenses 51 Other financial expenses 52 Other financial expenses 53 Other expenses 54 Other financial expenses 55 Other financial expenses 56 Other financial expenses 57 Other financial expenses 58 Other expenses 59 Other expenses 50 Other expenses 50 Other financial expenses	14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)													1	
Acquisition and administration expenses for own account (15 + 16) 18 Other underwriting expenses for own account (15 + 16) 10 Investment expenses for own account (15 + 18) (non-life insurance only) 20 Investment income 21 Investment expenses 22 Net investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 25 Other financial expenses 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) Interest expenses for interest-bearing liabilities 27 Interest expenses for interest-bearing liabilities 28 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit/ Joss before taxes (25 + 27 + 28 + 29 + 30)	15 Acquisition and administration expenses													1	
18 Other underwriting expenses for own account 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) 20 Investment income 21 Investment income 21 Investment income (20 + 21) 22 Ret investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 25 Other financial expenses 36 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 30 Other expenses 31 Extraordinary income/expenses 32 Extraordinary income/expenses 33 Extraordinary income/expenses 34 Profit/ Joss before taxes (25 + 27 + 28 + 29 + 30)	16 Reinsurers' share of acquisition and administration expenses													1	
19 Total expenses from underwriting business (14 + 17 + 18) (non-life Insurance only) 20 Investment income 21 Investment expenses 22 Net investment income (20 + 21) 23 Capital and interest income from unit-linked life insurance 24 Other financial income 25 Other financial expenses 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 28 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit/ Joss before taxes (25 + 27 + 28 + 29 + 30)	17 Acquisition and administration expenses for own account (15 + 16)													1	
Investment income	18 Other underwriting expenses for own account														
Investment income		$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$	$\overline{}$
Investment expenses		_													
22 Net investment income (20 + 21)		+													
24 Other financial income 25 Other financial expenses 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 28 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit / loss before taxes (28 + 27 + 28 + 29 + 30)	22 Net investment income (20 + 21)														
25 Other financial expenses 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 28 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit/loss before taxes (25 + 27 + 28 + 29 + 30)	23 Capital and interest income from unit-linked life insurance														
26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25) 27 Interest expenses for interest-bearing liabilities 80 Other income 90 Other expenses 10 Extraordinary income/expenses 11 Profit/ Joss before taxes (26 + 27 + 28 + 29 + 30)	24 Other financial income														
Interest expenses for interest-bearing liabilities															
28 Other income 29 Other expenses 30 Extraordinary income/expenses 31 Profit/ Joss before taxes (26 + 27 + 28 + 29 + 30)	26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)														
29 Other expenses 30 Extraordinary income/expenses 31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	27 Interest expenses for interest-bearing liabilities			\mathbb{N}	\mathbb{N}	\mathbb{N}	\bigvee	\bigvee	\mathbb{N}	\bigvee	\mathbb{N}	\bigvee	\bigvee	$>\!\!<$	$>\!\!<$
30 Extraordinary income/expenses 31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	28 Other income			\mathbb{N}	\sim	\bigvee	\sim	\sim	\sim	\sim	\searrow	\mathbb{N}	\mathbb{N}	\bigvee	$>\!\!<$
31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	29 Other expenses			\mathbb{N}	\vee	\mathbb{N}	\bigvee	\bigvee	\bigvee	\bigvee	\vee	\mathbb{N}	\mathbb{N}	\sim	$>\!\!<$
				$>\!\!<$	$\overline{}$	\mathbb{N}	$\overline{}$	\sim	\sim	$>\!\!<$	>	$\overline{}$	$\overline{}$	$>\!\!<$	$>\!\!<$
32 Direct taxes	31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)			\bigvee	\sim	\bigvee	\sim	\sim	\sim	\times	\sim	\mathbb{N}	\mathbb{N}	\sim	$>\!\!<$
	32 Direct taxes			\bigvee	\sim	\bigvee	\sim	\sim	\searrow	$\overline{}$	\sim	\nearrow	\nearrow	\sim	$>\!\!<$
33 Profit / loss (31 + 32)	33 Profit / loss (31 + 32)			$>\!\!<$	$>\!\!<$	\mathbb{N}	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$

