Greenlight Reinsurance Ireland, Designated Activity Company

Solvency & Financial Condition Report

Year ended 31 December 2024

Table of Contents

Executive Summary

Approval by the Board of Directors

This report was reviewed and approved by the Board of Directors of Greenlight Reinsurance Ireland dac on March 28th 2025.

Independent auditors report

Narrative sections D, E.1, E.2, E.3 and E.6 of the Solvency and Financial Condition Report are subject to audit review by the Company's external auditors, Deloitte.

The following Quantitative Reporting Templates ('QRTs'), which are included in the Appendix, are also subject to audit by Deloitte.

Template ref	Template Name
S.02.01.02	Balance Sheet
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life Claims Information
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement
S.28.01.01	Minimum Capital Requirement

The Company's reporting currency is US dollars.

Key Solvency II Metrics

The Company has complied with the solvency capital requirement throughout the reporting period.

	2024		2023	
	SCR	MCR	SCR	MCR
	(US$ in thousands)		(US$ in thousands)	
Capital Requirement	39,739	9,935	39,367	9,842
Basic Own Funds	64,699	64,699	58,721	58,227
Surplus capital	24,960	54,764	19,354	48,386
Solvency cover	163%	651%	149%	592%

Components of the SCR:	2024 (US$ in thousands)	2023 (US$ in thousands)
Market risk	13,339	13,401
Health underwriting	96	196
Non-Life underwriting	18,491	17,026
Counterparty default risk	13,607	14,839
Overall diversification effect	(11,299)	(11,423)
Basic SCR	34,234	34,039
Operational risk	5,505	5,328
Loss-absorbing capacity of deferred taxes	—	—
SCR	39,739	39,367

Business and performance

Greenlight Reinsurance Ireland, dac ("GRIL" or the "Company") is an Irish designated activity company licensed by the Central Bank of Ireland (CBI) to write all classes of non-life reinsurance business. The ultimate parent company is Greenlight Capital Re, Ltd ("GLRE" or the "Parent"), which is a reinsurance group registered on the NASDAQ exchange in New York.

The principal activity of the Company is that of a Property and Casualty reinsurance business. The Company is based in Dublin, Ireland and focuses mainly on serving clients based in the London, European, Asian and Middle Eastern markets.

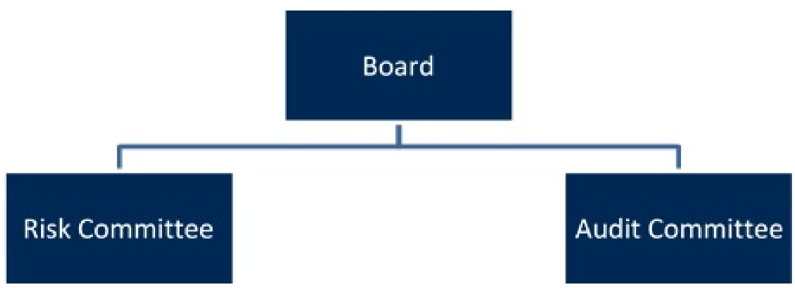
The Company produces annual financial statements in accordance with Financial Reporting Standard FRS 102 & 103 ('FRS'). On this basis, the Company produced a pre-tax profit for the year ended 31 December 2024 of $5.2m compared to $10.9m profit in the prior period. Gross Premiums Written ("GPW") and Net Premiums Earned ('NPE') were $167.4m and $21.2m respectively compared to $89.6m and $31.4m in the prior period.

As at the period end the Company was rated "A- Excellent" with positive outlook by A.M Best.

System of governance

The Company is subject to the various requirements set out by the CBI including the Corporate Governance Requirements for Insurance Undertakings 2015, the Probability Risk and Impact system ('PRISM') as well as those requirements imposed as part of the Greenlight Re Group.

The Company's Board of Directors sets corporate objectives and strategy and is responsible for ensuring that the Company's system of governance is appropriately maintained and delivered. The Company has set up a governance structure comprising of the Board and sub-committees as follows:



The Board recognizes the importance of strong corporate governance and oversees the framework and operation of the system through its Audit and Risk sub-committees.

The Chief Executive Officer ('CEO') is responsible for the day to day management of risk control within the business operations as well as delivering the strategy set by the Board and optimising business performance within the governance and risk framework set by the Board.

