



Ascot Group Limited

# Financial Condition Report

For the year ended December 31, 2025

ascot

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## **1. Executive Summary**

### **1.1 Overview**

The Financial Condition Report ("FCR") covers the Business and Performance, Governance Structure, Risk Profile, Solvency Valuation and Capital Management of Ascot Group Limited and its subsidiaries ("AGL", the "Group", or the "Company") and Ascot Bermuda Limited ("ABL").

This FCR, with permission from the Bermuda Monetary Authority ("Authority"), includes the results and discussion of both AGL and ABL (AGL's designated insurer). Distinction between the two entities has been made in reporting financial results and discussing materially different operational and governance processes. Areas of the report which are the same are mentioned only once in this report.

This FCR has been prepared in accordance with the Bermuda Insurance (Public Disclosure) Rules 2015 and the Insurance (Group Supervision) Rules 2011.

### **1.2 History and Principal Operations**

AGL was incorporated in Bermuda on September 8, 2016. AGL acts primarily as the ultimate holding company of ABL, Ascot Underwriting Group Limited ("AUGL") and Ascot Insurance Holdings Limited ("AIHL").

ABL was incorporated in Bermuda on September 8, 2016 and operates as a Class 4 insurance and reinsurance company regulated by the Authority providing both third party insurance and reinsurance and quota share reinsurance to Ascot Corporate Name Limited ("ACNL").

AUGL (a U.K. domiciled company) operates as a holding company for a number of entities, including ACNL, which is a U.K. domiciled company providing underwriting capacity as the corporate member for Syndicate 1414 at Lloyd's.

Ascot Insurance Guernsey Limited ("AIGL") was incorporated in Guernsey on September 23, 2025 and licensed as a Category 3 Commercial General Insurer regulated by the Guernsey Financial Services Commission on March 19, 2026. AIGL provides third party insurance.

AIHL (a U.K. domiciled company) operates as a holding company for Ascot Insurance Company ("AIC") and Ascot Specialty Insurance Company ("ASIC"). AIC and ASIC write admitted and non-admitted business in the United States. AIC and ASIC commenced underwriting operations on January 1, 2019. In 2021, AIC acquired AmFed National Insurance Company ("AmFed"), a Mississippi workers' compensation insurance company, and Ascot Surety & Casualty Company ("ASC"), a U.S. Treasury-listed insurance carrier. Collectively, the operations of AIC, ASIC, AmFed and ASC are referred to as the "U.S. Group".

AIHL was also the holding company for Ethos Specialty Insurance Services LLC ("Ethos Specialty"), a managing general underwriter ("MGU"). During 2024, AGL fully divested its equity interest in Ethos Specialty.

The AGL Structure Chart is included in Appendix A which provides details on the Group's organizational structure.

## 2. Business and Performance

AGL is a global (re)insurer offering a broad range of specialty insurance and reinsurance products to customers worldwide through underwriting platforms in the U.K., U.S. and Bermuda.

AGL manages its operations through three underwriting segments:

1. Global Specialty segment, which represents the operations of Syndicate 1414 at Lloyd's, Ascot Underwriting Limited ("AUL"), the managing agent of Syndicate 1414, and ACNL, the provider of underwriting capacity to Syndicate 1414. The principal lines of business written by Syndicate 1414 are Aviation War, Cargo and Transportation, Energy, Excess Casualty, Healthcare, International Liability, Marine Hull and Liability, Personal Accident, Political Risk, Professional Indemnity, Property, Space, Specie and Fine Art, Terrorism, U.K. & Ireland Liability, Casualty and Specialty reinsurance and Property reinsurance.
2. U.S. Specialty segment, which represents the operations of the U.S. Group. The U.S. Group is licensed to write business across all 50 U.S. states and Washington, D.C. and the principal product lines written include Specialty insurance, Financial Lines insurance and Portfolio Solutions.
3. Bermuda Specialty segment, which represents the property and casualty (re)insurance operations of ABL. The principal product lines written by ABL are Property reinsurance, Casualty and Specialty reinsurance, Marine and Energy reinsurance, Excess Casualty insurance and Financial Lines insurance.

For the year ended December 31, 2025, AGL's gross premiums written by segment were as follows:

<b>(\$ in thousands)</b>	<b>Gross Premiums Written</b>	<b>% of total</b>
Global Specialty .....	\$ 1,807,912	34.8 %
U.S. Specialty .....	1,603,170	30.9 %
Bermuda Specialty .....	1,778,633	34.3 %
<b>Total</b> .....	<b>\$ 5,189,715</b>	<b>100.0 %</b>

Through its indirect ownership of the operating insurance companies, ABL consolidates all of the underwriting and the majority of the investing operations of the Group and therefore the financial information provided in this financial condition report for AGL is not repeated for ABL unless materially different.

## **2.1 Name of Insurance Group**

Ascot Group Limited

## **2.2 Designated Insurer**

Ascot Bermuda Limited

## **2.3 Approved Group Supervisor**

*Insurance Supervisor*

Bermuda Monetary Authority (“BMA”)  
BMA House  
43 Victoria Street, Hamilton  
Bermuda

## **2.4 Approved Group Auditor**

Deloitte Ltd, Corner House,  
20 Parliament Street, Hamilton  
Bermuda

## **2.5 Ownership Details**

Canada Pension Plan Investment Board (“CPP Investments”) is the controlling shareholder of AGL.

## **2.6 Group Structure**

The Company's corporate structure, as at the date of this Report, is attached at Appendix A.

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## 2.7 Business Written

Gross premiums written by segment and product grouping for the years ended December 31, 2025 and 2024 were as follows:

<b>(\$ in thousands)</b>	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Global Specialty Segment</b>		
Property .....	\$ 788,631	\$ 859,446
Casualty .....	454,822	446,366
Marine and Energy .....	396,929	411,999
Professional .....	129,599	178,587
Credit .....	37,931	37,317
Total gross premiums written .....	<u>\$ 1,807,912</u>	<u>\$ 1,933,715</u>
<b>U.S. Specialty Segment</b>		
Property .....	\$ 213,298	\$ 190,083
Casualty .....	813,386	611,956
Marine and Energy .....	100,193	100,318
Professional .....	363,755	351,409
Credit .....	112,538	69,239
Total gross premiums written .....	<u>\$ 1,603,170</u>	<u>\$ 1,323,005</u>
<b>Bermuda Specialty Segment</b>		
Property .....	\$ 160,332	\$ 127,740
Casualty .....	890,264	639,469
Marine and Energy .....	190,419	160,862
Professional .....	406,201	401,218
Credit .....	131,417	92,451
Total gross premiums written .....	<u>\$ 1,778,633</u>	<u>\$ 1,421,740</u>
<b>Total</b> .....	<u>\$ 5,189,715</u>	<u>\$ 4,678,460</u>

Source: AGL U.S. GAAP Consolidated Financial Statements

## 2.8 Investment Performance

AGL invests primarily in a diversified portfolio of high quality fixed maturity and short-term investments and cash and cash equivalents. In addition, AGL also invests a portion of its portfolio in equity securities, including common stocks, preferred stocks and exchange-traded funds, and other investments, including but not limited to hedge funds, private equity funds, private debt funds, senior secured credit funds, collateralized loan obligation equity

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funds and real asset funds. All investment decisions are made in accordance with investment guidelines set by the Finance and Investment Committee and management.

AGL's cash and cash equivalents are on deposit with various reputable financial institutions located principally in Bermuda, the U.S. and the U.K.

The investment portfolio is managed by external investment managers through individual investment management agreements, in accordance with AGL's Investment Policy Statement. The Finance and Investment Committee monitors activity and performance of the external managers on at least a quarterly basis.

The fair value of investments and performance of our investment portfolio for the years ended December 31, 2025 and 2024 are outlined in the following table. Investment performance is calculated as net investment income divided by the average fair market value of the portfolio (determined using the opening and closing position).

(\$ in thousands)	For the year ended December 31, 2025		
	Investment Income	Market Value	Performance %
Fixed maturity securities	\$ 335,361	\$ 7,851,092	4.8%
Equity securities	449	75,219	1.2%
Other investments	40,199	559,299	8.4%
Short-term investments	5,158	151,734	3.4%
Cash, cash equivalents and restricted cash	31,159	541,167	5.0%
<b>Total gross investment income / Total Market Value</b>	412,326	9,178,511	5.0%
Investment expenses	(12,033)	—	—%
<b>Net investment income / Total Market Value</b>	<b>\$ 400,293</b>	<b>\$ 9,178,511</b>	<b>4.9%</b>

Source: AGL U.S. GAAP Consolidated Financial Statements (except performance percentages for which the calculation basis is stated above).

(\$ in thousands)	For the year ended December 31, 2024		
	Investment Income	Market Value	Performance %
Fixed maturity securities	\$ 233,363	\$ 6,078,287	4.3%
Other investments	31,382	402,551	9.5%
Short-term investments	4,281	150,359	3.2%
Cash, cash equivalents and restricted cash	31,614	696,457	5.1%
<b>Total gross investment income</b>	300,640	7,327,654	4.6%
Investment expenses	(6,954)	—	—%
<b>Net investment income</b>	<b>\$ 293,686</b>	<b>\$ 7,327,654</b>	<b>4.5%</b>

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Source: AGL U.S. GAAP Consolidated Financial Statements (except performance percentages for which the calculation basis is stated above).

## 2.9 Material Income and Expense for the Reporting Period

AGL's financial results for the years ended December 31, 2025 and 2024 are presented below:

<b>(\$ in thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Gross premiums written	\$ 5,189,715	\$ 4,678,460
Reinsurance premiums ceded	(1,439,773)	(1,147,676)
Net premiums written	3,749,942	3,530,784
Earned premiums	4,820,795	4,240,715
Earned premiums ceded	(1,322,096)	(1,025,167)
Net premiums earned	3,498,699	3,215,548
Net investment income	400,293	293,686
Net realized losses on investments	(486)	(33,234)
Net unrealized gains on investments	75,508	37,531
Net gain on divestitures	—	96,608
Other income	15,966	23,552
<b>TOTAL REVENUES</b>	<b>3,989,980</b>	<b>3,633,691</b>
<b>LOSSES AND EXPENSES</b>		
Net incurred losses and loss adjustment expenses	2,057,166	1,929,315
Acquisition expenses	838,756	775,642
General and administrative expenses	487,736	409,986
Financing costs	37,438	21,991
Amortization of intangible assets	6,621	6,621
Net foreign exchange losses	6,023	3,876
<b>TOTAL LOSSES AND EXPENSES</b>	<b>3,433,740</b>	<b>3,147,431</b>
<b>INCOME BEFORE TAXES</b>	<b>556,240</b>	<b>486,260</b>
Income tax expense	(44,647)	(73,705)
<b>NET INCOME</b>	<b>\$ 511,593</b>	<b>\$ 412,555</b>

Source: AGL U.S. GAAP Consolidated Financial Statements

AGL's main sources of income are from its underwriting and investing activities.

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Net premiums earned for the year ended December 31, 2025 were \$3,498.7 million compared to \$3,215.5 million for the year ended December 31, 2024. The \$283.2 million (or 8.8%) increase was driven by AGL's underwriting segments, as follows:

- Bermuda Specialty (\$247.5 million or 23.9% increase) driven by growth in our proportional business, including Marine and Energy Treaty, Casualty Treaty - General Liability, and Specialty Treaty - Cyber classes; and
- U.S. Specialty (\$117.2 million or 15.5% increase) driven by strong production growth across several product lines, including Casualty and Credit, and new business generated by Captives, which predominantly relates to the Property, Casualty and Professional lines of business; partially offset by
- Global Specialty (\$81.6 million or 5.7% decrease), driven by a mix of non-renewed accounts and softening market conditions across multiple product lines, including Professional and Property, an increase in reinsurance premiums ceded, driven by increased quota share coverage, and a decrease in net reinstatement premiums.

