XL Re Europe SE

AN AXA GROUP COMPANY

Solvency and Financial Condition Report

Year Ended

31 December 2025

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Directors' Statement

The Board of directors of XL Re Europe SE ("the Board") acknowledges its responsibility for ensuring that this Solvency and Financial Condition Report ("SFCR") has been properly prepared in all material respects in accordance with the Central Bank of Ireland ("CBI") rules and Solvency II regulations. The Board confirms that there is a written Solvency II Public Disclosure & Private Reporting Policy in place to ensure the ongoing appropriateness of any information disclosed. The Board is satisfied that:

a. throughout the financial year in question, XL Re Europe SE ("the Company" or "XLReE") has complied in all material respects with the requirements of the CBI rules and Solvency II regulations as applicable to the Company; and

b. it is reasonable to believe that, at the date of the publication of the SFCR, the Company has continued to comply, and will continue to comply in future.

By order of the Board



B. Romagne

Director

02 April 2026

Summary

Unless otherwise stated, all amounts in this report are presented in thousands of Euro (€'000), with the Euro being the Company's reporting currency in the Financial Statements. This includes the Quantitative Reporting Templates ("QRTs") included in Section E. This may result in a limited number of immaterial rounding differences in the report. Comparative figures and commentary have been disclosed where appropriate.

The Company's ultimate owner is AXA S.A. ("AXA"). AXA will publish its Group Financial Condition Report by 19 May, 2026, and a copy will be available on the AXA website (https://www.axa.com/). Any references to AXA Group refer to AXA S.A. together with its direct and indirect subsidiaries.

The Company operates under the AXA XL brand.

Business and performance

The Company is a member of the AXA XL division within AXA and became a member of the AXA Group ("the Group") in 2018. AXA XL, through its operating carriers, is a global insurance and reinsurance group of companies and other enterprises situated around the world.

AXA XL's operating entities underwrite both insurance and reinsurance ("RI") business within its Property and Casualty ("P&C") business segment. The P&C segment is structured into two segments; Insurance and Reinsurance, of which the Company forms a part of the reinsurance segment.

Further details of the Company's business and performance are provided in Section A below. Additional information on AXA Group's performance is contained in AXA's Annual Report for the year ended 31 December 2025. A link to the 2025 earnings presentation is here.

The Company, formerly XL Re Europe Limited, was incorporated in Ireland on 10 July 2006. Its principal activity is writing non-life reinsurance business together with the orderly winding down of its life reinsurance business. The business conducted is primarily International Property, US and International Casualty, Credit and Surety, Property Facultative and Specialty (including Marine and Energy, and Aviation) coverage.

The Company underwrites business predominately originating in Europe alongside other reinsurance centres including the US, the Middle East, Latin America, Asia and Australia.

In 2025, the Company generated non-life gross written premium ("GWP") of €1,773.5m, increasing from €1,583.1m in 2024. This growth was driven primarily by premium trends and favourable rate changes despite evidence of softening market conditions. Share change also contributes to this growth, aligning with the Company's strategic goal to increase relevance and become more influential with key clients. The Company continued to focus on geographic and line diversification, aligned with its strategic objectives.

The Company achieved a combined ratio of 95.8% (2024: 98.3%) as XLReE reports a positive balance on its non-life technical account of €20m (2024: €8m profit). The acquisition ratio went from 27% in the prior year to 30% in 2025, the slight increase in commissions reflecting the business mix. However, the loss ratio has decreased from 71% in the prior year to 66% in 2025 illustrating the Company's disciplined underwriting approach, specifically in relation to the reduction of Property Catastrophe risk in recent years.

The Company is continuing with the orderly winding down of its life reinsurance business.

During the year, the investment portfolio has produced favourable results of €69m (2024: €60m profit) primarily due to macroeconomic conditions. Combined with the impact of foreign exchange gains of €62m (2024: €49m losses) the Company has seen an overall profit for the year, after tax, of €97m which is favourable in comparison to last year (2024: €2.9m loss).

In 2026, the Company expects to continue the trend of growth in non-life gross written premium and geographical diversification, despite the market headwinds.The focus will be to grow on core clients and markets and reduce – where relevant - the small client relationships in order to deliver a less fragmented portfolio.

System of governance

The Company is authorised by the CBI to undertake the business of non-life and life reinsurance in accordance with the European Union (Insurance and Reinsurance) Regulations, 2015 ("Solvency II Regulation" or "SII Regulation"). It has established branch operations in London, Le Mans, Zurich, Dubai and Singapore.

The Board has ultimate responsibility for, and is committed to, effective corporate governance and has established a comprehensive governance and risk management framework ("RMF") for the Company's operations. The Company's governance framework begins with the Board and its two Board sub-committees, an Audit Committee and a Risk Management Committee ("RMC"). The delegation of certain responsibilities from the Board to these two sub-committees is complemented by the additional delegation of responsibility to the Executive & Outsourcing Committee ("ExCo") and to senior management under written terms of reference. The Company's risk management, compliance, internal audit and actuarial functions are the key control functions in its system of governance. These four functions and other critical or important functions, such as underwriting, claims management, finance and investment management, operate in accordance with written policies, which are reviewed regularly.

The Company's internal control framework operates according to a "Three Lines of Defence" model where (1) the business, (2) risk management, compliance and actuarial functions and (3) internal audit function work together to ensure that risk management is effective.

The internal control framework ensures that risk appetites and risk limits can be effectively monitored and managed, establishes risk policies, identifies and manages the risks to the Company's objectives and monitors the capital requirements. All of this is captured by the RMF and the Own Risk and Solvency Assessment ("ORSA") activities that are carried out throughout the year with oversight by the Board. The Company is supported by several group-wide processes in the achievement of its risk management objectives.

The Company calculates its Solvency Capital Requirement ("SCR") using the Standard Formula ("SF").

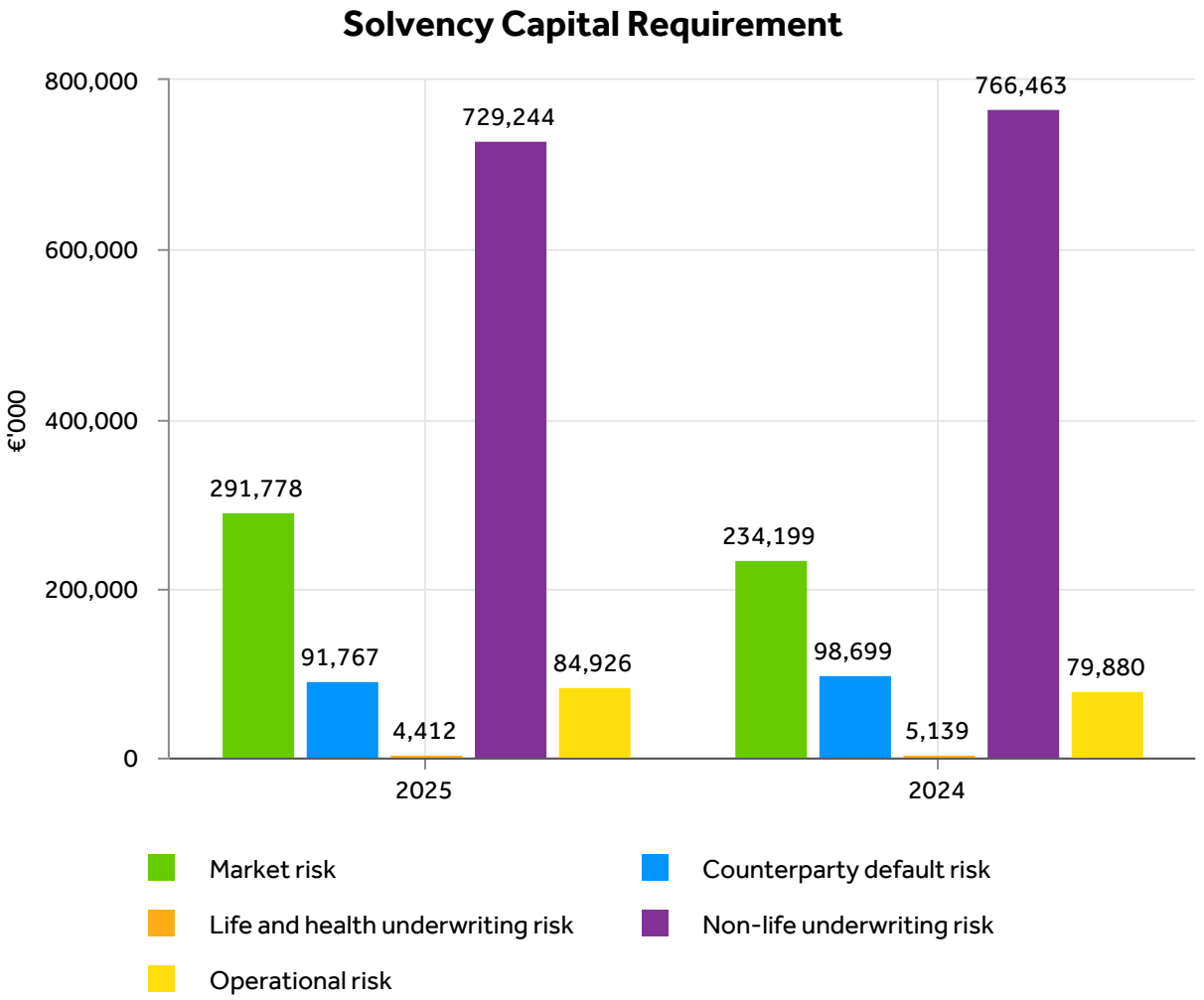
Further details of the Company's systems of governance are provided in Section B below.

Over the course of 2025, the membership of the Board reduced to five and as permitted under the Corporate Governance Requirements for Insurance Undertakings, 2015, the Board also sits as the Risk Management Committee and the Audit Committee. There were changes to the Company's Board of directors during the reporting period with the resignation of Ms Corinne Vitrac as Chair of the Board and Non-Executive director on 27 February 2025. Mr Mike Frazer was appointed as Interim Chair of the Board and Risk Management Committee in 01 April 2025 and Chair of the Board and Risk Management Committee on 14 July 2025. Following the retirement of Mr Alexandre Barrage as a director on 31 December 2025, Mr Ronan Redmond was appointed a director with effect from 1 January 2026. See section B.1.1 for more information on these changes.

No other material changes were made to the Company's system of governance during or since the end of the reporting period.

Risk profile

The key risks, excluding diversification and the loss absorbing capacity of deferred taxes, within the SCR are shown below:



See the Capital Management section of the Summary for commentary on the main drivers.

The risk profile of the Company is dominated by non-life reinsurance underwriting risk. Underwriting and loss experience is reviewed regularly for, among other things, loss trends, emerging exposures, changes in the regulatory or legal environment as well as the efficacy of policy terms and conditions. Underwriting risk is also identified through:

- Business planning;
- Underwriting processes (including guidelines and escalation authorities);
- Reserving and claims processes;
- Enterprise Risk Management ("ERM") risk assessment processes; and
- The use of Realistic Disaster Scenario's ("RDS") and other scenarios.

Non-life underwriting risk is the largest component of the SF SCR and is mainly driven from:

- Premium and reserve risk, driven by earned premiums, forecast premiums and claims provisions of non-life business lines; and

- Catastrophe ("CAT") risk, driven by the Company's exposure to both man-made CAT and natural catastrophe ("Nat Cat") risks.

Underwriting risk is mitigated through the purchase of reinsurance, controls over actuarial pricing and reserving, rating adequacy and underwriting authorities and guidelines.

Market risk for the Company is driven primarily by spread risk from investments in bonds and securitised assets and currency risk from the asset liability currency mix. In addition, there are risk charges from the investment in equities, property funds and hedge funds.

The Company is exposed to counterparty risks in the form of cash deposits, recoveries from reinsurers, funds withheld, receivables from intermediaries, policyholders and other debtors.

Operational risk is driven by technical provisions and earned premiums on all lines of business.

All other risk categories are less significant to the Company.

Further information on each separate category of risk can be found in detail in Section C below, including a description of the measures used to assess these risks and a description of the material risks which the Company is exposed to.

Valuation for solvency purposes

An analysis of the valuation of non-technical assets and liabilities in the Solvency II ("SII") balance sheet, together with the recognition and valuation bases applied, is provided in Sections D.1 and D.3.

Section D.2 discloses the value of technical provisions as well as a description of the bases, methods and main assumptions used for their valuation for solvency purposes.

No significant changes were made to the recognition and valuation bases applied to assets or liabilities during the year.

Capital management

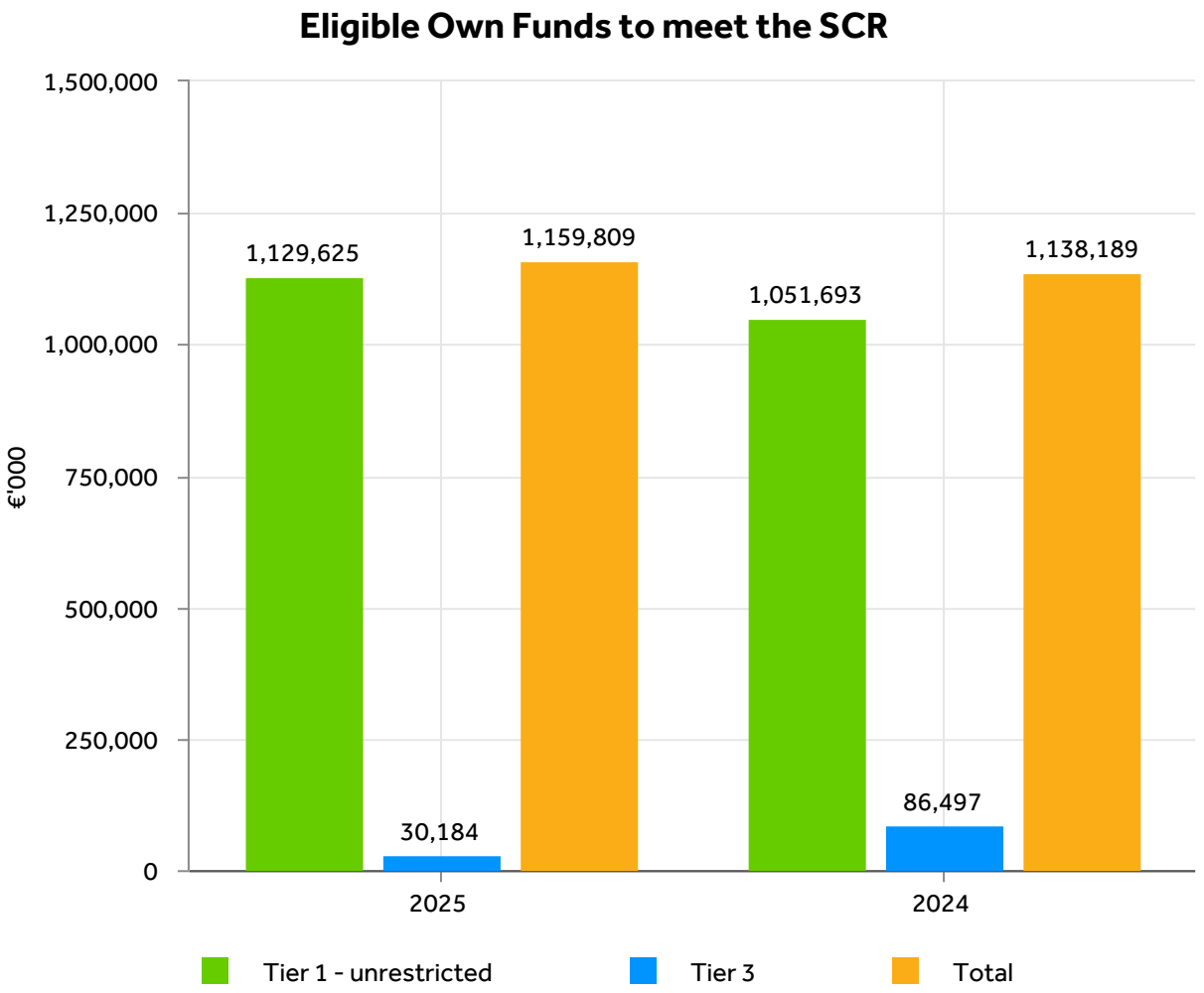
The Company is required to measure its assets and liabilities according to the SII Regulation and its associated rules, regulations and guidelines. This regulatory framework for the European (re)insurance industry adopts a dynamic risk-based approach based on economic principles that measure assets and liabilities to appropriately align (re)insurers' risks with the capital they hold to safeguard policyholders.

The Board monitors the capital requirements of the Company and seeks to maintain an efficient capital structure, consistent with the Company's capital management policy, risk profile and the regulatory and market requirements of its business.

The Company's objectives in managing its capital are to:

- Match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- Maintain financial strength to support new business growth;
- Satisfy the requirements of its policyholders and regulators;
- Retain financial flexibility by maintaining strong liquidity and access to a range of capital markets; and
- Allocate capital efficiently to support underwriting.

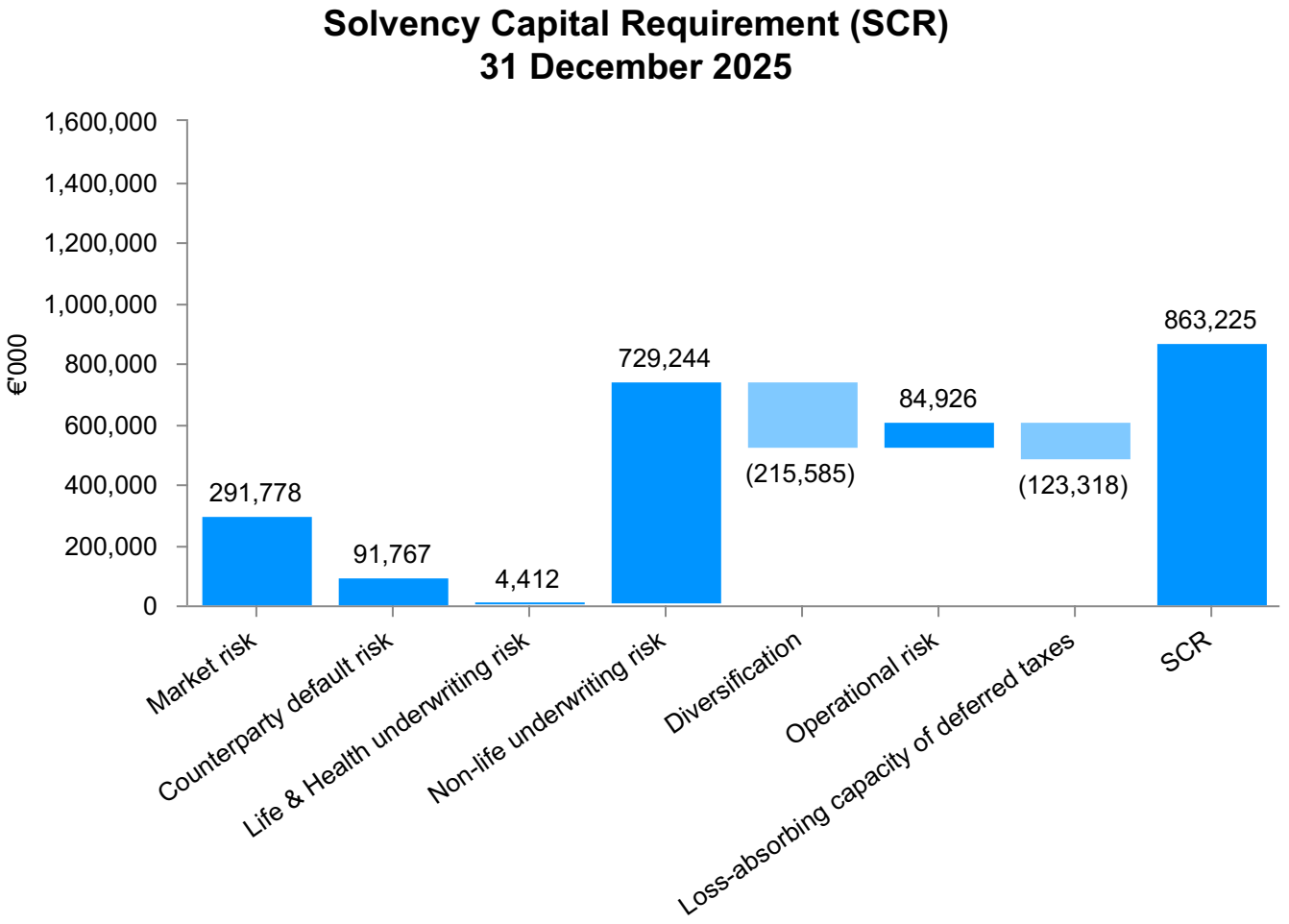
The key figures presented below give a short overview of the composition of the Eligible Own Funds from a tiering perspective and the composition of the required capital.

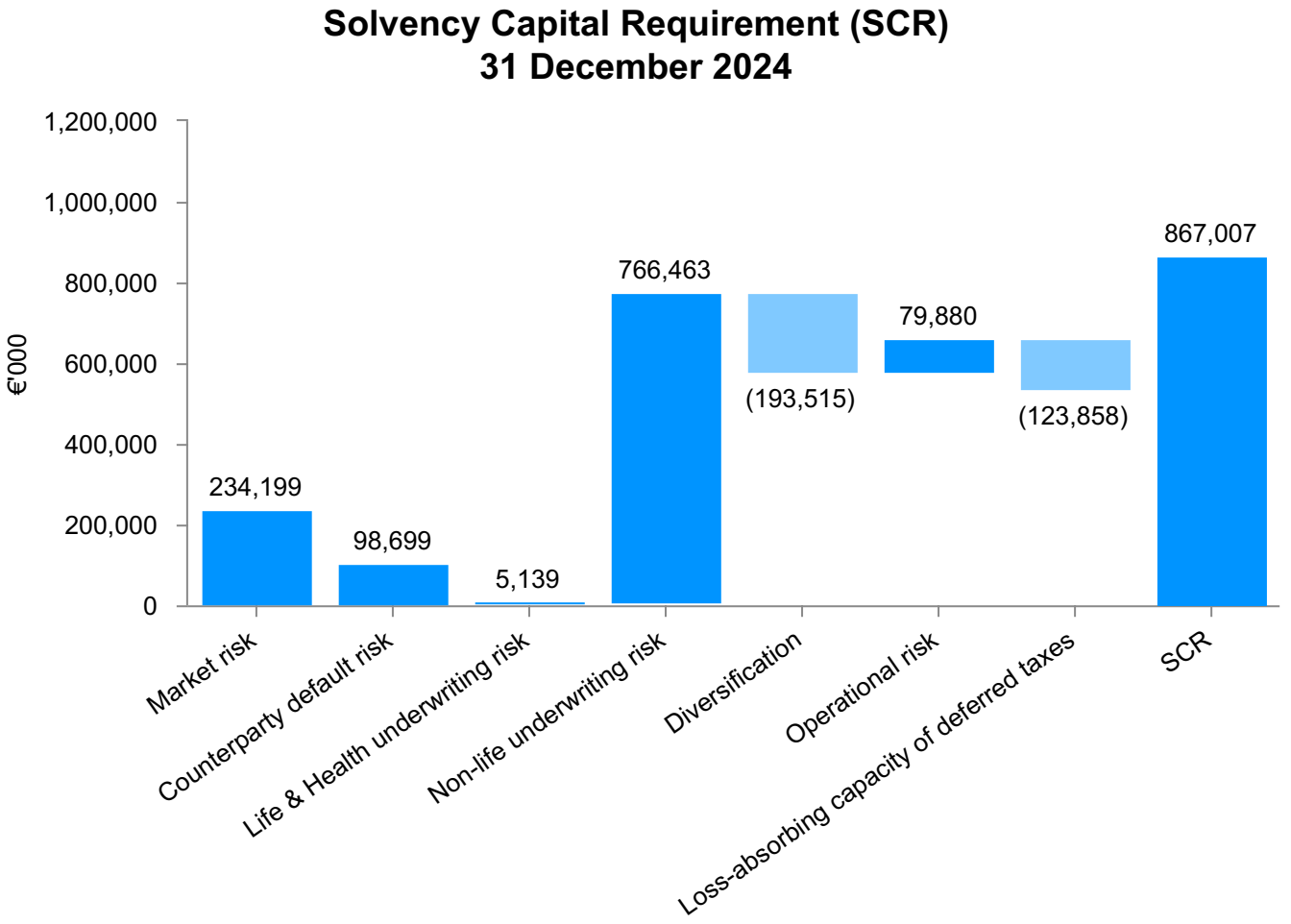


The own funds movement comprises of:

- Tier 1 increase of €78m driven by increases in the reconciliation reserve and profits generated by the Company during the year, partially offset by a reduction in the currency translation reserve.
- Tier 3 reduction of €56m due to utilization of deferred tax assets during the year.

The Company has no Eligible Own Funds classed as Tier 2.


Solvency Capital Requirement (SCR)
31 December 2025
€'000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
291,778
91,767
4,412
729,244
(215,585)
84,926
(123,318)
863,225
Market risk
Counterparty default risk
Life & Health underwriting risk
Non-life underwriting risk
Diversification
Operational risk
Loss-absorbing capacity of deferred taxes
SCR



The SCR has decreased by €3.8m since 2024. Non-life underwriting risk is the main driver of the decrease with a large decrease in the non-life CAT Risk module during 2025 due to increased risk mitigation. This is partially offset by a higher Market Risk charge due to growth of the portfolio mainly stemming from increased currency risk alongside concentration risk, spread risk and interest rate risk.

