TransRe London Limited

Solvency and Financial Condition Report

As at 31 December 2025

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About this document

This document is the Solvency and Financial Condition Report ("SFCR") of TransRe London Limited ("TRL") as at 31 December 2025.

This SFCR covers TRL on a solo basis. TRL's presentational currency is U.S. dollars ("USD").

Directors' statement

The Directors are responsible for preparing the SFCR in accordance with the Prudential Regulation Authority ("PRA") Rulebook for Solvency II Firms (the "PRA Rules").

Rule 6.1(2) within the Reporting Part of the PRA Rules requires that TRL has a written policy ensuring the ongoing appropriateness of any information disclosed. Rule 6.2(1) requires that this SFCR is approved by TRL's Board of Directors.

Each of the Directors, whose names and functions are listed in section B1 of this SFCR, confirms that, to the best of their knowledge:

- throughout the financial year in question, TRL has complied; and
- it is reasonable to believe that, at the date of the publication of the SFCR, TRL continues to comply, and will continue to comply in future,

in all material respects, with the requirements of the PRA Rules.

On behalf of the Board

Edward Sheehan

Chief Financial Officer

13 April 2026

Auditor’s report

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF TRANSRE LONDON LIMITED (‘THE COMPANY’) PURSUANT TO RULE 4.1 (2) OF THE EXTERNAL AUDIT PART OF THE PRA RULEBOOK APPLICABLE TO SOLVENCY II FIRMS

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report (‘SFCR’)

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2025**:**

- the ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the SFCR of the Company as at 31 December 2025 (‘the Narrative Disclosures subject to audit’); and
- Company templates IR.02.01.02, IR.17.01.02, IR.23.01.01 and IR.28.01.01 (‘the Templates subject to audit’).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the ‘relevant elements of the SFCR’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- information contained within the relevant elements of the SFCR set out above which are, or derive from the Solvency Capital Requirement, as identified in the Appendix to this report;
- the ‘Executive summary’, ‘Business and performance’, ‘System of governance’ and ‘Risk profile’ elements of the SFCR;
- Company templates IR.05.02.01, IR.05.04.02, IR.19.01.21 and IR.25.04.21; and
- the written acknowledgement by management of their responsibilities, including for the preparation of the SFCR (‘the Responsibility Statement’).

To the extent the information subject to audit in the relevant elements of the SFCR includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rulebook for Solvency II firms, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the SFCR in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standards as applied to public interest entities, and we have 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 opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to the ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the PRA Rulebook for Solvency II firms, and therefore in accordance with a special purpose financial reporting framework. The SFCR is required to be published, and intended users include but are not limited to the PRA. As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Conclusions relating to going concern

In auditing the SFCR, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the SFCR is appropriate.

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- we obtained an understanding of the relevant controls relating to the Board's going concern assessment process;
- we assessed the Company's performance, capital position and the impact of climate change, inflationary environment, and economic uncertainty on the Company's operations and balances;
- we inspected the Company's Own Risk and Solvency Assessment ('ORSA') to support our understanding of the key risks faced by the Company, its ability to continue as a going concern and the longer-term viability of the Company;
- we evaluated the Director's going concern assessment including their stress and scenario testing and consideration of the capital support guarantee and whole account quota share reinsurance agreements with the parent company;
- we inspected correspondence between the company and its regulators, including the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA'), to identify any items of interest which could potentially indicate either non-compliance with legislation or potential litigation or regulatory action held against the Company; and
- we assessed the appropriateness of going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the SFCR is authorised for issue.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the SFCR themselves. 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 Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions of the PRA Rulebook for Solvency II firms which have been modified by the modifications and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA and the PRA Rulebook for Solvency II firms.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a SFCR that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rulebook for Solvency II firms which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA and the PRA Rulebook for Solvency II firms.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 decision making or the judgement of the users taken on the basis of the SFCR. A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. The same responsibilities apply to the audit of the SFCR.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the SFCR. These included Solvency II as implemented in the UK and tax legislation; and
- do not have a direct effect on the SFCR but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included Companies Act 2006 and related Company Law, the FCA and the PRA.

We discussed among the audit engagement team including relevant internal specialists, such as tax, actuarial and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Valuation of the best estimate liability (BEL) requires management to select methods and assumptions that are subject to inherent estimation uncertainty as the ultimate cost of settling outstanding claims and unexpired risks depends on inputs, methodology and assumptions used by management in establishing the reserves. Judgements are based on past experience and current knowledge of the different types of insurance risk. Consequently, small changes in these methods and assumptions can materially impact the valuation of these reserves. To address this risk, with the involvement of our actuarial specialists, we assessed the appropriateness of the key inputs, methodology and assumptions used by management in establishing the technical provisions by:
    - we have inspected the calculation of the probability weighted average of future cash flows, as defined by the PRA Rulebook for Solvency II firms, and discounting impact;
    - we have assessed the methodology and assumptions for the allowance made by TRL in converting from the net reserves under FRS 103, "Insurance Contracts", to the basis for technical provisions under the PRA Rulebook for Solvency II firms ;
    - we have performed a 'stand-back' test to challenge the reasonableness of the best estimate liability evaluating all the audit evidence obtained, both corroborative and contradictory, and judgements made in estimating technical provisions for indication of a potential management bias; and
    - in order to gain assurance over the completeness and accuracy of source data used in the Company's technical provision calculations and by our actuarial specialists in performing our work, we have evaluated the data reconciliation controls and independently performed reconciliations on the actuarial data to the financial ledger and source systems.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business:

In addition to the above, our procedures to respond to the risks identified included the following:

- we have reviewed the SFCR disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- we have performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- we have enquired of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- we have read minutes of meetings of those charged with governance and reviewed significant correspondence with the PRA and FCA.

Other Matter – Partial Internal Model

The Company has authority to calculate its Solvency Capital Requirement using a partial internal model ('the Model') approved by the PRA in accordance with the Solvency II Regulations. In forming our opinion (and in accordance with PRA Rules), we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Model, or whether the Model is being applied in accordance with the Company's application or approval order.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. 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 relation to this matter.

Use of our Report

This report is made solely to the Directors of TransRe London Limited in accordance with Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA, for our audit work, for this report or for the opinions we have formed.

Claire Clough (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
London, United Kingdom

13 April 2026

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

The relevant elements of the SFCR that are not subject to audit comprise:

- The following elements of template IR.02.01.02:
  - Row 0552: Technical Provisions – risk margin - total
  - Row R0554: Technical provisions – risk margin – non-life
- The following elements of template IR.17.01.02
  - Row R0280: Risk margin
- The following elements of template IR.23.01.01
  - Row R0580: SCR
  - Row R0600: MCR
  - Row R0620: Ratio of Eligible own funds to SCR
  - Row R0640: Ratio of Eligible own funds to MCR
- The following elements of template IR.28.01.01
  - Row R0310: SCR
  - Row R0320: MCR cap
  - Row R0330: MCR floor

Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

Executive summary

TRL is a wholly owned subsidiary of Transatlantic Reinsurance Company ("TRC") and provides the TransRe group ("TransRe"), headed by Transatlantic Holdings, Inc, ("TRH"), TRC's parent company, with its main platform to write business in the United Kingdom and other international regions that access the London and Lloyd's markets. TRC is incorporated in New York, USA. TRL's ultimate parent undertaking is Berkshire Hathaway Inc. ("Berkshire Hathaway"), a company incorporated in Delaware, USA and headquartered in Omaha, Nebraska, USA.

TRL commenced trading on 1 January 2014, assuming the renewals of most of TRC's London branch ("LBO") business developed since 1980. It is regulated by the PRA and Financial Conduct Authority ("FCA"). In addition to paid up share capital of $500m, TRL has the benefit of a quota share treaty with TRC (the "TRC Quota Share") and a parental capital support guarantee agreement, under which TRC agrees to maintain TRL's regulatory capital in an amount greater than or equal to 120% of TRL's Solvency Capital Ratio ("SCR"). Under the TRC Quota Share, 80% of TRL's business incepting on or after 1 January 2023 and 60% of all business before that date is ceded to TRC.

TRL has also been granted the same financial strength ratings as TRC by both Standard & Poor's ("S&P") and AM Best, being AA+ and A++ (Superior) respectively.

TRL is a specialist non-life reinsurance company concentrating on providing protection for cedants and predominantly not competing with cedants in their own markets. Many of TRL's senior management and underwriting teams have long tenure with TransRe and enduring relationships with its client base.

TRL, with support from TRC in New York, continues to enhance its analytical, underwriting and actuarial resources to further concentrate on providing clients with top quality service, expertise and financial security in all market conditions. Our aim is to be their reinsurer of choice.

TRL's focus remains on underwriting excellence and ensuring that opportunities are maximised with a focus on risk and client selection, enhancing client relationships and navigating emerging risks and the ever-changing geopolitical environment.

Business and performance

TRL's strategy is to concentrate foremost on achieving underwriting profitability, not top line growth, and to return surplus profit to the TransRe group at the appropriate time to support the wider investment objectives of the Berkshire Hathaway group. The strategy continues to be aligned with the TransRe group vision of being the first-choice provider of reinsurance to TransRe's clients worldwide, maximising the benefits of local presence and global service and offering all products in all territories.

TRL accesses business both through broker distribution channels and directly from clients and writes a diverse portfolio of treaty reinsurance and facultative/primary business, striving for diversification by class and client. TRL adopts a lead approach to its business, combining technical analysis with underwriting expertise and strong cycle management. In recent years, TRL has benefited from a reduced amount of external reinsurance in line with the broader Berkshire Hathaway strategy of managing exposures within the group. However, TRL continues to be protected by some key strategic covers to manage volatility within its SCR.

Our business strategy during 2025 highlighted the continuing need to focus closely on the underwriting returns generated in an uncertain economic environment. We continued to further optimise the portfolio during the year, focusing on margin adequacy, aggregates and clarity of coverage.

After the impact of the TRC Quota Share, TRL's net claims ratio moved from 52.8% in 2024 to 51.4% in 2025, based on net earned premiums of $188.4m (2024: $191.0m). After deducting net acquisition and net operating expenses of $54.1m (2024: $62.4m), TRL returned a net underwriting profit of $37.4m (2024: $27.7m).

The claims ratio is largely driven by improvements in original and reinsurance pricing in recent years and robust reserving for prior years' large loss activity. Losses of note include the Francis Scott Key Bridge collapse impacting 2024 and an elevated level of onshore energy activity impacting 2025, including the PBF Martinez refinery fire in February 2025. Both years have been impacted by an increase in estimates related to the Russian aviation leasing losses, reflecting both refinements to event definitions and market legal costs.

The overall underwriting profit reflects both the continued improvements in the underlying business environment in recent years and the strength of TRL's book, which has become increasingly resilient and balanced over time. Whilst we have sought to increase TRL's participation and relevance in those lines of business ("LOB") that, in our view, have shown sufficient improvement in original pricing and terms, we continue to be cautious on casualty lines and our aggregate deployment to catastrophe risk remains in check. We are also closely monitoring original rates which are now reducing across most lines, after several years of compound improvement, and we are ready to act on lines where adequacy and profitability no longer remain.

On 28 February 2026 military activity escalated in Iran and the wider Middle East region. TRL is currently reviewing its exposure to this very recent event, whose ultimate loss is currently highly uncertain.

TRL continues to maintain a low-risk investment portfolio which is predominantly short-dated and exclusively invested in U.S., UK and German government bonds. At 31 December 2025 and 2024, the portfolio's average duration and credit quality was 0.2 years and AAA respectively, with UK gilts (AA-) as the lowest rated holding at both year ends. The portfolio generated a net combined return of $46.1m in 2025 (2024: $51.4m).

System of governance

TRL has an established governance framework and internal control system. The governance structure enables the Board to discharge its oversight responsibilities, helping TRL to meet its strategic objectives while managing risks within its stated risk appetite.

TRL's Board maintains ultimate responsibility for the oversight of TRL. The Board delegates authority for day-to-day management of some aspects of the business to certain functions and committees. The Board and committees operate under the guidance of formal terms of reference, which are agreed by the Board.

The members of the Board possess the skills, knowledge and experience required to undertake their roles and responsibilities for overseeing TRL.

Risk profile

TRL underwrites a diversified portfolio of property and casualty reinsurance, across multiple geographical regions and classes. TRL's basic SCR risk profile, which excludes operational risk, is shown in the below charts before the impact of diversification.

Figure 1a: Basic SCR by risk type before the impact of diversification as at 31 December 2025*

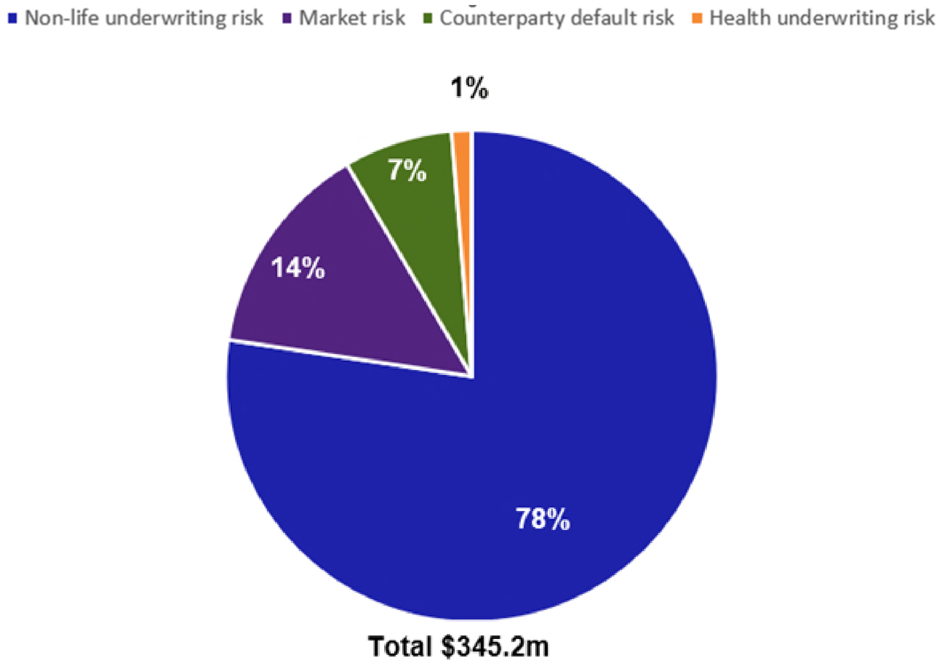


Figure 1b: Basic SCR by risk type before the impact of diversification as at 31 December 2024*

** The impact of operational risk and diversification in arriving at the SCR is described in section E.2.*

As shown above, non-life underwriting risk, including non-life premium and reserve risk, makes up the largest portion of the basic SCR risk profile.

To mitigate underwriting risks, TRL maintains a disciplined underwriting philosophy supported by risk appetites aligned to its risk tolerances.

TRL undertakes detailed stress and scenario testing at least once a year. Scenario tests are used to assess TRL's resilience against shocks from both its underwriting and non-underwriting activities. The results of the most recent analysis showed that, in 2025, the most material impact on the SCR continues to arise from an extreme reserve deterioration event. The analysis shows that TRL continues to be well capitalised and it would take a combination of extreme events to breach its SCR.

Mindful of the impact of potential spikes in catastrophe events and economic inflation, particularly in light of recent military escalations in the Middle East, we continue to closely review pricing and reserving trends. TRL's underwriting risk profile is resilient to severe shocks and is within the Board approved risk appetite.

Valuation for PRA Rules purposes

Assets and liabilities, including technical provisions, are valued in TRL's regulatory balance sheet according to PRA Rules and related guidance, giving valuations which differ from those in the financial statements, which are prepared under UK generally accepted accounting practice ("UK GAAP").

Section D provides a description of the methods, bases and assumptions employed in valuing assets and liabilities in the regulatory balance sheet, together with an analysis of material differences between UK GAAP and regulatory valuation bases.

As at 31 December 2025, TRL's excess of assets over liabilities under PRA Rules was \$686.4m (2024: \$664.6m) compared to net assets of \$632.3m (2024: \$599.1m) in the financial statements under UK GAAP.

Capital management

Under PRA Rules, the own funds of an insurance entity are placed into Tiers 1, 2 or 3 based on their ability to absorb losses, with Tier 1 having the greatest ability to do so. TRL's SCR is calculated according to the SCR – Standard Formula part of the PRA Rules as modified by a Partial Internal Model ("PIM") to calculate catastrophe risk.

Below is a summary of the own funds that TRL holds to cover its regulatory minimum and solvency capital requirements.

Figure 2: Own funds and capital requirements

Tier	Instrument	At 31 December (\$'000s) 2025	2024
Tier 1	Ordinary paid-up share capital	500,000	500,000
	Reconciliation reserve	161,593	160,335
Eligible own funds ("EOF")		**661,593**	**660,335**
Minimum Capital Requirement ("MCR")		83,666	79,693
Solvency Capital Requirement ("SCR")		334,662	318,773
MCR coverage ratio		**790.8%**	**828.6%**
SCR coverage ratio		**197.7%**	**207.1%**

The 2025 MCR and SCR coverage ratios are calculated after deducting a proposed £20.0m foreseeable dividend (2024: nil) recommended by TRL's Board in March 2026, subject to the approval of TRL's sole shareholder, TRC, for payment in the second quarter of 2026.

TRL had no Tier 2 or Tier 3 funds at 31 December 2025 or 2024. Accordingly, all its eligible own funds are available to cover both its MCR and SCR.

The reduction in TRL's solvency capital coverage ratio from 207.1% to 197.7% during 2025 reflects a small \$1.3m increase in EOF from \$660.3m to \$661.6m and a \$15.9m increase in the SCR from \$318.8m to \$334.7m.

The small increase in EOF is due to a combination of largely offsetting factors:

- an increase in UK GAAP shareholders' equity of \$33.2m; offset by
- a deduction of \$20.0m for the foreseeable dividend recommended by TRL's Board in March 2026;
- \$11.3m of reductions due to valuation adjustments between the statutory and PRA Rules valuation bases, including a reduction in the discounting of Solvency II technical provisions of \$5.5m, an increase in the risk margin of \$2.0m and other net valuation adjustment reductions of \$3.8m; and
- a \$0.6m increase in restricted own funds items.

The increase in the SCR is primarily due to:

- a $20.0m increase in the market risk charge due mainly to a reduction in assets denominated in UK sterling and an increase in assets denominated in euros;
- increases of $5.4m and $4.3m in non-life underwriting and operational risk, respectively, reflecting growth in the underlying non-life portfolio; offset by
- small movements in counterparty default and health underwriting risk (combined net $1.5m decrease); and
- an increase in diversification benefits of $12.4m across the principal risk modules.

TRL's MCR ratio reduced from 828.6% at the end of 2024 to 790.8% at the end of 2025, also as a result of the small increase in EOF along with an increase in the MCR. The increase in the MCR coverage ratio is in line with the movements in the SCR and SCR coverage ratio.

There have been no instances of non-compliance with the MCR and SCR in the current or previous year.

TRL's SCR coverage ratio is reviewed regularly to ensure TRL manages its regulatory capital consistent with its capital risk appetite.

A. Business and Performance

A.1 Business

Company information

TransRe London Limited:	Corn Exchange 55 Mark Lane London EC3R 7NE Company number: 8506758 Firm Reference Number: 600544 Legal Entity Identifier: 213800AX82TXYUZAAM21
External auditors:	Deloitte LLP 1 New Street Square London EC4A 3HQ
Regulator (financial supervision):	Prudential Regulation Authority 20 Moorgate London EC2R 6DA
Regulator (conduct supervision):	Financial Conduct Authority 12 Endeavour Square London E20 1JN

TRL is a private limited company, limited by shares, with its registered office in England. It is a wholly owned subsidiary of TRC, which is a reinsurance company incorporated and authorised in New York, USA. TRL provides TransRe with its main platform to write business in the United Kingdom and other international regions that access the London and Lloyd's markets, not otherwise served by TransRe's wider regional office distribution network. TRL is headquartered in London and commenced underwriting risks effective from 1 January 2014, assuming the renewals of most of the TRC London branch business developed since 1980.

TRL's ultimate parent undertaking and controlling party is Berkshire Hathaway, a company incorporated in Delaware, USA, headquartered in Omaha, Nebraska, USA and listed on the New York Stock Exchange. Further information on Berkshire Hathaway is available at www.berkshirehathaway.com.

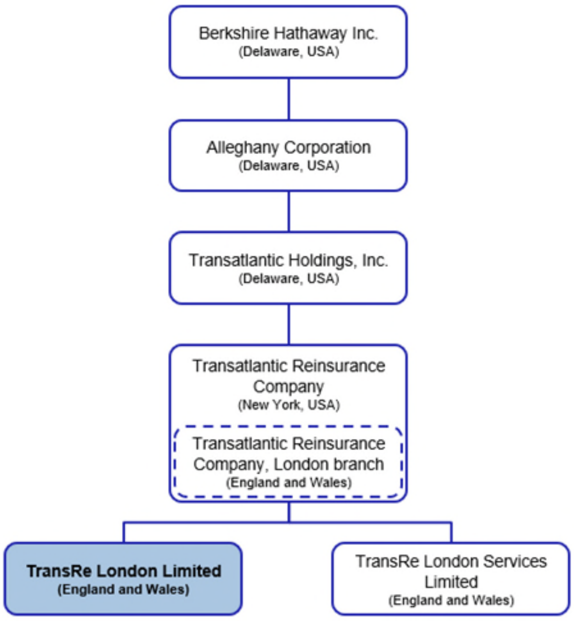
In addition to TRC and Berkshire Hathaway, TRH, incorporated in Delaware, USA and Alleghany Corporation ("Alleghany"), also incorporated in Delaware, USA and TRH's immediate parent, are indirect parents and controllers of TRL.

On 13 March 2026, Mr Warren E. Buffett, a U.S. resident, held shares representing approximately 30.0% of the voting interest and approximately 13.7% of the economic interest in Berkshire Hathaway.

Except as identified above, there are no other controllers of TRL. TRL has no related undertakings as defined in Rule 1.2 of the Group Supervision Part of the PRA Rules. A simplified group structure chart is shown below.

The Berkshire Hathaway group of insurance companies is subject to group supervision and the lead supervisor is the Nebraska Department of Insurance, Nebraska, USA.

Figure 3: Simplified organisational structure chart



All subsidiaries of Berkshire Hathaway shown above are 100% owned and controlled.

TRL provides reinsurance through treaty and facultative reinsurance arrangements covering non-life property and casualty LOBs on either a proportional or non-proportional basis. It underwrites a broad range of risks within those classes across multiple geographical regions, thus maintaining a diversified portfolio avoiding over-dependence on a single LOB. TRL benefits from shared functions made available through TransRe's support and global operational infrastructure.

TRL's core reinsurance portfolio of property and casualty treaties provides protection to global cedants, across a diverse range of LOBs. The protection provided includes coverage for a wide range of business events, enabling TRL to better navigate underwriting cycles in multiple classes of business. As part of its authorisation, TRL also holds a licence to write insurance business in a limited number of classes. The insurance business continues to account for a very small part of TRL's property and construction portfolio and is expected to remain so for the immediate future.