The Chief Risk Officer ('CRO') and Head of Compliance ('HOC') are functions independent from the operational departments and provide assurance to the Risk and Audit committees with regard to the overall operation and effectiveness of the risk management system and provide an independent assurance to the Board that the Company is conducting its business in a compliant manner.

Risk management, Compliance, Actuarial and Internal Audit are key functions in the Company's system of governance. Each of these functions report regularly to the Board, Risk Committee and/or Audit Committee.

Annual audits are carried out by the Internal Audit function. These provide the Board with an independent review of the activities of the Executive Management and operational departments. Findings and recommendations are reported directly to the Audit Committee.

All persons who are either involved in the day to day running of the Company or hold positions in key functions are required to demonstrate that they meet the appropriate level of fitness and probity to fulfil the requirements of those roles. In addition, all CF and PCF role holders are required to adhere to the requirements specified within the Individual Accountability Act on a continuous basis. Those persons holding positions in key functions are subject to the CBI's Pre-Approved Control Function (PCF) regime, which requires pre-approval by the CBI before they can take up the position.

There were two material changes in the system of governance during the reporting period as follows:

- The Company appointed an additional Independent Non-Executive Director commencing 1st January 2024. The additional Director is also a member of both the Risk and Audit Committees.
- From July 1, 2024 all existing staff, including PCF role holders, in the Company transferred to Greenlight Re Ireland Services Limited (GRIS) in accordance with the CBI's Guidance on the Use of Service Companies for Staffing Purposes in the Insurance Sector. The staff operate under the direction and control of the Company and are subject to the Company's governance measures and structures.

Risk profile

The Company maintains a risk register to identify and monitor all significant risks it is exposed to.

The Board of Directors set the Company's risk appetite and assesses the risk profile on a regular basis. The Company carries out an Own Risk and Solvency Assessment ('ORSA') at least annually and calculates its Solvency Capital Requirement ('SCR') at least quarterly using the SII Standard Formula model.

The Board considers that the following key risks could either separately or in aggregate cause material impairment to capital:

1. Underwriting Risk

Underwriting risk is the risk that the total cost of claims, claims adjustment expenses and premium acquisition expenses will exceed premiums received. It can arise as a result of numerous factors, including premium (pricing) risk, reserving risk, catastrophe risk and lapse risk (the risk of non-renewal of a material part of the portfolio).

2. Counterparty Risk

Counterparty default risk is the risk that companies or individuals will be unable to make the required payments on their debt obligations.

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

These risks are monitored on a regular basis by our Risk Management function and more detail is described in Section C below.

The Company purchases both quota share and an aggregate stop loss reinsurance from a Group affiliated entity and purchases external reinsurance protection to limit risk exposure, reduce volatility and to maintain a level of capital above the Solvency II SCR, aligned to Board approved risk appetite. This level is set by the Risk Committee of the Board of Directors and is periodically reviewed in line with the Company's risk appetite and profile.

There were no material changes to the Company's risk profile during 2024. There are no other changes to the Company's business profile at the time of publication.

In considering future changes to the Company's risk profile the Board has specifically considered the following risks:

International conflict

The Company has exposure through its Funds At Lloyd's ("FAL") and Specialty books to the Russia Ukraine conflict and the Israel Palestine conflict. The Company continues to monitor the situation closely. The Company has included in the loss and loss adjustment reserves its best estimate of losses arising from the conflicts. As the conflicts are ongoing, the situation remains uncertain, accordingly, estimates used in the preparation of the Company's financial statements, primarily those associated with the estimations of loss and loss adjustment expense reserves may be subject to adjustments in future periods.

Inflation and geopolitical instability

Global economic performance in 2024 has been steady with inflation reducing from 2023 levels and generally approaching a 2% target. Inflation can be caused by any number of factors including, but not limited to, expansionary monetary policy and deficit spending by the government, a growing economy, rising wages, an imbalance of the supply and demand for goods, supply chain disruptions and the imposition of tariffs. Recently, for instance, the U.S. administration imposed and/or announced (and in some cases postponed) tariffs on imports from various countries and on certain products, which may lead to unpredictable economic consequences including inflation or trade wars. Higher than anticipated inflation could lead to an increase in loss costs and the need to strengthen loss reserves. The impact of inflation on loss costs will likely be more pronounced for longer tail business lines, where it takes a period of time to finalise and settle claims. In general, the Company's underwriting book is skewed towards shorter tail classes and therefore the impact should be less pronounced.