Financial situation report: quantitative template "Performance Solo NL" Currency: CHF or annual report currency mounts stated in thousands Direct Swiss business General third-party Fire, natural hazards. Total Accident Illness Motor vehicle Transport Other branches property damage liability Previous Reporting Previous Reporting Previous Reporting Reporting Reporting Previous Reporting Previous Previous Reporting Previous Reporting Previous year 821,0 year year year year year year year year year year year year year year year Gross premiums
Reinsurers' share of gross premiums (741,0) 80,0 (28,0 Premiums for own account (1 + 2)
Change in unearned premium reserves 80,0 0,0 (20,0 (227,0) 206,0 Reinsurers' share of change in unearned premium reserves 18,0 206,0 59,0 0,0 Premiums earned for own account (3 + 4 + 5) Other income from insurance business 0,0 59,0 59,0 0,0 Payments for insurance claims (gross) Reinsurers' share of payments for insurance claims (303,0) Change in technical provisions
Reinsurers' share of change in technical provisions
Change in technical provisions for unit-linked life insurance Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13 Acquisition and administration expenses Reinsurers' share of acquisition and administration expenses (47,0)(47,0) 0,0 (331,0) 299,0 (32,0) (413,0 (413.0)(331,0)299,0 (32,0) 352, (61,0) 7 Acquisition and administration expenses for own account (15 + 16)
8 Other underwriting expenses for own account (61.0 0,0 (79,0) 85,0 (89,0) (4,0) (62,0) (62,0) (62,0) (62,0) (63,0) (62,0) (67,0) (67,0) (79,0) (9,0) (129,0) (129,0) (15,0) (61,0 Investment income Investment expenses (7,0 Capital and interest income from unit-linked life insurance Other financial income

Other financial expenses (98,0) Interest expenses for interest-bearing liabilities Other income Other expenses

Extraordinary income/expenses

Direct taxes

(98,0

Financial situation report: quantitative template "Performance Solo Reinsurance"

Currency: CHF or annual report currency Amounts stated in millions

	To	otal	Persona	l accident	He	alth	Мо	otor	l	aviation, sport	Pro	perty	Cas	ualty	Miscel	llaneous
	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year
1 Gross premiums				i i	Í		j				,		,			
2 Reinsurers' share of gross premiums																
3 Premiums for own account (1 + 2)																
4 Change in unearned premium reserves																
5 Reinsurers' share of change in unearned premium reserves																
6 Premiums earned for own account (3 + 4 + 5)																
7 Other income from insurance business																
8 Total income from underwriting business (6 + 7)																
9 Payments for insurance claims (gross)																
10 Reinsurers' share of payments for insurance claims																
11 Change in technical provisions																
12 Reinsurers' share of change in technical provisions																
13 Change in technical provisions for unit-linked life insurance																
14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)																
15 Acquisition and administration expenses																
16 Reinsurers' share of acquisition and administration expenses																
17 Acquisition and administration expenses for own account (15 + 16)																
18 Other underwriting expenses for own account																
19 Total expenses from underwriting business (14 + 17 + 18) (non-life																
insurance only)																
20 Investment income			><	\sim	\sim	\sim	\searrow	\sim	><	>	>	\sim	\searrow	\sim	\sim	>
21 Investment expenses			\sim	\sim	>	\sim	$ > \!\!\! > \!\!\! >$	\sim	\sim	>	\sim	\sim	>	\sim	\sim	
22 Net investment income (20 + 21)			\sim	\sim	\sim	\sim	\sim	\sim	\sim	\sim	\sim	\sim	$ > \!\!\! > $	\sim	\sim	\sim
23 Capital and interest income from unit-linked life insurance			\sim	\sim	\sim	\sim	$ > \!\!\! > \!\!\! >$	\sim	\sim	\sim	>	\sim	$ > \!\!\! > \!\!\! >$	\sim	\sim	
24 Other financial income			\sim	\sim	>	\sim	$ > \!\!\! > \!\!\! >$	\sim	\sim	>	\sim	\sim	$ > \!\!\! > \!\!\! >$	\sim	>	
25 Other financial expenses			\sim	\sim	>	\sim	\sim	\sim	\sim	\sim	\sim	\sim	>	\sim	\sim	
26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)			\sim	\sim		\sim	\sim	\sim	\sim	\sim	\sim	\sim	$ > \!\!\! > \!\!\! >$	\sim	\sim	
27 Interest expenses for interest-bearing liabilities			>	>	>	>	>	>	>	>	>	>	\Longrightarrow	$>\!\!\!>$	>	
28 Other income			$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!<$	$>\!\!\!>$	$>\!\!<$	$>\!\!<$	>	$>\!\!<$	$>\!\!<$	$>\!\!>$	$>\!\!<$	$>\!\!<$	
29 Other expenses			$>\!\!<$	>	$>\!\!<$	>	$>\!\!\!>$	$>\!\!<$	>	>	>	>	$>\!\!>$	$>\!\!<$	$>\!\!>$	
30 Extraordinary income/expenses			$>\!\!\!>$	>	>	>	>	>	>	>	>	>	$>\!\!\!>$	>	$>\!\!>$	
31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)			>	>	>	>	>	>	>	>	>	>	\Longrightarrow	>	>	
32 Direct taxes			>>	>>	>	>>	>>		>		>	>	\Longrightarrow	>>	\Longrightarrow	>
33 Profit / loss (31 + 32)		1		\sim	$\overline{}$	$\overline{}$	\sim		$\overline{}$		$\overline{}$	$\overline{}$	$\overline{}$	\sim	$\overline{}$	

