
Solvency and Financial Condition Report

StarStone Insurance SE

31 December 2025



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About this document

The purpose of the Solvency and Financial Condition Report¹ ("SFCR") is to provide qualitative and quantitative information on StarStone Insurance SE's ("the Company", "SISE" or "StarStone") business and performance, system of governance, risk profile, valuation for solvency purposes and capital management together with standardised Quantitative Reporting Templates ("QRTs"). The SFCR has been prepared based on the requirements and principles of Article 35 of the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance commonly referred to as the Solvency II ("SII") Directive as implemented in Liechtenstein and the Solvency II Regulations and Guidelines. The SFCR is prepared in accordance with the disclosure requirements of the Liechtenstein Financial Market Authority ("FMA") and is publicly available on the Company's website. The SFCR provides stakeholders with additional information over and above that contained in the annual financial statements.

This SFCR covers the period from 1 January 2025 to 31 December 2025. The quantitative data presented in this report is presented in United States Dollars ("USD" or "\$") which is the Company's functional and reporting currency.

The Supervisory Board of Directors have approved the submission of this report on 31 March 2026.

This report is unaudited. However, the Company's Solvency II balance sheet included in this report is audited. The Company's Solvency Capital Requirement ("SCR") is not subject to audit this year.

¹ The numbers presented in this document may contain rounding differences to the quantitative reporting templates submitted to the regulator.

Company Information

Registered Office

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9494 Schaan
Liechtenstein

Company Registered Number

FL-0002.546.357-6

United Kingdom Branch

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London
EC3A 5AY
United Kingdom

Company Regulator

Financial Market Authority
Landstrasse 109, 9490 Vaduz,
Liechtenstein

Group Supervisor

Bermuda Monetary Authority
43 Victoria Street
Hamilton, PO Box 2447
Bermuda

External Auditors

PricewaterhouseCoopers AG
Birchstrasse 160,
8050 Zürich
Switzerland

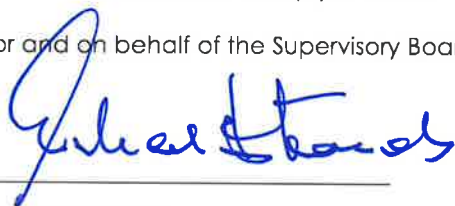
Statement of Directors' Responsibility

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the Solvency II Regulations.

We are satisfied that:

- a) throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations applicable to the Company, and
- b) it is reasonable to believe that the Company has continued to comply subsequently and will continue so to comply in future.

For and on behalf of the Supervisory Board of StarStone Insurance SE



Michael Handler

Member of SISE Supervisory Board of Directors

31 March 2026



Donat Marxer

Member of SISE Supervisory Board of Directors

31 March 2026

Summary

Background

The Company ceased active underwriting in 2020. The Company continues to service policies and manage claims that remain in force as well as write mandatory endorsements to existing policies particularly within Construction business and some business written under binding authorities.

The principal activity of the Company was the underwriting of specialty insurance and reinsurance business. The Company offered a broad range of insurance products to large multi-nationals and small to middle-market clients around the world, with the Company writing a diversified portfolio by territory and line of business. The Company's business was written through its European and UK branch network and Head Office.

SISE continues to be regulated by the Liechtenstein Financial Market Authority ("FMA") with respect to its entire business and the UK Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA") with respect to its UK branch business.

The Company is owned by two companies: Cavello Bay Reinsurance Limited ("CBRe" or "Cavello" or "immediate parent") with 73.74% of the total share capital and StarStone Finance Limited ("SFL") with 26.26% of the total share capital. CBRe owns 100% of the ordinary share capital. The shares owned by SFL are non-voting preference shares and therefore CBRe has 100% of the voting rights. SFL is a wholly owned subsidiary of CBRe.

CBRe is a wholly owned subsidiary of Kenmare Holdings Ltd ("Kenmare"). Kenmare is wholly owned by Enstar Group Limited ("Enstar" or "EGL"). SISE is part of the Enstar Group. A group structure chart is included in **Section A.1.2**.

Developments in the year

With effect from 31 December 2025, the Company restructured and simplified its internal quota share reinsurance agreement with CBRe, restructuring the cession rate to 90% of the Company's net reserves (after external reinsurance) across all lines of business, with CBRe also assuming 90% of the Company's operating expenses. As a result, this led to a change in the Company's reinsurance-related balances in 2025, impacting several key financial statement line items including ceded written premiums, ceded claims paid, the ceded change in outstanding claims reserves, outstanding claims reserves – reinsurance companies, deposit liabilities to affiliated companies and other reinsurance business receivables (receivables from affiliated companies).

This restructuring was undertaken to enhance the Company's financial sustainability and profitability and was capital and liquidity neutral. Previously, this reinsurance arrangement was in place on a risk attaching basis, with cessions varying between 65% and 100% depending on the class of business and underwriting year. The transition from this structure to a simplified quota share arrangement, under which CBRe assumes a consistent share of the Company's technical balances including associated future expenses, resulted in a significant one-off non-cash impact on the Company's technical result for 2025.

On 29 July 2024, Enstar entered into an Agreement and Plan of Merger (the "Merger Agreement") with Elk Bidco Limited (the "Parent"), an exempted company limited by shares existing under the laws of Bermuda. The Parent is backed by equity commitments from investment vehicles managed or advised by affiliates of Sixth Street Partners, LLC ("Sixth Street"). Pursuant to the Merger Agreement, there was a series of mergers (collectively, the "Merger") resulting in the Company surviving the Merger as a wholly owned subsidiary of the Parent. The Merger closed on 2 July 2025. Following the close of the transaction, Enstar expects to maintain its current operations and business strategy. Following the Merger Agreement with Elk Bidco Limited, SISE's ultimate parent company changed from Enstar to Elk Insurance Holdings LLC.

The London branch in the United Kingdom ("UK") continues to operate under the Supervised Run-Off Regime ("SROR") and is the only remaining active branch at the end of 2025. All activities and

operations of the Milan branch in Italy were terminated in 2024 and the branch officially closed on 6 November 2025.

Strategy and Future outlook

A strategic plan has been developed to manage the orderly and solvent administration of the Company's existing business until the liabilities of the Company have been settled. The liabilities of the Company vary in duration and the wind down of the Company's activities are expected to occur over a number of years. The Company continues to monitor the appropriateness of various strategies that either reduces risk or enhances the outcome for all stakeholders when compared to the strategic plan.

As part of a broader European strategy, the Company has initiated plans to redomicile from Liechtenstein to Belgium. This initiative supports the transition of Enstar's European entities into a more efficient and cost-effective run-off platform by leveraging Belgium's established regulatory environment, stronger local talent pool and the operational benefits of consolidating two entities into a single, scalable hub. The move is expected to reduce overheads, streamline governance and shared-service arrangements and enhance the Company's ability to manage the existing portfolio through its run-off lifecycle.

Geopolitical Conflicts

Over the period, a number of factors have influenced global economic conditions. Geo-political uncertainty arising from international conflicts has reduced investor confidence and contributed to increased market volatility. Recent policy actions by the U.S., including the introduction of additional tariffs on key trading partners, have heightened global trade tensions and added further unpredictability to markets and international cooperation.

The Company continues to monitor its direct investment and underwriting risks as a result of these ongoing conflicts. To date, we are not aware of operational disruption to us or our third-party service providers as a result of these conflicts, and we have not identified any significant direct impacts from these events. We also continue to monitor all macro-economic and operational risk factors that could impact the Company and remain prepared to respond appropriately.

Cyber-Security Risk

Across jurisdictions, including within Europe, cyber-security risks have continued to rise, with several high-profile incidents reported during 2025. The Company recognises that cyber incidents could result in operational disruption, financial loss or reputational damage. Accordingly, cyber-security risk is monitored as part of the Company's broader operational risk framework.

Climate Change

The Company has ceased active underwriting and hence, exposure to climate-related risks emanates from existing insurance liabilities and the assets that back those liabilities.

The Enterprise Risk Management ("ERM") framework defines the roles and responsibilities for effective oversight and management of environmental, social and governance ("ESG") and climate-related risks and opportunities at the Board and senior management levels.

Climate change presents a range of risks and opportunities to the sustainability of our business. **Section C.6.5** sets out further details on climate change.

Business and Performance

The principal activity of the Company is the administration of specialty insurance and reinsurance business previously underwritten. The Company offered a broad range of insurance products to large multi-nationals and small to middle-market clients around the world through its European branch network and Head Office.

The Company has generated a net loss for the year of \$38.3m (2024: loss of \$9.4m) which is primarily driven by the restructuring and simplification of the Company's internal quota share agreements. The

majority of the Company's underwriting results continue to be ceded out to its immediate parent company under the new agreement.

Section A sets out further details about the Company's business structure, key operations and financial performance over the reporting period.

Systems of Governance

The Company operates and maintains a system of governance to meet the requirements of the nature, scale and complexity of the Company's activities.

The Supervisory Board of Directors ("Verwaltungsrat") and the Management Board ("Geschäftsleitung") of the Company comprises a combination of independent non-executives and executives. All executives are selected on the basis of their skills, knowledge competence and experience.

The Company has identified the following Key Functions in accordance with Solvency II requirements and Liechtenstein law: Risk Management, Compliance, Internal Audit and Actuarial Functions. The respective Key Function Holders ("KFH") are all approved by the regulator for their function and have been assessed to be Fit and Proper ("F&P").

It is the responsibility of the key function owners to maintain the appropriate policy and procedures documentation which incorporate the function's responsibilities for operations, risk management, internal control, internal audit, outsourcing (where relevant) and reporting. All governance documentation is reviewed regularly by either an executive committee or the Supervisory Board according to its nature.

The Supervisory Board recognises the importance of ensuring there is sufficient knowledge and expertise in the Compliance team following the cessation of actively writing new risks and ongoing administration of SISE's business. As such, the Compliance function continues to maintain a presence in the Company's head office.

The Company's Internal Audit function is provided by the KFH with support from the wider Enstar (EU) Limited ("EEUL") Internal Audit Function.

The Actuarial team has adopted responsibilities for providing actuarial support to SISE, following the decision to cease underwriting new and renewal business.

The intra-group outsourcing agreements with EEUL have been continued despite the Company ceasing to write new or renewal business. The monitoring of which continues to be under the responsibility of the SISE Management Board.

Section B provides a more detailed overview of the Company's systems of governance.

Risk Profile

The Company's ERM Framework aligns risk measurement with capital in order to provide a consistent approach for the separate risks and allows the risk profile to be the driver of the solvency and any own economic capital requirements. Where risk is considered to be excessive, the Company may mitigate that risk. A key mitigating factor is the purchase of reinsurance which is used to reduce exposure to Underwriting risk.

The distribution of the Company's quantifiable risks, as reflected in the SCR, is as follows:

Standard Formula Risk Categories \$000	2025	2025	2024	2024
		%		%
Market risk	11,456	28%	13,825	33%
Counterparty default risk	12,908	32%	8,686	21%
Non-life underwriting risk	8,877	22%	11,745	28%
Health underwriting risk	73	—%	129	—%
Operational Risk	7,310	18%	7,643	18%
SCR before diversification benefit	40,624	100%	42,028	100%
Diversification	(8,476)		(8,905)	
SCR	32,148		33,123	

The Company considers that the key risk and uncertainties relate to underwriting, market and counterparty default risk.

The 2025 SCR has decreased by \$1.0m since 2024 from \$33.1m to \$32.1m. This is driven by a decrease in Underwriting risk as the Company continues to run-off along with a decrease in Market risk partially offset by an increase in Counterparty Default risk. These SCRs have been calculated using Barnett Waddingham's SIIMPLIFY.

- Non-Life UW risk has decreased by \$2.9m (24%) as a result of a fall in exposure as the portfolios runs off. This is partially offset by an increase to man-made Catastrophe Risk where the change to the CBR contract has resulted in some residual risk being retained. Lapse risk continues to be zero.
- Market Risk has decreased by \$2.4m (17%). This is primarily driven by a decrease to Currency Risk (better matching of Euros) and partially offset by an increase to Concentration Risk (greater exposure to the two largest counterparties).
- Counterparty Default risk has increased by \$4.2m, 49%, driven by the CBR collateralisation commitment going above the 60% threshold (an increase from 57.5% to 61%) which results in an increased capital charge for this reinsurer.
- Health UW Risk has decreased by \$0.1m (44%) in line with run-off.
- Operational Risk has decreased by \$0.3m (4%). Operational Risk in the standard formula is defined as the lower of a gross Technical Provisions charge and a BSCR charge. This year there was a switch from BSCR to gross Technical Provisions charge and so the change was less than the change in gross Technical Provisions exposure.

Further commentary on these movements is included in **Section E**.

Section C provides further details of the risks which the Company is exposed to and how we measure, monitor, manage and mitigate these risks, including any changes in the year to our risk exposures.

Valuation for solvency purposes

Solvency II requires a market-consistent approach to the valuation of assets and liabilities. A number of assets and liabilities require different valuation methods to those used in the financial statements which are prepared in conformity with the Liechtenstein Generally Accepted Accounting Principles ("LIE GAAP").

The valuation differences are summarised as follows:

Valuation Differences	2025	2024
\$000		
Assets		
Investments	2,739	912
Reinsurance recoverable	18,175	(14,732)
Liabilities		
Technical provisions	26,713	5,066
Total Valuation Differences	(5,799)	(18,886)

The Company's net assets on a Solvency II basis are \$5.8m lower than on an LIE GAAP basis. This is an increase of \$13.1m compared to the prior year.

Valuation differences on investments relate to differences in the Solvency II fair value valuation basis and LIE GAAP lower of cost or market value basis. The increase in value of investments on a Solvency II basis compared to on an LIE GAAP is \$1.8m, which is a result of an increase in the value of the investment fair value adjustment.

The net Solvency II adjustment to technical provisions decreased by \$11.3m to \$8.5m during the year (2024: \$19.8m). The movement is driven by:

- Lower expense provision by \$12.7m (decrease)
- Lower impact of discounting by \$2.9m (increase)
- Lower risk margin by \$2.1m (decrease)
- Other valuation adjustments of \$0.6m (increase)

There have been no material changes in the recognition and valuation bases for assets and liabilities under Solvency II over the reporting period.

There have not been any changes to reserving policy and procedures during 2025 or subsequently. The actuarial team recognises the potential for increased uncertainty for estimating claims due to the reducing size of the portfolio going forward for certain lines of business. The Actuarial team will consider this uncertainty in their selections during run-off.

Section D includes information on the valuation basis adopted for each class of assets and liabilities and also provides an explanation of valuation differences arising when moving from the valuation basis used in the Company's financial statements to the Solvency II valuation basis.

Capital Management

The Company uses the standard formula as prescribed by the Solvency II Delegated Regulation to assess its ability to meet its regulatory capital obligations under normal and stressed conditions.

The Company's solvency position as at 31 December 2025 and the prior year is as follows:

SISE Solvency Position	2025	2024
\$000		
Eligible Own Funds to meet the		
SCR	109,514	141,542
SCR	32,148	33,123
Solvency Surplus	77,366	108,419
Ratio of Own funds to SCR	341%	427%

The SCR has decreased by \$1.0m since 31 December 2024, consistent with the run-off of the Company's business. The relative weightings of the risk categories within the SCR are broadly consistent between 2025 and 2024.

The Company's Own Funds eligible to meet the SCR measured on a Solvency II valuation basis decreased by \$32.0m. The reasons for the decrease were due to the LIE GAAP loss for the year after tax of \$38.3m following the commutation and replacement of the CBRe agreements. This has been offset by favourable movements in the Solvency II valuation differences of \$6.3m. In 2025, the Eligible Own Funds to meet the SCR, has been capped due to a restriction on the eligible Tier 2 capital under the EIOPA rules – see **Section E.1.2** for further details.

The Company maintains sufficient capital to exceed both the SCR and the Minimum Capital Requirement ("MCR").

There have been no material changes to the Company's capital management approach during the reporting period and there were no instances of non-compliance with the SCR or MCR during the reporting period or subsequently. Based on projections for the next 3 years (2026 - 2028), the Company's Own Funds are expected to exceed its SCR and target level of capital over the three year projection period.

Section E includes further details of the Company's Own Funds and SCR.

Section A Business and Performance

A.1 Business

A.1.1 Company Information

SISE is a European public company incorporated in Liechtenstein. SISE has two shareholders: CBRe with 73.74% of the total share capital and SFL with 26.26% of the total share capital. CBRe owns 100% of the ordinary share capital. The shares owned by SFL are non-voting preference shares and therefore CBRe has 100% of the voting rights. SFL is a wholly owned subsidiary of CBRe.

The smallest higher group of companies of which group accounts are drawn up and of which this Company is a member of is CBRe.

CBRe and its subsidiaries including the Company ("the Group") are consolidated into Enstar, the majority shareholder. Enstar is managed and reported on a consolidated basis. Further details of the Enstar Group, its operations and entities are available at www.enstargroup.com.

The Company's supervisor is the FMA, Landstrasse 109, P.O Box 279, 9490 Vaduz, Liechtenstein.

The Company's immediate parent (Cavello) and indirect parent's (Enstar) supervisor is the Bermudan Monetary Authority ("BMA"), BMA House, 43 Victoria Street, Hamilton, Bermuda. Enstar publishes an annual Financial Condition Report ("FCR") prepared on a consolidated basis under BMA rules. Following the Merger Agreement with Elk Bidco Limited (noted on page 5), the Company's ultimate parent company and controlling entity changed from Enstar to Elk Insurance Holdings LLC. Elk Insurance Holdings LLC is incorporated in the United States and its registered address is: Maples Fiduciary Services (Delaware) Inc., Suite 302, 4001 Kennett Pike, Wilmington, Delaware, 19807, United States of America.

At 31 December 2025, Cavello is a Class 3B insurer with an 'A' credit rating.

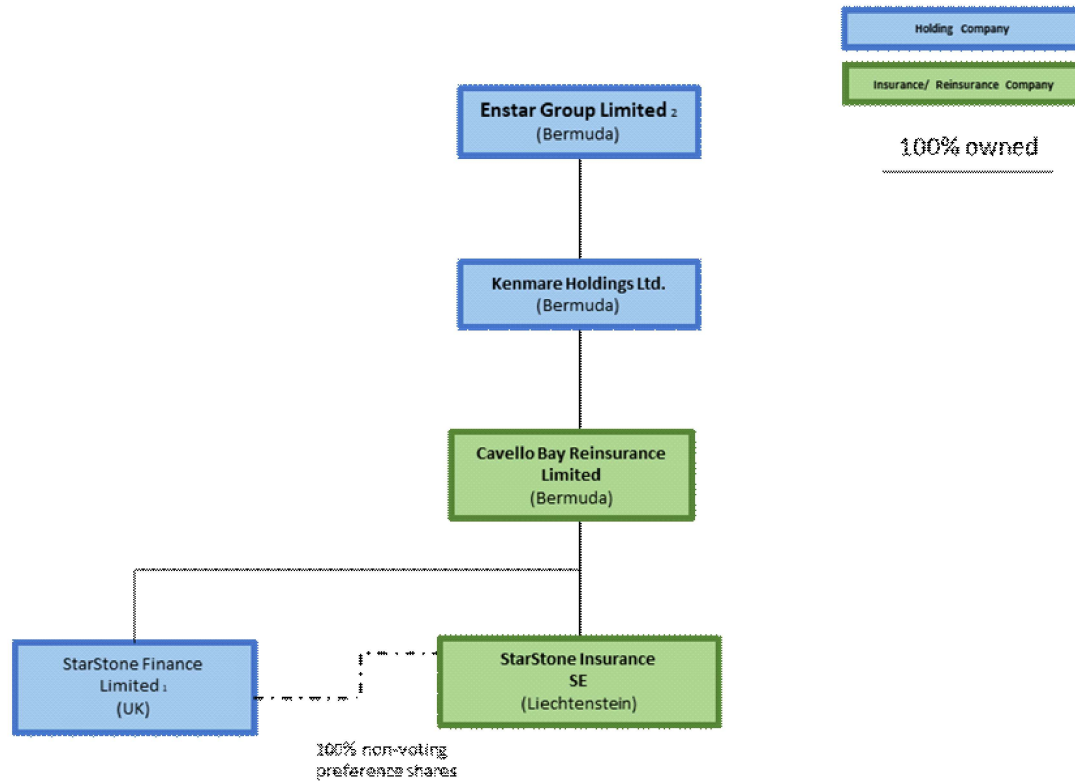
The Company's external auditor is PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich, Switzerland.