In May 2025, following approval and publication of TRL's 2024 financial statements and SFCR, the Directors approved the payment of an interim dividend of $20m to TRC, paid out of distributable reserves as at 31 December 2024. In late March 2026, following the approval of the 2025 financial statements, TRL's Directors recommended a final dividend of $20m, which is expected to be declared by its sole shareholder, TRC, for payment during the second quarter of 2026. The proposed final dividend will be paid out of accumulated distributable reserves as at 31 December 2025.

TRC, together with some of its subsidiaries including TRL, is rated AA+ by S&P and A++ (Superior) by AM Best.

Market commentary

Recent years have seen primary and reinsurance markets recognising the need for meaningful improvements across most lines of business, with pricing, structures, terms and conditions and acquisition costs all focuses of close attention. On-going uncertainty surrounding the Russia/Ukraine losses, concerns about U.S. casualty deterioration, macro political instability, a steady flow of both individual risk and natural catastrophe events and now the recent escalation of military activity in Iran and the wider Middle East region all provide reminders of the headwinds to profitability and the need to maintain market discipline.

On the back of compound improvements through 2023 and 2024, 2025 saw original rates for most classes of business moving into negative territory. Notable original rate reductions occurred in onshore energy despite elevated loss activity through the year and the downturn in professional classes continued with rates in a number of specialty classes declining from previous peaks on the back of surplus capacity and strong results. The rating environment continues to soften for facultative lines, with the exception of engineering business.

The aviation original rating environment is showing improvement, although our view remains that premium levels are inadequate given the severity and frequency of recent loss activity combined with the increasing exposure base and rising liability award environment. Other exceptions to the softening original market include casualty lines as the market responds to prior year loss deteriorations, particularly in the U.S., along with hardening rates on motor pro rata business in response to inflationary pressures.

Despite recent rate reductions, underlying original rate adequacy remained positive across most classes through 2025.

Reinsurance rates have typically lagged the insurance market but, whilst the market saw much needed improvement though 2023 and 2024, the increases were largely short-lived and reductions were seen in 2025, particularly in property risk and catastrophe classes. Again, despite these reductions, overall adequacy remains, although the direction of travel is clear.

2025 again provided the industry with clear reminders of the potential for large and costly catastrophe losses, with insured losses exceeding $100 billion globally for the sixth consecutive year. The Southern California wildfires, which affected the Los Angeles metropolitan area in January 2025, represented the costliest wildfire disaster in history, with insured losses in the region of $20 billion. Global severe convective storms represented a persistent, high-impact peril throughout the year, particularly in the U.S., with over $60 billion of global insured losses. Other notable 2025 events included hurricane Melissa, the Myanmar earthquake and various seasonal flood, drought and heat events around the globe. Given our risk profile, however, the impact of these 2025 natural catastrophe events on TRL has been relatively modest.

The Southern California wildfires provided one of many reminders of the challenges faced by the industry in the assessment of the changing frequency, severity and predictability of natural peril weather events, and in understanding the impact of climate change on our ability to accurately price these complex and evolving risks. Our view remains that the impact of climate change on the frequency and loss severity of primary and secondary perils is neither fully understood nor correctly priced, so we therefore remain patient and vigilant for further clarity along with improvements in rate adequacy before increasing our exposure to natural catastrophe risks.

The onshore energy market experienced a notable shift in pricing dynamics in 2025. Following a period of sustained hard market conditions, underlying pricing has fallen from its recent peak. This is despite heightened loss activity in 2025 where we saw record levels of large loss activity, both in frequency and severity, impacting the sector (current estimates suggest approximately $4bn of large loss activity occurred in 2025). Significant onshore energy events during the year included the fire at the Bayernoil refinery in Germany in January, the PBF Martinez refinery fire in California in February, the Marathon Petroleum refinery fire in Texas in June, and the landslip impacting operations at the Freeport Grasberg mine in Indonesia in September. These events, together with other attritional and mid-sized losses, contributed to materially elevated aggregate industry loss experience. The market has been better equipped to absorb this heightened severity and loss frequency given compound rate improvements over the last five years, meaning that, despite rate reductions, the market remains broadly adequate, but we continue to monitor it closely.

Uncertainty remains over the ultimate quantum of Russia / Ukraine aviation leasing losses. Whilst negotiated settlements have reduced exposed values, material exposure remains, along with changing views of event definitions and significant legal costs. It may still be some time before the market has full clarity as to coverage and ultimate claims costs, but it is becoming increasingly clear that the aviation market will have incurred multi-billion-dollar losses from these events.

Reinsurance buying habits are changing, so understanding our clients' priorities, while maintaining a diverse client base, is key to informing our decision making. TRL continues to see strong interest from clients in finding solutions to existing and emerging challenges. It is difficult to quantify in absolute terms, but we believe that our financial strength and superior ratings are positively impacting our franchise, aided by our longevity, market leading expertise, and a desire to drive our relevance through line size and deal spread, all of which has helped us secure growth through improved signings on targeted deals – for both existing and new business.

Our greatest disappointments continue to be the UK motor and global aviation markets. Inflation continues to hit the motor market very hard and contributes to material uncertainty in pricing. Despite a significant increase in UK motor insurance pricing, reinsurance markets are nonetheless prepared to anchor themselves to very thin reinsurance margins, which do not reflect the uncertainty. Furthermore, the expected rate improvements from the Covid-19 years have not materialised uniformly across the market. We therefore continue to take a cautious approach in deploying further capacity in the motor market,

As noted above, despite some recent positive rate improvements, the aviation insurance market remains challenging. Continued loss activity and adverse movements on prior events, notably Boeing, and the continued uncertainty over the Russian aviation leasing losses have not led to the degree of rate correction we feel is needed to cater for the significant changes in the sector's risk landscape. Profitability has been poor for many years driven by excess capacity while original pricing fails to reflect the true extent of underlying exposures and ongoing headwinds. As a further reminder of the need for upwards pricing corrections, there were several notable aviation incidents in 2025, but such is the extent of overcapacity, few insurers are pulling back. Whilst there are now signs that the rate slide has stopped, with double digit rate increases coming through, these increases have not been sufficient to materially change our view of the class, though they are clearly steps in the right direction.

Aviation excess of loss ("XOL") reinsurance conditions have become more favourable in recent years, with a general shift in market appetite for XOL structures along with significant rate increases and tighter XOL coverage as reinsurers have sought payback for major losses and pricing commensurate with risk.

On 28 February 2026 military activity escalated in Iran and the wider Middle East region. TRL is currently reviewing its exposure to this very recent event, whose ultimate losses are currently highly uncertain.

Strategy and portfolio

TRL's strategy is to concentrate foremost on achieving underwriting profitability, not top line growth, and to return profits to the TransRe group at the appropriate time to support the wider investment objectives of the Berkshire Hathaway group. The strategy continues to be aligned with the TransRe group vision of being the first-choice provider of reinsurance to our clients worldwide, maximising the benefits of local presence and global service, offering all products in all territories.

Following a short period of elevated global interest rates, short-term fixed income yields declined during 2025, though they remained above the ultra-low rates experienced for much of the preceding decade. Despite upwards movements in the past month linked to the anticipated inflationary impact of events in the Middle East, the generally low interest rate environment reinforces the importance of TRL's strategic focus on sustainable underwriting profitability. TRL does not rely on investment income to offset underwriting volatility and continues to prioritise technical pricing adequacy, disciplined risk selection, portfolio diversification and continued optimisation, in order to deliver resilient returns across varying interest rate and market cycles. Mindful of the impact of potential spikes in economic inflation, we closely review pricing and reserving trends throughout the year. Additionally, TRL is mindful of the further impacts that a volatile and uncertain inflationary environment could have on pricing and claims reserving.

A.2 Underwriting performance

TRL is in its thirteenth year of operation and, whilst some of the longer tail claims are not fully developed, their claims patterns are similar to those previously seen in LBO. As described in section A.1, original and reinsurance rates are flattening or negative in most classes but, following several years of compound increases, rate adequacy largely remains. There is also pressure on commissions on the back of good results, with cedants looking for increases in response to positive underlying performance. Catastrophe pricing has been under continued pressure with double digit rate reductions; and UK market consolidation has only accentuated the problem. Whilst many lines are at a point which we consider adequate this is not the case for all lines, notably aviation which continues to disappoint. We continue to monitor all lines for the negative impacts of inflation and claims trends to ensure rate levels are sufficient for us to achieve adequate margins.

Gross earned premium distribution by LOB and domicile of cedant is shown in Figures 4 and 5 below.

Figure 4: Solvency II LOB (gross earned premium $'000s)

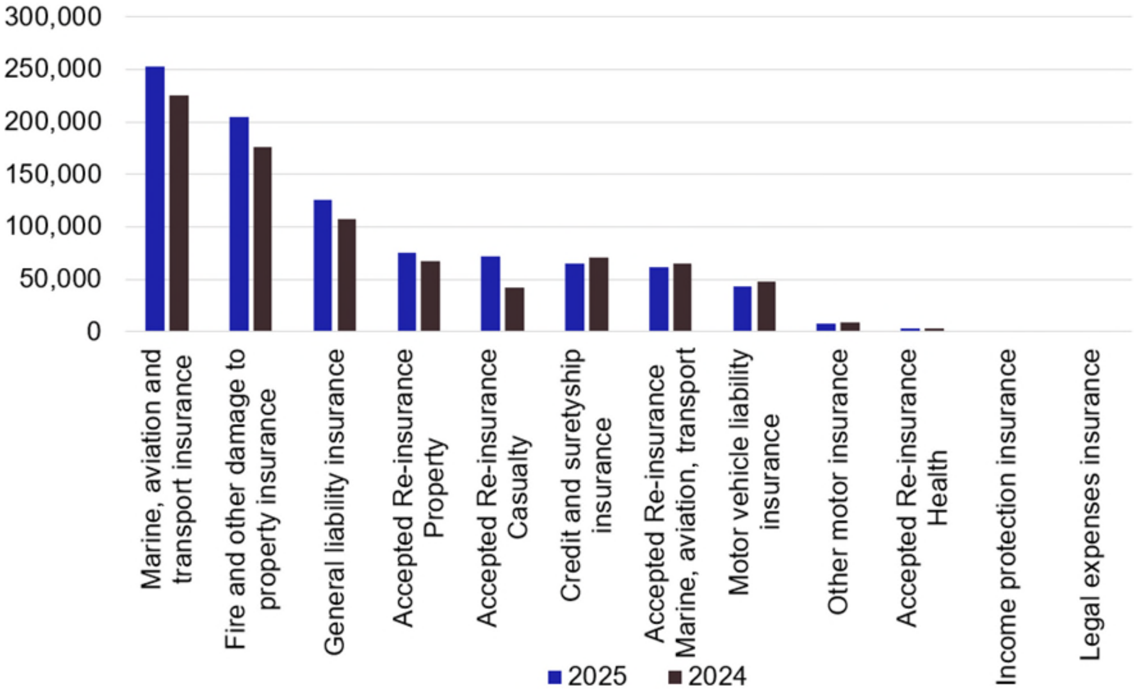


Figure 5a: Geographical domicile of cedants (gross earned premiums) as at 31 December 2025

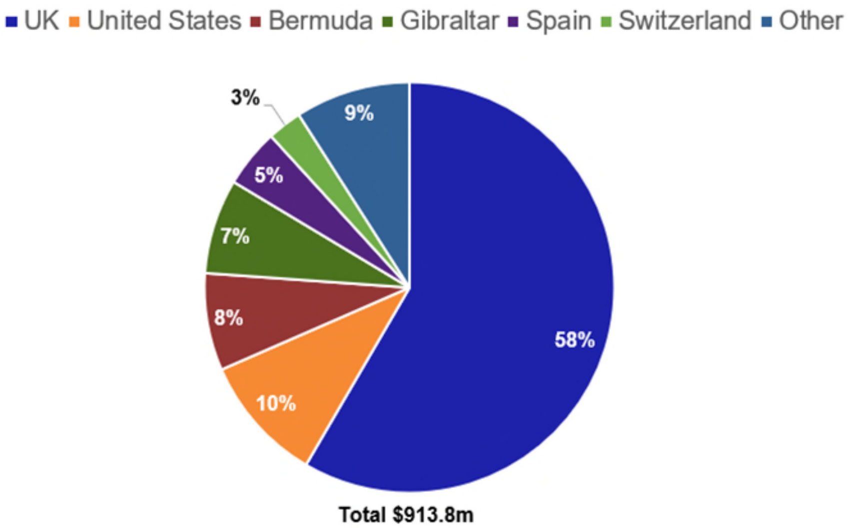
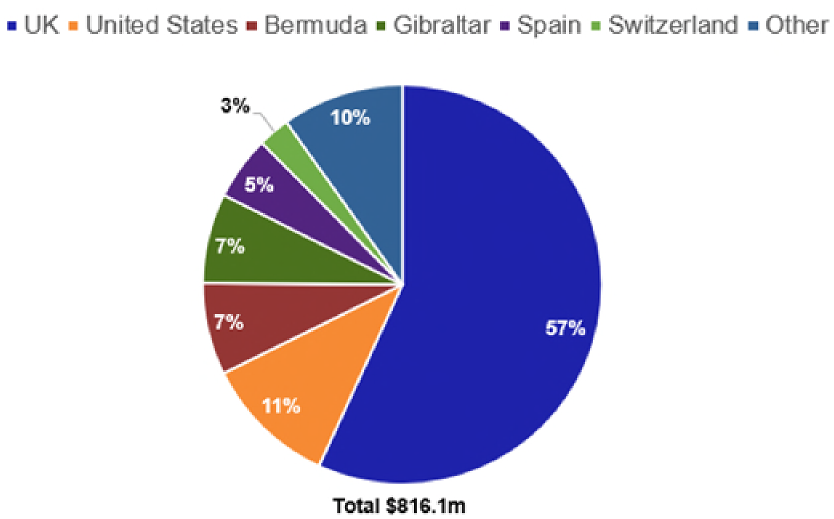


Figure 5b: Geographical domicile of cedants (gross earned premiums) as at 31 December 2024



With gross earned premiums of $913.8m in 2025 (2024: $816.1m) and a gross combined ratio of 82.6% (2024: 87.9%), TRL generated a gross underwriting profit of $158.7m (2024: $98.4m). After the impact of the TRC Quota Share and other retrocession covers, TRL made an overall net underwriting profit of $37.4m (2024: $27.7m). TRL's net claims ratio improved from 52.8% in 2024 to 51.4% in 2025, based on net earned premiums of $188.4m (2024: $191.0m).

The lower claims ratio is largely driven by improvements in original and reinsurance pricing in recent years and robust reserving for prior years' large loss activity. In recent years, claims ratios have been adversely impacted by Covid-19 losses, the Russian invasion of Ukraine, the Boeing 737 Ethiopian crash, the Francis Scott Key Bridge collapse and recent onshore energy losses, including the PBF Martinez refinery fire in February 2025. Both 2024 and 2025 were impacted by increased estimates of Russian aviation leasing losses, reflecting both refinements to event definitions and higher market legal costs. Despite these events – and as demonstrated by strong underwriting performance in recent years – TRL's underlying portfolio has remained strong and has become increasingly resilient over time. TRL's positive underwriting results over recent years also reflect both the improving underlying business environment and TRL's continued focus on portfolio management, involving de-risking, volatility reduction and improved margin adequacy. Our on-going efforts have resulted in a re-aligned and better-balanced portfolio, with less reliance placed on a small number of lower margin deals and catastrophe exposures, and a greater emphasis placed on targeting growth in lines of business that we deem to be favourable.

Following successive years of large natural catastrophe losses, wholesale improvements in catastrophe pricing, attachment levels and coverages have taken a long time to materialise. Despite a lack of material losses impacting TRL, improvements in the above metrics were not sufficient to materially change our view of catastrophe risk and we have now had two years with renewed pressure on pricing. Furthermore, many programmes are over-placed and cedants are turning to multi-year deals. As such, TRL's catastrophe portfolio has been held relatively static in recent years in terms of aggregate deployment. We remain focused on the need for catastrophe rates and terms and conditions to be fully commensurate with the risk and capacity deployed.

Excluding business that is sourced via quota share arrangements with TransRe group companies, 95% (2024: 93%) of TRL's business is generated through brokers with the remaining 5% (2024: 7%) written directly with cedants. As well as writing business through these traditional sources, TransRe has additional distribution capabilities which are supported by TRL, including Calpe Insurance Company Limited ("Calpe"), a wholly owned subsidiary of TRC.

Top five underwriting performance by LOB

The tables below summarise the performance of TRL's top five Solvency II ("SII") LOBs by premiums written in the past two years. Figures are presented on both a gross assumed basis and on a net basis after all outwards reinsurance including the TRC Quota Share.

TRL writes a diverse book of business with no single class dominating the overall portfolio. Proportional marine, aviation and transport ("MAT") is the largest component, accounting for 26.8% (2024: 27.4%) of total gross written premium, with fire and other damage to property accounting for 24.2% (2024: 22.1%) and general liability accounting for a further 14.0% (2024: 13.2%).

No new classes of business were introduced in the current or prior year.

Figure 6a: Underwriting performance by SII LOB (gross) 2025

Gross ($'000s)	Proportional			Non-proportional		Other LOB	Total
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Casualty	Reinsurance property		
Premiums written	244,329	221,166	127,764	76,704	74,721	168,631	913,315
Premiums earned	252,156	204,956	125,852	72,117	75,523	183,189	913,793
Claims incurred	(162,408)	(77,912)	(80,814)	(44,240)	(32,894)	(73,160)	(471,428)
Expenses	(83,231)	(77,758)	(48,057)	(11,190)	(11,774)	(51,698)	(283,708)
Underwriting profit/(loss)	**6,517**	**49,286**	**(3,019)**	**16,687**	**30,855**	**58,331**	**158,657**

Figure 6b: Underwriting performance by SII LOB (gross) 2024

Gross ($'000s)	Proportional			Non-proportional		Other LOB	Total
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Reinsurance property	Marine, aviation, transport		
Premiums written	242,827	196,195	116,954	70,123	69,783	191,657	887,539
Premiums earned	225,750	176,337	107,195	67,603	65,404	173,805	816,094
Claims incurred	(135,106)	(82,084)	(56,929)	(7,644)	(73,246)	(95,147)	(450,156)
Expenses	(84,883)	(63,465)	(42,057)	(11,261)	(10,667)	(55,244)	(267,577)
Underwriting profit/(loss)	**5,761**	**30,788**	**8,209**	**48,699**	**(18,509)**	**23,413**	**98,361**

Figure 7a: Underwriting performance by SII LOB (net) 2025

Net ($'000s)	Proportional			Non-prop	Proportional	Other LOB	Total
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Casualty	Credit and suretyship insurance		
Premiums written	50,191	45,891	26,698	16,111	15,593	30,151	184,635
Premiums earned	53,057	43,144	27,288	15,193	16,182	33,539	188,403
Claims incurred	(34,999)	(14,720)	(17,613)	(8,016)	(4,335)	(17,172)	(96,855)
Expenses	(14,467)	(16,904)	(9,678)	(1,354)	(7,378)	(4,335)	(54,116)
Underwriting profit/(loss)	**3,591**	**11,520**	**(3)**	**5,823**	**4,469**	**12,032**	**37,432**

Figure 7b: Underwriting performance by SII LOB (net) 2024

Net ($'000s)	Proportional				Non-prop	Other LOB	Total
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Casualty		
Premiums written	54,643	43,208	27,375	17,262	13,675	36,632	192,795
Premiums earned	56,403	41,718	28,038	19,527	9,143	36,186	191,015
Claims incurred	(33,459)	(18,564)	(14,639)	(5,827)	(2,785)	(25,641)	(100,915)
Expenses	(21,657)	(13,873)	(10,231)	(8,960)	(2,058)	(5,646)	(62,425)
Underwriting profit	**1,287**	**9,281**	**3,168**	**4,740**	**4,300**	**4,899**	**27,675**

Marine, aviation and transport – proportional

With inflationary pressures easing and capacity increasing, marine and transport rates are now under pressure after a sustained period of increases on the back of Lloyd's corrective measures and a focus on natural perils loadings following previous market loss activity.

Although we are now seeing double-digit rate increases, aviation rates continue to disappoint, both on major risk airlines and the wider aerospace manufacturing industry, as a result of excess capacity and artificially low loss ratios during the Covid-19 years skewing underlying longer-term adequacy. The aviation market has been impacted by a rising exposure base, continued loss activity and inflationary pressures, alongside general concerns over liability trends.

Fire and other damage to property – proportional

This category comprises property proportional treaty business including engineering along with facultative reinsurance, terror and political violence. Performance in the last couple of years has been good following further original rate improvements and benign loss activity. The facultative rating environment has been more challenging through 2025, although rating adequacy and terms and conditions remain robust. Onshore energy rates have also softened significantly, having peaked after a sustained period of improvement that was driven by large loss activity and a push for improved profitability following some challenging prior year performance issues.

Terror and political violence saw meaningful rate increases following the Russian invasion of Ukraine, other market loss activity and a greater awareness of a more challenging and complex global risk environment. However, rates have now softened, driven by excess capacity, good pricing adequacy and attractive historical profitability.

General liability – proportional

This portfolio predominately consists of multi-national business covering a diverse range of underlying occupancies and classes. For general casualty, the international market is softening, driven by increased capacity, although the impact of rate reductions is mitigated where underlying exposures have a significant U.S. component. Professional liability classes have seen continued market softening across all lines in 2025, following the hardening of the original market prior to 2024. The modest underwriting loss in 2025 reflects some development on prior year losses and rate softening over the prior year.

Casualty – non-proportional

Reinsurance casualty comprises various classes including motor XOL, general casualty XOL, professional liability, credit and political risk. Overall reinsurance pricing in 2025 was flat with some variation by class. Performance has been positive, with good pricing adequacy and favourable development on prior year losses.

Reinsurance property – non-proportional

Reinsurance property largely comprises property catastrophe XOL, facultative and treaty commercial property XOL, engineering XOL and war/terror XOL business. The strong performance has been driven by a largely positive rate environment combined with low natural perils catastrophe activity, aided by increasing programme attachments, benign large risk losses and favourable development on prior year losses.

Credit and suretyship – proportional

This portfolio comprises credit, surety and political risk. Rates have been under pressure during 2025 given good underlying profitability and rate adequacy. Claims development has been generally favourable, leading to reserve releases on prior years.

Other lines of business

Other top 10 LOBs by gross written premium (“GWP”) include: credit and suretyship insurance, non-proportional marine aviation and transport, motor vehicle liability insurance, other motor insurance and non-proportional health.

Underwriting performance by cedant domicile

As well as writing a diverse range of classes, TRL also writes business from companies domiciled in a range of territories. The breakdown of underwriting results from the top six countries by net written premium (“NWP”) in which TRL’s cedants are domiciled, is set out in the tables below.