Market-consistent value of investments Market-consistent value of other assets Total market-consistent value of assets	Real estate Shareholdings Fixed-income securities Loans Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Total investments Total investments Total investments Financial investments Cash and cash equivalents Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	## Thousands Ref. date	Adjustments previous period	Ref. date reporting year 1.55 1.55 2.32 1.09 1.86 47 5
Market-consistent value of investments Market-consistent value of other assets Total market-consistent value of assets	Shareholdings Fixed-income securities Loans Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Total investments Total investments Financial investments Financial investments Financial investments Scash and cash equivalents Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	1.627 1.627 64 395 1.161 52 3.299	p.onder pund	1.55 2.32 1.09 1.86 47 5 7.35
Market-consistent value of investments Market-consistent value of other assets Total market-consistent value of assets	Shareholdings Fixed-income securities Loans Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Total investments Total investments Financial investments Financial investments Financial investments Scash and cash equivalents Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	64 395 1.161 52 3.299		2.32 1.09 1.86 47 5
Market-consistent value of investments Market-consistent value of other assets Total market-consistent value of assets	Fixed-income securities Loans Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Total investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	64 395 1.161 52 3.299		2.32 1.09 1.86 47 5
Market-consistent value of investments Market-consistent value of other assets Total market-consistent value of assets	Loans Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Other investments Total investments Financial investments Financial investments Form derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	64 395 1.161 52 3.299		2.32 1.09 1.86 47 5
Market-consistent value of investments The property of the	Mortgages Equities Other investments Collective investment schemes Alternative investments Other investments Other investments Other investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of investments Market-consistent value of other assets Otal market-consistent value of assets	Equities Other investments Collective investment schemes Alternative investments Other investments Other investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Otal market-consistent value of other assets Otal market-consistent value of assets	Other investments Collective investment schemes Alternative investments Other investments Other investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Total market-consistent value of assets	Collective investment schemes Alternative investments Other investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Otal market-consistent value of assets	Alternative investments Other investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total other assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Total market-consistent value of assets	Other investments Total investments Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Total market-consistent value of assets	Total investments Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other receivables Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Total market-consistent value of assets	Financial investments from unit-linked life insurance Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets otal market-consistent value of assets	Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets Otal market-consistent value of assets	Receivables from derivative financial instruments Cash and cash equivalents Receivables from insurance business Other receivables Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets otal market-consistent value of assets	Cash and cash equivalents Receivables from insurance business Other receivables Other assets Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
Market-consistent value of other assets otal market-consistent value of assets	Receivables from insurance business Other receivables Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	395 1.161 52 3.299		1.09 1.86 47 5 7.35
other assets otal market-consistent value of control of assets	Other receivables Other assets Total other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	1.161 52 3.299		1.86 47 5 7.35
other assets Total market-consistent value of assets	Other assets Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	3.299		7.35
otal market-consistent value of assets	Total other assets Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	3.299		7.35
otal market-consistent value of assets	Total market-consistent value of assets Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	3.299		7.35
of assets	Best estimate of provisions for insurance liabilities Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business			
E	Direct insurance: life insurance business (excluding ALV) Direct insurance: non-life insurance business	99		
- - - -	Direct insurance: non-life insurance business	22		
		22		
ļ.		-23		-54
F	Direct insurance: health insurance business	1		
F	Direct insurance: unit-linked life insurance business			
l l	Direct insurance: other business	+		
	Outward reinsurance: life insurance business (excluding ALV)	+		
⊢	Outward reinsurance: non-life insurance business	+		
 	Outward reinsurance: hori-life insurance business Outward reinsurance: health insurance business			
-				
_	Outward reinsurance: unit-linked life insurance business			
Best estimate liabilities (BEL)	Outward reinsurance: other business			
F	Reinsurers' share of best estimate of provisions for insurance liabilities			
L	Direct insurance: life insurance business (excluding ALV)			
	Direct insurance: non-life insurance business	15		47
Г	Direct insurance: health insurance business			
F	Direct insurance: unit-linked life insurance business			
F	Direct insurance: other business	<u> </u>		
	Outward reinsurance: life insurance business (excluding ALV)			
F	Outward reinsurance: non-life insurance business			
F	Outward reinsurance: health insurance business	- 		
F	Outward reinsurance: unit-linked life insurance business	 		
⊢	Outward reinsurance: other business	+		+
 				