The Company is required to hold sufficient capital to cover its SCR which is calculated using the SF, as well as covering its Minimum Capital Requirement ("MCR").

	2025 €'000	2024 €'000
SCR	863,225	867,007
MCR	230,079	218,083
Total Eligible Own Funds to meet the SCR	1,159,809	1,138,189
Total Eligible Own Funds to meet the MCR	1,129,625	1,051,693
	%	%
Ratio of Eligible Own Funds to SCR	134.4%	131.3%
Ratio of Eligible Own Funds to MCR	491.0%	482.2%

The Company does not use any matching adjustment and has not used transitional adjustments to the relevant risk-free interest rate term structure or transitional measures on technical provisions. The Company has been granted approval by the CBI to use volatility adjustments to value the Best Estimate Liability ("BEL").

The Company's capital has exceeded throughout the reporting period on both the MCR and the SCR.

In line with the capital management policy, the objective of the Company's capital management strategy is to maintain sufficient own funds to cover the SCR and MCR with an appropriate buffer. The Company carries out regular reviews of the solvency ratio as part of the risk monitoring and capital management system.

The Company uses the SF as required to calculate the regulatory SCR until such time as the Company has a regulatory approved internal model.

Significant Business or other events

There were no significant business or other events during the year ended 31 December 2025.

On February 28, 2026, the US and Israel conducted a joint military operation against Iran, triggering a conflict in the Middle East and geopolitical tensions.

The Company continues to closely monitor the exposures to the conflict, including (i) the operational impact on its business, (ii) the consequences from a potential deterioration in macroeconomic conditions, (iii) exposure through its Property, Casualty and Specialty policies and (iv) change in asset prices and financial conditions (including interest rates).

A. Business and Performance

A.1. Business

A.1.1 Name and legal form of the undertaking

XL Re Europe SE is incorporated as a European company (Societas Europaea or SE), limited by shares in the Republic of Ireland. The registered office is:

Wolfe Tone House
Wolfe Tone Street
D01HP90
Ireland

Telephone: + (353) 1 400 5500

A.1.2 Supervisory authorities

Irish Regulator

Central Bank of Ireland (CBI)
P.O. Box 559
New Wapping Street
North Wall Quay
Dublin 1
Ireland D01 F7X3

Telephone: + (353) 1 224 6000

Dubai Branch Regulator

Dubai Financial Services Authority (DFSA) (in respect of the Company's Dubai branch only)
Level 13, West Wing
The Gate, DIFC
P.O. Box 75850
Dubai
United Arab Emirates

Telephone: +971 (0)4 362 1500

UK Branch Regulator

Prudential Regulation Authority (PRA) (in respect of the Company's UK branch only)
20 Moorgate
London EC2R 6DA
United Kingdom

Telephone: +44 (0)20 3461 4878

Singapore Branch Regulator

Monetary Authority of Singapore (MAS) (in respect of the Company's Singapore branch only)
10 Shenton Way
MAS Building
Singapore 079117

Telephone: +(65) 6225 5577

Group Supervisor & French Branch Regulator

Autorité de Contrôle Prudentiel et de Résolution (ACPR)
4, place de Budapest
CS 92459
75436 PARIS CEDEX 09
France

Telephone: +(33) 1 49 95 40 00

A.1.3 External auditor

Ernst & Young

Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

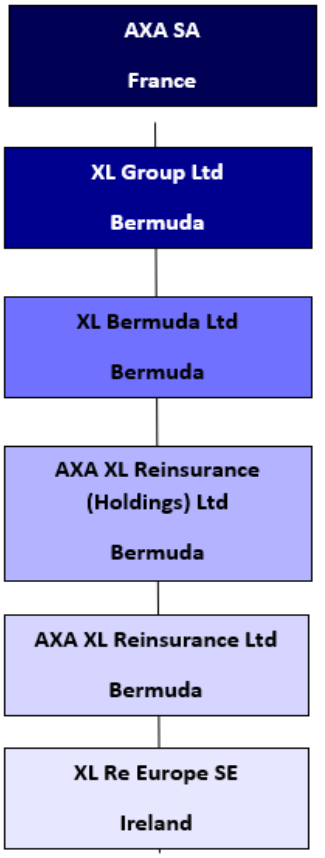
Telephone: + (353) 1 475 0555

A.1.4 Company holders and position within legal structure of the Group

The Company's immediate holding company is AXA XL Reinsurance Ltd. AXA XL Reinsurance Ltd was incorporated in Bermuda on 10 December 2020 and is a Bermuda exempted Company with a Class 4 Licence and a registered address of O'Hara House, One Bermudiana Road, Hamilton HM 08, Bermuda. The results of the Company are included in the consolidated financial statements prepared for the group of companies under the common ownership/control of AXA XL Reinsurance Ltd.

The results of the Company are also included in AXA's group financial statements, AXA S.A. (a company incorporated in France) being the ultimate parent undertaking and controlling party of the Company.

The Company's position within the legal structure of the Group can be seen from the simplified structure chart below:



XL Re Europe SE also has a technical subsidiary which is the Company's representative office in Brazil. A representative office is required for the Company to be granted admitted reinsurer status in Brazil. There is no business underwritten within the representative office. The Company has no other subsidiaries established.

A.1.5 Related undertakings

The Company owns a 100% shareholding in AXA XL Reinsurance Escritório de Representação no Brasil Ltda. , which is the Company's representative office in Brazil. The office itself does not generate revenue or hold tangible assets, but does pay local expenses and taxes. It is held at a value of nil on the balance sheet.

A.1.6 Material lines of business and geographical areas

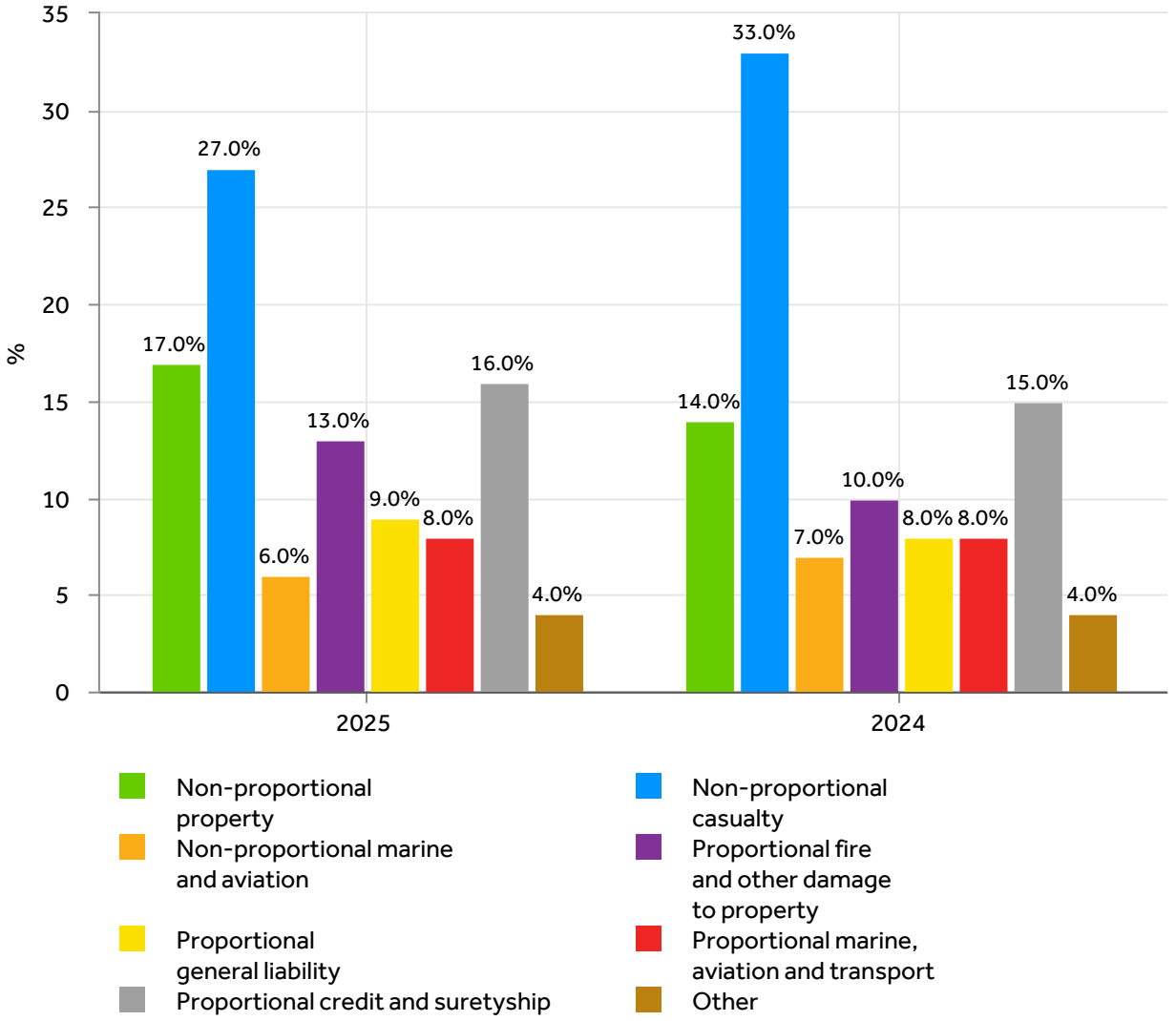
The following public QRTs give details of the material SII lines of business and geographical areas where the Company carries out its business:

- S.05.01.02- Premiums, claims and expenses by line of business
- S.04.05.21 - Activity by country - location of risk

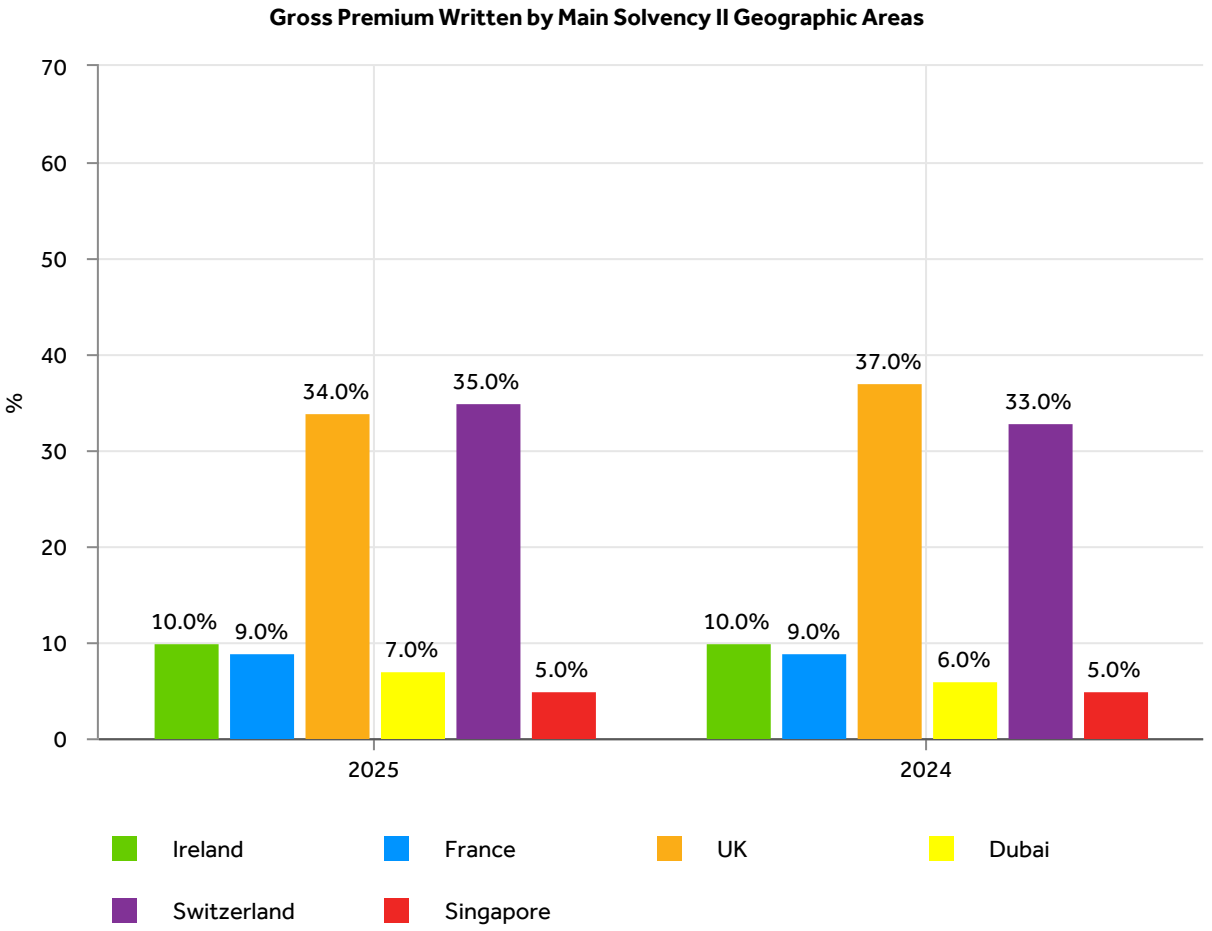
This analysis is based upon Irish Generally Accepted Accounting Principles ("GAAP") totals, while the allocation is to SII lines of business and geographies.

GWP with percentage splits by line of business and geographical area are presented below:

Gross Premium Written by Solvency II Business Mix



Included in "Other" is non-proportional health and proportional marine, aviation and transport, life reinsurance, proportional income protection, proportional workers' compensation and proportional motor vehicle.



A.1.7 Significant events in the last reporting year

There were no significant business or other events during the year ended 31 December 2025.

On February 28, 2026, the US and Israel conducted a joint military operation against Iran, triggering a conflict in the Middle East and geopolitical tensions.

The Company continues to closely monitor the exposures to the conflict, including (i) the operational impact on its business, (ii) the consequences from a potential deterioration in macroeconomic conditions, (iii) exposure through its Property, Casualty and Specialty policies and (iv) change in asset prices and financial conditions (including interest rates).

A.2. Underwriting performance

A.2.1 Underwriting performance

Since the Company prepares its financial statements in accordance with Irish GAAP, the underwriting performance information given in this section is on an Irish GAAP basis unless otherwise stated.

The table below provides the key performance indicators:

	2025	2024	Percentage Change
	€'000	€'000	%
GWP			
– Non-life	1,773,525	1,583,099	12.0 %
– Life	9,547	10,188	(6.3)%
Net earned premium			
– Non-life	487,579	460,192	6.0 %
– Life	129	139	(7.2)%
Gross claims incurred			
– Non-life	(1,022,150)	(901,338)	13.4 %
– Life	(8,338)	(27,837)	(70.0)%
Net claims incurred			
– Non-life	(321,205)	(327,893)	(2.0)%
– Life	(237)	1,978	(112.0)%
Non-life ratios			
Loss ratio	65.9 %	71.3 %	
Combined ratio	95.8 %	98.3 %	

In 2025, the Company generated €1,783m (2024: €1,593m) of gross written premium ("GWP"). This increase was predominantly due to an uplift in non-life business of 12%, representing a €190m increase from €1,583m to €1,774m. This growth was driven primarily by premium trends and favourable rate changes despite evidence of softening market conditions. Share change also contributes to this growth, aligning with our strategic goal to increase relevance and become more influential with key clients. The Company continued to focus on geographic and line diversification, aligned with its strategic objectives.

The Company achieved a combined ratio of 95.8% (2024: 98.3%) as we report a positive balance on our non-life technical account of €20m (2024: €8m profit). The acquisition ratio went from 27% in the prior year to 30% in 2025, the slight increase in commissions reflecting the business mix. However, the loss ratio has decreased from 71% in the prior year to 66% in 2025 illustrating the Company's disciplined underwriting approach, specifically in relation to the reduction of Property Catastrophe risk in recent years.

GWP by Business Mix

GWP		Fire & other damage to property €'000	Marine, Aviation & Transit €'000	Liability €'000	Credit & Suretyship €'000	Other €'000	Total €'000
	2025	487,337	246,982	647,305	335,870	56,031	1,773,525
	2024	389,788	243,840	628,405	274,933	46,133	1,583,099

Net earned premiums ("NEP") increased in line with GWP for non-life business by €27.4m or by 6% from €460.2m to €487.6m.

NEP		Fire & other damage to property €'000	Marine, Aviation & Transit €'000	Liability €'000	Credit & Suretyship €'000	Other €'000	Total €'000
	2025	127,864	72,086	203,484	67,466	16,679	487,579
	2024	110,778	74,872	232,390	29,319	12,830	460,189

The table below provides the key performance indicators for non-life business on a SII basis:

2025

	Income protection €'000	Workers' compensation €'000	Motor vehicle liability €'000	Marine, aviation and transport €'000	Fire and other damage to property €'000	General liability €'000	Credit and Suretyship €'000	Non-prop. Health €'000	Non-prop. Casualty €'000	Non-prop. Marine, aviation, transport €'000	Non-prop. Property €'000	Total €'000
GWP	6,302	857	36,365	136,802	237,254	159,147	291,266	11,845	488,007	110,180	295,501	1,773,525
NEP	1,671	510	12,222	35,997	53,727	36,494	59,622	3,985	165,142	36,089	82,118	487,579

2024

	Income protection €'000	Workers' compensation €'000	Motor vehicle liability €'000	Marine, aviation and transport €'000	Fire and other damage to property €'000	General liability €'000	Credit and Suretyship €'000	Non-prop. Health €'000	Non-prop. Casualty €'000	Non-prop. Marine, aviation, transport €'000	Non-prop. Property €'000	Total €'000
GWP	4,639	3,327	35,857	131,548	161,539	123,065	246,835	11,551	497,187	112,292	255,259	1,583,099
NEP	1,266	286	14,985	48,042	49,242	53,474	26,628	4,389	170,600	26,740	64,539	460,192

The tables below provide the 2025 and 2024 non-life GWP and NEP performance by geographical area:

2025	IRELAND €'000	FRANCE €'000	UK €'000	DUBAI €'000	SWITZERLAND €'000	SINGAPORE €'000	TOTAL €'000
GWP	170,245	162,003	598,062	123,931	630,747	88,536	1,773,525
NEP	64,181	41,536	175,728	38,214	143,091	24,829	487,579

2024	IRELAND €'000	FRANCE €'000	UK €'000	DUBAI €'000	SWITZERLAND €'000	SINGAPORE €'000	TOTAL €'000
GWP	162,417	137,058	590,241	89,564	520,019	83,800	1,583,099
NEP	58,911	46,840	208,193	30,860	98,254	17,134	460,192

Dividends

The directors do not recommend the payment of a final dividend (2024: €0m).

Reconciliation of SII information to Irish GAAP

Below is a reconciliation from SII information reported in QRT S.05.01. to pre-tax Irish GAAP profit:

Year ended 31 December	2025 €000's	2024 €000's
Gross written premiums	1,783,073	1,593,288
Reinsurers' share of premiums	531,780	501,876
Gross earned premiums	1,568,099	1,300,369
Reinsurers' share of earned premiums	1,080,391	840,038
Gross claims incurred	1,030,487	929,175
Reinsurers' share of claims incurred	709,045	603,260
Net expenses incurred	145,990	124,350
Per QRT Form S.05	**20,276**	**10,066**
Investment income	68,789	60,407
Unrealised gain/(loss) on investments	33,537	(18,778)
Income/(expense) from other activities	57,068	(52,115)
Pre-tax Irish GAAP profit	**179,670**	**(420)**

A.3. Investment performance

The primary objective of the Company's investment strategy is to maximize the risk adjusted return on economic capital employed subject to a variety of constraints including:

- Maintaining adequate regulatory and rating agency capitalisation;
- Maintaining sufficient liquidity to ensure payment of claims, operating expenses and other obligations even during stressed scenarios; and
- Generating stable net investment income.

The Company holds investment grade fixed and variable income portfolios denominated in a variety of currencies, which broadly correspond to the respective liabilities of the Company. Assets representing capital of the Company, which are

not matched to specific liabilities, are generally held in major currencies. Consideration is given to the interest rate environment, the volatility of exchange rates and the risk charge under SII.

The Company uses a fair value hierarchy for its fixed income and equity portfolios that prioritizes inputs to its valuation techniques which are used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets, 20% of the total portfolio, and then quoted prices in markets that are not active or inputs that are observable either directly or indirectly for 80% of the total portfolio. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

The total investment portfolio performance for 2025 was 4.3% an improvement from 1.9% in 2024, with net investment results of €95.7m compared to €38.3m in the prior year.

	2025	2024
	%	%
Total portfolio	4.3	1.9
Fixed income portfolio	3.43	1.50
Non-fixed income portfolio	0.88	0.41

The increase in net investment return in 2025 is driven by an increase in unrealised gains mainly on the fixed income portfolio alongside an uplift in income in 2025.

A.3.1 Investment performance during the reporting period

Net income and expenses arising from investments by asset class during the reporting period were as follows:

	2025		2024	
SII Asset Class	**Value**	**Net investment return**	**Value**	**Net investment return**
	€'000	**€'000**	**€'000**	**€'000**
Bonds				
Government bonds	669,104	22,008	699,568	(5,453)
Corporate bonds	663,148	34,093	650,073	23,419
Collateralised securities	450,437	16,284	291,544	12,572
Collective investments undertakings	471,178	26,340	456,705	8,617
Cash and cash equivalents	34,081	(3,002)	38,864	(826)
Total	2,287,948	95,723	2,136,754	38,329

Below are components of the net investment return:

	2025	2024
	€'000	€'000
Income from financial investments	68,153	64,778
Net gains/(losses) on the realisation of investments	2,075	(2,514)
Unrealised gains/(losses) on investments	30,482	(20,116)
Investment management expenses	(4,987)	(3,820)
Total	95,723	38,328

A.3.2 Gains and losses recognized directly in equity

Realised gains and losses on investments are calculated as the difference between sale proceeds and purchase price.

Unrealised gains and losses on investments represent the difference between their valuation at the balance sheet date and their purchase price or, where acquired in previous years, their valuation at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

All investment gains and losses are recognized in the income statement.

Investment Income	**Non-Life 2025 €'000**	**Life 2025 €'000**	**Non-Life 2024 €'000**	**Life 2024 €'000**
Income from financial investments	66,773	1,380	62,745	2,037
Gain/(loss) on realisation of investments	2,016	59	(2,339)	(175)
Investment expenses and charges	(4,789)	(198)	(3,746)	(74)
Investment income	**64,000**	**1,241**	**56,660**	**1,788**

Unrealised (loss)/gain on investments	**Non-Life 2025 €'000**	**Life 2025 €'000**	**Non-Life 2024 €'000**	**Life 2024 €'000**
Unrealised exchange (loss)/gain	17,963	—	(4,583)	261
Unrealised (loss)/gain	31,428	(947)	(16,685)	(1,606)
Unrealised (loss)/gain on investments	**49,391**	**(947)**	**(21,268)**	**(1,345)**

A.3.3 Investments in securitisation

The Company's holding in securitised assets are as follows:

Investments in securitisation		**2025**	**2024**
	Weighted Average Credit Rating	**€'000**	**€'000**
Residential mortgage-backed securities	AAA	450,437	291,544
Total	**AAA**	**450,437**	**291,544**

A.4. Performance of other activities

Income/(expense) from other activities during the year are set out below:

	2025 €'000	**2024 €'000**
Foreign exchange (loss)/gain	50,086	(39,872)

The Company operates in a number of overseas branches. Each overseas branch determines its own functional currency based on factors specific to its operations and is usually the currency of the primary economic environment in which it operates. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and the

translation of foreign currency denominated monetary assets and liabilities at year end exchange rates are recognised in the income statement as part of other charges.

The Company has no leases classified as finance leases throughout the reporting period.

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made by the Company for operating leases are charged to the profit or loss account on a straight-line basis over the period of the lease.

Total operating lease charges paid during the year:

The Company had annual commitments in respect of non-cancellable operating leases for which the expense for the financial years are as follows:

	2025	2024
	€'000	€'000
Payments on operating leases - office premises	133	52

A.5. Any other information

There is no other material information regarding the business and performance of the undertaking.

The Company has not availed itself of any transitional arrangements following the introduction of the SII Directive.

B. System of Governance

B.1. General information on the system of governance

This section provides details of the Company's Board and management structure along with roles, responsibilities and committee structure.

The Board has ultimate responsibility for directing the strategy of the business, setting the Company's risk appetites and the implementation and maintenance of an effective corporate governance framework for the Company. The key components of this framework are discussed below. The Company's framework is designed to demonstrate the Board and management's commitment to effective governance and to meet the requirements of the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 (the Code). The Company is not required to comply with the additional requirements of the Code for High Impact designated institutions.

The system of governance applies to the Company and its branches in London, Le Mans, Zurich, Dubai and Singapore.

Material changes made to the Company's system of governance during the reporting period are set out in sections B.1.1 and B.8 below.

B.1.1 Board of directors

The Company's governance framework begins with the Board and its two Board sub-committees, an Audit Committee and RMC. The delegation of certain responsibilities from the Board to these two sub-committees is complemented by the additional delegation of responsibility to the Executive & Outsourcing Committee and to senior management under written terms of reference.

The Board is composed of one member of the Company's executive management team and four non-executive directors, two of whom are independent.