Net investment income for the year ended December 31, 2025, was \$400.3 million, an increase of \$106.6 million (36.3%) compared to \$293.7 million of net investment income in 2024. This increase was driven by higher interest rates, active portfolio management, principally in 2024, and growth in invested assets generated from operating cashflows (\$9,178.5 million of cash and investments as of December 31, 2025, compared to \$7,327.7 million as of December 31, 2024).

Effective January 1, 2024, AGL began designating purchases of fixed maturity securities as available for sale ("AFS"), with unrealized gains (losses) recorded in accumulated other comprehensive income ("AOCI") in shareholders' equity. Prior to that date, the Company designated all fixed maturity securities as trading, with unrealized gains and losses recorded in net realized and unrealized gains (losses) on investments in the statements of income.

- For the year ended December 31, 2025, AGL recognized \$75.0 million of net realized and unrealized gains relating to our fixed income investments, trading, and unrealized gains, net of reclassification adjustments and including foreign exchange gains of \$119.8 million relating to our fixed income investments, AFS, primarily due to decreases in interest rates;
- For the year ended December 31, 2024, AGL recognized \$4.3 million of net realized and unrealized gains relating to our fixed income investments, trading, and unrealized losses, net of reclassification adjustments and including foreign exchange losses of \$25.4 million relating to our fixed income investments, AFS, primarily due to increases in interest rates.

Material expenses include net incurred losses and loss adjustment expenses, acquisition expenses and underwriting-related general and administrative expenses:

- Catastrophe losses for the year ended December 31, 2025 were \$166.7 million compared to catastrophe losses of \$294.2 million in 2024;
- Net favorable prior year development for the year ended December 31, 2025 was \$98.7 million, driven by favorable catastrophe and attritional claims experience across multiple short tail lines, partially offset by unfavorable claims development across multiple medium and long tail lines. In comparison, the Company recorded \$77.1 million of net favorable prior year development for the year ended December 31, 2024, principally related to reduced loss estimates for Hurricane Ian, better than expected loss emergence in our Inland Marine, Cyber and Ocean Marine product classes and

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favorable non-catastrophe claims experience across multiple Property and Marine Energy classes, partially offset by unfavorable development relating to the 2022 Russia-Ukraine Property Treaty losses;

- Acquisition expenses increased by \$63.1 million and the acquisition expense ratio decreased by 0.1 percentage points, due to growth in net premiums earned outpacing the increase in acquisition expenses driven by increased earnings from proportional business with higher acquisition expense ratios; and
- Underwriting-related general and administrative expenses increased by \$80.5 million and the underwriting-related general and administrative expense ratio increased by 1.2 percentage points due to the increase in expenses outpacing the growth in net premiums earned. The increase in underwriting-related general and administrative expenses was driven by increased fixed and variable compensation costs, partially offset by the recognition of Bermuda Corporate Income Tax ("CIT") tax credits.

The Company generated net income of \$511.6 million for the year ended December 31, 2025, compared to \$412.6 million for the year ended December 31, 2024.

Certain key performance indicators used by AGL are as follows:

<b>(\$ in thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Gross premiums written	\$ 5,189,715	\$ 4,678,460
Net premiums earned	3,498,699	3,215,548
Underwriting income (loss)	182,228	163,742
Investment income	400,293	293,686
Non-GAAP operating income <sup>1</sup>	451,339	365,631
Combined ratio <sup>2</sup>	94.8%	94.9%

<sup>1</sup> Non-GAAP operating income is defined as net income after tax excluding (1) after-tax net realized and unrealized gains and losses on investments included in net income, (2) after-tax strategy costs, (3) after-tax foreign exchange gains and losses, (4) after-tax intangible asset amortization and (5) after-tax net gain on divestitures.

<sup>2</sup> The combined ratio is defined as net losses and loss adjustment expenses, acquisition expenses and general and administrative expenses less other income (excluding Corporate expenses, Ethos Specialty general and administrative expenses, Ethos Specialty other income and Strategy costs) divided by net premiums earned.

## **2.10 Any Other Material Information**

### *Revolving Credit Facility*

On March 21, 2025, AGL, as borrower and guarantor, and ABL, as borrower, entered into a new three-year \$200.0 million senior unsecured revolving credit facility, with an option to request up to \$100.0 million of additional commitments under the facility. As of May 28, 2026, \$200.0 million of unutilized capacity was available under this revolving credit facility.

### *Long -Term Debt Issuance*

On May 16, 2025, AGL issued \$350.0 million fixed-rate reset senior unsecured notes due 2035 (the "2035 Senior Notes"). The 2035 Senior Notes will bear interest to, but excluding, the first reset date at a rate per annum of 6.349%. From, and including, the first reset date, the 2035 Senior Notes will bear interest at a rate per annum equal to the five-year treasury rate plus

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2.375%. Interest will be payable semi-annually on June 15 and December 15 of each year, commencing on December 15, 2025.

The 2035 Senior Notes are redeemable at the applicable redemption price, subject to the terms described in the indenture for the 2035 Senior Notes. However, the 2035 Senior Notes may not be redeemed or repaid at any time including on the scheduled maturity date without approval from the Authority if enhanced capital requirements, as established by the Authority would be breached immediately before or after giving effect to the redemption of such notes, unless, in each case, the Company replaces the capital represented by the 2035 Senior Notes to be redeemed with capital having equal or better capital treatment as the notes under applicable BMA rules. The net proceeds from this offering were used for general corporate purposes.

The 2035 Senior Notes were approved by the Authority to be recorded as Other Fixed Capital on the Statutory Statement of Capital and Surplus on Form 8 Line 1 (c) and as Tier 3 Ancillary Capital. The balance of the 2035 Senior Notes not included in eligible capital due to Tier 3 restrictions will be included in Line 30 Loans and Notes Payable on the Balance Sheet Form 1.

### 3. Governance Structure

AGL has established and continues to maintain a sound corporate governance framework that includes principles on levels of authority, accountability, responsibility, compliance, and oversight and takes into consideration international best practices on effective corporate governance.

Ultimate responsibility for sound and prudent governance rests with the respective Boards of Directors of AGL and ABL. The Boards are responsible for overseeing the prudent development and application of corporate governance policies. To guide the Boards' responsibilities, the Group has documented Bye-laws, Board Terms of Reference, Board Committee charters and organizational charts. The Boards meet regularly throughout the year and operate within the established governance framework and within their respective terms of reference.

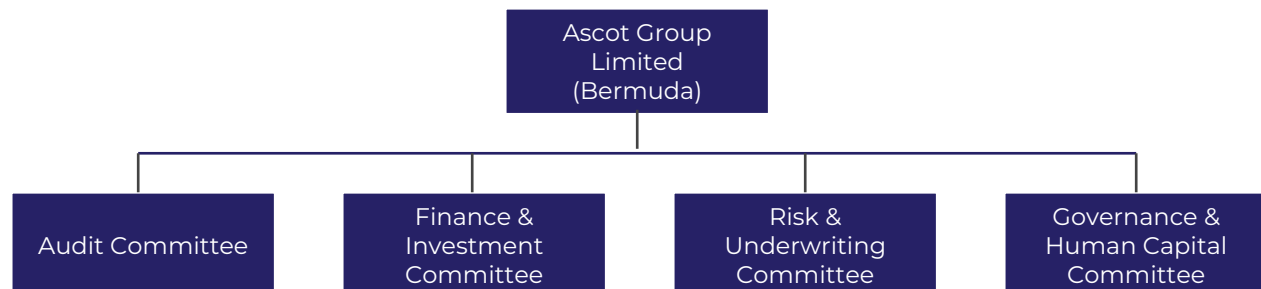
The Boards periodically review the effectiveness of the Group's governance frameworks together with the Boards' own effectiveness and performance. The governance structure in place across the Group is subject to ongoing review to confirm that it remains aligned with the needs of the business and the expectations of external stakeholders, including regulators and rating agencies.

Internal Audit conducts an independent review of the Group's governance system. This review occurs at three levels: firstly, as part of the connected risk framework with Risk and Internal Audit; secondly, as part of the compliance assessment with the governance system when reviewing functional business areas; and thirdly, as part of the risk-based audit planning process, where a specific governance review is considered.

The AGL Board has appointed four committees to manage aspects of the Group's affairs. Each committee operates within established terms of reference and each committee Chairperson reports directly to the Board.

The Board's Committees undertake activities on behalf of AGL and ABL.

The structure of these committees is outlined below:



#### *Audit Committee:*

- Oversees the integrity of the Company's financial reporting, the effectiveness of the Company's internal controls and the adequacy of reserves.
- Reviews significant financial reporting judgments, accounting policies, estimates, unusual transactions and financial report disclosures.
- Oversees the internal audit function, including audit coverage, reporting, management responsiveness and the internal auditor's access to the Board and Committee.

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- Reviews the external audit relationship, including the external auditor's appointment, independence, remuneration, audit plan, audit findings and effectiveness.
- Receives legal and compliance updates and oversees whistleblowing arrangements and other matters relevant to financial reporting, internal controls, auditing and compliance.

*Finance and Investment Committee:*

- Oversees and makes recommendations regarding capital management, liquidity and financial resources, including debt, credit and other financing facilities, capital planning, dividends, share repurchases and credit ratings.
- Approves management's proposal for the Company's Investment Policy Statement, investment strategy and annual investment plan, including alignment with the Company's capital profile, liability structure, risk tolerance, risk appetites and underwriting strategies.
- Reviews investment strategies, activities, policies, performance and related investment risks.
- Oversees the Company's use of derivatives, including related policies, counterparty exposure, value at risk and total notional exposure.
- Appoints and reviews the performance of external investment managers and oversees investment activities carried out by the Company's investment team, including deviations from the Investment Policy Statement.

*Risk and Underwriting Committee:*

- Oversees the Company's enterprise risk management framework, exposure management, overall risk framework, risk assumptions, risk appetite and risk mitigation activities.
- Reviews the Company's major risk exposures and related strategies, processes and policies, including insurance, credit, cyber, operational, regulatory, reputational, liquidity and climate change risks.
- Reviews and oversees actuarial, underwriting and limit governance, including underwriting plans, initiatives, rate changes, actuarial indications, products, eligibility rules and coverage forms.
- Reviews underwriting strategy, pricing risk, return on capital, underwriting practices and controls, existing lines of business, entry into new major lines, aggregate exposures, limits and projected aggregate losses from large events.
- Supports sound decision-making on underwriting performance, pricing, capacity deployment and exposure aggregation and makes recommendations to the Board or senior management as appropriate

*Governance and Human Capital Committee:*

- Oversees remuneration policies for the AGL CEO, senior executives and the Board, including performance goals, compensation programs, incentive plans, equity plans, employment arrangements, severance and change in control provisions.
- Oversees Board and committee composition, director nominations, Board skills and experience, director candidate selection and recommendations for director elections or appointments.
- Oversees Board effectiveness, director performance, Board practices, director orientation and continuing education.
- Provides primary oversight of succession planning for the Board, the AGL CEO and the Company's executive management team.
- Oversees corporate governance, related-party transactions, sustainability, climate risk, health and safety, human capital management, employee engagement, talent

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development and fulfillment of applicable Bermuda corporate governance requirements.