Climate change

Climate change has the potential to have a significant impact on weather patterns and loss events. The Company is exposed to climate change primarily from its FAL book and a limited number of natural catastrophe reinsurance contracts it writes. The Company has seen elevated levels of cat activity and unusual weather events in recent years. The Company will continue to closely monitor cat activity and amend its appetite for natural catastrophe business to reflect market conditions and climate change developments. As this business is predominantly short tail in nature, the Company can re-balance the portfolio quickly, if required. The risks associated with climate change were also considered in the Own Risk and Solvency Assessment (ORSA) process. The non renewal of the FAL book, effective January 1, 2023, significantly reduces the Company's exposure to climate change.

Valuation for solvency purpose

Assets, technical provisions and other liabilities are valued in the Company's Solvency II Balance Sheet according to the Solvency II Directive and related guidance. The principle that underlies the valuation methodology for Solvency II purposes is the amount for which they could be exchanged, transferred or settled by knowledgeable and willing third parties in an arm's length transaction.

The Company carried out a reconciliation of differences between the valuation of assets and liabilities made under Generally Accepted Accounting Practice (GAAP) and Solvency II. These include the valuation of technical provisions and reinsurance recoveries and the exclusion of certain assets and liabilities. The reconciliation for the year ended 2024 is disclosed in section D.

There were no material changes to the Company's method of valuation for solvency purpose during 2024, or at the time of publication.

Capital management

The Company aims to hold sufficient own funds in order that it maintains a margin to cover the Solvency Capital Requirement('SCR') and Minimum Capital Requirement ('MCR') in line with the Board approved risk appetite. Further details on capital management policies can be found in section E.

At 31 December 2024, the Company had Own Funds of US$64.7m (2023: US$58.7m) and a solvency capital requirement of US$39.7m (2023: US$39.4m), giving an SCR ratio of 163% (2023: 149%).

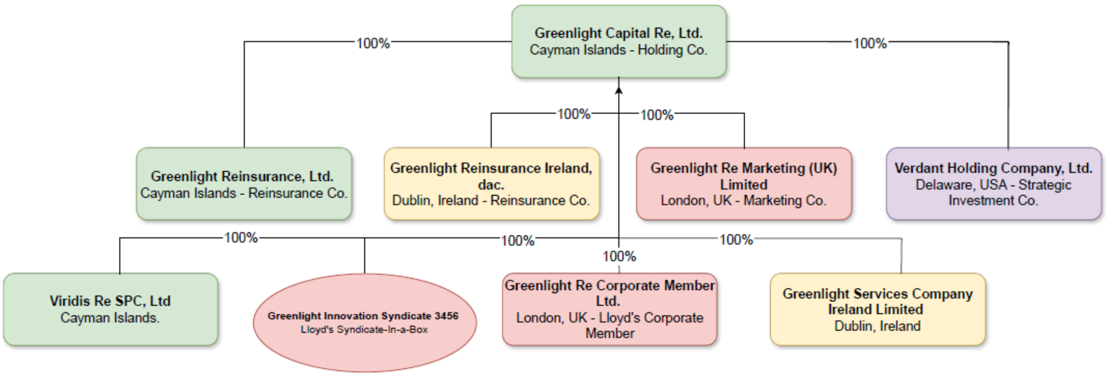
There were no material changes to the Company's method of capital management during 2024 or at the time of publication.

A. Business and Performance

A.1 Business

The Company was incorporated as a Private Limited Company under the Companies Act 2014 on September 7, 2009 and is a licensed reinsurance entity domiciled in Dublin, Ireland. The Company provides multi-line property and casualty reinsurance.

Corporate Structure



Greenlight Reinsurance Ireland, dac is owned by a single shareholder being its parent company Greenlight Capital Re Limited ("GLRE" or the "Parent"), which is the largest company in the Group. The Company also has seven related sister entities:

i. Greenlight Reinsurance Ltd ("GRL" or the "Sister"), a Cayman based reinsurer;
ii. Greenlight Re Corporate Member Limited, a Company which supports the Group's FAL arrangements;
iii. Greenlight Re Marketing (UK) Ltd. a UK services company;
iv. Verdant Holding Company Ltd, A US holding company
v. Greenlight Services Company Ireland Limited (GRIS) an Irish services company; and
vi. Virdis Re SPC Ltd a Cayman based special purposes entity which supports the Group's Innovation clients.
vii. Greenlight Innovation Syndicate 3456.