The Company's SFCR is available on the StarStone website: <https://www.enstargroup.com/starstone-international>. The Enstar single group FCR for the year ended 31 December 2025, which includes CBRe is available at this link: <https://www.enstargroup.com/corporate-governance>.

A.1.2 Legal Structure

The Company's ownership structure and the Company's position within the overall Enstar group structure as at 31 December 2025 was as follows:

StarStone Insurance SE Corporate Structure Chart



NOTES

1. StarStone Finance Limited hold 40,000,000 preference shares in StarStone Insurance SE (these are non-voting shares).
 2. On 29 July 2024, Enstar Group Limited ("Enstar Group") entered into an Agreement for Sale of Shares (the "ASAG") with the endos Limited ("Endos"), an investment company limited by shares existing under the laws of Bermuda. The ASAG is backed by equity commitments from investment vehicles managed or advised by affiliates of StarStone Partners, LLC ("StarStone"). Pursuant to the ASAG, Endos will acquire, on a basis of no-guarantee (collectively, the "Acquirer") all equity in Endos (including the shares) as a wholly owned subsidiary of the ASAG. The ASAG closes on 1 July 2025. Following the close of the transaction, Endos intends to maintain its current operations and business strategy. Following the ASAG, Endos will be a subsidiary of StarStone Finance Limited. Endos's ultimate parent company changed from Enstar Group Limited to StarStone Finance Limited.

A.1.3 Business

Prior to the Company's decision to cease active underwriting in 2020, SISE underwrote general insurance business, effecting and carrying out contracts from a network of branches established across the EEA and in the UK and the Head Office. Any active quotes were honoured in accordance with existing terms and conditions and the Company's focus is now on proactively servicing claims on business underwritten. Historically, SISE has primarily underwritten specialty insurance and reinsurance business covering a variety of insureds from large multi-nationals to small and middle-market clients worldwide.

SISE's key classes of business are:

- Marine (Hull, Cargo and Liability)
- Property (Construction and Offshore Energy)
- Casualty (Directors and Officers, Professional Indemnity and Accident and Health)
- Aviation (Airlines and Aviation Products)

Whilst SISE has ceased to actively underwrite, some policies will remain in-force and will be serviced on the same basis as when the Company was actively underwriting. This mainly applies to the Company's Construction portfolio.

During 2025, the branch network consisted of:

- London (United Kingdom)
- Milan (Italy)

Whilst the Company is not actively underwriting, some policies remain in-force and therefore, insurance licenses are still required. The Company is maintaining a local presence, with management in Liechtenstein to support the Company's activities and continue to comply with relevant regulatory requirements.

Alignment with the Enstar Group via the Master Services Agreement ("MSA") enables SISE to draw on significant strategic and operational support from its majority shareholder, a global insurance organisation with \$21.7 billion in assets as at 31 December 2025.

A.1.4 Key developments during the year

Branches

The London branch in the UK continues to operate under the SROR and is the only remaining active branch at the end of 2025. All activities and operations of the Milan branch in Italy were terminated in 2024 and the branch officially closed on 6 November 2025.

Internal Reinsurance Arrangements

With effect from 31 December 2025, the Company restructured and simplified its internal quota share reinsurance agreement with CBRe, restructuring the cession rate to 90% of the Company's net reserves (after external reinsurance) across all lines of business, with CBRe also assuming 90% of the Company's operating expenses. As a result, this led to a change in the Company's reinsurance-related balances in 2025, impacting several key financial statement line items including ceded written premiums, ceded claims paid, the ceded change in outstanding claims reserves, outstanding claims reserves – reinsurance companies, deposit liabilities to affiliated companies and other reinsurance business receivables (receivables from affiliated companies).

This restructuring was undertaken to enhance the Company's financial sustainability and profitability and was capital and liquidity neutral. Previously, this reinsurance arrangement was in place on a risk attaching basis, with cessions varying between 65% and 100% depending on the class of business and underwriting year. The transition from this structure to a simplified quota share arrangement, under which CBRe assumes a consistent share of the Company's technical balances including associated future expenses, resulted in a significant one-off non-cash impact on the Company's technical result for 2025.

Details of intra-group reinsurance arrangement are included in **Section C.3.3**.

Strategy and Future outlook

A strategic plan has been developed to manage the orderly and solvent administration of the Company's existing business until the liabilities of the Company have been settled. The liabilities of the Company vary in duration and the wind down of the Company's activities are expected to occur over a number of years. The Company continues to monitor the appropriateness of various strategies that either reduces risk or enhances the outcome for all stakeholders when compared to the strategic plan.

As part of a broader European strategy, the Company has initiated plans to redomicile from Liechtenstein to Belgium. This initiative supports the transition of Enstar's European entities into a more efficient and cost-effective run-off platform by leveraging Belgium's established regulatory environment, stronger local talent pool and the operational benefits of consolidating two entities into a single, scalable hub. The move is expected to reduce overheads, streamline governance and shared-service arrangements and enhance the Company's ability to manage the existing portfolio through its run-off lifecycle.

Changes in the Supervisory Board of Directors

There were no changes to the Supervisory Board during 2025.

Changes in the Management Board

There were no changes to the Management Board during 2025.

Changes in Structure

On 29 July 2024, Enstar entered into an Agreement and Plan of Merger (the "Merger Agreement") with Elk Bidco Limited (the "Parent"), an exempted company limited by shares existing under the laws of Bermuda. The Parent is backed by equity commitments from investment vehicles managed or advised by affiliates of Sixth Street Partners, LLC ("Sixth Street"). Pursuant to the Merger Agreement, there was a series of mergers (collectively, the "Merger") resulting in the Company surviving the Merger as a wholly owned subsidiary of the Parent. The Merger closed on 2 July 2025. Following the close of the transaction, Enstar expects to maintain its current operations and business strategy. Following the Merger Agreement with Elk Bidco Limited, SISE's ultimate parent company changed from Enstar to Elk Insurance Holdings LLC.

A.2 Underwriting Performance

A.2.1 Underwriting performance by line of business

The summary of underwriting performance below is presented in accordance with the Solvency II QRT S.05.01 Premiums, claims and expenses by line business and also in accordance with LIE GAAP. A more detailed analysis is provided in **Appendix A** (QRT S.05.01).

2025 \$000	Medical expense	Other motor	Marine, aviation & transport	Fire & other damage to property	General liability	Credit & Surety	Non-prop. Property	Total
Gross Written Premium	261	—	788	962	—	165	—	2,176
Net Written Premium	(4,365)	—	(27,104)	(64,772)	(61,446)	(1,908)	(352)	(159,947)
Net Earned Premium	(4,365)	—	(27,115)	(64,291)	(61,315)	(1,876)	(352)	(159,314)
Net Claims Incurred	(3,132)	—	(20,504)	(49,359)	(48,528)	(1,665)	(272)	(123,460)
Expenses	466	—	822	3,022	5,767	429	55	10,561
Underwriting profit/(loss)	(1,699)	—	(7,433)	(17,954)	(18,554)	(640)	(135)	(46,415)
Investment Income and expenses								6,227
Other income and expenses reported in the financial statements								1,507
Total loss before tax for the period as reported in the Financial Statements								(38,681)

2024 \$000	Medical expense	Other motor	Marine, aviation & transport	Fire & other damage to property	General liability	Credit & Surety	Non-prop. Property	Total
Gross Written Premium	—	—	1,075	3,167	—	(213)	—	4,029
Net Written Premium	—	—	45	60	—	19	—	124
Net Earned Premium	—	—	(29)	222	95	81	—	369
Net Claims Incurred	(154)	—	1,050	(181)	(1,275)	(277)	1	(836)
Expenses	814	45	2,717	3,191	5,817	830	68	13,482
Underwriting profit/(loss)	(660)	(45)	(3,796)	(2,788)	(4,447)	(472)	(69)	(12,277)
Investment Income and expenses								3,868
Other income and expenses reported in the financial statements								(1,024)
Total loss before tax for the period as reported in the Financial Statements								(9,433)

Investment management expenses are included within the 'Expenses' line on the S.05.01 Premiums, claims and expenses by line of business QRT and the table above, in compliance with Solvency II reporting requirements, but are presented as 'Investment Expenses' in the Company's financial statements.

The underwriting result of the Company for the year was a net loss of \$46.4m (2024: loss of \$12.3m) which is primarily driven by the restructuring and simplification of the Company's internal quota share agreements (see **Section A.1.4** Key developments in the year). The majority of the Company's underwriting results continue to be ceded out to its immediate parent company under the new agreement.

The Company's gross written premiums for the year are \$2.2m (2024: \$4.0m) and are generated from premium movements on existing policies and mandatory endorsement premiums. The restructuring of the internal quota share reinsurance agreements during the year gave rise to a significant one-off,

non-cash adjustment within the technical account, reflected in an increase to ceded written premium and decrease in net earned premium.

The Company's acquisition costs are \$1.7m (2024: \$1.7m), commissions received are \$1.6m (2024: \$1.4m) and the Company's administrative expenses are \$9.3m (2024: \$12.9m).

The Company reported an investment gain net of investment management expenses of \$5.4m (2024: \$3.4m) for the financial year. The non-technical account includes a foreign exchange gain of USD 1.5m (2024: gain of USD 0.1m).

A.2.2 Underwriting performance by geographical area

The following information shows Premiums, claims and expenses categorised by country which reports the home country with the top 5 geographical locations ranked by gross written premiums. 'Others' represent all other geographic locations not disclosed separately.

2025	Liechtenstein	Germany	United Kingdom	Italy	Australia	Hong Kong	Other	Total
\$000								
Gross Written Premium	—	1,048	851	161	92	79	(56)	2,176
Net Written Premium	(3,401)	(19,776)	(50,975)	(6,053)	(7,794)	(5,128)	(66,820)	(159,947)
Net Earned Premium	(3,401)	(19,684)	(51,008)	(6,053)	(7,813)	(5,129)	(66,226)	(159,314)
Net Claims Incurred	(2,640)	(16,628)	(33,011)	(3,212)	(4,808)	(76)	(63,085)	(123,460)
Expenses	—	2,681	2,419	431	1,369	177	3,484	10,561
Underwriting profit/(loss)	(761)	(5,737)	(20,416)	(3,272)	(4,374)	(5,230)	(6,625)	(46,415)

2024	Liechtenstein	United States	Germany	Australia	Greece	Argentina	Other	Total
\$000								
Gross Written Premium	—	3,696	1,075	399	285	100	(1,526)	1,694
Net Written Premium	—	52	28	7	5	1	31	182
Net Earned Premium	—	48	18	20	7	1	275	2,541
Net Claims Incurred	67	6,503	(690)	(26)	1	—	(6,691)	(125)
Expenses	—	5,003	1,567	1,930	500	133	4,349	16,054
Underwriting profit/(loss)	(67)	(11,458)	(859)	(1,884)	(494)	(132)	2,617	(13,388)

The Company no longer binds new risks since the run-off announcement in 2020 and existing risks are also not renewed. By employing very experienced underwriters, diligent assessment of contract obligations is undertaken, meaning that periods of insurance are also not extended, for example, Construction unless mandated by the applicable wording. Therefore, premiums are generated from movements on existing policies and mandatory endorsement premiums. Hence, the geographical composition of the portfolio changed in 2025.

A.3 Investment Performance

A.3.1 Investment income by asset class

The Company's investment income by Solvency II asset class² is presented in the table below.

2025 \$000	Interest	Realised gains/losses	Unrealised gains/losses	Total
Government Bonds	458	14	331	803
Corporate Bonds	3,495	36	2,850	6,381
Collective Investments Undertakings	352	—	—	352
Collateralised securities	871	15	864	1,750
Cash and cash equivalents	83	—	—	83
Total	5,259	65	4,045	9,369

2024 \$000	Interest	Realised gains/losses	Unrealised gains/losses	Total
Government Bonds	751	(90)	(16)	645
Corporate Bonds	2,365	(37)	(33)	2,295
Collective Investments Undertakings	621	—	—	621
Collateralised securities	676	(27)	79	728
Cash and cash equivalents	261	—	—	261
Total	4,674	(154)	30	4,550

There has been an increase in the overall investment income driven by a favourable movement in unrealised gains and interest income.

The Company holds the majority of its investments in USD (96%), GBP (3%) and EUR (1%) denominated instruments and in the following proportions.

Financial Investments \$000	2025	2025	2024	2024
	SII Fair Value	Proportion	SII Fair Value	Proportion
Government bonds	10,202	8%	18,927	13%
Corporate bonds	80,065	62%	92,166	62%
Collateralised securities	27,603	21%	15,901	11%
Collective Investment	6,742	5%	7,202	5%
Total Investments	124,612	96%	134,196	90%
Cash and Cash equivalents	5,340	4%	15,012	10%
Total Cash and Investments	129,952	100%	149,208	100%

The Company holds 8% of its investments in Government Bonds, 62% in Corporate Bonds and 21% in securitised securities that are predominantly US Agency mortgaged-backed securities (issued by Federal National Mortgage Association ("Fannie Mae"), Government National Mortgage Association ("Ginnie Mae") and ("Freddie Mac").

Investment in government bonds decreased from 13% to 8% due to liquidation of investments in the year to meet claims payments.

² The figures in the tables above are presented in accordance with the Solvency II QRT S.09.01 Income gains and losses in period. These are different to the figure presented in Section A.2.1 as under LIE GAAP, investments are valued at the lower of cost or market value.

A.3.2 Gains and losses recognised directly in equity

There were no investment gains or losses recognised directly in the Company's equity.

A.3.3 Securitised investments

The majority of securitised investments are issued by US Government Sponsored Entities ("GSEs"), including Fannie Mae, Freddie Mac and Ginnie Mae. These securities hold a rating of AAA.

Securitised Investments \$000	2025		2024	
	SII Fair Value	Proportion	SII Fair Value	Proportion
Fannie Mae	9,436	34 %	6,933	43 %
Freddie Mac	14,842	54 %	5,225	33 %
Ginnie Mae	3,152	11 %	3,437	22 %
Other	173	1 %	306	2 %
Total Securitised Investments	27,603	100%	15,901	100%

A.4 Performance of other activities

A.4.1 Other material income and expenses incurred over the reporting period

Other income and expenses relate to a foreign exchange gain of \$1.5m (2024: \$0.1m gain).

A.4.2 Leasing arrangements

The Company leases offices under non-cancellable operating lease agreements. The rental cost associated with operating leases is charged to the profit and loss account on a straight-line basis over the life of the lease.

SISE is currently the lessor for an operating lease on its Schaan head office.

The operating lease payments recognised as an expense during the year are \$0.2m (2024: \$0.2m). The Company has no lease agreements that include contingent rent. The Company has no finance leases.

A.5 Any other information

There is no material information to be disclosed.

Section B System of Governance

B.1 General information on the System of Governance

The Company's system of governance is proportionate to the nature, scale and complexity of the company's activities. The Company has a Supervisory Board of Directors and a Management Board. The Supervisory Board is comprised of independent non-executives. All executives are selected on the basis of their skills, knowledge, competence and experience.

The SISE Supervisory Board is ultimately responsible for the oversight of SISE's performance and risk management. There is an established system of governance with defined segregation of duties and delegation of responsibilities to the Management Board, various committees and KFHs reporting to the Supervisory Board.

The Supervisory Board holds quarterly meetings and operates within established Terms of Reference and its Articles of Association. It is provided with appropriate and timely information to enable it to review business strategy, trading performance, business risks and opportunities, solvency and regulatory compliance.

The Supervisory Board of Directors considers recommendations from the Management Board, relevant committees and KFHs (within SISE) and any other issues of relevance to the operation of SISE. A number of matters are reserved specifically for decision by the Supervisory Board. Other matters are delegated to the Management Board which reports directly to the Supervisory Board and operates within established Terms of Reference, and which is responsible for the day-to-day operation of the Company.

Section B.1.3 provides details of the Company's remuneration policies. Other employees who work on the Company are employed by EEUL, a UK registered company.

B.1.1 Governance Structure

The Company delegates authority to the Management Board to focus on operational matters. The Management Board delegates to various committees established to focus on particular areas with appropriate expertise (e.g., underwriting, claims).

The Company delegated authority to the following Management Committees during the year ended 31 December 2025.

Enstar EU/International Claims Committee: The purpose of Committee is to provide oversight and management of claims within the EU/International region, establish claims-related policies and procedures, oversee claims and related activities, review strategies to deliver the Technical Plan for Claims, assess reserve levels, and support the integration of new business.

Group Non-Life Run Off ("NLRO") Reserving Committee: The Committee ensures the Reserve Risk framework is embedded in the business, consistently applied, and ensures that all significant risks have been adequately considered and managed within the parameters of agreed appetite and tolerances.

UK/EU Management Risk Committee: The purpose of the Committee is to enhance and embed the Enterprise Risk Management Framework to assist the Company in reviewing and evaluating the risks to which the Company is exposed.

Underwriting Group: The Underwriting Group is responsible to the Head of Underwriting for the oversight and subsequent execution of the Underwriting Plan of activities for the Company and all other former StarStone entities.

Outsourcing & Material Services Arrangement Meeting (“OMSA”): The purpose of the OMSA is to assist Enstar Group and its subsidiaries including SISE in fulfilling its third-party regulatory and policy requirements and it’s a key pillar in maintaining a sustainable business.

Executive Committee (“ExCo”): The ExCo structure is considered optimal for the maintenance and operation of the Enstar EU entities (incl. SISE) System of Governance (including the Risk Management Framework) in the context of a shared services business model. Principal services are provided to the Companies through related and non-related parties subject to the terms of Management Services Agreements. A significant portion of the ExCo’s authority is exercised in the oversight of these arrangements.

Group Change Delivery Board: This forum provides senior governance and oversight of the Non-Finance & Data Transformation IT and Business Change portfolio, ensuring alignment with Enstar’s business strategy, priorities, and annual planning parameters. Membership is intentionally limited to key functional representatives to enable effective decision-making, accountability, and timely escalation resolution. In scope is Oversight of M&A, Regulatory, Non-FDT Business & IT Change, and Cyber change delivery initiatives and Governance of the approved annual external change budget as part of the Group’s annual planning process (incl SISE related initiative).

Functional business units report to the Supervisory Board (i.e., the Supervisory Board retains oversight and responsibility for the Company’s activities), via the Management Board.

The governance structure provides for effective decision making by allocation of segregated responsibilities and accountability, which provides for operational independence between functional responsibilities.

B.1.2 Key Function Responsibilities

All key functions are adequately resourced and suitably independent from the business to fully execute their responsibilities.

The Company’s key functions are:

- Risk management function – dealing with the risk management and internal control systems.
- Compliance function – dealing with legal, regulatory, administration and supervisory compliance.
- Internal Audit function – dealing with the evaluation of the adequacy and effectiveness of the internal systems and controls.
- Actuarial function – dealing with reserving & capital modelling and associated data.

The Company ensures that all persons who effectively run the Company or have other Key Functions are fit to provide sound and prudent management through their professional qualifications, knowledge and experience, and are proper by being of good repute and integrity (see **Section B.2**).

The key functions organisational charts describe the reporting lines and the level of resources and independence of relevant key functions.