### 3.1 Board and Senior Executive

#### *3.1.1 Board and Senior Executive Structure, Role, Responsibilities and Segregation of Responsibilities*

##### AGL Board of Directors

Listed in the table below are the Board of Directors of AGL as of March 31, 2026:

<b>Name</b>	<b>Position</b>
Kewsong Lee	Independent Non-Executive Chairperson
Neill Currie	Independent Non-Executive Director
Jonathan Zaffino	Group Chief Executive Officer & President
Mary Chen	Non-Executive Investor Director
Thomas Kalvik	Non-Executive Investor Director
Samuel Blaichman	Non-Executive Investor Director
Patrice Walch-Watson	Non-Executive Investor Director
Rosalind Brewer	Independent Non-Executive Director
Robert Sewell	Independent Non-Executive Director
Martin Flanagan	Independent Non-Executive Director
Christopher Gallagher	Independent Non-Executive Director

##### AGL Executive Management (“Group Executive Committee”)

Listed in the table below are the AGL Executive Management as of March 31, 2026:

<b>Name</b>	<b>Position</b>
Jonathan Zaffino	Group Chief Executive Officer & President
Elizabeth Johnson	Group Chief Operating Officer
Matthew Kramer	Chief Executive Officer, Ascot U.S.
Michael Sevi	Group General Counsel
Mark Pepper	Group Chief Underwriting Officer
Mark Smith	Group Chief Risk Officer
Steve Goldman	Global Head of Distribution
Marc Amen	Chief Executive Officer, North America
Ian Thompson	Chief Executive Officer, AUL
Mark Wilcox	Group Chief Financial Officer
William Thygeson	Group Chief Human Resource Officer

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ABL Board of Directors

Listed in the table below are the directors of the Board of Directors of ABL Board as of March 31, 2026:

<b>Name</b>	<b>Position</b>
Christopher Gallagher	Independent Non-Executive Chairperson
Neill Currie	Non-Executive Director
Mary Chen	Non-Executive Investor Director
Thomas Kalvik	Non-Executive Investor Director
Marc Amen	Executive Director, Chief Executive Officer, North America
Elizabeth Johnson	Executive Director, Group Chief Operating Officer

ABL Senior Management and Officers

Listed in the table below are the ABL Senior Management and Officers as of March 31, 2026:

<b>Name</b>	<b>Position</b>
Marc Amen	Chief Executive Officer
Alexander D'Urso	Chief Risk Officer and Group Head of Capital Modelling
Elizabeth Duncan	Chief Financial Officer and Group Financial Controller
Michael Grayston	Group Treasurer and Chief Investment Officer
Simon Kimberley <sup>1</sup>	Chief Underwriting Officer - Property

<sup>1</sup>Simon Kimberley resigned on April 3, 2026.

Responsibilities of the Board

AGL's governance operating model provides for a clear segregation of the duties of and delegation of responsibilities to various committees reporting to the AGL Board. Similarly, ABL has a formalized structure in place with respect to oversight by its own Board of Directors and AGL's Board committees.

The AGL Board maintains and exercises ultimate authority over and accountability for the strategic and business decisions of the Company, the risk control framework, business performance and compliance with legal, regulatory and solvency requirements.

The AGL Board consists of the Independent Non-Executive Chairperson, an Executive Director and both Independent Directors and Non-Executive Investor Directors. The role of the Chairperson of AGL is separate from that of the Chief Executive Officer. The composition of AGL's Board reflects the range of skills, knowledge, and experience necessary for the Board to be effective. The objective in determining the Board's composition is to provide for an appropriate level of skill and capability that provides both appropriate challenge and strategic guidance to management.

The responsibilities and composition of the ABL Board and ABL Executive Management Committee are consistent with those described for AGL to the extent they are relevant.

### *3.1.2 Remuneration Practices*

AGL's remuneration provides employees with basic salaries and short-term incentive compensation. Some employees also receive long-term incentive compensation. Employees and executives also receive other benefits including those pursuant to local statutory requirements and individual employment agreements.

AGL's approach to remuneration is defined under a global Group Remuneration Policy overseen by the Governance and Human Capital Committee. The policy is designed to provide that AGL's approach to remuneration aligns with AGL's business and risk management strategy, risk profile, objectives, risk management practices and the long-term interests and performance of AGL as a whole. The policy further promotes sound and effective risk management and discourages risk-taking that exceeds AGL's risk tolerance.

All components are considered in aggregate when evaluating and making decisions with respect to each component. A portion of employee and executive compensation is variable and performance-based on both individual and Company-wide performance. The risk implications of incentives created by the Company's remuneration policies are considered as part of the Company's risk management practices.

A description of the elements of employee/ executive compensation is as follows:

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<b>Remuneration Component</b>	<b>Description</b>	<b>Key Features</b>
Basic Salary	Fixed annual cash amount, comprises the base component of total compensation.	<ul style="list-style-type: none"> <li>Established based on individual experience as well as role, responsibilities, and market conditions.</li> <li>Reviewed annually and revised based on individual and Company-wide performance as well as market conditions.</li> </ul>
Short-Term Incentive	Variable cash compensation, funded at the AGL level based on the Company's performance relative to Plan and annual Strategic goals.	<ul style="list-style-type: none"> <li>The amount awarded to any individual is therefore reflective of annual Company-wide and individual performance.</li> <li>This aligns with management and shareholder interests and is designed to reward performance consistent with the Company's objectives.</li> </ul>
Long-Term Incentive	An equity-based compensation plan called the Executive Management Deferred Compensation (EMDC) plan includes Restricted Share Units (RSUs) and Performance Share Units (PSUs).	<ul style="list-style-type: none"> <li>This is designed to incentivize long-term performance, attract talent, and promote retention.</li> </ul>
Other benefits	Includes retirement benefits, healthcare, and certain statutory contributions.	<ul style="list-style-type: none"> <li>Reflective of the location of employees, specific local market practices and benefits</li> <li>Consistent with local market practices to remain competitive and attract talent.</li> </ul>

The AGL Governance and Human Capital Committee is responsible for confirming that the necessary and appropriate compensation and human resources structures are in place. The AGL Human Resource function conducts periodic reviews designed to confirm that compensation is appropriate.

Non-Executive Board members receive a flat fee for annual service and reimbursement of certain expenses, consisting of a mix of AGL shares and cash compensation.

### *3.1.3 Pension or Early Retirement Schemes for Members, Board and Senior Employees*

The Company maintains defined contribution plans to provide retirement benefits to eligible employees. Contributions, which are managed externally, are based on eligible compensation.

The Company's Non-Executive Directors do not receive pension or retirement benefits.

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*3.1.4 Material Transactions with Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executives*

Transactions with subsidiaries

During the year ended December 31, 2025, AGL contributed \$350.0 million in capital to ABL, and ABL declared and paid \$80.0 million of dividends by way of constructive settlement of intercompany balances due to AGL (2024: ABL issued 880,000 shares to AGL in exchange for \$0.9 million).

Transactions with related parties

Canro Re Limited

Canro Re Limited ("Canro Re"), a Bermuda-domiciled special purpose insurer ("SPI") and segregated accounts company, was formed to provide reinsurance capacity to subsidiaries of the Company through reinsurance agreements which are collateralized and funded by Canro Re through the creation of segregated cells and the issuance of non-voting redeemable preferred shares to investors. Upon issuance of the non-voting redeemable preferred shares, the proceeds are deposited into a collateral account to fund any potential obligations under the reinsurance agreements. Segregated cells commonly meet the definition of a variable interest entity ("VIE") because they do not have sufficient equity capital to finance their activities.

The Company has identified related party transactions involving two Canro Re segregated cells.

*Canro Re 2020-1*

Effective 2020, ABL and Syndicate 1414 began ceding business to segregated account Canro Re 2020-01 in accordance with a quota share reinsurance agreement. As of December 31, 2025 and 2024, CPP Investment Board PMI-2 Inc., a related party of the Company, is the sole holder of the non-voting redeemable preferred shares issued by Canro Re 2020-01. The Company does not hold a variable interest in Canro Re 2020-01.

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The following table summarizes the Company's related party balances with Canro Re 2020-01 as of December 31, 2025 and 2024:

<b>(\$ in thousands)</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Reinsurance recoverable on unpaid losses .....	\$ 54,917	\$ 103,223
<b>LIABILITIES</b>		
Insurance and reinsurance balances payable .....	15,035	36,595

The following table summarizes the Company's related party transactions with Canro Re 2020-01 for the years ended December 31, 2025 and 2024:

<b>(\$ in thousands)</b>	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Earned premiums ceded	\$ (20,671)	\$ (38,749)
<b>LOSSES AND EXPENSES</b>		
Net incurred losses and loss adjustment expenses (recoveries)	10,023	3,277

*Canro Re 2025-1*

Effective July 1, 2025, ABL began ceding business to segregated account Canro Re 2025-01 in accordance with a quota share reinsurance agreement. The non-voting redeemable preferred shares of Canro Re 2025-01 are held by a related party of the Company (see "Wayfare Holdings" below for additional information).

The following table summarizes the Company's related party balances with Canro Re 2025-01 as of December 31, 2025:

<b>(\$ in thousands)</b>	<b>2025</b>
<b>ASSETS</b>	
Reinsurance recoverable on unpaid losses .....	\$ 2,390
<b>LIABILITIES</b>	
Insurance and reinsurance balances payable .....	18,071

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The following table summarizes the Company's related party transactions with Canro Re 2025-01 for the year ended December 31, 2025:

<b>(\$ in thousands)</b>	<b>2025</b>
<b>REVENUES</b>	
Earned premiums ceded	\$ (3,648)
<b>LOSSES AND EXPENSES</b>	
Net incurred losses and loss adjustment expenses (recoveries)	(2,390)

Wayfare Re

Effective July 1, 2025, AIC, ASIC, AmFed and ASC began ceding business to Wayfare Re Limited ("Wayfare Re"), a special purpose insurer, in accordance with a quota share reinsurance agreement. The non-voting redeemable preferred shares of Wayfare Re are held by a related party of the Company (see "Wayfare Holdings" below for additional information).

The following table summarizes the Company's related party balances with Wayfare Re as of December 31, 2025:

<b>(\$ in thousands)</b>	<b>2025</b>
<b>ASSETS</b>	
Reinsurance recoverable on unpaid losses .....	\$ 8,689
<b>LIABILITIES</b>	
Insurance and reinsurance balances payable .....	16,196

The following table summarizes the Company's related party transactions with Wayfare Re for the year ended December 31, 2025:

<b>(\$ in thousands)</b>	<b>2025</b>
<b>REVENUES</b>	
Earned premiums ceded	\$ (12,556)
<b>LOSSES AND EXPENSES</b>	
Net incurred losses and loss adjustment expenses (recoveries)	(8,689)

Wayfare Holdings

During the third quarter of 2025, Wayfare Holdings, L.P. ("Wayfare Holdings") was formed to hold the non-voting redeemable preferred shares of Canro Re 2025-01 and the non-voting redeemable preferred shares and a minority share of the voting common shares of Wayfare Re. Wayfare Holdings issued 25.0% of its limited partnership interests to ABL and 75.0% of its limited partnership interests to two affiliates of Antares Capital, a related party of the Company, in exchange for committed capital to be contributed over a three-year period. The capital will be used by Wayfare Holdings to partially collateralize Canro Re 2025-01 and

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Wayfare Re. As of December 31, 2025, of the \$25.0 million committed to Wayfare Holdings, ABL has funded \$6.3 million.

ABL determined that Wayfare Holdings is a VIE due to insufficient equity at risk, and therefore, ABL holds a variable interest in Wayfare Holdings. However, ABL concluded that it was not the primary beneficiary and therefore it will not consolidate the financial position and results of operations of Wayfare Holdings. ABL will account for its limited partnership interest as an equity method investment and will record its proportionate share of the earnings or losses to other income within the statements of income with a corresponding adjustment to the carrying value of the investment as presented within other assets on the balance sheet.

## **3.2 Fitness and Proprietary Requirements**

### *3.2.1 Fit and Proper Process in assessing the Board and Senior Executive*

The Company appoints each senior executive and member of the Board based on the individual's expertise and experience. All candidates must undergo recruitment and background screening. The Governance and Human Capital Committee monitors the composition of the Board, its skills, expertise, knowledge, and experience, and its independence. An orientation process is undertaken for newly appointed Directors and is an extension of the HR function's regular induction program for employees, with further training given based on individual needs and requirements.

AGL has a performance management policy in place so that all key business functions are managed by individuals considered fit and proper to carry out their responsibilities. The policy sets out procedures requiring relevant individuals to have adequate expertise, knowledge, and experience appropriate to their roles (fitness), and to demonstrate suitable reputation and integrity (propriety). It also defines responsibility for maintaining fit and proper controls and the related reporting processes.