The audited consolidated financial statements of GLRE and audited financial statements of GRL are publicly available on the website www.greenlightre.com.

The Company is licensed and regulated by the CBI. The CBI's contact details can be obtained below. GRL is licensed and regulated by the Cayman Islands Monetary Authority ("CIMA").

The Company mainly underwrites risks emerging from the European Economic Area (EEA), the UK, Asia and the Middle East.

A breakdown of the underwriting performance of the Company by material line of business and geographical area for the years ending 31 December 2024 and 2023 is disclosed in Section A.2 of this report.

The Company does not have any related undertakings within the meaning of Regulation 215 of S.I. No. 485 of 2015.

The number of full time equivalent employees for the financial year 2024 was 7 (2023: 12).

Other business information

Registered Address

50 City Quay
Dublin 2
Ireland
D02 F588

External Auditors

Deloitte Ireland LLP
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland
D02 AY28

Supervisor

Central Bank of Ireland
New Wapping Street
North Wall Quay
PO Box 559
Dublin 1
Ireland
D01 F7X3

A.2 Underwriting performance

During the year ended 31 December 2024, the Company reported net premiums written of US$24.2m (2023: US$13.4m), net premiums earned of US$21.2m (2023: US$31.4m) and net claims incurred of US$18.9m (2023: US$19.3m). Further detailed analysis of the Company's performance by Solvency II class of business and country is available in the forms S.05.01.02 and S.05.02.01 set out in Section F of this report.

The underwriting performance and combined ratios for the years ended 31 December 2024 and 31 December 2023 were as follows:

Underwriting performance	Year ended 31 December	
	2024	2023
	(US$ in thousands)	
Gross premiums written	167,366	89,621
Ceded premiums written	(143,124)	(76,240)
Net premiums written	24,242	13,382
Net premiums earned	21,198	31,398
Losses incurred	(18,866)	(19,329)
Profit before tax	5,212	10,872
Tax (expense) / benefit	(729)	607
Net income	4,483	11,479
Loss ratio	89.0%	61.6%
Acquisition cost ratio	(5.5)%	4.2%
Composite ratio	83.5%	65.8%
Underwriting expense ratio	18.1%	12.4%
Combined ratio *	101.6%	78.2%

*Excludes corporate expenses or any foreign exchange gain or loss

Ratio Analysis

Due to the customised nature of our underwriting operations, the Company expects to report different loss and expense ratios from period to period depending on the mix of business.

The loss ratio is calculated by dividing loss and loss adjustment expenses incurred by net premiums earned.

The acquisition cost ratio is calculated by dividing acquisition costs by net premiums earned. Acquisition costs are costs directly related to successfully binding a contract and generally includes ceding commissions, brokerage, and profit commissions relating to the contract.

The composite ratio is the ratio of underwriting losses incurred, loss adjustment expenses and acquisition costs, excluding underwriting related general and administrative expenses, to net premiums earned. The underwriting expense ratio is the ratio of underwriting related general and administrative expenses to net premiums earned.

The combined ratio is the sum of the composite ratio and the underwriting expense ratio. The combined ratio measures the total profitability of our underwriting operations and does not take into account corporate expenses, net investment income or any foreign exchange gain or loss.

Gross premiums written

During the year ended 31 December 2024, gross premiums written were US$167.4m compared to US$89.6m for the year-ended 31 December 2023. Gross premiums written increased by US$77.7m or 86.7% driven by the growth in the London Market and International Specialty book.

The gross premiums written by lines of business during the years ending 31 December 2024 and 2023 were as follows:

GPW by Line of Business	Year Ended 31 December				
	2024 US$ in thousands	%	2023 thousands	%	Movement
Marine, Aviation & Transport	72,377	43.2%	29,610	33.0%	42,767
NPR - Marine, Aviation & Transport	42,502	25.4%	29,707	33.1%	12,795
Fire & Other Damage to Property	31,537	18.8%	15,198	17.0%	16,339
General Liability	11,124	6.6%	7,815	8.7%	3,309
NPR - Property	7,537	4.5%	5,645	6.3%	1,892
NPR - Casualty	1,802	1.1%	1,917	2.1%	(115)
Motor Vehicle Liability	417	0.2%	381	0.4%	36
Miscellaneous financial loss	63	—%	142	0.2%	(79)
Workers' Compensation	5	—%	(3)	—%	8
Credit & Suretyship	4	—%	(28)	—%	32
Medical Expense	(3)	—%	(763)	(0.9)%	760
Total	167,366	100%	89,621	100%	77,744