Figure 8a: Underwriting performance by material (top 6) geographical areas (net) 2025

Net ($'000s)	United Kingdom	Bermuda	Gibraltar	United States	Spain	Switzer-land	Other countries	Total
Premiums written	111,867	16,919	12,742	12,264	8,254	5,220	17,369	184,635
Premiums earned	112,547	17,244	13,490	13,617	8,538	4,951	18,016	188,403
Claims incurred	(64,210)	(9,171)	(8,712)	(6,005)	(2,537)	(1,313)	(4,907)	(96,855)
Expenses	(34,924)	(5,420)	(2,639)	(3,198)	(3,642)	(1,245)	(3,047)	(54,115)
Underwriting profit	**13,413**	**2,653**	**2,139**	**4,414**	**2,359**	**2,393**	**10,062**	**37,433**

Figure 8b: Underwriting performance by material (top 6) geographical area (net) 2024

Net ($'000s)	United Kingdom	Bermuda	United States	Gibraltar	Spain	Switzer-land	Other countries	Total
Premiums written	111,094	19,567	16,256	13,199	8,957	4,593	19,129	192,795
Premiums earned	109,801	19,968	15,964	12,027	9,051	4,414	19,790	191,015
Claims incurred	(61,835)	(11,973)	(10,008)	(7,832)	(2,136)	(1,518)	(5,613)	(100,915)
Expenses	(33,941)	(7,291)	(6,887)	(3,327)	(4,278)	(1,165)	(5,536)	(62,425)
Underwriting profit/(loss)	**14,025**	**704**	**(931)**	**868**	**2,637**	**1,731**	**8,641**	**27,675**

United Kingdom

Business from UK domiciled cedants made up 60.6% of TRL's NWP in 2025 (2024: 57.6%). The UK experienced relatively low natural catastrophe activity in 2025, although business emanating from Lloyd's speciality classes has been adversely impacted by movements on Russia/Ukraine related losses in both 2024 and 2025.

Bermuda

Bermuda comprises multinational ceding companies writing principally property, casualty and credit business, with a small amount of speciality business, including aviation and marine. Performance has been generally positive but 2024 was impacted by losses from the Francis Scott Key Bridge collapse as well as some property large loss activity movement on prior underwriting years.

Gibraltar

Gibraltar includes motor business and general liability business proportionally ceded from Calpe, a wholly owned subsidiary of TRC, whose motor book is currently in run-off. It also includes TRL's motor business assumed from other cedants domiciled in Gibraltar. Significant original rate increases have continued in motor over recent years in response to materially increasing claim levels. General liability rate increases were also sustained through 2025 and performance has been positive.

United States

U.S. business includes multinational ceding companies writing principally property, casualty and marine business. TRL writes a modest amount of U.S. property catastrophe business, mainly via global onshore energy and property quota shares. U.S. hurricane activity and its impact on TRL has been low in the last couple of years. With a positive underlying rating environment feeding through to the results, variations by year are driven by general large loss activity.

Spain

Spain comprises primarily international trade credit business which has performed well over a number of years.

Switzerland

Switzerland comprises primarily multinational ceding companies writing principally property, casualty and speciality business. Overall performance in the last two years has been favourable.

Other countries

TRL underwrites business on a global basis with a wide distribution of territories and classes of business.

For more details and the breakdown of premiums, claims and expenses by geographical spread, please refer to Quantitative Reporting Template (“QRT”) IR.05.02.01 in Appendix 2.

A.3 Investment performance

Financial investments

TRL’s investment portfolio is exclusively invested in U.S., UK and German government bonds, 98.4% (2024: 89.7%) of which are classified as short-term, with original maturities of 12 months or less on the date of purchase. The short-term nature of the portfolio insulates TRL against bond market value fluctuations and allows it to benefit from short-term yields which, despite falls during 2025, remain attractive.

The credit quality of the fixed income portfolio is high, with an average rating of AAA, based on short-term credit ratings at 31 December 2025 (2024: AAA), and with UK gilts as the lowest rated holding, rated AA-. At the year end, the total portfolio including investment cash was invested 81.6% in USD, 9.0% in GBP and 9.4% in EUR denominated assets (2024: 77.4%, 14.8% and 7.8% respectively).

Total investment return

TRL’s total investment return includes investment income (made up of interest income and the amortisation of any discount or premium on available-for-sale debt securities), net realised and unrealised gains and losses, net of interest payable, investment expenses and impairment losses on financial assets.

Interest income is recognised as accrued based on the effective interest method. Acquisition costs relating to the purchase of bonds are capitalised and expensed over the duration of the investment.

TRL’s portfolio generated a net combined return of $46.1m in 2025 (2024: $51.4m), comprising investment income of $45.8m (2024: $51.6m) along with a small net capital gain of $0.3m (2024: net capital loss of $0.2m). The positive investment return contributed to an increase in the total value of the portfolio (including investment cash) from $1,107.8m at the end of 2024, to $1,110.6m at the end of 2025, with the balance of the movement comprising net investment purchases arising from cash flows generated largely from underwriting activities.

The market yield of 3.8% (2024: 4.6%) on TRL’s portfolio at 31 December 2025 reflects rate cuts by U.S., UK and European central banks, including reductions in U.S. federal funds effective interest rates from 4.5% at the start to 3.6% at the end of the year. At the year-end, the average duration of the portfolio was 0.2 years (2024: 0.2 years).

Figure 9a: Investment portfolio performance for 2025

Asset Category ($'000s)	Income	Gains	Total investment return	Total SII Value (as at 31 December 2025)
Cash[1]	529	-	529	216
Government bonds[2]	45,276	327	45,603	1,110,362
Total	**45,805**	**327**	**46,132**	**1,110,578**

Figure 9b: Investment portfolio performance for 2024

Asset Category ($'000s)	Income	Losses	Total investment return	Total SII Value (as at 31 December 2024)
Cash[1]	426	-	426	27,946
Government bonds[2]	51,168	(168)	51,000	1,079,831
Total	**51,594**	**(168)**	**51,426**	**1,107,777**

Investment income in the above tables is shown gross of investment management related expenses of $0.5m (2024: $0.4m).

In addition to returns generated from its investment portfolio shown in the tables above, TRL also made an investment gain of $1.0m in 2024 arising from TRL's inwards whole account quota share arrangement with TReIMCo Limited, a Lloyd's corporate member and fellow group company. With TReIMCo no longer participating in insurance business, the corresponding gain in 2025 was $nil.

The low investment cash balance at 31 December 2025 is due to the portfolio being nearly fully invested at that point in time. Income from non-investment cash is provided in footnote 1.

Securitisations

TRL did not have any securitised investment vehicles at 31 December 2024 or 2025.

A.4 Performance of other activities

TRL does not receive any income other than from its underwriting and investment activities. TRL has no financial or operating lease arrangements.

TRL's reporting and presentational currency is USD. The operating results and financial position of each non-USD ledger are translated into USD at the appropriate prevailing exchange rate.

A.5 Any other information

Financial risks associated with Climate Change

Sustainability & Resilience ("S&R") considerations continue to attract attention, evaluation and scrutiny in the (re)insurance community and the broader economy. These include climate-related financial risks, which can be further classified as physical, transition and liability risks as follows.

<u>Physical risk</u>

Physical risks are risks that arise from the physical effects of climate change. They include:

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[1] Cash balances shown in Figures 9a and 9b represent cash held by the investment manager. For TRL's total cash balances, please refer to Figure 21 in section D1. Interest earned on TRL's non-investment cash and funds held with cedants, not shown in the tables above, was $0.9m (2024: $1.0m).

[2] Included within government bonds at 31 December 2025 are $1,092.6m (2024: $968.5m) of short-term investments, with maturity dates of one year or less at the date of acquisition.

- acute physical risks, which arise from particular events, especially weather-related events including windstorms, floods, fires or heatwaves that may damage property (residential and commercial) and production facilities; and may disrupt value chains and increase the frequency and quantum of potential losses; and
- chronic physical risks, which arise from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.

Transition risk

Transition risks are risks that arise from the transition to a lower carbon economy. They include:

- government policy risks, for example because of changing energy efficiency requirements, carbon pricing mechanisms which may increase the price of fossil fuels, or policies to encourage sustainable land use; and
- market sentiment risks, for example because consumer and business demand for certain types of products and services may reduce.

Liability risk

Liability risk, also referred to as climate litigation risk, is defined by the International Association of Insurance Supervisors as "the risk of climate-related claims under liability policies, as well as direct actions against insurers, for failing to manage climate risks."

Physical, transition and liability risks may impact (re)insurers' property and liability portfolios, including general casualty, professional liability and other lines of business, as well as their investments and operations. Climate change governance matters are addressed in sections B and C.

TRL does not consider there to be any other material information to disclose on its business and performance.

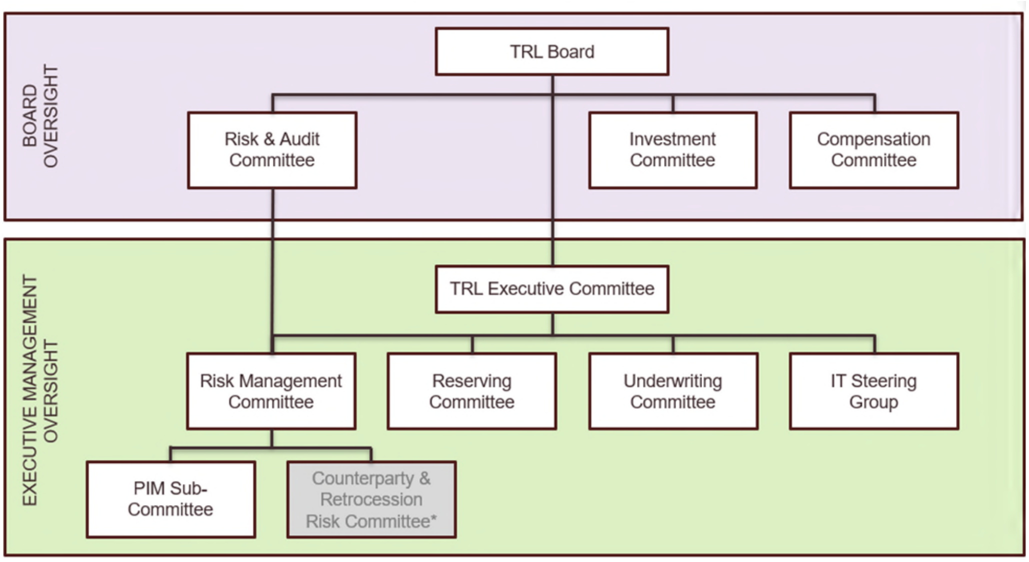
B. System of Governance

B.1 General information on the system of governance

TRL's governance structure reflects its membership of a large international group of companies, whilst ensuring that it maintains robust local governance arrangements. TRL has assessed the nature, scale and complexity of its business against its governance structure and considers its system of governance to be effective.

The structure of TRL's key governance bodies is shown in Figure 10.

Figure 10: Governance oversight and reporting lines as at 31 December 2025



* As a member of the Berkshire Hathaway group, TRL's reliance on external retrocession has decreased such that a separate meeting to discuss ceded covers is not currently considered necessary. Accordingly, the Counterparty & Retrocession Risk Committee remains suspended and its oversight responsibilities have been assumed by the Risk Management Committee.

TRL's Board maintains ultimate responsibility for overseeing the running of TRL. Its responsibilities include:

- setting, promoting and demonstrating TRL's culture, vision and values;
- approving TRL's business strategy and monitoring performance against its business plan;
- approving TRL's risk appetite and tolerances ensuring they are in line with TransRe group appetites;
- reviewing the adequacy and appropriateness of TRL's reserves, as established by the Actuarial function;
- overseeing the design, implementation and effectiveness of TRL's environmental, social and governance ("ESG") programme;
- maintaining oversight of TRL's compliance with relevant laws and regulations;
- maintaining oversight of the consistency of TRL's practices with Treating Customers Fairly ("TCF") principles; and
- maintaining oversight over the effectiveness of TRL's corporate governance framework and internal control framework.

The members of TRL's Board at 31 December 2025 are identified in Figure 11.

Figure 11: Board members and committee memberships

Board Member	Role	Committees
Richard Chattock	Independent Chair of the Board	Risk & Audit, Investment, Compensation
Louise Rose	Executive director, Chief Executive Officer ("CEO")	
Ed Sheehan	Executive director, Chief Financial Officer ("CFO")	Investment
Mary Gavigan	Independent non-executive director	Risk & Audit*, Investment, Compensation
Mostyn Wilson	Independent non-executive director	Risk & Audit, Investment*, Compensation
Donna Byron	Non-executive director	Compensation*
Paul McKeon	Non-executive director	

(* denotes chair of the respective committee)

The members of the Risk & Audit Committee and the Compensation Committee are all non-executive Directors. The members of the Investment Committee are all non-executive Directors other than the CFO.

Risk & Audit Committee

The Risk & Audit Committee's responsibilities include:

Risk

- providing oversight and challenge to the effectiveness of TRL's Risk Management function, Enterprise Risk Management ("ERM") framework and risk management culture, including adherence to the Board agreed appetites and tolerances, engagement with TRL's key business functions and embedding the ERM framework across TRL, in alignment with TransRe's overall ERM and risk governance framework;
- monitoring the identification, evaluation, quantification, mitigation and control of both emerged and emerging risks;
- ensuring that S&R risks (including risks associated with climate change) are identified and captured within TRL's ERM framework;
- monitoring the effectiveness of TRL's risk management and internal control systems, including financial, operational, operational resilience and compliance controls and its Own Risk and Solvency Assessment ("ORSA"); and
- providing oversight and challenge to the effectiveness of TRL's Compliance function and approving the Compliance Monitoring and Training Plan and overseeing progress against it.

Audit

- monitoring and reviewing the effectiveness of TRL's Internal Audit function;
- approving the annual Internal Audit Plan and overseeing progress against it;
- reviewing Internal Audit reports and findings and monitoring the status of actions and recommendations;
- monitoring the integrity of TRL's financial statements and any formal announcements relating to TRL's financial performance;
- ensuring the appropriateness of the disclosures in TRL's financial statements, including disclosures relating to stakeholder engagement and ESG matters;
- reviewing TRL's internal financial controls;
- making recommendations to the TRL Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- approving the external audit plan and overseeing progress against it; and
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the external audit process.

The Risk & Audit Committee meets at least three times per year.

Investment Committee

The Investment Committee's responsibilities include:

- reviewing and making recommendations to the Board in respect of TRL's investment strategy and policy in a manner consistent with the prudent person principle;
- reviewing summary reports on TRL's investment portfolio, investment activity and investment practices;
- considering investment performance and providing appropriate challenge and comment;
- monitoring the impact of ESG matters on investments and, in particular, investment risks associated with climate change;
- maintaining oversight of compliance with applicable legal and regulatory requirements, investment policies and decisions of management; and
- considering reports in respect of investment risk management, liquidity management and credit management.

As the investment portfolio is currently invested exclusively in low-risk government bonds, the Board considers that one routine Investment Committee meeting per year is sufficient, subject to there being no material changes in the investment strategy. Routine investment reports are included in the Board papers.

Compensation Committee

The Compensation Committee's responsibilities include:

- ensuring that executive director remuneration policy and practices are consistent with expectations for clarity, simplicity, risk predictability, proportionality and alignment to culture;
- oversight and challenge of the design and operation of employee remuneration; and
- oversight of remuneration and staff benefits.

The Compensation Committee meets at least three times per year.

Each of the committees reports to the Board through their respective Chairs as a standing item on the Board's agenda. The Board and its committees maintain terms of reference that are reviewed at least annually.

The Board carries out regular reviews of its own effectiveness. These reviews consider the balance of skills, experience, independence and knowledge of TRL's Board. The reviews also consider Board diversity, how the Board works together and other factors relevant to its effectiveness. An external review is carried out every three years, most recently in 2023.

Executive Committee

TRL's Executive Committee is led by the CEO and reports to the Board. It is responsible for:

- management and oversight of the day-to-day business;
- development and execution of TRL's strategy;
- financial management, risk management, and compliance oversight;
- operational performance (including performance of third party outsourcers) and change management;
- agreeing and recommending to the Board the annual budget and business plan;
- monitoring underwriting and investment performance; and
- ensuring the effectiveness of the three lines of defence model and, ultimately, TRL's internal control framework.

The Executive Committee reports to the Board through the CEO as a standing agenda item.

At 31 December 2025, the Executive Committee maintained three senior sub-committees that report into it and also sponsored the Information Technology ("IT") Steering Group, as shown in Figure 10. The Executive Committee and its sub-committees maintain terms of reference that are reviewed at least annually.

Key functions

Each of the key functions within TRL is operationally independent of each other, although some individuals are key function holders for more than one function:

- the Head of Risk is also holder of the Catastrophe Modelling function;
- the Head of Claims is also holder of the Business Management Department function;

- the CFO is also holder of the Operations (other than IT/Systems) function; and
- the Head of Legal and Compliance is holder of both Legal and Compliance functions.

The key functions have their own teams and reporting lines. Each key function reviews its resource needs on at least an annual basis and the key function holder is responsible for ensuring the key function has the necessary authority, resources and operational independence.

All key functions report to the Board or a committee of the Board and/or the Executive Committee. Further information on the authority, resources and operational independence of the key control functions is included in sections B3 (Risk Management function), B4 (Compliance function), B5 (Internal Audit function) and B6 (Actuarial function).

Figure 12: Key functions as at 31 December 2025

Key Function	Holder	Senior Management Function ("SMF")
Risk Management System	Head of Risk	SMF4
Compliance	Head of Legal and Compliance	SMF16
Internal Audit	Chief Audit Executive	SMF5
Actuarial	Chief Actuary – International	SMF20
The function of effectively running the firm:		
Executive Management	CEO	SMF1
Underwriting	Chief Underwriting Officer ("CUO")	SMF23
Finance	CFO	SMF2, SMF24
Claims	Head of Claims	SMF18
Operations (other than IT/Systems)	CFO	SMF2, SMF24
Members of TRL's Board (not otherwise listed)	Directors	Various
SMF7 holders on the governing body of a parent or other group company	Various	Various
Any other function which is of specific importance to the sound and prudent management of the firm:		
Business Management Department	Head of Claims	SMF18
Catastrophe Modelling	Head of Risk	SMF4
HR	Head of HR	SMF18
Legal	Head of Legal and Compliance	N/A[3]
IT/Systems	Head of IT	SMF24

Except as described above, there were no material changes in TRL's governance structure in the year ended 31 December 2025.

[3] The Head of Legal is not required to be an SMF. However, the Head of Legal and Compliance is responsible for the Legal function and is registered as SMF16 for the Compliance Function.

Remuneration policies and practices

All TRL staff are employed by either TransRe London Services Limited (“TRLS”), a fellow subsidiary of TRC, or by TRC itself.

Approach to remuneration

TRL adopts an approach to remuneration which supports and encourages appropriate behaviour that is aligned with TransRe’s vision and values and the Alleghany Code of Business Conduct and Ethics.

Assessment of performance

Reviews are performed by line managers and reviewed by senior management and Human Resources (“HR”). This is a key component of the appraisal process to ensure TRL performance is linked to rewards.

Financial and non-financial criteria are taken into account when assessing an individual’s performance. Key elements of an individual’s performance assessment are adherence to the Alleghany Code of Business Conduct and Ethics and compliance with policies and procedures.

Fixed and variable components of remuneration

Remuneration is made up of two key elements: fixed and variable. The fixed element is base salary. The variable element includes an annual bonus and, in some instances, deferred compensation. Base salary, bonus and deferred compensation are reviewed annually in line with the performance review process.

For more senior employees and officers, fixed base salaries generally comprise a minority of total compensation, with the majority of compensation linked to performance-based annual and long-term incentives.

There are no entitlements to share options or shares and no supplementary pensions or early retirement schemes for the members of the Board or other key function holders.

Material transactions with shareholders

TRL has a whole account quota share reinsurance agreement with TRC as reinsurer, under which it cedes 80% of all business incepting on or after 1 January 2023, and 60% of all business incepting before that date. To secure its liabilities under the TRC Quota Share, TRC established a trust account under a trust agreement (the “TRC Trust Agreement”).

In addition, TRC entered into a capital support guarantee agreement (the “TRC Capital Support Agreement”) under which TRC agrees to maintain TRL’s regulatory capital in an amount greater than or equal to 120% of TRL’s SCR.

Other than the TRC Quota Share, the TRC Trust Agreement, the TRC Capital Support Agreement and the outsourcing arrangements described in section B7, TRL does not have any material transactions with its shareholder, members of its management body or those who can exert significant influence over the business.

B.2 Fit and proper requirements

The members of TRL’s Board collectively possess appropriate qualifications, experience and knowledge about at least:

- strategic leadership;
- insurance and financial markets;
- business strategy and business model;
- systems of governance;
- financial and actuarial analysis; and
- the regulatory framework and requirements.

Persons subject to assessment

TRL ensures that all PRA and FCA Senior Manager Function holders, key function holders, notified Non-executive Directors (“NEDs”) and Certification Function holders are at all times fit and proper persons. TRL does not draw a distinction between these categories when carrying out its own assessment of a person’s fitness and propriety.

Timing of assessment

TRL assesses the fitness and propriety of a person when that person is being considered for any such role and on an ongoing basis thereafter. The ongoing evaluation is performed at least annually and consists of, as a minimum, a performance assessment and a self-certification.

Nature of assessment

In deciding whether a person is fit and proper, TRL must be satisfied that the person has:

- the personal characteristics (including being of good repute and integrity);
- the level of competence, knowledge and experience;
- the qualifications; and
- undergone or is undergoing all training,

required to enable that person to perform his or her function effectively and in accordance with relevant regulatory requirements and to enable sound and prudent management of TRL.

Any breaches of the fit and proper requirements are internally reported to the Heads of Risk and HR. TRL's Head of Risk is responsible for notifying the relevant regulator(s) of the change in circumstances and any remedial action that is being undertaken by TRL.

Training and competency

TRL's training and competency ethos is designed to promote learning and development to ensure that TRL's personnel have the skills, knowledge and expertise necessary for the discharge of their responsibilities.

All TransRe employees are required to abide by the Alleghany Code of Business Conduct and Ethics and the Berkshire Hathaway Prohibited Business Practices Policy, which set out required standards of ethics and behaviours.

TRL actively encourages staff to further develop and pursue professional qualifications. Professional development is the responsibility of each staff member.

In addition, all staff who possess professional qualifications are expected to maintain continuing professional development ("CPD") points in line with their relevant professional body requirements.

B.3 Risk management system including the ORSA

TRL's ERM framework has been developed to enable the Board and senior management to understand and appropriately manage and mitigate the risks associated with TRL's objectives over the short, medium and longer term in a manner that is commensurate with TRL's risk profile and business arrangements.