	Non-technical provisions			1
	Interest-bearing liabilities Liabilities from derivative financial instruments	- 		-
				1
	Deposits retained on ceded reinsurance			
	Liabilities from insurance business			
	Other liabilities	-3.393		-3.01
Total BEL plus market-				
consistent value of other liabilities	Total BEL plus market-consistent value of other liabilities	-3.401		-3.09
l p	Market-consistent value of assets minus total from BEL plus market-			ſ
i.	Market-consistent value of assets minus total from BEL DIUS market-			

Financial situ 'Solvency So	uation report: quantitative template blo"			Currency: CHF or currency for SST reporting Amounts stated in millions
		Ref. date previous period in CHF millions	Adjustments previous period in CHF millions	Ref. date reporting year in CHF millions
Danis ration of	Market-consistent value of assets minus total from best estimate liabilities plus market-consistent value of other liabilities			
Derivation of RBC	Deductions			
NBO	Core capital		\gg	
	Supplementary capital			
		Ref. date previous period in CHF millions	Adjustments previous period in CHF millions	Ref. date reporting year in CHF millions
	Underwriting risk		M	
	Market risk		\bigvee	
Derivation of	Diversification effects Credit risk		$\sim \sim$	-
target capital	Risk margin and other effects on target capital			
	Target capital			
		Ref. date previous	Adjustments	Ref. date reporting
		period	previous period	year
		in %	in %	in %
SST ratio	Risk-bearing capital / target capital			

Markel Insurance SE, Munich, Switzerland Branch, Küsnacht

Financial Statements for the period from 1 January 2021 to 31 December 2021

Bala	ance Sheet	3
Inco	ome Statement	4
Not	es	5
	Disclosures, breakdowns and explanations on Balance Sheet items	6
	Disclosures, breakdowns and explanations on Income Statement items	8
	Management report	9

Balance Sheet as at 31 December 2021

Assets

CHF k	Note	31.12.2021	31.12.2020
Fixed-interest securities		1.557	1.630
Cash and cash equivalents		2.323	64
Reinsurers' share of technical provisions	3	472	15
Insurance receivables	1,4	1.095	395
Other receivables		1.861	1.161
Prepaid expenses and accrued income	2	52	52
Total assets		7.360	3.317

Liabilities

CHF k	Note	31.12.2021	31.12.2020
Technical provisions	3	548	23
Insurance payables	4	2.541	0
Other liabilities	4	1	528
Account to Head Office	5	4.270	2.766
Total liabilities		7.360	3.317

Income Statement for the period from 1 January 2021 to 31 December 2021

CHF k	Note	31.12.2021	09.01.2019 - 31.12.2020
Gross premium written		821	31
Premiums ceded to reinsurers		(741)	(28)
Net premiums written		80	3
Change in unearned premium reserves		(227)	(20)
Change in reinsurers' share of unearned premium			
reserves		206	18
Net premiums earned		59	1
Total technical income		59	1
Gross claims and claim expenses paid		0	0
Reinsurer's share of claims and claim expenses		0	0
Change in technical provisions	6	(303)	(3)
Change in reinsurers' share of technical provisions	6	256	3
Net claims and claim expenses incurred		(47)	0
Acquisition costs and administrative expenses		(331)	(413)
Reinsurers' share of acquisition costs and administrative			
expenses		299	352
Net acquisition costs and administrative expenses		(32)	(61)
Total technical expenses	_	(79)	(61)
Income from investments	7	85	1
Expenses from investments	7	(89)	(8)
Net income from investments		(4)	(7)
Other financial income/(expenses)		(38)	(31)
Operating result		(62)	(98)
Other income		129	0
Other expenses		0	0
Extraordinary income/expenses		0	0
(Loss)/Profit before tax		67	(98)
Income tax		15	(15)
(Loss)/Profit after tax		82	(113)

Notes to the Financial Statements – Markel Insurance SE, Munich, Switzerland Branch, Küsnacht

Financial reporting policies

The branch became active as a non-life insurance carrier including reinsurance business on obtaining the FINMA licence on 20 January 2020.

The financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b OR). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5a ISO-FINMA, including Appendix) have been applied for the period from 1 January 2021 to 31 December 2021.

