ANNUAL REPORT

2024

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Introduction

This is the annual report 2024 of Mutual Insurance Asscociation "Munis" (Onderlinge Verzekeringsmaatschappij "Munis") U.A.. MUNIS is a mutual insurance company specialising in the insurance of marine risks run by marine contractors in the practice of their business. MUNIS's members are international marine contractors operating sizeable fleets worldwide.

All four participants have an insurance contract with MUNIS. The liability of the members with regard to the obligations and liabilities of the mutual insurance company is restricted to the obligation to contribute to the guarantee capital.

MUNIS has been active as an insurance company for the marine contracting industry for more than 50 years. The statutory seat of MUNIS is located in The Hague, The Netherlands. The office address is Stationsplein 4, 2275 AZ Voorburg, The Netherlands (Chamber of Commerce no: 27082487 The Hague). MUNIS reports to the DNB (Dutch Financial Authority) based on the Wft (Dutch financial supervision Act).

The General Assembly of all four members decided to publish this Annual Report in the English language.

MUNIS realised a profit of €294,000 in 2024.

The Board of Directors of MUNIS found the Supervisory Board to be very supportive with its input, experience and advice.

The financial accounts were audited by BDO Audit & Assurance B.V. It was a constructive and efficient cooperation.

Report of the Supervisory Board

At the end of 2024 the Supervisory Board consisted of

Supervisory Board		End of term
Mr J.F.Th. Boogaard	President	2026
Mr R.P.M. Stuijt	Vice-President	2026
Mr P.R.C. Coene	Member	2027
Ms M.A.R. Fordeyn	Member	2026
Mr C. van Noort	Member	2027

Ms Fordeyn and Mr Van Noort represent the participants in MUNIS whilst the other three Supervisory Board members are independent.
Mr Van Noort was appointed in May 2024 as successor of Mr De Bruijn who stepped down in December 2023.

The Supervisory Board met five times in 2024. All meetings of the Supervisory Board in 2024 focused on MUNIS strategy, risk management, the financial result and reinsurance. All four key functions – actuarial, compliance, internal audit and risk management – are in place. The work and reports of these key officials were discussed in the Supervisory Board every quarter. At least once a year all key functions are present at one or more of the Supervisory Board and or Audit Committee meetings. The Supervisory Board appreciates the professional and open relationship between the Board of Directors and key officials.

The Supervisory Board met in the presence of the Board of Directors. In 2024, there were no member-related issues that required a separate meeting of the independent members of the Supervisory Board. The Chairman of the Supervisory Board, Mr Boogaard, met regularly via live and online meetings with the directors of MUNIS, discussing the ongoing business and preparing the meetings of the Supervisory Board.

The independent members of the Supervisory Board received a joint remuneration in total of €58,600 (2023: €56,900). Representatives of the participants of MUNIS in the Supervisory Board are remunerated by the respective participants. The remuneration policy of the Board of Directors has been delegated to the joint Presidents meeting of MUNIS and two other organisations for which staff and directors jointly work. The Managing Director of MUNIS reports on HR issues to the Presidents meeting whereby Mr Boogaard represents MUNIS.

The full Supervisory Board constitutes the risk committee of the Supervisory Board. Furthermore, the Insurance Technical Committee (ITC) has a formal role in the risk management process. A member of the Supervisory Board joins the ITC. He informs the Supervisory Board about risk issues discussed within the ITC. The Supervisory Board is satisfied with the ongoing support of MUNIS by the members of the ITC regarding risk and insurance issues related to the marine contracting industry.

Mr Stuijt and Mr Coene are members of the Audit Committee (AC). The Committee reviewed the Annual Accounts with the internal and external auditors on 17 March 2025. The Supervisory Board approved the draft Annual Accounts during its meeting on 25 March 2025, after which no material changes have been made. On 20 May 2025, the Annual Accounts will be submitted for approval to the General Assembly.

MUNIS conducted a light version of the Own Risk and Solvency Assessment (ORSA) at the end of 2024. This ORSA was much in line with the previous ones as there are no considerable changes in the risks MUNIS faces.

Reinsurance broker Aon realised a good result in its first-year servicing MUNIS in 2024. The reinsurance panel and conditions are satisfying.

The investment portfolio is in line with the Responsible Business Conduct agreement of the Dutch Association of Insurers. The execution of the investment policy has been outsourced to Van Lanschot Kempen since 2013. The management of the investment portfolio during past years was satisfactory according to both the Board of Directors and the Supervisory Board.

The independent Supervisory Board members conducted interviews with all members to obtain their views on the strategy of MUNIS for the coming years. The outcome of these interviews supports the existing strategy and provides guidance for the Board of Directors for the coming years.

The members of the Supervisory Board spent several days on their professional education. Self-reflection of their role and performance of the Supervisory Board is held periodically as well as the appraisal of the role of and cooperation with the Board of Directors. Regarding the Regulation of the Minister of Finance 17 December 2012, marked FM/2012/1923, it is noted that all members of the Supervisory Board and Board of Directors have been sworn in.

The Supervisory Board is grateful for the way the Board of Directors managed MUNIS in 2024. Punctuality and professionalism combined with pragmatism of both directors is much appreciated. The Managing Director will retire in the course of 2025, his eventual successor will start at the first of April 2025.

Voorburg, 26 March 2025

Report of the Board of Directors

The Board of Directors herewith submits its report on the activities of the Mutual Insurance Association (MUNIS) over the year 2024 to the Annual General Assembly (AGA).

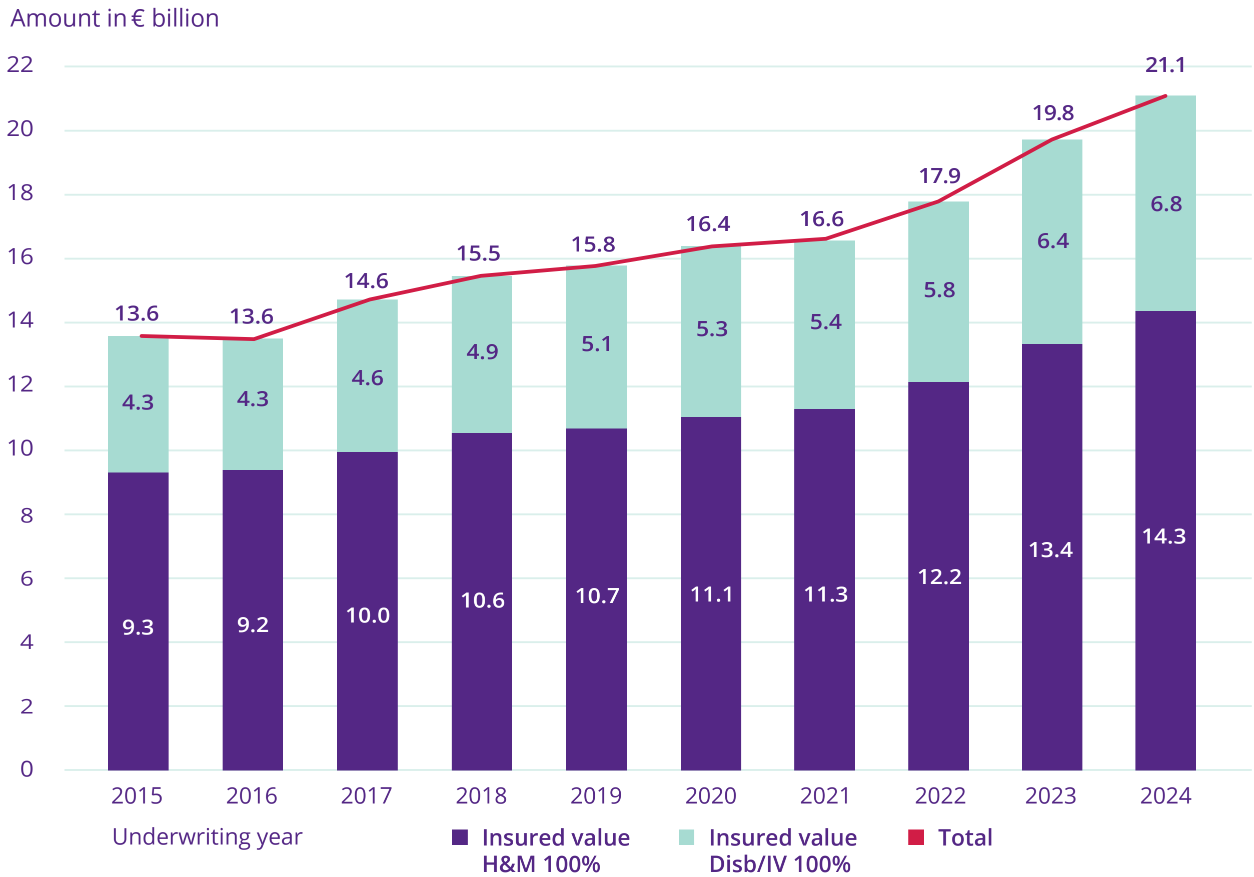
In 2024, the market in which MUNIS operated was quite stable. The premium income increased slightly compared to 2023 due to an increase of the insured value. This was mainly resulting from investments in new offshore installation vessels. MUNIS realised a positive result in 2024. The occupation rate of the fleets increased resulting from an improved market situation. The inflation rate was fairly stable in 2024 compared with 2023. The investment portfolio increased in value and contributed to the positive net result.