### *3.2.2 Directors and Officers Skills and Expertise*

The skills and expertise of Directors and Officers of AGL and ABL are included in Appendix B.

## **3.3 Risk Management and Solvency Self-Assessment**

### *3.3.1 Risk Management Process & Procedures to Identify, Measure, Manage and Report on Risk Exposures*

AGL has an enterprise-wide approach to risk management. The risk management framework provides a formal structure for risk governance and risk-based decision-making as well as a controlled and consistent approach for how risk is identified, measured, mitigated, monitored, and reported across the Company. This enables risks to be regularly monitored and evaluated against risks appetites, to assess the overall level of risk being taken by AGL.

AGL has established a risk management culture where all staff members recognize their responsibilities and the significance of fulfilling these roles for the business's success. This framework enables individuals to report issues, emerging risks, or areas for potential improvement.

AGL operates under the "three lines of defense" model which serves to distinguish the roles and responsibilities at various levels of the business.

The Group Chief Risk Officer facilitates the effective operation of enterprise risk management ("ERM") across AGL and works closely with local entity Chief Risk Officers to maintain a

cohesive and consistent risk management framework. ABL leverages the AGL risk management framework whilst maintaining separate accountability within ABL reporting to the ABL Executive Committee on a quarterly basis.

The key elements of the risk management framework are outlined below.

**Risk Identification** - Risk identification involves understanding what threats exist and how they may make it more difficult to achieve stated business objectives, or even prevent them from being achieved altogether. Risks identification takes place through annual reviews of the risk register with risk owners, emerging risk assessments using internal and external sources, risk incident reporting and risk and control owners uncovering unrecorded risks through routine business operations.

**Risk Assessment** – Each risk in the risk register is assessed annually in terms of likely impact to the business. The assessment of the impact and consequences of a risk is carried out by the team or individual best placed to perform the assessment. This team or individual may be the specific risk/control owner and/or the risk team. The assessment involves a review process designed to determine the ramifications to the business should the risk occur. A ranking system is in place to illustrate the severity and frequency of loss for each individual risk sub-group.

**Risk Monitoring and Mitigation** - In managing our risks, we consider how and through what mechanisms we control the risks identified and ensure they remain within the appetite set for that area of risk. The risk register details all the key controls in place for the key risks identified within the business. Controls are reviewed alongside risks during the annual entity risk register review and through discussions with risk and control owners. The operation and monitoring of key controls is elevated to risk appetites which are monitored on a quarterly basis.

**Risk Reporting** - Across the Company, individuals from the risk management teams attend and present at the relevant Board committees. The risk team produces a quarterly risk report that is circulated to the relevant Board committees within the AGL governance structure. These reports contain information on the key risk metrics that link to the granular risk appetites set for each risk within each risk sub-group, risks incidents, emerging risks or other notable risk events that occurred during the quarter.

### *3.3.2 Risk Management and Solvency Self-Assessment Systems Implementation*

A self-assessment process is performed annually to assess all known risks faced by the Company, the appetite in place for those risks which drives the controls put in place over them and thus the capital that must be held to support them. This assessment is performed at a Group and entity level. AGL produces a Group Solvency Self-Assessment ("GSSA") report on an annual basis, with abridged information produced on a quarterly basis in the form of a risk report. This report may be supplemented by ad-hoc reporting should a material event occur, including due to internal or external factors that the Group Executive team consider could change the capital required for any of the risks faced by the business.

The self-assessment process is designed to confirm that the risks faced by the Company are identified and to quantify the capital required to support those risks. The process requires a review of the capital held to support the business (rather than just the regulatory level of capital).

The GSSA includes information covering key areas required to make operating decisions, including capital, business performance, strategic information, emerging risks and risk appetite, and stress testing.

The AGL capital risk appetites are set to maintain sufficient capital levels to satisfy regulatory requirements and support the desired credit rating.

### *3.3.3 Relationship Between Solvency Self-Assessment, Solvency Needs & Capital, and Risk Management*

Solvency self-assessment is a continuous process encompassing the business plan, strategy, current and forward-looking risk profile of the business and the quality and quantity of capital required. The process incorporates the identification, assessment, monitoring, and reporting of the key risks to the Company, and is designed to identify the capital necessary to meet the overall solvency requirements. The GSSA is integrated into the Group's broader risk management framework and governance structures, enabling AGL to:

- Assess the risks the business faces;
- Judge how best to control those risks;
- Report on the adequacy of those controls and risk assessments;
- Monitor capital so that it remains adequate for the risks faced and is aligned with capital risk appetites; and
- Plan for future business strategy.

### *3.3.4 Solvency Self-Assessment Approval Process*

Many of the individual components within the GSSA process are performed throughout the year and presented to the relevant Board committee. A combination of departments, including ERM, Financial Planning & Analysis, Finance, Exposure Management, Operations, Claims, IT and Compliance teams contribute to the report.

The relevant Board committee reviews the GSSA Report on an annual basis.

## **3.4 Internal Controls**

### *3.4.1 Internal Control System*

The Company has established an internal control framework that covers all key financial and non-financial controls. This framework supports achieving business plan goals within a defined risk appetite. Controls are documented in a Governance, Risk and Compliance ("GRC") system, which details important information such as the control owner, frequency, severity, and nature. Examples of key controls include regular reconciliation of financial accounts, segregation of duties in payment processing, and periodic review of compliance checklists. The effectiveness of these controls is regularly reviewed through the governance structure at AGL.

AGL's organizational structure is defined, with clear lines of responsibility and delegated authority. Oversight is exercised by the Board, which monitors the control framework employed to assess and manage exposure to all areas of risk communicated by the Company. The Group Board sets strategic direction and the Board's committees focus on specific areas, such as audit and risk management. The management-level Group Executive Committee oversees day-to-day operational implementation, providing for accountability and effective oversight throughout the organization of the Company's control framework.

Detailed operational procedures are adopted and followed across AGL in its principal functional activities. These procedures incorporate key controls, such as regular review of

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compliance checklists and segregation of duties and are subject to ongoing review to confirm they operate effectively and are suitable for managing significant business risks.

A governance framework is in place to provide for appropriate oversight. It includes the Group Board, the Board's committees, and the management-level Group Executive Committee. Various risk policies and associated procedures are documented, with Group-level risk policies reviewed by the Risk and Underwriting Committee of the AGL Board. Relevant information regarding related controls and exception reports are provided to management and to the applicable Board committee where appropriate.

A risk governance structure is in place to manage risks within the risk appetite set by the Board and overseen by its Risk and Underwriting Committee. The Risk Register documents the key risks and associated controls. Each risk and control has an assigned owner. These are reviewed periodically by both the Risk and Internal Audit teams as part of the risk assessment process.

In addition to the AGL Board, its committees and the management-level Group Executive Committee, the Company's business functions play a key role in governance and oversight of the internal control system.

The Finance function is responsible for implementing and maintaining accounting policies and procedures that support the accurate recording and reporting of financial information. The Finance function reports to the Group Chief Financial Officer and is primarily staffed by professionally qualified accounting personnel. The Finance function is responsible for:

- The accuracy of the annual consolidated U.S. GAAP and annual consolidated statutory financial statements of AGL and ABL;
- The Company's compliance with relevant U.S. GAAP accounting policies and standards; and
- The Company's compliance with regulatory financial reporting obligations to the BMA.

### *3.4.2 Compliance Function*

#### Compliance

The Group promotes and adopts a culture of integrity and cascades expectations throughout the organization.

The Compliance Team supports the Group in operating within the legal and regulatory frameworks that apply in each jurisdiction where AGL operates, including the U.K., Bermuda and the U.S. It is structured to carry out its responsibilities objectively, fairly and independently.

#### Compliance activities

The Compliance Team's responsibilities span a wide range of activities, including (i) advising the Group on the application of current and upcoming regulatory requirements through the development of policies and procedures; (ii) delivering relevant training and guidance to staff; and (iii) carrying out ongoing assurance and monitoring of the Group's activities.

The Compliance Team's other key activities are summarized below:

- *Adherence to Regulatory Requirements:* AGL complies with all relevant regulations in each jurisdiction.

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- *Financial Crime & Sanctions:* AGL has implemented measures to prevent money laundering, combat bribery and corruption, and comply with multiple sanctions regimes.
- *Treating Customers Fairly:* AGL aims to deliver good customer outcomes to our clients throughout the product lifecycle, considering the needs of our clients and treating them fairly.
- *Regulatory Relationships & Returns:* The Group seeks to maintain positive and transparent relationships with each of its regulators. The Compliance Team supports this through provision of documents and materials in response to regulatory requests or meetings and the filing of timely returns.
- *Assurance:* The Compliance Team conducts a variety of monitoring activities in order to provide assurance to the Group that the systems and controls are operating as intended to prevent misconduct or breaches of internal and external requirements.
- *Committee and Board Reporting:* The Group General Counsel has oversight of the Compliance function and attends AGL Board meetings as well as relevant committees. The Compliance Team provides regular reporting to relevant forums.

### **3.5 Internal Audit**

Internal Audit is responsible for providing independent and objective assurance over the integrity, transparency, and efficiency of the operations of each of the entities within AGL. Internal Audit is a key function in the control environment of the Group, assessing and monitoring the Company's risk management processes, adherence to various laws, regulations, and industry standards, evaluating the effectiveness of internal controls, reviewing operational processes for efficiency and effectiveness, verifying the accuracy and reliability of financial statements, and providing assurance to the Board of Directors and Executive Management of the Company's governance processes.

The AGL Internal Audit function is currently a co-sourced function, led by the SVP, Group Head of Internal Audit and Advisory and assisted by Grant Thornton and two in-house U.S. internal auditors. The SVP, Group Head of Internal Audit and Advisory reports directly to the Group Audit Committee and the AIC Audit Committee. Grant Thornton reports directly to both the AUL Audit Committee and to the SVP, Group Head of Internal Audit and Advisory. The co-sourced Internal Audit function is currently responsible for Group audits; however, Grant Thornton is solely responsible for the audits over the U.K. and Bermuda entities, and the U.S. Internal Audit team is responsible for the U.S. audits.

### **3.6 Actuarial Function**

The Group Actuarial Function is led by the Group Chief Actuary in conjunction with the local entity Chief Actuaries. Each operating jurisdiction has an Actuarial function which comprises and oversees all individuals performing actuarial reserving and pricing work for AGL, including both in-house and external actuarial resource, under the direction of the entity Chief Actuary. The actuarial function is responsible for the following areas within the business:

- Establishing Incurred But Not Reported Reserves ("IBNR") and calculating technical provisions, including ensuring appropriateness of methodologies, models and assumptions used in the determination of IBNR reserves and calculation of the technical provisions, assessing adequacy and quality of data and comparing actuarial central estimates against experience.
- Supporting the underwriting process, including developing and maintaining rating plans, pricing of underwriting contracts, and evaluating portfolio performance.
- Assisting in the execution of the risk management framework, particularly as it relates to modelling techniques used to estimate potential exposures and capital requirements, forward looking analysis and stress testing.

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The Group's loss and loss expense reserves are reviewed by the Group Reserve Committee and Reserving Committees at each operating jurisdiction, as well as the Board's Audit Committee and Risk and Underwriting Committee. All assumptions and methodologies are ultimately owned by the relevant AGL Reserving Committee, with guidance and challenge from the in-house actuarial team who are represented on the Reserving Committees.

### **3.7 Outsourcing**

#### *3.7.1 Outsourcing Policy and Key Functions that have been Outsourced*

AGL supplements its operational resources using outsourcing arrangements. This strategy is supported by in-house managers who control the quality of the outsourced functions. Particular attention has been given to process design and training so that activities are performed to the standard expected if the functions were carried out at AGL. Service level agreements ("SLAs") are in place as per contractual arrangements which are regularly monitored.

Policies in place define the minimum operational standards, and roles and responsibilities, pertaining to the appointment and management of Outsource Service Providers ("OSPs").

Terms and conditions for material outsourcing contracts are approved in accordance with the Company's corporate governance and risk management frameworks.