Foreign Currency Translation

The financial statements of Markel Insurance SE, Munich, Swiss Branch, Küsnacht ("the Branch") are prepared in Swiss Franc ("CHF"). Transactions denominated in currencies other than the functional currency are recorded in the functional currency at the exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are remeasured into the functional currency at the exchange rate ruling on the reporting date. The main exchange rates used are presented below:

	2021	2020
EUR	1,0336	1,0811
USD	0,9111	0,8824
GBP	1,2301	1,2001

Valuation principles

Uniform valuation principles were applied. Assets, equity and liabilities were valued individually. Equity and liabilities are stated at their nominal value.

Fixed-interest securities are valued using the amortised cost method. The amortisation in the period is recognised in income from investments.

Technical provisions are obligations due to insured parties which are determined based on an individual insurance agreement. They are calculated based on the business plan as agreed with FINMA.

Employees

The Branch employed no employees during the year. All staff are employed by Markel International Services Limited.

Audit fees

All fees relate to audit services. They are paid for by Markel International Services Limited and recharged to the Branch. Estimated fees for 2021 are CHF 24.000.

Disclosures, breakdowns and explanations on Balance Sheet items

1. Insurance receivables

CHF k	31.12.2021	31.12.2020
Receivables from policyholders	914	14
Receivables from insurance companies	181	381
Total	1.095	395

2. Prepaid expenses and accrued income

CHF k	31.12.2021	31.12.2020
Accrued interest on investments	52	52
Total	52	52

3. Technical provisions

	Tec	Technical Provisions			
		31.12.2021			
	Gross	Gross Reinsurers' N			
CHF k		Share			
Unearned premium reserve	247	218	29		
Loss reserves	242	254	(12)		
Actuarial IBNR	59	0	59		
Total	548	472	76		

		31.12.2020		
CHF k	Gross	Reinsurers' Share	Net	
Unearned premium reserve	20	12	8	
Loss reserves	3	3	0	
Total	23	15	8	

4. Receivables from and liabilities to related parties

CHF k	Third-party	Affiliates	31.12.2021	31.12.2020
Insurance receivables	914	181	1.095	395
Other receivables		1.861	1.861	1.161
Insurance payables	(2.541)	0	(2.541)	-
Other liabilities	(1)	0	(1)	(528)
Total	(2,511)	2,103	(408)	1,028

5. Statement of changes in Branch account

Statement of changes in Branch account

CHF k	Payable to Head Office	Voluntary retained earnings	Total account to Head Office
As at the beginning of the period	2.879	(113)	2.766
Profit/(Loss) for the period	0	82	82
Amounts due to (from) with Head Office	1.422	0	1.422
As at 31 December 2021	4.301	(31)	4.270

Disclosures, breakdowns and explanations on Income Statement items

6. Change in technical provisions

\mathcal{C}	Ή	F	k

JIII K			
		31.12.2021	
	Gross	Reinsurers' Share	Net
Change in loss reserve	283	256	27
Change in Equalisation reserve	20	0	20
Total	303	256	47
		31.12.2020	
	Gross	Reinsurers'	Net

	Gross	Reinsurers' Share	Net
Change in loss reserve	3	3	0
Total	3	3	0

7. Investment result

	For the perio	For the period from 1 January 2021 to 31 December 2021			
CHF k	Income	Amortisation	Expenses	Total	
Fixed-interest securities	85	(89)	0	(4)	
Total	85	(89)	0	(4)	

	For the period from 9 January 2019 to 31 December 2020			
CHF k	Income	Amortisation	Expenses	Total
Fixed-interest securities	1	(2)	(6)	(7)
Total	1	(2)	(6)	(7)

Management report

The Branch was incorporated on 9 January 2019 and is domiciled at Limbergstrasse 34, 8700 Küsnacht. The Branch became active as a non-life insurance carrier including reinsurance business on obtaining the FINMA licence on 20 January 2020.

The results of the Branch, as set out on page 3, show a pre-tax profit of CHF 67k (loss of CHF 98k) for the period and a profit of CHF 82k (Loss of CHF 113k) after tax.

Gross written premiums for the period were CHF 821 (31)k, consisting of general liability business. Net written premiums for the year were CHF 80 (3)k and all related to general liability business. An internal quota share reinsurance arrangement existed for all Markel Insurance SE business. Under this agreement, the Branch reinsured up to 90%, less the relevant percentage ceded to third-party reinsurers, to Markel Bermuda Limited, a fellow Markel subsidiary.