B.1.3 Remuneration

Employees at the Schaan head office are employed directly by the Company, there were 3 employees including a fixed term contractor at the beginning of the reporting year and currently 2 employees and no fixed term contractors at the end of the contract year. In addition, there are 2 Management Board members that have dual contracts and are contracted to 25% of their time to SISE, plus two further dual contract staff who also have contracted 25% of their time to SISE. The Company’s other remuneration costs relate to staff employed by EEUL and/or EGL or via the MSA.

The Company’s Remuneration Policy is designed to achieve the following:

- To attract, develop and retain the appropriate calibre of staff necessary to deliver the Company’s key business strategies;

- To provide employees with a competitive and market-aligned remuneration package which includes remuneration made up of an appropriate balance of fixed and variable components;
- To create a strong positive performance ethic within a risk aware environment;
- To reward achievement of meaningful goals and objectives that are aligned with the Company's business and risk management strategy over both the short and long term whilst considering the performance of the Company as a whole; and
- To reflect the Company's objectives for sound corporate governance and risk management including not to encourage excessive risk-taking and to avoid conflicts of interest.

The Company has considered the EIOPA opinion on the supervision of remuneration principles in the course of the annual review of compensation and when defining remuneration packages.

Additionally in 2022, the Enstar Europe Compliance Assurance team undertook a review in the form of a gap analysis of the design of the remuneration framework to consider whether it meets Solvency II requirements as set out in Article 275. The review found that the framework meets the requirements for SISE as the policy and procedures are:

- Established, implemented and maintained in line with the undertaking's business and risk management strategy, its risk profile, objectives, risk management practices and the long-term interests and performance of the undertaking.
- Cover personnel who have a material impact on the undertaking's risk profile.
- Promote sound and effective risk management and shall not encourage risk-taking that exceeds the risk tolerance limits of the undertaking, including ensuring fixed vs variable/deferred remuneration is appropriate.
- Are clear, transparent and include effective governance and oversight of the remuneration policy that is proportional to the size, nature and complexity of the Company.
- Designed in such a way as to take into account the internal organization of the undertaking, and the nature, scale and complexity of the risks inherent in its business.

The Company's compensation programme for employees and executives (together "staff members") currently consists of two principal elements: fixed and variable remuneration. Staff members may also receive employee benefits, pursuant to their employment agreements.

EGL Human Resource and Compensation Committee

The EGL Human Resource and Compensation Committee (the "Compensation Committee") oversees the Enstar Group's approach to remuneration. The Compensation Committee is comprised entirely of non-executive directors. Human Resources reviews remuneration policies every three years with changes approved by the Compensation Committee.

Fixed Remuneration

Staff members receive a fixed base salary which is determined primarily based on the role and position of the individual employee, reflecting professional experience, responsibility, job complexity, criticality or scarcity of skills and local market conditions. The fixed component represents a sufficiently high proportion of the total remuneration to ensure that conflicts of interest are avoided and excessive risk taking is not encouraged.

Variable Remuneration

The variable component of remuneration is balanced with the fixed component of remuneration to avoid staff members being overly dependent on the variable component. In addition, staff members (in accordance with local employment law) may benefit from various benefit plans. All variable remuneration amounts are awarded in accordance with performance and there is no minimum payment guaranteed. Variable remuneration may be delivered via the Short-Term Incentive Plan and the Long-Term Incentive Plan.

Short-Term Incentive Plan

Annual Short-Term Incentives paid are influenced by financial, non-financial and individual performance against objectives. Financial measures selected are aligned with Enstar Group strategy and set so as not to incentivise inappropriate risk taking. Non-financial metrics will also have

appropriate weighting in the assessment of performance. Those who are categorised as non-control functions (Risk, Compliance, Internal Audit and Actuarial), are measured against a Functional delivery plan rather than financial metrics, removing the link between our financial performance and STI variable remuneration. The Enstar Group Risk function also provides input into the assessment and may apply downward adjustments to take into account exposure to current and future risks.

Long-term Incentive Plan

Some staff members may be eligible for additional variable remuneration via the Long-Term Incentive Plan. The Long-Term Incentive Plan is typically provided through a mixture of time based and performance based awards, with time based vesting annually over a 3 year period and performance-based awards vesting after a three-year deferral period. This is aligned with the nature of the business, the risk appetite and the activities of the employees eligible.

The Company does not operate supplementary pension or early retirement schemes for staff members.

Recoupment Policy

The Enstar Group has a Recoupment Policy applicable to all staff members. The Recoupment Policy provides that the Enstar Compensation Committee may recoup, or "clawback" cash or equity incentive awards granted after 1 April 2016.

B.1.4 Material Transactions

Material transactions are disclosed in Section A.1.4 above. There have been no other material transactions with shareholders during the reporting period.

B.2 Fit and Proper Requirements

The Company expects all employees to meet the Company's internal and regulatory requirements applicable to their professional qualifications and integrity. The expectations of the FMA in Liechtenstein are set out in the FMA Guideline 2017/18 'Fachliche Qualifikation und persönliche Integrität von Organträgern und Funktionsinhabern'. Further requirements, for individuals undertaking roles for the UK Branch, are derived from the Fitness & Propriety requirements set out in the FCA Handbook by the UK FCA.

The Company adopted the Enstar Fit and Proper Policy and places great importance on ensuring that all individuals fulfilling Key Function roles are fit and proper for their positions. Appendix 1 of the Fit & Proper Policy makes reference to the Liechtenstein requirements in specific as set out in the FMA Guideline 2017/18.

Appendix 1 of this policy applies to the following roles (collectively referred to as "FP roles" in this section):

- Directors, including independent Non-Executive Directors and Executive Directors;
- Senior Managers approved by the PRA or FCA under the UK Senior Managers Certification Regime ("SMCR");
- Individuals Certified by a UK firm under the SMCR; and
- Key Function under Solvency II as implemented by the PRA; the Liechtenstein Financial Market Authority ("FMA"), or other EEA-regulatory supervisor; and/or
- Appointed Actuary for Liechtenstein regulated entity.

The objective of the Fit & Proper Policy is to outline the procedures necessary to ensure that:

- The Company applies an objective and consistent approach to assessing, maintaining and monitoring the fitness and propriety of the "FP roles";
- Individuals undertaking "FP roles" are aware of their responsibilities, and receive appropriate training;
- The Company complies with regulatory obligations regarding fitness and propriety; and
- The Company has the full range of skills needed for the effective and prudent management of its business operations.

In accordance with the Fit and Proper Policy, the FP roles are assessed against the criteria outlined below in order to be deemed to have the necessary qualities, competencies and experience to perform their duties and carry out their responsibilities in an effective manner. All individuals performing an FP role also require regulatory approval prior to performing their role.

In accordance with our Fit and Proper policy each person carrying out a FP role shall:

- possess the necessary competencies, skills, experience, knowledge, expertise, diligence and soundness of judgement to undertake and fulfil the specific duties and responsibilities of the role;
- demonstrate the appropriate character, competence, honesty and integrity in fulfilling occupational, managerial or professional responsibilities previously and/or in the conduct of their current duties;
- demonstrate sufficient knowledge of, and a willingness to, comply with legal obligations, regulatory requirements, professional standards and fiduciary obligations;
- be aware of and be able to effectively ensure implementation and compliance with the underlying principles of laws, regulatory requirements and licence obligations applying to the Company; and
- be able to identify and appropriately manage any conflicts of interest, in accordance with the Company's Conflict of Interest policy.

Each person taking up a FP role shall not:

- have (or have been involved with an entity that has) been refused admission, reprimanded, disqualified or removed by a professional or regulatory body due to matters relating to such individuals' honesty, integrity or business conduct;

- have been terminated, resigned or asked to resign from a position as a director or manager or professional service provider to an entity in circumstances which reflected adversely on their honesty or integrity in discharging their responsibilities in that role;
- have been the subject of civil or criminal proceedings or enforcement action, in which such FP role was determined in a final judgment to lack honesty or integrity; or
- have intentionally hindered, obstructed or misled, or failed to be truthful with a regulatory agency.

As an ongoing requirement a Fit & Proper questionnaire is issued annually by the Office of the Corporate Secretary ("OCS") to all persons performing FP Roles. It is mandatory for this questionnaire to be completed and returned. All matters must be disclosed. All Individuals performing FP Roles must ensure that they are at all times fit and proper persons and continue to meet the criteria set out in the Fit and Proper Policy. If an individual becomes aware of information which could affect the assessment of their fitness & propriety, they must inform HR/OCS as soon as practicable.

The HR and OCS functions continuously monitor any staff changes or business activities that could have an impact upon roles and ensure that processes are in place to confirm ongoing fitness and propriety. The OCS function is responsible for seeking FMA pre-approval for key individuals in accordance with the FMA Fit & Proper procedures.

The Supervisory Board takes all reasonable steps to ensure that all individuals performing an FP role are aware of and understand, the Fit and Proper Policy as well as their obligation to continue to meet the fit & proper requirements on an on-going basis.

The Fit and Proper Policy is supported by our Code of Conduct setting our behavioural expectations and personal obligations from all our employees, agency workers and contractors. Requirements that are considered as part of the annual appraisal process.

A whistleblowing policy and processes are also in place to support employees, agency workers and contractors to raise concerns, with appropriate safeguard to prevent victimisation. Concerns raised are taken into account to assess members of staff fitness and propriety, where appropriate.

Notification of failure to meet ongoing Fit and Proper Requirements

Where it has been assessed that an individual holding an "FP role" is no longer fit and proper for a position, the Supervisory Board of Directors shall take reasonable steps to remove the person from such position as soon as practicable and in the interim, institute necessary measures to mitigate risks associated with the person continuing to hold the position.

B.3 Risk management system including the Own Risk and Solvency Assessment (“ORSA”)

As noted in **Section B.1**, Risk Management is one of the key functions of the Company's corporate governance.

The main responsibilities of the Risk Management Function are:

- Ensure independent review and challenge of first line activities (including thematic reviews and deep dives).
- Develop, maintain, and implement the ERM Framework across the Company.
- Oversee the operation of the ERM Framework, ensuring emerged and emerging risks are identified on an ongoing basis.
- Lead and facilitate the ongoing maintenance of a robust Risk Appetite Framework (“RAF”) to provide a holistic view and ongoing assessment of risk for the Executives and Supervisory Board, guiding and informing enterprise risk management.
- Report to the Supervisory Board, including analysis of aggregate risk appetite, risk profile and capital adequacy as part of the ORSA where required.
- Identify, measure, manage, monitor and report the risk profile of the Company to inform the decision-making process.
- Ensure high-rated risks have appropriate controls which are tested on a frequent basis.
- Conduct comprehensive risk assessments on strategic initiatives.
- Investigate, remediate and (where appropriate) escalate both control failures and risk appetite breaches to the appropriate governance forums.
- Establish a proactive risk culture within the Company and provide the required risk management training.
- Analyse the SCR and develop the risk profile of, and interactions between, different risk categories.
- Promote the consideration of Environmental (specifically, Climate Change effects), Social and Governance (“ESG”) risks in the business planning and strategic priorities process.
- Oversee, collate and include stress and scenario testing into the wider framework, and where appropriate ensure risk mitigation measures are designed and implemented.
- Perform root cause analysis on reported incidents / risk events (as appropriate).

Effective risk oversight is a priority for the Company Supervisory Board and the Company strongly emphasises facilitating the operation of a robust ERM Framework to identify, measure, manage, monitor and report risks that affect the achievement of all strategic, operational, and financial objectives.

The overall objective of the ERM Framework is to:

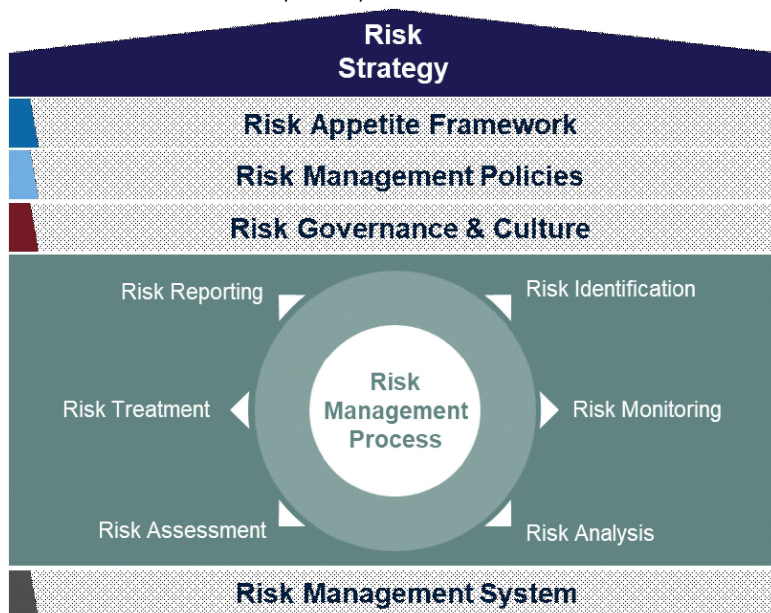
- Support the achievement of business strategy and objectives in accordance with the Supervisory Board-approved risk appetite.
- Ensure appropriate methods for the identification and mitigation of risk are in place and operating as intended.
- Support good risk governance, responsibility, and accountability.
- Ensure a consistent approach to risk management is embedded within the Company.

The Company uses its risk management capabilities in a strategic context to support the following three activities related to its operations:

- Identify, assess, and measure risks to understand value creating and value destroying risks and their associated risk levels for the purpose of capital allocation and business planning.
- Establish a risk appetite and underlying risk tolerances for key risks undertaken for the purpose of maintaining and controlling risk levels to be aligned to the Group's business strategy.
- Monitor and report risk levels to evaluate the Company's performance and appropriateness of the business strategy.

The overarching principle of the ERM Framework is to ensure the Company appropriately assesses and manages risk as it continues to take opportunities to meet its business objectives.

The ERM Framework and its key components are outlined in the schematic below:



Risk Strategy

The main components of the Company's Risk Strategy are:

1. To support business objectives by ensuring appropriate solvency levels, liquidity and capital management.
2. To ensure that an appropriate risk management framework and system of internal control is maintained according to policies agreed by the SISE Supervisory Board of Directors.
3. To secure appropriate reinsurance coverage, as needed, at a cost that is acceptable to the SISE Supervisory Board of Directors.
4. To oversee the business conduct of SISE in accordance with best practice and applicable regulations.
5. Promote the consideration of Environmental (specifically, Climate Change effects), Social and Governance ("ESG") risks in the business planning and strategic priorities process.

Several key principles underpin the design of the Company's Risk Management Strategy. These are that Risk Management is:

- an integral part of the organisational processes,
- part of decision making,
- addresses uncertainty,
- systematic, structured and timely,
- based on best information,
- tailored,
- transparent and inclusive,
- dynamic, iterative and responsive to change,
- facilitating/driving continual improvement, and
- focused on protecting the Company's stakeholders and policyholders.

The Company's Risk Management Strategy enables the proactive management of risks arising in day-to-day operations, primarily through the implementation and maintenance of an effective ERM framework to ensure a robust control environment.

Risk Appetite Framework

The Company's RAF monitors the Company's risk taking by linking business strategy and planning with available capital and risk. It outlines the amount of risk that the Company is willing to accept

based on the Company's shareholders' equity, capital resources, potential financial loss and other risk-specific measures. The framework is designed to:

- Monitor and protect the Company from an unacceptable level of loss, compliance or operational failures and adverse reputational impact.
- Support the wider strategic decision-making process.

A qualitative risk appetite statement is set for each material risk and is supported by quantitative tolerances which align to the Company's business plan. The RAF is reviewed and approved by the Supervisory Board annually, or as determined by the Supervisory Board outside the annual review cycle in the event of a material change.

Accountability for the implementation, monitoring, and oversight of the RAF is aligned with individual corporate executives and monitored and maintained by the Risk Management function. Risk tolerance levels are monitored and any deviations from pre-established levels ('Green') are reported to the Supervisory Board via the quarterly risk report to facilitate responsive action or acceptance of the evolving risk profile. Where new 'Red' threshold breaches for key risk appetite metrics (Enterprise Level Tolerances ("ELTs")) are identified, they are able to be reported to the Supervisory Board outside of the regular quarterly reporting cycle as appropriate.

Risk Management Policy

The Company maintains several Risk Management Policies which are implemented to:

- Proactively and consistently identify, assess, and manage risks across operations.
- Manage risks within the limits of the Company's prescribed risk appetite and as directed by defined corporate policies.
- Notify the Supervisory Board, where events may have, or are likely to, breach risk appetite.
- Complete annual review of the policies and obtain Supervisory Board approval.

Risk Governance

The Company uses the "Three Lines" model as illustrated below:

	1 st Line	2 nd Line		3 rd Line
	Business	Risk Management	Compliance	Internal Audit
Responsibilities	<ul style="list-style-type: none"> • Take measured risks commensurate with process and outcome whilst upholding responsibility for day-to-day risk management. • Identify and monitor risks as well as implementing mitigating actions and effectively operating internal controls to manage risk. 	<ul style="list-style-type: none"> • Assist risk owners in defining the target risk exposure, setting risk appetite and mitigating emerging issues • Implement the Enterprise Risk Management 'ERM' Framework • Provide independent monitoring of risk by comparing actual risk level to risk appetite 	<ul style="list-style-type: none"> • Monitor the accuracy and completeness of compliance with laws, regulations, and internal policies • Advise on compliance with emerging laws, regulations and internal policies • Regularly report on compliance risk or exposure to penalties and/or breach to the Board 	<ul style="list-style-type: none"> • Uphold independence and maintain primary accountability to the audit committee governing body • Provide assurance on the design and effectiveness of the governance, risk and control frameworks • Provide assurance recommendations and remediation

The first line consists of the Management Board and their function leaders and risk owners. They are accountable for executing the risk management strategy. They are responsible for the appropriate management of the activities and conduct of the business functions and for ensuring that staff understand the business strategy, risk mitigating policies and procedures and have in place personal objectives focused on achieving these.

The second line comprises Risk and Compliance. The Risk Management function reports to the Supervisory Board and focuses primarily on facilitating an efficient, effective, and consistent approach to risk management. The management assurance is further complemented by the Compliance function which seeks to mitigate regulatory compliance risks and ensures that appropriate, effective, and responsive compliance services are available to the business units across the Company.

The third line comprises Internal Audit which independently reviews the effectiveness of the ERM Framework. The results of audits are monitored by the Supervisory Board. Independent assurance from external Auditors also sits within our third line of defence. Adopting this framework ensures appropriate ownership of the risk from the business and allows for sufficient challenge from the second and third lines.

Risk Management System

The Risk Management team has a group-wide Governance Risk and Compliance ('GRC') system in place to record key ERM-related data, such as risk and control assessments, operational incidents, emerging risks and risk appetite metrics.

Emerging Risk Management

Emerging risks are defined as 'risks which may develop, or which already exist but are difficult to quantify.' They are marked by a high degree of uncertainty. Emerging risks are not fully understood or explicitly considered within the day-to-day operations of the business given a lack of quantifiable data. Emerging risks can be expected to crystallise over time and therefore merit further analysis, assessment, monitoring, evaluation and, when appropriate, treatment.

A four-step process is in place for managing emerging risks:

1. **Identify:** All employees within the Company, the Risk Management Function and Risk Committees have responsibility for the initial identification of emerging risks which have the potential to have a financial, reputational and/or regulatory impact.
2. **Analysis:** Risk in conjunction with any identified Subject Matter Experts ("SMEs") have ongoing responsibility for ensuring emerging risks are analysed on an ongoing basis for their relevancy to the business, as well as their impact and speed of emergence.
3. **Assessment:** Emerging risks, once evaluated and adequately assessed, can be added to either the emerging risk or Company risk register. Outputs from emerging risk assessments are included within the quarterly risk report.
4. **Treatment:** Treatment plans are developed for emerging risks where required with a project lead assigned for completing the associated actions.

