



FM Insurance Company Limited, Maidenhead, Switzerland
Branch Bern

Financial Condition Report for the year ended 31 December 2025

April 2026

Table of Contents

| | |
|----------------------------------|---|
| Management Summary | 3 |
| Business Activities | 3 |
| Performance | 4 |
| Appendices | 5 |

Management Summary

FM Insurance Company Limited ("FMI") has been present in the Swiss market with its Switzerland Branch ("FMI Swiss Branch" or the "Branch") since 2010. FMI is wholly owned by Factory Mutual Insurance Company ("FMIC"), which is located in Johnston, Rhode Island, USA, and part of the FM group of companies.

From 1 January 2020, the business of the Branch transitioned to a newly established and licensed Swiss branch of FM Insurance Europe S.A. ("FMIE"), on a renewal basis. Following the transition of business from 1 January 2020, the FMI Swiss Branch continues in run-off.

The Branch was engaged in the business of underwriting property insurance risks and the provision of related engineering and loss prevention services to large and medium sized clients domiciled in Switzerland and to Swiss branches of multinational clients of the FM group of companies.

No policies issued by the FMI Swiss Branch remained in force during the year. No new claims were notified during the year and there are no claims outstanding. The result for the year after tax was a profit of CHF 12'000 (2024: CHF 94'000), with voluntary retained earnings of CHF 1'425'000 (2024: CHF 1'413'000) as at 31 December 2025.

The run-off of the FMI Swiss branch is in line with management's expectations.

Business Activities

Strategy, objectives and essential business sectors

The ultimate parent company, FMIC, is a mutual company which is owned by and accountable to its policyholders. Being a mutual company allows FM to take a long-term strategic view, by providing clients with large, stable insurance capacity and to help FMI and the Branch to absorb and withstand short-term volatility in operating results.

The business model of FM, of which the Branch is an integral part, is based on a belief that the majority of property loss and associated business interruption is preventable through loss prevention and risk management solutions. Deploying loss prevention engineering based on scientific research is the basis for the belief that the majority of property loss is preventable and unites the mutual company and its policyholders.

FM's capital, scientific research capability and engineering expertise are dedicated to property risk management and the resilience of its client-owners. These owners, who represent many of the world's largest organisations, partner with FM to better understand the hazards that can impact their business continuity in order to make cost-effective risk management decisions; thereby combining property loss prevention with insurance protection.

External auditors according to art. 28 ISA

The financial statements of the Branch are audited by Ernst & Young AG, Zurich.

Market Situation and Exceptional Events

The Branch continues in run-off therefore any changes to market capacity or premium rates are not applicable.

There were no exceptional claims related events incurred during 2025.

Business Development

The Branch continues in run-off therefore business development is not applicable.

No policies issued by the FMI Swiss Branch remained in force during the year. No new claims were notified during the year.

Performance

As noted above the Branch has been in run-off from 1 January 2020.

Premium

From 1 January 2020, the business of the Branch transitioned to a newly established and licensed Swiss branch of FM Insurance Europe S.A. (FMIE) on a renewal basis.

There is no gross unearned premium at the balance sheet date (2024: CHF nil).

Losses

At the end of the reporting year there were no outstanding claims (2024: CHF nil).

Other expenses from underwriting business

Total net income from the underwriting business was CHF 11,000 (2024: CHF 99'000 net expense). Other expenses are expected to be minimal during 2026.

Result after tax for the year

The result for the year after tax was a profit of CHF 12'000 (2024: CHF 94'000).