The Branch experienced gross claims incurred CHF 303 (3)k of during the period, in relation to general liability business. The operating result for the year was a loss of CHF 62 (98)k.

The Branch employed no employees during the year. All staff are employed by Markel International Services Limited (MISL).

Branch investments as at 31 December 2021 consisted of government bonds issued by the Swiss Confederation, which is rated AAA. In the current market environment, these show significantly less negative developments than the stock markets or other bonds. A deterioration in the issuer credit rating is highly unlikely and we therefore do not expect any longer-term negative impact on tied assets.

Principal risks and uncertainties

As required by its regulator, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Markel Insurance SE (MISE) monitors the risks to which it is exposed, which includes all business underwritten by the MISE Swiss Branch. MISE groups risks under the following categories in line with Solvency II requirements:

- Underwriting Risk
- Reserving Risk
- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Group Risk

The MISE Chief Risk Officer and MISE Management Board regularly review the risks to which MISE is exposed. The Chief Risk Officer ensures that appropriate measures are taken to mitigate risks and, in addition, the Risk Management department of Markel International monitors the identified risks with qualitative and quantitative risk analyses and assessments and ensures regular and, where necessary, ad-hoc reporting to the MISE Management Board.

An Own Risk and Solvency Assessment report is produced being a forward looking assessment of the risk profile and adequacy of MISE capital to meet solvency needs over the business planning time horizon. MISE is in compliance with Solvency II.

MISE uses the Standard Formula to calculate its Solvency Capital Requirement under Solvency II.

Future prospects

With disciplined underwriting and its strong financial condition the Branch is in an excellent position to capitalise on opportunities as they arise. The Branch will continue to apply Markel's underwriting discipline of underwriting for profit rather than volume and, accordingly, will decline business where the rates are not acceptable.

No material uncertainties that cast doubt about the ability of MISE or the Branch to continue as a going concern have been identified.

The Directors of MISE have a reasonable expectation that MISE and the Branch have adequate resources to continue in operational existence for the foreseeable future.



Markel Insurance SE, Munich, Switzerland Branch Kusnacht, Kusnacht

Independent Auditor's Report on the Financial Statements

Financial Statements 2021





Auditor's Report to the General Manager Financial Statements 2021

Independent Auditor's Report to the General Manager of Markel Insurance SE, Munich, Switzerland Branch Kusnacht

Report of the Independent Auditor on the Financial Statements

As a federally-supervised audit firm, we have audited the accompanying financial statements of Markel Insurance SE, Munich, Switzerland Branch Kusnacht, which comprise the balance sheet as at December 31, 2021, and the income statement and notes for the year then ended, in line with Article 28 para. 2 of the Insurance Supervision Act (ISA) and with reference to the FINMA guidelines "Preparation and audit of the financial statements of branch offices of foreign insurance companies (WNL)".

The financial statements have been prepared by the General Manager on the basis of the financial reporting provisions of the Swiss Code of Obligations and the requirements of the supervisory law.

General Manager's Responsibility for the Financial Statements

The General Manager is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of the Swiss Code of Obligations and the requirements of the supervisory law – in particular the Financial Market Supervision Act (FINMASA), the Insurance Supervision Act (ISA), the Insurance Supervision Ordinance (ISO) and the FINMA Insurance Supervision Ordinance (ISO-FINMA) as well as with the FINMA guidelines "Preparation and audit of the financial statements of branch offices of foreign insurance companies (WNL)" –, and for such internal controls as the General Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulatory requirements set out in Article 28 para. 2 ISA, the WNL and Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the branch office's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the branch office's internal control system.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial statements.





Auditor's Report to the General Manager Financial Statements 2021

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Markel Insurance SE, Munich, Switzerland Branch Kusnacht as of and for the year ended December 31, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of the Swiss Code of Obligations, the requirements of supervision law (in particular FINMASA, ISA, ISO and ISO-FINMA) and with the WNL.

Basis of Accounting

Without modifying our opinion, we note that the financial statements of Markel Insurance SE, Munich, Switzerland Branch Kusnacht are prepared on the basis of the accounting principles specified above. The financial statements are prepared to comply with the requirements of Article 25 para. 4 ISA. As a result, the financial statements may not be suitable for another purpose.