The Company has strategies and controls in place to mitigate the associated risks that are introduced through the outsourced provision of services to the Group. Each engaging company within the Group is responsible for ensuring the design and operation of controls employed by the OSP are commensurate and aligned with AGL's own risk management framework.

The Board is responsible for overseeing outsourced services so that AGL's ability to fulfil its obligations to customers, regulators and other stakeholders is not diminished. Core management functions, such as setting strategies and policies, overseeing operational processes, and retaining financial responsibility and reporting, are not outsourced.

The functions that are either fully or partially outsourced by AGL to third parties include Internal Audit, IT Support Services, Claims Services, risk data capture, Exposure Management and the management and accounting of investments.

#### *3.7.2 Material Intra-Group Outsourcing*

AGL uses a global shared services model under which its subsidiaries can access operational support from other AGL subsidiaries. This model provides efficiencies, specialist expertise and economies of scale. The arrangements include support for information technology (infrastructure and services), operations, actuarial, risk management, legal, claims operations, reinsurance, and reporting services.

## 4. Risk Profile

### 4.1 Material Risks and Risk Mitigation

The Group is exposed to risks from various sources. The key risks faced by AGL include insurance risk, credit risk, market risk, liquidity risk, group risk and operational risk. AGL proactively identifies, assesses, and manages these risks through the risk management framework. Additionally, AGL monitors emerging risks through the emerging risk framework.

**Insurance Risk** - Insurance risk refers to the possibility that AGL may incur financial losses due to the uncertainty associated with the occurrence, timing, and magnitude of insured events. This includes the risk that claims arising from underwritten policies exceed expectations and that premiums collected are insufficient to cover future claims and expenses.

The key components of insurance risk for AGL include:

- Underwriting risk: The risk arising from potential losses due to underwriting decisions and the uncertainties about the ultimate amount of net cash flows from premiums, commissions, claims and claims settlement expenses paid under a contract (prospective in nature). It also considers the importance of the insurance cycle, gross losses, pricing and broker relationships.
- Claims management: The risk associated with uncertainty in the quantum and timing of claims payments on underwritten policies, including operational effectiveness in claims handling.
- Catastrophes & Aggregation: The risk arising from concentration of exposures by industry, geography, line of business, a single insured or single insured event. Property and Speciality lines may be exposed to unique and potentially catastrophe events. AGL needs to manage the risk associated with large-scale events that could result in substantial losses such as:
  - Risk arising from concentration of exposures to natural or man-made disasters;
  - Aggregation risk arising from specialty (re)insurance products such as systemic cyber-attacks, global geo-political instability, pandemic and health crises, product & supply chain exposure, economic and legal environments;
  - Clash risk, or risks arising from exposures in which multiple insureds suffer losses from the same occurrence, or the same cause of loss, such as a train crash, or business interruption due to lack of supply of component parts; and
  - Risk arising from unintentional aggregation of risk across entities which write the same or similar lines of business.
- Reinsurance Risk: The risk that reinsurance coverage is insufficient or inappropriately structured, including limited market availability, inadequate limits or attachment points or group-wide reinsurance purchasing leading to uneven protection across entities. This risk is modelled within the capital model and reinsurance analysis, with costs apportioned based on expected recoveries.
- Reserving risk: The risk that technical provisions are misestimated, leading to inadequate reserves for future claims on earned business.

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- Broker relationships: The risk of deterioration in broker relationships, potentially resulting in reduced premium flow and limited access to quality business.
- Wordings: The risk that policy contract wordings do not reflect the type of insurance coverage the Company believed it was selling and that consequently losses arise in the future that were not considered when underwriting and pricing the policy originally.

Several controls are deployed to manage the amount of insurance exposure, which include:

- Defined limits of risks at single and aggregate level;
- Peer review and grading of insurance policies written, and associated management information ("MI") provided to relevant committee;
- Clearly defined underwriting authorities and monitoring;
- Rating analysis and detailed MI to measure risks accepted;
- In-house legal resources to review and approve non-standard policy wordings;
- Defined process for managing claims, including authority limits and appropriate systems and controls to deal with large claims; and
- Utilization of reinsurance and other forms of insurance risk transfer.

**Credit Risk** - Credit risk is the risk of default of a counterparty or obligor, including investment counterparties, and the risk of default under mitigating contracts like reinsurance, financial instruments, guarantees, deductible reimbursement, and premium payments from policyholders. It also includes the assessment and management of the aggregation or concentration of credit risk, whether by country, industry or rating.

Credit risk is managed through oversight of counterparties involved in investments, reinsurance, broker relationships and insurance programs. A list of approved banks and reinsurers is maintained for collateral support, with relevant committees responsible for reviewing and approving new counterparties in line with internal procedures.

**Market risk** - Market risk is defined as the potential loss in value or earnings arising from changes in the values at which assets and liabilities may be traded as a result of external market and economic factors including:

- Changes in the overall level of interest rates;
- Change in the shape of yield curve;
- Inflation rate changes;
- Changes in the overall level of credit spreads;
- Changes in the shape of the credit spread curve; and
- Exchange rate movements.

In addition to the external factors outlined above, market risk may also result from controllable factors, such as concentrations in allocations to particular asset classes. AGL's investment strategy has been developed to manage market risk within acceptable levels, to the extent possible. The strategy promotes diversification and limits concentrations of exposures, for example to a particular asset class or sector. AGL also manages its exposure to currency and duration by aligning the currency and duration of its assets with those of its

liabilities. The Finance and Investment Committee monitors the effectiveness of these risk mitigation measures through its review of quarterly reporting.

**Operational Risk** - Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Such risks may include risks arising from fraud, cyber threats, legal and regulatory breaches, natural disasters, and other disruptions that can impact business continuity and resilience. Operational risk encompasses exposures across business functions and may lead to financial loss, reputational damage, regulatory penalties, or operational disruption. Controls are in place to mitigate these risks including but not limited to:

- Documented procedures for key processes (e.g. underwriting, outsourcing, health and safety);
- Operational Resilience, Business continuity and disaster recovery plans;
- IT and cyber security policies;
- Insurance coverage;
- Training and awareness; and
- Legal and regulatory compliance.

**Liquidity Risk** - Liquidity risk is the risk that the Company is unable to meet both expected and unexpected cash flow and collateral needs without affecting its financial condition. Various reports are used in the monitoring of liquidity risk, including daily cash sheets, and weekly, monthly and annual forecasts, together with various reports provided by investment managers on the composition and liquidity of the investment portfolio. Stress tests on the cash flows are also performed to evaluate liquidity under stressed conditions and the impact on other risks. The effectiveness of the liquidity risk mitigation techniques is monitored by the Finance and Investment Committee.

**Group Risk** - Group risk is the risk of another part of the corporate group causing damage to AGL's business via its actions. The damage may be caused by action taken that is directly targeted at AGL, or indirectly as a result of group activities in other affiliated entities. Group risk includes reputational risk and risk of loss arising from the adverse effect of management decisions on business strategies and their execution. The Group has employed strategies for managing relationships between intragroup entities and understanding of requirements of all jurisdictions which can impact the Group and where necessary plan for alternatives.

## **4.2 Material Risk Concentrations**

The Company's Board set tolerances around key risk exposures according to the Board approved risk appetites. These tolerances are monitored by the ERM function and reported to the Board on a quarterly basis. Key exposures include exposure to significant natural catastrophe events.

The Company monitors aggregation of exposure to natural catastrophe events against risk appetites and limits using stochastic catastrophe modelling tools and internally developed aggregation tools.

The Company has established investment guidelines maintains a conservatively managed investment portfolio to support appropriate oversight and monitoring of the investment portfolio. These guidelines help reduce material risk concentrations associated with investment risk.

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The assets that potentially subject the Company to concentrations of credit risk consist principally of cash and investments, reinsurance recoverable and premiums receivable balances, as described below. Credit risk is the risk of default of a counterparty or obligor including the risk of default under mitigating contracts like reinsurance, financial instruments, and premium payments from policy holders. The Company mitigates credit risk through detailed counterparty credit assessments, by making contractual terms fit for purpose and requiring full disclosure of relevant information, and by applying contractual and other credit control measures to support the recovery of premiums and reinsurance recoverable balances due.

**Cash and Investments** - To mitigate concentration and operational risks associated with cash and cash equivalents, the Company restricts acceptable counterparties based on current ratings, outlook and other relevant factors. Cash and cash equivalents are held with a range of reputable financial institutions, primarily located in Bermuda, the U.S. and the U.K.

The Company's investment portfolio is managed by external investment managers in accordance with its investment guidelines. These guidelines, set by the Finance and Investment Committee and management, specify minimum criteria on the overall credit quality (in addition to individual issuer credit quality) and liquidity characteristics of the portfolio and include limitations on the size of certain holdings and restrictions on purchasing certain types of securities and other investments. Management and the Finance and Investment Committee also regularly assess credit and market risk concentrations and exposures to issuers.

**Reinsurance recoverable balances** - The Company assesses the financial strength of its reinsurers and monitors credit risk concentrations arising exposures to individual counterparties. AGL's reinsurance counterparty exposure is well diversified and primarily placed with high-quality, highly rated reinsurers. Most counterparties are rated A- or higher by S&P and A.M. Best, or the arrangements are fully collateralized.

**Premiums receivable balances** - The diversity of the Company's client base reduces credit risk relating to premium receivables. In addition, for certain insurance contracts, the Company has contractual rights to cancel coverage for non-payment of premiums, and for certain reinsurance contracts, it has contractual rights to offset premiums receivable against corresponding loss and loss adjustment expense payments.

Brokers and other intermediaries collect premiums from clients to be paid to the Company. The Company has policies and standards in place to manage and monitor credit risk from intermediaries with a focus on day-to-day monitoring of the largest positions.

#### **4.3 Investment in Assets in Accordance With the Prudent Person Principles of the Code of Conduct**

AGL's investment portfolio is managed by external investment managers in accordance with the Company's Investment Policy Statement, which is consistent with the Prudent Person Principles of the Code of Conduct. The investment portfolio is diversified and managed with consideration given to market risk, credit risk, interest rate risk, currency risk, and liquidity risk. The Company holds an investment portfolio that is weighted towards conservative, high-quality and highly liquid securities, in order to support insurance reserves and provide liquidity for the settlement of claims.

The Investment Policy Statement is governed by the Finance and Investment Committee of the Board and is reviewed on at least an annual basis.

#### **4.4 Stress Testing and Sensitivity Analysis to Assess Material Risks**

The Company performs annual stress testing of its material risks to assess the adequacy of capital and liquidity in meeting regulatory requirements.

Stress testing and sensitivity analysis is performed over investment/market risks related to the Company's invested assets, and insurance risk as relates to the Company's underwriting risks and policy liabilities including man-made and natural catastrophe events to assess the potential impact to the company's solvency position.

- Investment/Market risk testing responds to interest rate shocks, market downturns, inflationary pressures, and currency shocks. The results of this are used to assist with determining the strategic direction of the investment allocation and guidelines.
- Insurance risk testing includes concentration and aggregation scenario simulation, through the use of catastrophe modelling techniques. The modelled results provide insight and quantification of aggregate and single-event perils, by geographic region and event type, and the potential for clash risk. Catastrophe modelling simulations assist in the identification and subsequent management of underwriting risk.

The results of the Company's stress testing and sensitivity analysis for material risks are reported to the AGL Board on at least an annual basis.

## 5. Solvency Valuation

### 5.1 Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

The consolidated financial statements of AGL and ABL are prepared in conformity with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and form the basis of preparation for both the statutory financial statements and the economic balance sheet (EBS). The EBS is used by the Company and the BMA in assessing the BMA prescribed minimum solvency margin and capital requirement.

AGL has used the valuation principles outlined by the BMA's "Guidance Note for Statutory Reporting Regime" for the Company's statutory filing for the year ended December 31, 2025. The Company's assets and liabilities are valued on a consistent economic basis under the EBS framework, whereby the potential accounting mismatches are reduced or eliminated - driven by the fair value basis which is applied to assets and liabilities. Fair value is defined as the value that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date.