The names of the directors of the Company as at the date of this report are:

R. Redmond (Irish)	Non-Executive Director and Company Secretary
M. Frazer (Irish)	Independent Non-Executive Director and Chair of the Board and Risk Management Committee (interim chair appointment on 1 April 2025, chair appointment effective 14 July 2025)
N. O' Regan (Irish)	Independent Non-Executive Director
R. Moquet (French)	Non-Executive Director
B.M. Romagne (French)	Executive Director and Chief Executive Officer

The following changes to the Board of directors took place during the reporting period:

- Ms. C. Vitrac resigned as Chair and Non-Executive Director on 27 February 2025.
- Mr M. Frazer was appointed as Interim Chair of the Board and Risk Management Committee on 1 April 2025. Mr M. Frazer was appointed as Chair of the Board and Risk Management Committee on 14 July 2025.
- Mr A. Barrage retired as Executive Director on 31 December 2025.

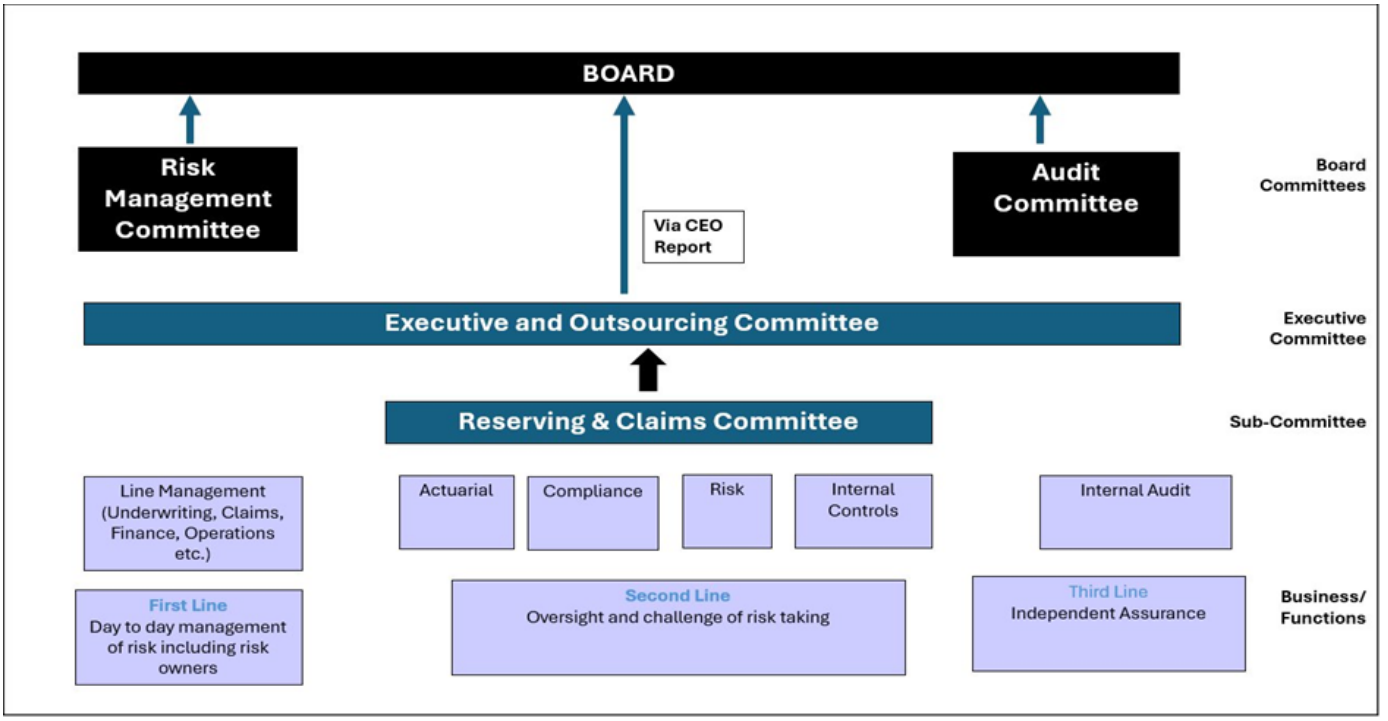
The following changes to the Board of directors took place after the reporting period:

- Mr R. Redmond was appointed as Non-Executive Director on 1 January 2026.

Board meetings are held at least quarterly and five meetings are generally scheduled per year. Detailed Board reports are prepared and circulated in advance of meetings, addressing all major areas of the Company's operations, encompassing underwriting performance, financial results, risk management, compliance and investment management.

Governance structure

The governance structure of the Company is set out below:



The Board seeks to ensure that the operations of the Company are conducted within a framework of prudent and effective controls that enables effective risk management and conformity with applicable legal and regulatory requirements. The Board recognises the need for strong organisational governance to ensure there is effective oversight of the management of the business, that senior management exercise their responsibilities appropriately and that robust internal systems and controls are in place.

B.1.2 Board committees

The following committees have been established by the Board:

Audit Committee

The Audit Committee is chaired by an independent non-executive director. All members of the Board are members of the Audit Committee. The Audit Committee meets at least four times annually, to coincide with financial reporting dates and more frequently as required. Its role is to:

- Monitor the effectiveness and adequacy of the Company's internal control and internal audit and IT systems;
- Liaise with the statutory auditor particularly in relation to their audit findings;
- Review the integrity of the Company's financial statements and ensure they give a "true and fair" view of the financial status of the Company;
- Explain to the Board how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process;
- Make a recommendation to the Board whether to approve the Company's financial statements;
- Allow the Committee to form an opinion on the integrity of the publicly disclosed non-financial information as required by law and regulation and when approval is required to make recommendations to the Board;
- Assess statutory auditor independence and the effectiveness of the audit process; and
- Establish a procedure for the selection of a statutory auditor.

The Audit Committee reports directly to the Board.

Risk Management Committee (RMC)

The RMC is chaired by an independent non-executive director. All members of the Board are members of the RMC . It meets at least four times per year. Its role is to:

- Advise the Board on risk appetite and tolerance for future strategy, taking account of the Company's overall risk appetite, the current financial position of the Company and drawing on the work of the Audit Committee and the external auditor, the capacity of the Company to manage and control risks within the agreed strategy;
- Review all material risks associated with the strategic direction of the Company's business;
- Advise the Board on the effectiveness of strategies and policies with respect to maintaining on an ongoing basis, amounts, types and distribution of both internal capital and own funds which are adequate to cover the risks of the Company;
- To liaise regularly with the Chief Risk Officer ("CRO") to ensure the development and ongoing maintenance of an effective risk management system within the Company that is effective and proportionate to the nature, scale and complexity of the risks inherent in the business;
- Oversee and to provide review and challenge to the Company's RMF including risk strategy, risk appetites, stress testing and risk oversight arrangements, material transactions and risk culture and oversight of the executive management of risk ; and
- Oversee and challenge the risk management and actuarial functions and the management of reserving risk and risk management.

The RMC reports directly to the Board.

The RMC is supported in its functions by the CRO who has responsibility for the Company's risk management function on a day to day basis. See section B.1.3.

Executive & Outsourcing Committee ("ExCo")

The ExCo is chaired by the CEO. Representatives of the underwriting, operations, finance, actuarial and compliance functions are members of the ExCo. It meets at least four times per year. Its role is to:

- Assist the CEO in managing the execution of the Company's strategy in line with the agreed business plans and within agreed risk appetite;
- Support the Board and management in maintaining an effective governance structure to support the delivery of the Company's strategic plan;
- oversee the implementation, monitoring and maintenance of the overall outsourcing framework in accordance with the Company's outsourcing policy and AXA Group requirements and to challenge the effectiveness of the outsourcing arrangements in line with the outsourcing framework; and
- Receives updates in relation to the general operations, actuarial, finance and investments, conflicts of interest and governance as set out in its Terms of Reference.

The activities of the ExCo are reported to the Board via the CEO and COO.

Three Lines of Defence

The Company operates a 'Three Lines of Defence' approach to ensure effective and robust day to day governance is in place. The operational line, or the 'first line of defence', starts with the employees, who are tasked with identifying and managing risk on a day to day basis as part of their roles. They are supported by the 'second line of defence', which is made up of oversight functions - specifically risk management, compliance and actuarial. These functions have responsibility for overseeing and challenging day to day management, control and reporting of risks. The risk and compliance functions are independent of management and individuals with responsibility for taking on risk exposures. The internal audit function provides the 'third line of defence' which provides independent assessment of the effectiveness of the Company's system of internal control and reports to the Audit Committee.

The Company is also part of AXA XL division's Internal Control Programme which addresses internal controls covering all AXA XL departments and processes, as well as having an Internal Financial Control Framework looking at key controls around financial reporting.

B.1.3 Key functions

The Company's risk management, compliance, internal audit and actuarial functions are the key functions in its system of governance ("Key Functions"). Holders of Key Functions are authorised to operate free from influences which may compromise their ability to undertake their duties in an objective, fair and independent manner.

Each of these Key Function holders:

- Operates under the ultimate responsibility of, and reports to the Board or Board Committee as appropriate;
- Co-operates with the other functions, where appropriate, in carrying out their roles;
- Is able to communicate, at their own initiative, with any staff member and have the necessary authority, resources and expertise and have unrestricted access to all relevant information necessary to carry out their responsibilities; and
- Promptly reports any major problem in their area of responsibility to the Board.

Key Function holders co-operate with each other but operate independently. Individuals carrying out the internal audit function do not assume any responsibility for any other function.

The Company has written policies in place in relation to risk management, internal audit, compliance and the actuarial function and further information on these functions is contained within sections B3 (Risk Management), B4 (Compliance function), B5 (Internal Audit) and B6 (Actuarial function). The implementation of Key Functions within the Company is explained below.

Risk Management Function

The CRO leads the Company's risk management function and is responsible for maintaining and monitoring the effectiveness of the Company's risk management system. The CRO plays a key role in the operation of the RMC. The CRO's key governance and operational responsibilities are set out in terms of reference which are reviewed annually by the Board. The CRO reports to the Board on a regular basis and has direct access to the Chair of the Board. Further information about the risk management function is set out in Section B.3.

Compliance Function

The compliance function is headed by the Head of Compliance, who is responsible for promoting a robust compliance culture in the Company with the support of senior management and the Board, advising on all regulatory compliance matters affecting the Company and the identification and assessment of compliance risk. The Head of Compliance's key governance and operational responsibilities are set out in terms of reference which are reviewed annually by the Board. The Head of Compliance reports to the Board on a regular basis and has direct access to the CEO and the Chair of the Audit Committee and the Board. The Head of Compliance also reports to the RMC on request and the Audit Committee on a regular basis. Further information about the compliance function is set out in Section B.4.2.

Actuarial Function

The Company has appointed two Heads of Actuarial Function: one for Non-Life ("HoAF - Non-Life") and one for Life ("HoAF - Life") business. The HoAFs are responsible for the tasks of the actuarial function under Solvency II Regulation and the responsibilities imposed by the CBI's Domestic Actuarial Regime. The HoAF - Non-Life's key governance and operational responsibilities are set out in terms of reference which are reviewed annually by the Board. The role of HoAF - Life has been outsourced to Willis Towers Watson (see Section B.7). The HoAF - Non-Life reports directly to the Board. The HoAF - Life reports operationally to the HoAF - Non-Life and reports to the Board directly. Further information about the actuarial function is set out in Section B.6.

Internal Audit

The Head of Internal Audit ("HoIA") leads the Company's internal audit function, supported by the AXA XL Internal Audit Department. Their key responsibilities are set out in an audit charter, which is reviewed annually by the Audit Committee and the Internal Audit Policy is reviewed and approved annually by the Board. The HoIA reports directly to the Audit Committee. Further information about the internal audit function is set out in Section B.5.

Other critical and important functions

In addition, the Board has identified underwriting, claims management, finance and investment management as functions which are of specific importance to the sound and prudent management of the Company. The Chief Underwriting Officer, Head of Claims and Chief Financial Officer ("CFO") operate under individual terms of reference and are responsible for ensuring that their respective activities are aligned to the risk appetites of the Company. These functions report to the Board either directly or through the CEO. The investment management function is outsourced to XL Group Investments Ltd ("XLGIL"). See Section B.7.

The Board is satisfied that the Company's system of governance is appropriate and effective, taking into account the nature, scale and complexity of the risks inherent in the Company's business.

B.1.4 Remuneration policy and practices

The AXA XL Division of AXA Group, of which the Company is a part, maintains a Remuneration Policy ("the policy"), the purpose of which is to outline how the Company ensures that the setting of remuneration is appropriate and transparent, and promotes sound and effective risk management within approved risk tolerance limits. The Company formally adopted the policy and has operated in conformity with it since 2019. The policy contains a multi-tiered governance and compliance structure including oversight at the AXA Group, AXA XL Division and Company levels. Together, the AXA Group and AXA XL Remuneration Policies are designed to support AXA Group and AXA XL's long-term business strategy and to align the interests of its employees and other stakeholders, by:

- Establishing a clear link between performance and remuneration over the short, medium and long-term;
- Ensuring that the Company can offer competitive compensation arrangements across the multiple markets in which it operates while avoiding potential conflicts of interest that may lead to undue risk taking for short-term gain;
- Ensuring consistency with the integration of "sustainability risks" within the meaning of, and as required by Regulation (EU) 2019/2088 of 27 November 2019, as amended; and
- Ensuring compliance with SII regulations and any other applicable regulatory requirements.

The policy follows four main guiding principles:

- Competitiveness and market consistency of the remuneration practices;
- Fairness, based on individual and collective performance in order to ensure remuneration is reflecting employee's individual quantitative and qualitative achievements and impact;
- Internal equity based on remuneration policies and procedures designed to ensure that employees are paid equitably based on objective and justifiable criteria such as but not limited to role, experience, education, skills, contribution or impact; and do not discriminate on the basis of factors irrelevant to the role duties; and
- Achievement of AXA Group and AXA XL's overall financial, operational and sustainability objectives over the short, medium and long-term as well as execution against medium and long-term strategic objectives as a prerequisite to fund any mid-to long-term award.

The balance of fixed and variable compensation is consistent with competitive market practice in the (re)insurance industry. Variable pay for colleagues in independent control functions is not aligned with the performance of the businesses they oversee and is designed to avoid conflicts of interest while appropriately balancing risk and reward.

The overall remuneration structure is based on the following components which are designed to balance and avoid excessive risk taking for short term financial gain.

An overview of the arrangements that are in place are as follows:

- Fixed Remuneration - The fixed component is comprised of base salary and any other fixed allowances. Fixed remuneration primarily reflects the relevant organisational responsibility, professional experience, technical and leadership skills required of the role, criticality or scarcity of skills as well as the individual's capability to sustainably perform the duties of the role.
- Variable Remuneration - The variable component primarily reflects the business and individual performance, including performance in excess of that required to fulfil the role description. It is comprised of an upfront cash element (short-term incentive) and may be supplemented by a deferred element recognising the importance of aligning remuneration over long-term value creation. The deferred element is awarded through cash or equity-based instruments or equivalents, such as rights to AXA Performance or Restricted Shares, AXA XL Deferred Cash, or any other long-term incentive plan or program in place.

AXA XL ensures a suitable balance between fixed and variable components so that the fixed component represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on the variable components and to allow AXA XL to operate a fully flexible policy on variable pay components, including the possibility of paying no variable compensation.

The proportion of target variable remuneration is determined according to the following complementary criteria: (i) internal fairness with a similar job at the same level in an equivalent perimeter, (ii) market practices reflected by external benchmark from an independent provider, (iii) level of seniority within the organisation, and (iv) any relevant regulatory requirements. Additionally,sustainability risks are integrated in both short-term and long-term remuneration components.

Employees of AXA XL are communicated a target variable opportunity, comprised of short and, where appropriate, long-term elements. This target opportunity is not a guarantee or entitlement and any form of variable remuneration and is awarded under the sole discretion of AXA XL and is based on individual achievement, business unit, divisional and corporate results. No minimum payment is guaranteed.

For all employees (except Management Committee members of AXA Group), all variable remuneration awarded are capped at 200% of the individual target variable remuneration amount. For members of the AXA Group Management Committee, the variable remuneration amounts awarded on the basis of business performance and individual performance factor are overall capped at 130% of the individual target amount.

Long-Term Incentive Plan - Long-term incentive awards are reserved for those who perform at a high level, with the recipient's anticipated future contributions, individual potential and unique skills taken into consideration. Grants of long-term incentives are based on the criticality of the job within the organisation, the criticality of the individual in the current job and potential for the future, and the sustainability of the individual contribution.The grant of any Performance or Restricted Shares has a sustainability element referencing the Group Sustainability Criteria:

- AXA Restricted Shares are subject to a Sustainability criterion. To benefit from the totality of AXA Restricted Shares initially granted, the AXA score in the S&P Global Corporate Sustainability Assessment (CSA) – backbone of the Dow Jones Sustainability Index – calculated over the performance period, shall meet a be greater than or equal to the 75th percentile.

- AXA Performance Shares include in 2025 Sustainability criteria weighing for 30% of the overall performance: Achievement on (i) specific climate related target (reduction of operations' carbon emissions) and (ii) the number of clients covered by inclusive insurance products proposed by AXA (iii) the reduction of the Group's carbon intensity in General Account assets.

Supplementary Pension Schemes

The Company's remuneration program does not include any supplementary pension or early retirement schemes for members of the Board or its other Key Function holders.

Termination Payments

Payments relating to the termination of an employment contract must take into consideration the performance achieved over the entire period of activity and be designed in a way that does not reward failure or misconduct, while respecting contractual and statutory rights.

Criteria determining the amount of any termination payment and modalities of settlement are regulated by national (labour) law. For identified staff, termination payments beyond mandatory payments under national labour law may be subject to deferrals.

Material related party transactions

There were no transactions with the Company's shareholders, with persons who exercise a significant influence on the Company, or with members of the Board which are deemed material.

B.2. Fit and proper requirements

B.2.1 Qualifications of the board and key function holders

In accordance with the Company's Fitness & Probity Policy, appointments to the Board, Key Functions and other senior management roles are subject to robust fitness and probity assessments which consider the relevant skills, knowledge and behaviours required for each particular role.

The Board requires that its members and Key Function holders be persons with the necessary business judgement and integrity, who have appropriate qualifications, knowledge and experience in the areas of insurance, reinsurance, financial services or other aspects of the Company's business, operations or activities. In addition, the Board requires that its members have the ability to provide oversight and direction in the areas of strategy, operating performance, corporate governance and risk management in order to maximise the interests of shareholders while maintaining high standards of ethical business conduct. The Company supports these objectives through an ongoing programme of Board training. The Board is satisfied that each of its directors contributes the competencies necessary to enable the Board to meet its responsibilities and that Key Function holders demonstrate the skills, knowledge and behaviours to carry out their regulatory obligations.

The Board considers diversity among other factors in assessing the skills and characteristics of director candidates and the Board as a whole. This consideration includes a broad evaluation of diversity of viewpoints, skills, experience and other demographics represented on the Board as a whole.The Board Diversity Policy sets out the approach to diversity for the Board of Directors of the Company.

The Board considers all new nominations of both executive and non-executive directors, taking into account the existing skills and expertise of the Board, the anticipated time commitment required of directors, potential conflicts of interest; and in the case of independent non-executive directors, the ability to exercise sound judgement and decision making independent of the views of management, political interests or inappropriate outside interests.

The Board deals with director nominations and senior management succession planning as part of its regular meetings and has not established a separate nominations committee, which is permitted under the Central Bank of Ireland's Corporate Governance Code for Insurance Undertakings, 2015. The Board is also responsible for endorsing the appointment of individuals who may have a material impact on the risk profile of the Company, including Key Function Holders, and for monitoring on an on-going basis their appropriateness for the role.

B.2.2 Recruitment process

All recruitment within the Company is undertaken in accordance with the standard AXA XL recruitment process and with regard to regulatory requirements .

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Any offer of employment is made subject to the satisfactory completion of the relevant background/due diligence checks. These checks are commensurate to the regulatory status of the position and take into account local market practice in the relevant employment jurisdiction and, if not completed to the Company's satisfaction or the candidate provides false or misleading information, the Company reserves the right to withdraw the offer and/or terminate the contract. For regulated positions, background checks include (subject to any country specific local legal restrictions):

- Financial stability;
- Regulatory sanctions;
- Employment history and references;
- Academic and professional qualifications;
- Identity check; and
- Directorship search.

Additional self-certifications are sought from proposed regulated role candidates. For Pre-Approval Controlled Functions ("PCFs") an individual questionnaire is required to be completed by candidates in advance of appointment. Where necessary, appropriate enquiries are carried out based on the responses given by candidates, followed by a documented assessment as to whether any matters reported are material to the appointment. Other probity checks may be carried out by HR in consultation with Compliance.

B.2.3 Code of conduct

The Company is subject to the AXA Group Compliance and Ethics Code and the AXA XL Code Supplement ("the AXA Code") to which all employees must adhere. The AXA Code sets out the AXA values: Customer First, Integrity, Courage and One AXA and the high standards of ethical behaviour and compliance that are expected of all employees. Areas covered include Treating Customers Fairly, Data Privacy, Dignity at Work, Financial Crime, Anti-competition, Conflicts of Interest and more. In addition, there is a Code for Representatives which explains what is expected of third parties. The Code also includes the Company's Speaking Up/Whistleblowing policy and processes, and encourages reporting of Code violations.

B.2.4 Fit & Proper Reassessment

The Company's Fit and Proper Policy applies to individuals who are deemed to be the persons responsible for managing or overseeing AXA XL's operations or holding key functions. This includes:

- Board members of regulated entities
- Holders of Key functions in regulated entities

i. Chief Executive Officer and where relevant Deputy Chief Executive Officer

ii. Chief Financial Officer; Chief Risk Officer; Head of Compliance

iii. Head of Internal Audit

iv. Actuarial Function holder

In alignment with the policy, the Company is required to ensure that for each regulated entity:

i. Designated Key function holders have relevant professional qualifications, knowledge and experience to carry out their role appropriately – the fit requirement

ii. There are no unresolved doubts about the individuals' reputation or integrity – the proper requirement

iii. An appropriate and documented assessment of the above is carried out annually by HR for each individual within the scope of this policy, including being satisfied as to all professional qualifications. Additionally, the CBI Fitness and Probity Standards apply to persons occupying Controlled Functions ("CFs"), including PCFs. All proposed CFs are subject to regulated background checks and due diligence to ensure the Company is satisfied on reasonable grounds that the person complies with Standards set out by the Central Bank of Ireland and that the person agrees to abide by these Standards. PCFs require prior written approval of the CBI before being appointed. In addition to this, those in PCF and CF positions are also required to be certified before they are appointed by the Company.

On an annual basis, CFs and PCFs are required to declare that they continue to abide by the Standards and to declare if there are any material developments in relation to their compliance with the F&P Standards of which the Company should be aware.

Under the Individual Accountability Framework, CFs and PCFs are also subject to ongoing certification by the firm and are expected to comply with the CBI Conduct Standards and Additional Conduct Standards as applicable.

B.3. Risk management system including the own risk and solvency assessment

B.3.1 Risk Management Framework (RMF)

The Company faces strategic, financial and operational risks related to, among others: underwriting activities, financial reporting, changing macroeconomic conditions, investment, reserving, changes in laws or regulations, information systems, business interruption and fraud. An enterprise view of risk is required to identify and manage the consequences of these common risks and risk drivers on the Company's profitability, capital strength and liquidity. This is managed by the Risk Management function, an integrated part of all business processes, who define and deploy the RMF.

The RMF is governed by the RMC and both it and the risk appetite are recommended for approval to the Board. The aim of the RMF is to:

- Support business objectives and strategy;
- Obtain management information to facilitate the identification and understanding of material risks including related mitigants;
- Contribute to the Company's overall internal control framework by helping to manage the inherent complexity within the business;
- Support the Company's Risk Management standing; and
- Support regulatory risk management requirements.

The RMC meets regularly and oversees the implementation and embedding of the RMF and monitoring of Company performance against risk appetite. The RMC has responsibility for overseeing the preparation of the ORSA and makes recommendations and escalates any issues to Executive Management and the Board, related to risk and capital management. The RMC ensures that material and emerging risks are identified and reported and that appropriate arrangements are in place to manage and mitigate those risks effectively. The Company's stress testing framework and outputs are reviewed by the RMC and support understanding of the risk profile.

Risk Management Strategy

The risk management strategy is overseen by the Board and supports the delivery of the overall business strategy. To support the Board, the Company has an appointed CRO, and established an RMC to oversee more detailed risk management activity and monitoring against the Board approved risk appetites.

The risk management strategy is to ensure that risk implications, as well as reward, are considered in both setting and implementing the Company's strategic and business objectives, and risks associated with the strategic direction of the business are appropriately monitored. The strategy is articulated in the risk policies and is achieved by incorporating risk processes, information and decisions in the day to day running of the business.

The Company's strategy involves taking on risk in order to generate return. Risks are selected and controlled or traded off through the risk strategy that focuses on:

- Retaining risk within an approved risk appetite that is consistent with the Company's strategic objectives, with appropriate levels of capital with excess held by the Company;
- A diversified portfolio of underwriting and financial markets risks;
- Managing risk via a limit framework;
- Exercising consistency and transparency of risk management and control across the Company;
- Risk mitigation across all risks, particularly on key underwriting and financial market risks to protect capital from the impact of extreme events; and
- Risk reporting to the RMC, Audit Committee, ExCo, the Board and other stakeholders (e.g. regulators).

Risk Appetite Framework (RAF)

The Company's RAF is a key dimension of the risk management strategy and mirrors the AXA Group & AXA XL Division RAF. The RAF distinguishes between 'Risk Appetite Statements' which apply to multiple risk types, and 'Risk Appetite Exposures' which apply to single risk types. In addition, there exists the potential for additional 'Risk Indicators' which are not explicitly specified in the scope of the RAF but are identified as required by the Company. The RAF is used to provide governance for setting new monitoring requirements, as well as reviewing and updating existing risk appetite statements, tolerances and limits, so that these are aligned with business and risk management strategies. The Board

approved risk appetites, exposures and indicators were reviewed during the 2026 business planning process and it was determined that all were appropriate to allow the Company to execute the 2026 business plan.