Yours sincerely

KPMG AG

Jean-Marc Wicki Licensed Audit Expert Auditor in Charge Rico Marti Licensed Audit Expert

Zurich, 29 April 2022

Enclosure:

- Financial statements (balance sheet, income statement, and notes)

© 2022 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a

Markel Insurance SE, Munich, Switzerland Branch, Küsnacht

Financial Statements for the period from 1 January 2021 to 31 December 2021

Bala	ance Sheet	3
Inco	ome Statement	4
Not	es	5
	Disclosures, breakdowns and explanations on Balance Sheet items	6
	Disclosures, breakdowns and explanations on Income Statement items	8
	Management report	9

Balance Sheet as at 31 December 2021

Assets

CHF k	Note	31.12.2021	31.12.2020
Fixed-interest securities		1.557	1.630
Cash and cash equivalents		2.323	64
Reinsurers' share of technical provisions	3	472	15
Insurance receivables	1,4	1.095	395
Other receivables		1.861	1.161
Prepaid expenses and accrued income	2	52	52
Total assets		7.360	3.317

Liabilities

CHF k	Note	31.12.2021	31.12.2020
Technical provisions	3	548	23
Insurance payables	4	2.541	0
Other liabilities	4	1	528
Account to Head Office	5	4.270	2.766
Total liabilities		7.360	3.317

Income Statement for the period from 1 January 2021 to 31 December 2021

CHF k	Note	31.12.2021	09.01.2019 - 31.12.2020
Gross premium written		821	31
Premiums ceded to reinsurers		(741)	(28)
Net premiums written		80	3
Change in unearned premium reserves		(227)	(20)
Change in reinsurers' share of unearned premium			
reserves		206	18
Net premiums earned		59	1
Total technical income		59	1
Gross claims and claim expenses paid		0	0
Reinsurer's share of claims and claim expenses		0	0
Change in technical provisions	6	(303)	(3)
Change in reinsurers' share of technical provisions	6	256	3
Net claims and claim expenses incurred		(47)	0
Acquisition costs and administrative expenses		(331)	(413)
Reinsurers' share of acquisition costs and administrative			
expenses		299	352
Net acquisition costs and administrative expenses		(32)	(61)
Total technical expenses	_	(79)	(61)
Income from investments	7	85	1
Expenses from investments	7	(89)	(8)
Net income from investments		(4)	(7)
Other financial income/(expenses)		(38)	(31)
Operating result		(62)	(98)
Other income		129	0
Other expenses		0	0
Extraordinary income/expenses		0	0
(Loss)/Profit before tax		67	(98)
Income tax		15	(15)
(Loss)/Profit after tax		82	(113)

Notes to the Financial Statements – Markel Insurance SE, Munich, Switzerland Branch, Küsnacht

Financial reporting policies

The branch became active as a non-life insurance carrier including reinsurance business on obtaining the FINMA licence on 20 January 2020.

The financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b OR). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5a ISO-FINMA, including Appendix) have been applied for the period from 1 January 2021 to 31 December 2021.

Foreign Currency Translation

The financial statements of Markel Insurance SE, Munich, Swiss Branch, Küsnacht ("the Branch") are prepared in Swiss Franc ("CHF"). Transactions denominated in currencies other than the functional currency are recorded in the functional currency at the exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are remeasured into the functional currency at the exchange rate ruling on the reporting date. The main exchange rates used are presented below:

	2021	2020
EUR	1,0336	1,0811
USD	0,9111	0,8824
GBP	1,2301	1,2001

Valuation principles

Uniform valuation principles were applied. Assets, equity and liabilities were valued individually. Equity and liabilities are stated at their nominal value.

Fixed-interest securities are valued using the amortised cost method. The amortisation in the period is recognised in income from investments.

Technical provisions are obligations due to insured parties which are determined based on an individual insurance agreement. They are calculated based on the business plan as agreed with FINMA.

Employees

The Branch employed no employees during the year. All staff are employed by Markel International Services Limited.

Audit fees

All fees relate to audit services. They are paid for by Markel International Services Limited and recharged to the Branch. Estimated fees for 2021 are CHF 24.000.

Disclosures, breakdowns and explanations on Balance Sheet items

1. Insurance receivables

CHF k	31.12.2021	31.12.2020
Receivables from policyholders	914	14
Receivables from insurance companies	181	381
Total	1.095	395

2. Prepaid expenses and accrued income

CHF k	31.12.2021	31.12.2020
Accrued interest on investments	52	52
Total	52	52

3. Technical provisions

	Tec	Technical Provisions		
		31.12.2021		
	Gross	Gross Reinsurers'		
CHF k		Share		
Unearned premium reserve	247	218	29	
Loss reserves	242	254	(12)	
Actuarial IBNR	59	0	59	
Total	548	472	76	