The ERM framework seeks to engender a culture of no significant surprises, to ensure adequate tools are available to manage the most important risks to TRL, to improve decision-making and to support the achievement of TRL's business objectives. In summary, the purpose of TRL's ERM framework is to:

- actively sponsor and foster a risk aware culture across TRL, supporting staff in making risk management-based judgements and encouraging the effective management of exposures within TRL's and TransRe's stated risk appetites;
- ensure risk is taken into account in key business decisions;
- ensure that the 'three lines of defence' model operates effectively;
- implement risk strategies, policies, standards, appetites and tolerances that align with TransRe's and TRL's strategic and operational objectives;
- ensure risks are identified and understood and assessed on a forward-looking basis to allow management to take proactive steps to mitigate them;
- enable and support the identification of significant or emerging risks so that they can be actively and effectively measured, managed, monitored and communicated;
- sustain a robust ORSA process that informs management's view of risk and capital; and
- use the PIM in risk management tasks such as the ORSA, the setting and monitoring of risk appetites and tolerances, and the identification, measurement, monitoring and reporting of natural catastrophe and non-proportional property catastrophe risk.

TRL's ERM framework is supported by a comprehensive suite of management information ("MI") and risk policies and guidelines to help ensure adequate processes and procedures are in place to manage all types of risk. The framework is aligned with PRA and FCA regulatory requirements as well as market best practice.

By adopting this approach, TRL believes it is able to effectively identify, measure, monitor, manage and report risks at an individual contract level and at an aggregated level on an ongoing basis.

TRL senior management and risk owners identify key risks to the business, as part of a rolling quarterly risk identification and assessment programme. Risk causes and consequences, together with mitigating controls, are identified for each risk. Key risks, owners and mitigating controls are recorded in a risk register which is presented to management on a quarterly basis (and ultimately TRL's Risk & Audit Committee, which meets at least three times a year) for review and discussion.

The risks recorded in the register form part of TRL's ORSA process and are key inputs in the development of TRL's internal audit programme. TRL's Risk & Audit Committee receives regular reports from TRL's Head of Risk which consider key risks to TRL, including aggregations and exposures across the key ERM pillars.

TRL's Risk Management function is integrated into TRL, TransRe and Alleghany through the governance reporting lines to TRL's CEO, TransRe's Chief Risk Officer ("CRO") and TRL's Risk & Audit Committee and through its involvement in other key decision-making forums. TRL's Risk Management function's roles and responsibilities include:

- promoting and communicating a strong risk culture supported by a robust risk governance and oversight structure;
- the development, implementation and communication of TransRe's ERM framework and risk management culture, including related education, training and engagement with key business functions;
- ensuring the adequacy of TRL's ERM framework including maintaining risk registers, producing risk reports and capital assessments and coordinating the documentation and implementation of key internal policies, procedures and controls;
- establishing appropriate reporting procedures and processes, including relevant escalation procedures to ensure that material risks, faced by TRL, are identified and reported;
- developing and maintaining strategies to mitigate and minimise those risks which fall outside risk tolerances and appetite, including the use of retrocession and other risk mitigation procedures;
- in collaboration with TRL's Actuarial function, the development and use of capital models to identify sources of significant risk and the associated cost of capital and to determine the capital needed to support risks and maintain ratings; and
- the ongoing identification and assessment of emerging risks relevant to TRL through communication and engagement with senior management in TRL.

By adopting such an approach, TRL ensures that ERM is a key consideration in the decision-making process and a group-wide consistent approach is adopted.

Own Risk and Solvency Assessment

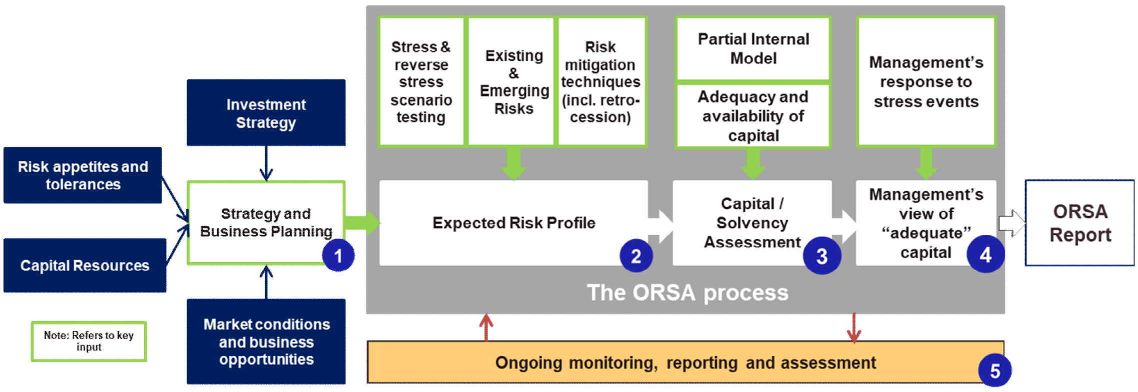
The ORSA process considers TRL's risk profile, business objectives and capital management strategy in comparison to its regulatory solvency requirement in order to determine whether it has adequate capital to meet its business plan. The ORSA also considers the impact on TRL should it be subject to significant losses arising from both insurance and non-insurance events. The ORSA considers what actions TRL management would undertake to mitigate the impact of these extreme events. TRL also considers the amount of capital it needs to maintain to meet its ultimate contractual liabilities as part of the ORSA process.

TRL produces an ORSA report at least annually. The ORSA is a key management tool and is linked to TRL's business planning and strategy, risks TRL is exposed to and the associated capital required to meet its solvency requirements and business objectives.

TRL's senior management has identified a number of qualitative and quantitative triggers that would result in the ORSA being re-run at any point during the year.

The ORSA process is represented diagrammatically as follows:

Figure 13: TRL's ORSA process



With reference to the numbers in the diagram above, the key steps in the process ensure that TRL's Risk Function has engaged with TRL's Senior Management team and the Board to:

1. identify key risks and stresses linked to the strategy and business planning process to be considered in the ORSA;
2. ensure that the risk profile reflects the parameters contained within the strategy, business plan and scenario testing and informs management's and the Board's decision-making;
3. confirm that the PIM is a key element of the overall SCR calculation, which is run annually;
4. ensure the ORSA report provides management's view of capital adequacy and its responses to the outcomes of scenario testing; and
5. validate that, as part of the ongoing process, the appropriateness of proposed management actions are considered, should stress events occur. The 'ORSA Triggers' are also considered that would prompt a review of the ORSA; these triggers are tracked by Risk Management and presented to the Risk Management Committee and the Risk and Audit Committee.

TRL's Risk Management function coordinates the relevant processes with subject matter experts across the business and prepares the ORSA report for review and discussion by the Risk Management Committee, the Executive Committee, the Risk & Audit Committee and ultimately TRL's Board. Once the report is reviewed, the ORSA and the amount of capital TRL intends to maintain is approved by the Board and the ORSA report is shared with the PRA.

B.4 Internal control system

Within TRL, there is a robust internal control system that includes:

- the corporate governance framework, procedures and controls;
- a financial control framework;
- an operational resilience framework;
- independent control functions which comprise the Actuarial, Compliance and Risk Management functions; and
- independent assurance provided by the Internal Audit function.

The financial control framework is designed to ensure that:

- risks relevant to the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework have been identified and addressed;
- TRL is in compliance with group Sarbanes Oxley requirements; and
- there are sufficient and effective controls in place (both manual and automated) to mitigate these risks and to prevent or detect material misstatements in the financial statements and disclosures.

TRL's financial statements, as well as this SFCR and the QRTs, are subject to rigorous controls in their production and review leading up to their publication. The actuarial liabilities are produced using best practice actuarial practices that are subject to independent review and the financial statements are subject to internal review and external audit. The financial statements and this SFCR are presented to the Risk & Audit Committee and Board for review and sign-off prior to publishing.

TRL has established an operational resilience framework to ensure its important business services can be restored within agreed timeframes following severe but plausible disruptions to its operations.

In addition to the above, TRL's Internal Audit function, through planned and commissioned reviews of TRL's processes, provides an independent opinion on the internal control framework of TRL's business.

Compliance function

TRL's Compliance function seeks to promote an organisational culture committed to integrity, ethical conduct and compliance with the law. The function sets standards, policies and procedures that provide reasonable assurance that TRL acts in a manner consistent with its local compliance and regulatory obligations and within TransRe's overarching compliance requirements.

The Compliance function is headed up by TRL's Head of Legal and Compliance who has a direct reporting line to the CEO of TRL and TRC's Chief Compliance Officer ("CCO"). TRL's Head of Legal and Compliance also holds the group role of Regional Compliance Officer ("RCO") for London. The London RCO is responsible for ensuring that TransRe's compliance mission is implemented, coordinated and enforced within TRL and reports any compliance violations or issues to the CCO.

TRL's Compliance function reports to the Risk Management Committee and the Risk & Audit Committee, as well as to TransRe's group Compliance department. The Compliance function is responsible for reporting to senior management any breaches of, or non-compliance with, its policy or any other relevant policy, rules and regulations. The Compliance function has sufficient authority to carry out its functions on its own initiative without obstruction from management and other staff members.

The Compliance function's responsibilities include:

- advising the Board on compliance with PRA and FCA Rules and related laws and regulations;
- providing training and guidance regarding applicable laws and regulations and TransRe's and TRL's regulatory and compliance policies and clearly communicating ethical guidance;
- assessing the possible impact of any changes in the legal and regulatory environment on the operations of TRL;
- identifying and assessing compliance risks relevant to TRL and managing the control environment that mitigates those risks;
- undertaking compliance monitoring and making recommendations to improve the effectiveness of compliance practices; and
- identifying TRL compliance training needs and working with TransRe's Corporate Compliance Department and HR to implement effective compliance training programmes.

B.5 Internal Audit function

Internal Audit is an independent function that provides objective challenge and assurance over TRL. Internal Audit supports TRL in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Following the departure of the previous Internal Audit key function holder on 29 January 2025, the responsibility for the oversight of the TransRe group internal audit activities was assumed by the Alleghany Chief Audit Executive, who is based in New York, USA. An application for her approval as TRL's SMF5 Head of Internal Audit was subsequently approved by the PRA with effect from 11 July 2025. Those carrying out the activities of the Internal Audit function do not assume any other key functions.

The Internal Audit function is supervised by the Risk & Audit Committee, with ultimate oversight provided by TRH's Audit Committee. A rolling three-year audit plan is submitted annually to the TRL Risk & Audit Committee and TRH Audit Committee for approval. Results of internal audits are reported to TRL's senior management, the TRL Risk & Audit Committee and to TRH's Audit Committee. Outstanding internal audit actions are tracked and progress is reported at the TRL Risk & Audit Committee and the TRH Audit Committee.

In addition to reporting into the TRL Risk & Audit Committee, the Internal Audit function holds meetings with TRL's Head of Risk to evaluate the effectiveness and adequacy of the internal control system and other areas of governance, as well as to discuss progress against the annual internal audit plan.

TRL's internal audit coverage can be broken down into two streams. The first stream is handled by TransRe Internal Audit who cover audits of a global nature that may have a direct impact on TRL business processes, such as information technology and group policies. For the second stream, TRL utilises Forvis Mazars LLP to perform the majority of TRL specific audits. Forvis Mazars provides local resources who report to TRL's Risk & Audit Committee and TransRe's Internal Audit function. Utilising a third party enables TRL to benefit from subject matter experts aligned with processes reviewed in the different business units. Forvis Mazars also benchmarks processes and controls against other London insurance market participants, as appropriate.

B.6 Actuarial function

The TRL Head of Actuarial is responsible for the overall management and day-to-day leadership of the TRL Actuarial function and has a direct reporting line to the CEO of TRL and to the TransRe group Chief Actuary.

The Actuarial function is responsible for:

- coordinating the calculation of technical provisions;
- ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- comparing best estimates against experience;
- informing the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- expressing an opinion on the overall underwriting policy;
- expressing an opinion on the adequacy of reinsurance arrangements; and
- contributing to the effective implementation of the risk-management system.

The Actuarial function reports to the Reserving Committee, which is a sub-committee of the Executive Committee, and to the Board as a standing agenda item. In addition, an annual internal Actuarial Function Report is provided to the Board.

B.7 Outsourcing

Outsourcing management

There is no delegation by TRL's key function holders of their responsibility for those functions.

For each outsourcing arrangement, a TRL manager (the "Outsourcing Owner") is identified in TRL's outsourcing register. The Outsourcing Owner is responsible for identifying whether the activity to be outsourced is critical or important, carrying out pre-contract due diligence including know your counterparty ("KYC") checks and agreeing the terms of the engagement. The Outsourcing Owner is also responsible for the ongoing oversight and management of outsourcing arrangements.

TRL's Compliance Key Function holder maintains the outsourcing register.

Outsourcing of critical or important operational functions

Details of outsourcing in respect of TRL's critical or important operational functions are set out in Figure 14.

Figure 14: Outsourcing of critical or important operational functions

Outsourcing	Jurisdiction
Nearly all TRL staff are employed by another company in the TransRe group, TRLS, and are provided to TRL on a secondment basis.	UK
Certain intra-group services and support services are provided by TRC.	New York, USA
TRL outsources certain activities of its Internal Audit function to Forvis Mazars, as described in section B5.	UK
TRL's day-to-day investment management activities are outsourced to New England Asset Management Limited ("NEAM"), a member of the Berkshire Hathaway group. NEAM's performance is monitored by TransRe's treasury and investment management function, based in New York, USA, with further oversight provided by TRL's CFO in London.	Ireland
TRL participates in the central processing and settlement services provided by Velonetic (formerly DXC Technology / Xchanging) to the London insurance market.	UK

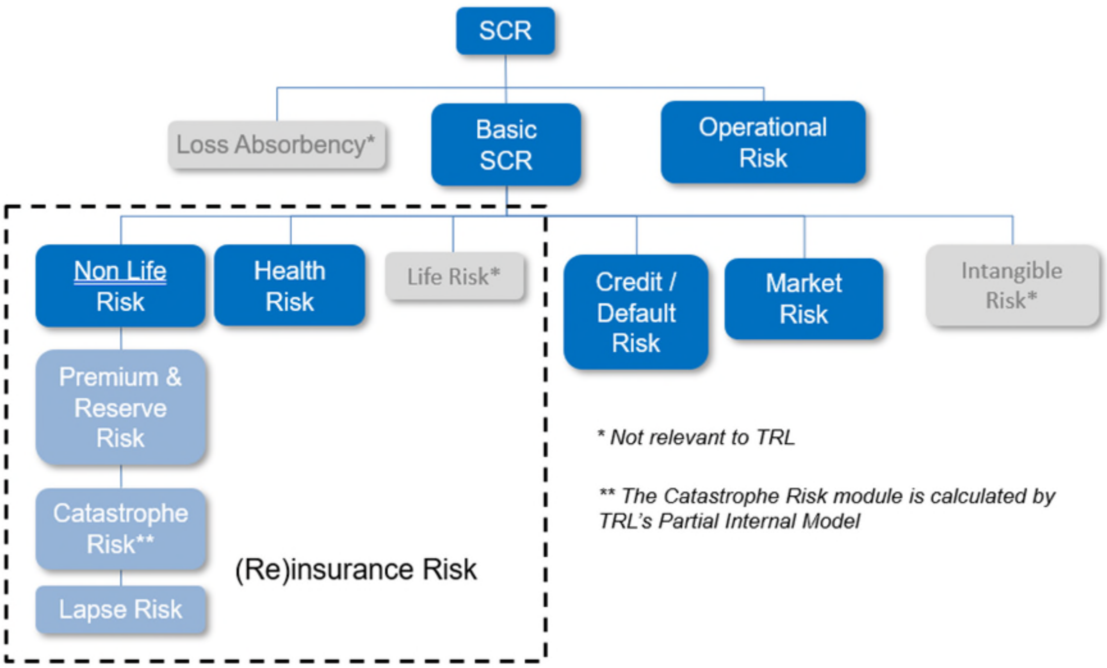
B.8 Any other information

TRL does not consider there to be any other material information to disclose on its system of governance.

C. Risk profile

Under PRA Rules, TRL's SCR is calculated using the Standard Formula for all components, except for the Catastrophe risk module, where TRL's capital requirements are calculated using its PIM (see section E2 for further information). The Standard Formula produces a risk-based capital requirement that covers underwriting, market, credit and operational risk in a formulaic way and is represented diagrammatically as follows:

Figure 15: Standard Formula risk modules



The quantitative contribution of TRL's risk modules to TRL's SCR including diversification benefits is set out in Section E2.

Each of the key risks relevant to TRL are described in further detail below.

Application of the prudent person principle to market, credit, and liquidity risk

When making investment decisions, TRL considers the risks associated with its investments, including the potential impacts of economic shocks, the investments' liquidity and their treatment under PRA Rules. All assets are managed in accordance with the prudent person principle as described below.

Market Risk

All assets are invested in highly rated and liquid securities that aim to ensure the security, quality, liquidity and profitability of the portfolio as a whole. All assets are held in TRL designated portfolios which ensures they are only available for TRL.

TRL's investment strategy is reviewed by TRL's CFO and Investment Committee and is ultimately approved by the Board. Assets covering technical provisions are invested in a manner appropriate to TRL's reinsurance liabilities. TRL does not permit investment in any asset category that is not included in its investment mandate. TRL does not use derivative instruments and does not hold any assets that are not traded in regulated financial markets.

Credit Risk

Counterparties are selected taking into account their credit rating and reputation and, where appropriate in the case of investments, advice from TRL's investment managers. Credit ratings are used as a way of identifying and managing counterparty credit risk in line with the investment mandate. TRL does not rely on a single rating agency; instead, it uses a number of agencies combined with its own analysis.

Liquidity Risk

TRL's assets are prudently invested taking into account the liquidity requirements of the business and the nature and timing of TRL's (re)insurance liabilities. TRL manages its liquidity risk by maintaining a highly liquid investment portfolio, which is of superior credit quality and short average duration.

C.1 Reinsurance / underwriting risk

There was no change in TRL's approach or appetite to (re)insurance/underwriting risk during 2025. TRL continues to underwrite a diversified portfolio of property and casualty reinsurance across multiple regions and classes.

Key underwriting risks to which TRL is exposed include:

- Premium / underwriting risk:
  - underwriting outside of appetite;
  - excessive concentration or aggregation in respect of a line of business;
  - failures relating to policy wording and contract certainty; and
  - underwriting below the technical price or without adequate risk transfer.
- Claims management risk:
  - errors relating to claims handling, claims fraud, processing delays, incorrect payments and payments to sanctioned entities.
- Retrocession risk:
  - failure to follow retrocession procedures and guidelines, or poor design and operation of retrocession programmes.
- Reserve risk:
  - inadequate reserving due to flaws in the provisioning/reserving methodology or in the application of the methodology, resulting in inadequate incurred but not reported ("IBNR") and/or
  - inadequate incurred but not enough reported ("IBNER") claims.
- Catastrophe risk:
  - excessive concentration or aggregation in respect of catastrophe risks in a single region or location.

TRL maintains a number of risk mitigation techniques and approaches to manage the risks associated with its underwriting risk profile, the adequacy of which is tested during the ORSA process. Further information on TRL's monitoring and approach is provided below.

Premium / underwriting risk management

TRL maintains a clear underwriting philosophy that is supported by risk appetites and tolerances set at the aggregate and individual risk level. These in turn are supported by pricing procedures and controls, rigorous risk selection criteria and the ability to underwrite a diverse range of risks across multiple classes and geographies.

Additional risk mitigation approaches applied by TRL include:

- underwriting authorities and procedures;
- annual business planning and quarterly underwriting performance reviews;
- ongoing exposure management, monitoring both natural catastrophe and man-made exposures against risk tolerances;
- extreme event scenarios and stress tests;
- pricing adequacy reviews and rate monitoring;
- emerging risk underwriting reviews; and
- TransRe wide Product Committees for different lines of business.

Claims management

TRL is exposed to risks associated with the handling of claims, including claims fraud, payments made to sanctioned entities, incorrect payments and processing delays.

Key controls that aid in mitigating these risks include:

- claims procedures;
- claims delegated authorities;
- claims case reviews;
- cedant audits; and
- sanctions procedures and processes.

Retrocession risk management

TRL's retrocession programme includes retrocession protecting TransRe globally as well as TRL specifically, including the TRC Quota Share. Risks associated with retrocession are managed and mitigated by ensuring that all retrocession placements, including renewals, are subject to approval by Alleghany and comply with TransRe's group-wide retrocession procedures.

During the year, TRL benefitted from protection provided by two special purpose vehicles ("SPV"):

- a series of reinsurance sidecars (referred to as Pangaea) subject to aggregate limits beyond which losses fall back to TRL; and
- until May 2025, a collateralised catastrophe bond, referred to as Bowline Re 2022-1 ($165m). Bowline Re expired and was not replaced in May 2025 but prior to that date, the bond provided the TransRe group with protection for predominantly U.S. and Canadian natural catastrophe risks.

The Pangaea arrangement is overseen by TRC and focuses on protecting the TransRe group, including TRL, from excessive natural catastrophe losses. This arrangement is sponsored by TransRe and is funded by third party capital providers. The liabilities relating to Pangaea are collateralised with two levels of loss, a 1:345-year return period or 1:500-year return period based on the specific agreement negotiated with those participants not having an acceptable external credit rating. Where a participant has an acceptable external credit rating no collateral is held. Until May 2025, liabilities relating to the Bowline Re catastrophe bond were fully collateralised.

Key controls that aid in mitigating retrocession risk include:

- Alleghany oversight and approval;
- TRC's Counterparty Risk Committee; and
- TRL's Risk Management Committee.

Reserve risk management

Reserve risk is managed by TRL's Actuarial function with oversight provided by TRL's Reserving Committee and ultimately TRL's Board. Key controls to manage this risk include:

- a comprehensive annual reserve study;
- quarterly reserve reviews;
- major activity reports, high cost claim alerts, large accounting transaction alerts and retrocession transaction alerts;
- independent external validation of reserves; and
- Board and Reserving Committee oversight.

Catastrophe risk management

Catastrophe risk is one of the main risks that TRL faces and failure to adequately manage and monitor excessive exposures and aggregations could significantly impact TRL's financial results and position. TRL's main natural catastrophe risk concentrations are in the UK and Northern Europe. As part of its strategy for managing this risk, TRL applies a third-party natural catastrophe model to model the occurrence and severity of events for windstorm, hurricane, earthquake and flood, using actual exposure sets of in-force policies as proxies for future exposures which are further enhanced by monitoring trends and claims development.

TRL's main risk concentration continues to relate to natural catastrophe exposure in Northern Europe (including the UK).

Risk sensitivity for underwriting risks

TRL undertakes detailed stress and scenario testing on an annual basis the results of which are presented at the Risk & Audit Committee and as part of its ORSA process.

As part of the ORSA, the current and projected solvency positions over the business planning period are calculated following adverse stresses at different return periods for material underwriting risks (each risk's stress is considered individually) in addition to multiple losses arising from non-correlating events (for example, market risks and underwriting risks, or a series of underwriting events). Consideration is also given to the risk of a material deterioration in TRL's reserves, including adverse development in both claims ratios and IBNR.