The risk management strategy and RAFs are supported by the following:

- **Risk governance** - A clear and cost-effective organisational structure for risk management, including clear roles and responsibilities. The Company operates a 'Three Lines of Defence' governance structure, at a functional level as well as a management committee level.

- **Risk policies & standards** - AXA and the Company recognises the importance and value of a consistent approach to governance, supported by an effective RMF. This is particularly relevant in the context of SII and other regulatory requirements to ensure that there is a clear understanding of risks, both locally and Group-wide. The policies document the Company's approach to the management of each category of risk to which the Company is exposed. These policies are supported by AXA Group Standards which apply across the Division.

- **Risk definition and categorisation -** Provides a common risk universe and language for risk to allow for categorisation of all risks in a way which facilitates links between the business and risk management processes.

- **Risk cycle and processes -** The approach taken to top down, bottom up, and process led - risk identification, quantification, management and control.

- **Risk-based decision making -** The results of the ORSA and the insights gained in the ORSA process are taken into account for a range of business decisions.

- **Risk management information and reporting, including ORSA production -** Ensuring timely and accurate information is reviewed in line with the governance structure.

- **Skills, resources and risk culture; organisational learning; change management governance -** All enable a mature risk culture throughout the Company.

Risk Reporting

A risk dashboard is presented on a regular basis to the RMC by the risk function to report on the progress of the Company's ORSA processes during the year. The report provides information on the most recent capital assessment using the SF looking at valuation of available capital versus required, risk appetite monitoring and updates from other risk types.

B.3.2 Own risk and solvency assessment

The Company's ORSA process includes all of the material risks, processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks the Company faces or may face. It also assists to determine the own funds necessary to ensure that the Company's overall solvency needs are met at all times.

The Regulatory Capital Requirement is derived using the SII SF profile. In addition, the SF results are presented to the RMC and the Board to provide a breakdown of the risk exposures to inform and drive risk and capital-based decision-making.

The processes for the ORSA and production of the ORSA report are tailored to fit into the Company's organisational structures in a proportionate manner with techniques to assess the overall solvency needs and taking into consideration the nature, scale and complexity of the risks inherent to the business.

The risk management cycle is set for key aspects of the risk management process that are be part of the ORSA process and that will support the production of the Company's ORSA report. The ORSA process includes procedures that enable the Company to monitor its compliance with its risk appetites, risk limits, whilst taking into account potential future changes in the risk profile and considering stressed situations.

ORSA governance

All risk management and capital assessment processes form part of the ORSA. The ORSA is not a single task undertaken at one point in time, but rather it encompasses the entirety of the risk and capital management activity undertaken during the year, as described in the annually approved ORSA policy. Key tasks within that activity are reviewed and approved by the Board as part of the process (e.g. capital to support the business plan and risk appetites) and included in the Board approved ORSA report. The production of the full ORSA report is performed annually but regular management information that is produced by the ORSA processes is provided continuously during the year.

The frequency of each ORSA process mentioned above has been set to allow for appropriate identification, assessment, measurement, control and monitoring of risks to the business.

B.4. Internal control system

The 'Three Lines of Defence' approach which ensures effective and robust day to day governance is in place as described in Section B1 above.

AXA XL Internal Control team, in Risk Management, is in charge of maintaining the Internal Control Framework at AXA XL Division and of monitoring the overall system of controls, ensuring all controls are performed by somebody. A roll-out of controls is performed in all AXA XL key legal entities.

AXA Internal Control Programme was introduced year end 2018 at AXA XL in order to implement a robust and effective Internal Control Framework by:

a. Implementing a risk-based approach to focus on risks that really matter;

b. Promoting management accountability for controls;

c. Introducing a common set of tools and techniques to be consistently used across the Group; and

d. Improving coordination between the different control functions.

AXA XL Internal Control team is also responsible for the Internal Financial Control framework, with controls in place across the Division on the financial reporting controls. This framework is in place at AXA XL for many years and provides reasonable assurance to legal entities within the Division that financial reporting is reliable and compliant with applicable laws and regulations and provides comfort over the completeness, accuracy and appropriateness of data.

Both the Internal Control Framework and the Internal Financial Control framework are primarily designed to operate across AXA XL Division, with output reported to legal entities.

The Internal Audit Function represents the 'third line of defence', provides independent assessment of the effectiveness of the Company's system of internal control and reports to the Audit Committee.

B.4.1 Internal Controls

The Company benefits from the AXA XL Internal Control Framework. The AXA XL Internal Control team, within the Risk Management function, implements the AXA Internal Control Program at the Division and monitors the overall system of controls, covering all AXA XL departments and processes, ensuring all controls are performed. The AXA Internal Control Program provides a robust and effective Internal Control Framework by:

- Implementing a risk-based approach to focus on risks that really matter;
- Promoting management accountability for controls;
- Introducing a common set of tools and techniques to be consistently used across the Group;
- Improving coordination between the different control functions.

The AXA XL Internal Control team is also responsible for the Internal Financial Control framework, looking at key controls around financial reporting and Solvency II across the Division. This framework has been in place at AXA XL for many years and provides reasonable assurance to legal entities within the Division that financial reporting is reliable and compliant with applicable laws and regulations and provides comfort over the completeness, accuracy, and appropriateness of data.

B.4.2 Compliance Function

The Compliance Function is responsible for advising the Company's management and Board on compliance with applicable laws, regulations and administrative provisions adopted in accordance with the SII Regulation and other local laws and regulations, and on the impact of changes in the legal and regulatory environment applicable to the Company's operations. AXA XL's compliance function provides expertise, advice and support to various departments of the Company to assess situations and compliance matters, analyse compliance risk and contribute to design solutions to mitigate those risks to which AXA XL is exposed.

The Head of Compliance is a key function holder as regards the independent Compliance Function of the Company and is part of the second line of defence. The Head of Compliance is supported by AXA XL's compliance team as well as members of the Legal and Compliance team based in the Company's branches. The role of the Head of Compliance is a Pre-Approval Controlled Function and the Head of Compliance reports directly to the Board.

The Compliance Governance Policy Addendum together with the Divisional Compliance Governance Policy is approved by the Board. The risk areas assigned to the Compliance Function (Compliance Risk Areas) include:

- Financial crime;
- Business conduct;
- Data protection (is managed by Data Privacy);
- Market integrity (however, anti-trust is managed by Legal);
- Ethics/employee conduct; and
- New regulatory risks & relationships with regulators.

AXA XL's compliance, financial crime and monitoring functions manage a wide range of compliance related matters including:

i. Regular reporting on significant compliance and regulatory matters to senior management and to regulators;

ii. Financial crime matters (which include anti-corruption, anti-bribery, anti-money laundering programmes as well as international sanctions/embargo compliance);

iii. Data privacy;

iv. Employee Compliance & Ethics Guide; and

v. The monitoring of compliance and regulatory risks.

The Company's Compliance Function undertakes an annual Compliance Risk Assessment to identify the most significant compliance risks to which the business is exposed. This helps to ensure that the overall compliance framework appropriately reflects the risk exposure. Based on this assessment, an Annual Compliance Plan is developed and presented to the Board for discussion and approval either at the end of each year for the following year, or the first quarter of the reporting year.

The compliance activities within the Company are articulated around a number of AXA Group Standards and policies which set the minimum requirements expected to be covered by the Company. The AXA Group Standards and policies contain standards and policies on significant risks affecting the compliance activities as well as the high-level control and monitoring principles to which AXA XL must adhere. Compliance with both the standards and policies contained in the AXA Group Standards (e.g. Compliance Governance, Anti-Money Laundering, Sanctions, Anti-Bribery) are mandatory. In addition, where appropriate, the Compliance Function has adapted the Group requirements and developed local policies to align with the relevant laws and regulations in the jurisdiction in which AXA XL operates and conducts business.

On a quarterly basis the Company's Compliance Function reports directly to the Board on significant compliance matters. These include major regulatory changes that have compliance implications, results of the Compliance Risk Assessment, the Annual Compliance Plan, remediation plans and any other significant issues that require escalation.

The function is a critical contributor to the safe and sound operation of the Company and underpins the achievement of its strategy and business goals. As part of the second line of defence of the Company, the Compliance Function interacts with other functions and contributes to reinforcing the risk and control frameworks of the Company.

B.5. Internal audit function

AXA XL Internal Audit provides the Board and Executive Management with independent and objective assurance on the effectiveness of the overall control environment to help protect the assets and reputation of the organisation and help improve its operations.

AXA XL Internal Audit sets an annual plan of work, approved and monitored by the Audit Committee, based on an assessment of both the inherent risk and the adequacy of controls as well as consideration of cyclical coverage.

A report is issued at the conclusion of each audit assignment to relevant senior management, with the results and resolution status of internal audit issues presented regularly to the Audit Committee and management.

The AXA XL internal audit function has an audit charter to document its purpose, independence, scope, accountabilities, responsibilities, authorities and standards. The charter is approved by the Audit Committee each year.

The head of the AXA XL internal audit function has a direct and unfettered reporting line directly to their respective Audit Committee Chairperson and reports functionally through to the Group Head of Internal Audit.

B.6. Actuarial function

B.6.1 Roles and Structure

The Company's actuarial function is led by the Head of Actuarial Function ("HoAF") - NonLife who reports to the Board directly. The role of the HoAF- Life, has been outsourced to Willis Towers Watson. It is implemented in line with the terms agreed with Willis Towers Watson and the Company's Outsourcing Policy (see Section B.7). The HoAF-Life reports operationally to the HoAF - NonLife and reports annually to the Board directly. The HoAF, is a key function holder and part of the second line of defence in relation to reporting, oversight and controlling activities.

B.6.2 Reports of the Actuarial Function to the Board and Regulators

The Actuarial Function Reports ("AFR") presented by the HoAFs to the Board document all material tasks that have been undertaken by the Actuarial function and include the disclosure of key results and the evaluation of any deficiencies and recommendations for addressing any such deficiencies. The AFR will include the Actuarial Opinion on Technical Provisions ("AOTP"), the Actuarial Report on Technical Provisions ("ARTP") and the opinions on reinsurance adequacy and underwriting policy. These reports are presented to the Board annually and the actuarial opinion on the ORSA process is provided to the Board each time an ORSA is presented to the Board.

B.6.3 Actuarial Function Responsibilities

The core tasks performed by the Actuarial Function, as defined by the Domestic Actuarial Regime and Related Governance, issued by the CBI in 2018 and the Guidance for (Re)insurance Undertakings on the Head of Actuarial Function Role, issued by the CBI in 2018 are set out below. The Actuarial Function is involved in many of the key processes across the Company's business and provides technical expertise and assurance over the methods used. The key processes are:

- The coordination of the calculation of technical provisions (and other figures) to be reported for accounting and regulatory purposes;
- Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions and explaining any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions;
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions and where relevant providing recommendations on internal procedures to improve data quality;
- Providing an opinion on the compliance of the Technical Provisions and informing the Board on the reliability and adequacy of the calculation of technical provisions; overseeing the calculation of technical provisions in cases set out in Article 82;
- Assisting in the execution of the RMF and ensuring effective governance framework around the review and validation of loss reserves (including technical provisions), policyholder obligations and potential exposures, which includes:
    i. Regular contact by reserving actuaries with underwriting and claims teams;
    ii. Review of technical provision results by an escalating series of reviews from reserving actuaries to the Division Actuarial Function Holder;
    iii. Review of technical provisions to provide sufficient independence from management; and
    iv. Independent external analysis of the reserving requirements.
- Setting and maintaining actuarial standards to be applied across the business, ensuring that the actuarial methods and techniques are compliant with all the appropriate Group and local regulatory requirements;
- Providing, at least annually, an opinion on underwriting policy and overall reinsurance arrangements;
- Assisting with the underwriting and pricing process, by providing reserving insights into business performance and trends;
- Comparing best estimates against experience; and
- Provision of an opinion on the ORSA process

In relation to Technical Provisions requirements, the Head of Actuarial Function provides an AOTP to the CBI and an ARTP supporting the AOTP to the Board. The regime also requires an independent peer review of the technical provisions and the associated AOTP and ARTP, thereby providing an independent view of the Company's reserving/ calculation of technical provisions in accordance with the timeframes as set out within the CBI's Domestic Actuarial Regime.

Additional responsibilities relating to capital modelling

The Actuarial Function has an additional responsibility in contributing to the effective implementation of the risk management system.

The Actuarial Function operates in such a way that necessary independence from the day-to-day risk-taking and risk-mitigating (first line of defence) activities are maintained. This requires that no undue influence be exercised over the Actuarial Function, in terms of reporting, objectives, target-setting, compensation or other means.

B.7. Outsourcing

Outsourcing refers to an arrangement between a reinsurance undertaking and a service provider (intragroup or third party) whether supervised or not by which the service provider performs a function or an activity whether directly or by sub-outsourcing, relating to the core business that would otherwise be undertaken in-house by the reinsurance undertaking itself. The Company enters into outsourcing arrangements where they align with the Company's strategy in respect of outsourcing and where the risk can be effectively managed.

Outsourcing can increase operational risk exposure through reduced control over people, processes and systems. In order to mitigate this, the Company has established an Outsourcing and Third Party ICT Services Policy (which includes the outsourcing strategy) which complies with the Divisional Outsourcing and Third Party ICT Services Policy subject to amendments to comply with local legal and regulatory requirements. The Outsourcing and Third Party ICT Services Policy is consistent with and promotes sound and effective risk management and enables the Company to identify, manage, monitor and report on such outsourcing risk to which it is or might be exposed. Furthermore, the Outsourcing and Third Party ICT Services Policy sets out the principles and processes for outsourcing of functions or services to an internal or external provider. The Company has established a governance framework to support the application of the Outsourcing Policy and to ensure compliance with regulatory and SII requirements. Its main objective is to determine the relevant processes and strategies for outsourcing on a company level and to ensure adherence to regulatory requirements. It also sets out the key definitions for outsourcing, criteria for selecting, mandating and monitoring providers, the strategy and the risk appetite, the classification criteria, determining clear roles and responsibilities as well as controlling rights and rules for the closing and termination of outsourcing agreements. This framework incorporates the activities of the Executive and Outsourcing Committee. See B.1.2 above.

As at year end 2025, the Company had outsourced arrangements in place with several AXA Group companies to cover delegated underwriting, delegated claims handling, the provision of employees and intra-group services and investment management. Where AXA Group companies decide to further outsource services (chain outsourcing), they must also ensure that they comply with the requirements of the Company's Outsourcing and Third Party ICT Services Policy.There are also three external outsourcing arrangements in place one of which is categorized as a critical or important function.

The Company outsources the following five critical or important functions ("CIFS").

Employee and business services - Outsourced to XL Catlin Services SE. (established in Ireland)

A Master Services Agreement ("MSA") governs the provision of services between entities in the Group. XL Catlin Services SE is the principal service provider to the Company and it is this legal entity that employs many of the individuals who provide services to the Company. The particular services provided under the MSA are set out in the schedules to the MSA(e.g. Technical Accounting, Policy Management Services, Claims, Pricing, Actuarial CAT Loss Modelling, Risk Evaluation & Management ("ERM"), Global Technology, HR, Internal Audit, Marketing & Communications, Tax, Treasury, Workplace Support, Actuarial, Compliance / Conduct Risk, Finance and Legal / Company Secretary).

Delegated underwriting and claims services - Outsourced to XL Catlin Services SE. (established in Ireland)

A formal binder agreement governs the delegation of underwriting and claims authorities from the Company to XL Catlin Services SE which is regulated as an intermediary in Ireland and has branches across Europe. The day-to-day management and oversight of the staff performing these delegated functions rests with the heads of each function in question. These staff are required to comply with individual underwriting and claims authorities which are issued by the Company.

Delegated underwriting and claims services – Outsourced to Catlin Singapore Pte Ltd (established in Singapore)

A binding authority agreement (or "binder") governs the delegation of underwriting and claims authorities from the Company to Catlin Singapore PTE Ltd, in respect of the Company's Singapore branch. The day-to-day management and oversight of the staff performing these delegated functions rests with the heads of each function in question. These staff are required to comply with individual underwriting and claims authorities which are issued by the Company.

Investment Management services - Outsourced to XL Group Investments Ltd (established in Bermuda)

The Company has an investment management agreement with XL Group Investments Ltd ("XLGIL") which provides investment management services to the Company, including:

- Advising on investment strategy;
- Appointing sub-investment managers and custodians;
- Providing investment reporting; and
- Setting benchmarks.

XLGIL is the AXA XL Division's dedicated investment management centre of excellence and is established in Bermuda.

Head of Actuarial Function - Life. Outsourced to Willis Towers Watson (established in Ireland)

The role of HoAF- Life has been outsourced to Willis Towers Watson pursuant to an updated statement of work dated 1 January 2024. The Company's life business is in run-off.

B.8. Any other information

The system of governance is designed to protect the long-term interests of the Company's stakeholders while promoting the highest standards of integrity, transparency and accountability.

As reported in section B.1.1. a number of changes to the Company's Board of directors were effective during and since the reporting period. The Board now sits as the Audit Committee and the Risk Management Committee in accordance with the Corporate Governance Requirements for Insurance Undertakings, 2015.

No other material changes were made to the Company's system of governance during the reporting period.

C. Risk Profile

Risk governance requires that the Company can comprehensively articulate the profile/universe of the risks over which its governance processes operate. To this end, the Company has an agreed approach to the definition and categorisation of risks.

Risk Universe

The risk universe is as follows:

- Financial risks, including market, credit, and liquidity;
- Insurance risk;
- Operational risk;
- Other risks, including emerging risks, reputational risks, and strategic & regulatory risks; and
- Intangible risk (intangible assets).

As outlined in section B.3.2 the SF is used to calculate the regulatory capital requirement. A full breakdown of the key risk drivers of the SF SCR can be found in Section E.2.2 below.

The Credit and Surety book has increased the cat risk capital requirements through recession and exposure to default of large obligors over the strategic planning period and contributes to additional growth in reserve risk over the same period. This has exposed the Company to different types of risks that are appropriately captured by the Company's underwriting risk appetite framework.

Reserve risk continues to be the dominating driver of insurance risk and with the Company's strategy to focus on Casualty and Specialty lines, reserve risk will continue to grow over the projected period. The Casualty lines continue to drive an increase in the cat risk capital requirements over the strategic planning period as man-made liability, driven by casualty business and specifically premium volumes, is the largest component of cat risk in the standard formula.

During 2025, the Company's rating along with other AXA XL core legal entities was 'AA-' with a positive outlook from S&P mainly driven by the strategic fit and core operation to the AXA Group. In March 2026, the Company's rating along with other AXA XL core legal entities was upgraded to 'AA' with a stable outlook from S&P

C.1. Underwriting risk

Risk definition

Underwriting risk (insurance risk) is defined using the following categories:

Component	Definition
Underwriting risk	Insurance risk derives from reinsurance policies written for the current period and also from unearned exposure from prior periods. The risk is that the corresponding premium will be insufficient to cover future claims and other costs or more generally that the underwriting profitability from this tranche of business will be less than expected. Insurance risk includes man-made CAT events and NAT CAT events.
Reserve risk	Reserve risk relates to policy liabilities (corresponding to business written in prior periods where the exposure has already been earned at the opening balance sheet date) being insufficient to cover the cost of claims and associated expenses until the time horizon for the solvency assessment. Additional risks are that the timing or amount of actual claims payments do not align with the timing or amounts of the estimated claims payments and that there are changes in the valuation of the market value margin (risk margin) during the time horizon for solvency assessment.
Lapse risk	Lapse risk is the risk of loss, or of adverse change in the value of insurance future profits, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals and surrenders. This includes policies where an assumption has been made about renewal that may not be warranted based on past experience either in terms of actual treaties or underlying policies issued and renewable.

Risk identification

Underwriting and loss experience is reviewed regularly for, among other things, loss trends, emerging exposures, changes in the regulatory or legal environment as well as the efficacy of policy terms and conditions. Underwriting risk is also identified through:

- **Business planning -** Analysis is undertaken of the underwriting portfolio, exposures, loss experience and changes to the external environment (including market cycle, economic environment) to identify any changes to the insurance risk profile for the forthcoming period of the budget/business plan;
- **Underwriting processes (including guidelines and escalation authorities) -** Each individual contract written is assessed, by the underwriting process (which is subject to granular underwriting guidelines and escalation authorities) for the nature and level of insurance risk that it brings to the business including consideration of the exposure by nature of the limit, the risks insured, the location of the risks and other underwriting criteria;
- **Reserving and claims process -** On an ongoing basis, claims trends are monitored and analysed for any indications of change in the nature of the underlying insurance risk;
- **Risk management risk assessment process -** The Company quantifies existing risks and also identifies new risks through various risk assessment processes; and
- **RDS and other scenarios -** Used to monitor exposure to the defined scenarios and monitor compliance with underwriting risk tolerances and limits.

Risk mitigation

Reinsurance purchase

The Company participates in the AXA XL centrally managed outwards third party reinsurance programme to support the Company's underwriting strategy within risk appetite and to ensure efficient use of capital. AXA XL works with the AXA Group on the outwards reinsurance strategy. The business ceded varies by location and line of business based on a number of factors, including market conditions. The goals of the outwards reinsurance risk transfer programme include reducing exposure on individual risks, protecting against catastrophic risks, maintaining acceptable capital ratios and enabling the writing of additional business. The overall goal of the programme is to reduce volatility and enhance overall capital efficiency.

The adequacy of the AXA XL reinsurance strategy as a protection mechanism for the Company is considered and is approved by the Board as part of the annual business planning process, and the impact of that strategy is monitored quarterly by both the RMC and Board.

Actuarial Function

To mitigate the risk of large changes of reserves from one period to the next which are due to internal (not external) factors such as human errors, the reserving process performed by the Actuarial Function is highly structured, strictly defined and controlled, and includes several layers of oversight.

Rating adequacy

Underwriters are supported by dedicated teams of claims personnel and pricing actuaries. Premiums are set and adjusted based, in large part, on the industry group in which the insured is placed, the corresponding industry sector rating, and the perceived risk of the insured relative to the others in that group. The rating methodology used for individual insured seeks to set premiums in accordance with claims potential. Underwriting guidelines and policy forms differ by product offering as well as by legal jurisdiction. Pricing tools are specialised and generally operate by line of business.

Underwriting authorities and guidelines

All underwriters are assigned individual underwriting authorities with the objective of preserving the capital base and controlling earnings volatility. Authorities within the business units are delegated through the underwriting management structure and the annual review of underwriting limits is part of the business planning process. Authorities are also set in line with agreed risk appetites and risk tolerances for material individual events, the investment portfolio, RDS that cross multiple lines of business and from risks related to some or all of the above that may occur concurrently.

The Company underwrites and prices most treaties individually following a review of the exposure and in accordance with its underwriting guidelines. The Company seeks to serve our clients while controlling our exposure both on a portfolio basis and on individual reinsurance contracts through terms and conditions, policy limits and sub-limits, attachment points and ceded reinsurance arrangements on certain types of risks.

Risk monitoring

On a quarterly basis CAT exposures are measured, monitored and reported to the RMC and Board. This monitoring is both on an exposure (aggregate for CAT risk type) and per-risk basis. RDS are also produced at least twice a year and monitored and reported to RMC and Board. In addition, large losses are regularly monitored at Board and Executive level.

In relation to event risk management, net underwriting risk tolerances are established for the individual largest events in the risk profile. These are captured through risk reporting to the RMC and Board and monitored as part of the RAF.

Risk type	XL Re Europe Risk appetite statement
Underwriting risk	The 1:200 Occurrence Exceedance Probability ("OEP") limit for the key Nat Cat Perils approved by the Board. Board approved limits for key RDS.
Reserve Risk	**Trigger for discussion -** Deterioration in gross held reserves (o/s plus IBNR) to be no more than a specified percentage over any rolling 12 month period (ending at a quarter-end date).

For further information regarding the monitoring of insurance risk through the RMF and RAF, please see Section B.3.1.

Stress testing framework

There is an embedded stress testing framework that is used to understand possible impacts of major risks, including underwriting and reserving risks. These impacts include the earnings, underwriting, investments, liquidity and capital implications of low frequency, high severity events. For underwriting risks, the main stress test approaches used cover, Nat Cat peril exposure results production and RDS production as outlined below.

Test type	Reason performed
Nat Cat reporting	To monitor Nat Cat exposures against risk appetite.
RDS reporting	To monitor non-Nat Cat exposures against risk appetite and to assist in the setting of overall risk limits.

Nat Cat exposure results, and RDS exposure results, are used to monitor exposure to the defined scenarios and monitor compliance with underwriting risk tolerances and limits. RDS's are produced a minimum of twice per year to understand the Company's exposure to defined non-Nat Cat scenarios, which have been designed by experts and cover both short and long tail lines of business and cross class event exposures. The RMC (and the Board) are informed of results of stress tests performed via risk dashboards and the ORSA report throughout the year where discussions and challenge include whether the results fall within relevant approved risk tolerances and limits.

The Company reviews a range of extreme scenarios intended to stress our capital position and also take a view at 1:200 OEP, which is the point our Nat Cat underwriting limits are set. Considering the 1:200 OEP underwriting risk, our top two net Nat Cat events for the Company are a European Windstorm and German Floods. The Company's largest RDS exposure is driven from the Casualty portfolio. The capital above the SCR is greater than either the largest net 1:200 OEP peril or the largest net RDS.