ORSA

In order to demonstrate appropriate solvency and sound risk management strategies on both a current and forward-looking basis, the ORSA framework incorporates assessment of the following:

Area	Annual Business Processes	Quarterly Business Processes
Current Risk Profile	<ul style="list-style-type: none"> • Strategy Setting & Business Planning • Risk Appetite / Tolerance Setting • Risk Identification & KRIs 	<ul style="list-style-type: none"> • Risk Appetite/Tolerance Monitoring • Risk Identification, Assessment & Monitoring • Emerging Risk Identification, Assessment and Management • Internal Control Assessment & Monitoring
Capital Requirements & Solvency	<ul style="list-style-type: none"> • Review of deviations of assumptions between the Internal Capital Model ("Own View of Capital Requirements") and the current risk profile. • Comparison of relevant Regulatory (Solvency II calculation), Rating Agency and Economic Capital measures to determine risk coverage appropriateness and solvency. 	<ul style="list-style-type: none"> • Available Funds and Solvency Assessments- • Review of compliance with relevant Regulatory Capital Requirements • Technical Provisions Assessment & Monitoring, including compliance with requirements
Forward Looking Assessments	<ul style="list-style-type: none"> • Strategic opportunity assessment • Available Own Funds Projections • Capital Management / Liquidity Contingency Planning processes 	<ul style="list-style-type: none"> • Ad-hoc, as necessary (e.g. at the time of transactions)
Stress & Scenario Testing	<ul style="list-style-type: none"> • Sensitivity analysis • Stress & Scenario Analysis • Reverse Stress Testing 	<ul style="list-style-type: none"> • Ad-hoc, as necessary (e.g. at the time of transactions)

Through an iterative process of information gathering, output and use, the Company seeks to develop the ORSA to support its strategic plans and objectives within the context of a consistent and Company-wide view of the potential risks and solvency impacts and the Company's appetite and tolerance to assuming such risks.

The ORSA process and report are an integral part of the business planning cycle; providing an assessment of the key risks associated with the plan. They also provide the corresponding solvency capital requirements for the short and long-term. The ORSA process and report set out the Company's forward-looking risk profile and risk drivers and considers them against the Company's risk appetite and the capital resources required to support current and emerging risks.

The ORSA process itself involves a combination of processes through which the Supervisory Board satisfies itself that the Company has appropriate capital (or plans for managing capital) to support the business and its risks on a forward-looking long-term basis and has adequate credible processes for managing risks. The ORSA process and report demonstrates to the Supervisory Board that the risk profile and risk-based capital position of the Company is clearly reflected and understood and that the results have been validated.

The ORSA policy sets out the process for determining the Company's capital needs linked to its risk profile. The Company's significant risk exposures are discussed in **Section C (Risk Profile)**. The risk profile is determined by the Company with the assistance of the Risk Management function and is recorded in the Risk Management system. The Company uses the Standard Formula in line with regulatory requirements and includes the results in the ORSA report. An analysis of the Standard Formula SCR by risk category as at the year-end is shown in **Section E**. An appropriateness exercise is performed on the main capital drivers to ensure that risks are considered alongside, capital and the appropriateness assessments. A forward-looking assessment of both the capital measures is made and actual performance is compared with forecasts over time.

The ORSA process operates continuously throughout the course of the business year and ORSA reports are produced on an annual and ad hoc basis:

- A full annual ORSA report is produced in line with the annual business planning process and the setting of regulatory capital. The ORSA report will be provided to the Company Supervisory Board on at least an annual basis.
- Continual ad-hoc ORSA reporting – following the occurrence of a trigger event (a major loss event or significant change to the risk profile), the ORSA processes are performed to assess the impact of the event on the risk profile and capital and solvency position. The ORSA processes performed will be proportionate to the significance of the trigger event and may result in an ad-hoc ORSA report.

Branches operating within the SROR are required to comply with the same regulatory requirements that apply to UK third country branches, with both quantitative and qualitative reporting requirements applying for the year ended 31 December 2025. In 2024, the PRA amended SS44/15, permitting companies with a UK Branch to submit either a standalone Branch ORSA or a legal entity ORSA that includes the Branch. As such, SISE will file a single combined ORSA report to the PRA for the year ended 31 December 2025. The ORSA for year ended 2025 will incorporate both quantitative and qualitative information for SISE as a legal entity (including the UK branch), eliminating the previous dual structure. The annual 2025 ORSA will be approved by the Supervisory Board in June 2026 for submission to the FMA and PRA and is not a public document.

Standard Formula Appropriateness

Standard Formula appropriateness is reviewed annually in conjunction with the ORSA production. Standard Formula appropriateness is evaluated by SMEs, along with Risk Management. Further, an internal view of capital is provided by an unapproved Partial Internal Model which provides further comfort to the appropriateness of the Standard Formula.

To ensure each risk area is considered equally, meetings and detailed reports are produced for each risk area (i.e., Insurance Risk, Counterparty Default Risk, Investment Risk and Operational Risk). A separate report has also been produced for risks explicitly not covered by the Standard Formula (e.g. Liquidity Risk).

The analysis of each area includes a qualitative comparison of the risks on the Company's risk register and those explicitly included in the Standard Formula assumptions.

The Company has not identified any material risks that it considers are not fully included in the Standard Formula SCR calculation.

Stress and Scenario Analysis

Integral to the business planning process is the performance of stress and scenario testing around key strategic and business plan assumptions.

The Company maintains a suite of stress scenarios capturing key data and rationale points, which are subject to review for continuing appropriateness as part of the business planning and ORSA process. This suite of scenarios is reviewed by Risk Management.

The Company uses a variety of methods to undertake such analysis:

- Stress tests which shift the values of individual parameters that affect the financial position of the Company and determine the effect on its business;
- Scenario analysis which builds a wide range of parameters that are varied at the same time. Scenario analyses examine the impact of extreme events on the Company's financial position;
- Reverse stress testing assesses scenarios and circumstances that would render SISE's business model unviable. The Company defines unviability as when the Company can no longer meet its obligations or when the projected business plan targets cannot be met. This will not necessarily be the point where the business runs out of capital entirely; and
- High-level, forward-looking scenarios which consider the impact of events on a multi-year basis (e.g., from 2026 to 2028). These are typically based on less severe scenarios than are used for stress and scenario testing.

The Company has a defined approach to the development of scenarios, which is coordinated by the Risk Management Function who work closely with business risk owners and subject matter experts to identify scenarios and assess their impact and likelihood.

Assumptions, controls, potential mitigating actions and potential future management actions that could be taken in response to each scenario are also considered. A range of scenarios are considered in the ORSA across all major risk categories.

Based on projections for the next 3 years (2026 - 2028), the Company's own funds are expected to exceed its SCR and target level of capital over the three-year projection period. SISE's solvency position is sensitive to the credit rating of CBRe due to internal reinsurance arrangements with CBRe and mitigating actions may be required if CBRe were to be downgraded to below BBB.

B.4 Internal Control System

The Company's internal control framework consists of the entirety of policies, procedures and measures in place enabling the appropriate delivery of the Company business model with appropriate oversight from the Supervisory Board of Directors. The Supervisory Board sets policies and standards supported by underlying procedures and processes. The latter are owned by the relevant business units and support the oversight and reporting on the business model delivery. The reporting to the Supervisory Board is supported by Supervisory Board approved risk appetites. Forming part of the Company's group control environment, internal controls are assessed by control owners on a quarterly basis in terms of design and operational effectiveness.

The Company's Internal Control Policy follows the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Framework 2017. The internal control system focuses on key financial reporting, operational and compliance controls. The system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations and ultimately meet the business objectives. Non-adherence to such controls may cause the entities to fail to meet these objectives or to materially increase the costs or risks of operation. Where control weaknesses or failings are identified, remedial actions are defined and their completion monitored through the subsequent quarterly risk assessment facilitated by the Risk Management Function.

The Company has an effective internal control environment. Key Functions are required to document their operational procedures, and all relevant controls. These are reflected on the Company's risk management tool supporting the quarterly risk and control self-attestation process. The Internal Audit function assesses the effectiveness and completeness of our internal control framework on a risk-based basis.

On a quarterly basis, Management provides an attestation over the design and operating effectiveness of controls tested through the management controls assurance program. This also follows the objectives and components set out within the COSO Framework 2017. The Supervisory Board receives quarterly reports outlining control deficiencies noted as part of the controls attestation program and where relevant an assessment of the aggregated impact these deficiencies have on the entity.

B.5 Compliance function

As noted in **Section B.1**, Compliance is one of the key functions of the Company's system of governance.

The Compliance function is responsible for monitoring compliance with laws and regulations pertaining to integrity, conduct, prudential regulation, financial crime, data privacy, and related internal policies and advising thereon. A Compliance Framework has been developed for ensuring compliance in these areas, aligned with the Company's regulatory risk appetite.

The Compliance function is organised in pillars, Compliance Advisory ("CAD") and Compliance Assurance ("CAS") form two of these pillars. CAD, including Financial Crime, support the first line functions with regulatory advice and CAS, via an established Compliance Assurance Program ("CAP"), monitor, evaluate and report on organizational compliance. Through the CAP, monitoring activities are carried out, thereby providing assurance to stakeholders over the effectiveness of the operation of certain controls, including regular testing and thematic reviews, which supports the overall Compliance Framework.

As a 'second line' function in the Company's three lines of defence model, the Compliance function has responsibility for overseeing and supporting the 'first line' functions to manage the Company's regulatory risk within risk appetite. The Compliance function supports the business through:

- Establishing and maintaining the compliance universe;
- Identifying and reporting on new and revised regulations or other regulatory developments;
- Assessing regulatory risks arising from new or existing requirements;
- Advising on how to comply with evolving regulations and expectations;
- Developing, implementing, and maintaining compliance-related policies;
- Investigating potential or actual regulatory and compliance breaches;
- Monitoring and testing key compliance risk and controls; and
- Preparing periodic and ad hoc reporting to management, governing bodies and regulators.

Whilst maintaining its independence, the Compliance Function works closely with all business divisions to provide prompt and effective advice, support and assurance. The Compliance Function also has primary responsibility for managing regulatory communications and reporting.

The SISE Compliance Function is supported by the wider Enstar Compliance Function. The EU/UK Head of Compliance is responsible for making sure that the function is sufficiently resourced, or has access to resources, and the necessary expertise, to fulfil its remit.

The Supervisory Board is responsible for ensuring that adequate measures are in place to manage compliance matters. Compliance is a standard agenda item at each quarterly Supervisory Board meeting and monthly Management Board meeting. Annually, the Compliance function submits to the Supervisory Board a Compliance Plan for approval. The plan is flexible and where necessary will be adjusted during the year.

The Compliance function is entitled to access to all first line activities. This includes access to all books, records, and other information as required to carry out the activities. Where documentation may be restricted for confidentiality purposes if the Compliance function considers it necessary to obtain access, a written request should be made to the Chair of the SISE Supervisory Board.

B.6 Internal Audit function

The Company's Internal Audit function is provided through the KFH and supported by the wider EEUL Internal Audit Function. The KFH has specific responsibility for leading the Internal Audit function and the provision of independent and objective assurance to the Enstar Group's Audit Committee, subsidiary Boards and senior management. This is a prescribed Key Function under Solvency II.

Scope of Responsibilities:

- To review, assess and report on the adequacy and effectiveness of the organisation's internal risk management and control environment through audit review and consultancy work and assist the SISE Supervisory Board and Management in discharging their responsibilities;
- To liaise with the external auditors to foster a co-operative and professional working relationship, optimise audit coverage while as far as possible avoiding the duplication of audit efforts; and
- To assist in enabling the Enstar Group Chief Executive Officer and Chief Finance Officer in discharging their Solvency II and financial reporting responsibilities through review and testing of key control activities.

The Internal Audit function has full and unrestricted access to any and all of Enstar Group records, physical properties, and personnel relevant to any function under review. Internal Audit activities are free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

Internal Audit ensures that appropriate controls are in place such that conflicts of interest do not arise. Internal auditors have no direct operational responsibility or authority over any of the activities they review. Accordingly, they do not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.

Annually, the Internal Audit Function submits to the SISE Supervisory Board an internal audit plan for approval that takes into account all activities and the complete system of governance. The audit work schedule is developed based on a prioritisation of the audit universe using a risk-based methodology. The plan is flexible and where necessary reviews may be added or adjusted during the year.

The Internal Audit function annually assesses whether the purpose, authority, and responsibility, as defined in its charter, continue to be adequate to enable the internal auditing activity to accomplish its objectives. This is completed in the form of an annual review of the Internal Audit function against the IIA Definition of Internal Auditing, the Code of Ethics and the Standards. An external review of the Internal Audit function is completed at least once every five years by an independent body. This was last performed and reported to the SISE Supervisory Board in 2022.

The Group Chief Audit Executive is responsible for making sure Internal Audit is sufficiently resourced, or has access to resources, to fulfil its remit and that Internal Audit accesses the expertise necessary to undertake work in respect of specialist business functions. Internal Audit ensures that work is conducted with due professional care.

B.7 Actuarial Function

The actuarial function comprises of two core teams: 'Reserving' and 'Capital Modelling'. Activities are coordinated by the Actuarial Function Holder and external reviews are conducted as required.

The actuaries that comprise the actuarial function are fellows/students of The Institute & Faculty of Actuaries (or equivalent) and operate under the standards set out by The Institute & Faculty of Actuaries and the UK Financial Reporting Council (or equivalent).

The key activities undertaken by the actuarial functions are as follows:

- Set the reserves and perform regular reserve reviews (on both a LIE GAAP and Solvency II basis).
- Assess the appropriateness of technical provisions methodology and assumptions used.
- Setting methodologies and ensure consistency of use.
- Ensuring that data quality and information technology systems meet the required standards.
- Undertake the standard formula calculation and validation of the standard formula appropriateness.
- Provide an opinion on the underwriting policy. The scope of this opinion is significantly reduced following the decision to cease underwriting new and renewal business.
- Provide an opinion on the reinsurance policy of SISE based on existing cover purchased and plans for future purchases as detailed in the business plan. Similarly, to the underwriting opinion the scope here is also significantly reduced since ceasing to write new and renewal business.

An actuarial function report containing the Actuarial KFH's opinions, recommendations and key activities is prepared and provided to the Supervisory Board of Directors and the Management Board annually.

The Actuarial team has provided actuarial support to SISE since it ceased actively underwriting. We do not anticipate any material changes to actuarial policy and procedures. The actuarial team recognises the potential for increased uncertainty for estimating claims due to the reducing size of the portfolio going forward for certain lines of business. The actuarial team will consider this uncertainty in their selections during this period.

B.8 Outsourcing

The Supervisory Board considers outsourcing to be the most cost-effective means of delivering high quality support operations to the Company's activities, accessing the right level of expertise and allowing management to focus to a greater extent on the business' core activities. The outsourcing of certain functions is a central feature of the business's operating model.

The business recognises the increased operational risk inherent in outsourcing and seeks to mitigate this risk by implementing strong management oversight based on each individual outsourced arrangement risk profile. The outsourcing assessment considers the level of risk based on the type of outsourcing, size of the activity being outsourced and the third party's size and scale, with due regard to local regulation and national/international standards.

The Material Services & Outsourcing Policy (updated during 2024) defines a set of risk based expectations and processes (including composite risk assessments) through which suppliers and outsourced service providers are initially identified, assessed (due diligence process), ultimately selected and overseen. Approval processes in place are based on the materiality of the outsourcing being considered. Once a provider is selected, the risk assessment performed during the selection process determines the extent of the ongoing monitoring programme performed by the business. The Vendor Operation team is responsible to oversee some outsourcing and others are overseen by the business depending on the most appropriate oversight approach. Contingency and exit plans are developed for material outsourcing.

The Company oversees all of its outsourcing matters.

The main outsourcing agreements are with EEUL, a UK based associated entity, providing staff to the Company and services like IT services. EEUL also provide the following services or support:

Service/Support	Critical or Important Function
Acquisitions (M&A)	
Actuarial Reserving	Yes
Business Change - Portfolio/Program/Project Management	
Capital Modelling	Yes
Ceded Reinsurance	Yes
Claims	Yes
Claims Operations	Yes
Communications	
Compliance	Yes
Audit, Peer Review, Verification of Third Party Claims Handling	
Data & Privacy	Yes
Data Protection	Yes
ESG (Environmental, Social and Governance)	
Financial Planning and Analysis	
Finance	Yes
Group Change & PMO	
Human Resources	
Information Security	Yes
Internal Audit	Yes
Investment Management	Yes
Legal & Corporate Secretarial	
Procurement	
Risk Management	Yes
Taxation	Yes
Treasury	Yes
Underwriting	Yes
Facilities Management	

Further outsourcing agreements include:

- Investment Management activities (service provider is based in the UK).
- Binding Authorities/Coverholder Agreements (including claims handling agreements), albeit all agreements expired in 2021 due to non-renewal or cancellation.
- Claims management for specific countries / claims to various Third-Party Agent's ("TPAs") (service providers are based in different countries).
- Agreements in place for the calculation and remittance of IPT (Insurance Premium Tax) across EEA countries (service provider is based in the UK)
- Agreement for Insurance Processing Service: London Insurance Market wide agreement where Policy and Claims Messaging services are provided (service provider is based in the UK).
- Delegated Underwriting Management / Delegated Claims Management (service provider is based in the UK)

- Payroll Services for Liechtenstein based employees (service provider is based in Switzerland)
- IT Support Services (including sub-outsourcings) (service providers are based in the UK and India)
- Audit services to monitor and report on TPA performance.

Outsourcing arrangements are notified, and where required, regulatory approval is sought in line with local requirements.

B.9 Any other information

Adequacy of the System of Governance

The Supervisory Board is responsible for establishing an appropriate System of Governance. This has been carried out through discussions with internal and external parties (including the regulator/supervisor). The current system of governance arrangements is considered proportionate to the nature and complexity of the business.

A Supervisory Board Effectiveness Review is conducted on an annual basis. This review focusses on the following areas:

- Structure, composition and leadership of the Supervisory Board;
- Formal oversight arrangement, records and responsibilities – including performance management;
- The development of business strategy;
- Culture, policies and practices;
- Supervisory Board and Management Board decision-making and structure of meetings;
- Risk management, conflicts management and regulatory principles;
- Quality, purpose and distribution of Management Information;
- The overall effectiveness of the Supervisory Board in terms of its involvement in decision-making, development evaluation and process for appointments to the Supervisory Board; and
- Supervisory Board supervision of key functions.
- Training and development

Recommendations are documented following the review and an action plan implemented.

Section C Risk Profile

The Company's ERM Framework aligns risk measurement with capital in order to provide a consistent approach for the separate risks and allows the risk profile to be the driver of the solvency and any own economic capital requirements. Where risk is considered to be excessive, the Company may mitigate that risk. A key mitigating factor is the purchase of reinsurance which is used to reduce exposure to Underwriting risk.

The Company's business model and risk profile has evolved in recent years as a result of the decision to stop actively underwriting, offset by the greater retention of risk due to lower whole account quota share cession rate. The risk profile is grouped into the SII risk types. Due to the Company's business the concentration profile is dominated by market, credit, and underwriting risk. See **Section E.2** and QRT S.25.01 for an analysis of the SCR by SII risk category.

EIOPA correlation matrices from the Standard Formula are used for determining and calculating existing dependencies between the risk modules to calculate the SCR.

C.1 Underwriting Risk

C.1.1 Risk description

In accordance with Article 105 of the Solvency II Directive, underwriting risk is defined as ‘the risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions.’ Underwriting risk is the risk that insurance premiums and/or reserves are ultimately insufficient to fully settle claims and associated expenses.