		31.12.2020		
CHF k	Gross	Reinsurers' Share	Net	
Unearned premium reserve	20	12	8	
Loss reserves	3	3	0	
Total	23	15	8	

4. Receivables from and liabilities to related parties

CHF k	Third-party	Affiliates	31.12.2021	31.12.2020
Insurance receivables	914	181	1.095	395
Other receivables		1.861	1.861	1.161
Insurance payables	(2.541)	0	(2.541)	-
Other liabilities	(1)	0	(1)	(528)
Total	(2,511)	2,103	(408)	1,028

5. Statement of changes in Branch account

Statement of changes in Branch account

CHF k	Payable to Head Office	Voluntary retained earnings	Total account to Head Office
As at the beginning of the period	2.879	(113)	2.766
Profit/(Loss) for the period	0	82	82
Amounts due to (from) with Head Office	1.422	0	1.422
As at 31 December 2021	4.301	(31)	4.270

Disclosures, breakdowns and explanations on Income Statement items

6. Change in technical provisions

\mathcal{C}	Ή	F	k

JIII K			
		31.12.2021	
	Gross	Reinsurers' Share	Net
Change in loss reserve	283	256	27
Change in Equalisation reserve	20	0	20
Total	303	256	47
		31.12.2020	
	Gross	Reinsurers'	Net

	Gross	Reinsurers' Share	Net	
Change in loss reserve	3	3	0	
Total	3	3	0	

7. Investment result

	For the perio	For the period from 1 January 2021 to 31 December 2021			
CHF k	Income	Amortisation	Expenses	Total	
Fixed-interest securities	85	(89)	0	(4)	
Total	85	(89)	0	(4)	

	For the period from 9 January 2019 to 31 December 2020			
CHF k	Income	Amortisation	Expenses	Total
Fixed-interest securities	1	(2)	(6)	(7)
Total	1	(2)	(6)	(7)

Management report

The Branch was incorporated on 9 January 2019 and is domiciled at Limbergstrasse 34, 8700 Küsnacht. The Branch became active as a non-life insurance carrier including reinsurance business on obtaining the FINMA licence on 20 January 2020.

The results of the Branch, as set out on page 3, show a pre-tax profit of CHF 67k (loss of CHF 98k) for the period and a profit of CHF 82k (Loss of CHF 113k) after tax.

Gross written premiums for the period were CHF 821 (31)k, consisting of general liability business. Net written premiums for the year were CHF 80 (3)k and all related to general liability business. An internal quota share reinsurance arrangement existed for all Markel Insurance SE business. Under this agreement, the Branch reinsured up to 90%, less the relevant percentage ceded to third-party reinsurers, to Markel Bermuda Limited, a fellow Markel subsidiary.

The Branch experienced gross claims incurred CHF 303 (3)k of during the period, in relation to general liability business. The operating result for the year was a loss of CHF 62 (98)k.

The Branch employed no employees during the year. All staff are employed by Markel International Services Limited (MISL).

Branch investments as at 31 December 2021 consisted of government bonds issued by the Swiss Confederation, which is rated AAA. In the current market environment, these show significantly less negative developments than the stock markets or other bonds. A deterioration in the issuer credit rating is highly unlikely and we therefore do not expect any longer-term negative impact on tied assets.

Principal risks and uncertainties

As required by its regulator, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Markel Insurance SE (MISE) monitors the risks to which it is exposed, which includes all business underwritten by the MISE Swiss Branch. MISE groups risks under the following categories in line with Solvency II requirements:

- Underwriting Risk
- Reserving Risk
- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Group Risk

The MISE Chief Risk Officer and MISE Management Board regularly review the risks to which MISE is exposed. The Chief Risk Officer ensures that appropriate measures are taken to mitigate risks and, in addition, the Risk Management department of Markel International monitors the identified risks with qualitative and quantitative risk analyses and assessments and ensures regular and, where necessary, ad-hoc reporting to the MISE Management Board.

An Own Risk and Solvency Assessment report is produced being a forward looking assessment of the risk profile and adequacy of MISE capital to meet solvency needs over the business planning time horizon. MISE is in compliance with Solvency II.

MISE uses the Standard Formula to calculate its Solvency Capital Requirement under Solvency II.

Future prospects

With disciplined underwriting and its strong financial condition the Branch is in an excellent position to capitalise on opportunities as they arise. The Branch will continue to apply Markel's underwriting discipline of underwriting for profit rather than volume and, accordingly, will decline business where the rates are not acceptable.

No material uncertainties that cast doubt about the ability of MISE or the Branch to continue as a going concern have been identified.

The Directors of MISE have a reasonable expectation that MISE and the Branch have adequate resources to continue in operational existence for the foreseeable future.