Based on the above factors considered in stress testing the underwriting limits, all underwriting risks are deemed to be well managed and within risk appetite as reported via the risk dashboard to the RMC.

C.2. Market risk

Risk definition

Market risk represents the potential for loss due to adverse changes in the fair value of financial and other instruments. The Company is principally exposed to the following market risks:

Component	Definition
Interest rate and spread risk	Financial loss or volatility of profits due to the combined sensitivity of the economic value of the investment portfolio and (re)insurance liability cash flows and debt securities issued to changes in the level or volatility of benchmark interest rates and credit spreads.
Market risk concentrations	Financial loss or volatility of profits due to the increased sensitivity of the market value of the investment portfolio to other risks specifically due to concentrations of investments such as in specific geographical region, industry or company.
Foreign exchange ("FX") risk	Financial loss due to volatility in the value of the Company's assets following changes in currency exchange rates.
Equity price risk	Financial loss or volatility of profits due to the sensitivity of the value of the investment portfolio to changes in the level or in the volatility of market prices of equities.

There were no material changes in market risk exposure during the reporting period.

Risk identification

The Company identifies market risk through the following processes:

Process	Description
Business planning	As part of the Annual Investment Plan, a review is undertaken of the nature of assets required to support the business plan and the expected liabilities.
Investment RAF	The Company RAF sets maximum risk exposure to asset classes and is reviewed annually.
Risk reporting and processes	The risk reporting process assist in identifying if there are any changes to market risks already identified in the previous assessment.

Market risk is also explored through underwriting and the Emerging Risk process which has Company representation. The Emerging Risk Task Force, comprises of senior leadership from across the organisation, actively monitors a wide array of emerging risks to provide the Company's underwriters, as well as clients, with pertinent information regarding new and existing trends. This involves the ongoing review of strategic and risk management processes, identifying potential opportunities in the market and providing thought leadership around emerging risk issues to optimise underwriting and strategic decisions.

Risk mitigation

The Company's investment management strategy ensures its continued compliance with the Prudent Person Principle set out in Article 132 of Directive 2009/138/EC.

Strategic asset allocation

The Strategic Asset Allocation ("SAA") process for the AXA XL Division establishes a target allocation that is constructed to maximize enterprise value, subject to various considerations and constraints. It is subject to the market risk exposures recommended by management and is approved by the Company's Board.

Authorities Framework/RAF

In conjunction with the SAA, the Company has a RAF modelled off the AXA XL Divisional framework which limits exposure to various asset classes (with tighter limits for higher risk asset types), as well as duration and FX mismatches. There is also centralised investment risk monitoring at the AXA XL Divisional level through the Investment Authorities

and Guidelines, which further monitors exposures by average credit quality, corporate industry sector, region (for municipal securities, emerging markets), BBB exposure, and leverage. These controls are implemented through detailed compliance monitoring and reporting.

The Investment Risk Management Policy and market risk limits under the RAF address the key market risk factors and are commensurate with the volume and complexity of activity undertaken by the Company. The framework is designed to capture investment risks and to consistently and objectively measure, assess, manage and report such risks on an ongoing basis.

Service Level Agreements

An investment management agreement is in place between XLGIL, which is a member of the AXA Group, and the Company. This includes guidance on the types of investments and the weighted average credit ratings of the portfolio that can be made on behalf of the Company. Adherence to policies and limits are monitored on a regular basis and reported to the Board of the Company. The key performance indicators ("KPIs") are monitored by the ExCo.

Currency risk mitigation

The Company is primarily exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than Euro. The most significant currencies to which the Company is exposed to (in terms of currency risk) are US Dollars, Singapore Dollars and Pound Sterling. The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. ALM analysis is run regularly to adjust surplus and shortfall currencies, ensuring that the entity exposures are broadly matched. The table below outlines the Company's current exposure by currency :

XL Re Europe exposure by currency as at 31 December 2025 and 2024:

		2025	2024
Currency name	**Currency**	**Net Assets/ (Liabilities) %**	**Net Assets/ (Liabilities) %**
Euro	EUR	73%	80%
United States dollar	USD	22%	9%
British pound	GBP	5%	7%
Singapore dollar	SGD	6%	6%
Israel New Shekel	ILS	(3)%	(1)%
Australian dollar	AUD	(1)%	(1)%
Swiss Franc	CHF	(2)%	(1)%
Canadian dollar	CAD	—%	(1)%
Japanese yen	JPY	1%	1%
Other	OTH	(1)%	1%
		100%	100%

Risk monitoring

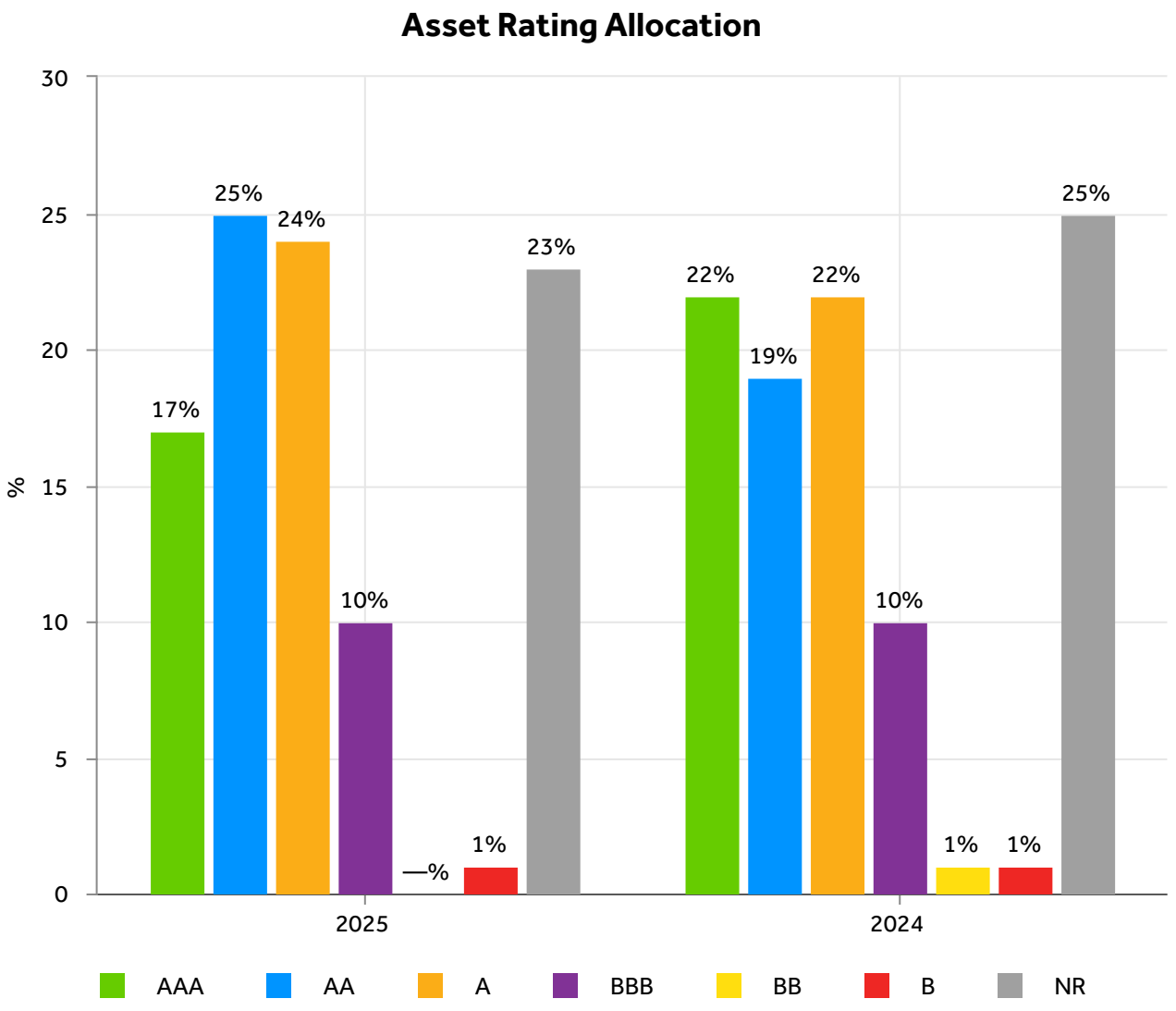
Market Risk definition includes articulation of Risk Exposures per the RAF, alerts and limits that are specified by risk category and sub-category. For example, for the Risk 'Exposure per asset class' the sub-categories include fixed income, real estate, hedge funds, etc.

Day-to-day management of the investment portfolio is conducted in accordance with detailed investment guidelines and risk tolerances that are closely monitored by XLGIL. This hybrid implementation approach provides access to external asset managers with specialized skills across a broad range of investment products, as well as the flexibility to actively manage the overall structure of the portfolio in line with the Company's specific business needs. Interaction between the internal and external managers provides additional insight to take advantage of opportunities as they present themselves.

The delegation of investment authority to XLGIL is supplemented by robust compliance monitoring with defined escalation and notification procedures. This framework is designed to identify investment risks on an absolute basis and relative to liabilities and to consistently and objectively measure, assess, manage and report such risks on an ongoing basis. The RAF is cascaded down to the Company and approved by the Board. Any breaches in limits of the RAF are highlighted in the risk dashboard presented to the RMC and escalated to the Board.

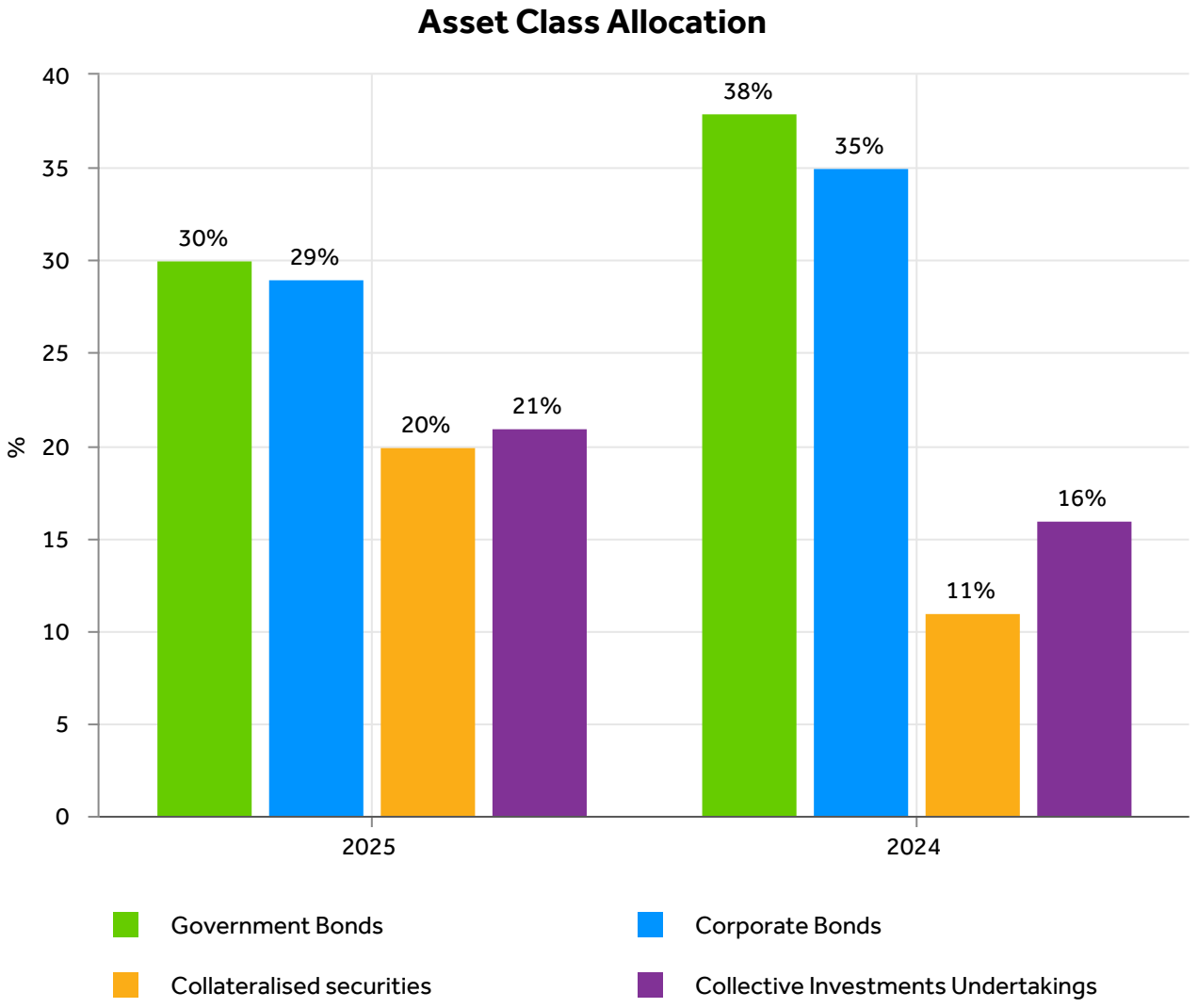
The Company's investment portfolio is reported to the RMC via the risk dashboard, with any breaches in Risk Appetite highlighted to the Board.

XL Re Europe portfolio rating allocation



The overall credit quality of the portfolio has remained stable year on year. Investments which we consider collective investment schemes under SII are included in the NR category where a credit rating was not available. These holdings have increased since prior year which reduces the relative percentages of the other categories compared to the prior year.

XL Re Europe portfolio asset class allocation



Modest movements observed in each of the asset classes.

Risk appetite

Risk appetite/exposures and compliance with investment guidelines and authorities is captured through risk reporting to the RMC and Board and monitored (actual valuation compared to both alert and limit levels) as part of the RAF. The Company monitors and manages market risk via a number of agreed risk exposure indicators and limits and alerts.

Risk type	XL Re Europe Asset Class Exposure limits and alert
Market risk	The Company sets exposure limits and alerts for the various asset classes of the portfolio.

Stress testing framework

The following stress and scenario tests are used to identify risk exposures:

- Interest rate and credit spread sensitivities: by re-valuing current portfolio holdings assuming various changes in the level and term structure of interest rates and the level of credit spreads.
- FX stress tests on assets and liabilities; and
- Ad hoc scenario stress testing as deemed appropriate by Risk Management.

The RMC and Board, where appropriate, are informed of results of stress tests performed throughout the year. Based on the above factors considered in scenario and stress testing, all market risks are deemed to be well managed as reported via the Risk Dashboard and ORSA report to the RMC and Board.

Test type	Reason performed
Market risk scenarios	To evaluate sensitivities to certain interest rate or credit spread movements.

C.3. Credit risk

Risk definition

Credit risk is defined as the risk of loss due to an unexpected default, or deterioration in the credit standing of counterparties and debtors, or uncertainty of an obligator's continued ability to make timely payments in accordance with the contractual terms of the instrument.

Credit risk through the risk framework is categorised by the following:

Component	Description
Reinsurance counterparty risk	Risk of losses due to the default of a reinsurer or a deterioration of its credit worthiness.
Investment counterparty risk	Counterparty default risk is the risk of possible losses due to the unexpected default, or deterioration in the credit standing of investment counterparties.
Premium counterparty risk	Premium counterparty default risk is the risk of possible losses due to unexpected default, or deterioration in the credit standing of the premium debtors in relation to insurance contracts written.
Underwriting counterparty risk	Exposure to credit risk through certain credit sensitive underwriting activities which include, but are not limited to, Surety, Environmental and Political Risk and Trade Credit.

Additional Credit Risk components include:

- Mortgage - Counterparty risk inherent to the mortgage backed securities (collateralised securities) where real estate serves as collateral.

Risk identification

The Company identifies credit risk through the following processes:

Process	Description
Business planning	Analysis is undertaken of the credit risk exposures, loss experience and changes to the external environment (including market cycle and economic environment) to identify any changes to the credit risk profile for the forthcoming period of the business plan.
Underwriting	Each individual contract written is assessed, by underwriting process (which is subject to granular underwriting guidelines and escalation authorities) for the nature and level of credit risk that it brings to the business including consideration of the exposure by nature of the limit, the risks insured, the location of the risks and other underwriting criteria.
ERM risk assessment and processes	Through the risk assessment processes, the Company quantifies existing risks and also identifies new risks.
Emerging risks	An emerging risks identification process exists to assess and identify key external factor changes that may give rise to credit risk issues. The process also evaluates potential opportunities that might arise from these emerging risks.

Risk mitigation

Credit risk is managed through:

- **Credit risk framework -** Credit risk arising from credit sensitive underwriting activities is managed via the underwriting limit framework. Credit risk in the investment portfolio is managed through various frameworks applied at the Division and Entity level including Authorities & Guidelines and Fixed Income Concentration. These address the credit quality of obligors and counterparties, diversification, exposure vs limits by rating, term and seniority, and quantitatively evaluate credit risk following a robust Credit Value at Risk ("VaR") methodology. Financial Risk Management Internal Credit Ratings ("ICR") have been developed by taking into account the Group Credit Team ("GCT") Internal Rating to decrease the dependency toward the 3 main Rating Agencies. Exposure to credit spreads primarily relates to market value and cash flow variability associated with changes to credit spreads. Credit spreads in the investment portfolio are regularly reviewed in terms of the inherent potential for downgrade of individual obligors as well as the wider impact on the overall credit risk of the portfolio. Exposure to largest single counterparty is also monitored through the Company's RAF.
- **Intra-group credit arrangements -** The Company has intragroup reinsurance arrangements in place with XL Bermuda Ltd and AXA XL Reinsurance Ltd.
- **Underwriting authorities and limits -** See C1 Underwriting Risk.
- **Investment portfolio -** Credit risk is also managed through the credit research performed by external investment management service providers, Group Risk Management, and the in-house portfolio management team.
- **Reinsurance security department -** The Company manages its credit risk in its external reinsurance relationships by transacting with reinsurers that it considers financially sound, and if necessary, collateral in the form of funds, trust accounts and/or irrevocable letters of credit may be held.
- **Premium payment and brokers -** The Company underwrites a significant amount of its reinsurance business through brokers. Generally, the credit risk remains with the cedants including in the event of a broker insolvency, except where the Company has agreed that broker is acting for it in the collection of premium. In those instances, credit and premium risk exists should any of these brokers be unable to pay the premium due. A list of approved broking houses is maintained. A similar process exists for business written directly with cedants.

Risk monitoring

Risk Management consolidates credit exposure reports from corporate functions and underwriting businesses on a regular basis for aggregating, monitoring and reporting to the RMC and Board.

Investment portfolio

On a regular basis a review is undertaken of the investment portfolio to improve the Company's understanding of asset concentrations as well as, credit quality and adherence to its credit limit guidelines. Any issuer over its credit limit or experiencing financial difficulties, material credit quality deterioration or potentially subject to forthcoming credit quality deterioration is placed on a watch list for closer monitoring. Where appropriate, exposures are reduced or prevented from increasing.

Stress testing framework

There is an embedded stress testing framework that is used to understand possible impacts of major risks, including credit risks. Stress tests and scenario analysis are undertaken to monitor exposure to the defined scenarios that allows monitoring of exposure to credit risks. These scenarios help to understand potential losses to ensure that the Company is prepared to withstand projected losses from these events, including ensuring that there is adequate capital, and liquidity to manage through the event and maintain the Company as a going concern. Based on the factors considered in scenario and stress testing, all credit risks are deemed to be well managed.

AXA S.A. Credit Facility

The Company may benefit in part from a $1bn multi-currency facility, which AXA S.A. entered into July 2019, with the main insurance and reinsurance carriers of AXA XL. The credit agreement allows for letters of credit to be issued in a variety of currencies.

No letters of credit have been issued to the Company.

C.4. Liquidity risk

Risk definition

Liquidity risk is defined as the inability to meet cash and collateral posting obligations when they come due. Liquidity risk arises from three principal areas: operating, financing and investing cash flows. The RMF addresses how the Company manages liquidity both under a normal and a stressed environment..

Risk identification

The Company identifies liquidity risk through the following processes:

Process	Description
Stress testing	Stressing liquidity positions with 1:200 event covering market risk, credit risk, P&C risk and operational risk with diversification.
Treasury	Treasury has responsibility to identify and monitor concentration risk of cash at banks, along with funding requirements.
Risk Management - Risk assessment and processes	Through the risk assessment processes, the Company quantifies existing risks and identifies new risks.

Risk mitigation

One of the principal objectives of liquidity risk management is to ensure that there is readily available access to funds with which to settle large or multiple unforeseen claims. It is generally expected that positive cash flow from operations (underwriting activities and investment income) will be sufficient to cover cash outflows under most future loss scenarios.

Cash requirements include all possible claims on cash from policyholders and operations. Some of these cash outflows are scheduled while others are known with much less certainty. The goal is to ensure sufficient liquidity in the asset portfolio, together with secured external cash sources, to provide for timely payment of potential cash demands under both normal business conditions and under extreme conditions resulting from unforeseen events over 12-month horizon.

Liquidity risk is managed through:

- **Asset-liability management (ALM) -** AXA XL Treasury department conducts detailed ALM analysis to match the currency mix of its liabilities with appropriate assets. Investments manages the duration gap of assets and liabilities within a pre-defined range.

- **Special funding clauses -** The major source of liquidity risk within underwriting contracts is the provision of rating triggers, which are common practice. These triggers typically necessitate the cancellation of the policy and the return of the cedant's unearned premium in the event of being downgraded below a certain rating level, which has the potential to be a material liquidity event when aggregated. There are controls in place to ensure that there is appropriate authorization for the inclusion of a downgrade clause in a contract.

The AXA XL Investments and Risk Management departments serve as the focal point for liquidity monitoring, drawing on the expertise of other internal functions, as well as managing cash held at bank accounts covering day-to-day cash requirements, typically referred to as operating cash. Operating cash balances, together with cash managed within the investment portfolio, comprise the primary sources of liquidity for the Company. The Company also has access to several credit facilities.

A stressed liquidity analysis report is prepared on a quarterly basis by the AXA XL Investments and Risk Management department, which includes the Company's own view of the stressed sources and uses of liquidity over a 12 month horizon. The Company must maintain excess liquidity post simultaneous stresses from 1:200 event covering market risk, credit risk, P&C risk and operational risk with diversification.

The state of the Company's liquidity is routinely reported to the Board and monitored as part of the RAF.

Risk monitoring

The AXA XL Investments department serves as the focal point for liquidity monitoring, drawing on the expertise of other internal functions, as well as managing cash held at bank accounts covering day-to-day cash requirements, typically referred to as operating cash. Operating cash balances, together with cash managed within the investments portfolio, comprise the primary sources of liquidity for the Company.

The Company measures and monitors liquidity risk as follows:

- An internal stressed liquidity calculation is performed quarterly for the Company over a 12 month horizon, including a 1:200 event covering market risk, credit risk, P&C risk and operational risk with diversification;
- AXA XL Treasury department monitors concentration risk of cash at banks, along with upcoming funding requirements.

The Company continued to have sufficient liquidity during 2025, even with the rising interest rate environment in Eurozone. Additionally, the company's investment strategy shifted away from IG Credit into low-risk, government and agency MBS securities for improved liquidity..

Risk appetite

Risk appetite is captured through risk reporting to the RMC and Board and monitored as part of the RAF. The following outlines the Company's Liquidity risk appetite statement:

Risk type	Risk appetite statement
Liquidity risk	Liquidity resources must exceed the stressed requirements, i.e. maintaining of positive excess Liquidity under stress.

Risk appetite links directly to the stress testing framework outlined below:

Stress testing framework

There is an embedded stress testing framework that is used to understand possible impacts of major risks, including liquidity risks. A stressed liquidity analysis report is prepared on a quarterly basis by the AXA XL Treasury department, which includes a view of the stressed sources and uses of liquidity over a 12 month horizon.

Based on the above factors considered in scenario and stress testing, all liquidity risks are deemed to be well managed and within risk appetite, as reported via the Risk Dashboard to the RMC.

Expected profit in future premium

Expected profit in future premium is the combination of profits in both unearned premium and bound but not incepted premium. The expected profit in future premium at 31 December 2025 was €93.2m compared to €114.3m at 31 December 2024.

The change in expected profit is driven by the change in bound but not incepted ("BBNI") volumes of business (and expected underlying profitability) and the change in UPR (and associated profitability) at 2025 year end, compared to 2024 year end.

C.5. Operational risk

Risk definition

The Company defines operational risk as the risk of loss, resulting from inadequate or failed internal controls and / or processes, or from people and systems, or from external events. Operational risks are defined consistent with the Basel II risk categorisation. In line with business objectives, the Company does not take on operational risk with a view to achieving enhanced return. Rather, it accepts operational risk as a consequence of writing (re)insurance business and having operations to support the writing of that business.

Risk identification

Operational risk is identified through the following processes:

Process	Description
Annual risk assessment	A risk register is maintained of the material risks faced by the Company. On an annual basis an assessment is performed on the risks on the risk register.
Consultation regarding new regulations	When the regulatory authorities announce potential changes to the regulatory environment (such as new rules and regulations) the Legal and Compliance team is responsible for reviewing the proposed changes and for highlighting any increase in regulatory risk that might arise. When new financial reporting regulations are announced, the CFO is responsible for reviewing the proposed changes and for highlighting any increase in regulatory risk that might arise.
Business planning	Any changes to the operational risk environment that arise as a result of the business planning (such as entry into new territories) must be identified and accounted for during the planning process.
Ongoing operations	Function heads and Risk Owners are responsible for identifying any new (or changed) risks during the normal course of business, and notifying the Policy Owners so any required changes to the risk register can be implemented.
Emerging risks	An emerging risks process is in place to identify and capture emerging risks. This assessment identifies key external factor changes that may give rise to operational risk issues.
Internal loss data	The Company collects data relating to operational risk losses and near misses on a quarterly basis. The data collected is used, among other things, to track incidents, identify key risk indicators and to validate and challenge operational risk quantification.
External loss data	The Company benefits from historical loss data that AXA XL Division purchase from an external provider. Large events from this database are used to identify new emerging risks.