Appendices

- Financial situation report: quantitative template "Performance Solo NL"
- The external auditor's summary report to the annual financial statements
- The annual financial statements

**Financial situation report: quantitative template
"Performance Solo NL"**

Currency: CHF or annual report currency
Amounts stated in millions

| | Total | | Direct Swiss business | | | | | | | | | | | | | |
|----|---------------|----------------|-----------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|--|----------------|-------------------------------|----------------|----------------|----------------|
| | Previous year | Reporting year | Accident | | Illness | | Motor vehicle | | Transport | | Fire, natural hazards, property damage | | General third-party liability | | Other branches | |
| | | | 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 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 2 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 3 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 4 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 5 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 6 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 7 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 8 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 9 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 10 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 11 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 12 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 13 | | | | | | | | | | | | | | | | |
| 14 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 15 | 0.0 | 0.0 | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| 16 | 0.0 | 0.1 | | | | | | | 0.0 | 0.0 | 0.0 | 0.1 | | | | |
| 17 | 0.0 | 0.1 | | | | | | | 0.0 | 0.0 | 0.0 | 0.1 | | | | |
| 18 | 0.2 | 0.0 | | | | | | | 0.0 | 0.0 | 0.2 | 0.0 | | | | |
| 19 | 0.2 | 0.1 | | | | | | | 0.0 | 0.0 | 0.2 | 0.1 | | | | |
| 20 | | | | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | | |
| 22 | | | | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | | |
| 26 | 0.2 | 0.1 | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |
| 28 | 0.0 | 0.1 | | | | | | | | | | | | | | |
| 29 | -0.1 | 0.0 | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | | |
| 31 | 0.1 | 0.2 | | | | | | | | | | | | | | |
| 32 | 0.0 | 0.0 | | | | | | | | | | | | | | |
| 33 | 0.1 | 0.2 | | | | | | | | | | | | | | |

To the General Manager of
FM INSURANCE COMPANY LIMITED, Maidenhead
Switzerland Branch Bern

Zürich, 29 April 2026

Report of the independent auditor



Opinion

We have audited the financial statements of Switzerland Branch Bern of FM INSURANCE COMPANY LIMITED, Maidenhead (the Branch), which comprise the balance sheet as at 31 December 2025, the income statement for the financial year then ended and the notes to the financial statements, including a summary of significant accounting policies, pursuant to Art. 28 para. 2 of the Insurance Supervision Act (ISA) and Chapter 3 “Preparation and auditing of the financial statements of branches of foreign insurance companies” of the FINMA directive “Supplementary information in the comprehensive report on the financial audit of insurance companies” dated 4 December 2025 (hereinafter “Chapter 3 of the FINMA directive”).

In our opinion, the accompanying financial statements of the Company comply in all material respects with the financial reporting provisions of Section 3.1 of Chapter 3 of the FINMA directive.



Basis for opinion

We conducted our audit in accordance with Swiss law, the Swiss Standards on Auditing (SA-CH) and the requirements set out in Section 3.2 of Chapter 3 of the FINMA directive. Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Branch in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other information

The General Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the General Manager for the financial statements

The General Manager is responsible for the preparation of financial statements in accordance with the financial reporting provisions of Section 3.1 of Chapter 3 of the FINMA directive and for such internal control as the General Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Manager is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable matters related to going concern, and using the going concern basis of accounting unless the General Manager either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and the provisions according to the supplementary information in the comprehensive report on the audit of insurance companies will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with Swiss law and the SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the General Manager's 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 Branch'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 the Branch to cease to continue as a going concern.

We communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the General Manager with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and – where applicable – actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd



Philip Kirkpatrick
(Qualified Signature)

Licensed audit expert
(Lead Auditor)



Pascal Nikles
(Qualified Signature)

Licensed audit expert

Enclosures

- Financial statements of Switzerland Branch Bern of FM INSURANCE COMPANY LIMITED, Maidenhead consisting of the balance sheet as at 31 December 2025, the income statement and the notes



FM Insurance Company Limited, Maidenhead
Switzerland Branch Bern

Financial Statements for the year ended 31 December 2025



Table of Contents

| | |
|-----------------------------------|-------|
| Balance sheet | 3 |
| Income statement | 4 |
| Notes to the financial statements | 5 - 7 |
| Accounting policies | 8 - 9 |