The results of the analysis showed that the most material impact on the SCR remains an extreme reserve deterioration across all lines of business, including adverse development in both claims ratios and reserves for IBNR claims. The analysis undertaken indicates TRL remains well capitalised and it would take an extreme event (return periods in excess of 1-in-200 years) to breach the SCR. TRL's underwriting risk profile is therefore resilient to withstand severe shocks and events and is within the Board approved risk appetite. Sensitivity analysis is provided in further detail in section C7.

Processes for monitoring the effectiveness of risk mitigation techniques

As a subsidiary of a global reinsurance company, TRL benefits from a robust risk management framework enabling effective oversight of TRL's risk profile via various governance committees (within TRL, TransRe and Alleghany), the ORSA process, TRL's risk register and the stress and scenario testing TRL performs.

In relation to reserve risk, TRL's actuarial function conducts quarterly reserve reviews of TRL's portfolio to determine appropriate reserve levels and expected IBNR adequacy. TRL's reserves are also subject to review by TransRe's group actuarial function, based in New York, USA.

C.2 Market risk

Market risk arises from fluctuations in values of, or income from, assets. It includes risks associated with the use of financial instruments, movements in interest rates, foreign exchange exposure, equity investments and valuation processes.

Market risk comprises the following key components:

Figure 16: Standard Formula market risk sub-modules

TRL's market risk exposure principally derives from interest rate risk on its investments and foreign currency risk. For reasons explained below, TRL currently has no exposure to spread risk.

At least annually, the Investment Committee reviews TRL's investment strategy which is designed to preserve capital, increase surplus and maintain liquidity.

TRL's investment strategy forms the basis of the investment mandate given to TRL's investment manager, NEAM. The mandate includes limits on certain classes and types of investments, restriction on investments in certain sectors and geographical limits. The execution of TRL's investment strategy is subject to monitoring and oversight by the Investment Committee and the Board.

TRL currently maintains a low-risk investment portfolio comprising U.S., UK and European government bonds (most of which are short-dated) and cash, with low sensitivities to market interest rate movements. TRL's Investment Committee and Board may choose to adjust the composition of the portfolio in the future

– potentially taking on more market risk – based on perceptions of risk and reward in line with the strategy and mandate referred to above.

TRL has a material risk concentration to the U.S. Government, through its $906.3m (2024: $828.8m) holding of U.S. Treasury notes. This risk is assessed through quarterly reporting by TRL's investment manager.

TRL's exposure to market risk components is described below:

Interest rate risk

Movements in market interest rates can arise from a number of sources, including inflationary pressures. Changes in market interest rates impact the fair value of fixed income securities and technical provisions under PRA Rules. As interest rates rise, the fair value of fixed income portfolios declines and conversely, as interest rates decline, their fair value rises. To minimise the risk of falls in investment value, TRL's investment manager adheres to the investment guidelines approved by TRL's Investment Committee. TRL's interest rate risk is low as a result of the investment portfolio's short duration.

Spread risk

This risk relates to the potential financial loss TRL may suffer due to an increase in the spread that a fixed interest security trades at, relative to a comparable government bond.

With all of its investment portfolio invested in government bonds, with an average credit quality (based on short-term ratings) of AAA (2024: AAA), TRL currently has no exposure to spread risk.

Equity risk

Equity risk is the potential financial loss arising from the reduction in the value of the investment portfolio due to reductions in prices of equities, mutual funds and equity-linked capital market instruments. With its portfolio invested exclusively in fixed income securities, TRL has no exposure to equity risk.

Foreign currency risk

Assets backing the equity and liabilities of TRL are typically maintained in currencies broadly matching the currencies of its technical provisions, other liabilities and share capital; thereby mitigating the potential impact of foreign exchange risk on TRL's solvency position. Under PRA Rules, TRL incurs a market risk capital charge for asset and liability mismatches by currency.

Market risk management and mitigation techniques

TRL maintains a number of risk mitigation techniques and approaches to manage market risk including:

- investment concentration risk reporting;
- mandates and guidelines provided to external investment managers, which include:
  - regulatory compliance;
  - duration;
  - benchmark portfolios;
  - credit quality;
  - sector limitations;
  - issuer limitations; and
  - currency;
- Board approved investment strategy;
- Board and Investment Committee oversight;
- stress testing;
- market risk and value at risk analyses; and
- maintaining assets backing liabilities in separate USD, GBP and EUR portfolios.

TRL's investment portfolio (including investment cash) was split by asset class as shown below.

Figure 17a: Investment breakdown - as at 31 December 2025

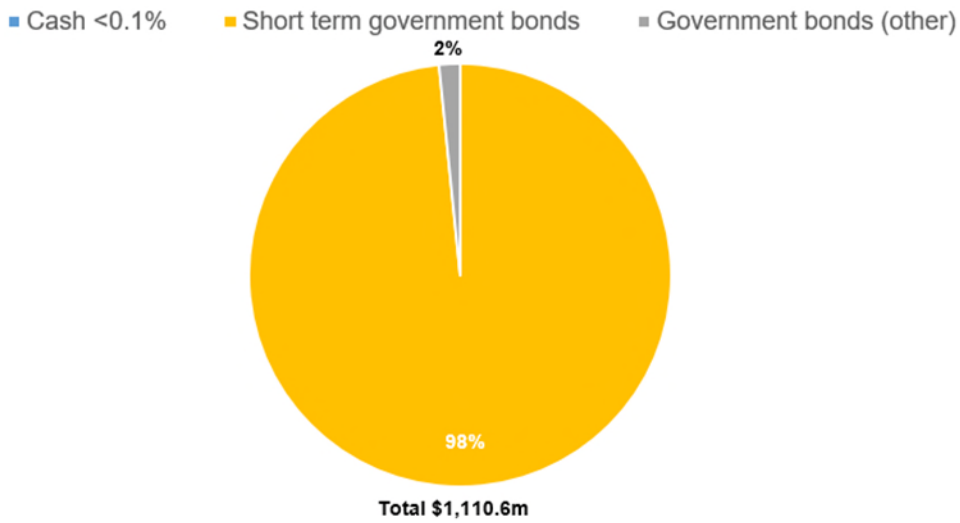
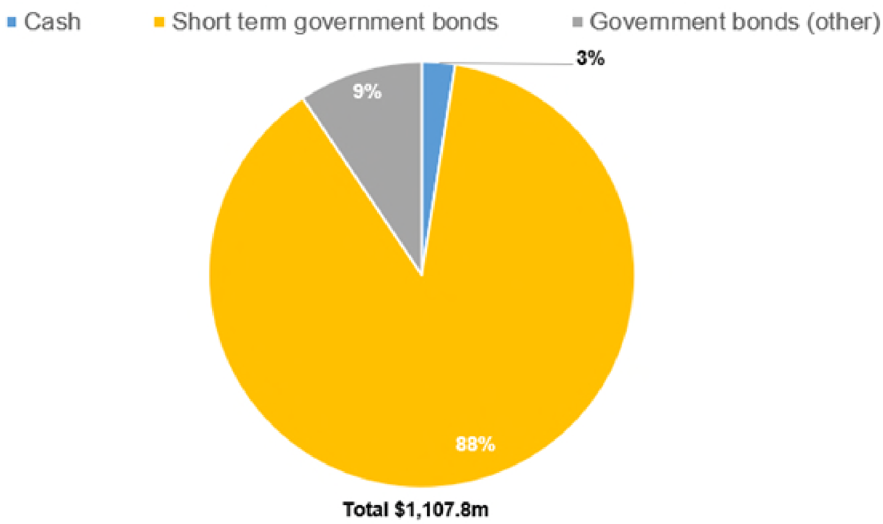


Figure 17b: Investment breakdown - as at 31 December 2024



The credit quality of TRL's investment portfolio (including investment, but excluding operating cash) was split as follows:

Figure 18a: Credit quality of investment portfolio - as at 31 December 2025

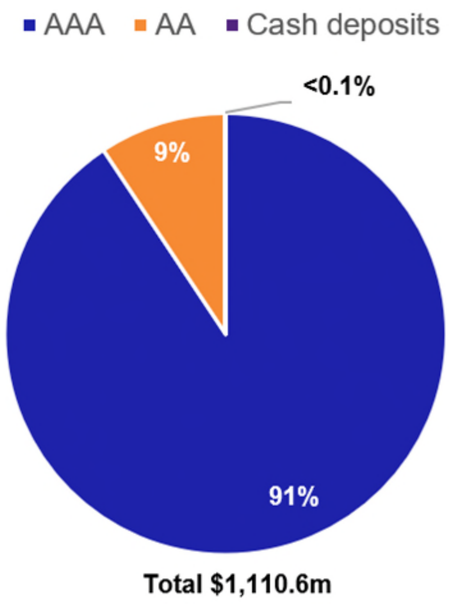
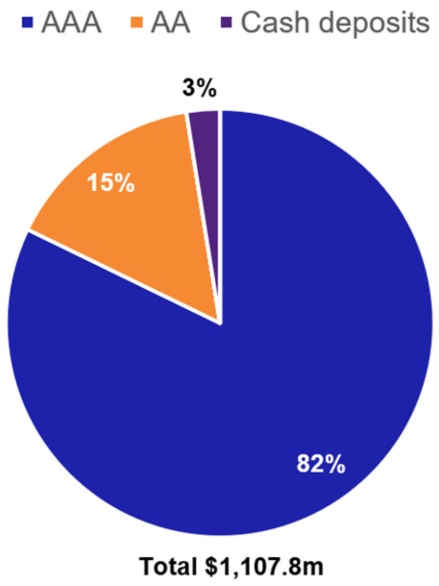


Figure 18b: Credit quality of investment portfolio - as at 31 December 2024



Stress and sensitivity tests for market risks

TRL performs stress and scenario testing as part of its approach to managing market risk, the results of which are presented at TRL's Risk and Audit Committee and considered during the ORSA process.

For the 2025 ORSA, the solvency position and the projected solvency position over the business planning period were re-calculated following adverse stresses, including a shock to interest rates and a prolonged economic downturn.

Under these scenarios, the analysis indicated that TRL was well capitalised and was able to withstand these extreme shocks without breaching its SCR. Sensitivity analysis is provided in further detail in section C7.

Processes for monitoring the effectiveness of risk mitigation techniques

TRL benefits from oversight of its investment portfolio by its CFO and Investment Committee and by TransRe's Treasury function in New York. These controls are supplemented by the extreme stress tests incorporated into the ORSA process and TRL's risk register.

TRL's investment manager is provided with an investment mandate which is subject to quarterly compliance attestations confirming they have operated in accordance with the mandate.

C.3 Credit risk

Credit risk is incurred whenever TRL is exposed to a potential loss if another party fails to fulfil its financial obligations to TRL, including the failure to perform them in a timely manner. This includes default by brokers, retrocessionaires, customers, and investment counterparties. Included in this category is the management of the credit risk associated with the TRC Quota Share described in section B1.

There has been no change in TRL's credit risk appetite or approach during the year.

Brokers, intermediaries and retrocessionaires

Similar to other insurance and reinsurance companies, TRL has a concentration risk with brokers and intermediaries, as they represent a major conduit of business to TRL. All brokers, intermediaries and retrocessionaires are subject to review by a range of forums, including the Risk Management Committee.

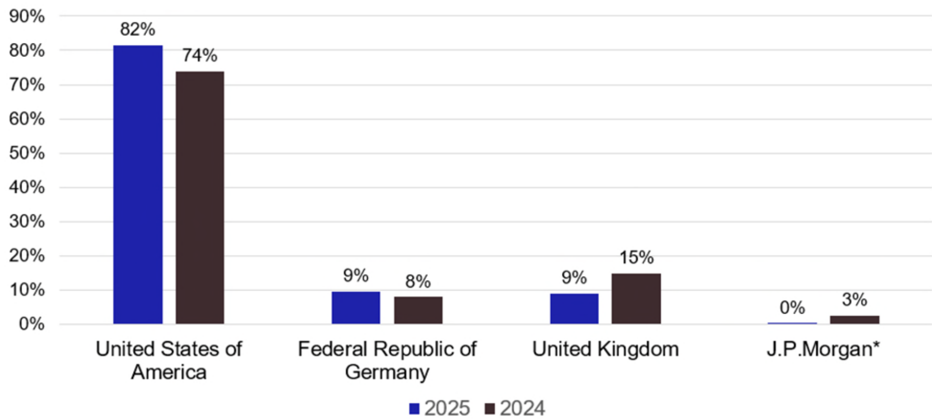
Prior to transacting with brokers, cedants or ceded reinsurers for the first time, a KYC check is carried out.

New retrocessionaires must go through a credit and security assessment which is overseen by Alleghany and monitored by TRL's Risk Management Committee. Retrocession credit risk is considered to be low.

Investment counterparties

TRL maintains a highly rated investment portfolio invested exclusively in U.S., UK and German government bonds, with investment cash balances held with J.P. Morgan.

Figure 19: Top investment exposures as at 31 December



* JP Morgan exposures shown above relate to investment cash only. In addition to those balances, TRL holds $23.6m of non-investment cash (2024: $25.5m) with J.P. Morgan.

TRL's credit risk management strategies include setting and monitoring credit rating requirements for its investments. Adherence with these requirements helps to ensure investments are selected in a way that enables the effective management of counterparty default risk to an acceptable level in line with TRL and TransRe approved risk appetites, tolerances and limits.

Use of external credit rating agencies

To aid the monitoring of compliance with the credit rating requirements of TRL's credit risk management strategy and to minimise the risk of counterparty failure arising from external parties, TRL has established limits that its external investment manager must adhere to, accompanied by key risk indicators which are consistent with TRL's investment strategy, risk appetite and tolerances. These indicators take into account, but do not rely solely on, the credit rating assigned by external rating agencies.

TRL uses external credit ratings primarily to assess the credit quality of assets in its investment portfolio and of its retrocessionaires, where the financial security rating is also taken into account.

TRL and TransRe do not rely solely on one rating agency and give consideration to a range of views provided by multiple rating agencies as well as their own market knowledge and intelligence provided by their investment managers.

The TRC Quota Share

The TRC Quota Share is TRL's largest credit risk. To mitigate the risk, TRC's obligations are partially collateralised under the TRC Trust Agreement based on undiscounted future net cash flows. All assets pledged as collateral must meet certain criteria which include credit quality, issuer and concentration limits.

Cash at bank

As part of TRL's commitment to paying claims in a timely manner, TRL maintains cash deposits with J.P. Morgan for operational and investment purposes. Bank balances vary throughout the year and long-term cash flow projections are produced at least annually based on the business plan.

Key controls

Key controls to mitigate credit risk include:

- monitoring of broker/cedant insurer balances including aged debt analysis;
- TRL's Risk Management Committee oversight;
- TRC's Counterparty Risk Committee;
- investment risk accumulation reporting;
- counterparty exposure monitoring (for both insurers and retrocessionaires);
- all new retrocession placements requiring approval by Alleghany;
- KYC procedures which include assessment of financial resources;
- mandates and guidelines contained in the investment management agreement with NEAM; and
- partially collateralised quota share agreement with TRC with collateral assets held in a trust account and subject to ongoing oversight.

Risk sensitivity for credit risks

With its investment portfolio exclusively invested in highly rated government bonds, TRL's key exposure to credit risk is in relation to the TRC Quota Share. Analysis of this exposure is performed annually as part of the ORSA. The most recent analysis demonstrated that TRL is resilient to the failure of TRC to meet its obligations under the TRC Quota Share.

Processes for monitoring the effectiveness of risk mitigation techniques

TRL is able to leverage its membership of a global reinsurance group to continually monitor and assess the effectiveness of its controls. TRL's Risk Management Committee reviews the risks and effectiveness of controls on a regular basis as well as TRL's overall risk profile. Information is provided to key forums to enable the monitoring of reinsurance recoverables and excessive counterparty exposures with action taken to resolve any concerns identified.

C.4 Liquidity risk

Liquidity risk is the risk of TRL not having sufficient liquid financial resources to meet its obligations as they fall due, or to secure them only at excessive cost. There has been no change in TRL's liquidity risk appetite or approach during 2025. With its investment portfolio principally invested in short-term government securities, TRL has limited liquidity risk.

TRL manages and incorporates key aspects of liquidity risk management, including a liquidity risk profile, appetite, tolerances and liquidity MI requirements, in its liquidity risk management framework.

Key controls

Key controls to mitigate this risk include:

- quarterly balance sheet reviews;
- weekly short-term cash flow forecasts;
- annual long-term stressed and unstressed cash flow forecasts;
- annual profitability reviews; and
- Investment Committee and Board monitoring.

Risk sensitivity for liquidity risk

TRL has carried out stress and scenario testing as part of its approach to managing liquidity risk.

Process for monitoring the effectiveness of risk mitigation techniques

TRL has established a liquidity risk framework and an approved liquidity risk appetite. Adherence to the appetite is monitored every quarter with TRL reviewing its ability to meet its short and medium term financial commitments in a timely manner in both normal and stressed conditions.

C.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is diverse in nature and permeates all business activities but remains a distinct form of risk in its own right. Operational risk within TRL is divided into the following key risk areas:

- regulatory and legal – the risk of legal or regulatory sanctions or loss caused by a failure to comply with applicable laws, regulations, internal policy and standards of best practice;
- financial crime, including internal and external fraud - the risk that the firm might be a victim of, or used as a vehicle for, financial crime;
- cyber threats including ransomware, data breaches and data privacy – the risks associated with unauthorised access to TRL's systems caused by internal and external security breaches;
- financial & accounting – the risks associated with financial reporting and the integrity of financial information;
- people – the risk that people do not follow TRL's procedures, practices and/or rules, thus deviating from expected behaviour in a way that could damage TRL;
- business continuity management – the risk associated with the failure to appropriately manage unforeseen events;
- operational resilience – the risk of customer and market harm arising from prolonged disruption to important business services provided by TRL;
- IT systems – the risks associated with IT systems including processing and system failures;
- model – the risk that the outputs from models used by TRL are incorrect or flawed due to errors in their design or operation or management's failure to understand the models' limitations;
- outsourcing – failures relating to the outsourcing of key activities;
- artificial intelligence ("AI") – the risks associated with the operation of AI in TRL; and
- external events and other changes – failure to react to changes in the external business environment.

TRL is subject to operational risk concentrations inherent in its business model; however, these are not considered material after taking into account the effectiveness of controls, mitigations and resilience testing. There has been no change in TRL's operational risk appetite or approach during 2025.

TRL's senior managers identify the key risks, causes and consequences, together with relevant mitigating controls, within their function/span of control on a quarterly basis. The results of these assessments are recorded in TRL's Risk Register and reviewed by the Risk Management Committee and Risk & Audit Committee.

TRL maintains an Operational Risk policy that sets out its approach to mitigating operational risks.

Key controls

Key mitigating controls include:

- Risk & Audit Committee and Risk Management Committee oversight;
- policies and procedures, including compliance, IT security and training policies, the Alleghany group's Code of Conduct and business continuity plans;
- succession planning;
- service level agreements;
- an operational resilience framework and test plan;
- due diligence and monitoring of outsourced service providers;
- purchase of insurance;
- underwriting data quality audits;
- data quality reviews and monitoring;
- model validation;
- staff training, oversight and appraisals;
- disaster recovery planning and testing;
- anti-bribery and corruption procedures;
- Compliance monitoring and oversight.

Risk sensitivities for operational risk

TRL carries out periodic stress and scenario testing as part of its approach to managing operational risk. Results are presented to the Risk & Audit Committee and considered as part of the ORSA process.

As part of TRL's 2025 ORSA, operational risk stresses focusing on Operational Resilience scenarios were reviewed as part of the testing. Such testing demonstrated that under all scenarios, TRL was well capitalised and was able to withstand these stresses without breaching its SCR.

Process for monitoring the effectiveness of risk mitigation techniques

TRL and TransRe have established an operational risk framework that monitors and records:

- key risks facing TRL, including mitigating controls and their effectiveness;
- operational risk events and losses;
- the environment in which TRL operates; and
- emerging risks and the mitigating steps taken to monitor and address them.

The framework is supported by a range of policies and procedures and a strong corporate culture that encourages early notification of operational events or losses. This enables the business to learn from operational events or near misses and to continually enhance its framework.

C.6 Other material risks

Reputation risk: TRL recognises that its long-term success depends on its relationship with clients, brokers, rating agencies, regulators and capital providers and on the strength of the reputation of TransRe and its affiliates. Consequently, TRL will not accept risks, either underwriting or non-underwriting, that may materially impair or impact the reputation of TRL or TransRe.

Group risk: As a wholly owned subsidiary of a large international group, there is a risk TRL could be adversely affected by the actions of another company within the group. TRL maintains a number of mitigating controls, including maintaining its own unencumbered capital.

Emerging risks: On an ongoing basis, TransRe and TRL undertake horizon scanning with a view to identifying new and emerging risks. TransRe holds an annual Global Emerging Risk Forum attended by senior level executives and employees from across the world. Where new and emerging risks are identified, they are tracked and reported to key forums. Climate change is also considered within the emerging risk process; please see section A5 and below for further details.

S&R (including financial risks associated with climate change): TransRe has an established governance framework and internal control system which considers S&R. The governance structure enables the Board to discharge its oversight responsibilities, helping to ensure TransRe meets its strategic objectives whilst managing risks within its stated risk appetite, including considering climate related issues in business plans and exposure to risks.

TransRe has established an S&R Committee which reports directly into the TransRe Corporate Risk Management Committee. The Committee includes representatives from all disciplines within TransRe.

The S&R function at TransRe is embedded within the GRM function and is responsible for monitoring and managing risks and opportunities arising from sustainability-related issues including climate change, impacts on natural resources, pollution, and biodiversity.

TransRe and TRL recognise the risks associated with climate change (physical, transition, and liability) and these are considered as part of TRL's ORSA process. Climate Risk and S&R risk registers are maintained at both TRC and TRL levels and reviewed and presented to appropriate governance forums on a regular basis.

TRL is currently undertaking a gap analysis relating to the PRA's updated climate related risk requirements. It plans to complete this analysis in the second quarter of 2026 on or before the PRA's deadline.

C.7 Any other information

Risk sensitivity

TRL's SCR coverage ratio as at 31 December 2025 was 197.7% (2024: 207.1%). The table below shows the absolute change in the coverage ratio under several hypothetical scenarios. The scenarios below have not been adjusted to take into account potential future management actions to mitigate their effects.

The analysis shows that exchange rate fluctuations of 10% and interest rate adjustments of 1% would lead to minimal changes in the SCR coverage ratio; a large $100m catastrophe loss (net of retrocession reinsurance recoveries) would lead to an absolute reduction in the SCR coverage ratio of 51.0% from 197.7% to 146.7%. In none of these instances does the SCR coverage ratio fall below 100%.