The financial audit, executed by BDO Audit & Assurance B.V., was done efficiently and the auditors issued an unqualified audit opinion.

MUNIS' POSITION IN THE MARKET

Since 2014, the total value of the insured vessels gradually increased to €16.6 billion in 2021. From 2021 onwards the portfolio increased substantially to €21.1 billion in 2024, especially due to investments in wind turbine installation vessels and other offshore equipment. The graph below shows the increase in the exposed value over the last ten years.

DEVELOPMENT INSURED VALUE PER UNDERWRITING YEAR



Insured Value	2024 € mln	2024 %	2023 € mln	2023 %
Special Offshore Equipment	7,891	37.3%	6,970	35.2%
Trailing suction hopper dredger	6,326	29.9%	6,201	31.3%
Cutter suction dredger	3,026	14.3%	3,060	15.5%
Subsea rock installation	1,534	7.3%	1,469	7.4%
Other floating equipment/vessel	686	3.3%	479	2.4%
Tugs	433	2.0%	427	2.2%
Backhoe dredger	373	1.8%	378	1.9%
Hopper barge	467	2.2%	458	2.3%
Other dredging equipment	401	1.9%	359	1.8%
Total insured value	**21,137**	**100.0%**	**19,801**	**100.0%**

Status per 31 December 2024

Traditionally, MUNIS insures dredging vessels. Since 2013, the growth of the insured capital mainly resulted from diversification of activities by the participants and their investments in special purpose vessels for the offshore and windfarm industry. The participants also contributed to the energy transition by investments in vessels powered by alternative fuels.

SOLVENCY II

MUNIS is fully compliant with all Solvency II regulations and all procedures and documents are in place. Implementation of all procedures contributed to the professionalism of the organisation.

Due to skills requirements and limited capacity within MUNIS, all key functions with the exception of risk management have been outsourced. Within the Board of Directors, Ms Vonk is responsible for the actuarial and internal audit functions, and risk and compliance fall under Mr Kolman's responsibility.

The costs for the compliance and internal audit functions are at an acceptable level, however, the actuarial costs remain relatively high. Several activities of the actuary are necessary to be compliant with Solvency II regulation. From the perspective of the size and complexity of the portfolio of the organisation and given the 100% reinsurance, there is less value in these actuarial activities.

The costs for the accountant show an increase for multiple years resulting from an increase in their requirements by the financial authorities (AFM). The Board of Directors expresses its concern about these ever-increasing costs, which in the end will have to be paid by the members of MUNIS.

SECRETARIAT AND MANAGEMENT

At the end of 2024, the Secretariat supporting MUNIS employed 9 staff members and it returned to the regular size with 7.25 full-time equivalents. The Secretariat supports two other organisations related to the marine contracting industry. The costs are shared with these organisations and 27% (2023: 27%) of the total staff costs were allocated to MUNIS. MUNIS' share of the remuneration of the Board of Directors was €88,891 (2023: €83,717). The MUNIS staff has no variable (bonus) component in their remuneration.

With regard to permanent education, several live and online meetings organised by the Dutch Association of Insurers, DNB (Dutch Financial Authority) and an internal audit provider were followed.

INSURANCE TECHNICAL COMMITTEE

The Insurance Technical Committee (ITC) advises the Board of Directors on insurance technical issues and shares knowledge on general insurance topics amongst the participants of MUNIS. The ITC consists of the insurance managers of all four members of MUNIS, one member of the Supervisory Board and an independent chairman. The committee has a formal position regarding risk management. The relevant risks identified in the Own Risk and Solvency Assessment are assessed in the quarterly meetings of the committee. The risk manager, Mr Kolman, integrates the results of these discussions into the overall risk assessment and management of MUNIS.

2024 marked the nineth year with Mr Meijer chairing the ITC. His enthusiasm, broad experience and knowledge, especially of the marine insurance market, is much appreciated by the participants of the ITC and Board of Directors. Not only are fleet-related insurance issues discussed but also topics with a more general character, such as the CAR insurance and input for the Transport Commission of The Dutch Association of Insurers.

The Board of Directors is thankful for the input and support of the members of the Insurance Technical Committee:

- Mr A. Meijer, Chairman
- Ms J. Bodewes, Insurance manager, Boskalis
- Ms A. Slabinck, Insurance manager, Jan De Nul
- Mr L. Beeckaert, Insurance manager, DEME
- Mr Ph. Vereecken, Insurance manager, DEME
- Mr D. Tanis, Insurance manager, Van Oord
- Mr P. Coene, Supervisory Board of MUNIS

RESULT OVERVIEW

The 2024 account shows a net profit of €294,000 (2023: profit of €526,000). The insurance result increased to €1,001,000 in 2024 (2023: €920,000). The insurance result consists of earned premium and claims. Compared to 2023, the earned premium increased to €1,014,000. In 2024, the proportional part of the profit commission of underwriting year 2023 and 2024 was booked as additional income because the claims ratio was below the agreed upon limit. In 2023 the proportional part of the profit commission of only one underwriting year was booked. Claims after reinsurance relate to the increase of the provision of costs for handling outstanding claims.

The income on investments decreased from €495,000 in 2023 to €137,000 in 2024. Operational costs increased to €759,000 (2023: €724,000) as result of

€ (x 1,000)

Profit and Loss Account	**2024**	**2023**	**2022**	**2021**	**2020**
Earned premium after reinsurance	1,014	925	799	819	1,449
Claims after reinsurance	-13	-5	171	58	-57
Insurance result	1,001	920	970	877	1,392
Income on investments	137	495	-770	637	67
Operating expenses	-759	-724	-652	-543	-502
Profit or loss before taxation	379	691	-452	971	957
Company tax	-85	-165	115	-218	-221
Profit or loss after taxation	**294**	**526**	**-337**	**753**	**736**

multiple factors. The personnel costs increased due to the hire of temporary staff and the recruitment cost for a successor of the Managing Director. Incidental costs were made for legal advice.

It seems that the reinsurance market moves into a more stable phase. MUNIS is still 100% reinsured. The reinsurance contract has been modified as of 2024 at equivalent conditions.

RESULT PER BUSINESS LINE

MUNIS has a license for marine hull and marine liability insurance. Since July 2014, the provided cover is for hull and machinery only. MUNIS no longer insures liability risk.

ACTUARIAL MANAGEMENT

The Board of Directors has outsourced the first- and second-line actuarial functions to Arcturus, a professional actuarial consultant with expertise and experience in the implementation of Solvency II and actuarial analyses within relatively small insurance companies. Arcturus is working according to the guidelines of the Dutch Actuarial Society.

The Board of Directors had regular discussions with the actuary on how to contribute to MUNIS' operations and stay compliant with the demands of DNB in a proportional manner. The relatively small number of risks and claims limit the scope for actuarial assessment while the structure of the reinsurance programme reduces the relevance of it. Some first echelon work has been done by the financial director of MUNIS using specially developed actuarial tooling. It has been validated that MUNIS operates within the boundaries of the S II-standard model and that there is no need to use a (partial) own model.

INTERNAL AUDIT

The internal audit has been outsourced to vMAS. The organisation is specialised in auditing services to small insurance companies. Most of the recommendations of former audits were implemented. Three recommendations are still open. In addition there were two low-priority actions where management decided, with the support of the Supervisory Board, to take no further action and accept the residual risks.

All critical processes are reviewed every three years. Non-critical processes are reviewed every five years. The order of audits is determined by the risk assessment of these processes within MUNIS.

In 2024, the audit on the underwriting and premium calculation was conducted. The outcome of the audit was satisfactory.

The internal auditor did a review on the implementation of the Digital Operational Resilience Act (DORA) and the follow up of the Information Security audit of last year. All recommendations of last year's audit were implemented and have the by DNB required maturity level. In addition the auditor gave some recommendations regarding the implementation of the DORA.

The audit on risk management resulted in four recommendations, two of which were implemented. Management, together with the support of the Supervisory Board, decided to take no further action on the other two recommendations and to accept the residual risks.

vMAS worked in accordance with the International Professional Practices Framework of the Institute of Internal Auditors. All the audit reports were discussed with the Supervisory Board. The Supervisory Board monitors the implementation of the audit recommendations on a regular basis. The annual internal audit plan has been approved by the Supervisory Board. At least once a year the internal auditor attends a meeting of the Supervisory Board and or Audit Committee.