Balance sheet as at 31 December 2025

ASSETS

| | Notes | 2025 CHF '000 | 2024 CHF '000 |
|---------------------------|-------|------------------|------------------|
| Cash and cash equivalents | | 1,305 | 956 |
| Other receivables | 3 | 6 | 28 |
| Total assets | | 1,311 | 984 |

LIABILITIES AND EQUITY

| | | 2025 CHF '000 | 2024 CHF '000 |
|--|---|------------------|------------------|
| Other liabilities | 4 | - | 165 |
| Accruals and deferred income | | 42 | 44 |
| Total liabilities | | 42 | 209 |
| Voluntary retained earnings | | 1,425 | 1,413 |
| Profit brought forward | | 1,413 | 33,600 |
| Profit for the period | | 12 | 94 |
| Transfer of retained earnings to Head office | | - | (32,281) |
| Head office account | 7 | (156) | (638) |
| Total equity | 8 | 1,269 | 775 |
| Total liabilities and equity | | 1,311 | 984 |



Income statement for the year ended 31 December 2025

| | Notes | 2025 CHF '000 | 2024 CHF '000 |
|--|-------|------------------|------------------|
| Net acquisition and administrative expenses | | (64) | (31) |
| Acquisition costs and administrative expenses | | (64) | (60) |
| Reinsurers' share of acquisition costs and administrative expenses | | - | 29 |
| Other technical income | 2 | - | 218 |
| Total technical income | | (64) | 187 |
| Balance on the technical account | | (64) | 187 |
| Other financial expenses | | (1) | (68) |
| Other financial income | | 75 | - |
| Profit on ordinary activities before tax | | 10 | 119 |
| Tax on profit on ordinary activities | | 2 | (25) |
| Profit on ordinary activities after tax | | 12 | 94 |



Notes to the Financial Statements for the year ended 31 December 2025

Disclosures, breakdowns and explanations

1. Branch information

FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern (the "Branch"), is a branch of FM Insurance Company Limited ("FMI"), incorporated in the United Kingdom. FM Insurance Company Limited is wholly owned by Factory Mutual Insurance Company, which is located in Johnston, Rhode Island, USA (the "Parent").

The registered office of the Branch is Morgenstrasse 129, 3018 Bern, Switzerland.

The largest group in which the results of the Branch are consolidated is that of the ultimate parent company, Factory Mutual Insurance Company. The consolidated accounts are available to the public and may be obtained from Factory Mutual Insurance Company, 270 Central Avenue, Johnston, RI 02919, USA, or from www.fm.com.

2. Technical provisions – Equalisation reserves

| | 2025 CHF '000 | 2024 CHF '000 |
|-----------------------|------------------|------------------|
| At 1 January | - | 218 |
| Movement in provision | - | (218) |
| At 31 December | - | - |

3. Other receivables

| | 2025 CHF '000 | 2024 CHF '000 |
|-----------------|------------------|------------------|
| Corporation Tax | 6 | 28 |
| Total | 6 | 28 |

4. Other liabilities

| | 2025 CHF '000 | 2024 CHF '000 |
|---|------------------|------------------|
| Amounts due to affiliated undertakings (see note 6) | - | 165 |
| Total | - | 165 |

Notes to the Financial Statements for the year ended 31 December 2025

Disclosures, breakdowns and explanations

5. Analysis of receivables and payables

The movements during the year in respect of receivables and payables are broken down as follows:

| | Other Insurance Companies CHF '000 | Related Parties CHF '000 | Other CHF '000 | Total CHF '000 |
|-------------------|--|--------------------------------|-------------------|-------------------|
| 2025 | | | | |
| Other receivables | - | - | 6 | 6 |

The movements during the prior year in respect of receivables and payables are broken down as follows:

| | Other Insurance Companies CHF '000 | Related Parties CHF '000 | Other CHF '000 | Total CHF '000 |
|-------------------|--|--------------------------------|-------------------|-------------------|
| 2024 | | | | |
| Other receivables | - | - | 28 | 28 |
| Other liabilities | - | (165) | - | (165) |