Underwriting risk spans many aspects of the insurance operations, including premium risk and risk associated with reserving assumptions. Underwriting risk relates to the inherent uncertainty as to the occurrence, amount and timing of insurance liabilities that have been assumed through the underwriting process. As referenced elsewhere previously, new underwriting has been discontinued, though there remains continued oversight of management of the underwriting portfolio. Exposure levels are monitored across all risk categories in line with the approved risk appetite thresholds.

Premium Risk is the risk that policy terms, premiums and reinsurance protection will not be sufficient to cover ultimate loss and expense costs and achieve target rates of return.

Reserving risk is the risk that a Company’s reserves are not sufficient to cover its unpaid loss and loss adjustment expense costs. The estimation of reserves is subject to uncertainty because the ultimate cost of settling claims is dependent upon future events and loss development trends that can vary with the impact of economic, social, and legal and regulatory matters.

C.1.2 Risk management / mitigation

The Company strives to mitigate underwriting risk through controls and strategies including the purchase of reinsurance, ensuring underwriting authority limits and guidelines are adhered to for the duration of contract terms. Appropriate controls and procedures are in place and monitored for ongoing operational effectiveness to ensure that residual risk is maintained within approved risk appetite.

The purchase of reinsurance plays a pivotal role in the mitigation of Underwriting risk. Details of internal reinsurance arrangements entered during the year are included in **Section C.3.3**. Sufficient underwriting expertise has been retained to support the Construction book which has a longer tail with mandatory endorsements to be processed and a small, centralised, team to handle all other risk categories for endorsements or queries.

While the Company no longer actively underwrites, there has been an improved review process relating to any premium adjustments and movements, with material premium movements requiring escalation into senior management.

C.1.3 Risk exposure / concentration

In some business lines, the Company is exposed to multiple insured losses arising out of a single peril, such as a natural catastrophe event or a man-made event. The Company models and manages its individual and aggregate exposures to these events and other material correlated exposures in accordance with its risk appetite. The incidence, timing and severity of catastrophes and other event types are inherently unpredictable, and it is difficult to estimate the amount of loss any given occurrence will generate. Accordingly, there is material uncertainty around the Company’s ability to measure exposures, which can cause actual exposures and losses to deviate from initial estimates. As noted in **Section C.1.2** above reinsurance plays a pivotal role in mitigating this risk.

The Company continues to assess and monitor our exposures and accumulation to catastrophe risk on a regular basis underpinned by an appropriate Reinsurance programme. Since the Company no longer actively underwrites, the live policy count continues to reduce in line with expectations. We only agree to contractual increases in exposure and no more, hence the picture constantly improves over time.

The Company records premium income by both underwriting class of business and risk location. An analysis of premiums by geographical area shown in **Section A.2.2**.

There were no material changes during the financial year in the Company's underwriting risk exposures. The Company's decision to cease actively underwriting as from June 2020 resulted in reduced premium volume from the 2020 underwriting year onwards and therefore reduced associated underwriting exposures. Conversely, the unexpected nature of COVID-19 related underwriting exposures presents some uncertainty with regards to final loss estimates although these are mitigated by being of low value in 2025 and reinsurance agreements are in place.

C.1.4 Stress and sensitivity analysis

The liabilities established could be significantly lower or higher than the ultimate cost of settling the claims arising. This level of uncertainty varies between the classes of business and the nature of the risk being underwritten and can arise from developments in case reserving for large losses and catastrophes, or from changes in estimates of claims incurred but not reported ("IBNR").

A five percent increase or decrease in total net best estimate technical provisions (before risk margin), which is considered reasonably possible, would have the following effect on the Company's own funds:

Underwriting Risk Sensitivity - 2025 \$000	5% increase	5% decrease
Medical Expense	23	(23)
Other Motor	—	—
Marine, aviation and transport	151	(151)
Fire and other damage to property	367	(367)
General liability	329	(329)
Credit and suretyship insurance	9	(9)
Non-proportional property reinsurance	2	(2)
Total	881	(881)

Underwriting Risk Sensitivity - 2024 \$000	5% increase	5% decrease
Medical Expense	39	(39)
Other Motor	3	(3)
Marine, aviation and transport	554	(554)
Fire and other damage to property	1,047	(1,047)
General liability	652	(652)
Credit and suretyship insurance	34	(34)
Non-proportional property reinsurance	1	(1)
Total	2,330	(2,330)

A description of the stress and scenario testing performed by the Company around key strategic and business plan assumptions is included in **Section B.3 and C.7.1**.

C.2 Investment/Market Risk

C.2.1 Risk description

Market risk is the risk of loss resulting from underperforming investment returns, dilution of invested capital, or adverse financial market movements (such as interest rates or exchange rates). Market risk captures the risk that the fair value or future cash flows of a financial instrument or investment will fluctuate because of changes in market prices. The market risk module shall reflect the risk arising from the level or volatility of economic variables which have an impact upon the value of the assets and liabilities of the Company. It shall properly reflect the structural mismatch between assets and liabilities, in particular with respect to the duration thereof.

Market risk may be triggered by multiple economic, political, and regulatory factors such as recessions, political upheavals, structural changes or regulatory changes. Additionally, Market risk may be amplified by excessive concentration and exposure to individual securities, asset types, or asset and fund managers through relative movements in the underlying valuations of the assets.

C.2.2 Risk management

The Company manages Market risk in a number of ways, including use of investment guidelines; regular reviews of investment opportunities; market conditions; portfolio duration; oversight of the selection and performance of external asset managers; regular stress testing of the portfolio against known and hypothetical scenarios; established tolerance levels; and, where possible, foreign currency asset/liability matching. Investments are primarily managed by the Investment function, which is overseen by the Investment Committee.

The 'Prudent Person Principle' is embedded in Solvency II and is used to guide the Company to invest in assets and instruments that can be properly identified, measured, monitored, managed, controlled and reported on. They are invested in a manner to ensure the security, quality, liquidity, and profitability of the portfolio, and to the extent possible, available in the relevant currency, as required. Assets held to cover technical provisions are also invested in a manner appropriate to the nature and duration of the Company's liabilities. They are invested in the best interest of all stakeholders, taking in particular into account the Company's customers. Assets are diversified in such a way that there is no over reliance on, or concentration of risk in, any particular asset, issuer, group of undertaking, geography, asset class or other risk attribute.

Risk treatment and mitigation strategies are driven by the established risk appetite approved by the Supervisory Board. Risk treatment/mitigation (e.g. establishing controls, procedures and the implementation of modified strategic activities designed to for example rebalance the portfolio into or away from specific asset classes given the underlying risk profile) or accepting risks to the extent at par with the Supervisory Board approved risk appetite is the responsibility of risk owners and oversight by senior management.

Appropriate controls and procedures are in place and monitored for on-going operational effectiveness to ensure that residual risk is maintained within the approved risk appetite.

The Company did not invest in derivatives or other risk mitigation techniques during the financial year.

At year-end 2021, the Company assigned the entire investment portfolio (with the exception of bank accounts allocated per region) from the Schaan head office to the SISE UK branch, as a form of capital contribution by the head office. This was to help the branch meet its branch SCR and reflect the economic position of the branch more accurately being the largest branch in the Company by reserves. The assignment of investments to the UK branch had no impact on other branches or the legal entity's reporting, nor on Market risk as investments assigned to the UK branches will be consolidated for SISE reporting at a legal entity level. Notional investment income remains allocated to the underlying branches and therefore creates no impact to the individual branch taxable income.

No material changes have been made to the investment risk management process during the financial year.

C.2.3 Risk exposure

Investments presented in the financial statements are shown in the table below.

Investments in securities are stated at the lower of cost or market value in the LIE GAAP balance sheet and at market consistent value in the SII balance sheet.

Financial Investments by Category - 2025		
\$000	Amortised Cost	Fair Value
Long Term		
Corporate Securities	77,011	79,180
US Government Securities	9,878	10,149
Mortgage-Backed Securities	27,249	27,495
Other		
Collective Investment Scheme	6,690	6,690
Total	120,828	123,514

Financial Investments by Maturity - 2025		
\$000	Amortised Cost	Fair Value
Due in one year or less	19,047	19,210
Due after one through five years	53,670	55,539
Due after five through ten years	21,241	21,652
Due after ten years	26,870	27,113
Total	120,828	123,514

Financial Investments by Category - 2024		
\$000	Amortised Cost	Fair Value
Long Term		
Corporate Securities	90,532	91,239
US Government Securities	18,647	18,813
Mortgage-Backed Securities	15,842	15,846
Other		
Collective Investment Scheme	7,166	7,166
Total	132,186	133,063

Financial Investments by Maturity - 2024		
\$000	Amortised Cost	Fair Value
Due in one year or less	26,976	27,103
Due after one through five years	61,144	61,660
Due after five through ten years	28,315	28,548
Due after ten years	15,752	15,752
Total	132,186	133,063

Deposits with banks and cash at bank and on hand include assets of \$0.4m (2024: \$0.4m) that were pledged as collateral for letters of credit issued in relation to insurance business written and \$0.6m (2024: \$1.4m) are also used as collateral within individual trust funds or as deposits with regulatory authorities.

The Company has restricted investments of \$33.8m (2024: \$70.6m) which are used as collateral within trust funds. There were no material changes during the financial year in the Company's market risk exposures.

Interest Rate Risk

Interest rate risk is the risk that movements in interest rates lead to lower-than-expected profitability due to declines in asset valuations and/or projected cash flows. The Company is exposed to interest rate risk primarily from financial investments, cash, and deposits. The risk of changes in the fair value of these assets is managed by investing in a diversified portfolio of securities. The Company does not invest in derivative instruments. Interest rate risk applies to the whole fixed income portfolio.

Currency Risk

The Company's foreign currency policy is to mainly manage foreign currency risk by matching liabilities under insurance and reinsurance policies that are payable in foreign currencies with assets that are denominated in such currencies. In addition, SISE may selectively use foreign currency forward contracts to mitigate foreign currency risk. To the extent the foreign currency exposure is not matched or hedged, the Company may experience foreign exchange losses or gains, which would be reflected in the overall entity results. The assets backing shareholders' funds are largely kept in US Dollars, the Enstar Group's main currency.

Equity Risk

Equity risk is the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or in the volatility of market prices of equities. The capital requirement for equities is equal to the loss in the basic Own Funds that results from an instantaneous decrease in the market value of the equity. The Company does not hold any equities and is therefore not exposed to any equity risk.

Spread Risk

Spread risk is the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. The capital requirement for spread risk is equal to the sum of:

- The capital requirement for spread risk on bonds and loans;
- The capital requirement for spread risk on securitisation positions; and
- The capital requirement for spread risk on credit derivatives

The capital requirement for spread risk on bonds and loans is equal to the loss in the basic own funds that results from an instantaneous relative decrease in the value of each bond or loan. This risk is mitigated by placing limits on exposure to a single counterparty and by reference to the credit rating of the counterparty. Financial assets are graded according to current credit ratings issued by prominent rating agencies.

Concentration Risk

Concentration risk is the risk to an insurance or reinsurance undertaking stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers. The capital requirement for market risk concentration is calculated on the basis of single name exposures and equal to the loss in basic own funds that result from an instantaneous decrease in the market value of the assets. The concentration risk is managed by the Investment team by maintaining an appropriate mix of investment instruments.

C.2.4 Stress and sensitivity analysis

For 2025, the Company observed the continued impact of the volatility within financial markets as a result of geopolitical tension, stubborn higher than targeted inflation, changes in interest rates and an economic downturn.

A description of the stress and scenario testing performed by the Company around key strategic and business plan assumptions is included in **Section B.3 and C.7.1**.

C.3 Credit Risk

C.3.1 Risk description

Reinsurance Credit & Counterparty Risk is defined as the risk relating to a reinsurance counterparty's ability to make timely payments in accordance with the contractual terms of the reinsurance contract.

Reinsurance Credit & Counterparty Risks can be broken down into the following sub-risks:

- Dispute risk arising from claims or contractual disputes with reinsurers resulting in lower-than-expected reinsurance recoverables. This risk includes the untimely receipt of recoverables, which may result in balances being time-barred and existing bad debt provisions being increased.
- Default risk arising from default or changes to credit quality of the reinsurer.
- Counterparty Concentration risk arising from the risk of higher total losses from inadequate diversification across counterparties.

The key sources of credit risk for the Company are:

- Risk of non-recoverable internal reinsurance from the significant internal quota share reinsurance with CBRe. This is the most significant credit risk to the Company;
- Risk of non-recoverable reinsurance assets currently held on balance sheet (outstanding and IBNR) due to reinsurer failure;
- Risk of failure of external reinsurers on current reinsurance programme and any unexpired risks;
- Risk of failure of coverholders, brokers or policyholders; and
- Risk of default or failure of investment counterparties such as banks, investment funds etc.

C.3.2 Credit risk management / mitigation

The Company's objective in managing credit risk is to ensure the risk is managed in a sound and prudent manner in line with the Company's risk profile and risk appetite, and regulatory requirements. The assets are invested in high quality investment grade securities managed by Goldman Sachs Asset Management. The Company has established policies and procedures in order to manage exposure to credit risk and methods to quantify exposure.

The Company mitigates credit risk through the reinsurance purchasing process, where reinsurers are subject to financial security and rating requirements prior to approval and by limiting exposure to individual reinsurers. Thereafter, credit risk is managed by the regular monitoring of reinsurance recoveries and premium due directly or via brokers and other intermediaries. At management level, reinsurer credit risk is monitored and overseen by the Management Board which meets monthly. The Management Board monitors risk tolerance levels which have been approved by the Supervisory Board as part of the Risk Appetite Framework.

In fixed maturity and short-term investment portfolios, credit risk is mitigated through diversification and issuer exposure limitation.

The Company's credit risk in respect of debt securities is managed by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. Financial assets are graded according to current credit ratings issued by rating agencies such as Standard and Poor's. The Company has a policy of investing in mainly investment grade assets (i.e., those rated BBB and above).

The Company limits the amount of cash that can be deposited with a single counterparty and maintains an authorised list of acceptable cash counterparties.

Credit Risk is calculated using the standard formula and is monitored through the quarterly risk report.

Appropriate controls and procedures are in place and monitored for on-going operational effectiveness to ensure that residual risk is maintained within approved risk appetite.

No material changes have been made to the credit risk management / mitigation process during the financial year.

C.3.3 Risk exposure / concentration

The Company has a material counterparty concentration with CBRe which has arisen due to its reinsurance contracts (see **Section B.1.4** above).

The following table analyses the credit rating by investment grade of Solvency II balance sheet assets shown in **Section D**.

Financial Assets by Rating - 2025	AAA	AA	A	BBB	Not Rated	Total
\$000						
Investments	173	37,949	68,891	17,599	—	124,612
Reinsurance recoverables	—	59,707	163,185	1,413	3,155	226,053
Insurance and intermediary receivables	—	—	—	—	162	162
Reinsurance receivables	—	9,409	8,181	1	497	18,088
Receivables (trade, not insurance)	—	—	—	—	1,341	1,341
Cash and cash equivalents	—	—	5,340	—	—	5,340
Any other assets	—	—	—	—	6,502	6,502
Total	173	107,065	245,597	17,606	11,657	382,098

Financial Assets by Rating - 2024	AAA	AA	A	BBB	Not Rated	Total
\$000						
Investments	42,403	6,215	69,451	16,126	—	134,195
Reinsurance recoverables	—	50,098	167,735	1,413	1,779	221,025
Insurance and intermediary receivables	—	—	—	—	297	297
Reinsurance receivables	—	11,381	37,352	321	404	49,458
Receivables (trade, not insurance)	—	—	—	—	2,631	2,631
Cash and cash equivalents	—	6,616	8,396	—	—	15,012
Any other assets	—	—	—	—	11,586	11,586
Total	42,403	74,310	282,934	17,860	16,697	434,204

This analysis shows that on a Solvency II valuation basis 92% (2024: 92%) of the Company's assets are held with counterparties that are rated 'A' or above.

The Company has debtors arising from direct insurance and reinsurance operations and may make a provision (where applicable) for non-recovery after undertaking an assessment of the counterparty's financial position and likelihood of recoverability.

There were no other material changes over the financial year in the Company's credit risk exposures during the reporting period.

C.3.4 Stress and sensitivity analysis

A description of the stress and scenario testing performed by the Company around key strategic and business plan assumptions is included in **Section B.3 and C.7.1**.

C.4 Liquidity Risk

C.4.1 Risk description

Liquidity risk is the risk that the Company is unable to meet financial obligations when they fall due or can only meet obligations at excessive cost due to mismatches in asset maturity and liability durations and/or currency conversion volatility. This can lead to increased financing costs, inability to fund acquisitions, and/or regulatory ramifications. SISE follows an appropriately conservative investment strategy designed to emphasise the preservation of its invested assets and provide sufficient liquidity for the prompt payment of claims as they fall due and settlement of commutation and policy buyback payments. As the Company decided to discontinue underwriting as from June 2020, future premiums have a decreasing impact on the Company's liquidity position.

C.4.2 Risk management / mitigation

Risk treatment and mitigation strategies are driven by the established risk appetite as approved by the Supervisory Board. Risk treatment/mitigation (e.g. establishing controls, procedures and the implementation of modified strategic activities to either reduce cash demands and/or source additional liquidity capacity) or accepting risks to the extent at par with Supervisory Board approved risk appetite is the responsibility of risk owners and oversight by senior management.

The Company mitigates this risk by following an investment strategy designed to emphasise the preservation of invested assets and provide sufficient liquidity for the prompt payment of claims and contract liabilities to both internal and external counterparties. The Company maintains banking facilities, continuously monitors forecast and actual cash flows and matches the maturity profiles of assets and liabilities such that it will always have sufficient liquidity to meet liabilities when they fall due.

At management level, liquidity risk is monitored and overseen by the Management Board which meets at least monthly. The Management Board monitors liquidity against key risk indicators defined in the risk appetite statement. During 2025, the cash position to cover projected cash outflows remained within risk appetite levels due to the execution of a robust liquidity plan to determine the long-term payment schedule of the intercompany receivable balance.

Appropriate controls and procedures are monitored for on-going operational effectiveness to ensure that residual risk is maintained within approved risk appetite.

C.4.3 Expected profit in future premiums

The Company has expected profit included in future premiums ("EPIFP") gross of reinsurance amounting to nil (2024: nil).

This amount is calculated on a discounted basis as gross future premiums less the estimated claims, commissions and expenses in respect of these future premiums. The risk margin is excluded.

The estimate has been calculated using the internal class of business categories which are considered to be homogeneous risk groups. The future claims have been estimated separately for earned, unearned and committed-to premiums. For the earned element, the outstanding premium information is not available at a level that would allow identification of the actual claims associated with the premium. Given this it has been assumed the earned element will run to the same loss ratio as the unearned.

C.4.4 Liquidity risk exposure / concentration

Throughout the year, SISE's Liquidity Risk has continued to reduce following the establishment of a robust liquidity plan projecting cash inflows and outflows in 2024, together with significantly increased collection of aged external reinsurance receivables in 2025. This long-term plan has put operational cash levels at a level sufficient to meet the projected future cash flows, provided the

agreed liquidity plan is adhered to. Ongoing monitoring of cash requirements are discussed between SISE stakeholders on a regular basis to ensure the liquidity plan remains appropriate.

C.4.5 Stress and Sensitivity Analysis

A description of the stress and scenario testing performed by the Company around key strategic and business plan assumptions is included in **Section B.3 and C.7.1**.

C.5 Operational Risk

C.5.1 Risk description

Operational risk is the risk of a loss arising from inadequate or failed internal processes, or from external events (including cyber), personnel, systems or third parties.

Operational risk includes outsourcing risk. Outsourcing is defined as an arrangement of any form between a firm and a service provider by which that service provider performs a process or activity or provides a service which would otherwise be undertaken by the firm itself.

C.5.2 Operational risk management/ mitigation

All operational risks are assessed via the risk assessment process on a quarterly basis. Risk owners must provide an inherent and residual risk rating along with a supporting rationale. Key Risk Indicators are also assessed quarterly and all tolerances that have been exceeded or where the tolerance threshold is approaching, are reported to the Management Risk Committee and the Supervisory Board.