** NPR - (Non-Proportional Reinsurance)*

Ceded premiums

For the year ended 31 December 2024, ceded premiums written were US$143.1m compared to US$76.2m for the year ended 31 December 2023. The ceded premiums written included US$109.0m ceded to GRL, which is rated "A- Excellent" by A.M. Best, under two retrocession agreements (2023: US$62.1m). The company also has external retrocession agreements with non-affiliated retrocessionaires rated "A- Excellent" and above by A.M. Best.

The Company has entered into a quota share retrocession agreement with GRL whereby the Company cedes to GRL a quota share portion of certain specified reinsurance contracts written by the Company. For the year ended 31 December 2024, the Company ceded US$108.5m (2023: US$61.4m) of premiums written to GRL under this contract. In addition, the Company has entered into a retrocession agreement with GRL whereby GRL provides an aggregate stop-loss protection to the Company in return for premiums ceded by the Company to GRL. For the year ended 31 December 2024, the Company ceded US$0.5m (2023: US$0.7m) of premiums written to GRL under this contract.

The Company regularly evaluates the financial condition of its retrocessionaires to assess the ability of the retrocessionaires to honour their obligations. At 31 December 2024, no provision for uncollectible losses recoverable was considered necessary.

Net premiums earned

For the year ended 31 December 2024, net premiums earned were US$21.2m compared to US$31.4m for the year ended 31 December 2023. There was a decrease year on year in net premiums earned due to the increased use of external retrocession on certain Specialty contracts.

Losses incurred

Net losses incurred include losses paid and changes in loss reserves, including reserves for IBNR, net of actual and estimated loss recoverables. For the year ended 31 December 2024, loss and loss adjustment expenses incurred, net of retrocession, were US$18.9m (2023: US$19.3m). The losses incurred ratio increased to 89.0% for the year ended 31 December 2024 from 61.6% for the prior year.

The breakdown of the net losses incurred is provided in the following table:

Losses incurred	**Year ended 31 December**	
	2024	**2023**
	(US$ in thousands)	
Loss and loss adjustment expenses paid, net	21,169	17,912
Change in the provision for claims, net	(2,304)	1,417
Loss and loss adjustment expenses incurred, net	18,866	19,329

For the year ended 31 December 2024, net unfavourable loss development on prior year contracts amounted to US$(1.8)m compared to favourable loss development of US$1.8m in 2023. This is based on updated data received from cedants and a reassessment in connection with the reserve analysis conducted by the Company.

Underwriting expenses

For the year ended 31 December 2024, included in the Company's operating expenses of US$5.1m (2023: US$7.4m), was an income of US1.2m related to acquisition costs and commission income compared to an expense of US$1.3m for 2023: . The ratio of acquisition costs relative to the net premiums earned decreased significantly to (5.5)% for the year ended 31 December 2024 from 4.2% for the prior year. This is due to a change in the business mix from prior year, with all business ceded earning an override.

Underwriting performance by geographical area

The Company's underwriting performance by geographical area is analysed below by location of the ceding undertaking:

2024 Geographical Performance	Total	EEA	Other Non-EEA
	(US$ in thousands)		
Gross premiums written	167,366	18,713	148,653
Reinsurers' share premiums written	(143,124)	(14,970)	(128,153)
Net premiums written	24,242	3,743	20,500
Net movement in unearned premium reserves	(3,044)	125	(3,169)
Net premiums earned	21,198	3,868	17,331
Claims incurred net of reinsurance	(18,866)	(3,450)	(15,416)

2023 Geographical Performance	Total	EEA	Other Non-EEA
	(US$ in thousands)		
Gross premiums written	89,621	13,120	76,502
Reinsurers' share premiums written	(76,240)	(10,496)	(65,744)
Net premiums written	13,382	2,624	10,758
Net movement in unearned premium reserves	18,017	(622)	18,639
Net premiums earned	31,398	2,002	29,396
Claims incurred net of reinsurance	(19,329)	(807)	(18,522)

A full breakdown of the Company’s underwriting performance by material business line and geographical area is disclosed in forms S.05.01.02 and S.05.02.01 as set out in Section F of this report.