COMPLIANCE

The compliance function has been outsourced to Projective Group.

The compliance officer met with the Managing Director every quarter via online or live meetings.

A template agenda that was based on the compliance plan and connected topics has been used. Relevant issues are discussed in the Supervisory Board. The annual compliance plan has been approved by the Supervisory Board. The Board of Directors has underwritten the "ethical code", which is part of the Governance Code.

MUNIS does not have a procedure for Product Oversight and Governance (POG), as MUNIS only insures the hull and machinery, and disbursements of the four participants. These insurance policies are based on co-insurance market conditions. MUNIS does not apply own policy wordings. A potential wish to extend the exposure to other risk categories will always be discussed with participants, the Supervisory Board and the Board of Directors as stipulated in the Bylaws of MUNIS.
The Systematic Integrity Risk Analysis (SIRA) was updated early 2025. Regular checks on the Ultimate Beneficial Owner and presence on the Dutch, EU and UN Sanction Lists are in place.

RISK MANAGEMENT

As a relatively small and specialised organisation, MUNIS has developed a simple and straightforward system of principles and policies to manage the different risks. Risks are discussed in full with the Supervisory Board every meeting, based on a concise quarterly risk management report. As mentioned earlier, the Managing Director is responsible for the risk management. The Insurance Technical Committee (ITC) assists him with that responsibility. A selection of relevant risks is discussed in the ITC.

The following paragraphs refer to specific elements of risk management.

Market risks

Van Lanschot Kempen actively manages the investment portfolio of MUNIS and provides quarterly reports to the Board of Directors. The Supervisory Board, Board of Directors and representatives of Van Lanschot Kempen discuss the investment policy and results at least once a year. The investments are based on a defensive and sustainable investment policy. The investment policy is in place to provide a match between assets and liabilities, more specifically, financial fixed assets and insurance liabilities. Bonds, deposits and liquid assets covered the technical provisions of MUNIS. The liquidity position has been aligned with the reinsurance programme. The applicable reinsurance programme ensures that no cash flow from the investment portfolio is needed to meet the insurance obligations.

The return on the portfolio was 7.03% in 2024, compared with 7.94% in 2023. The economic situation was fairly stable. The return was slightly below the benchmark. The standards of the sustainable investment policy exceeds the ESG criteria and is compliant with the Responsible Business Conduct agreement of the Dutch Association of Insurers.

MUNIS faces an acceptable exchange rate risk. Most insured values are nominated in euros and so are the financial fixed assets. A few of these assets are valued in US dollars. A look through of the financial assets made it clear that the direct and indirect investments valued in foreign currencies amounted to 23.9% (2023: 20.3%) of the total portfolio.

To have a sufficient cash position to pay potential claims, the cash flows of premium income, reinsurance premium payments and investments are closely monitored.

Credit risks

Credit risks are related to the security of bonds, equity funds, bank balances, (re)insurance brokers and reinsurers. MUNIS invests in funds whose portfolios contain either individual government bonds, corporate bonds or shares. Bonds have a rating of at least BBB (S&P). Bank balances are retained at ABN AMRO and Van Lanschot Kempen. In the opinion of the MUNIS Board of Directors, credit risks are limited because ABN AMRO and Van Lanschot Kempen are well rated.

Regarding the extensive reinsurance programme, the financial (solvency) position of reinsurers is of utmost importance. An accredited Lloyds reinsurance broker places the reinsurance programme with Lloyds' syndicates and individual reinsurance companies. Lloyds is rated A+ by S&P and has a guarantee fund for insolvent syndicates. The individual reinsurance companies have at least a S&P or AM Best rating between A- and A+, at the time of renewal of the programme. Possible changes of the ratings of the reinsurers are discussed during every Supervisory Board meeting.

The rating is assessed throughout the year in cooperation with the reinsurance broker. If such an assessment gives cause, the Board of Directors will take measures to protect MUNIS against the identified credit risks in the near future. The measures have been described in the Capital Policy, part of the ORSA. If a rating drops below A-, the Board of Directors and a delegation of the Supervisory Board discuss applicable measures.

Underwriting risks

MUNIS is a mutual insurance company for the marine contracting industry with a mono-line portfolio and a "to-follow" share in the marine co-assurance market. The underwriting risks are characterised by dependency on market premiums and conditions, relatively low-risk diversification and relatively high vulnerability for catastrophic events. With the present reinsurance programme, MUNIS has transferred

all insurance risks to the reinsurance market. The reinsurance contract has been modified as of 2024 at equivalent conditions.

Business environment

The insurance market is in a more or less stable phase with limited changes in conditions. Impacts of hardening or softening of the direct market have limited effect on the earned premium income. Qualitative and quantitative analyses of developments in the marine contracting industry related to the (re) insurance market are regularly discussed with experts from the industry, the ITC, the Board of Directors and the Supervisory Board.

Operational risks

The main operational risks are related to the quality and integrity of underwriting, claims handling, investment decisions and internal control within a relatively small organisation. This is backed up with an internal planning and control cycle, and a balanced internal control system with separated responsibilities that meet the needs of the organisation. The planning and control system is discussed regularly within the Board of Directors.

None of MUNIS' primary processes have been outsourced. The underwriting process and claims handling are supported by the brokers and leading underwriters of the respective policies. Brokers and underwriters are bound to Dutch or London market rules. MUNIS monitors the quality of the work of brokers and leading underwriters. As mentioned earlier, a compliance officer, internal auditor, actuary and risk officer have supported and assessed the primary processes. The first three functions are performed by external, specialised companies.

The MUNIS staff works partially remotely and in the office. This is supported by the ICT systems and all employees are properly equipped to work at home. The cyber security system, supported by a specialised company, functioned well and prevented any illegal external entries on the system. This has been assured by continuously monitoring all traffic at the server. For IT, a service-level agreement with an external service provider is in place. MUNIS' backup procedure consists of a backup made in the cloud next to the traditional in-house backup process on a separate computer.

BDO Audit & Assurance B.V. continued as financial auditor for the financial year 2024.

FRAUD RISK

The risk of fraud has been reduced by applying several measures. The four-eyes principle has been implemented in as many procedures as possible. Relevant procedures are presented and discussed in a staff meeting annually as well as an awareness training given by the Compliance Officer. Payments above a certain amount have to be signed by both members of the Board of Directors. The Supervisory Board receives an extensive management report every quarter.

SUSTAINABILITY

MUNIS is greatly aware of the importance of sustainability. As previously stated, MUNIS invests in sustainable funds. In addition, a reduction of commuting kilometres is realised by partially working from home and the Managing Director drives an electric vehicle. Due to its size MUNIS does not have to report according the Corporate Sustainability Reporting Directive (CSRD).

Solvency ratios	2024	2023
		€ (x 1,000)
Total own funds annual account	9,567	9,094
Total eligible own funds to meet the MCR	9,715	8,877
Total eligible own funds to meet the SCR	11,232	10,170
Minimum Capital Requirement (MCR)	4,000	4,000
Solvency Capital Requirement (SCR)	3,033	2,586
Solvency ratio (MCR)	**243%**	**222%**
Solvency ratio (SCR)	**370%**	**393%**

SOLVENCY

Regarding solvency, two requirements are of importance: the Solvency Capital Requirement (SCR); and the Minimum Capital Requirement (MCR). The SCR is the risk-based capital that an insurer must hold, calculated in accordance with the Solvency II (SII) requirements of the standard formula. In addition to the SCR, there is a legally defined (Solvency II Directive) minimum capital requirement, the MCR. The mandatory solvency is the highest of either the SCR or the MCR. In addition, the available capital is calculated and the ratio between the capital and the solvency requirement indicates the solvency ratio.

At the conclusion of 2024, the SCR ratio was 370% (2023: 393%). The Solvency Capital Requirement (SCR) increased to €3,033,000. This increase results from an increase of both the market and premium risk.

According to rules of the Solvency II directive, the Minimum Capital Requirement (MCR) is €4,000,000.

The MCR ratio is 243% (2023: 222%). As the MCR is higher than the SCR, the MCR is normative for MUNIS.

The Internal Capital Requirement (ICR) is at least 130% of the MCR, which is €5,200,000. This ICR allows MUNIS to continue its activities for at least one more year under the worst possible circumstances. During this time, MUNIS will be able to take specific measures regarding continuation of its activities. Despite the above mentioned 130%, the Board of Directors aims for a solvency ratio of at least 150%. At this level, more measures are available to increase the solvency ratio. The management of capital requirements has been described in the capital policy, which was approved by the General Assembly in May 2024.