Operational risk is mitigated through the application of policies and procedures, internal controls and compliance processes throughout the Company, including but not limited to business continuity planning, information security procedures, change management processes, financial reporting controls and a review process for material third-party vendor usage. Controls which are executed throughout the Company's operations, to mitigate against their associated risks crystallising, are assessed on a quarterly basis. Operational Risk is calculated using the standard formula and is monitored through the quarterly risk report. Operational stress tests are performed annually and reported through the ORSA process.

The Company recognises the increased operational risk inherent in outsourcing and intragroup insourcing and seeks to mitigate this risk by implementing strong management oversight over each individual outsourced arrangement, and a greater concentration of oversight for those arrangements which are considered material because of their size, the risks associated with their failure or because of their nature (i.e., the outsourcer is performing a regulated activity).

The Risk Management Function assists the business with these responsibilities by providing the framework and tools, assisting with monitoring risk levels within the defined risk appetite and providing other support as needed.

The Company maintains a business continuity plan outlining the process to minimize the financial, legal, reputational, operational, and other material consequences arising from a natural or unscheduled disruption.

No material changes have been made to the measures for managing and mitigating operational risk during the financial year.

C.5.3 Operational risk exposure / concentration

The key operational risk factors facing our business are as follows:

- The Company is dependent on executive officers, directors and other key personnel and the loss of any of these individuals could adversely affect our business. Retaining sufficiently skilled resource to manage the business is a significant risk. In addition, the Company benefits from having a MSA with EEUL who have greater scale and may support functions in case of staff losses where a retention is not in place.
- The Company has a number of internal systems and processes that rely on people and technology. These are not immune from potential failure. The Company monitors operational risk through its risk management and internal control system.
- If outsourced providers such as third-party administrators, investment managers or other service providers were to breach obligations owed to the Company, the business and results

of operations could be adversely affected. All outsourcing and material supplier contracts have been subject to enhanced monitoring in light of the Digital Operational Resilience Act ('DORA') regulation, focusing specifically on Information and Communication Technology ('ICT') providers' operational resilience against service disruptions.

- If the Company experiences difficulties with information technology assets or cyber security, its business could be adversely affected.

C.5.4 Stress and sensitivity Analysis

A description of the stress and scenario testing performed by the Company around key strategic and business plan assumptions is included in **Section B.3 and C.7.1**.

C.6 Other Material Risks

C.6.1 Strategic Risk

Strategic risk is the risk of an unintended adverse impact on the business plan objectives arising from business decisions, improper implementation of those decisions, inability to adapt to changes in the external environment, or circumstances that are beyond the Company's control.

All Strategic and Group risks are assessed via the GRC system on a quarterly basis. Risk owners must provide an inherent and residual risk rating along with a supporting rationale. Key Risk Indicators are also assessed quarterly on the GRC system and all tolerances that have been exceeded or where the tolerance threshold is approaching, are reported to the Management Risk Committee and the Supervisory Board.

The Company monitors the capital position relative to regulatory, rating agency and internal capital requirements and anticipated liquidity needs. This analysis is periodically subjected to stress testing to determine, amongst other things, what the impact of a significant financial losses within one subsidiary would be on the capital position of the group.

The Company has historically depended on the credit strength of its immediate parent to support underwriting activity and the level of capital held for Credit Risk. The Company is wholly owned and directly controlled by CBRe, which is rated "A" by both S&P and AM Best.

At management level, Strategic and Group Risk is monitored and overseen by the Risk Management function and the Supervisory Board which meets at least quarterly.

C.6.2 Group Risk

Group risk arises from the Company's immediate parent (CBRe), indirect parent (Enstar) and ultimate parent (Elk Insurance Holdings LLC). Enstar is a Bermuda-based holding Company, formed in 2001, that offers innovative capital release solutions and specialty underwriting capabilities through its network of Group companies in Bermuda, the United States, the United Kingdom, Continental Europe and Australia.

Enstar focuses on the acquisition and management of insurance and reinsurance companies in run-off and the acquisition and management of portfolios of insurance and reinsurance business in run-off.

No changes have been made to the measures for assessing Strategic and Group risk during the reporting period.

C.6.3 Legal and Regulatory Risk

Legal and Regulatory risk is the risk of legal or regulatory sanctions resulting in a financial loss, or loss of reputation as a result of an insurer's failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct. We manage legal and regulatory risk through a focus on compliance with laws and regulations, adherence to our policies and procedures (including our Code of Conduct) and our internal controls, an established corporate governance framework and practices, and communication and engagement with external stakeholders.

Branches operating within the SROR are required to comply with the same regulatory requirements that apply to UK third country branches, but with only quantitative reporting requirements applying for the year ended 31 December 2025.

Following amendments made to the PRA's SS44/15, SISE is now permitted to file a single combined ORSA report to the PRA and FMA for the year ended 31 December 2025, incorporating both quantitative and qualitative information for SISE as a legal entity, including the UK branch.

C.6.4 Tax Risk

Tax risk is the risk of adverse tax liabilities/implications for the business due to inadequate tax compliance, advice, or governance. The Company proactively seeks to identify, evaluate, manage, monitor and mitigate tax risks. SISE is committed to complying with all tax laws, rules and regulations applicable. In evaluating potential transactions, the Company considers the overall commercial, financial and tax aspects. Where there is uncertainty or complexity in relation to a tax risk, the Company may seek external advice and, where appropriate, we may obtain tax clearances from relevant tax authorities.

C.6.5 Climate Risk

The Company has ceased writing new business and hence, exposure to climate-related risks emanates from existing insurance liabilities and the assets that back those liabilities.

The ERM Framework defines the roles and responsibilities for effective oversight and management of ESG and climate-related risks and opportunities at the Supervisory Board and senior management levels.

Climate change presents a range of risks and opportunities to the sustainability of our business. The Company's business strategy is exposed to the following risks over short- (<2030), medium- (<2040) and longer- (≥2040) term time horizons, across three major types of climate risk:

- Physical risks (Short- to Longer-term): These are the first order risks arising from weather-related events, such as floods and storms. Their impact may be felt directly through property damage, or indirectly through subsequent events such as disruption of global supply chains or resource scarcity.

The Company's exposure to physical risks stem from our operations, including such risks to which we are exposed to through our suppliers and investment portfolios (i.e. physical risks of the underlying companies we are invested in). Other physical risk exposures can stem from the administration of very limited in-force catastrophe exposures through the running off of the multi-year Construction policies previously written by SISE. Since the Company no longer actively underwrites live insurance contracts, this risk is of minimal consequence.

The Company's operations may be impacted by physical risks affecting our offices, key supporting infrastructure and/or our outsourced service providers. The impact and likelihood of this risk is considered low, given our global presence and the Business Continuity Framework and procedures we have in place. This was confirmed in our most recent independent climate risk scenario analysis assessment.

- Transition risks (Short- to Medium-Term): These include financial risks deriving from the transition to a carbon net zero economy, including the potential swift, adverse repricing of carbon-intensive financial assets.

In the near term, the investment portfolios could be exposed to the loss of value in specific investments due to disruption to the underlying assets/companies caused by transitioning to a lower carbon-emitting economy to the underlying assets. The impact could increase over time if part of the transition to a greener economy is associated with increased production costs. Certain sectors could be subject to significant impairments due to changing consumer demand, the repricing of assets or changing regulatory requirements.

In addition, ongoing geo-political tensions in a number of global locations have the potential to accelerate these traditional risks through the need to diversify existing energy sources, including increased investment in energy derived from more sustainable sources.

- Liability risks (Short- to Medium-Term) include third-party exposures such as claimants who have suffered climate-change related losses and damage and are seeking compensation. Liability risks also include the unknown and potentially high costs of dealing with losses or

damage from physical or transition risk factors. Liability risks can be particularly high for those directors and officers who do not properly manage and report climate-related risks and commit errors and omissions.

Our underlying portfolio contains lines of business that could, at the industry-wide level, be exposed to significant climate change risk (e.g. Environmental claims). Given the Company is in run-off, mandatory exposure to climate-related risks emanates from existing insurance liabilities and the assets that back those liabilities.

In order to quantify the financial impact of risks and opportunities brought about by the climate-related risks set out above, the Company undertakes regular climate risk scenario analysis to quantify the potential impact on both our assets and liabilities. Our latest stress and scenario testing exercise, conducted in late 2025 and early 2026, indicated that the potential impact of physical, transition and liability risks on the Company remains relatively low. Whilst the stress testing did not indicate that any immediate action was required, we will continue to review our exposure to climate-related physical, transition and liability risks.

C.7 Any Other Information

C.7.1 Stress and Scenario Analysis

Integral to the business planning process is the performance of stress and scenario testing around key strategic and business plan assumptions. A description of Stress and Scenario Analysis performed by the Company is included in **Section B.3**.

Based on projections for the next 3 years (2026 - 2028), the Company's Own Funds are expected to exceed its SCR and target level of capital over the three-year projection period. SISE's solvency position is sensitive to the credit rating of CBRe due to internal reinsurance arrangements with CBRe and mitigating actions may be required if CBRe were to be downgraded to below BBB.

Section D Valuation for Solvency Purposes

Solvency II requires a market consistent approach to the valuation of assets and liabilities. A number of assets and liabilities require different valuation methods to those used in the financial statements. The financial statements are prepared under LIE GAAP. The table below summarises the Solvency II and the LIE GAAP valuation of assets and liabilities, based on the Solvency II balance sheet headings and the Solvency II approach to classifying assets and liabilities. An explanation of the Solvency II valuation methods and assumptions, including key differences to those used under LIE GAAP, is provided in the subsequent sections. A more detailed Solvency II balance sheet is included in **Appendix A** (QRT S.02.01).

Balance Sheet - 2025 \$000	Statutory Value (LIE GAAP)	Reclassification Differences	Valuation Differences	Solvency II Value	Notes
Investments	120,828	1,045	2,739	124,612	D.1.1
Reinsurance recoverables	207,966	(88)	18,175	226,053	D.1.2
Insurance and intermediaries receivables	162	—	—	162	D.1.3
Reinsurance receivables	18,088	—	—	18,088	D.1.4
Receivables (trade, not insurance)	1,341	—	—	1,341	D.1.5
Cash and cash equivalents	5,340	—	—	5,340	D.1.6
Any other assets	7,547	(1,045)	—	6,502	D.1.7
Total Assets	361,272	(88)	20,914	382,098	
Technical provisions	223,104	—	26,713	249,817	D.2
Insurance and intermediaries payables	3,128	—	—	3,128	D.3.1
Deposits from reinsurers	88	(88)	—	—	D.3.4
Reinsurance payables	3,100	—	—	3,100	D.3.2
Payables (trade, not insurance)	693	—	—	693	D.3.3
Any other liabilities	608	—	—	608	D.3.4
Total Liabilities	230,721	(88)	26,713	257,346	
Excess of Assets over Liabilities	130,551	—	(5,799)	124,752	

Balance Sheet - 2024 \$000	Statutory Value (LIE GAAP)	Reclassification Differences	Valuation Differences	Solvency II Value	Notes
Investments	132,186	1,097	912	134,195	D.1.1
Reinsurance recoverables	262,944	(27,187)	(14,732)	221,025	D.1.2
Insurance and intermediaries receivables	297	—	—	297	D.1.3
Reinsurance receivables	49,458	—	—	49,458	D.1.4
Receivables (trade, not insurance)	2,631	—	—	2,631	D.1.5
Cash and cash equivalents	15,012	—	—	15,012	D.1.6
Any other assets	12,683	(1,097)	—	11,586	D.1.7
Total Assets	475,211	(27,187)	(13,820)	434,204	
Technical provisions	270,861	—	5,066	275,927	D.2
Insurance and intermediaries payables	1,379	—	—	1,379	D.3.1
Deposits from reinsurers	27,187	(27,187)	—	0	D.3.4
Reinsurance payables	4,319	—	—	4,319	D.3.2
Payables (trade, not insurance)	2,294	—	—	2,294	D.3.3
Any other liabilities	302	—	—	302	D.3.4
Total Liabilities	306,342	(27,187)	5,066	284,221	
Excess of Assets over Liabilities	168,869	—	(18,886)	149,983	

The following table provides a reconciliation of the excess of assets over liabilities reported in the Solvency II balance sheet to equity shareholders' funds reported in the LIE GAAP balance sheet.

Excess Assets over Liabilities \$000	2025	2024
Excess of assets over liabilities – LIE GAAP	130,551	168,869
Profit in UPR	119	658
Events not in Data ("ENIDS")	(346)	(165)
SII Expense provision	(3,545)	(16,282)
Risk Margin	(6,153)	(8,286)
Discounting	1,375	4,259
Counterparty default	(18)	—
Other	31	18
Technical provision adjustments	(8,537)	(19,798)
Investment valuation difference	2,738	912
Excess of assets over liabilities - Solvency II	124,752	149,983

D.1 Assets

D.1.1 Investments

Investments consist primarily of investment grade, liquid, fixed maturity securities of short-to-medium duration.

Investments are recognised under Solvency II when the Company becomes a party to the contractual provisions of the instrument. Investments are de-recognised if the Company's contractual rights to the cash flows from investments expire or if the Company transfers the investments to another party without retaining control of substantially all risks and rewards of the assets. This is the same recognition basis under LIE GAAP reporting and there has been no change in the recognition criteria during the year.

Valuation differences

Solvency II requires investments to be recognised at fair value which is the amount an asset or liability could be exchanged between willing parties in an arm's length transaction. Under LIE GAAP, investments in securities are stated at the lower of cost or market value. In the Solvency II balance sheet, the carrying value of the assets held at cost is adjusted to fair value. Fair values are determined at prices quoted in active markets. The fair values for all securities in the fixed maturity investments portfolio are independently provided by the investment accounting service providers, investment managers and investment custodians, each of which utilise internationally recognised independent pricing services. We record the unadjusted price provided by the investment accounting service providers, investment managers or investment custodians.

The independent pricing services used by the investment accounting service providers, investment managers and investment custodians obtain actual transaction prices for securities that have quoted prices in active markets. Our internal price validation procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in adjustment in the prices obtained from the pricing service.

Investment classification

Classification differences exist between LIE GAAP and Solvency II for certain investment balances.

Cash and cash equivalents are classified differently between LIE GAAP and Solvency II. Under LIE GAAP, an investment qualifies as a cash and cash equivalent only when it has a short maturity of, three months or less from the date of acquisition. Money market funds and deposits less than 90 days are classified as cash and cash equivalents under LIE GAAP, however, they are classified as collective investments undertakings and deposits other than cash equivalents for Solvency II reporting, respectively.

Accrued interest is classified separately as 'Accrued interest and rent' on the balance sheet of the Company's financial statements but for Solvency II, accrued interest is included as part of the investment valuation (Solvency II amount).

D.1.2 Reinsurance recoverables

The company uses reinsurance agreements to reduce its exposure to insurance risks assumed. The Company remains liable to the extent that certain reinsurance is finite or that the reinsurers do not meet their obligation under these agreements.

Reinsurance recoverable balances relate to the reinsurance of gross technical provisions which will fall due under the terms of the reinsurance agreements. These amounts have been valued based on amounts that will be contractually due to the Company from reinsurers if and when claims are settled. They are adjusted for:

- i) potentially non-recoverable balances that are disputed or due from reinsurers with a poor credit rating and
- ii) the probability weighted average of future cash flows taking into account the time value of money using the latest risk-free discount rates promulgated by EIOPA.

Future cash inflows are determined by calculating reinsurance recoveries on estimated cash outflows of gross technical provisions which are based on an annual actuarial study using appropriate actuarial techniques (see technical provisions below). Reinsurance recoverables reported in the Solvency II balance sheet have also been uplifted for the reinsurance impact of the possibility of extreme events.

There has been no change in the recognition and valuation of this balance during the year. The balances reported in the Solvency II balance sheet differ from amounts reported in the statutory financial statements due to differences in the valuation methodology between LIE GAAP and Solvency II (see technical provisions below).

The valuation adjustment relates to Solvency II adjustments in respect of premium provisions claims, ENIDs and discounting.

D.1.3 Insurance and intermediaries' receivables

This balance mainly relates to premiums due from intermediaries and the amounts are recognised in the GAAP balance sheet when the Company becomes a party to the contractual provisions of the asset.

Under LIE GAAP, receivables are valued at undiscounted amortised cost less any adjustment for impairment losses. The LIE GAAP valuation policy is considered to be a close approximation to fair value, and therefore no valuation adjustments are made for Solvency II reporting purposes.

As required in the Solvency II guidance, the portion of insurance and intermediary receivables recognised as an asset on the LIE GAAP balance sheet, that are not-yet-due at the reporting date, are transferred to technical provisions in the Solvency II balance sheet whilst the amount over-due (i.e. when they remain unpaid in the first business day after the payment deadline) remain within 'insurance and intermediaries receivables' in the Solvency II balance sheet.

For 2025, insurance and intermediaries' receivables are \$0.2m.

D.1.4 Reinsurance receivables

Reinsurance receivables relate to paid claims recoverable, premium refunds and other amounts due to the Company from reinsurers under the terms of the reinsurance agreements in place with those reinsurers. These balances have been valued based on amounts that are contractually due to the Company by reinsurers adjusted for potentially non-recoverable balances that are disputed or due from reinsurers with a poor credit rating. This is deemed to be a close approximation to fair value, and therefore no valuation adjustments are made for Solvency II reporting purposes.

There has been no change in recognition or valuation basis during the year.

D.1.5 Receivables (trade, not insurance)

Under LIE GAAP, receivables are valued at undiscounted amortised cost net of provisions for expected credit losses. Given the short-term maturity of these assets, the LIE GAAP valuation policy is considered to be a close approximation to fair value, and therefore no adjustments are made for Solvency II valuation purposes. All material receivables are due within 12 months.

There has been no change in recognition or valuation basis during the year.

D.1.6 Cash and cash equivalents

No valuation differences exist between LIE GAAP and Solvency II. Cash and cash equivalents in the Solvency II balance sheet consist of deposits that can be exchanged for currency on demand at par value and are valued at their par value. Cash and cash equivalents are classified differently between LIE GAAP and Solvency II. Refer to **Section D.1.1** for additional information.

There has been no change in recognition or valuation basis during the year.

D.1.7 Any other assets

These balances include other assets and prepayments. Under LIE GAAP these assets are carried at cost less any adjustment for impairment losses. Given the short-term nature of these assets, this is considered to be a close approximation to the Solvency II fair value. All material other receivables are due within 12 months.

The reclassification adjustment of \$1.0m (2024: \$1.1m) relates to accrued interest which under SII is reported as part of the financial investments.

Under LIE GAAP, commissions and other direct and indirect costs that are related to, securing new contracts and renewing existing contracts are not capitalised as Deferred Acquisition Costs ("DAC"). DAC is also not recognised as an asset in the Solvency II balance sheet as they are not a separable and saleable asset. Cash flows relating to acquisition costs, attached to future premiums, are included in the Solvency II technical provisions (further details provided in **Section D.2**).

At 31 December 2025, no deferred tax assets have been recognised in the SII balance sheet.

D.2 Technical Provisions

In accordance with Article 77 of the Solvency II Directive the value of the Company's technical provisions consists of the best estimate of all future cash flows required to settle its insurance and reinsurance obligations, discounted at the risk-free rate of interest using the yield curves published by EIOPA for the reporting date, with the addition of a risk margin.

- The best estimate liabilities are calculated as:
 - i. the discounted best estimate of all future cash flows relating to claim events prior to the valuation date ('claims provisions'); and
 - ii. the discounted best estimate of all future cash flows relating to future exposure arising from policies that the insurer is obligated to at the valuation date ('premium provisions').
- The Risk Margin is the amount that insurers would require over and above the best estimate liabilities in order to take over and meet the insurance and reinsurance obligations over the lifetime of the policies.