6. Amounts due to related parties

| | Location | 2025 CHF '000 | 2024 CHF '000 |
|----------------------------------|-------------|------------------|------------------|
| Factory Mutual Insurance Company | USA | - | 15 |
| FM Insurance Europe S.A. | Switzerland | - | 150 |
| | | <hr/> | <hr/> |
| | | - | 165 |

7. Head office account balance

| | Location | 2025 CHF '000 | 2024 CHF '000 |
|-------------------------------|----------------|--------------------|--------------------|
| FM Insurance Company Limited | United Kingdom | | |
| At 1 January | | (638) | (31,126) |
| Fund transfer | | - | (2,700) |
| Business recharges | | (81) | 105 |
| Intercompany settlement | | 563 | 802 |
| Transfer of retained earnings | | - | 32,281 |
| At 31 December | | <hr/> (156) | <hr/> (638) |



Notes to the Financial Statements for the year ended 31 December 2025

Disclosures, breakdowns and explanations

8. Statement of changes in equity

| | 2025 CHF '000 | 2024 CHF '000 |
|--|------------------|------------------|
| At 1 January | 775 | 2,474 |
| Profit for the period | 12 | 94 |
| Transfer of retained earnings to Head office | - | (32,281) |
| Head office account | 482 | 30,488 |
| At 31 December | 1,269 | 775 |

9. Audit fees

| | 2025 CHF '000 | 2024 CHF '000 |
|----------------|------------------|------------------|
| Audit Services | 36 | 40 |
| Total | 36 | 40 |

10. Staff numbers

FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern employed no staff during the year (2024: nil).

Accounting policies

Statement of compliance

The financial statements have been prepared in compliance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art.957-963b CO, applicable as of 1 January 2013). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance of the Supervision of Private Insurance Companies (Art. 84-85, AVO-FINMA, applicable as of 1 September 2024) have been applied.

Foreign currency translation

The annual financial statements of FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern are prepared in Swiss Franc. Transactions in foreign currencies are recorded at average rates ruling for the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. Non-monetary assets are converted at historical rates. Exchange differences arising from transactions are taken to the income statement.

The main rates used are presented below:

| | 2025 | 2024 |
|-----|--------|--------|
| USD | 0.8046 | 0.8854 |
| GBP | 1.0622 | 1.1209 |

Valuation principles

Technical provisions

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

Technical provisions comprise claims outstanding, provisions for unearned premium, equalisation provision, together with a provision for unexpired risk, when required.

Claims outstanding

Outstanding claims comprise provisions for the estimated costs of settling all claims incurred up to but not paid at the balance sheet date whether reported or not, together with related claims handling expenses. Claims incurred includes all claims payments made in respect of the financial period, claims handling expenses, the movement in provision for outstanding claims, and claims handling expenses.

Claims incurred but not reported

The liabilities that are in place at the year-end are based on the best estimate of current claims outstanding with an additional element for claims incurred but not reported ("IBNR"). The IBNR is based on historical data patterns to provide a reasonable estimate of the future development of current claims.

The Branch has no claims outstanding and has assessed that no provision is required.

Accounting policies

Unearned premium

The provision for unearned premium comprises the amount representing that part of gross premium written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily pro rata method. The proportion attributable to subsequent periods is deferred as a provision for unearned premium.

The provision for reinsurers' share of unearned premium comprises the amount representing the part of reinsurers' share of premium written which is estimated to be earned in the following or subsequent financial years. Unearned reinsurance premium are deferred over the term of the underlying direct insurance policies for both risk attaching contracts and loss occurring contracts.

Equalisation provision

An equalisation provision is recognised for the purpose of mitigating exceptionally high loss ratios in future years. The amounts provided are in addition to the provisions required to meet the anticipated ultimate cost of settlement of outstanding claims at the balance sheet date. The movement in the equalisation provision is included in other technical income.

Reinsurance

In the normal course of business the Branch seeks to reduce losses that may arise from catastrophes or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurance enterprises. Amounts recoverable from reinsurers are accounted for in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.