Risk mitigation and monitoring

The Company's risk register takes into account the controls in place that mitigate specific risks. The nature of the controls and the strength of control exercised are based upon the:

- Potential severity of the risk;
- Frequency of the risk occurring;
- Cost of implementing controls relative to the significance of the risk; and
- Appetite and tolerance for the risk.

An annual assessment is performed for all risks on the risk register. The assessment involves capturing the risk owner view of the potential severity should an incident occur relating to the risk, and the likelihood of such an incident occurring. Together this establishes the profile of each risk, allowing identification of top risks, thereby facilitating appropriate risk-based monitoring.

Purchase of Insurance

It is recognised that while the Company may buy insurance with the aim of reducing the monetary impact of certain operational risk events (e.g. physical damage), non-monetary impacts may remain (including the impact on the Company's reputation). This is considered in the risk assessment process and risk register.

The risks are monitored and managed through the risk framework and the operational loss event reporting process.

Based on the above factors considered in scenario and stress testing, all operational risks are deemed to be well managed and within risk appetite, as reported via the Risk Dashboard and ORSA report to the RMC and Board.

Risk appetite

Risk appetite is captured through risk reporting to the RMC and Board and monitored as part of the RAF. The Operational risk appetite is established as an amount of financial impact to individual risks.

Stress testing framework

To support the identification and quantification of operational risks within the business the Company has a stress and scenario testing framework.

The stress testing includes multiple operational risk scenarios which are evaluated for the top operational risks identified via the risk assessment process.

The operational scenarios are developed from the top risks assessed during the annual risk assessment process on a net assessment basis. The scenarios have multiple uses including:

- To monitor against operational risk appetite; and
- To better understand economic and reputational impact of the identified top operational risk exposures.

Based on the above factors considered in scenario and stress testing, all operational risks are deemed to be well managed and within risk appetite, as reported via the Risk Dashboard and ORSA report to the RMC and Board.

C.6. Other material risks

Asset liability mismatch risk

Risk definition

Asset liability mismatch risk arises directly from a mismatch between assets and liabilities due to changes in market and credit risks, liquidity and FX and also arises from events affecting both asset and liability values.

In particular, three market risks influence both assets and liabilities and are hence key drivers of risk:

Component	Definition
Interest rate and spread risk and asset composition risk	Mismatches between asset composition and maturities and the profile of liability cash flows creates economic risks from changes in benchmark interest rates, spreads and asset values. This is due to changes in the nominal mark to market ("MTM") value of assets not exactly offsetting changes in the nominal economic value (net-present value) of liability cash flows.
Inflation risk	Differences in the inflation sensitivity of investments, liability and debt cash flows creates a risk to unexpected changes in different types of inflation (Consumer Price Index, wage, etc.). This is due to changes in the real MTM value of assets not offsetting changes in the real economic value (net-present value) of liability cash flows.
FX risk	FX risk arises from mismatches in the currency denomination of assets relative to that of financial liabilities.

FX risk is also a key consideration under asset liability mismatch risk which was outlined in Section C2 Market Risk.

Risk identification

The following outlines the processes used to identify asset liability mismatch risk:

Process	Description
Business planning	As part of the annual strategic planning process, a review is undertaken of the nature (quality, duration, currency and liquidity) of assets required to support the business plan and the expected liabilities.
Investment decisions and asset allocation	The Investment Portfolio Authorities & Guidelines framework at AXA XL Division level and Investment Guidelines at Legal Entity level sets maximum thresholds and alert levels and is reviewed annually in conjunction with the SAA process as outlined in C2 Market Risk.
ERM risk assessment processes	The risk assessment processes assist in identifying if there are any changes to asset liability mismatch risks from those that had been identified in the previous risk assessment.

Risk treatment

The Company controls asset liability mismatch risk through:

- **ALM analysis**

The Company will conduct detailed ALM analyses to match the average duration and currency of its liabilities with appropriate assets. The SAA process which follows determines the target allocation that maximizes the value of the Company subject to risk tolerance and other constraints. The SAA considers management's risk tolerance, liability cash flows, business plan, liquidity considerations, capital market forecasts and regulatory considerations. The ALM/SAA process is centralized at the AXA XL Division level and then target allocations are propagated down to the legal entity level further considering local aspects. This is typically performed annually and is mandatory to be completed at least once in every three years.

- **Investment RAF**

Board approved RAF limits are in place that address all the key market risk factors and are commensurate with the volume and complexity of activity undertaken by the Company.

- **Stress testing framework**

The Company uses stress testing as one method to assess asset liability mismatch risk exposures. The following stress and scenario tests are used to identify risk exposures:

i. Interest rate and credit spread sensitivities: by re-valuing current portfolio holdings assuming various changes in the level and term structure of interest rates and the level of credit spreads;

ii. FX stress tests on assets and liabilities; and

iii. Ad hoc scenario stress testing as deemed appropriate by Risk Management.

Strategic risk

A strategic risk is the risk that has a negative impact (current or prospective) on earnings or capital, material at the Divisional level, arises from a lack of responsiveness to industry changes or adverse business decisions regarding:

- Significant changes in footprint, including through mergers and acquisitions;
- Product offering and client segmentation; and
- Distribution model (channel mix including alliances/partnerships, multi-access and digital distribution).

Given the nature of strategic risks, there is no capital charge assessment but rather a strong strategic RMF in place in order to assess, anticipate and mitigate these risks.

Reputational Risk

Reputation risk is the risk that an event will negatively influence the stakeholders' perceptions of the Company. AXA XL maintains a Reputational Risk Framework which encompasses a set of planned actions and policies established, while reputation problems are still latent, to reduce the probability and/or the expected costs of latent reputation problems becoming actual.

Emerging Risks

Emerging risks are risks which may develop in the future, or which already exist and are continuously evolving. They are marked by a high degree of uncertainty, and some of them may never emerge. Emerging risks may be difficult to quantify and can have potentially serious consequences if they are not anticipated in a timely manner. To assess the impact of emerging risks at AXA XL, there is a well-established emerging risks framework in place, which is supported by all relevant Risk Committees at both divisional and legal entity level. The Emerging Risks Team works in collaboration with the Emerging Risks Expert Network to identify, analyze, prioritize, quantify, monitor, and report on emerging risks that could have an impact on existing and future product offerings and business operations. All Risk Committees and the Emerging Risks Expert Network work together to undertake both strategic and risk management processes, assisting in identifying potential opportunities in the market and providing thought leadership around emerging risk issues to optimize underwriting and strategic decisions

Climate Change

Climate change, and consequently climate change risk, is a key area of consideration to the Company. AXA XL, and as such the Company is committed to taking a leading role in working with its clients and business partners to raise awareness of climate issues, help them manage risk and develop solutions to create a more sustainable society.

Climate Risk Definitions

To develop an effective climate strategy, we must first understand the risks and opportunities climate change presents for AXA XL. AXA XL and its entities including XLReE are exposed to all forms of climate change risk, namely:

- **Physical risk**

  Refers to the direct impact of climate change on persons and property, risks as those arising from increasingly frequent and severe extreme weather events, wildfires and rising sea-levels. The Company has exposure to natural catastrophes, which might be impacted by climate change. Work in this space is supported by a divisional Science & Natural Perils team, who continuously assesses the impact of climate change on natural perils and implements specific adjustments in catastrophe models. Alongside this ongoing review to help understand and manage our exposures, our ceded reinsurance protections act to mitigate the risks from natural perils, including those related to climate.

  The hazard changes from the impact of climate change on natural perils are likely to present themselves gradually, over a long time period, and therefore this risk is viewed as chronic rather than acute. Aside from hazard, vulnerability and exposure changes are also considered, the latter being the likely dominant factor of change in recent history.

- Transition risk

Refers to risks that stem from a change in behaviours and strategies of industrial actors, market participants and customers in response to climate change, and the implementation of climate-related policy or regulatory and technological developments, including as a result of cross-sectoral structural changes from the transition toward a lower-carbon economy. This can include both loss-causing impacts and the future stability of some of our product portfolios but also opportunities as society invests to decarbonize and transition towards a low-carbon society. This changing risk and opportunity can be seen in areas like the energy, motor, aviation and construction sectors where we are witnessing the impact of decarbonization strategies and a move towards insuring renewable energy initiatives and other low carbon strategies.

AXA XL has a specific initiative to grow its portfolio of future energy solutions, and develop its best practice groups; communities of colleagues with expertise relating to these alternate energy technologies are in place to develop AXA XL's understanding, as well as build underwriting rules and guidelines to underwrite these technologies. This expert knowledge along with engagement with our clients enables AXA XL to be resilient to the changing risks faced in this area.

- Liability risk

  This refers to the potential liability that arises out of litigation brought by claimants who allege losses or seek relief due to climate change. This is driven in part by public nuisance (lawsuits seeking relief from alleged effects of climate impacts against various target defendants including energy-fossil fuel companies), greenwashing, policies and decisions (cases brought against governments or private organizations around their alleged lack of ambition relating to climate action which challenge the ambition, adequacy, or implementation of their climate targets and policies), failure to adapt (relate to a government or company allegedly failing to introduce climate change adaptation measures where they have a responsibility to do so) and transition risk (where an organization's leaders are alleged to not appropriately account for the impact of a changing climate on their business models). Where such cases are successful, those parties against whom the claims are made may seek to pass on some or all the cost to insurance firms.

Management of Climate Risk

Climate change risks have potential impacts on our underwriting, investments, and company operations, and therefore dedicated groups of colleagues are working to ensure that the transversal nature of this risk is duly considered, appropriately managed and mitigated.

Climate change risk is managed through the Risk Management Framework ("RMF") and the the AXA XL Division Climate Change Risk Framework ("CCRF"). Through this process, risks are identified, reported and managed. Risks pertaining to climate change; physical, transition and liability risks have been long standing items in our emerging risks identification process. As these risks continue to develop, they are assessed and monitored for each risk type. For example, the potential physical risk impacts on our natural catastrophe risk are considered within our underwriting risk framework, which ensures that each element of climate risk is managed by those with most expertise, that relevant stakeholders are kept informed and that these risks can be compared to others with similar characteristics.

Climate Key Risk Indicators ("KRIs") have been developed and reported on. These include metrics relating to physical, transition and liability risk and span insurance, financial, operational, reputational and strategic risk pillars. They are updated quarterly or yearly, dependent on the metric, and are included within the materials for the Company's Risk Management Committee (RMC) meetings.

Climate Risk Stress Testing

Given the longer time horizon over which these risks may emerge, and the considerable uncertainty in future projections, AXA XL has been developing a series of stress tests to better understand the long-term implications for this risk.

For underwriting risk, the stress testing that has been developed over the past few years to consider the impact of climate physical risk to our natural catastrophe exposures, has been updated and refined in 2025. In addition, aside from the initial analysis on sea level rise tipping point impacts, research has been initiated on a second tipping point, specifically the slowing of the Atlantic Meridional Overturning Circulation ("AMOC") and its impact on extreme events in Europe.

Within market risk, there is a Physical Risk stress test in place using Climate Value-at-Risk ("CVaR") as well as Transition Risk stress test that considers a disorderly transition based on a European Insurance and Occupational Pensions Authority ("EIOPA") scenario.

Moving forward, AXA XL's goal remains to continue to advance our understanding and assessments of climate impacts across all risk pillars. In addition, instead of looking at risks in isolation, the aim is to develop integrated scenarios across AXA XL that would allow AXA XL to understand potential impacts under a consistent framework..

Investment Strategy

Climate risk is factored in through the AXA Responsible Investment Strategy which drives the AXA XL Division and therefore the Company's investment strategy. This strategy is based on the following 5 pillars.

1. **Environmental, social, and governance ("ESG") Integration:** AXA integrates ESG factors into its investment processes, using key performance indicators ("KPIs") and qualitative research across most assets. ESG considerations are integrated in internal credit analysis.

2. **Climate-related portfolio alignment:** Carbon metrics are integrated into our investment monitoring and decisions. AXA has the objective of expanding the coverage of greenhouse gas footprint analysis to all its invested assets. It has also set decarbonization targets where relevant.

3. **ESG investments exclusions:** Sector-based restrictions as detailed in our policies on Defense, Energy, Ecosystem Conversion and Deforestation, Food Commodity Derivatives and the Tobacco Industry.

4. **Transition financing objectives:** AXA has set targets to support the transition towards a less carbon-intensive economy while supporting community resilience.

5. **Active Stewardship:** AXA is active through voting and bilateral engagement with the top management of companies in which AXA invests.

C.7. Any other information

There is no other material information regarding the Risk Profile of the Company.

D. Valuation for Solvency Purposes

This section contains information regarding the valuation of balance sheet items for solvency purposes. The SII Balance Sheet S.02.01.02 is shown in the Public QRT section at the end of this report. A reconciliation between the Irish GAAP balance sheet and the SII balance sheet is presented below. The numbering of line items refers to the comments which follow. Based on the differences in this template a reconciliation between the Irish GAAP equity and SII equity is provided in Section E.1.2 below.

This section describes the bases, methods and main assumptions used in the valuation of assets for solvency purposes of each material class of asset. The material quantitative differences between the value of assets in the balance sheets presented below are explained. Where individual line items are not material they have been grouped together.

Each material asset class is as described in paragraph D.1. Valuation of technical provisions are calculated as the sum of the best estimate and the risk margin, as described in paragraph D.2. Other liabilities are described in paragraph D.3.

			2025		2024
	Reference	Irish GAAP Value	Adjustment	SII Value	SII Value
Assets		€'000	€'000	€'000	€'000
Deferred Acquisition Costs (DAC)*	1	82,619	(82,619)	—	—
Deferred tax asset	2	26,216	3,968	30,184	86,496
Intangible assets	4	57,095	(57,095)	—	—
Investments (excl participations)	5	2,220,263	33,604	2,253,867	2,097,890
Reinsurance recoverables	6	3,309,174	(1,366,290)	1,942,884	1,805,830
Deposits to cedants	7	92,808	—	92,808	109,631
Insurance and intermediaries receivables	8	992,547	(796,803)	195,744	195,203
Reinsurance receivables	9	121,768	116	121,884	128,234
Cash and cash equivalents	10	52,718	(18,637)	34,081	38,864
Any other assets, not elsewhere shown	11	64,095	(14,967)	49,127	12,792
Total assets		**7,019,301**	**(2,298,723)**	**4,720,578**	**4,474,941**
Liabilities					
Technical provisions (best estimates) - Non-Life & health similar to non-life	D.2.1	4,809,961	(1,994,849)	2,815,111	2,647,852
Technical provisions (risk margin) - Non-Life & health similar to non-life	D.2.1	—	223,716	223,716	243,335
Technical provisions (best estimates) - Life & health similar to life	D.2.1	38,345	66,801	105,145	98,863
Technical provisions (risk margin) - Life & health similar to life	D.2.1	—	1,206	1,206	1,239
Deposits from reinsurers	12	44,785	(8,669)	36,116	36,906
Deferred tax liabilities	13	—	—	—	—
Reinsurance payables	14	838,903	(547,850)	291,053	238,427
Debts owed to credit institutions	15	22,236	—	22,236	10,435
Any other liabilities, not elsewhere shown	16	66,185	—	66,185	59,694
Total liabilities		**5,820,415**	**(2,259,645)**	**3,560,769**	**3,336,752**
Excess assets over liabilities		**1,198,886**	**(39,077)**	**1,159,809**	**1,138,189**

* Please note that included within the deferred acquisition costs ("DAC") adjustment above is a DAC asset of €280.1m offset by a DAC liability of €197.5m.

D.1. Assets

This section describes the bases, methods and main assumptions used in the valuation for solvency purposes of each material class of assets. The material quantitative differences between the value of assets in the 31 December 2025 balance sheets presented in Section D above are explained. The numbering of the balance sheet line items refers to the comments below. Based on the differences in this section a reconciliation is prepared to reflect the difference between the Irish GAAP equity and SII equity. No significant changes were made to the recognition and valuation bases or to estimations applied to assets or liabilities during the year.

The SII Balance Sheet requires an economic (fair value) valuation for all assets and other liabilities. On this basis, the following hierarchy of high level principles for the valuation of all assets and other liabilities is used:

I. Undertakings must use quoted market prices in active markets for the same assets or liabilities as the default valuation method, notwithstanding if the applicable GAAP would allow a different approach. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis;

II. Where the use of quoted market prices for the same assets or liabilities is not possible, quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences shall be used;

III. If there are no quoted market prices in active markets available, undertakings should use mark-to-model techniques, which is any alternative valuation technique that has to be benchmarked, extrapolated or otherwise calculated as far as possible from a market input;

IV. Undertakings have to make maximum use of relevant observable inputs and market inputs and rely as little as possible on undertaking-specific inputs, minimising the use of unobservable inputs; and

V. When valuing liabilities using fair value, an adjustment is required to remove the own credit risk of the liability.

The differences between the Irish GAAP and SII valuation for assets are set out below:

1. DAC are costs relating to the acquisition of new business for reinsurance contracts. Under Irish GAAP these costs are deferred to the extent that they are expected to be recovered out of future margins in revenues on these contracts. Recognition of DAC is not permitted under SII.

2. Under SII the valuation of deferred tax assets is determined by the differences between the economic valuation of an asset or liability on the SII balance sheet and its tax base. A deferred tax asset can only be recognised to the extent it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The deferred tax asset valuation has changed given the differences between the tax base of the SII balance sheet compared to the tax base of the Irish GAAP balance sheet.

3. Property, plant and equipment is held at cost less any depreciation and impairment loss under Irish GAAP. This valuation is a proxy for fair value under SII. The immateriality of the balance also contributed to choosing this approach.

4. Under SII, intangible assets are ascribed a value only where they can be sold separately and there are demonstrable quoted prices in an active market for the same or similar assets. Where this is the case, the asset is valued in accordance with the valuation hierarchy. The Company's Irish GAAP intangible assets are deemed not capable of being sold separately and do not have quoted prices on an active market (nor do such prices exist for similar assets). Intangible assets are therefore valued at nil in the SII balance sheet.

5. The reasons for the difference in presentation between SII and Irish GAAP valuation bases for investments are set out below:

    - accrued investment income is included within the value of investments under SII, whereas it is disclosed separately in the Irish GAAP balance sheet.

    - certain cash instruments in the Irish GAAP balance sheet are reclassified from cash and cash equivalents to investments under SII.

6. See Section D2.2 for a discussion of reinsurance recoveries under Irish GAAP compared to SII.

7. Deposits to cedants are valued at cost less provision for impairment under Irish GAAP and SII.

8. Insurance and intermediaries receivables under Irish GAAP are measured at cost less provision for impairment and are not discounted. The valuation differs to SII due to the fact that all of the not-yet-due insurance and

intermediaries receivables are transferred to technical provisions under SII. As this is simply a balance sheet re-classification between assets and liabilities there is no material impact on equity (apart from the fact that non-yet-due balances are discounted within technical provisions). Only the due receivables remain in assets under SII and are measured at cost less provision for impairment as a reasonable proxy for fair value given the short-term nature of these assets.

9. Reinsurance receivables under Irish GAAP are measured at cost less provision for impairment and are not discounted. The difference to SII presentation represents creditors from reinsurers that relate to settled claims of policyholders. This was netted off against Reinsurance payables under Irish GAAP; however transferred to assets for SII. Therefore, there is no impact on equity for this adjustment (apart from the fact that not-yet-due balances are discounted within technical provisions). "Cost less provision for impairment" is a reasonable proxy for fair value for the SII measurement given the short-term nature of these assets.

10. Cash and cash equivalents are measured at fair value under both Irish GAAP and SII. The difference in presentation in cash represents certain cash equivalents under Irish GAAP which are classified as investments under SII.

11. Other assets are measured at cost less provision for impairment under Irish GAAP, which is a reasonable proxy for fair value under SII given the short-term nature of the assets. The majority of the difference is due to the fact that under SII accrued investment income is included within the value of the investment; whereas it is disclosed separately in the Irish GAAP balance sheet, or within 'Other assets' in the GAAP section of the Balance Sheet.

D.2. Technical provisions

ITechnical provisions and reinsurance recoverables from the SII Balance Sheet in Section D above are combined below to present Net Technical Provisions:

		SII Value	
		2025	2024
		€'000	€'000
Technical provisions (best estimates) - Non-life & health similar to non-life	D.2.1	2,815,111	2,647,852
Technical provisions (risk margin) - Non-life & health similar to non-life	D.2.1	223,716	243,335
Technical provisions (best estimates) - Life & health similar to life	D.2.1	105,145	98,863
Technical provisions (risk margin) - Life & health similar to life	D.2.1	1,206	1,239
Gross Technical Provisions		3,145,179	2,991,290
Reinsurance recoverables	6	(1,942,884)	(1,805,830)
Net Technical Provisions		**1,202,295**	**1,185,459**

D.2.1 Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

Technical provisions are valued based on best estimate cash flows, adjusted to reflect the time value of money using EIOPA yield term structures (with Volatility Adjustment). In addition, there is a risk margin to reflect the uncertainty inherent in the underlying cash flows which is calculated using the cost of capital approach and risk-free discount rate term structures. The discount rate term structures are prescribed by EIOPA for each reporting period.

The best estimate for the non-life claims provision is calculated by using Irish GAAP reserves as the starting point and then performing a series of adjustments:

- Removal of discounting permissible under GAAP (e.g. Periodical Payment Orders);
- Incorporation of expected reinsurance counterparty defaults;
- Incorporation or the identification of events not in data ("ENID") as appropriate;
- Future premiums (payables and receivables);
- Other adjustments related to the consideration of investment and operating expenses, etc.; and
- Allowance for discounting future cash flows.

Within the non-life provisions the removal of prudential margins is not typically required as GAAP reserves are established on a best estimate basis.

The best estimate for the premium provision is calculated by using the gross unearned premium reserve on a GAAP basis, and then performing a series of adjustments:

- Gross and ceded premiums on already obliged but yet to incept business;
- Applying expected future gross loss ratios;
- Reinsurance recoveries (with allowance for expected counterparty default);
- Incorporation of ENID;
- Future premiums (payables and receivables);
- Other adjustments related to the consideration of investment and operating expenses, etc.;
- Adjustments for lapses as appropriate; and
- Allowance for discounting future cash flows.

For the life business the best estimate cashflows are produced using actuarial assumptions for mortality, morbidity, persistency and expenses based on the historic experience of the portfolios and making allowance for future trends. The technical provisions adjust the cashflows to reflect the time value of money using a risk-free discount rate term structure.

The Company has been authorised by the CBI to apply the Volatility Adjustment (referred to in Article 77d of Directive 2009/138/EC) to the EIOPA risk-free interest rate term structure, as part of the valuation of the (re)insurance obligations within the technical provisions.

The following quantifies the impact of a change to zero of the volatility adjustment:

	2025	
€'000	**Including Volatility adjustment**	**Excluding Volatility Adjustment**
Gross Technical provisions	3,145,179	3,190,796
Basic own funds	1,159,809	1,149,795
Eligible own funds to cover SCR	1,159,809	1,149,795
Solvency Capital Requirement	863,225	867,674
Eligible own funds to cover the MCR	1,129,625	1,116,639
Minimum Capital Requirement	230,079	232,280

	2024	
€'000	**Including Volatility adjustment**	**Excluding Volatility Adjustment**
Gross Technical provisions	2,991,290	3,031,988
Basic own funds	1,138,189	1,128,494
Eligible own funds to cover SCR	1,138,189	1,128,494
Solvency Capital Requirement	867,007	870,167
Eligible own funds to cover the MCR	1,051,693	1,039,108
Minimum Capital Requirement	218,083	220,162

The Company has not applied any of the following adjustments to the EIOPA risk-free interest rate term structure:

- matching adjustments (referred to in Article 77b of Directive 2009/138/EC);
- transitional risk-free interest rate term structure (referred to in Article 308c of Directive 2009/138/EC); and
- transitional deductions (referred to in Article 308d of Directive 2009/138/EC).

The following table shows the total net Technical Provisions as at 31 December for each material line of business:

	2025			
€'000	**Best Estimate**	**Risk Margin**	**Total**	**% of Total**
Non-proportional casualty	496,184	138,067	634,251	53 %
Non-proportional property	129,962	28,625	158,586	13 %
General liability proportional reinsurance	98,413	8,974	107,387	9 %
Others	250,022	48,050	298,073	25 %
Total Non-Life	974,581	223,716	1,198,297	100 %
Life Liabilities	2,792	1,206	3,997	— %
Total	**977,373**	**224,922**	**1,202,295**	**100 %**

	2024			
€'000	**Best Estimate**	**Risk Margin**	**Total**	**% of Total**
Non-proportional casualty	453,069	161,336	614,405	52 %
Non-proportional property	151,805	27,449	179,254	15 %
General liability proportional reinsurance	93,971	9,679	103,650	9 %
Others	239,603	44,871	284,474	24 %
Total Non-Life	938,449	243,335	1,181,783	100 %
Life Liabilities	2,437	1,239	3,676	— %
Total	**940,885**	**244,574**	**1,185,459**	**100 %**

Non-life non-proportional casualty and property reinsurance represents over 66% of the Company's net Technical Provisions. The main methods and assumptions are applied consistently across all lines of business including standard actuarial techniques, chain-ladder method and Bornhuetter-Ferguson, which are used in the projection of the claims provisions. Major Events are identified and separately valued based on expected exposures to the Company.