OUTLOOK FOR 2025

In 2025, the insurance market seems to be in a fairly stable position. The reinsurance programme still implies 100% reinsurance. The conditions have been improved compared to 2024. While the interest to participate in the MUNIS programme was satisfying, the number of reinsurers reduced by one, however the (rating) quality of the panel improved. Reinsurance commissions are sufficient to expect a positive operational result for underwriting year 2025. The total organisation costs will slightly increase due to incidental personnel costs.

The total exposed value of the vessels and equipment insured by MUNIS will grow again in 2025 as investments continue. The occupation of equipment was at a high level in 2024, which is expected to continue in 2025.

The geo-political situation is uncertain due to conflicts in the Middle East and Europe, and might impact the market in which the members operate. In particular, the attacks in the Red Sea have consequences for the insured members. This is of less importance for MUNIS as it does not insure war risk.

The Board of Directors remains confident about the management of the overall risk profile of the insured fleets. This is based on the continuing efforts of its participant members in respect to loss prevention, safety measures and quality assurance.

Voorburg, 26 March 2025
The Board of Directors of MUNIS
Mr R.A. Kolman
Ms J.A. Vonk

Annual Accounts

BALANCE SHEET AS AT 31 DECEMBER 2024 (BEFORE RESULT APPROPRIATION)

€ (x 1,000)

		2024		2023
ASSETS				
1. Intangible assets		17		32
2. Financial fixed assets				
2.1 Bonds	5,843		5,748	
2.2 Shares	2,335		1,798	
2.3 Other financial fixed assets	82		166	
Total		8,260		7,712
3. Receivables				
3.1 Receivables from brokers insurance	304		0	
Total		304		0
4. Other assets				
4.1 Tangible fixed assets	26		47	
4.2 Cash and cash equivalents	2,692		2,685	
Total		2,718		2,732
5. Accrued income				
5.1 Interests to be received	9		4	
5.2 Corporate income tax	17		45	
Total		26		49
Total assets		**11,325**		**10,525**

					€ (x 1,000)
			2024		2023
EQUITY AND LIABILITIES					
6.	Equity				
6.1	Paid in Guarantee Capital	1,813		1,813	
6.2	Revaluation reserve shares	329		55	
6.3	Revaluation reserve bonds	118		52	
6.4	Revaluation reserve other financial fixed assets	0		4	
6.5	Legal reserve	17		32	
6.6	General reserve	6,996		6,612	
6.7	Result before appropriation	294		526	
	Total		9,567		9,094
7.	Technical provisions				
7.1	Provision unearned premiums				
	- Gross	1,108		840	
	- Reinsured	-737		-652	
		371		188	
7.2	Claims provision				
	- Gross	6,767		7,151	
	- Reinsured	-6,667		-7,064	
		100		87	
	Total		471		275
8.	Other provisions		156		39
9.	Liabilities				
9.1	Payable to brokers	263		821	
9.2	Payable to reinsurance brokers	693		117	
9.3	Other liabilities	175		179	
	Total		1,131		1,117
	Total equity and liabilities		**11,325**		**10,525**

PROFIT AND LOSS ACCOUNT 2024

€ (x 1,000)

		2024		2023	
TECHNICAL RESULT					
	Gross premium income	5,429		4,401	
	Premium income reinsured	-4,577		-3,775	
	Total	852		626	
	Increase(-)/decrease in Provision unearned premiums				
	Gross	-268		524	
	Reinsured	84		-477	
	Total	-184		47	
10.	Net earned premium income		668		673
	Income investments		1		5
	Gross claims	-1,275		-1,393	
	Claims reinsured	1,275		1,389	
	Net claims paid	0		-4	
12.	Increase(-)/decrease in Claims provision				
	Gross	384		43	
	Reinsured	-397		-44	
	Total	-13		-1	
11.	Net claims		-13		-5
	Commission	-455		-372	
13.	Operating expenses	-759		-724	
	Commission reinsurers	801		624	
	Commissions and expenses		-413		-472
Technical result insurance			**243**		**201**

€ (x 1,000)

		2024		2023
OTHER RESULT				
Technical result insurance		243		201
Income on investments				
Interest/Dividend	99		51	
Unrealised result	183		565	
Realised result	76		174	
Total	358		790	
Costs of investments				
Management costs and paid interest	-37		-34	
Unrealised result	-28		-5	
Realised result	-156		-256	
	-221		-295	
14. Total Income on investments		137		495
Income on investments allocated to technical result		-1		-5
Other costs		0		0
Profit/loss (-) before taxation		**379**		**691**
15. Corporate income tax		-85		-165
Profit/loss (-) after taxation		**294**		**526**

CASH FLOW STATEMENT 2024

€ (x 1,000)

	2024		2023	
Cash flow from operational activities				
Technical result insurance	243		201	
Adjusted for income on investments allocated	-1		-5	
	242		196	
Adjusted for				
Increase/decrease(-) technical provisions	196		-45	
Depreciation intangible assets	15		15	
Amortisation tangible fixed assets	21		23	
Increase/decrease(-) other liabilities	14		-423	
Increase(-)/decrease receivables	-304		566	
Increase(-)/decrease accrued income	-62		-19	
Net cash from operational activities		122		313
Cash flow from investment activities				
Investments				
- financial fixed assets	-4,945		-3,598	
- intangible assets	0		0	
- tangible fixed assets	0		-5	
Sales and redemptions				
- financial fixed assets	4,925		3,600	
- tangible fixed assets	0		0	
Interest/dividend	99		51	
Management costs	-37		-34	
Net cash from investment activities		42		14
Cash flow from financing activities				
Dividend	-157		0	
Net cash from financing activities		-157		0
Increase/decrease(-) cash and cash equivalents		**7**		**327**
Cash and cash equivalents at 31 December		2,692		2,685
Cash and cash equivalents at 1 January		2,685		2,358
Increase/decrease(-) cash and cash equivalents		**7**		**327**

EXPLANATORY NOTES

In 2024, the cash flow was €7,000 positive (2023: €327,000 positive).

EXPLANATORY NOTES TO THE BALANCE SHEET

MUNIS is a mutual insurance company specialising in the insurance of marine risks run by marine contractors in the practice of their business. MUNIS's members are international marine contractors operating sizeable fleets worldwide. The statutory seat of MUNIS is located in The Hague, The Netherlands.
The office address is Stationsplein 4, 2275 AZ Voorburg, The Netherlands (Chamber of Commerce no: 27082487 The Hague).

ACCOUNTING POLICIES

General

Financial statements are prepared according to Part 9 of Book 2 of the Netherlands Civil Code including Standard 605 of the Dutch Accounting Standards Board. Assets and liabilities are carried at their face value, unless otherwise stated. Assets and liabilities denominated in foreign currencies are converted at the rates of exchange prevailing at the end of the year. The financial statements have been prepared in euros, which is the functional and reporting currency. All amounts are in thousands of euros, unless stated otherwise.

Going concern

The financial statements are prepared based on a going concern assumption.
MUNIS has an insurance portfolio that generates sufficient net premium income to cover the operational costs and has a solid reinsurance programme signed by A- or higher rated reinsurers. The investment profile is defensive and in addition MUNIS has an adequate solvency ratio. The Board of Directors remains confident about the management of the overall risk profile of the insured fleets. This is based on the continuing efforts of its participant members in respect to loss prevention, safety measures and quality assurance. MUNIS' members are financially strong, have a good solvency and operate in profitable markets.

Estimates

In applying the principles and policies for drawing up the financial statements, the Board of Directors of MUNIS makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimates are revised and in future periods for which the revision has consequences. According to the management's opinion, the following accounting policies are the most critical for the purpose of presenting the financial position. Where applicable, estimates and assumptions are explained.

Foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value. Intangible fixed assets are included in the balance sheet when it is probable that the future benefits of that asset will accrue to the company and the costs of that asset can be measured reliably. Investments in computer software are amortised over a period of five years.

Financial fixed assets

Bonds, shares and other financial fixed assets are valued at fair value. Fair value is defined as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. For quoted financial assets for which there is an active market, the fair value is the bid price at reporting date. In the absence of an active market, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. The investment in a real estate fund, which is not marketable at the moment, is valued at market value after deduction of an impairment and based on the expected cash flows. Realised gains and losses are accounted for in the Profit and Loss Account when occurred. Unrealised gains and losses are added to the revaluation reserve. In case the market value of an individual investment turns out to be lower than the historical cost price, the unrealised result is accounted for in the Profit and Loss Account when they occur.

Receivables

Receivables from brokers insurance on premiums written in the course of collection and receivables from brokers reinsurers are included in this item. They are initially recognised at fair value and then at their presumed recoverable amounts, if lower. Other receivables include all other receivables. They are recognised initially at fair value and subsequently measured at amortised cost.