Figure 20: SCR coverage ratio sensitivity analysis as at 31 December 2025

Sensitivity test	Absolute change to SCR coverage ratio
Exchange rates: +10%	+0.2%
Exchange rates: -10%	-0.2%
Interest rates: +1%	+2.8%
Interest rates: -1%	-2.0%
Catastrophe loss: $100m net of all reinsurance	-51.0%

A sensitivity test for credit spreads is no longer performed as TRL had no exposure to spread risk during the year as its investment portfolio was made up exclusively of government bonds throughout the year.

TRL does not consider there to be any other material information to disclose on its risk profile.

D. Valuation for solvency purposes

This section provides a description of the bases, methods and assumptions used to value assets, technical provisions and other liabilities under PRA Rules. It also includes descriptions of how the bases, methods and assumptions under PRA Rules differ from those applied for valuation purposes in the financial statements.

TRL's assets and liabilities are presented on an economic basis consistent with the fair value accounting concept and valued in accordance with the requirements of PRA Rules. Valuations represent amounts for which assets and liabilities could be exchanged between knowledgeable and willing parties in an arm's length transaction.

TRL's UK GAAP valuation is used for solvency reporting purposes where consistent with the economic basis under PRA Rules. Assets and liabilities measured at cost or amortised cost in TRL's financial statements have been revalued to economic value. PRA Rules also require specific valuation approaches for some assets and liabilities which have been adopted by TRL. There were no changes made to the recognition and valuation bases or to estimations and assumptions during the reporting period.

As at 31 December 2025, TRL's total assets under PRA Rules were $2,171.1m (2024: $2,004.2m) compared to $3,009.3m (2024: $2,842.7m) in the UK GAAP financial statements. TRL's total liabilities under PRA Rules were $1,484.7m (2024: $1,339.7m) compared to $2,377.0m (2024: $2,243.6m) under UK GAAP. Accordingly, TRL's excess of assets over liabilities under PRA Rules was $686.4m (2024: $664.6m) compared to net assets of $632.3m (2024: $599.1m) under UK GAAP.

D.1 Assets

The material classes of assets shown on TRL's regulatory balance sheet, their values under PRA Rules and corresponding values in TRL's financial statements (all in USD) are summarised in the table below.

Figure 21: Assets reconciliation from PRA Rules to UK GAAP as at 31 December 2025

$'000s	Assets under PRA Rules	Financial statement assets	Difference
Assumed deferred acquisition costs ("DAC")	-	110,306	(110,306)
Deferred tax assets	-	3,315	(3,315)
Investments - government bonds	1,110,362	1,109,287	1,075
Accrued interest receivable	-	949	(949)
Non-life and health similar to non-life recoverables	881,562	1,407,514	(525,952)
Deposits to cedants	33,165	33,165	-
Insurance and intermediary receivables	34,416	254,958	(220,542)
Reinsurance receivables	66,371	65,610	761
Trade receivables (not insurance)	21,345	346	20,999
Cash and cash equivalents	23,863	23,863	(0)
Total assets	**2,171,084**	**3,009,313**	**(838,229)**

The following sections provide further details of valuation policies that TRL has applied to produce its regulatory balance sheet, explaining the differences between these and the financial statement values set out in the table above.

Deferred acquisition costs

Under UK GAAP, the proportion of acquisition costs incurred that corresponds to the proportion of gross premiums written which are unearned at the balance sheet date is classified as DAC. Under PRA Rules, acquisition costs are recognised on a cash flow basis within the reporting period, with any future cash flows for acquisition costs recognised in technical provisions.

Deferred tax

Deferred tax under PRA Rules is recognised and valued on a basis consistent with its treatment under UK GAAP. Under UK GAAP and PRA Rules, deferred tax assets arise from the inclusion of income and expenses in tax calculations in periods different from those in which they are included for financial statement and PRA solvency reporting purposes respectively.

Under both PRA Rules and UK GAAP:

- deferred tax balances (other than in respect of the carry forward of unused tax credits and unused tax losses) are determined by reference to the difference between the UK GAAP and regulatory balance sheets respectively, and the values ascribed for tax purposes;
- a positive value is only ascribed to deferred tax assets, where it is probable that future taxable profits will lead to the realisation of that deferred tax asset;
- all temporary differences between the assets and liabilities in the statement of financial position and their tax base are included in the calculation;
- deferred tax assets and liabilities are accounted for using the balance sheet liability method and assets are recognised to the extent that realising the related tax benefit through future taxable profits is likely; and
- deferred tax balances are recognised and valued in relation to all assets and liabilities that are recognised for solvency or tax purposes. Deferred tax balances are not discounted.

For regulatory reporting purposes, however, the recognition and valuation of deferred tax assets and liabilities is carried out with reference to the regulatory balance sheet rather than the UK GAAP balance sheet. The resulting amount of deferred tax therefore differs as a result of changes in recognition and valuation of other balance sheet items.

TRL previously made a section 953(d) election under the U.S. Tax Code whereby it was treated as a U.S. company for U.S. tax purposes and subject to Federal Income Tax at 21%. Until 31 December 2024, the U.S. tax charges and credits were attributable to the additional effects of the election on TRL's results. In December 2025, TRL was notified that the U.S. Internal Revenue Service (“IRS”) Chief Counsel's office approved TRL’s application to revoke the section 953(d) election via private letter ruling (“PLR”) with retrospective effect. TRL is therefore no longer subject to U.S. taxes with effect from 1 January 2025.

The revocation of the section 953(d) status resulted in material one off tax charges in 2025 including a $12.9m chargeable gain arising from the notional deemed disposal of the business from the U.S. tax authority’s perspective and a $6.1m write-off of U.S. related deferred tax assets recognized under UK GAAP.

The adjustments in the table below reflect the differences between the financial statements and the regulatory balance sheet. The adjustments represent the excess of assets over liabilities between the two valuation methods and have been calculated to unwind at an expected UK corporate tax rate of 25%.

Figure 22: Deferred tax reconciliation as at 31 December 2025

	$’000
Deferred tax asset per UK GAAP financial statements	**3,315**
Adjustments needed (all timing differences are expected to unwind at the UK corporation tax rate of 25%)	
DAC included within TPs under PRA Rules	560
Short-term investments at fair value rather than amortised cost under PRA Rules	(31)
Change in technical provisions (incl. removal of unearned premium reserve)	(31,960)
Risk margin (only recognised under PRA Rules)	8,750
Net insurance balances basis (accruals basis under UK GAAP, cash basis under PRA Rules)	11,411
Net trade receivables and payables (not insurance)	(6,777)
Total deferred tax liabilities under PRA Rules	**(14,732)**

Each of the individual deferred tax asset components making up the UK GAAP balance and each of the positive reconciling differences, shown in the table above, are considered to be fully utilisable. All these components are recognised against the unwind of the change in technical provisions as reversions of deferred tax liabilities relating to income taxes levied by the UK authority.

Financial instruments – investments

Investments are recognised and valued under PRA Rules on a basis consistent with their treatment under UK GAAP except as follows:

- accrued interest is included in investments' valuation under PRA Rules and disclosed in a separate line under UK GAAP; and
- short-term investments (those with 12 months or less to maturity when purchased) are required to be carried at fair value under PRA Rules, whereas they are carried at amortised cost under UK GAAP.

Fair value of investments

TRL defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between willing, able and knowledgeable market participants as at the measurement date. All TRL's investments are recorded at fair value under PRA Rules. Under UK GAAP, short-term investments are valued at amortised cost, whilst fixed income investments, with original maturities of more than one year at the acquisition date, are carried at fair value. Assets carried at fair value are measured and classified in a hierarchy for disclosure purposes in accordance with IFRS 13, as described below, on a basis which is materially consistent with the hierarchy applicable under PRA Rules. The IFRS 13 hierarchy consists of three levels based on the observability of inputs available in the marketplace as follows:

- Level 1: Fair value measurements that are quoted prices in active markets that TRL has the ability to access for identical assets. Market price data is generally obtained from securities exchange markets. 18% of TRL's fixed income investments, comprising UK and European government bonds, which are actively traded on recognised exchanges, were classified as Level 1 under PRA Rules as at 31 December 2025 (2024: 23%).
- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and inputs other than quoted prices that are observable for the asset, such as interest rates and yield curves that are observable at commonly quoted intervals. 82% of TRL's fixed income portfolio, represented by U.S. government bonds - which are traded over-the-counter ("OTC") rather than on a recognised exchange - were classified as Level 2 under PRA Rules as at 31 December 2025 (2024: 77%).
- Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. These measurements may be made under circumstances in which there is little, if any, market activity for the asset. None of TRL's investment assets were classified as Level 3 as at 31 December 2025 or 2024.

Under UK GAAP, 98% (2024: 90%) of TRL's fixed income portfolio is classified as short-term investments and carried at amortised cost, as opposed to fair market value under PRA Rules. Under PRA Rules, short-term investments are included within the fair value hierarchy above according to whether they are exchange traded (Level 1) or whether they OTC traded (Level 2). In this connection, UK and German government bonds are traded on exchanges whereas U.S. Treasury notes are not. Under UK GAAP, as short-term investments are not carried at fair value, they are not assigned a fair value level within the hierarchy.

Details of TRL's approach to impairment are included in note 1.r.(vii) in TRL's financial statements. As TRL currently invests only in highly rated U.S., UK and German government bonds, none of its investments were impaired as at 31 December 2025 (2024: $nil).

Fair value sources and use of pricing vendors

NEAM provides TRL with fair values for its investments, which are based on quotes provided by independent pricing vendors.

Whilst TRL outsources the portfolio valuation function to its investment manager, TRL is responsible for ensuring that the valuation methods and assumptions they employ provide reliable fair values.

Deposits to cedants

Deposits to cedants are held at par value on both the UK GAAP balance sheet and regulatory balance sheet under PRA Rules, as cedant deposits are considered to be short-term. There is no difference in treatment between the two bases.

(Re)insurance and intermediary receivables and payables

The following summarises the differences between the regulatory and UK GAAP carrying values for the following line items shown in Figures 21 and 28:

- insurance and intermediaries receivables and payables (representing reinsurance balances with brokers, other intermediaries and primary insurance balances); and
- reinsurance receivables and payables (representing balances with retrocessionaires).

Under UK GAAP, receivables and payable balances along with accrued amounts are included as insurance and intermediary receivables and payables. Under PRA Rules, accrued amounts are deemed to be future cash flows and are therefore excluded from these balances and included in technical provisions.

(Re)insurance balances under PRA Rules may be classified differently from their equivalent line items under UK GAAP. Due to the short-term nature of TRL's (re)insurance receivables and payables, amounts are not discounted on either a UK GAAP or PRA Rules basis.

Non-life and health similar to non-life recoverables

Non-life and health, similar to non-life recoverables, represent TRL's ceded technical provisions, the calculation of which is described in section D.2.

Other receivables and payables (trade not insurance)

The valuation of TRL's other receivables and payables in the regulatory balance sheet is consistent with their treatment for TRL's financial statements. However, whereas accrued amounts are included in this balance under UK GAAP, they are treated as a component of technical provisions under PRA Rules. TRL's other receivables are considered to be short-term and therefore do not need to be discounted.

Cash and cash equivalents

The valuation and presentation of TRL's cash and cash equivalents in the regulatory balance sheet are consistent with TRL's financial statements. Cash and cash equivalents comprise cash in hand and on demand deposits with banks. Cash includes balances held in accounts with investment fund managers and custodians.

Foreign currency transactions and balances

TRL presents its financial statements and regulatory reporting in U.S. dollars. TRL applies a consistent policy for translating transactions and balances in currencies other than the U.S. dollar between its financial statements and regulatory reporting.

For further information about TRL's accounting approach to foreign currency transactions and balances see note 1.f) of the 2025 financial statements.

Leasing arrangements

TRL had no material operating or financial leasing arrangements during 2025 or 2024.

D.2 Technical provisions

Under PRA Rules, TRL holds technical provisions to represent the current amount it would have to pay for an immediate transfer of its obligations to another insurer. The PRA technical provisions are comprised of two key elements:

- Best estimate liabilities ("BELs") are the probability weighted average of future cash flows, discounted back to the relevant balance sheet date using risk-free discount rates. These include all of the relevant cash inflows and outflows to meet the requirements of the policies that TRL is obligated to at the valuation date.

- The risk margin represents an allowance for the cost of capital necessary to support the policies TRL is obliged to fulfil at the valuation date over their lifetime. It is calculated by taking 4% (2024: 4%) of future capital requirements attributable to the policies and discounting back to the relevant balance sheet date using risk-free discount rates.

Under PRA Rules, TRL calculates its technical provisions using the sum of the BEL and risk margin, therefore:

PRA Technical Provisions = Best Estimate Liability + Risk Margin

Segmentation into lines of business

Under PRA Rules, BELs are segmented into fifteen LOBs for non-life and health insurance obligations with additional segmentation for assumed non-proportional reinsurance. At year end, TRL had eight outstanding claims for which a portion of the settlement had been awarded as a periodic payment order ("PPO"). The corresponding obligations in respect of these awards are not material, hence TRL has classified the obligations as non-life business, rather than unbundling the PPOs as "annuities stemming from non-life insurance contracts".

LOBs for financial reporting purposes under UK GAAP are mapped to SII LOBs according to the "sub-department" classification in TRL's operating system. The mapping is subject to allocations for certain sub-departments, which include private and commercial motor and multi-class LOBs. With the exception of these allocations, the sub-departments and SII LOBs are in many-to-one correspondence.

Figure 23: PRA technical provisions ("TPs") by SII LOB as at 31 December 2025

SII LOB ($'000s)	Gross Best Estimate	Recoverables	Net	Risk Margin	Net TPs
Marine, aviation and transport insurance	289,619	201,197	88,422	7,998	96,420
General liability insurance	208,652	141,822	66,830	6,045	72,875
Non-proportional casualty reinsurance	180,083	125,559	54,524	4,932	59,456
Fire and other damage to property insurance	162,366	113,504	48,862	4,420	53,282
Non-proportional marine, aviation and transport reinsurance	157,890	120,912	36,978	3,345	40,323
Non-proportional property reinsurance	89,161	58,321	30,840	2,790	33,630
Motor vehicle liability insurance	87,489	57,306	30,183	2,730	32,913
Credit and suretyship insurance	73,922	50,020	23,902	2,162	26,064
Other motor insurance	15,440	10,114	5,326	482	5,808
Non-proportional health reinsurance	3,495	2,558	937	85	1,022
Income protection insurance	376	250	126	11	137
Total	**1,268,493**	**881,563**	**386,930**	**35,000**	**421,930**

Technical provisions bases, methodologies and key assumptions

Basis

TRL uses the UK GAAP financial reporting framework as the starting basis for determining its technical provisions under PRA Rules.

The following sections outline the key methodologies and assumptions in determining the technical provisions. Where relevant, adjustments to the UK GAAP basis to move to the regulatory basis are highlighted.

Figure 24: Reconciliation of gross technical provisions from UK GAAP to PRA Rules basis as at 31 December 2025

$'000s	Assumed	Ceded	Net
UK GAAP technical provisions	**1,922,281**	**1,407,514**	**514,767**
DAC	(110,306)	(108,065)	(2,241)
Contingent acquisition costs	7,182	5,245	1,937
Reserving margins	(171,745)	(79,515)	(92,230)
Future premiums & acquisition costs	(236,283)	(188,702)	(47,581)
Future other expenses	73,861	-	73,861
Legally obliged unincepted business	(29,513)	(14,714)	(14,799)
Discounting	(186,984)	(139,655)	(47,329)
Counterparty default	-	(545)	545
Best estimate under PRA rules	**1,268,493**	**881,563**	**386,930**
Risk margin	35,000	-	35,000
Technical provisions under PRA rules	**1,303,493**	**881,563**	**421,930**

Figure 25: Reconciliation of gross technical provisions for top 5 SII LOBs from UK GAAP to PRA Rules basis as at 31 December 2025

SII LOB Gross ($'000s)	Proportional		Non-prop	Prop	Non-prop	Other	Total
	Marine, Aviation, Transport	General Liability	Casualty reinsurance	Fire and Property	Marine, Aviation, Transport		
UK GAAP technical provisions	**451,608**	**254,494**	**236,559**	**349,643**	**201,715**	**428,262**	**1,922,281**
DAC	(34,374)	(14,018)	(2,795)	(32,788)	(545)	(25,786)	(110,306)
Contingent acquisition costs	4,940	2,564	(923)	6,192	(1,041)	(4,550)	7,182
Reserving margin	(38,054)	34,122	(9,896)	(72,630)	(8,653)	(76,634)	(171,745)
Future premiums & acquisition costs	(86,674)	(38,621)	(3,757)	(64,238)	(20,216)	(22,777)	(236,283)
Future other expenses	21,490	11,192	4,738	18,999	5,092	12,350	73,861
Legally obliged unincepted business	2,760	2,550	(2,721)	(13,791)	(3,013)	(15,298)	(29,513)
Discounting	(32,078)	(43,630)	(41,124)	(29,021)	(15,449)	(25,682)	(186,984)
Best estimate under PRA Rules	**289,618**	**208,653**	**180,081**	**162,366**	**157,890**	**269,885**	**1,268,493**
Risk margin	7,998	6,045	4,932	4,420	3,345	8,260	35,000
Technical provisions under PRA Rules	**297,616**	**214,698**	**185,013**	**166,786**	**161,235**	**278,145**	**1,303,493**

Included within "Other" are non-proportional property, which has gross UK GAAP technical provisions of $125.9m and a best estimate under PRA rules of $89.2m and motor vehicle liability, which has gross UK GAAP technical provisions of $149.1m and a best estimate under PRA rules of $87.5m.

Figure 26: Reconciliation of net technical provisions for top 5 SII LOBs from UK GAAP to PRA Rules basis as at 31 December 2025

SII LOB Net ($'000s)	**Proportional**		**Non-prop**	**Prop**	**Non-prop**	**Other**	**Total**
	Marine, Aviation, Transport	**General Liability**	**Casualty Reinsurance**	**Fire and Property**	**Marine, Aviation, Transport**		
UK GAAP technical provisions	**116,821**	**74,619**	**68,440**	**87,765**	**42,543**	**124,579**	**514,767**
DAC	(703)	(81)	1,048	(97)	231	(2,639)	(2,241)
Contingent commission costs	1,749	828	(369)	1,754	(416)	(1,609)	1,937
Reserving margin	(24,151)	1,243	(6,271)	(32,155)	(4,102)	(26,794)	(92,230)
Future premiums & acquisition costs	(16,458)	(8,620)	(1,458)	(15,179)	(2,518)	(3,348)	(47,581)
Future other expenses	21,490	11,192	4,738	18,999	5,092	12,350	73,861
Legally obliged unincepted business	(2,327)	(1,101)	(1,088)	(5,214)	(297)	(4,772)	(14,799)
Discounting	(8,007)	(11,259)	(10,524)	(7,093)	(3,625)	(6,821)	(47,329)
Counterparty default	9	9	8	81	70	368	545
Best estimate liability under PRA Rules	**88,423**	**66,830**	**54,524**	**48,861**	**36,978**	**91,314**	**386,930**
Risk margin	7,998	6,045	4,932	4,420	3,345	8,260	35,000
Technical provisions under PRA Rules	**96,421**	**72,875**	**59,456**	**53,281**	**40,323**	**99,574**	**421,930**

Best Estimate Liability ("BEL") under PRA Rules

The BEL is calculated as the sum of the following two components:

Claims provision

TRL holds a claims provision that relates to loss events that are already incurred, regardless of whether these claims have been reported or not. The provision includes all cash flows associated with future benefits, expenses and premiums related to the loss events. TRL considers the expected incidence and cost of future claims, including infrequent, high severity claims and latent claims. The best estimate claims provision is calculated as:

- the best estimate of outstanding losses, and any loss adjustment expenses ("LAE");
- plus the best estimate of IBNR claims based on earned premiums;
- plus the best estimate of unpaid non-contingent acquisition costs that have been incurred;
- plus the best estimate of unpaid contingent commission on earned premiums;
- plus the best estimate of unpaid other expenses that have been incurred;
- less the best estimate of unpaid premiums that have been earned.

Further information on the calculation of these items is discussed in the following sections.

Premium provision

TRL holds a premium provision for events which may happen in the future that fall within the contract boundary. The provision includes all cash flows associated with all future premiums, claims and expenses related to these events. TRL considers the expected incidence and cost of future claims, including infrequent, high severity claims and latent claims. The best estimate premium provision is calculated as:

- the best estimate of IBNR claims based on unearned premiums;
- plus the best estimate of unpaid non-contingent acquisition costs that have not been incurred;
- plus the best estimate of unpaid contingent acquisition costs based on unearned premiums;
- plus the best estimate of unpaid other expenses based on unearned premiums;
- less the best estimate of unpaid premiums that have not been earned.

Further information on the calculation of these items is discussed in the following sections.

Methodologies for loss reserves and IBNR

Under both PRA Rules and UK GAAP, the methods employed to estimate loss reserves include the following:

Paid loss development, incurred loss development methods

In the loss development methods, paid and incurred losses are projected forward to the time period by which the liabilities are extinguished (known as the 'ultimate' time period) by applying appropriate development factors to the inception-to-date paid and incurred losses.

Paid Bornhuetter Ferguson ("BF") and incurred BF methods

In the BF methods, estimates of unpaid and unreported losses based on earned premiums (on an ultimate basis) are calculated by multiplying earned or ultimate premiums for each contract by an expected loss ratio ("ELR") and an estimated percentage of unpaid or unreported losses. The percentages of unpaid or unreported losses are derived from the loss development factors described below.

In establishing reserves for IBNR losses, three key actuarial judgements are used to project losses:

- Loss development factors ("LDF") – these are used to arrive at the ultimate amount of losses incurred for each underwriting year based on reported loss information. These factors, which are calculated initially based on historical loss development patterns (i.e. the emergence of reported losses over time relative to the ultimate losses to be paid), may then be adjusted for current trends.
- Loss trend factors ("LTF") – these typically focus on any underlying trends which may progress through the projection into the future, such as provisions for inflation, including social inflation (awards by judges and juries which increase progressively in size at a rate exceeding that of general inflation) and trends in court interpretations of coverage.
- ELRs – for the latest underwriting years these generally reflect the ELRs from prior underwriting years adjusted for LTFs, as well as the impact of changes in rating strength and other quantifiable factors.

These methods yield an indication of the ultimate losses for each underwriting year. The IBNR reserve is then determined by subtracting the reported losses from the indicated ultimate losses.

Estimates of reserves for IBNR claims take into account a number of assumptions with respect to factors that will affect ultimate losses. The techniques TRL uses (described above) are employed to estimate ultimate losses, including the delay between the claim being reported to the insurer, and the insurer reporting the claim to TRL. Expert judgement is employed to select the most appropriate method, particularly when the delays previously identified within the data fluctuate between claims.