A.3 Investment performance

The Company records all realised and unrealised gains and losses in the statement of comprehensive income. A summary of net investment income for the financial years ended 31 December 2024 and 2023 is as follows:

Net Investment Income	**Year ended 31 December**	
	2024	2023
	(US$ in thousands)	
Gain from investment in related party investment fund	3,576	2,655
Investment advisor compensation	(819)	(752)
Investment in related party fund	2,757	1,903
Income from other investments		
Realised gains and change in unrealised gains and losses, net	82	70
Interest and dividend income	3,127	3,075
FAL investment income	2,103	1,184
Interest, dividend and other expenses	(76)	(15)
Total other investments	5,236	4,314
Investment income	7,993	5,033

Investment returns are calculated monthly and compounded to calculate the annual returns. The resulting actual investment income may vary depending on cash flows into or out of the investment account. For the year ended 31 December 2024, investment income from the investment in the related party investment fund, net of all fees and expenses, resulted in a gain of 9.5% on the investment portfolio. This compares to a gain of 4.4% for the year ended 31 December 2023.

For the years ended 31 December 2024 and 2023, the gross investment gain on the investment portfolio managed by DME Advisors, L.P. ("DME Advisors") (excluding investment advisor performance allocation) was 10.5% and 4.9%, respectively. These ratios can be analysed as follows;

Investment performance by class	**Year ended 31 December**	
	2024	**2023**
Long portfolio gains	9.9%	26.5%
Short portfolio (losses)	(2.4)%	(21.4)%
Macro gains (losses)	4.7%	2.9%
Other losses	(1.7)%	(3.1)%
Gross investment return	10.5%	4.9%
Net investment return	9.5%	4.4%

The investment gain for the year ended 31 December 2024 was driven by a positive returns in the long portfolio, offset by a negative return in the short portfolio.

The Company does not invest in securitisation investments.

A.4 Performance of other activities

The Company had no other activities during 2024.

A.5 Any other information

All material information regarding the Company’s business and performance has been disclosed in the above sections.

B. System of Governance

B.1 General information on the system of governance

Overview:

The Company is classified as a low risk firm under the CBI's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System and is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015.

Board of Directors:

The following were members of the Board as at 31 December 2024:

Bryan Murphy	Non-Executive Director
Daniel Roitman	Non-Executive Director
Faramarz Romer	Non-Executive Director
Alan Holmes	Independent Non-Executive Director
Brid Quigley	Independent Non-Executive Director
Michael Brady	Independent Non-Executive Director
Patrick O'Brien	Executive Director

The composition of the Board and Board succession are managed to maintain the range of skills and experience needed to direct and govern the affairs of the Company and to support and constructively challenge management. The Corporate Governance guidelines established by the Board of Directors provide a structure within which our Directors and management can effectively pursue the Company's objectives for the benefit of its shareholder. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws. The principal activities of the Board include, but are not limited to, the following:

- Oversee management and evaluate strategy - exercise business judgment to act in what the Board reasonably believes to be the best interests of the Company and its shareholder;
- Monitor performance and ensure the Company operates in an effective, efficient, prudent and ethical manner;
- Select the Chairperson and Chief Executive Officer;
- Monitor and manage potential conflicts of interest;
- Ensure the integrity of financial information;
- Monitor and evaluate the effectiveness of Board governance practices;
- Set Board and committee compensation guidelines;
- Prepare, review and adopt operating and investment guidelines;
- Monitor and manage succession planning of management and management structure;
- Oversee the amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the institution;
- Oversee the strategy for the on-going management of material risks including, inter-alia, liquidity risk;
- Ensure there is a robust and transparent organisational structure with effective communication and reporting channels;
- Ensure that the remuneration framework is in line with the risk strategies of the institution; and

- Ensure there is an adequate and effective internal control framework, that includes well-functioning risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework.

Board Committees

Board Committees include the Audit Committee and Risk Committee. Terms of Reference (including composition, objectives and responsibilities) of these committees are clearly defined and approved by the Board of Directors. The Committee's Terms of Reference are reviewed periodically, at least annually. These Committees represent the Board, sitting as sub-committees of the full Board. The Board receives regular reports on the activities of its Committees.

Audit Committee

The Audit Committee has been established to oversee the accounting and financial reporting processes of the Company and the audit of the Company's financial statements.