Non-proportional casualty reinsurance

Standard actuarial techniques are used to value each separate reserving class allowing for the different exposures including the separation of motor, general liability and professional liability. Major Events are identified and separately valued based on expected exposures to the Company. Future liabilities for UK PPOs are included in this class (settled PPO liabilities are included within the life lines of business).

Non-proportional property reinsurance

Standard actuarial techniques are used to value each separate reserving class allowing for the different profiles of CAT, per risk property and engineering reinsurance. Major Events are identified and separately valued based on expected exposures to the Company.

Non-proportional marine, aviation and transport reinsurance

Standard actuarial techniques are used to value each separate reserving class allowing for the different profiles of marine and aviation exposures. Major Events are identified and separately valued based on expected exposures to the Company.

Risk Margin

The Risk Margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations. The Risk Margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the obligations over their lifetime at a prescribed cost of capital rate of 6% per annum. The Company projects the run-off of each risk type individually with each future SCR for reserve risk re-calculated by line of business. This is simplification 1 of Guideline 61 of the Level 3 guidance on Technical Provisions.

Changes during the year

There has been no material change in the methodology or assumptions used to calculate the technical provisions during the year. Claim experience during the year which is different to that expected is generally reflected in the year-end provisions with the exception of the most recent underwriting years of long-tail classes which are reserved using a Target Loss Ratio approach.

D.2.2 Description of Recoverables from Reinsurance Contracts

The reinsurance recoverables for the claims provisions are sourced directly from the GAAP submissions.

Within the premium provisions, the estimated ceded recoveries are calculated by applying loss ratios reflecting the reinsurance programmes applicable to the ceded premium amounts.

For life business, reinsurance recoverables are calculated using the same principles as the gross reserves.

An allowance is made for Reinsurance Counterparty Default based on the credit rating for each reinsurer over the lifetime of the liabilities.

D.2.3 Uncertainty/limitations associated with the value of the technical provisions

There is an inherent uncertainty in the estimates as there is in any estimate of claim reserves. It is certain that actual future losses will not develop exactly as projected and may vary significantly from our projections as actuarial indications are subject to uncertainty from various sources, including but not limited to changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and general economic conditions. This uncertainty stems from several factors including lack of historical data, uncertainty with regard to claim costs, coverage interpretations and the judicial, statutory and regulatory provisions under which the claims may be ultimately resolved. Further, the projections make no provisions for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the historical data or that are not yet quantifiable.

In particular, for the Company, inflation and legal trends affect non-prop casualty provisions although this is mitigated due to the level of territorial and product diversification. The provisions for UK PPO claims are subject to uncertainty from longevity and the rate of escalation of the annual payments. Due to the predominance of 1st January incepting business the Premium Provision allows for a significant proportion of the annual underwriting risk on a best estimate basis, the actual performance may be significantly different and in particular from exposure to European Windstorm and German flood events as discussed in section C1, albeit the volumes of business underlying this particular risk have reduced in recent years.

For life business, there is also uncertainty in the estimates of future cashflows used to determine the technical provisions. This uncertainty comes from a number of sources including differences between the estimated future decrement rates (i.e. mortality, morbidity and lapse rates) and those ultimately experienced.

D.3. Other liabilities

The following table details the value of each material class of other liabilities under both Irish GAAP and SII at 31 December 2025 and comparatives for 2024:

		2025			2024
	Reference	Irish GAAP Value	Adjustment	SII Value	SII Value
		€'000	€'000	€'000	€'000
Deposits from reinsurers	12	44,785	(8,669)	36,116	36,906
Deferred tax liabilities	13	—	—	—	—
Reinsurance payables	14	838,903	(547,850)	291,053	238,427
Debts owed to credit institutions	15	22,236	—	22,236	
Any other liabilities, not elsewhere shown	16	66,185	—	66,185	59,694
Total other liabilities		**972,110**	**(556,519)**	**415,591**	**345,462**

Details on the material differences between the bases, methods and main assumptions between Irish GAAP and SII valuation for liabilities are set out below:

12. Irish GAAP deposits from reinsurers are measured at fair value. Under SII, an adjustment to deposits from reinsurers relates to deferred income on the retrocession transaction with the parent company, AXA XL Reinsurance Ltd.

13. Under SII the valuation of deferred tax liabilities is determined by the differences between the economic valuation of an asset or liability on the SII balance sheet and its tax base. The deferred tax liability valuation may change if there are differences between the tax base of the SII balance sheet and the tax base of the Irish GAAP balance sheet.

14. Reinsurance payables are held at amortised cost under Irish GAAP. All of these amounts that are due to be paid at a future date have been transferred to technical provisions under SII and therefore there is no impact on Own Funds for this adjustment (apart from an immaterial amount due to the discounting of reinsurance premium payables within technical provisions).

15. Debts owed to credit institutions represent the reclassification of overdrafts from cash and cash equivalents when moving from Irish GAAP to Solvency II. They are measured at fair value under both Irish GAAP and SII.

16. The majority of other liabilities represents accruals made for amounts due. Accruals are measured at fair value under both Irish GAAP and SII.

No significant changes were made to the recognition and valuation bases or to estimations applied to assets or liabilities during the year.

D.4. Alternative methods for valuation

All current investments are valued using inputs that include:

- Unadjusted quoted prices in an active market for identical assets or liabilities that the Company can access at the measurement date; or
- Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; or
- Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

With respect to investments, it is common industry practice to use pricing services as a source for determining fair values where the pricing services are able to obtain sufficient market-corroborating information to allow them to produce a valuation at a reporting date. In the vast majority of valuations, the pricing services use market approaches to valuations using inputs described above. For a small percentage of fixed income securities, the pricing services may use some form of discounted cash flow analysis. Standard inputs to the valuations provided by the pricing services listed in approximate order of priority for use when available include: reported trades, benchmark yields, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data.

Given the nature of the Company's debt security portfolio, management considers the approach to provide an appropriate measure of fair value, with limited valuation uncertainty.

The Company performs regular reviews of the prices received from third party valuation sources to assess whether the prices represent a reasonable estimate of the fair value. This process is completed by investment and accounting personnel who are independent of those responsible for obtaining the valuations. The approaches we take include, but are not limited to, annual reviews of the controls of the external parties responsible for sourcing valuations that are subjected to automated tolerance checks, quarterly reviews of the valuation sources and dates, and comparison of executed sales prices to prior valuations.

There are no other material assets or liabilities which are valued using alternative methods of valuation.

D.5. Any other information

There is no other material information regarding the valuation of assets and liabilities for SII.

E. Capital Management

E.1. Own Funds

This section provides a view of the capital management activities of the Company, its capital management methods and the structure, amount and quality of its own funds. Under SII, capital is referred to as Own Funds. Own Funds are calculated from the excess of assets over liabilities in the SII balance sheet, to which any subordinated debt is then added. This combined amount is known as Basic Own Funds ("BOF"). Total Own Funds may include Ancillary Own Funds which are off-balance-sheet items that can be called up to absorb losses, however, the Company does not have any Ancillary Own Funds. The Company did not receive any capital contributions during 2025. Any capital contributions recognised in the SII Balance sheet have been approved by the CBI as Tier 1 Own Funds as per the SII Directive in prior years.

Own Funds are classified into tiers and restrictions are applied to limit the extent to which the various components of Own Funds can be used to meet the capital requirements. The classification into tiers is relevant to the determination of Eligible Own Funds. These are the own funds that are eligible for covering the SCR and the MCR and are outlined further in Section E.1.2.

The Company has a capital maintenance agreement ("CMA") with XLB which is not included in Own Funds.

E.1.1 Objective, policies and processes for managing own funds

The objective of Own Funds management is to maintain, at all times, sufficient Own Funds to cover the SCR and MCR. The Own Funds should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company allocates capital efficiently to achieve sustainable returns and facilitate growth, and strive to maintain capital levels that are consistent with the Company's risk appetite corporate strategy and statutory requirements.

The Company monitors its Own Funds and the Solvency Ratio at least quarterly and the Board receives a regular assessment of the capital position. In addition, a dashboard of capital triggers is monitored to identify any instances which would require a recalculation of capital requirements. The Committees which review solvency are described in more detail in Section B1 General Information on the System of Governance, and responsibility ultimately rests with the Company's Board. As part of Own Funds management, the Company prepares ongoing solvency projections and reviews the structure of its Own Funds and future requirements. The business plan, which forms the base for the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

There have been no changes to the capital management objectives during the year

E.1.2 Eligible Own Funds

The starting point to determine Eligible Own Funds is to prepare the Company balance sheet on a SII basis. The SII balance sheet is derived from the Irish GAAP balance sheet by making the adjustments necessary to reflect the SII valuation basis of assets and liabilities. This SII balance sheet then provides the BOF which are categorised into the three SII tiers. There are restrictions on the amount of Tier 2 and Tier 3 capital which can be used to meet the SCR, as well as the MCR.

The difference between the net assets of the Company in the financial statements and the solvency valuation of the excess of the assets over liabilities is set out below. The adjustments are documented in section D covering valuation of assets and liabilities.

	2025	2024
Reconciliation between equity shown in the financial statements and net assets per SII and eligible own funds	**€'000**	**€'000**
Net assets per financial statements	1,198,884	1,198,920
Adjustments for technical provision and risk margin under SII	104,606	95,383
Adjustment for renewal rights intangible asset	(57,095)	(67,443)
Adjustments for DAC	(82,619)	(77,482)
Deferred tax adjustment	(3,968)	(11,188)
Other adjustments	—	—
Net assets per SII	**1,159,808**	**1,138,190**
Foreseeable dividends, distributions and charges	—	—
Available and eligible own funds	**1,159,808**	**1,138,190**

Tiering of Basic Own Funds

At December 31, the Company's BOF were assigned to the SII tiers as shown in the following table:

2025	**Tier 1 - unrestricted**	**Tier 3**	***Total***
	€'000	**€'000**	**€'000**
Ordinary share capital	788,859	—	788,859
Net Deferred Tax Asset	—	30,184	30,184
Reconciliation reserve	340,766	—	340,766
Total BOF	**1,129,625**	**30,184**	**1,159,809**

2024	**Tier 1 - unrestricted**	**Tier 3**	***Total***
	€'000	**€'000**	**€'000**
Ordinary share capital	788,859	—	788,859
Net Deferred Tax Asset	—	86,497	86,497
Reconciliation reserve	262,834	—	262,834
Total BOF	**1,051,693**	**86,497**	**1,138,190**

The own funds movement is driven by:

- Tier 1 increase of €78m driven by increases in the reconciliation reserve and profits generated by the Company during the year, partially offset by a reduction in the currency translation reserve.
- Tier 3 reduction of €56m due to utilization of deferred tax assets during the year.

The Company has no Eligible Own Funds classed as Tier 2.

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a) (i) of the Delegated Regulation. The ordinary share capital is not subordinated and has no restricted duration. During the reporting period the directors did not recommend the payment of a final dividend (2024: €0m).

The reconciliation reserve of €340.8m (2024: €262.8m) comprises net assets from the SII balance sheet of €1,159.8m (2024: €1,138.2m) less ordinary share capital of €788.9m (2024: €788.9m), dividend of zero (2024: €0m) and deferred tax asset of €30.2m (2024: €86.5m).

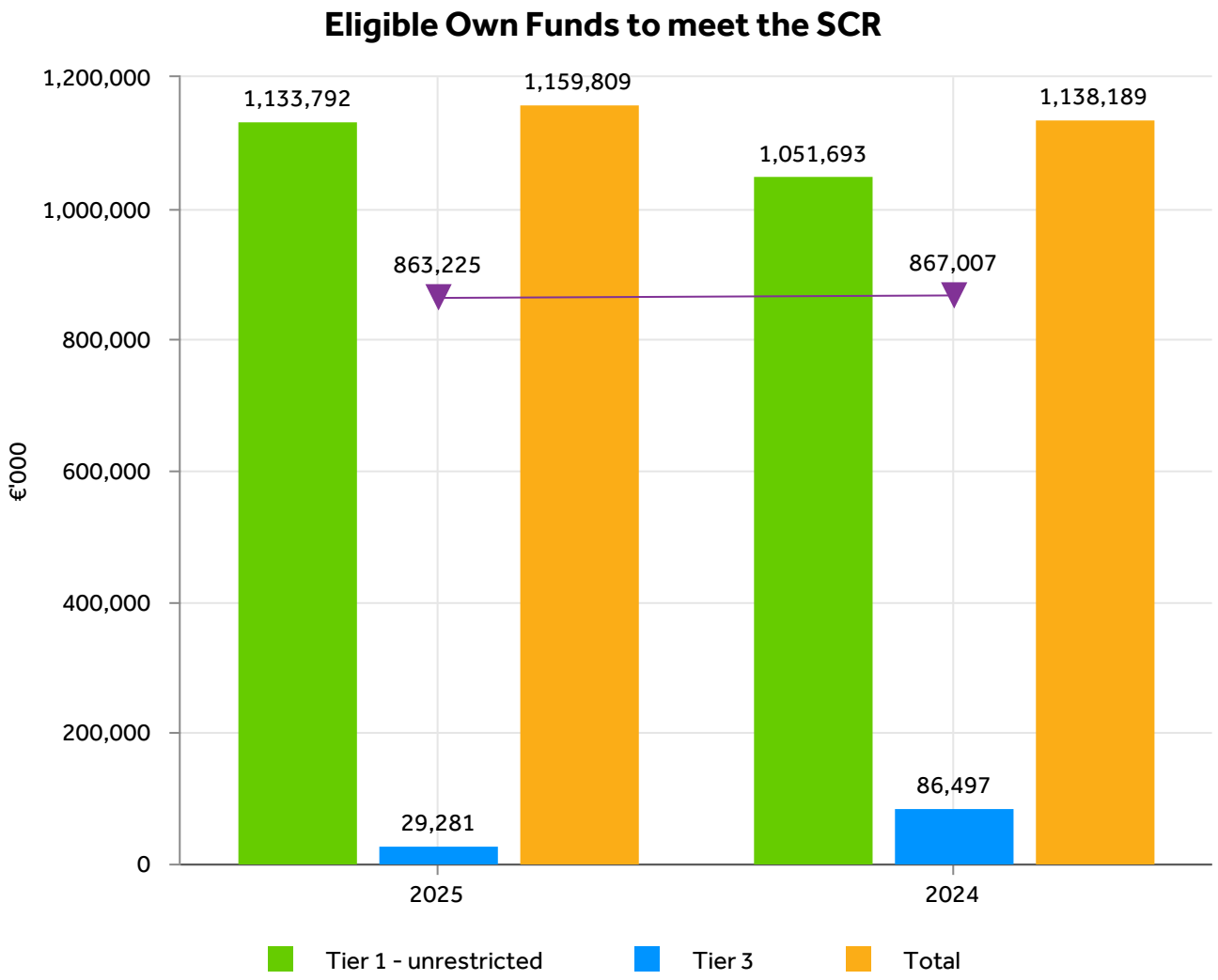
Eligible Own Funds

The classification into tiers is relevant to the determination of Eligible Own Funds. These are the own funds that are eligible for covering the SCR and the MCR. In particular, the MCR must be covered by Tier 1 and Tier 2 capital, and may not therefore be covered by Tier 3 capital.

Eligible Own Funds to meet the SF SCR and MCR as at 31 December are detailed below:

2025	**Tier 1 - unrestricted**	**Tier 3**	**Total**
	€'000	**€'000**	**€'000**
Total available own funds to meet the SCR	1,129,625	30,184	1,159,809
Total available own funds to meet the MCR	1,129,625		1,129,625

2024	**Tier 1 - unrestricted**	**Tier 3**	**Total**
	€'000	**€'000**	**€'000**
Total available own funds to meet the SCR	1,051,693	86,497	1,138,190
Total available own funds to meet the MCR	1,051,693		1,051,693



Eligible Own Funds to cover Capital Requirements

The SCR is set at a level to ensure that insurers can meet their obligations to policy holders over the following 12 months with a 99.5% probability, giving reasonable assurance to policyholders that payments will be made as they fall due.

The table below shows the ratio of Eligible Own Funds that the Company holds to cover the SCR and MCR as at 31 December:

	2025	**2024**
	€'000	**€'000**
SCR	863,225	867,007
MCR	230,079	218,083
Total eligible own funds to meet the SCR	1,159,809	1,138,189
Total eligible own funds to meet the MCR	1,129,625	1,051,693
Ratio of Eligible own funds to SCR	**134.4 %**	**131.3 %**
Ratio of Eligible own funds to MCR	**491.0 %**	**482.2 %**

The Company does not use any matching adjustment and has not used transitional adjustments to the relevant risk-free interest rate term structure or transitional measures on technical provisions. The Company has used the volatility adjustment in the current year.

Deferred Tax Asset

As part of the annual regulatory SCR process risk and finance undertake an exercise to support the deferred tax asset taken in the regulatory return, calculated using the SF.

The approach to this work includes:

- The selected loss amount in extreme scenarios impacting the insurance risk profile of the Company and therefore linked to the SF Insurance risk charge.
- The future planned profit for the next five years following the loss is consistent with the AXA XL divisional strategic planning process.

The Company has recognised a net deferred tax asset of €30.2m (2024: €86.5m) which is available as BOF classified as Tier 3 Own Funds. This net deferred tax asset has been recognised based on the probable future taxable profit of the Company and considers the deferred tax liabilities relating to income taxes levied by the same taxation authority.

The recognition of €123.3m (2024: €123.9m) of loss absorbing capacity of deferred tax has been based on the extent to which offsetting is permitted according to the relevant tax regimes and will offset against future profits based on the budget forecasts.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR results

The SCR is the amount of Own Funds that the Company is required to hold in line with the SII Directive. The SF SCR calculation is calibrated to ensure that all quantifiable risks are taken into account.

The SCR and MCR under the SF as at 31 December are set out below:

	2025	2024
	€'000	€'000
SCR	863,225	867,007
MCR	230,079	218,083

The SF process is owned by the Finance function and involves a cooperative cross-functional effort across the organization, with input from Risk, Finance, Actuarial, Underwriting, Capital Management, Investments and other relevant stakeholders. The results are subject to various levels of review, including by a nominated director of the Board. The Company is not subject to any capital add-ons.

The MCR is calculated based on the same data sources used to produce the SF SCR.

The amount of the MCR for the reporting period is €230.1m (2024: €218.1m).

	2025	2024
Overall MCR calculation	€'000	€'000
Linear MCR	230,079	218,083
SCR	863,225	867,007
MCR cap	388,451	390,153
MCR floor	215,806	216,752
Combined MCR	230,079	218,083
Absolute floor of the MCR	3,900	3,900
Minimum Capital Requirement	**230,079**	**218,083**

The MCR increased during the year due to increases on both net written premium and the net best estimate as seen in the below table.

The non-life MCR is based on factors applied to net premiums written amounts in the previous 12 months and the net best estimate technical provisions split by SII class of business. The charge for premium and technical provision elements are then summed up to create a total charge. The inputs used to calculate the MCR as follows:

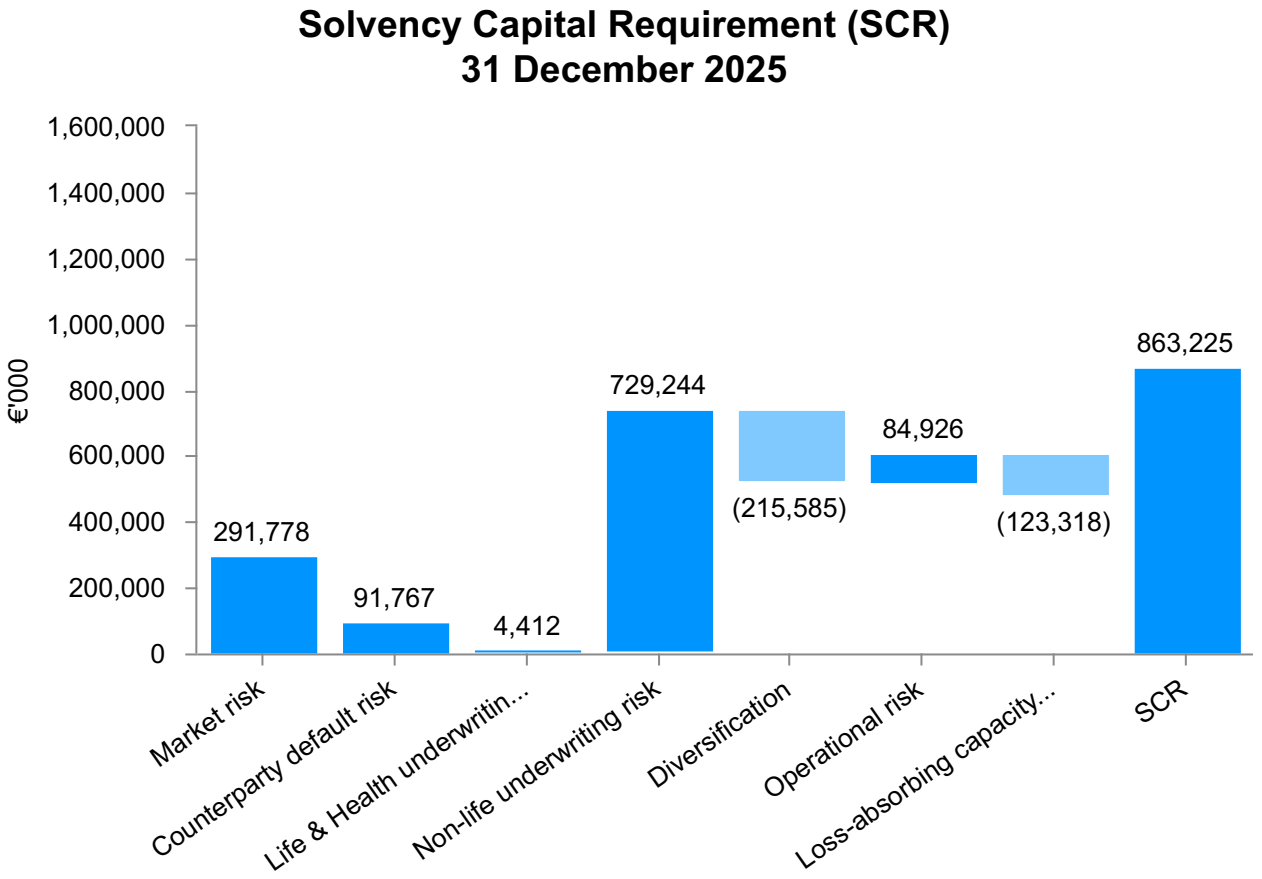
	2025	2024	2025	2024
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance) written premiums in the last 12 months
	€'000	€'000	€'000	€'000
Income protection insurance and proportional reinsurance	760	943	1,895	—
Workers' compensation insurance and proportional reinsurance	3,646	3,575	—	1,391
Motor vehicle liability insurance and proportional reinsurance	28,767	51,549	7,504	14,959
Marine, aviation and transport insurance and proportional reinsurance	55,734	51,590	30,891	44,140
Fire and other damage to property insurance and proportional reinsurance	72,029	56,587	68,421	66,467
General liability insurance and proportional reinsurance	98,413	93,971	26,040	47,338
Credit and suretyship insurance and proportional reinsurance	19,842	—	82,562	82,336
Non-prop health reinsurance	2,543	2,042	3,882	3,413
Non-prop casualty reinsurance	496,184	453,069	174,118	148,405
Non-prop marine, aviation and transport reinsurance	66,700	75,638	37,045	21,678
Non-prop property reinsurance	129,962	151,805	90,109	63,592

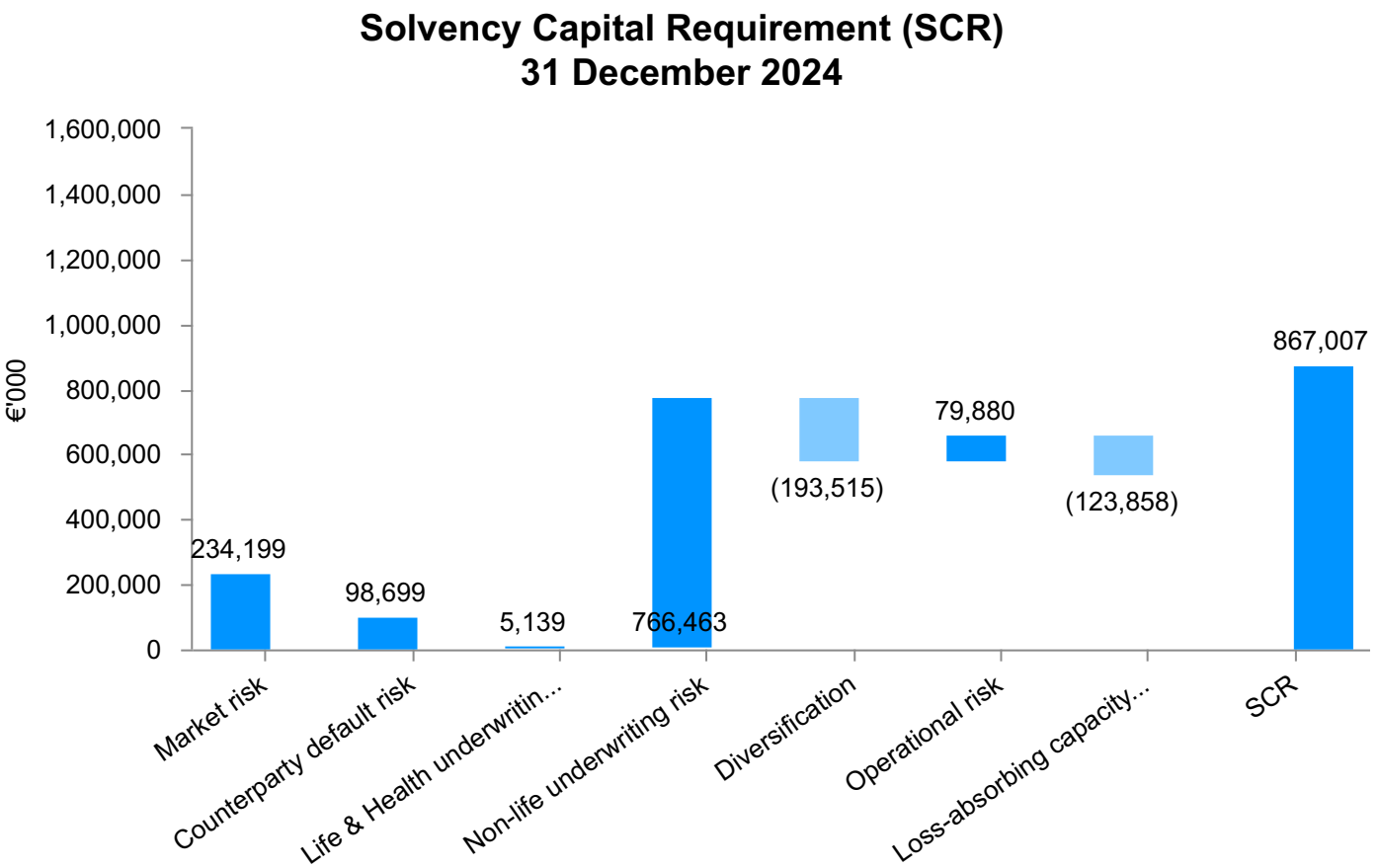
The inputs used to calculate the life MCR as follows:

	2025	2024
	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole
	€'000s	€'000s
Other life (re)insurance and health (re)insurance obligations	2,792	2,437

E.2.2 SCR by risk module

The SCR by risk module is set out below:





The Company has only used simplified calculations in applying the SF module for Counterparty default risk (Credit risk).