The following describes how the fair value principles used for the Company's asset classes are valued for statutory EBS purposes:

- Cash equivalents include money-market funds and fixed interest deposits with a maturity of less than three months when purchased. Cash and cash equivalents are recorded at cost, which approximates fair value due to the short-term, liquid nature of these securities.
- Investments in fixed maturity securities are carried at fair value. For investments in fixed maturities classified as trading in accordance with U.S. GAAP the related unrealized gains and losses are recorded in Investment Income (line 31) of Form 2 Statutory Statement of Income. For investments in fixed maturities classified as available for sale in accordance with U.S. GAAP, the related unrealized gains and losses are recorded in Statutory Surplus (line 2(d)) of Form 8 Statutory Statement of Capital and Surplus.

Fair values of the Company's fixed maturity securities are based on quoted market prices or, when such prices are not available, by reference to broker quotes and/or internal pricing valuation techniques. Investment transactions are recorded on a trade date basis with balances pending settlement recorded as receivable for securities sold or payable for securities purchased and included within sundry assets and sundry liabilities, respectively. For mortgage-backed and other asset-backed debt securities, fair value includes estimates regarding prepayment assumptions, which are based on current market conditions. For investments in fixed maturities classified as available for sale, the securities are assessed for impairment each reporting period.

- Investments in equity securities principally include common stocks, non-redeemable preferred stocks and exchange-traded funds. The Company's equity securities are recorded at fair value with changes in fair value and dividend income recorded in Investment income (line 31) of Form 2 Statutory Statement of Income.

The fair value of the Company's common stocks, non-redeemable preferred stocks and exchange-traded funds are based on unadjusted quoted market prices in active markets or, when markets are not active, by reference to pricing services that utilize market data and other observable inputs in pricing models.

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- Investments in other investments principally include investments in senior secured credit funds, hedge funds, private debt funds, private equity funds, CLO equity funds and real asset funds. The Company's other investments are recorded at fair value with changes in fair value and any interest, dividend income and income distributions recorded in Investment income (line 31) of Form 2 Statutory Statement of Income.

The fair value of the Company's other investments are generally measured using net asset valuations as a practical expedient. The net asset valuations are established by the managers of such investments in accordance with the governing documents of such investments. For certain of the Company's other investments, the Company records the net asset value using a lag methodology of one to three months when timely information is not available.

- Accounts and Premiums Receivable and Reinsurance Balances Receivable are recorded under U.S. GAAP at cost which is assessed for credit risk. For EBS, receivables are valued in the same way with the exception that any amounts due in more than one year are discounted at the relevant risk-free rate. Premium receivable that is not due or is deferred at the balance sheet date is included within the Company's EBS technical provisions.
- Deferred acquisition costs are included in the premium provision valuation within the Company's EBS technical provision.

## **5.2 Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions**

Technical provisions are based on the best estimate of future cash flows required to settle the insurance and reinsurance obligations associated with existing business as of December 31, 2025. This also applies to business with inception dates subsequent to December 31, 2025, but which has been bound as of December 31, 2025 (Bound but not Incepted, "BBNI").

In addition, a risk margin is included to reflect the inherent uncertainty contained within the underlying cash flows associated with insurance and reinsurance liabilities. The risk margin is calculated based on the cost of capital approach as described in the BMA's risk margin template. This method calculates the risk margin as the discounted cost of capital, net of investment expenses, required to support the liabilities until settled.

The risk margin for ABL is determined on a consolidated basis. The risk margin for AGL is determined on an unconsolidated basis.

The best estimate of the EBS technical provisions is based on the U.S. GAAP undiscounted and unpaid gross and net loss and loss adjustment expense reserves for losses incurred on or before December 31, 2025. It also includes estimated future claims for unexpired risks incepting on or before that date, as well as BBNI exposures as of December 31, 2025. The technical provisions are also adjusted for the following:

- Expected reinsurance counterparty defaults;
- Events not in Data ("ENIDs");
- Management margin;
- Other adjustments related to consideration for investment expenses;
- Discounting of cash flows (using the relevant risk-free interest rate as published by the BMA as of December 31, 2025); and

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- Risk margin.

The best estimate of the premium provision is calculated using the unearned premium reserve (“UEPR”) on a U.S. GAAP basis, adjusted for BBNI and applying expected future loss ratios, expense ratios and appropriate claims pay-out patterns to derive future expected cash flows.

The premium provisions are then discounted to take into account the time value of money, using the relevant risk-free interest rate as published by the BMA as of December 31, 2025.

As of December 31, 2025, the total technical provisions for AGL and ABL were as follows:

**AGL**

<b>Economic Balance Sheet</b>	<b>Amount (\$ in thousands)</b>
Best estimate premium provisions	\$ 126,460
Best estimate loss and loss adjustment expense provisions	4,729,062
Risk margin (unconsolidated)	431,337
<b>Total general business insurance technical provisions</b>	<b>\$ 5,286,859</b>

**ABL**

<b>Economic Balance Sheet</b>	<b>Amount (\$ in thousands)</b>
Best estimate premium provisions	\$ 126,460
Best estimate loss and loss adjustment expense provisions	4,729,062
Risk margin (consolidated)	418,997
<b>Total general business insurance technical provisions</b>	<b>\$ 5,274,519</b>

*5.2.1 Description of Recoverables from Reinsurance Contracts*

The Company uses ceded reinsurance and retrocessional agreements to reduce its net exposures to loss on insurance and assumed reinsurance business. The agreements provide for recovery of a portion of underlying loss and loss adjustment expenses. The Company remains liable to its cedants irrespective of whether reinsurers meet their obligations under the agreements. The Company is exposed to credit risk from these agreements, which is monitored and evaluated on an ongoing basis. Provisions are made for any amounts deemed uncollectible in addition to an allowance which is established for expected credit losses. Reinsurance cover is purchased principally from highly rated reinsurance counterparties, having a credit rating of A- or higher or fully secured by collateral.

**5.3 Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities**

Similar to the valuation principles for assets, the Company's liabilities follow the valuation principles outlined by the BMA's “Guidance Note for Statutory Reporting Regime” which values liabilities using a fair value basis for EBS. The Company's sundry liabilities are valued on a U.S. GAAP basis and obligations expected to be settled in more than one year are discounted using the prescribed discount rates provided by the BMA as at December 31, 2025.

#### **5.4 Any Other Material Information**

None.

## 6. Capital Management

### 6.1 Eligible Capital

#### *6.1.1 Capital Management Policy and Process for Capital Needs, How Capital is Managed and Material Changes During the Reporting Period*

The primary capital management objectives of the Company are to maintain a strong capital base to settle policyholder claims, support the development of its business and to meet regulatory and rating agency capital requirements at all times. The Company recognises the impact on shareholder returns of the level of capital employed and seeks to maintain an appropriate balance. The Company strives for an appropriate capital structure that efficiently allocates capital according to the Company's risk profile and appetite.

As at December 31, 2025 the capital resources of AGL comprise (i) U.S. GAAP shareholders' equity of \$3.1 billion (December 31, 2024: \$2.4 billion), and (ii) \$400 million principal amount of 4.25% Senior Notes due December 15, 2030 and \$350 million principal amount of 6.349% Senior Notes due June 15, 2035 (together, the "Senior Notes"). The Senior Notes may not be redeemed or repaid at any time including on the scheduled maturity date without approval from the Bermuda Monetary Authority if the enhanced capital requirements, as established by the BMA, would be breached immediately before or after giving effect to the redemption of such notes, unless, in each case, the Company replaces the capital represented by the notes to be redeemed with capital having equal or better capital treatment as the Senior Notes under the applicable BMA rules. The Senior Notes were approved as Tier 3 capital by the BMA. The Company holds capital in excess of the BMA regulatory capital requirements.

To maintain a strong capital base, the Company identifies, assesses, manages and monitors the various risk sources it faces in the course of business both currently and as anticipated in the future. This process culminates in an assessment of the capital necessary to maintain solvency at the threshold targeted by senior management given the Company's risk profile and appetite. The Company's risk profile includes an assessment of the current and anticipated future material risks faced by the Company, the strength of the organization's enterprise risk management, capital measures derived from proprietary and/or vendor models, qualitative risks, stress testing, liquidity.

Surplus capital is available to be either paid out in dividends or distributed as a capital return to the Company's parent, or, alternatively, capital can be utilized to support future growth throughout AGL. The Company aims to generate positive cash flows from its insurance operations and investment portfolio in order to support future growth and preserve capital to support policyholder liabilities.

#### *6.1.2 Eligible Capital Categorized by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of The Insurance Act*

As of December 31, 2025, the eligible capital resources available to satisfy regulatory requirements of the Minimum Margin of Solvency ("MSM") and Enhanced Capital Requirement ("ECR") was as follows:

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**AGL**

<b>\$ in thousands</b>	<b>Eligible capital available to support MSM</b>	<b>Eligible capital available to support ECR</b>
Tier 1	\$ 3,211,424	\$ 3,211,424
Tier 2	238,488	238,488
Tier 3	—	608,910
<b>Total</b>	<b>\$ 3,449,912</b>	<b>\$ 4,058,822</b>

AGL's 2030 and 2035 Senior Notes were approved as Tier 3 capital by the BMA in 2021 and 2025, respectively. AGL's remaining capital is principally Tier 1, the highest quality capital, consisting of capital stock, contributed surplus and statutory surplus. The Group has \$238.5 million of Tier 2 capital, representing amounts transferred from Tier 1 to Tier 2 in respect of encumbered assets supporting policyholder obligations that are in excess of the underlying policyholder obligations.

**ABL**

<b>\$ in thousands</b>	<b>Eligible capital available to support MSM</b>	<b>Eligible capital available to support ECR</b>
Tier 1	\$ 3,792,446	\$ 3,792,446
Tier 2	229,492	229,492
Tier 3	—	—
<b>Total</b>	<b>\$ 4,021,938</b>	<b>\$ 4,021,938</b>

Over 94% of ABL's capital is Tier 1, the highest quality capital, consisting of fully paid common shares, contributed surplus and statutory surplus. ABL has \$229.5 million of Tier 2 capital, representing amounts transferred from Tier 1 to Tier 2 in respect of encumbered assets supporting policyholder obligations that are in excess of the underlying policyholder obligations. ABL has no Tier 3 capital.

*6.1.3 Confirmation of Eligible Capital That is Subject to Transition Arrangements*

The Group has no eligible capital that is subject to transitional arrangements.

*6.1.4 Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR*

AGL is party to a net worth maintenance agreement with AIC, ASIC, AmFed and ASC under which AGL will provide liquid assets to those entities to the extent required for them to maintain a minimum risk-based capital ratio ("RBC") of at least 350% at all times. As of December 31, 2025, the RBC of AIC (which owns AmFed, ASC and ASIC) was 382%.

ABL has provided assets in the form of fixed maturity securities, cash and other investments and a letter of credit to satisfy Funds at Lloyd's (FAL) requirements for ACNL. As of December 31, 2025, the value of the primary and secondary FAL pledged by ABL, comprised of cash and investments and a letter of credit, was \$641.3 million and \$300.0 million, respectively. The letter of credit may be collateralized at the option of ABL. The FAL is used to support underwriting capacity provided by ACNL to Syndicate 1414 to underwrite insurance business through Lloyd's. In addition, ABL (through its subsidiaries) holds cash and investments to

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satisfy other Lloyd's requirements including Premium Trust Deeds, Funds in Syndicates and overseas deposits.

The Group, through ABL and its subsidiaries, also holds cash and investments which are on deposit with U.S. insurance regulators to meet certain statutory requirements and also collateral to support bank credit facilities and certain insurance and reinsurance transactions.

The availability and transferability of AGL and ABL capital is also impacted by the individual solvency requirements of its regulated insurance subsidiaries.

*6.1.5 Identification of Ancillary Capital Instruments Approved by the Authority*

On March 5, 2021, AGL's Senior Notes due 2030 were approved by the Authority to be recorded as Other Fixed Capital on the Statutory Statement of Capital and Surplus on Form 8 Line 1 (c) and as Tier 3 Ancillary Capital.