During the loss settlement period, additional facts regarding individual claims and trends will emerge. As these facts and trends emerge, it usually becomes necessary to refine and adjust the loss reserves upward or downward; and, even then, the ultimate net liability calculated by TRL may be materially different from the original estimates. There is potential for significant variation in the development of loss reserves when actual costs differ from those costs implied by the use of the assumptions employed in the process of setting reserves.

Methodologies for expired and unexpired periods of coverage

With respect to expired periods of coverage, IBNR amounts calculated under UK GAAP are intended to reflect undiscounted best estimates of unpaid and unreported obligations, without margins for prudence.

With respect to unexpired periods of coverage, the valuation of technical provisions under PRA Rules includes future cash flows with respect to premiums, losses (including claims management costs) and acquisition costs. Consequently, differences arise between the valuation of technical provisions in TRL's UK GAAP financial statements and the corresponding valuation of technical provisions under PRA Rules.

The estimation of unpaid and unreported losses arising from unexpired periods of coverage is based on the same principles underlying the corresponding calculations for expired periods of coverage. TRL estimates ultimate losses for each contract by multiplying:

- ultimate premiums calculated for each contract, by
- the ELR; and

- an estimated percentage of unpaid or unreported losses.

The percentages of unpaid or unreported losses are derived from loss development factors and the indicated IBNR reserve is then determined by subtracting the reported losses from the indicated ultimate losses.

Future premiums & acquisition costs

Under UK GAAP, unpaid premiums and acquisition costs are shown separately on the balance sheet at the accounting date as insurance and reinsurance receivables and payables.

Under PRA Rules, the cash flows in respect of future claims are reduced by the amount of expected future premium cash inflows and increased by the amount of expected future acquisition costs cash outflows.

Future other expenses

Under UK GAAP, unpaid other income or expenses are shown separately on the balance sheet at the accounting date as other receivables or payables as appropriate.

Under PRA Rules, technical provisions are increased by the amount of expected future cash outflows in respect of other expenses. TRL estimates the reserves for other expenses, as:

- other acquisition costs;
- claims management costs;
- general administration costs;
- overhead costs; and
- investment management costs.

Undiscounted best estimates of unpaid other expenses are then allocated by contract and SII LOB and discounted back to the valuation date using risk-free rates.

The starting point for the calculation of the future other expense cash flows is historical data for the payment of other expenses by calendar period. TRL calculates paid claims management costs and investment management costs, expressed as percentages of paid and incurred losses, and paid other acquisition costs, general administration costs and overhead costs, expressed as percentages of linear combinations of paid and written premiums. Best estimates of unreported claims management costs and investment management costs are then calculated by multiplying the relevant percentages by linear combinations of outstanding and IBNR losses. Best estimates of unreported other acquisition costs, general administration costs and overhead costs are calculated by multiplying the relevant percentages by linear combinations of accrued and unreported premiums.

Legally obliged unincepted business

At any given time, TRL may have contracts that have been written but have not yet incepted (i.e. the cover has not yet commenced). For example, a contract that was bound on 29 December 2025 which incepts on 1 January 2026 would be included within legally obliged unincepted business at 31 December 2025.

Under UK GAAP, the valuation of insurance reserves does not include legally obliged unincepted contracts.

Under PRA Rules, cash flows arising from these contracts are included within the premium provision. The calculations of technical provisions relating to legally obliged unincepted business use the same principles as the calculations for existing business; estimates of ultimate losses for each contract are obtained by multiplying ultimate premiums by an ELR for the forthcoming underwriting year. ELRs for forthcoming underwriting years are generally calculated based on the ELRs from prior underwriting years, with adjustments to allow for LTFs and other quantifiable factors.

Events not in data

TRL accounts for events not in data ("ENIDs") using a scenario approach, based on the business profile and data available.

TRL and LBO have more than 35 years of credible claims experience, which is used to derive assumptions. This historical claims experience contains many significant natural and man-made catastrophe losses.

Natural and man-made catastrophe scenarios, with associated severities and return periods, are established using expert judgement through discussions with underwriters and the catastrophe modelling team.

These scenarios, along with the historic data, are used in the selection of actuarial assumptions underlying the calculation of technical provisions for both solvency purposes and for the valuation in the financial statements. As a result, ENIDs are implicitly included in underlying reserving assumptions.

The specific ENIDs claim and premium provisions are split out using calculated factors for each LOB.

Discounting

Technical provisions are not discounted under UK GAAP.

Under PRA Rules, TRL calculates best estimates separately for obligations in different currencies using the relevant risk-free term structures of interest rates prescribed by the PRA. The set of currencies for which spot discount curves are provided by the PRA form a subset of the complete table of currencies defined in the accounting system of TRL. Where, for a given currency, spot discount curves are not provided by the PRA, a suitable internal benchmark is used or, failing that, the spot discount curve for U.S. dollars is used by default.

The allocation of unpaid cash flows to different currencies with respect to premiums, losses, acquisition costs and other expenses is estimated for each contract based on corresponding historical allocations of inception-to-date cash flows and accruals, and other relevant information.

Development factors of paid premiums, losses and acquisition costs are used to separate expected future cash flows into incremental amounts in future calendar periods. Incremental expected cash flows are then discounted at the risk-free discount rate applicable for the relevant maturity at the accounting date. Discounting estimates of unpaid other expenses is based on development patterns of paid premiums for other acquisition costs, general administration costs and overheads and paid losses for claims management costs and investment management costs.

Counterparty default

TRL does not adjust the technical provisions calculated under UK GAAP for potential counterparty default.

Under PRA Rules, the calculations of ceded technical provisions are adjusted to reflect the potential for default events, which are defined to occur whenever counterparties fail to meet all of their obligations in full, whether arising from insolvency or dispute. The adjustment, which is given by the expected present value of the change in cash flows underlying the amounts recoverable, is calculated by multiplying:

Probability of default x Loss given default

These are defined as follows:

- Probability of default — cash flows are adjusted to reflect the likelihood of default at different time periods, considering that, cumulatively, counterparties are more likely to default as time moves on. The distribution of the time of default is assumed to have an exponential distribution, calibrated according to credit quality and the corresponding probability of default over one year. The derivation of credit quality is based on official credit ratings corresponding to those attributed by AM Best, where such credit ratings are available.
- Loss given default — this is the estimated impact of the default. Unless reliable estimates of these losses are available, the adjustment is calculated using an assumed loss of 50%. TRL does not adjust the amounts recoverable to allow for deposits or collateralisation arrangements.

Risk margin

The risk margin is calculated as the present value of future SCRs, multiplied by the prescribed rate for the cost of capital of 4% (2024: 4%) per annum, as determined under PRA Rules.

The following risks from the SCR are projected into the future:

- insurance risk (both reserve and premium risk) with respect to obligated business, whether incepted or not;
- counterparty default risk;
- operational risk; and
- unhedgeable or unavoidable market risk.

The cost of capital at each time period is discounted back to the valuation date using the risk-free rate.

Reinsurance arrangements within technical provisions

Under PRA Rules, TRL reflects the value of reinsurance agreements where risk is ceded to a third party (which includes consideration of the counterparty default calculations above) within the technical provisions. This allows TRL to denote a technical provision figure net of reinsurance.

Existing reinsurance

TRL employs both proportional and non-proportional retrocession.

With respect to proportional retrocession, outwards premiums and recoveries are calculated and included on the basis of correspondence, i.e. future premiums are included only to the extent that any associated liabilities are also included in the technical provisions. If a contractual liability does not exist, then the associated future premium cash flows are not taken into account within the valuation of technical provisions under PRA Rules.

With respect to existing non-proportional retrocession, the calculation of recoverables is based on the principle of correspondence, but future premiums are subject to contractual minimums.

Uncertainty within technical provisions

TRL writes a variety of coverages whose major risk factors materially impact the variability of TRL's loss reserves. In particular, TRL's portfolio has exposure to long-tail casualty lines of reinsurance business including some high excess layers of coverage in volatile long-tail classes such as professional indemnity and directors and officers.

At the primary insurance level (i.e. the insurer as opposed to reinsurer level), there are significant risk factors which contribute to the variability and unpredictability of loss cost trends and loss emergence patterns. As a reinsurer, TRL faces additional risk factors arising from its dependence upon the claims reserving and reporting practices of its cedants, which vary greatly by size, specialisation, degree of sophistication, and country of operation, and are subject to change without notice.

It is also inherently more difficult for reinsurers to quantify unpaid liabilities under long-tail coverages because it takes longer for credible loss experience to emerge compared to the initial writer of the risks. Similarly, the loss experience under non-proportional coverages can take relatively longer to emerge. TRL's portfolio includes exposure to high excess liability layers and casualty LOBs, for which loss cost trends are especially difficult to assess. In addition, a reinsurer's loss experience may vary due to a concentration of small risks occurring close together, which can impact several layers of coverage across different LOBs and across different cedants.

The variability in loss cost trends, the difficulty inherent in estimating developing losses and infrequent but high impact events, and the correlation across reinsurance coverages and cedants all contribute to the risk of material uncertainty and deviation in TRL's loss reserves.

TRL continually assesses the reserve adequacy of IBNR in light of the following factors:

- current levels of reserves for reported claims and expectations with respect to reporting lags;
- catastrophe events;
- historical data;
- legal developments; and
- economic conditions, including the effects of inflation.

The actuarial methodologies employed to calculate loss and IBNR development incorporate the inherent lag from the time claims occur to when they are reported to an insurer and to when the insurer reports the claims to their reinsurers. Certain actuarial methodologies may be more appropriate than others in instances where this lag may not be consistent from period to period. Consequently, additional actuarial judgement is employed in the selection of methodologies to best incorporate that potential impact. Information gathered through underwriting and claims audits is also considered.

The estimation of TRL's loss reserves is made more difficult and subjective in view of changing legal and economic environments that impact the development of claims. Such factors, both internal and external, which contribute to the variability and unpredictability of loss costs, include:

- trends relating to jury awards;
- social trends;
- inflation;
- worldwide economic conditions;
- tort reforms;
- court interpretations of coverages;
- the regulatory environment;
- underlying policy pricing;
- terms and conditions; and
- claims handling.

Consequently, quantitative techniques are frequently supplemented by subjective considerations and expert judgement. In addition, TRL is mindful that trends that have affected development of liabilities in the past may not necessarily occur or affect liability development to the same degree in the future. Owing to the inherent uncertainties in the process of establishing these liabilities, the actual ultimate loss from a claim is likely to differ, perhaps materially, from the liability initially recorded.

The uncertainty inherent in estimating IBNR relating to unexpired periods of coverage is exacerbated by the application of the same underlying valuation techniques to the calculation of technical provisions in respect of unexpired periods of coverage, including obligations arising from legally obliged unincepted business.

With respect to unexpired periods of coverage, TRL’s loss reserves include exposure to extreme or exceptional events, both natural and man-made. Unexpired periods of coverage relating to property and casualty reinsurance contracts of TRL cover unpredictable events, including exposures to natural catastrophes such as:

- hurricanes;
- windstorms;
- tornadoes;
- earthquakes;
- floods; and
- other natural disasters;

and man-made catastrophes such as:

- fires;
- industrial explosions;
- marine and aviation accidents;
- riots; and
- other man-made disasters, including those that may result from terrorist activity.

It is expected that the loss experience of TRL will include infrequent events of great severity from time to time and the occurrence of losses from such events will cause substantial volatility in the financial results of TRL.

The frequency and severity of catastrophe losses are inherently unpredictable. Insured losses arising out of a single occurrence have the potential to impact a wide range of LOBs.

The severity of catastrophe losses is subject to a high level of uncertainty arising out of extremely complex causation and coverage issues, which can include:

- attribution of losses to different perils;
- potential legal and regulatory developments related to losses; and
- inflation in repair costs owing to the limited availability of labour and materials after the occurrence of catastrophic events.

With respect to discounting for the time value of money, the difficulty inherent in estimating the currency and timing of future cash flows, including tail factors for long-tail classes of business, contribute to the risk of adverse deviation in the technical provisions of TRL under PRA Rules.

Sensitivity analysis for technical provisions under PRA Rules

The following table considers sensitivities on the key assumptions underlying the PRA Rules technical provisions and shows the percentage change in gross technical provisions for each of these sensitivities.

Figure 27: Technical provision sensitivities under PRA Rules as at 31 December 2025*

	Exchange Rates		Interest Rates		Reserving Assumptions**	
Key assumptions	+10%	-10%	+100 bps	-100 bps	+5%	-5%
Technical provisions	+4%	-4%	-4%	+ 4%	+14%	-12%

* Unaudited.

** This sensitivity includes a +/-5% change to the ELR assumptions along with an adjustment of +/- 5% to the tail of the loss development.

Exclusions from technical provisions

There are a number of transitional measures that firms can apply for:

Matching adjustment

TRL does not use the matching adjustment within the calculation of technical provisions under PRA Rules.

Volatility adjustment

The volatility adjustment to risk-free rates is not used by TRL in the calculation of technical provisions under PRA Rules.

Transitional measures on Technical Provisions ("TMTP")

TRL does not apply any transitional arrangements to its regulatory balance sheet.

Transitional risk-free interest rate-term structure

TRL does not apply the transitional risk-free interest rate term structure in the calculation of PRA technical provisions.

Changes in assumptions since prior period

There were no changes made to the recognition and valuation bases during the reporting period. Valuation assumptions, such as exchange rates and interest rates, however, are updated each quarter to reflect prevailing economic conditions.

D.3 Other liabilities

The material classes of other liabilities shown on TRL's regulatory balance sheet, their values under PRA Rules and corresponding values in the financial statements along with their reconciliation to total liabilities are summarised in the table below.

Figure 28: Total liabilities – reconciliation from PRA Rules to UK GAAP as at 31 December 2025

($'000s)	Liabilities under PRA Rules	Financial statement liabilities	Difference
Insurance and intermediary payables	38,377	-	38,377
Reinsurance payables	113,844	326,357	(212,513)
Trade (not insurance) payables	14,234	20,346	(6,112)
Ceded DAC	-	108,065	(108,065)
Deferred tax liabilities	14,732	-	14,732
Total other liabilities	**181,187**	**454,768**	**(273,581)**
Technical provisions	1,303,493	1,922,281	(618,788)
Total liabilities	**1,484,680**	**2,377,049**	**(892,369)**

The main valuation differences between PRA Rules and financial statement balances presented above are as follows:

- UK GAAP reinsurance payables include technical accruals, which are subsumed within technical provisions under PRA Rules;
- UK GAAP trade payables include accrued “other expenses” which are subsumed within technical provisions under PRA Rules; and
- technical provisions differences arise due to the differing treatments of technical accruals and accrued other expenses referred to above.

TRL has no financial or operating lease arrangements.

(Re)insurance and intermediaries payable

Please see section D.1 under the sub-header: (Re)insurance and intermediaries receivables and payables.

Payables (trade not insurance)

Please see section D.1 under the sub-header: Other receivables and payables (trade not insurance). The reduction in payables under PRA Rules compared to the financial statements relates to accrued insurance related expenses not yet due, which have been moved to technical provisions.

Provisions

Other than technical provisions and tax, TRL held no provisions in its UK GAAP or regulatory balance sheets as at 31 December 2025 (2024: $nil).

Contingent liabilities

TRL did not recognise any contingent liabilities as at 31 December 2025 (2024: $nil).

Employee benefits

TRL has accrued for all employee benefit liabilities as at 31 December 2025 and 2024.

Aggregation of liabilities

TRL does not aggregate liabilities into material classes other than those reported in the balance sheet QRT (IR.02.01.01).

D.4 Alternative methods for valuation

TRL does not use any alternative methods to value its assets and liabilities.

D.5 Any other information

TRL does not consider there to be any other material information to disclose on its valuation for solvency purposes.

E. Capital management

E.1 Own funds

The available eligible own funds ("EOF") of TRL to cover its SCR and MCR as at 31 December 2025 and 2024 were as follows:

Figure 29: EOF by tier

Tier	Instruments	At 31 December ($'000s)	
		2025	2024
Tier 1	Ordinary share capital	500,000	500,000
	Reconciliation reserve	161,593	160,335
Total EOF to cover the SCR and MCR		**661,593**	**660,335**

Under PRA Rules, the own funds of an insurance entity are placed into Tiers 1, 2 or 3 based on their ability to absorb losses, with Tier 1 having the greatest ability to do so.

TRL's own funds are exclusively Tier 1 and comprise ordinary paid-up share capital of $500.0m (2024: $500.0m) and a reconciliation reserve of $161.6m (2024: $160.3m). TRL did not have any Tier 2, Tier 3 or ancillary own funds at 31 December 2025 or 2024.

As shown in Figure 22 in section D1, the net deferred tax assets in TRL's financial statements at 31 December 2024 and 2025 become net deferred tax liabilities under PRA Rules, so are not included as Tier 3 EOF items. Further information regarding deferred tax including details regarding its utilisation is included in section D.1. TRL does not adjust its SCR for the loss-absorbing capacity of deferred taxes.

The PRA Rules set certain limits for the recognition of different tiers of capital. No limits were exceeded during the year.

The reconciliation reserve of $161.6m (2024: $160.3m) comprises balances shown in Figure 30 below, calculated in accordance with PRA Rules, and is dependent on the level of excess assets over liabilities, after deducting foreseeable dividends and restricted own fund items. The reconciliation reserve has the potential for volatility. Movements in the reconciliation reserve shown in the table below are associated with movements in EOF and thus the SCR coverage ratio. The sensitivity of the coverage ratio to movements in a range of parameters is provided in section C7 of this SFCR.

Figure 30: Reconciliation reserve

Reconciliation reserve	At 31 December ($'000s)	
	2025	2024
Excess of assets over liabilities under PRA Rules	**686,404**	**664,563**
Less:		
Ordinary share capital	(500,000)	(500,000)
Foreseeable dividends	(20,000)	-
Restricted own fund items	(4,811)	(4,228)
Reconciliation reserve	**161,593**	**160,335**

The main factors impacting the increase in the excess of assets over liabilities under PRA Rules of $21.8m are:

- an increase in UK GAAP shareholders' equity of $33.2m; offset by
- $11.3m of reductions due to valuation adjustments between the statutory and PRA Rules valuation bases, including a reduction in the discounting of Solvency II technical provisions of $5.8m, an increase in the risk margin of $2.0m and other net valuation adjustment reductions of $3.5m.

The increase in statutory reserves is driven by the following:

- net underwriting profit and net investment income in 2025 which delivered a profit before tax of $95.7m (2024: $72.4m) on a UK GAAP basis; and
- other comprehensive income of $0.1m (2024: loss of $0.2m); offset by
- a UK GAAP tax charge of $42.7m (2024: $7.8m) the increase in which is due largely to: the growth in profit before tax, the revocation of the section 953(d) U.S. tax status with retrospective effect from 1 January 2025; and a one-off utilisation of carried forward tax losses in 2024 that were previously deemed unusable; and
- the payment of an interim dividend of $20.0m in May 2025.

Further details of underwriting results are provided in section A.2 and an analysis of TRL's investment returns is provided in A.3.

The remaining movement in the 2025 reconciliation reserve reflects a $20.0m deduction for a foreseeable final dividend of $20.0m and a $0.6m increase in the EOF deduction for restricted own funds items. The final dividend of $20.0m was recommended by the Board in March 2026 and is expected to be declared by its sole shareholder, TRC, for payment in the second quarter of 2026. This final dividend has been deducted from EOF on the grounds that its proposal was deemed to be foreseeable before the end of the financial year.

TRL also made a deduction from the reconciliation reserve of $4.8m (2024: $4.2m) for its non-transferable surplus collateral assets which are either deposited with cedants or held in trust. The surplus collateral assets are calculated on a treaty-by-treaty basis as the difference between the value of the collateral advanced and the liability that they support. These surplus assets represent restricted own funds items in Table 30 above. None of these deposits are considered to be material ring-fenced funds.

At least every 6 months, TRL reviews its own funds against its MCR and SCR requirements. The reviews are undertaken by the Risk Management function and are presented to the Risk Management Committee and Risk & Audit Committee as part of the ongoing review process.

The overall objective of TRL, in relation to own funds, is to maintain a suitable buffer of Tier 1 capital above the SCR ensuring the levels of TRL's own funds are within its risk appetite.

As part of TRL's ORSA process, described in section B, a number of stress tests are undertaken to determine the impact on TRL's own funds and whether they would deteriorate below the required buffer.

TRL has a range of actions at its disposal, which are designed to mitigate the impact of any extreme or unusual scenarios causing its capital position to deteriorate. These include:

- the ability to call on additional capital under the TRC Capital Support Agreement should TRL's capital fall below 120% of its SCR;
- revisions to the TRL business plan, such as changes to the composition of business; and
- the purchase of additional retrocession.

As set out in TRL's Articles of Association, the Directors are able to cancel any dividend or other distribution at any time before actual payment if they consider that payment of the dividend or other distribution would cause TRL to fail to meet any applicable capital or solvency requirement, including its SCR.

Below is an explanation of material differences between the net assets in TRL's 2025 financial statements and the excess of assets over liabilities as calculated for solvency purposes:

Figure 31: Reconciliation of UK GAAP net assets to the excess of assets over liabilities under PRA Rules as at 31 December 2025

	2025 ($'000s)	UK GAAP treatment	PRA Rules treatment
UK GAAP share capital	500,000		
UK GAAP reserves	132,265		
UK GAAP capital and reserves	**632,265**		
Change in:			
Net DAC	(2,241)	DAC shown separately, matching unearned premium income.	DAC subsumed within TPs on a cash flow basis.
(Re)insurance receivables	(219,781)	Separate recognition of (re)insurance receivables, whether due or not yet due.	Separate recognition of (re)insurance receivables only when due. Receivables not yet due are deducted from TPs.
(Re)insurance recoverables	(525,952)	(Re)insurance recoverables shown separately.	(Re)insurance recoverables included within TPs.
(Re)insurance payables	174,137	Separate recognition of (re)insurance payables, whether due or not yet due.	Separate recognition of (re)insurance payables only when due. Payables not yet due are deducted from TPs.
Investments	125	Short-term investments carried at amortised cost.	Short-term investments carried at fair value including accrued interest.
Other net payables	27,110	Accrued insurance expenses not yet due shown separately.	Accrued insurance expenses not yet due included in TPs.
Technical provisions	653,788	Adjustments from UK GAAP insurance reserves to TPs under PRA Rules, described in D2 above.	
Risk margin	(35,000)	No explicit risk margin.	Inclusion of separate risk margin.
Deferred tax liability / asset	(18,047)	UK GAAP deferred tax asset adjusted for different valuation bases of assets and liabilities under PRA Rules, set out in Figure 22.	
Excess of assets over liabilities under PRA Rules	**686,404**		

Please see section D.1 for further information on the valuation of assets under UK GAAP and PRA Rules; section D.2 for a reconciliation between technical provisions under UK GAAP and PRA Rules; and section D.3 for other liabilities.

TRL has not applied to use any transitional measures for the calculation of own funds.

TRL does not voluntarily disclose any other solvency ratios other than those reported in the own funds QRT (IR.23.01.01).