Tangible fixed assets

Tangible fixed assets are stated at historical costs minus depreciation. Small investments in office furniture and computer equipment are depreciated over a period of five years. The other investments are depreciated over a period of eight years. Any reimbursements received, with regard to investments, have been deducted from the historical cost price of the investment.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances free at disposal. They are carried at face value.

Revaluation reserve

The revaluation reserve recognises unrealised value changes in financial fixed assets in case the market value of an individual asset is higher than the historical cost price. When determining the revaluation reserve, an amount for deferred tax liabilities has been calculated at the current tax rate and deducted.

Deferred tax liability

A provision for deferred tax liabilities has been created to cover future taxation with regard to the differences in the book value and the fiscal value of assets and liabilities. The liability is valued at the nominal value of the fiscal liability as related to these differences. The nominal value of the liability is calculated according to the current Dutch corporate income tax rate.

Liabilities

Liabilities are carried at face value.

Technical provisions

A provision unearned premium is applicable for premiums and commissions already charged for the period after 31 December 2024. A claims provision is applicable for outstanding claims. The determination of this provision is based on the costs to be paid for reported claims as estimated by leading underwriters and/or based on (preliminary) survey reports of independent surveyors. For this, the most recently received information is used.

The cost of handling outstanding claims as well as the estimate for claims incurred before 1 January 2025, but not reported (IBNR) at the time of writing of the report, is included in the claims provision. Based on historical statistics (average claim amount x average number of IBNR claims over 10 years), the IBNR for the claims as at 31 December 2024 has been valued at €238,000 (2023: €244,000).

Reported and expected claims are valued at net estimated claim (net of primary and annual aggregate deductibles). Despite careful estimates, there may still be run-off results and uncertainties. This is inherent to the nature and size of the insured portfolio.

Cash flow statement accounting principles

The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash and cash equivalents of MUNIS during the financial year from the cash flows arising from operating activities, investing activities and financing activities. The cash flows from investing activities primarily comprise changes in investments (such as bonds and shares). Financing activities include all cash flows from transactions involving paid in Guarantee Capital and dividends. Cash flows from operating activities contain all other activities that belong to the principal revenue-generating activities.

ASSETS

	2024	2023
	€ (x 1,000)	
1. Intangible assets		
Historical cost price	77	77
Accumulated amortisation	-45	-30
Intangible assets at 1 January	32	47
Movements		
Investments	0	0
Disinvestments	0	0
Amortisation	-15	-15
	-15	-15
Historical cost price	77	77
Accumulated amortisation	-60	-45
Tangible fixed assets at 31 December	**17**	**32**

Intangible assets relate to newly developed software for the MUNIS insurance administration. The software was implemented at the beginning of 2021.

€ (x 1,000)

		2024	2023
2.	Financial fixed assets		
2.1	Bonds at 1 January	5,748	5,422
	Purchase	4,277	2,150
	Sale	-4,278	-2,194
		5,747	5,378
	Realised gains and losses	5	40
	Unrealised gains and losses	91	330
	Bonds at 31 December	5,843	5,748
2.2	Shares at 1 January	1,798	1,483
	Purchase	586	1,448
	Sale	-480	-1,344
		1,904	1,587
	Realised gains and losses	24	138
	Unrealised gains and losses	407	73
	Shares at 31 December	2,335	1,798
2.3	Other financial fixed assets at 1 January	166	221
	Purchase	82	0
	Sale	-167	-62
		81	159
	Realised gains and losses	1	2
	Unrealised gains and losses	0	5
	Other financial fixed assets at 31 December	82	166
	Total financial fixed assets	**8,260**	**7,712**

Investments in bonds and shares include solely interests in investment funds.
Nearly all have a rating of at least BBB (S&P). The rating is determined by the look-through principle.
The rating of the investments in bonds is as follows:

€ (x 1,000)

			2024
Rating	Investment funds Government Bonds	Investment funds Corporate Bonds	Total
AAA	842	17	859
AA	1,251	137	1,388
A	627	656	1,283
BBB	1,125	723	1,848
<BBB or not rated	170	295	465
Total	**4,015**	**1,828**	**5,843**

€ (x 1,000)

			2023
Rating	Investment funds Government Bonds	Investment funds Corporate Bonds	Total
AAA	721	23	744
AA	1,229	139	1,368
A	579	732	1,311
BBB	1,099	763	1,862
<BBB or not rated	161	302	463
Total	**3,789**	**1,959**	**5,748**

The amount of investments in shares also includes an investment in a real estate fund that is not marketable at present. The Board of Directors considers the investment to be almost completely impaired and is valued at €18,000 (2023: €16,000).

Other financial fixed assets relate to an investment in a "money market fund".

Financial fixed assets are valued as follows:

€ (x 1,000)

2024	Investment funds Bonds	Investment funds Shares	Other financial fixed assets	Total
Listed				
Market value	5,843	2,317	0	8,160
Not-listed				
Net Asset Value	0	0	82	82
Other method	0	18	0	18
Total	**5,843**	**2,335**	**82**	**8,260**

€ (x 1,000)

2023	Investment funds Bonds	Investment funds Shares	Other financial fixed assets	Total
Listed				
Market value	5,748	1,782	0	7,530
Not-listed				
Net Asset Value	0	0	166	166
Other method	0	16	0	16
Total	**5,748**	**1,798**	**166**	**7,712**

The historical cost price of bonds was €5,744,256.
The historical cost price of shares was €2,439,443.
The historical cost price of other financial fixed assets was €82,114.

3. Receivables

3.1 Receivables from brokers

At the time of writing this report, receivables from brokers have been received in full or have been netted with amounts due to brokers in early 2025.

4. Other assets

	2024	2023
		€ (x 1,000)
4.1 Tangible fixed assets		
Historical cost price	256	251
Accumulated depreciation	-209	-186
Tangible fixed assets at 1 January	47	65
Movements		
Investments	0	5
Disinvestments	0	0
Depreciation disinvestments	0	0
Depreciation	-7	-7
Depreciation allocated	-14	-16
	-21	-18
Historical cost price	256	256
Accumulated depreciation	-230	-209
Tangible fixed assets at 31 December	**26**	**47**

No investments were made in 2024. Investments in 2023 mainly relate to new computer hardware.

Part of the depreciation is allocated and invoiced to the other organisations that are supported by the Secretariat.

	2024	2023
		€ (x 1,000)
4.2 Cash and cash equivalents		
Deposits	2,648	2,629
Liquid assets	44	56
Total cash and cash equivalents	**2,692**	**2,685**

Deposits and liquid assets are at free disposal. As at 31 December 2024, interest rates on cash and cash equivalents varied from 1.5% to 1.75%.

5. Accrued income

5.1 Interest to be received

Interest to be received represent interest from deposits.

5.2 Corporate income tax

Corporate income tax represents tax to claim from the fiscal authorities because of dividend taxes to be received.

EQUITY AND LIABILITIES

€ (x 1,000)

	2024	2023
Equity at 1 January	9,094	8,486
Equity at 31 December	9,567	9,094
Increase/ (decrease) equity	473	608
Increase(-)/decrease revaluation reserve shares	-274	-26
Increase(-)/decrease revaluation reserve bonds	-66	-52
Increase(-)/decrease revaluation other financial fixed assets	4	-4
Dividend paid	157	0
Result	**294**	**526**

At the end of 2024, the solvency ratio of MUNIS was 370% (2023: 393%). The Solvency Capital Requirement (SCR) was €3,033,000, whereas the actual solvency was €11,232,000. The Minimum Capital Requirement (MCR) according to Solvency II rules and regulations is €4,000,000. This implies a ratio of 243% (2023: 222%). The Internal Minimum Capital Requirement is 130% of the MCR, which is €5,200,000.

€ (x 1,000)

	2024	2023
Total own funds annual account	9,567	9,094
Conversion to SII values	148	-60
Total available own funds Solvency II	9,715	9,034
Tier 3 own funds	0	0
Foreseeable dividend	0	-157
Total eligible own funds to meet the MCR	9,715	8,877
Tier 2 own funds (maximum)	1,517	1,293
Total eligible own funds to meet the SCR	11,232	10,170
Minimum Capital Requirement (MCR)	4,000	4,000
Solvency Capital Requirement (SCR)	3,033	2,586
Solvency ratio (MCR)	**243%**	**222%**
Solvency ratio (SCR)	**370%**	**393%**

6. Equity

6.1 Guarantee Capital

The maximum amount of the Guarantee Capital is fixed at €7,250,000 of which 25% (€1,812,500) has been paid in and 75% remains with the members. Should the actual solvency level fall below the required level, the Board of Directors will call upon the members to pay in the remaining 75%. According to article 16 of the Articles of the Association, at all times full payment of the Guarantee Capital must be actioned immediately after the Board of Directors has made a decision to that end.