On March 6, 2025, AGL's Senior Notes due 2035 were approved by the Authority to be recorded as Other Fixed Capital on the Statutory Statement of Capital and Surplus on Form 8 Line 1 (c) and as Tier 3 Ancillary Capital.

The balance of the Senior Notes not included in eligible capital due to Tier 3 restrictions is included in Line 30 Loans and Notes Payable on AGL's Balance Sheet Form 1. As of December 31, 2025, the balance of the Senior Notes not included in eligible capital was \$134.2 million.

*6.1.6 Identification of Differences in Shareholders' Equity as Stated in the Financial Statements Versus the Available Capital and Surplus*

The following is a reconciliation of AGL's and ABL's U.S. GAAP shareholders' equity to available statutory capital and surplus as of December 31, 2025 and 2024:

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**AGL**

<b>Reconciliation of U.S. GAAP to BSCR (EBS) Capital</b>	<b>2025</b>		<b>2024</b>	
	<i>(\$ in thousands)</i>			
<b>Shareholders' Equity per U.S. GAAP</b>	<b>\$</b>	<b>3,058,238</b>	<b>\$</b>	<b>2,445,984</b>
Non-admitted prepaid expenses		(31,005)		(20,665)
Goodwill and intangible assets		(199,300)		(205,921)
Deferred tax assets		32,458		34,107
Tier 3 Ancillary Capital (Senior Notes)		608,910		396,781
Other		(3)		(4)
<b>Statutory Capital and Surplus</b>		<b>3,469,298</b>		<b>2,650,282</b>
Gross loss and loss expense provision		690,813		624,957
Gross premium provisions		510,523		560,001
Reinsurance recoverable		(180,475)		(161,712)
Risk margin		(431,337)		(370,357)
<b>BSCR (EBS) Economic Capital and Surplus</b>		<b>4,058,822</b>		<b>3,303,171</b>
Encumbered assets not securing policyholder obligations		—		—
<b>Total Available Statutory Economic Capital and Surplus</b>	<b>\$</b>	<b>4,058,822</b>	<b>\$</b>	<b>3,303,171</b>

**ABL**

<b>Reconciliation of U.S. GAAP to BSCR (EBS) Capital</b>	<b>2025</b>		<b>2024</b>	
	<i>(\$ in thousands)</i>			
<b>Shareholder's Equity per U.S. GAAP</b>	<b>\$</b>	<b>3,617,328</b>	<b>\$</b>	<b>2,671,664</b>
Non-admitted prepaid expenses		(30,411)		(20,244)
Goodwill and intangible assets		(199,300)		(205,921)
Deferred tax assets		33,567		35,218
<b>Statutory Capital and Surplus</b>		<b>3,421,184</b>		<b>2,480,717</b>
Gross loss and loss expense provision		690,813		624,957
Gross premium provisions		509,413		558,888
Reinsurance recoverable		(180,475)		(161,712)
Risk margin		(418,997)		(361,361)
<b>BSCR (EBS) Economic Capital and Surplus</b>		<b>4,021,938</b>		<b>3,141,489</b>
Encumbered assets not securing policyholder obligations		—		—
<b>Total Available Statutory Economic Capital and Surplus</b>	<b>\$</b>	<b>4,021,938</b>	<b>\$</b>	<b>3,141,489</b>

## 6.2 Regulatory Capital Requirements

### 6.2.1 ECR and MSM Requirements at the End of the Reporting Period

As of December 31, 2025 (the end of the reporting period), AGL and ABL's regulatory capital requirements were as follows:

<b>AGL</b>	<b>Amount (\$000)</b>	<b>Ratio %</b>
Minimum Solvency Margin	\$ 1,539,287	224%
Enhanced Capital Requirement (BSCR)	1,666,826	244%

<b>ABL</b>	<b>Amount (\$000)</b>	<b>Ratio %</b>
Minimum Solvency Margin	\$ 1,092,812	368%
Enhanced Capital Requirement (BSCR)	1,665,197	242%

### 6.2.2 Identification of Any Non-Compliance with the MSM and the ECR

AGL and ABL were compliant with the MSM and ECR requirement at the end of the reporting period.

### 6.2.3 A Description of the Amount and Circumstances Surrounding the Non-Compliance, the Remedial Measures and Their Effectiveness

Not applicable.

### 6.2.4 Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance

Not applicable.

## 6.3 Approved Internal Capital Model

### 6.3.1 Description of the Purpose and Scope of the Business and Risk Areas Where the Internal Model is Used

Not applicable – the Group has not applied to have an internal capital model approved to determine regulatory capital requirements.

### 6.3.2 Where a Partial Internal Model is Used, Description of the Integration with the BSCR Model

Not applicable.

### 6.3.3 Description of Methods Used in the Internal Model to Calculate the ECR

Not applicable.

### 6.3.4 Description of Aggregation Methodologies and Diversification Effects

Not applicable.

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*6.3.5 Description of the Main Differences in the Methods and Assumptions Used for the Risk areas in the Internal Model Versus the BSCR Model*

Not applicable.

*6.3.6 Description of the Nature & Suitability of the Data Used in the Internal Model*

Not applicable.

*6.3.7 Any Other Material Information*

None.

## **7. Subsequent Events**

Subsequent events following the year ended December 31, 2025 have been evaluated up to and including May 28, 2026, the date of issuance of the Group FCR. The following subsequent events were identified:

- During the first half of 2026, subsidiaries of the Company agreed to commit \$150.0 million to a collateralized loan obligation (“CLO”) managed by affiliates of Antares Capital, a related party of the Company. As of May 28, 2026, \$73.5 million has been funded.

## **Declaration on Financial Condition Report**

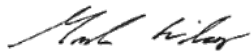
To the best of our knowledge and belief, we the undersigned confirm that the Financial Condition Report fairly represents the financial condition of Ascot Group Limited, in all material respects.



Jonathan Zaffino

Group Chief Executive Officer and Group President

May 28, 2026



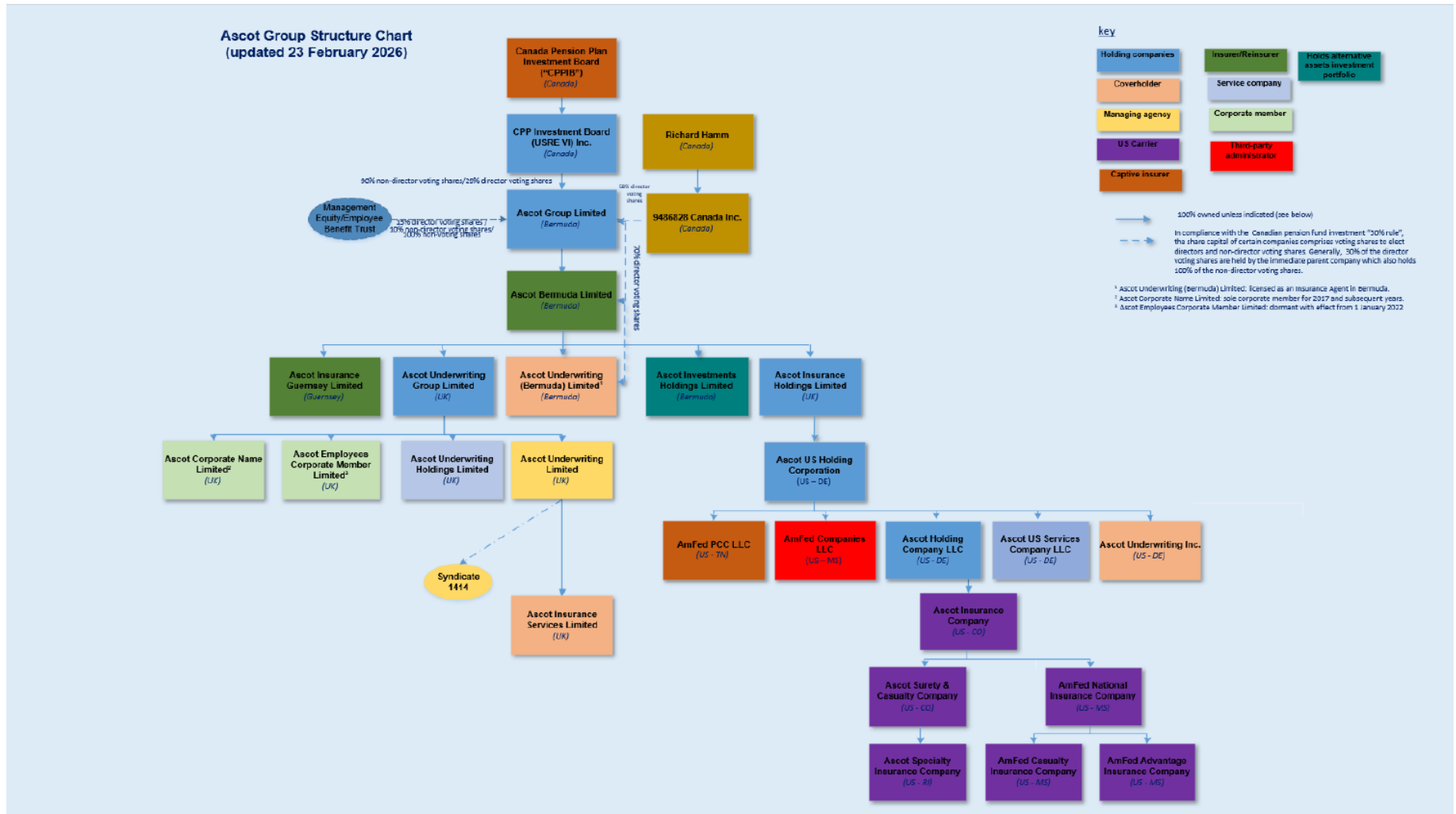
Mark Wilcox

Group Chief Financial Officer

May 28, 2026

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**Appendix A - AGL Structure Chart**



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## Appendix B - Skills and Expertise of AGL and ABL Directors and Officers

The skills and expertise of Directors and Officers of AGL and ABL and the Group Executive Committee ("GEX") are outlined below as of March 31, 2026:

Name	Position & Entity	Biography	AGL Director	AGL Officer	ABL Director	ABL Officer	GEX
Kewsong Lee	Independent Non-Executive Chairperson	Kewsong Lee is the Independent Non-executive Chairman of AGL. He is the CEO of BellTower Partners LLC, a private holding company with interests in operating platforms focused on scalable, lasting growth. Prior to BellTower, Kewsong served as the Chief Executive Officer of The Carlyle Group and was on the Board of Directors from 2018 to 2022, having initially joined in 2013. Prior to Carlyle, Kewsong was at Warburg Pincus for 21 years, where he was a Partner and member of the Executive Management Group. Kewsong has an A.B. from Harvard College and an M.B.A. from Harvard Business School. He also serves on numerous boards of not-for-profit institutions.	✓				
Neill Currie	Independent Non-Executive Director	Neill Currie is an independent non-executive director. He co-founded Renaissance Re Holdings in 1993 and served as its Chief Executive Officer from November 2005 to July 2013. He served as a director of Platinum Underwriters Holdings from 2003 to 2005. Neill began his career as a reinsurance broker in the United States in 1976 and served in various senior capacities as a broker until forming Renaissance Re.	✓		✓		
Jonathan Zaffino	Group Chief Executive Officer & President	Jonathan Zaffino is Group Chief Executive Officer & President of AGL. Before joining the company in 2020, he was President and CEO of Everest Insurance and Executive Vice President of Everest Re Group, Ltd. Prior to this, he was a Managing Director at Marsh before being appointed President of Victor O. Schinnerer's U.S. operations – a Marsh subsidiary. Throughout his 26-year career, Jonathan has held a number of Executive and Management positions at leading organizations across the underwriting and brokerage communities, having started his career at Chubb & Son.	✓	✓			✓
Mary Chen	Non-Executive Investor Director	Mary Chen is Principal, Direct Private Equity for CPP Investments. Mary joined CPP Investments in 2016. Previously, she was in the Strategy & Corporate Development team at CIBC where she focused on strategic acquisitions, investments, and dispositions.	✓		✓		
Thomas Kalvik	Non-Executive Investor Director	Tom Kalvik is Managing Director, Private Investments – Direct Private Equity (Financial Institutions Group) for CPP Investments. Prior to joining CPP Investments, Tom worked at Goldman Sachs in New York in their Merchant Banking Division. Prior to that, he worked in Goldman's Investment Banking Division, where he was a part of their Financial Institutions Group.	✓		✓		