E.2 SCR and MCR

TRL’s SCR is calculated according to the SCR – Standard Formula part of the PRA Rules as modified by a PIM to calculate catastrophe risk in accordance with the SCR – Internal Models part of the PRA Rules.

The components of the SCR and its relation to EOF is shown in the table below.

Figure 32: Regulatory capital requirements under PRA Rules as at 31 December

	2025 ($’000s)	**2024 ($’000s)**
EOF to cover SCR	661,593	660,335
EOF to cover MCR	661,593	660,335
MCR	**83,666**	**79,693**
Basic SCR	296,607	284,984
Operational risk	38,055	33,789
SCR	**334,662**	**318,773**
Market risk	49,370	29,342
Counterparty default risk	24,909	27,673
Health underwriting risk	4,607	3,305
Non-life underwriting risk	266,279	260,832
less diversification	(48,558)	(36,168)
Basic SCR	**296,607**	**284,984**
Non-life catastrophe risk	120,621	113,991
Non-life premium & reserve risk	207,648	206,410
Non-life lapse risk	26,723	25,889
less diversification	(88,713)	(85,458)
Non-life underwriting risk	**266,279**	**260,832**

The reduction in TRL's solvency capital coverage ratio from 207.1% to 197.7% during 2025 reflects a small $1.3m increase in EOF from $660.3m to $661.6m and a $15.9m increase in the SCR from $318.8m to $334.7m.

The small increase in EOF is due to a combination of largely offsetting factors:

- an increase in statutory reserves of $33.2m; offset by
- a deduction of $20.0m for the foreseeable dividend proposed by TRL's Board in March 2026 for shareholder approval;
- $11.3m of reductions due to valuation adjustments between the statutory and PRA Rules valuation bases, including a reduction in the discounting of Solvency II technical provisions of $5.8m, an increase in the risk margin of $2.0m and other net valuation adjustment reductions of $3.5m; and
- a $0.6m increase in restricted own funds items.

The increase in the SCR is primarily due to:

- a $20.0m increase in the market risk charge due mainly to a reduction in surplus assets over liabilities denominated in UK sterling and an increase in surplus assets denominated in euros, the majority of which relate to fixed income investments;
- increases of $5.4m and $4.3m in non-life underwriting and operational risk, respectively, reflecting growth in the underlying non-life portfolio; offset by
- small movements in counterparty default and health underwriting risk (combined net $1.5m decrease); and
- an increase in diversification benefits of $12.4m across the principal risk modules.

TRL does not use any undertaking specific parameters in the calculation of the SCR. The SCR is subject to supervisory assessment as set out in Rule 3.6B(4) of the Reporting Part of the PRA Rules.

Simplifications have been used only where permitted by the PRA Rules. The simplifications used by TRL, with reference to the SCR-Standard Formula Part of the PRA Rules, are listed below:

- Rule 7.28: simplified calculation of the risk mitigating effect for reinsurance arrangements or securitisation;
- Rule 7.32: simplified calculation of the risk mitigating effect on underwriting risk and market risk of a reinsurance arrangement, securitisation or derivative; and
- Rule 7.34: simplified calculation of the risk adjusted value of collateral provided by way of security.

These simplifications relate to the counterparty default risk module. No other simplifications are used by TRL in the calculation of the SCR.

TRL's MCR ratio reduced from 828.6% at the end of 2024 to 790.8% at the end of 2025 in line with the movements in the SCR and SCR coverage ratio.

Partial Internal Model

TRL's SCR is calculated according to the Solvency Capital Requirement – Standard Formula part of the PRA Rules as modified by TRL's PIM which replaces the entire non-life catastrophe risk module of the Standard Formula in accordance with the SCR – Internal Models part of the PRA Rules.

All data used in the PIM is reviewed at least annually and updated appropriately to ensure it is fit for use. TRL integrates the results of its PIM with the Standard Formula using technique 4 as described in the SCR – Internal Models Part of the PRA Rules.

Calculation of the MCR

In order to calculate the MCR, TRL uses the net written premiums on a regulatory basis split by SII LOB. Written premiums are defined as premiums due to be received by the undertaking during the period under consideration regardless of whether such premiums relate in whole or in part to insurance or reinsurance cover provided in a different time period.

The inputs applied to the calculation of the MCR are made up of the technical provisions (excluding the risk margin) and net written premiums over the last year (for LOB), together with the prescribed minimum (or "absolute floor") and the most recently calculated SCR.

TRL's linear MCR falls below the SCR corridor of between 25% and 45% of the SCR. Accordingly TRL's MCR has been adjusted upwards to equal 25% of its SCR, as required by PRA Rules.

E.3 Differences between the Standard Formula and any internal model used

As noted above, TRL uses a PIM to calculate the SCR for all non-life catastrophe risk.

TRL's PIM is calibrated to a 99.5% confidence level. As best estimate reserves for catastrophe business are already held in technical provisions on TRL's regulatory balance sheet, the capital requirement for the risks covered by the PIM is intended to represent the uplift from the best estimate (expected loss) to the 1:200 aggregate loss.

To calculate the capital requirement for natural catastrophe risk and the natural catastrophe risk of non-proportional property reinsurance, TRL uses data from a third party catastrophe risk model.

The capital requirement for man-made and other non-life catastrophe risk is calculated using a scenario-based approach.

E.4 Non-compliance with the MCR and non-compliance with the SCR

There have been no instances of non-compliance with the MCR and SCR.

E.5 Any other information

TRL does not consider there to be any other material information to disclose regarding capital management.

Appendix 1: Abbreviations used in this report

AM Best	A.M. Best Company, Inc. and/or its affiliates
AI	Artificial intelligence
Alleghany	Alleghany Corporation
Basic SCR	SCR excluding the operational risk component
BEL	Best estimate liabilities
Berkshire Hathaway	Berkshire Hathaway Inc.
BF	Bornhuetter-Ferguson
bps	Basis points (0.01%)
CCO	Chief Compliance Officer (TransRe group)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPD	Continuing professional development
CRO	Chief Risk Officer (TransRe group)
CUO	Chief Underwriting Officer
Calpe	Calpe Insurance Company Limited (Gibraltar)
Certification Function	Any function identified as a certification function under the SM&CR
DAC	Deferred acquisition costs
ELR	Expected loss ratio
ENID	Events not in data
EOF	Eligible own funds
EPIFP	Expected profit included in future premiums
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EUR	Euro
FCA	Financial Conduct Authority
Fitch	Fitch Ratings, Inc., Fitch Ratings, Ltd. and its subsidiaries
GBP	Great Britain Pound
GRM	Global Risk Management (TransRe group)
GWP	Gross written premium
HR	Human resources
IBNER	Incurred but not Enough Reported
IBNR	Incurred but not Reported
IFRS	International Financial Reporting Standards
IRS	U.S. Internal Revenue Service
ISA	International Standards on Auditing
IT	Information technology
KYC	Know your counterparty
LAE	Loss adjustment expenses
LBO	TRC London Branch Office
LDF	Loss development factors
LOB	Line of business
LTF	Loss trend factors
MAT	Marine, aviation and transport
MCR	Minimum capital requirement
MI	Management information
Moody's	Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their affiliates

NEAM	New England Asset Management
NED	Non-executive director
NWP	Net written premium
ORSA	Own Risk and Solvency Assessment
OTC	Over-the-counter broker-dealer securities trading (not on an exchange)
PIM	Partial Internal Model
PPO	Periodic payment order
PRA	Prudential Regulation Authority
PRA Rules	The rules contained in the PRA's Rulebook for Solvency II Firms
PLR	Private Letter Ruling
QRT	Quantitative reporting template
RCO	Regional Compliance Officer (TransRe group)
S&P	Standard & Poor's Financial Services LLC and/or its affiliates
S&R	Sustainability and Resilience
SCR	Solvency capital requirement
SFCR	Solvency and Financial Condition Report
Solvency II or SII	Solvency II as adopted into UK law and the PRA Rulebook for Solvency II firms
SM&CR	The Senior Managers and Certification Regime
SMF	Senior Manager Function under the SM&CR
SPV	Special purpose vehicle
TCF	Treating Customers Fairly
TMTP	Transitional measures on technical provisions
TPs	Technical provisions
TransRe	Collective term for TRH, its subsidiaries, branches and representatives
TRC	Transatlantic Reinsurance Company
TRC Capital Support Agreement	The capital support guarantee agreement described in section B1
TRC Quota Share	The quota share reinsurance agreement described in section B1
TRC Trust Agreement	The trust agreement described in section B1
TReIMCo	TReIMCo Limited, a Corporate Member at Lloyd's
TRH	Transatlantic Holdings, Inc.
TRL	TransRe London Limited
TRLS	TransRe London Services Limited
UK	United Kingdom
UK GAAP	UK generally accepted accounting practice
U.S. or USA	United States of America
USD or $	United States of America Dollar
Velonetic	Trading name of Ins-sure Holdings and Xchanging Services (formerly DXC)
XOL	Excess of loss

Appendix 2: Public Quantitative Reporting Templates (QRTs)

Templates	
IR.02.01.02	Balance sheet
IR.05.02.01	Premiums, claims and expenses by country: non-life insurance and reinsurance obligations
IR.05.04.02	Non-life income and expenditure: reporting period
IR.17.01.02	Non-life technical provisions
IR.19.01.21	Non-life insurance claims
IR.23.01.01	Own funds
IR.25.04.21	Solvency capital requirement
IR.28.01.01	Minimum capital requirement - only life or non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,110,362
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	1,110,362
R0140	*Government Bonds*	1,110,362
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	881,562
R0280	*Non-life and health similar to non-life*	881,562
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	33,165
R0360	Insurance and intermediaries receivables	34,416
R0370	Reinsurance receivables	66,371
R0380	Receivables (trade, not insurance)	21,345
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	23,863
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	2,171,084

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	1,303,493
R0510	*Technical provisions - non-life*	1,303,493
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	1,268,493
R0544	*Best estimate - non-life*	1,268,493
R0546	*Best estimate - life*	0
R0552	Risk margin - total	35,000
R0554	*Risk margin - non-life*	35,000
R0556	*Risk margin - life*	0
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	14,732
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	38,377
R0830	Reinsurance payables	113,844
R0840	Payables (trade, not insurance)	14,234
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	0
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	1,484,680
R1000	**Excess of assets over liabilities**	686,404

IR.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			US	BM	GI	ES	CH	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	7,196	0	0	0	0	0	7,196
R0120	Gross - Proportional reinsurance accepted	404,676	59,283	68,357	48,204	38,382	18,115	637,017
R0130	Gross - Non-proportional reinsurance accepted	130,659	24,986	4,509	15,692	2,509	8,031	186,386
R0140	Reinsurers' share	430,664	72,005	55,947	51,154	32,637	20,926	663,333
R0200	Net	111,867	12,264	16,919	12,742	8,254	5,220	167,266
	Premiums earned							
R0210	Gross - Direct Business	7,271	0	0	0	0	0	7,271
R0220	Gross - Proportional reinsurance accepted	404,439	66,209	64,674	52,407	38,969	16,735	643,433
R0230	Gross - Non-proportional reinsurance accepted	125,951	24,614	4,652	15,225	2,610	7,887	180,939
R0240	Reinsurers' share	425,114	77,206	52,082	54,142	33,041	19,671	661,256
R0300	Net	112,547	13,617	17,244	13,490	8,538	4,951	170,387
	Claims incurred							
R0310	Gross - Direct Business	4,222	0	0	0	0	0	4,222
R0320	Gross - Proportional reinsurance accepted	223,377	36,696	38,433	35,144	12,636	7,683	353,969
R0330	Gross - Non-proportional reinsurance accepted	57,462	13,190	-414	11,200	2,069	859	84,366
R0340	Reinsurers' share	220,851	43,881	28,848	37,632	12,168	7,229	350,609
R0400	Net	64,210	6,005	9,171	8,712	2,537	1,313	91,948
R0550	**Net expenses incurred**	34,924	3,198	5,420	2,639	3,642	1,245	51,068

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations										Non-life insurance and accepted pr			
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines	General liability insurance			
														Employers Liability	Public & products Liability	Professional Indemnity	Other general liability
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180	C0190	C0200	C0210	C0220
	Income																
	Premiums written																
R0110	Gross written premiums		913,315	0	124	0	5,541	23,822	978	4,204	244,329	0	221,167	10,351	24,153	39,886	53,373
R0111	Gross written premiums - insurance (direct)		7,261	0	0	0	0	0	0	0	360	0	6,901	0	0	0	0
R0113	Gross written premiums - accepted reinsurance		906,054	0	124	0	5,541	23,822	978	4,204	243,969	0	214,266	10,351	24,153	39,886	53,373
R0160	Net written premiums		184,635	0	25	0	1,087	4,765	192	841	50,191	0	45,891	2,095	4,887	8,166	11,550
	Premiums earned and provision for unearned																
R0210	Gross earned premiums		913,793	0	261	0	7,760	36,178	1,369	6,384	252,156	0	204,956	9,958	23,234	40,444	52,216
R0220	Net earned premiums		188,403	0	61	0	1,531	7,238	270	1,277	53,057	0	43,144	2,011	4,693	8,377	12,206
	Expenditure																
	Claims incurred																
R0610	Gross (undiscounted) claims incurred		471,428	0	-9	0	6,026	25,364	1,063	4,476	162,408	72	77,839	6,213	14,498	24,278	35,826
R0611	Gross (undiscounted) direct business		4,213	0	0	0	0	0	0	0	-6	0	4,219	0	0	0	0
R0612	Gross (undiscounted) reinsurance accepted		467,215	0	-9	0	6,026	25,364	1,063	4,476	162,414	72	73,620	6,213	14,498	24,278	35,826
R0690	Net (undiscounted) claims incurred		96,855	0	-4	0	1,292	4,949	228	873	34,999	29	14,691	1,255	2,928	4,863	8,566
R0730	Net (discounted) claims incurred	96,855	96,855														
	Analysis of expenses incurred																
R0910	Technical expenses incurred net of reinsurance ceded	54,116															
R0985	Acquisition costs, commissions, claims management costs	41,945	41,945	0	22	0	-242	1,330	-43	235	12,577	1	12,914	552	1,289	1,801	4,165
	Other expenditure																
R1140	Other expenses	19															
R1310	**Total expenditure**	158,794															

IR.05.04.02

Non-life income and expenditure : reporting period

		roportional reinsurance obligations				Accepted non-proportional reinsurance					
		Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property	Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income										
	Premiums written										
R0110	Gross written premiums	67,175	0	0	0	3,540	76,704	63,247	74,721		
R0111	Gross written premiums - insurance (direct)	0	0	0	0						
R0113	Gross written premiums - accepted reinsurance	67,175	0	0	0	3,540	76,704	63,247	74,721		
R0160	Net written premiums	15,593	0	0	0	729	16,111	10,628	11,884		
	Premiums earned and provision for unearned										
R0210	Gross earned premiums	65,652	0	0	0	3,527	72,117	62,058	75,523		
R0220	Net earned premiums	16,182	0	0	0	726	15,193	10,415	12,022		
	Expenditure										
	Claims incurred										
R0610	Gross (undiscounted) claims incurred	21,760	-448	0	0	861	44,240	14,068	32,893		
R0611	Gross (undiscounted) direct business	0	0	0	0						
R0612	Gross (undiscounted) reinsurance accepted	21,760	-448	0	0	861	44,240	14,068	32,893		
R0690	Net (undiscounted) claims incurred	4,335	-179	0	0	292	8,016	1,580	8,142		
R0730	Net (discounted) claims incurred										
	Analysis of expenses incurred										
R0910	Technical expenses incurred net of reinsurance ceded										
R0985	Acquisition costs, commissions, claims management costs	6,549	-13	0	0	-60	205	115	548		
	Other expenditure										
R1140	Other expenses										
R1310	**Total expenditure**										

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	18	0	-1,646	-290	-15,073	-45,416	-8,020	-2,375	0	0	0	-1,871	436	-6,491	-18,971	-99,699
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	13	0	-591	-104	-3,428	-29,098	-2,086	776	0	0	0	-1,429	1,180	-5,263	-17,349	-57,379
R0150	**Net Best Estimate of Premium Provisions**	0	5	0	-1,055	-186	-11,645	-16,318	-5,934	-3,151	0	0	0	-442	-744	-1,228	-1,622	-42,320
	Claims provisions																	
R0160	Gross	0	357	0	89,135	15,730	304,692	207,782	216,672	76,297	0	0	0	5,367	179,647	164,381	108,132	1,368,192
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	237	0	57,897	10,217	204,625	142,603	143,908	49,244	0	0	0	3,987	124,379	126,175	75,670	938,941
R0250	**Net Best Estimate of Claims Provisions**	0	120	0	31,238	5,513	100,067	65,179	72,764	27,053	0	0	0	1,380	55,268	38,206	32,462	429,251
R0260	**Total best estimate - gross**	0	376	0	87,489	15,440	289,619	162,366	208,652	73,922	0	0	0	3,496	180,083	157,890	89,161	1,268,493
R0270	**Total best estimate - net**	0	125	0	30,183	5,327	88,422	48,862	66,830	23,902	0	0	0	938	54,524	36,978	30,840	386,930
R0280	**Risk margin**	0	11	0	2,730	482	7,998	4,420	6,045	2,162	0	0	0	85	4,932	3,345	2,790	35,000
R0320	**Technical provisions - total**	0	387	0	90,219	15,922	297,617	166,786	214,697	76,084	0	0	0	3,581	185,015	161,235	91,951	1,303,493
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0	250	0	57,306	10,113	201,197	113,504	141,822	50,020	0	0	0	2,558	125,559	120,912	58,321	881,563
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	0	137	0	32,913	5,809	96,420	53,282	72,875	26,064	0	0	0	1,023	59,456	40,323	33,630	421,930

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Underwriting year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											7,616	7,616	7,616
R0160	-9	10,183	101,044	91,114	57,670	31,602	18,139	15,055	13,347	6,632	6,079		6,079	350,866
R0170	-8	5,023	126,618	125,959	72,060	39,555	24,238	21,174	23,414	18,955			18,955	456,995
R0180	-7	4,602	121,639	115,604	79,999	52,768	51,589	40,726	23,437				23,437	490,364
R0190	-6	7,044	75,631	103,823	72,424	62,403	34,667	38,204					38,204	394,197
R0200	-5	8,340	80,560	80,865	60,646	40,440	29,008						29,008	299,858
R0210	-4	6,267	58,020	80,978	71,134	53,997							53,997	270,397
R0220	-3	5,989	59,966	60,579	68,800								68,800	195,334
R0230	-2	3,688	64,204	80,191									80,191	148,083
R0240	-1	2,295	53,617										53,617	55,912
R0250	0	557											557	557
R0260												Total	380,461	2,670,179

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											25,596	24,263
R0160	-9	115,528	179,952	143,929	95,758	63,205	49,034	37,946	32,825	23,970	20,290		19,336
R0170	-8	207,891	253,309	187,727	129,116	98,482	76,664	66,017	47,642	33,855			32,158
R0180	-7	135,587	203,911	193,681	152,310	131,290	112,035	77,325	53,951				51,411
R0190	-6	105,569	239,676	217,870	159,522	134,787	99,807	60,733					57,664
R0200	-5	150,223	253,066	207,673	187,729	144,985	115,151						109,108
R0210	-4	102,026	223,180	260,027	201,558	169,925							158,641
R0220	-3	132,941	295,882	292,119	233,991								216,155
R0230	-2	172,283	298,571	269,634									247,756
R0240	-1	185,141	367,335										338,297
R0250	0	167,729											153,321
R0260												Total	1,408,110

IR.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	500,000	500,000		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	161,593	161,593			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds after deductions**	661,593	661,593	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	661,593	661,593	0	0	0
R0510	Total available own funds to meet the MCR	661,593	661,593	0	0	
R0540	Total eligible own funds to meet the SCR	661,593	661,593	0	0	0
R0550	Total eligible own funds to meet the MCR	661,593	661,593	0	0	
R0580	**SCR**	334,662				
R0600	**MCR**	83,666				
R0620	**Ratio of Eligible own funds to SCR**	197.69%				
R0640	**Ratio of Eligible own funds to MCR**	790.76%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	686,404				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	20,000				
R0725	Deductions for participations in financial and credit institutions					
R0730	Other basic own fund items	500,000				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	4,811				
R0760	**Reconciliation reserve**	161,593				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	15,391
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	0
R0110	Concentration risk	0
R0120	Currency risk	43,219
R0125	Other market risk	0
R0130	Diversification within market risk	-9,240
R0140	**Total Market risk**	49,370
	Counterparty default risk	
R0150	Type 1 exposures	16,900
R0160	Type 2 exposures	9,585
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	-1,576
R0180	**Total Counterparty default risk**	24,909
	Life underwriting risk	
R0190	Mortality risk	0
R0200	Longevity risk	0
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	0
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	1,391
R0300	Health catastrophe risk	4,146
R0305	Other health underwriting risk	0
R0310	Diversification within health underwriting risk	-930
R0320	**Total Health underwriting risk**	4,607
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	207,648
R0340	Non-life catastrophe risk	120,621
R0350	Lapse risk	26,723
R0355	Other non-life underwriting risk	0
R0360	Diversification within non-life underwriting risk	-88,713
R0370	**Non-life underwriting risk**	266,279
R0400	**Intangible asset risk**	0
	Operational and other risks	
R0422	Operational risk	38,055
R0424	Other risks	0
R0430	**Total Operational and other risks**	38,055
R0432	**Total before all diversification**	483,679
R0434	Total before diversification between risk modules	383,220
R0436	Diversification between risk modules	-48,558
R0438	**Total after diversification**	334,662
R0440	Loss absorbing capacity of technical provisions	0
R0450	Loss absorbing capacity of deferred tax	0
R0455	Other adjustments	0
R0460	**Solvency capital requirement including undisclosed capital add-on**	334,662
R0472	Disclosed capital add-on - excluding residual model limitation	0
R0474	Disclosed capital add-on - residual model limitation	0
R0480	**Solvency capital requirement including capital add-on**	334,662
R0490	Biting interest rate scenario	decrease
R0495	Biting life lapse scenario	

IR.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	73,341

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	125	25
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	30,183	5,852
R0060	Other motor insurance and proportional reinsurance	5,326	1,033
R0070	Marine, aviation and transport insurance and proportional reinsurance	88,422	50,191
R0080	Fire and other damage to property insurance and proportional reinsurance	48,862	45,891
R0090	General liability insurance and proportional reinsurance	66,830	26,698
R0100	Credit and suretyship insurance and proportional reinsurance	23,902	15,593
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	938	729
R0150	Non-proportional casualty reinsurance	54,524	16,111
R0160	Non-proportional marine, aviation and transport reinsurance	36,978	10,628
R0170	Non-proportional property reinsurance	30,840	11,884

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	73,341
R0310	SCR	334,662
R0320	MCR cap	150,598
R0330	MCR floor	83,666
R0340	Combined MCR	83,666
R0350	Absolute floor of the MCR	4,449
R0400	**Minimum Capital Requirement**	83,666