In addition, in determining the cash flows, the following estimations are made:

- Calculation of obligations arising from ENIDs
- Calculation of run-off expenses
- Determination of payment patterns
- Determination of future cost of reinsurance
- Calculation of the counterparty default

An analysis of gross and ceded technical provisions by Solvency lines of business including risk margin is shown below. Further detail is provided in **Appendix A** (QRT S.17.01).

Technical provisions - 2025 \$000	Medical expense	Marine, aviation and transport	Fire and other damage to property	General liability	Credit and suretyship insurance	Non-Prop. Property	Total
Premium provisions	—	17	1,669	642	744	—	3,072
Claims provisions	4,381	50,528	112,293	71,515	1,527	348	240,592
Gross Best estimate	4,381	50,545	113,962	72,157	2,271	348	243,664
Reinsurance	3,918	47,524	106,624	65,579	2,098	311	226,053
Net technical provisions before risk margin	463	3,021	7,338	6,578	173	37	17,611
Risk margin	170	1,071	2,521	2,316	62	13	6,153
Net technical provisions	633	4,092	9,859	8,894	235	50	23,764

Technical provisions - 2024 \$000	Medical expense	Other motor	Marine, aviation and transport	Fire and other damage to property	General liability	Credit and suretyship insurance	Non-Prop. Property	Total
Premium provisions	—	—	72	4,093	713	1,005	—	5,883
Claims provisions	1,942	519	55,726	115,639	85,023	2,380	529	261,758
Gross Best estimate	1,942	519	55,798	119,732	85,736	3,385	529	267,641
Reinsurance	1,170	452	44,715	98,793	72,695	2,700	500	221,025
Net technical provisions before risk margin	772	67	11,083	20,939	13,041	685	29	46,616
Risk margin	174	2	1,081	1,165	5,559	305	—	8,286
Net technical provisions	946	69	12,164	22,104	18,600	990	29	54,902

D.2.1 Claims provision

The claims provision is the discounted best estimate of all future cash flows (claim payments, expenses and future premiums) relating to claim events prior to the valuation date.

Claims Provision	
Expected present value of:	
Past exposure	Claims (incurred) + Allocated and unallocated claims management expenses + Other Expenses (earned element) - Future premiums receivable (earned element)

Claims incurred mainly comprises case reserves and IBNR claims.

D.2.1.1 Case reserves and IBNR

Case reserves

Case reserves are made on an individual case basis and are based on the estimated cost of all claims reported but not settled by the balance sheet date.

IBNR

IBNR is generally subject to a greater degree of uncertainty than reported claims. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility. In calculating the estimated cost of unpaid claims, the Company uses a variety of estimation techniques. In the initial years, the estimation of the claims will be based on pricing assumptions and comparison to industry benchmarks. Once adequate data is available, the estimation is generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in Company processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with statistics from previous periods;
- changes in the legal environment;

- the effects of inflation;
- changes in the mix of business;
- the impact of large losses; and
- any movements in industry benchmarks.

A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims. In estimating the cost of these the Company has regard to the claim circumstance as reported, any information available from loss adjusters and any available information on the cost of settling claims with similar characteristics.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distorting effect of the development and incidence of these large claims.

Provisions are calculated net of any estimated amounts of salvage and subrogation recoveries, but gross of any reinsurance recoveries.

The technical provisions are not discounted under LIE GAAP. Under Solvency II the technical provisions are adjusted for the probability weighted average of future cash flows taking into account the time value of money based on the currency of the reserves and the prescribed EIOPA risk-free yield curve.

D.2.1.2 Provision for unearned premium

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date computed separately for each insurance contract. Written premiums are recognised as earned over the period of the policy on a time apportionment basis having regard, where appropriate, to the incidence of risk. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums. Unearned outwards reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

UPR is eliminated from the balance sheet and replaced with a provision accounted for on a best estimate basis taking account of all the cash flows (i.e. losses and premium debtors) relating to unearned business. When considering which cashflows to include in the calculation of outwards reinsurance premium and recoveries in the best estimate underlying technical provisions, the Company's key principle is to ensure these are consistent with the inwards policies included in the same valuation subject to certain specific rules on recognising legally obliged reinsurance contracts.

D.2.1.3 Future Premium Cashflow

The Solvency II guidance requires that the best estimate calculation should take account of projections for all potential cash inflows and outflows required to settle insurance / reinsurance obligations. This includes premiums paid in instalments and due in the future (not-yet-due premiums).

The same principle is applied for outwards reinsurance – with reinsurance creditors payable with a due date post the balance sheet date recognised in the reinsurance claims provision to the extent they relate to an earned exposure and the premium provision where they relate to unearned exposure.

D.2.1.4 Events Not in Data

Solvency II best estimates should make an allowance for "all possible events" – this should include high severity, low probability claims. ENIDs are not explicitly modelled as part of the reserving process. The Company performs a separate analysis once a year to derive an ENID event load

which is applied to the best estimate reserves and is dependent on the perceived risk within lines of business.

D.2.1.5 Loss adjustment expenses

The Solvency II expense provision includes more costs than the LIE GAAP current unallocated loss adjustment expenses provision as it specifically includes overheads, administrative expenses and investment management expenses.

The Solvency II guidance requires that the best estimate includes all cash flows arising from expenses that will be incurred servicing existing policies during their lifetime. Allocated loss adjustment expenses directly assignable to individual claims are included in the claims and premium provision. Solvency II guidance details the following examples of expenses that will be incurred servicing all obligations from existing insurance and reinsurance contracts:

- administrative expenses;
- investment management expenses;
- claims management expenses / handling expenses; and
- acquisition expenses including commissions.

Expenses include both overhead expenses and expenses which are directly assignable to individual claims, policies or transactions.

D.2.1.6 Counterparty default

Solvency II requires inclusion of a provision for non-receipt of reinsurance recoveries whether caused by default or dispute. The probability of counterparty default is set based on S&P credit ratings.

D.2.2 Premium provision

The premium provision is the discounted best estimate of all future cash flows (claim payments, expenses and future premiums) relating to future exposure arising out of policies that are legally obliged at the valuation date. The premium provisions amount is derived from unearned incepted business and unincepted business.

	Premium Provision						
	Expected present value of:						
Future exposure	Claims (unexpired)	+	Allocated and unallocated claims management expenses	+	Other Expenses (unearned element)	-	Future premiums receivable (unearned element)

D.2.3 Risk margin

The SII Directive requires that the risk margin should be calculated at a level such that the value of the risk margin is equivalent to the amount insurance and reinsurance undertakings would expect to require in order to take over and meet the insurance and reinsurance obligations. This is calculated using a "cost of capital" approach using a cost of capital rate as determined by EIOPA (currently prescribed at 6%). The following steps are followed in calculating the risk margin:

- i. First, a proxy SCR is calculated in respect of the opening balance sheet, with the proxy SCR incorporating SCRs for reserve risk, counterparty default risk and operational risk, all calculated in accordance with EIOPA's guidelines. Market risk is not considered in the risk

- margin as the calculation assumes (based on EIOPA guidance) that a potential acquirer would structure its assets in such a way to minimise market risk.
- ii. Proxy SCRs are derived for future balance sheets by assuming that the SCR runs off in line with the square root of reserves. The reserves in each future period are estimated by applying the relevant payment patterns to the opening balance sheet.
 - iii. EIOPA prescribed cost of capital of 6% is applied to the resulting stream of SCRs.
 - iv. The resulting stream is then discounted using the EIOPA prescribed spot-rate risk-free yield curve for USD and assumed to derive the opening balance sheet risk margin. The USD curve is used because this is the Company's reporting currency and majority of the business is USD denominated.

D.2.4 Other technical provision information

The table below shows the adjustments made to the LIE GAAP technical provisions to estimate the Solvency II technical provisions and the movement in technical provisions year on year.

Reconciliation (LIE GAAP to SII) \$000	2025	2024	Movement in TPs
LIE GAAP Net Reserves	15,138	7,917	7,221
Removal of UPR	(315)	(948)	633
Premium provision	197	291	(94)
Provision for ENIDs	346	164	182
Debtor and Creditor not yet due reclassification	88	27,187	(27,099)
Provision for additional expenses	3,545	16,281	(12,736)
Discounting	(1,375)	(4,259)	2,884
Provision for risk margin	6,153	8,286	(2,133)
Other adjustments	(13)	(17)	4
SII Net Technical Provisions	23,764	54,902	(31,138)

The adjustments made between the LIE GAAP net reserves and the SII net technical provisions are consistent for all lines of business.

The Company does not use any of the following methodologies outlined in Directive 2009/13/EC in determining its technical provisions:

- a) Matching adjustment referred to in Article 77b of the Directive;
- b) Volatility adjustment referred to in Article 77d of the Directive;
- c) Transitional risk-free interest rate-term structure referred to in Article 308c; and
- d) Transitional deduction referred to in Article 308d.

A review of ENID Loads was conducted at Q4 2025, but this led to no changes in ENID Loads by Reserving Class.

The annual reserve review at Q2 2025 led to an update to the gross claims payment patterns by Reserving Class.

There were no material changes in the relevant assumptions made in the calculation of technical provisions compared to the previous reporting period.

D.3 Other Liabilities

D.3.1 Insurance and intermediaries payables

Insurance and intermediaries' payables relate to creditors arising out of direct insurance operations. Under LIE GAAP insurance and intermediary payables are held at amortised cost. Given the short-term maturity of these liabilities, this is considered to be a close approximation to fair value.

There has been no change in recognition or valuation basis during the year however the Company has reclassified some balances during the year from Reinsurance Payables which related to Insurance operations and are more accurately reflected in this line item.

D.3.2 Reinsurance payables

Reinsurance payables relate to amounts due to reinsurers for reinsurance arrangements purchased by the Company.

Under LIE GAAP, payables are valued at undiscounted amortised cost.

As required in the Solvency II guidance, the portion of reinsurance payables that are not yet due at the reporting date, are transferred to technical provisions in the Solvency II balance sheet whilst the amount over-due remains within 'reinsurance payables' in the Solvency II balance sheet.

The overdue reinsurance payables are materially due within 12 months, the LIE GAAP valuation policy is considered to be a close approximation to fair value, and therefore no valuation adjustments are made for Solvency II reporting purposes.

There has been no change in recognition or valuation basis during the year.

D.3.3 Payables (trade, not insurance)

The Company values payables at undiscounted amortised cost. Given the short-term maturity of these liabilities, the LIE GAAP valuation policy is considered to be a close approximation to fair value, and therefore no adjustments are made for Solvency II valuation purposes.

There has been no change in recognition or valuation basis during the year.

D.3.4 Any other liabilities

Other liabilities mainly relate to accruals and balances due to other related companies. Other liabilities are held at amortised cost under LIE GAAP. Given the short-term maturity of these liabilities, the LIE GAAP valuation policy is considered to be a close approximation to fair value, and therefore no adjustments are made for Solvency II valuation purposes.

There has been no change in recognition or valuation basis during the year.

D.4 Alternative methods of valuation

All methods of valuation have been outlined in the preceding sections and no other valuation methods of valuation have been adopted.

Below is a summary of assets and liabilities that have been valued using an alternative method of valuation.

All the assets and liabilities below have been valued at their carrying value as they are expected to be received or paid within 1 year, hence any discounting would be immaterial.

Account Name \$000	Amount	Section covered
Insurance and intermediary receivables	162	D.1.3
Reinsurance receivables	18,088	D.1.4
Receivables (trade, not insurance)	1,341	D.1.5
Any other assets	6,502	D.1.7
Insurance and intermediaries payables	3,128	D.3.1
Reinsurance payables	3,100	D.3.2
Payables (trade, not insurance)	693	D.3.3
Any other liabilities	608	D.3.4

D.5 Any other information

All material information has been disclosed in the preceding sections.

Section E Capital Management

E.1 Own Funds

E.1.1 Objectives, policies and processes employed by SISE for managing its own funds

The Company's capital management framework and associated policies and processes are designed to meet the following objectives:

- to maintain financial strength in adverse conditions;
- to give customers long-term confidence in the Company;
- to satisfy our regulatory obligations; and
- to match the profile of our assets and liabilities, taking account of the risk inherent in the business.

The Company complies with the regulatory solvency requirements and, where necessary, reviews its solvency needs in accordance with regulatory requirements. The Company adopts conventional actuarial and other methods to assess the risks to its solvency on a forward-looking basis. The Company's capital management strategy is to deploy capital efficiently and to maintain adequate loss reserves to protect against future adverse developments and other risks. Reinsurance is also used as part of risk mitigation and capital management.

The Company monitors projected own funds against the SCR requirement over a three-year time horizon using conservative performance assumptions.

Based on projections for the next 3 years, the company's own funds are expected to exceed its SCR and SISE's higher target level of capital over the three-year projection period.

The Company's solvency position is set out in the table below:

SISE Solvency Position \$000	2025	2024
Eligible Own Funds to meet the SCR	109,514	141,542
SCR	32,148	33,123
Eligible Own Funds to meet the MCR	95,047	126,637
MCR	8,037	8,281
Ratio of Own funds to SCR	341%	427%
Ratio of Own funds to MCR	1183%	1529%

E.1.2 Structure, amount and quality of own funds at the end of the reporting period and analysis of changes over the reporting period

The Company's own funds is analysed in the following extract from the own funds QRT as at 31 December 2025 (S.23.01).

Total Basic Own Funds - 2025		Tier 1	Tier 1	
\$000	Total	Unrestricted	Restricted	Tier 2
Ordinary Share Capital	140,393	140,393	—	—
Preference Shares	50,000	—	50,000	—
Reconciliation Reserve	(65,641)	(65,641)	—	—
Total basic own funds after deductions	124,752	74,752	50,000	—
Total eligible own funds to meet the SCR	109,514	74,752	18,688	16,074
Total eligible own funds to meet the MCR	95,047	74,752	18,688	1,607

Total Basic Own Funds - 2024		Tier 1	Tier 1	
\$000	Total	Unrestricted	Restricted	Tier 2
Ordinary Share Capital	140,393	140,393	—	—
Preference Shares	50,000	—	50,000	—
Reconciliation Reserve	(40,408)	(40,408)	—	—
Total basic own funds after deductions	149,985	98,891	50,000	—
Total eligible own funds to meet the SCR	141,543	99,985	24,996	16,562
Total eligible own funds to meet the MCR	126,637	99,985	24,996	1,656

Own funds are classified into three tiers (Tier 1, 2 and 3). The classification depends on whether they are basic own fund or ancillary own fund items and the extent to which they possess the following characteristics:

- The item is available, or can be called upon on demand, to fully absorb losses on a going concern basis, as well as in the case of winding up (permanent availability); and
- In the case of winding up, the total amount of the item is available to absorb losses and the repayment of the item is refused to its holder until all the obligations towards policy holders and beneficiaries of insurance and reinsurance contracts, have been met (subordination).

The Company's available own fund items have been classified as Tier 1 basic own funds as they are of high quality and are available to absorb losses to enable the Company to continue as a going concern.

Ordinary share capital and the reconciliation reserve are classified as unrestricted Tier 1 within basic own funds and preference shares have been classified as restricted Tier 1. The preference shares qualified as Upper Tier 2 capital under the Solvency I regime but did not meet the full criteria set out in the Solvency II Delegated Regulation to be treated as either Tier 1 or Tier 2 capital under Solvency II. The preference shares have transitioned into Solvency II as restricted Tier 1 own funds in accordance with Article 308b (9) of the Solvency II Directive. The transitional period ends on 31 December 2025. With effect from 1 January 2026, and in the absence of any restructuring, the preference shares would be classified as Tier 3 capital. The Company continues to evaluate potential options for the future treatment of the preference shares; however, based on current projections, the Company is expected to maintain a strong capital position with an SCR ratio in excess of 300% at 31 December 2026.

Eligible own funds have been classified as Tier 1 and Tier 2 i.e., some of the restricted Tier 1 amount has been reclassified to Tier 2. This is because only 20% of Tier 1 own funds can consist of hybrid capital items (restricted Tier 1 own funds), for example, preference shares. The excess over this 20% threshold is classified as Tier 2. In addition, in accordance with Article 82, Tier 2 capital cannot

exceed 50% of SCR. With the run-off of liabilities, SISE's SCR has fallen and therefore Tier 2 capital is capped reducing the Eligible Own Funds to meet the SCR.

In the case of Eligible Own Funds to meet MCR, at least 80% of the MCR should be covered by Tier 1 eligible own funds with the balance being Tier 2 Eligible Own Funds. The Available and Eligible Own Funds are made up of ordinary share capital, preference shares and the reconciliation reserve.

The reconciliation reserve relates to accumulated retained earnings as reported in the Company's LIE GAAP financial statements, net of adjustments for valuation differences between the LIE GAAP and Solvency II balance sheet and is therefore subject to volatility. These valuation differences are fully explained in **Section D** above. No adjustment has been made in the reconciliation reserve in respect of foreseeable dividends as none were payable subsequent to the year end. No dividends were paid during the year.

The Company's equity as reported in the audited financial statements was \$130.6m (2024: \$168.9m) compared to own funds as reported above on a Solvency II basis of \$124.8m (2024: \$150.0m). Details of the movement in basic own funds between 2024 and 2025 is shown in the table below:

\$000	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2
Basic own funds as at 31 December 2024	149,985	99,985	50,000	—
LIE GAAP financial statement net loss for the year after tax	(38,318)	(38,318)	—	—
Movement in Solvency II valuation differences	13,085	13,085	—	—
Basic own funds as at 31 December 2025	124,752	74,752	50,000	—

The Company's net assets / basic own funds on a Solvency II basis are \$5.8m (2024: \$18.9m) lower than a LIE GAAP basis. This is a decrease of \$13.1m compared to the prior year and is analysed between a decrease in investment valuation difference of \$1.8m and a decrease in valuation differences on technical provisions of \$11.3m both of which have had a positive impact on net assets / own funds on a Solvency II basis.

Valuation differences on investments relate to differences in the Solvency II fair value valuation basis and LIE GAAP lower of cost or market value basis. The increase in value of investments on a Solvency II basis compared to on an LIE GAAP basis has reduced by \$1.8m, driven as a result of an increase in the value of the investment fair value adjustment.

The net Solvency II adjustment to technical provisions decreased by \$11.3m to \$8.5m during the year (2024: \$19.8m). The movement is driven by:

- Lower Expense provision by \$12.7m (decrease)
- Lower impact of discounting by \$2.9m (increase)
- Lower risk margin by \$2.1m (decrease)
- Other valuation adjustments of \$(0.6)m (increase)

A full reconciliation of the Company's excess of assets over liabilities calculated on a Solvency II basis as at 31 December 2025 is provided in **Section D**.

E.1.3 Own fund items included under transitional arrangements under Solvency II

As explained in **Section E.1.2**, the preference shares are subject to transitional arrangements under Solvency II. With effect from 1 January 2026, the preference shares would be classified as Tier 3 own funds. Notwithstanding this, the Company's Own Funds are expected to exceed its SCR at this date. The Company is currently considering options for the restructure of the preference shares.

E.1.4 Ancillary own funds

The Company has not applied for FMA approval of any Ancillary Own Funds items and therefore no such items are included within own funds.

E.1.5 Own funds deductions

The Company does not have any ring-fenced funds and has not identified any other deductions or restrictions which need to be made to own funds.

E.2 SCR and MCR

The Company has complied with the capital requirements imposed by regulators throughout the financial year.

The SCR is determined with reference to the Standard Formula which has been determined to be appropriate given the nature of the Company's underlying risks. Furthermore, it is considered to be consistent and prudent when compared to the Company's Own Economic Assessment of Capital. The SCR is subject to supervisory assessment.

Based on projections for the next 3 years, the Supervisory Board has concluded that the Company's own funds are expected to exceed its SCR and MCR at all times over this time horizon.