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Name	Position & Entity	Biography	AGL Director	AGL Officer	ABL Director	ABL Officer	GEX
Samuel Blaichman	Non-Executive Investor Director	Sam Blaichman is Managing Director, Head of North America, Direct Private Equity at CPP Investments. Prior to joining CPP Investments in 2007, Sam worked as a management consultant at Bain & Company and in the Corporate Finance and Assurance groups at PwC. Sam holds a B. Comm. From McGill University and an MBA from Ivey Business School. He is a CFA Charter holder and a Chartered Professional Accountant.	✓				
Patrice Walch-Watson	Non-Executive Investor Director	Patrice is Senior Managing Director, Chief Legal Officer & Corporate Secretary at CPP Investments, where she serves on the senior management team, senior investment committee and leads the global legal, compliance and corporate secretarial functions and provides oversight to the internal assurance and advisory function. She is a seasoned business lawyer and trusted advisor with deep experience in transactions, regulation, corporate governance and providing strategic counsel. Patrice is currently serving on the Board of Trustees of Queen's University and is a member of the Advisory Council to the Dean of Queen's University Law School. She holds the ICD.D designation.	✓				
Rosalind Brewer	Independent Non-Executive Director	Rosalind Brewer is currently the interim President of Spelman College, her alma mater, and serves on the board of United Airlines Holdings, Inc.. Ms. Brewer was previously CEO of Walgreens Boots Alliance, Inc. from 2021 to 2023. During her time at Walgreen Boots Alliance, Ms. Brewer led more than 450,000 colleagues globally, oversaw multiple acquisitions and helped to transform Walgreens from a well-known pharmacy chain into a destination healthcare company and digital health retailer. She has also held various leadership positions at Starbucks Corporation, Walmart, Inc., and Kimberly-Clark Corporation and has served on multiple boards of directors.	✓				
Martin Flanagan	Independent Non-Executive Director	Martin Flanagan is currently the chairman of Engage Ventures, LLC, a venture capital investor that enables startups with capital and expertise to thrive in the corporate landscape. Prior to that, Mr. Flanagan served as the President and CEO of Invesco from 2005 to 2023 and Chairman Emeritus of Invesco Ltd. from 2023-2024, where he directed the firm's acquisition of Oppenheimer Funds. Mr. Flanagan is a CFA charter holder and a certified public accountant. He formally served on the board of governors and as a member of the executive committee for the Investment Company Institute.	✓				
Robert Sewell	Independent Non-Executive Director	Robert Sewell is currently the Chairman of the Board of AUL, a U.K. based subsidiary of AGL. Mr. Sewell joined the AUL board in July 2023 as an Independent Non-executive Director and assumed the chairman's role in June 2024. Prior to AUL, Mr. Sewell was an Independent non-executive Director, and Chair of the Board Audit & Risk Committee at AIG life limited and served as the chief financial officer for Pension Insurance Corporation from 2008 to 2021. Mr. Sewell has a twenty-year track record of excellence in various board and executive level roles and will continue to serve as Chairman of the Board of AUL.	✓				

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Name	Position & Entity	Biography	AGL Director	AGL Officer	ABL Director	ABL Officer	GEX
Christopher Gallagher	Independent Non-Executive Director	Christopher Gallagher is an accomplished insurance and reinsurance executive with 30 years of industry experience, most recently serving as CEO of Commercial Property & Casualty Insurance and Executive Director at Sampo International, where he spearheaded a period of rapid transformation and profitable growth overseeing the company's Commercial Insurance and Reinsurance business outside of Japan. Chris joined Sampo International in September 2015 as Chief Risk Officer and Group Actuary before being promoted in April 2019. Prior to Sampo, he worked at AXIS Capital from 2007 to 2015, latterly serving as Chief Risk Officer for the Insurance segment and as a Senior Manager in the actuarial practice of Ernst & Young LLP in the U.K.. Chris is a qualified Chartered Actuary (Fellow) of the Institute and Faculty of Actuaries in the U.K..	✓		✓		
Mark Wilcox	Group Chief Financial Officer	Mark Wilcox is the Chief Financial Officer for AGL where he is responsible for leading AGL's global finance organization and capital strategy, including all financial planning and analysis, tax and treasury functions. Prior to joining AGL in late 2023, he served as the CFO of Selective Insurance Group where he was responsible for the modernization of Selective's financial reporting process. He has over 20 years of experience in the insurance industry. Mark is a Certified Public Accountant and Chartered Financial Analyst.		✓			✓
Michael Sevi	Group General Counsel	Michael Sevi is the Group General Counsel of AGL. He leads AGL's global Legal & Compliance department and oversees corporate governance. Michael joined AGL after more than a decade at Marsh McLennan, where he served as General Counsel and Chief Compliance Officer of Guy Carpenter. He previously managed Marsh McLennan's global compliance program. Before joining Marsh McLennan, Michael served as Florida Governor Rick Scott's senior adviser on insurance, financial regulation and taxation. Michael began his legal career as a litigator at Hogan Lovells. He is a graduate of Dartmouth College and Harvard Law School.		✓			✓
William Thygeson	Group Chief Human Resources Officer	William Thygeson is the Group Chief Human Resources Officer at AGL. He is responsible for Group Human Capital strategies and all aspects of Human Capital Management. Bill joined AGL from Everest Re Group Ltd, where he served as Chief Administrative Officer for the global Everest Insurance operation. He has more than 25 years of Insurance, Finance, and Consulting experience including strategic leadership roles at Hamilton USA, AIG, MBNA Bank NA, and Andersen Consulting. Bill is a veteran of the United States Air Force and received his Master's in Business Administration from The Wharton School of Business at the University of Pennsylvania and a Bachelor of Arts from Lafayette College in Easton, PA.		✓			✓

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Name	Position & Entity	Biography	AGL Director	AGL Officer	ABL Director	ABL Officer	GEX
Elizabeth Johnson	Group Chief Operating Officer	Elizabeth Johnson is AGL's Group Chief Operating Officer. Prior to joining Ascot U.S. in 2020, Elizabeth was a Managing Director at Nationwide. Previously, she served at AIG for nearly 20 years in numerous senior underwriting and management positions, including Head of Excess Casualty of North America and Global Head of Excess Casualty.		✓	✓		✓
Mark Pepper	Group Chief Underwriting Officer	Mark Pepper is AGL's Group Chief Underwriting Officer. He began his career in insurance in 1987 and joined the Company at its inception in 2001 to lead the Syndicate's Treaty underwriting team. He was promoted to the role of Chief Underwriting Officer in 2009 and is a member of the AUL Board of Directors. Mark is ACII qualified.					✓
Mark Smith	Group Chief Risk Officer	Mark Smith is AGL's Group Chief Risk Officer. He qualified as a chartered accountant with Ernst & Young in 1994 and has worked in the Lloyd's market since 1996. He joined the Company in 2003 as Business Development Manager, later becoming Finance Manager. In 2006 he took on the role of Risk Manager. Mark was appointed to the AUL Board in 2011 as Risk Director. He took on the current role of Group Chief Risk Officer in 2017.					✓
Steven Goldman	Global Head of Distribution	Steve Goldman is the Global Head of Distribution at AGL and is a member of the Group Executive Committee. Steve has 25 years of experience in the insurance industry and most recently served as President Global Management & Professional Liability at CNA Financial (CNA) where he oversaw the Affinity, Financial Lines and Healthcare business units and was a member of the Chief Underwriting Office. Prior to CNA, Steve worked at Chubb for 14 years in a variety of Financial Lines management roles, including President Chubb North America Financial Lines. Steve graduated from The Wharton School of the University of Pennsylvania where he majored in Accounting and Management and has a law degree and an LLM (Tax) from NYU School of Law.					✓
Ian Thompson	Chief Executive Officer, AUL	Ian Thompson served as CEO of ABL until June 2024 before transitioning to CEO of AUL. He joined the Company in 2017 as Head of Casualty & Specialty, before promotion to Executive Vice President and Chief Underwriting Officer, Casualty & Specialty in 2020 and was promoted to CEO of ABL in February 2021. Prior to this, Ian spent almost a decade at Hiscox Re as Head of Casualty & Specialty in Bermuda, before moving to Hiscox Re he worked at Catlin, heading the Healthcare and Professional Lines practice in London.					✓

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Name	Position & Entity	Biography	AGL Director	AGL Officer	ABL Director	ABL Officer	GEX
Marc Amen	Chief Executive Officer, North America	Marc Amen is Chief Executive Officer of Ascot North America of AGL and currently serves as Chief Executive Officer of ABL. He brings extensive expertise in managing underwriting capabilities, strategic growth, and portfolio management. Prior to joining the Company, Marc served as President of Renaissance Reinsurance U.S. and as a member of RenaissanceRe's Operating Committee. Marc has over 24 years of experience in reinsurance underwriting and risk analysis, with previous roles at industry-leading firms including Alterra Re, Harbor Point Re, Chubb Re, and Lehman Brothers. Marc holds a Bachelor of Arts from Duke University and earned his MBA from Columbia University.			✓	✓	✓
Matthew Kramer	Chief Executive Officer, Ascot U.S.	Matthew Kramer is CEO of Ascot U.S. and joined in 2021. Prior to this, he served as Executive Vice President at Arch Insurance Group where he oversaw their Professional Liability and Healthcare divisions. Across his 25-year career, he's held a diverse range of underwriting positions spanning both professional lines and a variety of P&C specialist coverages.					✓
Sarah Thompson	Group Chief Accounting Officer	Sarah Thompson is Group Chief Accounting Officer and has an over 20 years accounting career in Bermuda and the United Kingdom with deep experience in the (re) insurance market. She joined AGL in 2018 as Group Technical Accounting Officer, and previously spent time as Corporate Controller at Ironshore Inc. and as Technical Accounting Director at Alterra Capital Holdings Ltd. She is a member of the Institute of Chartered Accountants of England and Wales and of CPA Bermuda.		✓			
Alexander D'Urso	Chief Risk Officer & Group Head of Capital Modelling	Alex D'Urso is responsible for the ABL Enterprise Risk function and has oversight of the capital modelling processes for the Group, including rating agency capital models. Alex joined the Company in 2016 to lead the U.K. capital modelling function. Alex is a Fellow of the Institute and Faculty of Actuaries (U.K.). Prior to joining Ascot, Alex held various roles in the London market including for EY, AON and Tokio Marine Kiln.		✓		✓	
Elizabeth Duncan	Chief Financial Officer and Group Financial Controller	Elizabeth Duncan is the Chief Financial Officer for ABL and Group Financial Controller for AGL, with oversight for all finance functions of the ABL entities and responsibility for AGL financial reporting. Prior to joining the Company in 2018, Elizabeth was VP Corporate Finance at Enstar Group Limited from 2014, after starting her career in financial services audit with KPMG in 2007. Elizabeth is a member of CPA Bermuda and of the Institute of Chartered Accountants Australia and New Zealand, with over 18 years of experience in accounting and financial reporting specific to the insurance industry.		✓		✓	
Michael Grayston	Group Treasurer and Chief Investment Officer	Michael Grayston is Group Treasurer and Chief Investment Officer with over 30 years of experience in insurance and asset management. He is a Chartered Financial Analyst and joined the Company in 2018. Previously, he held senior roles at Ironshore Inc., HSBC Global Asset Management, ACE Group and the XL Group.		✓		✓	