	2024	€ (x 1,000) 2023
6.2 Revaluation reserve shares at 1 January	55	29
Increase/decrease(-)	274	26
Revaluation reserve shares at 31 December	**329**	**55**
6.3 Revaluation reserve bonds at 1 January	52	0
Increase/decrease(-)	66	52
Revaluation reserve bonds at 31 December	**118**	**52**
6.4 Revaluation reserve other financial fixed assets at 1 January	4	0
Increase/decrease(-)	-4	4
Revaluation reserve other financial fixed assets at 31 December	**0**	**4**
6.5 Legal reserve at 1 January	32	47
Increase/decrease(-)	-15	-15
Legal Reserve at 31 December	**17**	**32**
6.6 General reserve at 1 January	6,612	6,934
Result last year	526	-337
Dividend paid	-157	0
Appropriation to the Legal Reserve	15	15
General Reserve at 31 December	**6,996**	**6,612**
6.7 Result before appropriation at 1 January	526	-337
Appropriation to the General Reserve	-526	337
Not appropriated result	294	526
Result before appropriation at 31 December	**526**	**-337**

The revaluation reserves are net after deduction of the provision for deferred tax liability. The increase or decrease of the revaluation reserves are the net result of unrealised losses or profits on bonds and shares in 2024. A Legal Reserve has been formed for the investment in newly developed software (intangible assets). The General Reserve as at 31 December 2024 is presented before result appropriation 2024. The Annual General Assembly decided to credit the result for 2023 to the General Reserves account.

Proposal for result appropriation

The Board of Directors proposes to credit the result for 2024 to the General Reserves account.

Proposal for dividend

In 2000, the Annual General Assembly established a dividend policy that allows a dividend payment to the members provided if there are enough funds available from the General Reserve, if the cumulative result over the last three book years is positive and if the solvency of MUNIS meets the legally required margins after distribution of the dividend.

If all these conditions are met and there is a positive result, MUNIS will pay a dividend of 50% of the average result of the last 3 years, provided the total dividend exceeds a minimum of €100,000. Since the total dividend is less than €100,000, the Board of Directors proposes to withdraw no dividend from the General Reserve.

€ (x 1,000)

	2024	2023
7. Technical provisions		
7.1 Provision unearned premiums		
Gross at 1 January	840	1,364
Increase/decrease(-)	268	-524
Gross at 31 December	1,108	840
Reinsured at 1 January	-652	-1,130
Increase/decrease(-)	-85	478
Reinsured at 31 December	-737	-652
Total provision unearned premiums	371	188
7.2 Claims provision		
Gross at 1 January	6,907	6,932
Increase/decrease(-)	-378	-25
Gross at 31 December	6,529	6,907
Reinsured at 1 January	-6,820	-6,846
Increase/decrease(-)	391	26
Reinsured at 31 December	-6,429	-6,820
Total claims provision	100	87
IBNR		
Gross at 1 January	244	262
Increase/decrease(-)	-6	-18
Gross at 31 December	238	244
Reinsured at 1 January	-244	-262
Increase/decrease(-)	6	18
Reinsured at 31 December	-238	-244
Total IBNR	0	0
Total technical provisions	**471**	**275**

The average duration of claims is more than one year. As required by Dutch law, a liability adequacy test has been performed. This test is performed according to the quantitative method. Based on the survey report of outstanding claims and analysis of historical statistics, the management considers the technical provisions adequately assessed.

€ (x 1,000)

	2024	2023
8. Other provisions		
Deferred tax liability at 1 January	39	10
Increase/decrease(-)	117	29
Other provisions at 31 December	**156**	**39**

The deferred tax liability relates to revaluation differences of investments. The liability is calculated based on a corporate income tax rate of 25.8%.

9. Liabilities

9.1 Payable to brokers

At the time of writing this report, payable to brokers has been paid in full or has been netted with amounts due from brokers in early 2025.

9.2 Payable to reinsurance brokers

Payable to reinsurance brokers relate to the balance of receivables from and liabilities to the reinsurance broker. This concerns one counterparty.

€ (x 1,000)

			2024
Duration	Receivables	Liabilities	Total
Less than one year	2,577	-3,753	-1,176
More than one year	483	0	483
Total	**3,060**	**-3,753**	**-693**

€ (x 1,000)

			2023
Duration	Receivables	Liabilities	Total
Less than one year	2,125	-2,728	-603
More than one year	486	0	486
Total	**2,611**	**-2,728**	**-117**

	2024	2023
		€ (x 1,000)
9.3 Other liabilities		
Creditors	17	32
Current account other organisations	14	7
Accrued liabilities	144	140
Total other liabilities	**175**	**179**

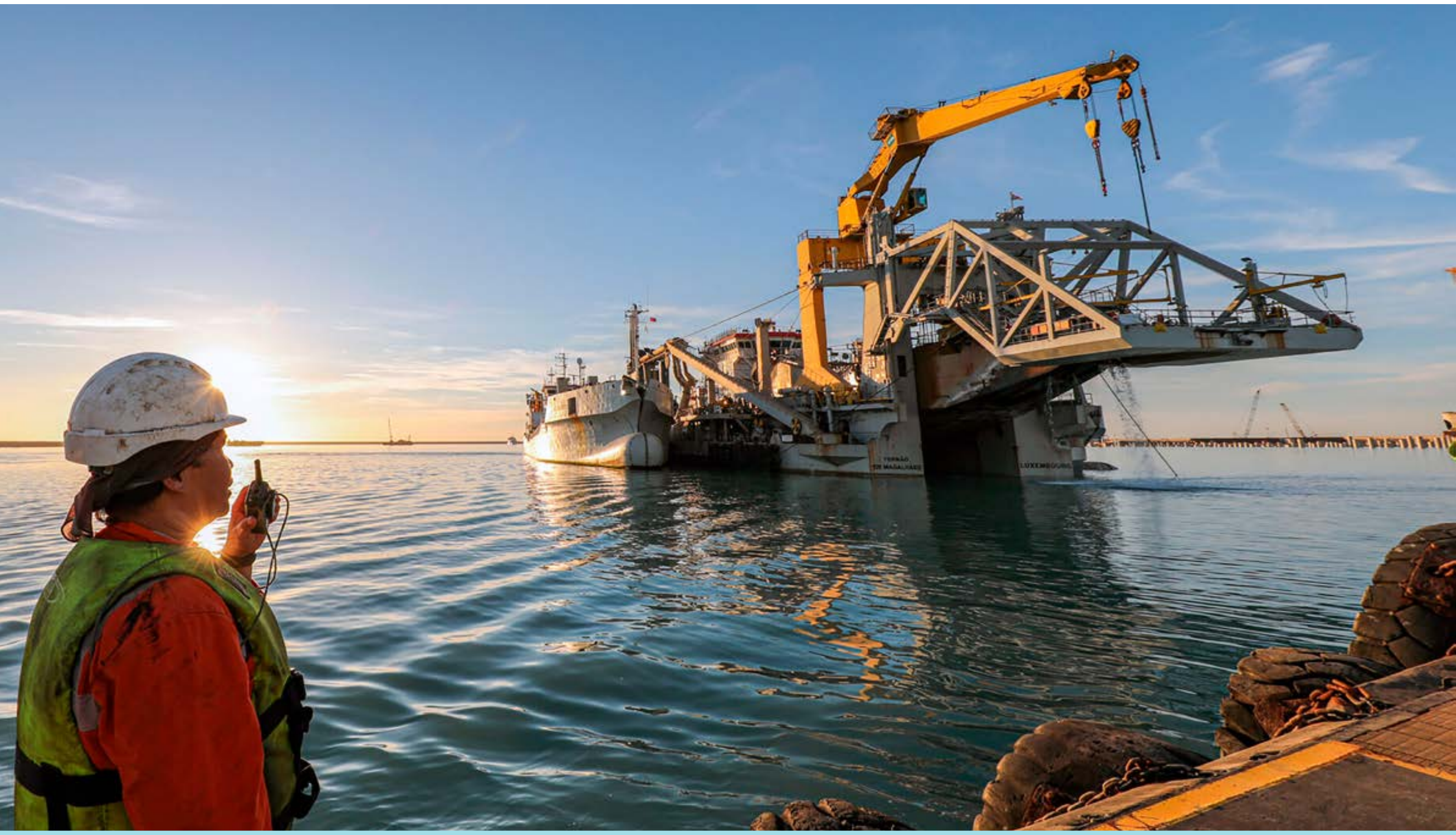
The duration of all liabilities is less than one year.

Subsequent events

There have been no subsequent events.

Commitments and contingencies

In April 2018, the Secretariat's office moved to a new location at Stationsplein in Voorburg. The rental term started on 1 April 2018 and runs until 1 April 2026. The Secretariat's total financial obligation for the space is €75,340 per year (2023: €74,756) of which MUNIS is responsible for €20,342 per year (2023: €20,184). The landlord has received a bank guarantee for three months' rent. The rental obligation is indexed annually. The annual lease car obligations are €11,454 (of which MUNIS is responsible for €3,093); (2023: €10,903 of which MUNIS is responsible for €2,944).



EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

ACCOUNTING POLICIES

General

Profits and losses are allocated to the appropriate year unless otherwise stated.

Profits and losses denominated in foreign currencies are converted at the rates of exchange prevailing at the moment of receiving or expending.

The additions to and releases from liabilities are debited or credited to the profit and loss account.

Gross premium income

Gross premiums are recognised as revenues when they become due. Information about written premiums by country of origin is not disclosed to prevent competition sensitive information from being published.

Premium income reinsured

Premium income reinsured is incorporated into the Profit and Loss Account when it becomes liable. Profit commissions are recognised as revenues when the set conditions are met and are netted with premium income reinsured.

Claims

Gross claims are incorporated into the Profit and Loss Account at net value after deductibles when they become liable. Claims reinsured are recognised as revenues when they become receivable at net value after deductibles.

Commissions

Commissions are incorporated into the Profit and Loss Account when they become liable.

Commissions reinsurers

Commissions reinsurers are recognised as revenues when they become due.

Income investments

Investment income is recognised as revenue on an accrued basis for all interest-bearing assets. Realised gains and losses are accounted for in the Profit and Loss Account when occurred. Unrealised losses are accounted for in the Profit and Loss Account provided that the market value for the individual investment is lower than the historical cost price and the relevant revaluation reserve is nil.

Allocation of investments

The income on investments is allocated to the technical accounts and the general accounts based on the following:

- Investments with a smaller risks profile (i.e. bonds and deposits) are allocated to the technical accounts;
- If a surplus exists, this is allocated to the general accounts; and
- More volatile investments (shares) are allocated to the general accounts.

Corporate income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes that occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

€ (x 1,000)

	2024	2023
10. Net earned premium income		
Gross premium income	5,429	4,401
Increase(-)/decrease in Provision unearned premium	-268	524
Earned premium	5,161	4,925
Premium reinsured	-4,577	-3,775
Increase/decrease(-) in Provision unearned premium	84	-477
Earned premium reinsured	-4,493	-4,252
Net earned premium income	**668**	**673**

The gross premium income increased due to the irregular premium bookings of some brokers and an increase of the insured value. The earned premium grew with 4.8% to €5,161,000 results from the increase of the insured value. The net earned premium income equals nearly the income of 2023.

€ (x 1,000)

	2024	2023
11. Claims		
Gross claims	-1,275	-1,393
Increase(-)/decrease in claims provision	384	43
Claims	-891	-1,350
Claims reinsured	1,275	1,389
Increase/decrease(-) in claims provision	-397	-44
	878	1,345
Net claims	**-13**	**-5**

The total claims (€891,000) consisted of €1,432,000 claims from 2024 (2023: €2,036,000) and €541,000 (2023: €686,000) positive adjustments on claims from previous years. Net claims (€-13,000) relate to the increase of the provision of costs for handling outstanding claims. The decrease of claims is due to a lower average claim size. Number of claims is stable.

€ (x 1,000)

				2024	2023
12. (Increase)/decrease claims provision					
Gross claims provision	Claims provision 31-12-2023	Claims paid 2024	Claims provision 31-12-2024	Increase(-)/ decrease	Increase(-)/ decrease
Year of claim					
Previous years	76	20	55	1	73
2019	536	71	235	230	42
2020	92	64	10	18	36
2021	1,611	107	1,421	83	416
2022	2,811	851	1,510	450	119
2023	2,025	150	2,116	-241	
	7,151	**1,263**	**5,347**	**541**	**686**
2024		12	1,419		
Total	7,151	1,275	6,766	541	686
Claims provision reinsured					
Year of claim					
Previous years	-59	-20	-40	1	-71
2019	-533	-71	-233	-229	-39
2020	-86	-64	-9	-13	-32
2021	-1,596	-107	-1,415	-74	-409
2022	-2,785	-851	-1,495	-439	-120
2023	-2,005	-150	-2,092	237	
	-7,064	**-1,263**	**-5,284**	**-517**	**-671**
2024		-12	-1,382		
Total	-7,064	-1,275	-6,666	-517	-671
Claims provision after reinsurance					
Year of claim					
Previous years	17	0	15	2	2
2019	3	0	2	1	3
2020	6	0	1	5	4
2021	15	0	6	9	7
2022	26	0	15	11	-1
2023	20	0	24	-4	
	87	**0**	**63**	**24**	**15**
2024		0	37		
Total	87	0	100	24	15
Claims paid previous years				0	4
Claims 2024				-37	-20
Increase (-)/decrease claims provision				**-13**	**-1**

Claims reinsured as represented above are claims paid plus claims outstanding for account of reinsurers.

	2024	2023
		€ (x 1,000)
13. Operating expenses		
13.1 Personnel costs		
Salaries	159	160
Social insurance	19	19
Pension premiums	47	43
Travel and car expenses	7	5
Educational costs	3	1
Sundry personnel costs	19	6
Benefits social insurance	-9	-6
Temporary personnel costs	17	1
Total personnel costs	262	229
13.2 Office costs		
Premises (rent)	23	24
Office materials	0	0
Postage	1	1
Communication costs	2	2
Subscription and contributions	35	34
Computers and hardware	12	15
Banking costs	1	2
Other office costs	0	0
Amortisation intangible assets	15	15
Depreciation costs	7	7
Total office costs	96	100

	2024	2023
		€ (x 1,000)
13.3 Administration		
Board and Committees	103	94
Insurance	6	6
Costs outsourced key functions	77	100
Auditors' costs	142	134
Costs other advice	2	2
Costs legal advice	25	-1
Total administration	355	335
13.4 Annual Convention	46	60
Total operating expenses	**759**	**724**

13.1 Personnel costs

At the end of 2024, the Secretariat supporting MUNIS employed nine staff members (7.02 fte; 2023: 8.05 fte) following the retirement of an employee. The Secretariat supports two other organisations. By tracking hours worked, 27% (2023: 27%) of the Secretariat's salary costs and shared office costs were allocated to MUNIS. For the employees of the Secretariat, a pension facility applies based on a so-called middle salary pension scheme. Annually, the pension obligations are indexed. All decisions with regard to personnel costs are taken after consultation with the Presidents meeting. The personnel costs increased due to the hire of temporary staff and the recruitment cost for a successor of the Managing Director.

13.2 Office costs

Office costs showed a slight decrease to €96,000.

13.3 Administration

The costs for the Supervisory Board comprise the remuneration of the Supervisory Board members, the reimbursement for their expenses and the D&O insurance on behalf of the Supervisory Board and the Board of Directors. The remuneration of the Supervisory Board was €58,600 (2023: €56,900) and relates to the fees for three independent members. In addition to the regular costs for Board and Committees, incidental costs were made for activities conducted by the Chairman of the Insurance Technical Committee.

The costs for outsourced key functions consist of support from the actuary, internal auditor and compliance officer. The decrease in cost resulted from a reduction in support in becoming compliant with DNB standards regarding the information security policy. Incidental costs were made for legal advice.

	2024	2023
		€ (x 1,000)
Auditors' costs		
Audit of the financial statements	140	133
Other audit engagements	2	1
Total other income	**142**	**134**

13.4 Annual Convention

The costs for the Annual Convention held in Ho Chi Minh City in 2024 were less than last year.

	2024	2023
		€ (x 1,000)
14. Income on investments		
14.1 Bonds		
Interest bonds	29	11
Realised result	-130	-231
Unrealised result	138	531
Total income bonds	37	311
14.2 Shares		
Dividend	48	32
Realised result	44	147
Unrealised result	17	29
Total income shares	109	208
14.3 Other financial fixed assets		
Realised result	6	2
Unrealised result	0	0
Total income other financial fixed assets	6	2
14.4 Interest cash and cash equivalents	22	8
14.5 Costs of investments	-37	-34
Total income on investments	**137**	**495**

The financial fixed assets are managed by a professional fund manager at Van Lanschot based on a defensive investment policy. The income on investments dropped from €495,000 to €137,000. The increase of the value of the investment portfolio was recorded on the Balance Sheet instead of on the Profit and Loss Account as in 2023.

No exchange rate differences are recognised in the Profit and Loss Account.

	2024	2023
15. Corporate income tax		
Commercial result	379	691
Permanent differences	0	0
Temporary differences	0	0
Fiscal result	379	691
Corporate income tax	85	165
Effective corporate income tax percentage	22%	24%

€ (x 1,000)

Voorburg, 26 March 2025

Other information

PROVISIONS IN THE ARTICLES OF ASSOCIATION REGARDING RESULT APPROPRIATION

According to Article 18 of the Articles of Association, the Annual General Assembly determines the appropriation of the Association's net result for the year.