There has been no use of Undertaking Specific Parameters in the underwriting risk calculations.

Market Risk

The Company is exposed to market risk derived predominately from the assets held by the Company to meet its insurance liabilities.

- **Spread risk -** mainly driven by the Company's investments in bonds and securitised assets;
- **Interest rate risk -** driven by the changes in assets and liabilities of the Company due to changes in discount rates;
- **Property risk -** driven by investments in property;
- **Equity risk -** mainly driven by investments in equities; and
- **Currency risk -** mainly driven by the exposure of the Company's assets and liabilities denominated in foreign currencies.

Market Risk	2025 €'000	2024 €'000
Interest Rate risk	64,773	45,945
Equity Risk	85,162	71,717
Property Risk	33,612	33,239
Spread Risk	109,391	95,398
Concentration Risk	35,341	12,979
Currency Risk	133,550	93,355
Market Risk Diversification	(170,157)	(118,434)
Total Market Risk	**291,778**	**234,199**

Market risk increased by €57.6m from 2024 to 2025. The following material movements can be observed from the above table:

- Interest rate risk increased due to widening of the duration gap during the year.
- Equity risk increased due to the purchase of equities, primarily within funds.
- Spread risk increased due to purchases of investments in bonds and securitised assets during the year.
- Concentration risk increased due to increase in the asset base in agency mortgage backed securities compared to prior year.
- Currency risk increased from holding proportionately less EUR denominated assets than the prior year namely USD; and
- All of the above is partially offset by an increase in market risk diversification.

Counterparty Risk

The Company is exposed to counterparty risks in the form of cash deposits, recoveries from reinsurers, funds withheld and reinsurance receivables (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

Counterparty Risk	2025 €'000	2024 €'000
Type I (RI + Cash)	60,943	55,914
Type II (Intermediaries)	36,732	49,573
Counterparty Risk Diversification	(5,908)	(6,787)
Total Counterparty Risk	**91,767**	**98,700**

The counterparty risk has decreased since year end 2024 due to an decrease in Type II receivables partially offset by an increase in reinsurance recoverables during the year.

Life Underwriting Risk

The Company is exposed to life underwriting risk as a result of the reinsurance policies it sells and annuities stemming from non-life accepted insurance contracts.

Life Underwriting Risk	2025 €'000	2024 €'000
Mortality risk	129	61
Longevity Risk	—	—
Lapse Risk	—	—
Expense Risk	363	381
Life CAT	142	69
Diversification	(157)	(87)
Life Underwriting Risk Total	**477**	**424**

The life underwriting risk has remained stable from 2024 to 2025.

Health Underwriting Risk

€3.9m (2024: €4.7m) of premium and reserve risk driven by earned premiums, forecast premiums and claims provisions of non-life business lines.

	2025	2024
Health Underwriting Risk	**€'000**	**€'000**
Premium and Reserve Risk	3,936	4,714
Health Underwriting Risk Total	**3,936**	**4,714**

Health underwriting risk has remained stable from 2024 to 2025.

Non-Life Underwriting Risk

Non-life underwriting risk is the largest component of the SCR and is mainly driven from:

- Premium and reserve risk driven by earned premiums, forecast premiums and claims provisions of non-life business lines; and
- CAT risk driven by the Company's exposure to both man-made Catastrophe and Natural Catastrophe risks.

	2025	2024
Non-Life Underwriting Risk	**€'000**	**€'000**
Premium and Reserve Risk	556,342	558,879
CAT Risk	351,874	402,314
Lapse Risk	24,173	29,003
Non-Life Diversification	(203,144)	(223,732)
Non-Life Underwriting Risk Total	**729,245**	**766,464**

The non-life underwriting risk has decreased compared to prior year due to a decrease in Cat risk of €50.4m driven by higher risk mitigation.

Operational Risk

€84.9m (2024: €79.9m) operational risk increased in line with higher technical provisions and earned premiums.

Loss absorbing capacity of deferred tax

The recognition of €123.3m (2024: €123.9m) of loss absorbing capacity of deferred tax has been based on the extent to which offsetting is permitted according to the relevant tax regimes and will offset against future profits based on the budget forecasts.

E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module. This is not applicable to the Company as it does not provide retirement benefits.

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

This section is not applicable to the Company as it does not use an approved internal model.

E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

During the reporting period, there were no instances of non-compliance with the SII capital requirements. In addition, the Company held own funds in excess of the SCR and MCR requirements over the reporting period.

E.6. Any other information

There is no other material information regarding capital management.

Public Quantitative Reporting Templates

S.02.01.02 Balance Sheet - 31/12/2025 - €'000

		Solvency II value
		€
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	30,184
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	—
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,253,867
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	—
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	1,782,689
Government Bonds	R0140	669,104
Corporate Bonds	R0150	663,148
Structured notes	R0160	
Collateralised securities	R0170	450,437
Collective Investments Undertakings	R0180	471,178
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	—
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1,942,884
Non-life and health similar to non-life	R0280	1,840,530
Non-life excluding health	R0290	1,832,295
Health similar to non-life	R0300	8,235
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	102,354
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	102,354
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	92,808
Insurance and intermediaries receivables	R0360	195,744
Reinsurance receivables	R0370	121,884
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	34,081

Any other assets, not elsewhere shown	R0420	49,127
Total assets	R0500	**4,720,578**

		SII value
		€
		C0010
Liabilities		
Technical provisions – non-life	R0510	3,038,828
Technical provisions – non-life (excluding health)	R0520	3,023,172
TP calculated as a whole	R0530	
Best Estimate	R0540	2,799,927
Risk margin	R0550	223,245
Technical provisions - health (similar to non-life)	R0560	15,656
TP calculated as a whole	R0570	
Best Estimate	R0580	15,185
Risk margin	R0590	471
Technical provisions - life (excluding index-linked and unit-linked)	R0600	106,351
Technical provisions - health (similar to life)	R0610	—
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	106,351
TP calculated as a whole	R0660	
Best Estimate	R0670	105,145
Risk margin	R0680	1,206
Technical provisions – index-linked and unit-linked	R0690	—
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	36,116
Deferred tax liabilities	R0780	—
Derivatives	R0790	
Debts owed to credit institutions	R0800	22,236
Financial liabilities other than debts owed to credit institutions	R0810	—
Insurance & intermediaries payables	R0820	—
Reinsurance payables	R0830	291,053
Payables (trade, not insurance)	R0840	
Subordinated liabilities	R0850	—
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	66,185
Total liabilities	R0900	3,560,769
Excess of assets over liabilities	R1000	**1,159,809**

S.04.05.21 - Premiums, claims and expenses by country - 31/12/2025- €'000

Non-life insurance and reinsurance obligations

		Home country	Top 5 countries: non-life
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	—	—
Gross Written Premium (proportional reinsurance)	R0021	4,959	402,026
Gross Written Premium (non-proportional reinsurance)	R0022	5,681	555,771
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	—	—
Gross Earned Premium (proportional reinsurance)	R0031	3,315	346,588
Gross Earned Premium (non-proportional reinsurance)	R0032	5,579	529,480
Claims incurred (gross)			
Claims incurred (direct)	R0040	—	—
Claims incurred (proportional reinsurance)	R0041	-31,720	234,652
Claims incurred (non-proportional reinsurance)	R0042	-4,814	450,532
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	—	—
Gross Expenses Incurred (proportional reinsurance)	R0051	2,737	138,231
Gross Expenses Incurred (non-proportional reinsurance)	R0052	1,026	100,293

Life insurance and reinsurance obligations

		Home country	Top 5 countries: life and health SLT
		C0030	C0040
Gross Written Premium	R1020	—	9,520
Gross Earned Premium	R1030	—	9,520
Claims incurred	R1040	—	8,086
Gross Expenses Incurred	R1050	—	1,472

S.05.01.02 Premiums, claims and expenses by line of business - 31/12/2025 - €'000

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	—	—	—	—	—	—	—	—	—
Gross - Proportional reinsurance accepted	R0120	—	6,302	857	36,365	—	136,802	237,254	159,147	291,266
Gross - Non-proportional reinsurance accepted	R0130	—	—	—	—	—	—	—	—	—
Reinsurers' share	R0140	—	4,407	962	28,861	—	105,911	168,833	133,106	208,704
Net	R0200	—	1,895	(105)	7,504	—	30,891	68,421	26,040	82,562
Premiums earned										
Gross - Direct Business	R0210	—	—	—	—	—	—	—	—	—
Gross - Proportional reinsurance accepted	R0220	—	5,488	2,551	44,600	—	136,247	167,181	139,353	186,468
Gross - Non-proportional reinsurance accepted	R0230	—	—	—	—	—	—	—	—	—
Reinsurers' share	R0240	—	3,817	2,041	32,378	—	100,250	113,454	102,859	126,846
Net	R0300	—	1,671	510	12,222	—	35,997	53,727	36,494	59,622
Claims incurred										
Gross - Direct Business	R0310	—	—	—	—	—	—	—	—	—
Gross - Proportional reinsurance accepted	R0320	—	2,087	1,945	42,864	—	79,889	105,562	92,481	95,860
Gross - Non-proportional reinsurance accepted	R0330	—	—	—	—	—	—	—	—	—
Reinsurers' share	R0340	—	1,585	1,398	27,835	—	57,278	69,608	61,305	58,966
Net	R0400	—	503	547	15,029	—	22,612	35,955	31,176	36,895
Expenses incurred	R0550	—	871	(79)	2,922	—	12,756	24,451	17,096	38,525
Balance - other technical expenses/income	R1200									
Total technical expenses	R1300									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	—	—	—	—	—	—	—	—
Gross - Proportional reinsurance accepted	R0120	—	—	—	—	—	—	—	867,992
Gross - Non-prop reinsurance accepted	R0130	—	—	—	11,845	488,007	110,180	295,501	905,533
Reinsurers' share	R0140	—	—	—	7,963	313,889	73,135	205,393	1,251,164
Net	R0200	—	—	—	3,882	174,118	37,045	90,109	522,362
Premiums earned									
Gross - Direct Business	R0210	—	—	—	—	—	—	—	—
Gross - Proportional reinsurance accepted	R0220	—	—	—	—	—	—	—	681,888
Gross - Non-prop reinsurance accepted	R0230	—	—	—	11,864	481,162	109,594	274,044	876,664
Reinsurers' share	R0240	—	—	—	7,878	316,020	73,504	191,926	1,070,973
Net	R0300	—	—	—	3,985	165,142	36,089	82,118	487,579
Claims incurred									
Gross - Direct Business	R0310	—	—	—					
Gross - Proportional reinsurance accepted	R0320	—	—	—					420,689
Gross - Non-prop reinsurance accepted	R0330				8,483	402,290	113,390	77,299	601,461
Reinsurers' share	R0340	—	—	—	5,490	276,754	79,782	60,946	700,945
Net	R0400	—	—	—	2,993	125,536	33,608	16,353	321,205
Expenses incurred	R0550	—	—	—	756	30,022	5,168	13,514	146,001
Balance - other technical expenses/income	R1200								
Total technical expenses	R1300								146,001

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410								9,548	9,548
Reinsurers' share	R1420								9,418	9,418
Net	R1500								129	129
Premiums earned										
Gross	R1510								9,548	9,548
Reinsurers' share	R1520								9,418	9,418
Net	R1600								129	129
Claims incurred										
Gross	R1610								8,338	8,338
Reinsurers' share	R1620								8,101	8,101
Net	R1700								237	237
Expenses incurred	R1900								(11)	(11)
Balance - other technical expenses/income	R2500									—
Total technical expenses	R2600									(11)

S.12.01.02

Life and Health SLT Technical Provisions - 31/12/2025 - €'000

		Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0100	C0150
Technical provisions calculated as a whole	R0010		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020		
Technical provisions calculated as a sum of BE and RM			
Best Estimate			
Gross Best Estimate	R0030	105,145	105,145
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	102,354	102,354
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	2,792	2,792
Risk Margin	R0100	1,206	1,206
Amount of the transitional on Technical Provisions			
Technical Provisions calculated as a whole	R0110		
Best estimate	R0120		
Risk margin	R0130		
Technical provisions - total	R0200	106,351	106,351

S.17.01.02 Non-life Technical Provisions - 31/12/2025 -€'000

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	—	6	(175)	578	—	(8,898)	(8,352)	(13,304)	(68,714)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	—	105	(132)	574	—	(10,279)	(9,967)	(6,617)	(51,448)
Net Best Estimate of Premium Provisions	R0150	—	(100)	(42)	14	—	1,415	1,782	(6,595)	(17,072)
Claims provisions										
Gross	R0160	—	2,947	8,616	85,229	—	159,484	219,563	236,998	93,850
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	2,088	4,927	56,476	0	105,165	149,317	131,990	56,936
Net Best Estimate of Claims Provisions	R0250	—	859	3,689	28,754	—	54,319	70,247	105,008	36,914
Total Best estimate - gross	R0260	—	2,953	8,441	85,807	—	150,586	211,212	223,694	25,136
Total Best estimate - net	R0270	—	760	3,646	28,767	—	55,734	72,029	98,413	19,842
Risk margin	R0280	—	51	244	1,793	—	3,198	13,795	8,974	13,203
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320	—	3,003	8,685	87,601	—	153,784	225,007	232,668	38,339
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	—	2,193	4,795	57,040	—	94,851	139,183	125,281	5,293
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	—	810	3,890	30,561	—	58,932	85,824	107,387	33,046

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-prop health reinsurance	Non-prop casualty reinsurance	Non-prop marine, aviation and transport reinsurance	Non-propl property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060				(91)	2,892	(10,211)	(38,602)	(144,872)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				(206)	(2,265)	(7,865)	(33,014)	(121,114)
Net Best Estimate of Premium Provisions	R0150				116	5,704	(2,315)	(5,484)	(22,577)
Claims provisions									
Gross	R0160	—	—	—	3,882	1,524,042	218,000	407,372	2,959,983
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				1,454	1,033,562	148,985	271,927	1,962,825
Net Best Estimate of Claims Provisions	R0250	—	—	—	2,428	490,480	69,015	135,445	997,158
Total Best estimate - gross	R0260	—	—	—	3,791	1,526,934	207,789	368,770	2,815,111
Total Best estimate - net	R0270	—	—	—	2,543	496,184	66,700	129,962	974,581
Risk margin	R0280	—	—	—	176	138,067	15,589	28,625	223,716
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-prop health reinsurance	Non-prop casualty reinsurance	Non-prop marine, aviation and transport reinsurance	Non-prop property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320	—	—	—	3,967	1,665,000	223,379	397,395	3,038,828
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	—	—	—	1,248	1,030,750	141,089	238,808	1,840,530
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	—	—	—	2,720	634,251	82,290	158,586	1,198,297

S.19.01.21 Non-life Insurance Claims Information - 31/12/2025 - €'000

Total Non-Life Business

Gross Claims Paid (non-cumulative)

Development year (absolute amount)

Year	0	1	2	3	4	5	6	7	8	9	10 & +
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior R0100											36,368
N-9 R0160	4,373	50,046	51,183	39,543	43,067	37,248	62,373	29,902	24,472	15,213	
N-8 R0170	6,505	86,299	73,441	78,613	72,370	78,221	57,202	38,650	36,823		
N-7 R0180	7,940	69,248	79,491	69,995	91,291	47,085	31,323	35,394			
N-6 R0190	9,145	97,835	88,026	96,508	51,320	30,511	41,699				
N-5 R0200	19,054	72,904	113,435	63,960	37,099	45,936					
N-4 R0210	51,229	156,324	168,960	72,662	57,011						
N-3 R0220	32,048	97,914	137,989	117,229							
N-2 R0230	6,961	83,085	126,774								
N-1 R0240	11,597	93,505									
N R0250	9,121										

		In Current year	Sum of years (cumulative)
		C0170	C0180
R0100		36,368	36,368
R0160		15,213	357,421
R0170		36,823	528,123
R0180		35,394	431,767
R0190		41,699	415,044
R0200		45,936	352,389
R0210		57,011	506,185
R0220		117,229	385,180
R0230		126,774	216,820
R0240		93,505	105,102
R0250		9,121	9,121
Total	R0260	**615,073**	**3,343,520**

Gross undiscounted Best Estimate Claims Provisions

Development year (absolute amount)

Year	0	1	2	3	4	5	6	7	8	9	10 & +
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior R0100											515,491
N-9 R0160	103,421	214,031	200,268	168,830	159,434	141,997	118,352	110,610	89,853	96,029	
N-8 R0170	214,030	277,133	242,209	229,897	205,146	171,591	163,210	132,055	115,149		
N-7 R0180	134,054	241,467	262,427	223,479	192,393	154,566	148,419	138,568			
N-6 R0190	159,548	317,243	316,275	234,488	193,988	166,824	149,126				
N-5 R0200	245,709	436,882	338,293	289,846	240,182	189,329					
N-4 R0210	320,341	498,986	382,163	388,923	324,728						
N-3 R0220	417,819	538,401	483,158	456,123							
N-2 R0230	252,885	548,265	540,503								
N-1 R0240	303,271	649,569									
N R0250	339,947										

		Year end (discounted data)
		C0360
R0100		347,327
R0160		85,722
R0170		99,165
R0180		123,568
R0190		133,247
R0200		167,565
R0210		278,344
R0220		392,106
R0230		479,762
R0240		567,544
R0250		285,633
Total	R0260	**2,959,983**

S.22.01.21 Impact of long term guarantee measures and transitionals - 31/12/2025 - €'000

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	3,145,179	—	—	45,618	—
Basic own funds	R0020	1,159,809	—	—	(10,014)	—
Eligible own funds to meet Solvency Capital Requirement	R0050	1,159,809	—	—	(10,014)	—
Solvency Capital Requirement	R0090	863,225	—	—	4,449	—
Eligible own funds to meet Minimum Capital Requirement	R0100	1,129,625	—	—	(12,985)	—
Minimum Capital Requirement	R0110	230,079	—	—	2,201	—

S.23.01.01 Own funds - 31/12/2025 - €'000

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
BOF before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	788,859	788,859			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	**340,766**	**340,766**			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	30,184				30,184
Other own fund items approved by the supervisory authority as BOF not specified above	R0180					
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 SII own funds						
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 SII own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	—				
Total BOF after deductions	R0290	1,159,809	1,129,625	—	—	30,184
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	—				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	—				
Unpaid and uncalled preference shares callable on demand	R0320	—				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	—				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	—				

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	—				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	—				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	—				
Other ancillary own funds	R0390	—				
Total ancillary own funds	R0400	—			—	—
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1,159,809	1,129,625	—	—	29,281
Total available own funds to meet the MCR	R0510	1,129,625	1,129,625	—	—	
Total eligible own funds to meet the SCR	R0540	1,159,809	1,129,625	—	—	29,281
Total eligible own funds to meet the MCR	R0550	1,129,625	1,129,625	—	—	
SCR	R0580	863,225				
MCR	R0600	230,079				
Ratio of Eligible own funds to SCR	R0620	134.4 %				
Ratio of Eligible own funds to MCR	R0640	491.0 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1,159,809
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	819,043
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	340,766
Expected profits		
Expected profits included in future premiums ("EPIFP") - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	391,294
Total Expected profits included in future premiums (EPIFP)	R0790	391,294

S.25.01.21 Solvency Capital Requirement - for undertakings on Standard Formula - 31/12/2025 - €'000

		Gross SCR
		C0040
Market risk	R0010	291,778
Counterparty default risk	R0020	91,767
Life underwriting risk	R0030	476
Health underwriting risk	R0040	3,936
Non-life underwriting risk	R0050	729,244
Diversification	R0060	(215,585)
Intangible asset risk	R0070	
Basic SCR	R0100	901,616

Calculation of SCR		C0100
Operational risk	R0130	84,926
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(123,318)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
SCR excluding capital add-on	R0200	863,225
Capital add-on already set	R0210	—
SCR	R0220	863,225
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional SCR for remaining part	R0410	863,225
Total amount of Notional SCR for ring fenced funds	R0420	
Total amount of Notional SCR for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	(123,318)
LAC DT justified by revision of deferred tax liabilities	R0650	—
LAC justified by reference to probable future taxable economic profit	R0660	(123,318)
LAC DT justified by carry back, current year	R0670	—
LAC DT justified by carry back, future years	R0680	
Maximum LC DT	R0690	(123,318)

S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity - 31/12/2025 -€'000

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	230,020

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	760	1,895
Workers' compensation insurance and proportional reinsurance	R0040	3,646	—
Motor vehicle liability insurance and proportional reinsurance	R0050	28,767	7,504
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	55,734	30,891
Fire and other damage to property insurance and proportional reinsurance	R0080	72,029	68,421
General liability insurance and proportional reinsurance	R0090	98,413	26,040
Credit and suretyship insurance and proportional reinsurance	R0100	19,842	82,562
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-prop health reinsurance	R0140	2,543	3,882
Non-prop casualty reinsurance	R0150	496,184	174,118
Non-prop marine, aviation and transport reinsurance	R0160	66,700	37,045
Non-prop property reinsurance	R0170	129,962	90,109

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	59

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	2,792	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	230,079
SCR	R0310	863,225
MCR cap	R0320	388,451
MCR floor	R0330	215,806
Combined MCR	R0340	230,079
Absolute floor of the MCR	R0350	3,900
Minimum Capital Requirement	R0400	230,079

Glossary

AFR	Actuarial Function Reports
ALM	Asset Liability Management
AOTP	Actuarial Opinion on Technical Provisions
ARTP	Actuarial Report on Technical Provisions
BOF	Basic Own Funds
CAT	Catastrophe
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
CSR	Corporate Social Responsibility
DAC	Deferred Acquisition Costs
D&O	Directors and Officers
ENID	Events not in Data
ERM	Enterprise Risk Management
ESG	Environmental, Social, and (Corporate) Governance
ExCO	Executive & Outsourcing Committee
FIC	Framework for Internal Control
FX	Foreign exchange
GAAP	Generally Accepted Accounting Principles
GCT	Group Credit Team
GS	Group Standards
GWP	Gross Written Premium
HoAF	Head of Actuarial Function
HoIA	Head of Internal Audit
HR	Human Resources
IBNR	Incurred But Not Reported
ICM	Internal Control Model
ICR	Internal Credit Ratings
MCR	Minimum Capital Requirement
MSA	Master Services Agreement
MTM	Mark to Market
NAT CAT	Natural Catastrophe
Non-prop	Non-proportional
OEP	Occurrence Exceedance Probability
ORSA	Own Risk and Solvency Report
PI	Professional Indemnity
PCF	Pre-approved Controlled Function
PPO	Periodic Payment Orders
PRA	Prudential Regulation Authority
P&C	Property and Casualty

QRT	Quantitative Reporting Template
RAF	Risk Appetite Framework
RDS	Realistic Disaster Scenario
RI	Reinsurance
RMC	Risk Management Committee
RMF	Risk Management Framework
SAA	Strategic Asset Allocation
SCR	Solvency Capital Requirement
SDG	Sustainable Development Goals
SE	Societas Europaea
SF	Standard Formula
SFCR	Solvency and Financial Condition Report
SII	Solvency II
TPR	Temporary Permissions Regime
VaR	Value at Risk
XLB	XL Bermuda Ltd
XLGIL	XL Group Investments Ltd