The primary responsibilities of the Committee are:

a. monitoring the effectiveness and adequacy of the entity's systems of internal control, internal audit, risk management and IT systems;
b. liaising with the external auditors particularly in relation to their audit findings;
c. reviewing the integrity of the entity's annual financial statements and ensuring that they give a "true and fair view" of the financial status of the entity;
d. monitoring of the financial reporting process, reviewing financial and regulatory reports and recommending to the Board whether to approve the annual accounts;
e. reviewing the Actuarial Review on Technical Provisions (ARTP) and Actuarial Opinion on Technical Provision (AOTP) reports on an annual basis;
f. assessing external auditor's qualifications, and performance;
g. reviewing and monitoring the independence of the external auditor or audit firm, and in particular the provision of additional services to the Company;
h. performing such other functions as the Board may from time to time assign to the Committee;
i. establishing the scope, authority and internal audit policy for the company and review and approval of the internal audit plan and all internal audit reports presented to the committee;
j. reviewing the financial projections contained within the Business Plan on an annual basis; and
k. review the policies and procedures that the Company has implemented and assigned to the Committee for review in advance of presentation to the Board for approval regarding compliance with applicable laws and regulations and monitor the effectiveness of those policies, and recommend any appropriate changes to such policies and procedures to the Board.

The Audit Committee is comprised of 4 members, all of whom are non-executive directors with the majority being independent. The Chairperson is an independent non-executive director.

The Audit Committee meets as often as necessary but at least 3 times a year.

Risk Committee

The Risk Committee has been established to assist the Board in fulfilling its oversight responsibilities in relation to ensuring that the Company's risk appetite and strategy is aligned with the business strategy, that risks within the Company are appropriately managed within the stated risk appetite and a risk awareness culture is established in the Company.

In addition to such other duties as the Board may from time to time assign, the Committee shall:

a. advise the Board on risk appetite taking into account the current financial situation of the Company and having regard to the work of the Audit Committee and the external auditor;

b. advise the Board on the risk tolerance for future strategy of the Company, taking account of the Board's overall risk appetite, the current financial position of the Company and, drawing on the work of the Audit Committee and the external auditor, the capacity of the Company to manage and control risks with the agreed strategy;
c. review the Company's key risks, including changes to risks, mitigants and controls at each Risk Committee meeting;
d. review the Company's emerging risks and associated mitigants and controls annually at a minimum, and review changes to the Company's emerging risks and associated mitigants and controls at each Committee meeting;
e. liaise regularly with the Chief Risk Officer ("CRO") to ensure the development and maintenance of an effective risk management system;
f. oversee the Risk Management function of the Company, which is managed on a day to day basis by the CRO;
g. review, evaluate and advise the Board on the effectiveness of strategies and policies in maintaining adequate internal capital and own funds to cover the risks of the Company;
h. review the Actuarial Function Report annually;
i. review the Own Risk and Solvency Assessment (ORSA) on at least an annual basis. The ORSA is an integral part of the Company's business strategy and will be considered on an ongoing basis in the strategic decisions of the Company, an updated ORSA will be presented to the Risk Committee as appropriate;
j. review the Recovery Plan at least every 2 years;
k. review the investment advisor evaluation on at least an annual basis;
l. review the Company's Operational Resilience framework at least annually and in the event of a disruption;
m. review the Company's ICT Risk Management Framework (Framework) report following review of the Framework at least annually and in the event of a major ICT-related incident;
n. discuss with management the policies with respect to risk assessment and risk management. The Committee should discuss guidelines and policies to govern the process by which risk assessment and control is handled and review the steps management has taken to monitor the Company's risk exposure;
o. review and approve any requested waivers by officers and directors of the Company's Code of Business Conduct and Ethics and recommend to the Board whether a particular waiver should be granted;
p. liaise regularly with the CRO to ensure the development and on-going maintenance of an effective risk management system within the Company that is effective and proportionate to the nature, scale, and complexity of the risk inherent in the business; and
q. at least annually review with management the Company's various compliance programs.

The Risk Committee is comprised of 4 members, with a majority of independent non-executive directors. The Chairperson is an independent non-executive director.

The Risk Committee meets as often as necessary but at least 3 times a year.

Material Changes in the System of Governance during the reporting period

1. <u>Appointment of Additional Independent Non-Executive Director</u>
   The Company appointed an additional Independent Non-Executive Director commencing 1st January 2024. The additional Director is also a member of both the Risk and Audit Committees.