To: the members of the company and supervisory board of Mutual Insurance Association "Munis" U.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the financial statements 2024 of Mutual Insurance Association "Munis" U.A. (hereafter "MUNIS" or the company) based in 's-Gravenhage.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mutual Insurance Association "Munis" U.A. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2024;
2. the profit and loss account for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mutual Insurance Association "Munis" U.A. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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

INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 287,000. The materiality is based on a benchmark of the equity (representing 3,0%) which we consider to be one of the principal considerations for members of the company in assessing the financial performance of the company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of € 13,600, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach going concern

As explained in the section 'Outlook for 2025' on page 14 of the report of the board of directors and in the section 'Going concern' on page 20 of the financial statements, the board of directors has carried out a going concern assessment for the period of 12 months and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern (hereinafter: 'going concern risks').

Our audit procedures to evaluate the board of directors' going concern assessment included:

- considering whether the board's going concern assessment contains all relevant information that we have knowledge of, as a result of our audit and inquiring with the board on key assumptions and estimates;

- auditing the solvency ratio and the capital requirement (under Solvency II) of Mutual Insurance Association "MUNIS" U.A., as explained on page 29 of the annual accounts. The solvency capital ratio (SCR) provides a significant indication of the continuity of an insurance company. A solvency ratio of 100%, according to the European Union's Solvency II directive, with a probability of at least 99.5%, indicates that the entity will be able to meet its obligations to policyholders and beneficiaries over the next 12 months. The board of directors of Mutual Insurance Association "MUNIS" U.A. has set the required internal solvency capital at 243% of the Solvency Capital Requirement (SCR), based on the Company's risk profile. The reported SCR per 2024 is 370%, as explained on page 29 of the financial statements;
- obtaining information from the board of directors about its knowledge of going concern risks beyond the period covered by their going concern assessment.

Our audit procedures, including the examination of the solvency ratio, the assessment of the Own Risk and Solvency Assessment (ORSA) 2024, the reinsurance contract, the 2025 budget, the examination of the post-balance sheet events and whether they require an adjustment or a disclosure in the financial statements, discussions with various key personnel within the organization, did not reveal any information that conflicts with the board's assumptions and the going concern assumption used.

Audit approach fraud risks and non-compliance with laws and regulations

We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory board exercises oversight, as well as the results thereof. We refer to section 'Fraud Risk' on page 12 of the report of the board of directors in which the board of directors reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system and in particular the fraud risk assessment as part of the 'Systematische Integriteits Risico Analyse (SIRA) 2024', as well as among others the code of conduct ('Moreel ethische verklaring') and internal incident procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying risks of material misstatements of the financial statements due to fraud, we evaluated fraud risk factors with respect to fraudulent financial reporting, misappropriation of assets and bribery and corruption. We evaluated whether these fraud risk factors indicate that a risk of material misstatement due fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and requested information from the board of directors and the audit committee. This did not lead to indications for fraud potentially resulting in material misstatements. In addition, we have been informed that there have been no (suspicions of) fraud within the organization.

We have taken knowledge of all corresponding between MUNIS and the Dutch Central Bank ('DNB'), we have determined that the key functions have been implemented. We have read the reports of the holder of the key functions. This did not give an indication of MUNIS being non-compliant with law or regulation.

This did not lead to indicators for fraud potentially resulting in material misstatements.

The fraud risks identified by us and the specific procedures performed are as follows:

RISK OF MANAGEMENT OVERRIDE OF CONTROLS

Description

The board of directors is in a unique position to perpetrate fraud because management is able to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, we pay attention to the risk of breaching internal control measures by the board of directors in all our audits regarding:

- Journal entries and other adjustments made during the preparation of the financial statements;
- Significant transactions outside the scope of normal business operations.

For the risk related to significant estimates, we refer to the risk related to the valuation of the technical provision for outstanding claims and the key matter of Solvency II calculations.

Our audit approach and observations:

We have:

- Evaluated the design and existence of internal control measures in the processes for generating and processing journal entries and making estimates, based on the risk of breaching those processes;
- Selected journal entries based on risk criteria, such as year-end adjusting entries, and performed audit procedures on them, also paying attention to significant transactions outside normal business operations;

Our procedures did not result in specific indications of fraud or suspicion of fraud related to the breaching of internal control measures by the board of directors. This is confirmed by the reports of the key personnel.

THE RISK OF FRAUD IN PREMIUM REVENUE

Description

In accordance with our professional standards, we always identify a presumed fraud risk with regard to revenue recognition. At Mutual Insurance Association “MUNIS” U.A., revenues include premium revenues, and there is an inherent risk of recording fictitious or incorrect premium revenues.

For regular gross premiums, the premiums per insurance policy are fixed during the policy’s term, and there are no significant estimates involved in determining the premium revenues as the premiums are determined by the leading insurer. Therefore, we do not see any fraud risk in the routine part of the revenues.

We specifically identified the presumed significant fraud risk in possible non-routine (manual) transactions that result in recognised premiums.

Our audit approach and observations:

We have audited the technical provision for unearned premiums and outstanding risks based on numerical analysis, assessing the adequacy of assumptions, and verifying the input data and calculations for determining the provisions.

We have performed audit procedures on non-routine manual journal entries in the revenue recognition.

For premium revenue we audited the correctness of pool percentages. Furthermore we reconciled premium revenue with the premiums stated by the leading insurer.

Our procedures did not result in specific indications of fraud or suspicion of fraud related to premium revenues.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

VALUATION OF THE TECHNICAL PROVISION GROSS CLAIMS

Description

As stated at page 22 of the notes to the 2024 financial statements the company recognized a technical provision gross claims at the balance sheet to cover the expected cash outflows for outstanding claims. MUNIS takes part in co-insurance contracts and follows the lead insurance company in terms of the premiums set and the claims (to be) paid.

MUNIS assesses and records their share of the expected claim on a case-by-case basis and includes an IBNR based on historical statistics.

Due to the uncertainty in making the estimation regarding the IBNR and the attention we have given to the audit of the valuation of the technical provision for outstanding claims, the provision for gross claims is a key audit matter for our audit.

Our audit approach:

We verified the accuracy and completeness of the provision by performing a retrospective analysis of the settlement of claims of previous years. We also verified whether the board of directors has taken into account these results in their estimation of the technical provision for this year. For the case-by-case provision we verified documentation for a representative selection of claims as of 31 December 2024.

For these claims we checked whether the cause of the loss is covered by the policy and also verified whether these claims are in accordance with the supporting documentation like overview documents of the brokers and claim reports.

Furthermore we reviewed the payment of claims subsequent to year end to determine whether they were fully recognized in the technical provision as of 31 December 2024.

The actuary of the company performed an adequacy test on the reporting date to establish whether the insurance liabilities in the balance sheet are sufficient. The actuary performed a review of the actuarial calculations made for the technical provisions and compared the outcome of these calculations with the provision as included on the balance sheet. The actuary determined whether the used assumptions were adequate. This actuary made up a report of their work performed and their conclusions. We reviewed this report.

During the audit, we made use of the expertise of an internal actuary engaged by us, who assessed the principles used by the board of directors and the adequacy of the technical provisions. Our actuary also tested the adequacy test carried out by the Board of directors for acceptability and adequacy. Our actuary has also tested the reports of the actuary engaged by the Board of directors for acceptability.

As part of our work, we assessed the competence, capabilities and objectivity of the actuary engaged by the board of directors.

We have tested the principles used, as stated on page 20 of the annual accounts and the associated explanations and assumptions, against the requirements as included in the Guidelines for Annual Reporting.

SOLVENCY II DISCLOSURES

Description

At page 29 of the notes to the 2024 financial statements the company discloses the solvency ratio as at year end 2024 in accordance with Solvency II regulations. The determination of Solvency II ratio involves judgement in respect of the use of methodologies and setting best estimate assumptions.

Due to the uncertainties in making this estimation and assumptions Solvency II is a key audit matter for our audit.

Our audit approach:

The company used the standard model for calculating the Solvency II ratio. During our audit we determined whether the used model was validated and assurance was given that this model is in accordance with the Standard model for calculating the Solvency II ratio. We also determined that the input of the model was in accordance with Solvency II regulations, valuation at market value. We determined whether the market value was calculated in a correct manner. We involved our internal actuary to assist us in performing the audit procedures with regard to the Solvency II calculations. We evaluated the expertise and objectivity of this specialist.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Introduction;
- Report of the supervisory board;
- Report of the board of directors;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the report of the board of directors and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the report of the board of directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were engaged by the supervisory board as auditor of Mutual Insurance Association "Munis" U.A. on 21 November 2016, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the Board of directors and the Supervisory board for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting, unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 26 March 2025

For and on behalf of BDO Audit & Assurance B.V.,

w.s. drs. M.F. Meijer RA

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