The Company's SCR and MCR are summarised in the following table:

SCR & MCR	2025	2025	2024	2024	Variance
\$000	Value	%	Value	%	
Risk Categories					
Market risk	11,456	28%	13,825	33%	(2,369)
Counterparty default risk	12,908	32%	8,686	21%	4,222
Non-life underwriting risk	8,877	22%	11,745	28%	(2,868)
Health underwriting risk	73	—%	129	—%	(56)
Operational Risk	7,310	18%	7,643	18%	(333)
Undiversified Total	40,624	100%	42,028	100%	(9,909)
Diversification	(8,476)		(8,905)	—	429
SCR	32,148		33,123		(9,480)
MCR	8,037		8,281		(244)
Total eligible own funds to meet the SCR	109,514		141,542		(32,028)
Total eligible own funds to meet the MCR	95,047		126,637		(31,590)
Ratio of Eligible Own funds to SCR	341%		427%		
Ratio of Eligible Own funds to MCR	1183%		1529%		

The MCR represents the minimum level of security below which the amount of financial resources should not fall. The MCR is subject to an absolute minimum floor of a fixed Euro amount depending on the lines of business written. In addition, subject to not falling below the absolute floor, the MCR must be no less than 25% of the SCR and no more than 45% of the SCR.

The MCR is calculated as a linear function of the Company's net technical provisions and net written premiums. Pre-determined factors, as provided by EIOPA, are applied to the net technical provisions and net written premiums for each Solvency II line of business. The Company's calculated linear MCR is usually less than 25% of SCR (floor), but higher than the absolute floor of €4.0m. Hence the reported MCR is set at 25% of the SCR. The low level of MCR is as a result of the low net technical provisions and net written premiums due to high level of ceding to related reinsurers.

The FMA has not imposed any capital add-ons on the Company as set out in third subparagraph of Article 51 (2) of Directive 2009/138/EC.

The 2025 SCR has decreased by \$1.0m since 2024 from \$33.1m to \$32.1m. This is driven by a decrease in Underwriting risk as the Company continues to run-off along with a decrease in Market risk partially offset by an increase in Counterparty Default risk. These SCRs have been calculated using Barnett Waddingham's SIMPLIFY.

The analysis below shows the key movements since 2024 comparing against 2025:

Market Risk

Overall Market Risk has decreased by \$2.4m (17%). This is primarily driven by a decrease to Currency Risk and partially offset by an increase to Concentration Risk, these changes are described below. Spread Risk and Interest Rate Risk have low materiality reductions. Total investment assets have decreased by 9%.

- Currency Risk has decreased by \$2.9m (34%) due to a reduction in the mismatch for Euros where this was previously \$18m it is now \$4m. There is a small reduction in the mismatch for GBP c.\$3m which partially offsets this.
- Concentration Risk has increased significantly from \$0.3m to \$1.5m, 370%. This is due to increases in the holdings in the two largest counterparties, the only counterparties which currently receive a capital charge for concentration. The Federal Home Loan Mortgage Corporation has increased from 4% to 12% of the portfolio and the Federal National Mortgage Association has increased from 5% to 7%.
- Spread Risk reduces by \$0.2m (3%). This is due to a reduction in exposure of 7%. The risk reducing by less than the exposure reflects a lower relative exposure to interest rate movements in the underlying assets.
- Interest Rate Risk has reduced by \$0.1m (2%). This is primarily due to the lower yield curves but is partially offset by a higher surplus (assets minus liabilities) due to a reduction in technical provisions.

Counterparty Default Risk

Counterparty Default risk has increased by \$4.2m, driven by an increase in the exposure (sum of loss given defaults over counterparty) of 38%. Most notably the loss given default on CBRe has increased from \$111m to \$174m due to the collateralization commitment going above 60% (from 57.5% to 61%). The loss given default would reduce to \$97m if the collateralization was less than 60%. The collateralization commitment has been parameterised at a group level.

Insurance Risk (Non-life underwriting risk)

The standard formula calculation for Insurance Risk is based on a combination of Premium & Reserve Risk, CAT and Lapse Risk. There is a decrease in Insurance Risk of \$2.9m. The driver of this is a decrease in Premium & Reserve Risk partially offset by an increase in CAT Risk. Further detail on the Non-Life UW Risk is as follows:

- The decrease in the Not-Cat Premium and Reserve Risk is \$5.3m (63%). This is in line with the overall volume reduction of 63%. The net volume reduction of 63% is from a decrease of 9% to the gross claims provision and an increase of 2% to the RI claims provision. These different directions of movement are due to a change in reinsurance expenses, principally \$30m of ceded expenses to CBRe under the new contract. The reinsurance claims provision excluding expenses decreases by 10% (in line with gross).
- Catastrophe Risk has increased by \$1.3m, 21%. This is principally due to a \$1.8m increase in the Credit & Suretyship man-made risk. Previously all Credit & Suretyship claims were reinsured and so the SCR for this risk was only the estimated reinstatement premium. With the change to the CBRe contract, 10% of the residual losses after the external reinsurance are retained. Similarly, there is a \$750k increase to the Fire risk due to the change to the CBRe contract resulting in not all claims being reinsured. These increases have been partially offset by a reduction of \$0.7m (55%) in Natural Catastrophe risks.
- In line with 2024 there is no Lapse risk in 2025.

Health Risk

Health Risk has decreased by \$0.1m which is in line with the change in exposure.

Operational Risk

Operational Risk has decreased by \$0.3m (4%). Operational Risk is defined as the lower of 3% of gross Technical Provisions and 30% of BSCR. Last year the 30% of BSCR basis was used this year the 3% of Technical Provisions basis is lower. This change of basis means that whilst the Technical Provisions have reduced by 9% the change in Operational Risk is only 4%.

E.3 Duration-based equity risk sub-module to calculate the SCR

The Company is not using the duration-based equity risk sub-model set out in Article 304 of the Directive 2009/138/EC for the calculation of its SCR.

E.4 Difference between the standard formula and any internal model used

The Company does not use an internal model to determine its SCR.

E.5 Non-compliance with the MCR and non-compliance with the SCR

The Company remained compliant with the MCR and SCR throughout the year.

E.6 Any other information

There is no other information to report.

Glossary

Abbreviations	Description
3-LoD	Three Lines of Defence
ADC	Adverse Development Cover
BCP	Business Continuity Plan
BMA	Bermudan Monetary Authority
CAP	Compliance Assurance Program
Cavello Bay or CBRe	Cavello Bay Reinsurance Ltd (Enstar-owned reinsurer) previously known as Kayla Re Limited
COSO	Committee of Sponsoring Organizations of the Treadway Commission
Covid-19	Coronavirus pandemic
CRO	Chief Risk Officer
DAC	Deferred Acquisition Cost
EEA	European Economic Area
EEUL	Enstar (EU) Limited
EGL	Enstar Group Limited
EIOPA	European Insurance and Occupational Pensions Authority
ENIDs	Events Not in Data
EPIFP	Expected Profit Included in Future Premiums
ERM	Enterprise Risk Management
EUR	Euro
FCA	Financial Conduct Authority (UK Conduct Regulator)
F&P	Fit and Proper
FCRI	Future Cost of Reinsurance
FMA	Financial Market Authority of Liechtenstein
GBP	Great British Pound
HR	Human Resources
IBNR	Incurred But Not Reported
KFH	Key Function Holders
LIE GAAP	Liechtenstein Generally Accepted Accounting Principles
MCR	Minimum Capital Requirement
MSA	Master Service Agreement
OCS	Office of the Corporate Secretary
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulatory Authority (UK Prudential Regulator)
QRT	Quantitative Reporting Template
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SFL	StarStone Finance Limited
SII	Solvency II
SISE	StarStone Insurance SE
SISL	StarStone Insurance Services Limited
SME	Subject Matter Expert
SROR	Supervised Run-Off Regime
SSHL	StarStone Specialty Holdings Limited
TPA	Third Party Agent
UPR	Unearned Premium Reserve
USD	United States Dollars

Appendix A: Quantitative Reporting Templates

General information

Undertaking name	StarStone Insurance SE
Undertaking identification code	213800VYKIQLKVSXWQ46
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	LI
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02
Balance sheet

	Solvency II value
	C0010
Assets	
R0030 Intangible assets	
R0040 Deferred tax assets	
R0050 Pension benefit surplus	
R0060 Property, plant & equipment held for own use	0
R0070 Investments (other than assets held for index-linked and unit-linked contracts)	124,612
R0080 <i>Property (other than for own use)</i>	0
R0090 <i>Holdings in related undertakings, including participations</i>	0
R0100 <i>Equities</i>	0
R0110 <i>Equities - listed</i>	
R0120 <i>Equities - unlisted</i>	
R0130 <i>Bonds</i>	117,870
R0140 <i>Government Bonds</i>	10,202
R0150 <i>Corporate Bonds</i>	80,065
R0160 <i>Structured notes</i>	0
R0170 <i>Collateralised securities</i>	27,603
R0180 <i>Collective Investments Undertakings</i>	6,742
R0190 <i>Derivatives</i>	
R0200 <i>Deposits other than cash equivalents</i>	0
R0210 <i>Other investments</i>	0
R0220 Assets held for index-linked and unit-linked contracts	
R0230 Loans and mortgages	0
R0240 <i>Loans on policies</i>	
R0250 <i>Loans and mortgages to individuals</i>	
R0260 <i>Other loans and mortgages</i>	
R0270 Reinsurance recoverables from:	226,053
R0280 <i>Non-life and health similar to non-life</i>	226,053
R0290 <i>Non-life excluding health</i>	222,135
R0300 <i>Health similar to non-life</i>	3,918
R0310 <i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320 <i>Health similar to life</i>	
R0330 <i>Life excluding health and index-linked and unit-linked</i>	
R0340 <i>Life index-linked and unit-linked</i>	
R0350 Deposits to cedants	0
R0360 Insurance and intermediaries receivables	162
R0370 Reinsurance receivables	18,088
R0380 Receivables (trade, not insurance)	1,341
R0390 Own shares (held directly)	
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	5,340
R0420 Any other assets, not elsewhere shown	6,502
R0500 Total assets	382,098

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	249,817
R0520	<i>Technical provisions - non-life (excluding health)</i>	245,266
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	239,282
R0550	<i>Risk margin</i>	5,983
R0560	<i>Technical provisions - health (similar to non-life)</i>	4,551
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	4,381
R0590	<i>Risk margin</i>	170
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	3,128
R0830	Reinsurance payables	3,100
R0840	Payables (trade, not insurance)	693
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	608
R0900	Total liabilities	257,346
R1000	Excess of assets over liabilities	124,752

S.04.05.21

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

Home Country	Top 5 countries (by amount of gross premiums written): non-life						
	DE	GB	IT	AU	HK		
R0010							
	C0010	C0020	C0021	C0022	C0023	C0024	
	Premiums written (gross)						
R0020	Gross Written Premium (direct)	0	1,048	836	0	92	79
R0021	Gross Written Premium (proportional reinsurance)	0	0	15	161	0	0
R0022	Gross Written Premium (non-proportional reinsurance)	0	0	0	0	0	0
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)	0	1,368	1,086	0	707	92
R0031	Gross Earned Premium (proportional reinsurance)	0	21	168	224	3	0
R0032	Gross Earned Premium (non-proportional reinsurance)	0	0	0	0	0	0
	Claims incurred (gross)						
R0040	Claims incurred (direct)	256	-6,718	5,186	-272	1,937	-2
R0041	Claims incurred (proportional reinsurance)	0	-122	-3,254	266	-79	0
R0042	Claims incurred (non-proportional reinsurance)	0	0	-3	0	-169	0
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	0	2,633	1,486	218	1,213	177
R0051	Gross Expenses Incurred (proportional reinsurance)	0	48	932	213	50	0
R0052	Gross Expenses Incurred (non-proportional reinsurance)	0	0	1	0	106	0

5.05.01.02
Premiums, claims and expenses by line of business
Non-life

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Line of business for: accepted	Total
	Medical expense insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Property	
	C0010	C0050	C0060	C0070	C0080	C0090	C0160	C0200
Premiums written								
R0110 Gross - Direct Business	261	0	788	947	0	82		2,078
R0120 Gross - Proportional reinsurance accepted	0	0	0	15	0	83		98
R0130 Gross - Non-proportional reinsurance accepted							0	0
R0140 Reinsurers' share	4,626	0	27,891	65,734	61,446	2,073	352	162,123
R0200 Net	-4,365	0	-27,104	-64,771	-61,446	-1,908	-352	-159,947
Premiums earned								
R0210 Gross - Direct Business	261	0	861	2,034	293	275		3,726
R0220 Gross - Proportional reinsurance accepted	0	0	13	1,335	-1	402		1,749
R0230 Gross - Non-proportional reinsurance accepted							0	0
R0240 Reinsurers' share	4,626	0	27,989	67,660	61,607	2,553	352	164,787
R0300 Net	-4,365	0	-27,115	-64,291	-61,315	-1,876	-352	-159,314
Claims incurred								
R0310 Gross - Direct Business	1,619	0	1,421	6,086	-18,694	-1,245		-10,813
R0320 Gross - Proportional reinsurance accepted	-18	0	1,684	2,983	331	262		5,242
R0330 Gross - Non-proportional reinsurance accepted							-180	-180
R0340 Reinsurers' share	4,733	0	23,609	58,428	30,165	682	92	117,709
R0400 Net	-3,132	0	-20,504	-49,359	-48,528	-1,665	-272	-123,460
Expenses incurred								
R0550 Expenses incurred	466	0	822	3,022	5,767	429	55	10,561
R1210 Balance - other technical expenses/income								
R1300 Total technical expenses								10,561

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						Accepted non-	Total Non-Life obligation
		Medical expense insurance	Other motor insurance	Marine, aviation and	Fire and other damage to	General liability insurance	Credit and suretyship insurance	Non-proportional property	
		C0020	C0060	C0070	C0080	C0090	C0100	C0170	
R0010	Technical provisions calculated as a whole	0	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole								0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
R0060	Gross	0	0	17	1,669	642	744	0	3,072
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	16	1,554	575	686	0	2,831
R0150	Net Best Estimate of Premium Provisions	0	0	2	115	66	58	0	241
Claims provisions									
R0160	Gross	4,381	0	50,528	112,293	71,515	1,527	348	240,592
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	3,918	0	47,508	105,070	65,003	1,412	311	223,222
R0250	Net Best Estimate of Claims Provisions	463	0	3,020	7,224	6,511	115	37	17,370
R0260	Total best estimate - gross	4,381	0	50,545	113,962	72,157	2,271	348	243,664
R0270	Total best estimate - net	463	0	3,021	7,338	6,578	173	37	17,611
R0280	Risk margin	170	0	1,071	2,521	2,316	62	13	6,153
R0320	Technical provisions - total	4,551	0	51,616	116,483	74,473	2,333	361	249,817
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	3,918	0	47,524	106,624	65,579	2,098	311	226,053
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	633	0	4,092	9,859	8,894	235	50	23,764

S.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	Development year						C0100	C0110	C0170 In Current year	C0180 Sum of years (cumulative)
					0	1	2	3	4	5				
R0100	Prior												13,744	13,744
R0160	-9	4,780	18,313	17,755	12,295	10,604	6,025	8,512	2,924	5,275	9,494		9,494	95,977
R0170	-8	4,683	43,716	27,214	30,698	11,491	7,948	8,053	15,067	3,133			3,133	152,001
R0180	-7	11,672	61,363	34,263	17,668	21,553	30,687	19,157	12,010				12,010	208,372
R0190	-6	7,646	37,636	21,262	6,873	6,840	4,962	3,543					3,543	88,762
R0200	-5	8,515	17,171	9,663	8,762	3,953	4,823						4,823	52,888
R0210	-4	0	0	0	0	0							0	0
R0220	-3	0	0	0	0								0	0
R0230	-2	0	0	0									0	0
R0240	-1	0	0										0	0
R0250	0	0											0	0
R0260													0	0
	Total											46,747	611,745	

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	C0200	C0210	C0220	C0230	Development year						C0300	C0360 Year end (discounted data)	
					0	1	2	3	4	5			6
R0100	Prior											100,126	93,972
R0160	-9	21,430	18,185	51,237	52,441	56,860	54,102	48,431	39,506	33,357	33,576		31,049
R0170	-8	20,886	80,473	84,748	64,791	71,838	56,979	51,410	38,570	39,863			36,577
R0180	-7	52,285	123,127	121,866	105,021	102,526	78,522	48,285	44,116				40,821
R0190	-6	48,498	95,814	64,485	49,635	37,916	26,252	25,191					22,934
R0200	-5	58,132	53,473	29,720	24,737	15,708	16,926						15,238
R0210	-4	0	0	0	0	0							0
R0220	-3	0	0	0	0								0
R0230	-2	0	0	0									0
R0240	-1	0	0										0
R0250	0	0											0
R0260													0
	Total											240,592	

5.23.01.01
Own Funds
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above

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
R0230 Deductions for participations in financial and credit institutions
R0290 Total basic own funds after deductions
Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580 SCR
R0600 MCR
R0620 Ratio of Eligible own funds to SCR
R0640 Ratio of Eligible own funds to MCR
Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
140,393	140,393		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
50,000		50,000	0	0
0		0	0	0
-65,641	-65,641			
0		0	0	0
0				
0	0	0	0	0
0				
0				
124,752	74,752	50,000	0	0
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
124,752	74,752	50,000	0	0
124,752	74,752	50,000	0	
109,514	74,752	18,688	16,074	0
95,047	74,752	18,688	1,607	
32,148				
8,037				
340,663				
1182,633				
C0060				
124,752				
0				
190,393				
0				
-65,641				
0				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	11,456		
R0020 Counterparty default risk	12,908		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	73		
R0050 Non-life underwriting risk	8,877		
R0060 Diversification	-8,476		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	24,838		
	Calculation of Solvency Capital Requirement		
R0130 Operational risk	7,310		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	32,148		
R0210 Capital add-ons already set	0		
R0211 <i>of which, capital add-ons already set - Article 37 (1) Type a</i>	0		
R0212 <i>of which, capital add-ons already set - Article 37 (1) Type b</i>	0		
R0213 <i>of which, capital add-ons already set - Article 37 (1) Type c</i>	0		
R0214 <i>of which, capital add-ons already set - Article 37 (1) Type d</i>	0		
R0220 Solvency capital requirement	32,148		
	Other information on SCR		
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
	Yes/No		
	C0109		
R0590 Approach based on average tax rate	No		
	LAC DT		
	C0130		
R0640 LAC DT	0		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

5.28.01.01

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	1,738		
			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		463	0
R0030	Income protection insurance and proportional reinsurance		0	
R0040	Workers' compensation insurance and proportional reinsurance		0	
R0050	Motor vehicle liability insurance and proportional reinsurance		0	
R0060	Other motor insurance and proportional reinsurance		0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance		3,022	0
R0080	Fire and other damage to property insurance and proportional reinsurance		7,339	0
R0090	General liability insurance and proportional reinsurance		6,578	0
R0100	Credit and suretyship insurance and proportional reinsurance		173	0
R0110	Legal expenses insurance and proportional reinsurance		0	
R0120	Assistance and proportional reinsurance		0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance		0	
R0140	Non-proportional health reinsurance		0	
R0150	Non-proportional casualty reinsurance		0	
R0160	Non-proportional marine, aviation and transport reinsurance		0	
R0170	Non-proportional property reinsurance		37	0
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	1,738		
R0310	SCR	32,148		
R0320	MCR cap	14,467		
R0330	MCR floor	8,037		
R0340	Combined MCR	8,037		
R0350	Absolute floor of the MCR	4,622		
R0400	Minimum Capital Requirement	8,037		

Appendix B: Version Control

Version	Key Updates	Responsible	Date
1.0	Board approval	Board	31 March 2026