2. <u>Greenlight Re Ireland Services Limited (GRIS)</u>
   From July 1, 2024 all existing staff, including PCF role holders, in the Company transferred to GRIS in accordance with the CBI's Guidance on the Use of Service Companies for Staffing Purposes in the Insurance Sector. The Company and GRIS have entered into a Personnel Services Agreement through which GRIS commits to providing staff to the Company. The staff operate under the direction and control of the Company and are subject to the Company's governance measures and structures. An organisational structure and job descriptions are in place for all roles ensuring there is clear responsibility and authority. Certain roles continue to be outsourced and formal outsourcing arrangements are in place (see Outsourcing section B.7 below).

Information on Director's shares and interests during the reporting period

The directors and secretary, who held office at 31 December 2024, had no beneficial interest in the share capital of the Company or any other group Company at any time during the financial year except that certain directors had beneficial ownership in the parent company, Greenlight Capital Re, Ltd (the "Parent"), a NASDAQ listed publicly held company. Cumulatively the directors beneficial interest in the Parent included restricted shares subject to forfeiture and ordinary shares held directly.

Remuneration Policies & Practices

The Company offers a range of benefits to its employees, which include compensation based on salary, incentive compensation, health benefits, pension benefits, and group stock compensation in the form of restricted share units of the parent.

Remuneration plays an important behavioural role in the Company's risk management process. The Company's Remuneration Policy establishes a Remuneration Framework that attracts, rewards and retains high performing employees while at all times aligning the interests of such employees with those of shareholders in a manner consistent with business strategy and within our stated risk appetite. In particular, a portion of overall compensation is deferred and dependent on long-term financial performance.

The remuneration of the directors is set annually by the Shareholder and is externally benchmarked to ensure consistency with the market.

Further information on the following key functions can be found in the sections below;

- Risk Management function (see Section B.3)
- Compliance function (see Section B.4)
- Internal Audit function (see Section B.5)
- Actuarial function (see Section B.6)

B.2 Fitness and Probity Requirements

The Company's Fitness, Probity and Conduct policy has been aligned with the CBI's Guidance on Fitness and Probity Standards 2023 and the Fitness and Probity Standards 2023 (collectively the "F&P requirements"), Part 3 of the Central Bank Reform Act 2010 (the 'Act'), and The Central Bank (Individual Accountability Framework) Act, 2023 ("IAF Act") .

The Board will satisfy itself on reasonable grounds that a person complies with the F&P Standards before appointing that person to a controlled function ("CF"). The Board will not appoint a person to a pre-approval controlled function ("PCF"), until the CBI has approved the appointment in writing.

The following factors are taken into account when deciding whether an individual is fit and proper:

- their honesty, integrity and reputation;
- their competence and capability; and
- their financial soundness.

Fitness and propriety checks are made before an individual is appointed to carry out a controlled function and also periodically thereafter.

The Compliance function will assist the Board to comply with the obligations set out in the Act, some of which include:

- due diligence;
- outsourcing;
- continuing obligations;
- ensuring that all PCF holders are pre-approved by the CBI prior to appointment;
- maintaining records of all persons performing CF's and PCF's; and
- verifying that persons in controlled functions have the necessary skills, experience, and qualifications.

The IAF Act includes prescribed standards of behaviour that apply to CFs and PCFs when performing their roles; specifically, the Common Conduct Standards (apply to all CFs and all PCFs, as a sub-set of CFs) and Additional Conduct Standards (apply to all PCFs and CF1s only) (hereinafter collectively referred to as 'the Conduct Standards').The application of the Conduct Standards have been notified to all CFs/ PCFs and are notified on the appointment of any new CFs/ PCFs.

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

Risk Management System

Risk is not a concept that exists independently of people. We believe that our success will be determined by the strength of our people, and we seek to employ a diverse array of talented and experienced people who perform well as a team. Our executive management team promotes a risk management culture and all staff are encouraged to be active participants in the management of risks faced by the Company.

We employ risk management as a continuous process to ensure we have an appropriate understanding of the nature and significance of the risks to which our business activities expose us, including our sensitivity to those risks and our ability to mitigate them. Risk management is used to provide a common 'risk language' within the Company. In particular, we transpose our business strategy into a Risk Appetite Statement that clearly captures the risks inherent in our strategy and our tolerance for those risks.

Risk Appetite Statement

The Risk Appetite Statement identifies the material risks, including emerging risks, inherent in our business strategy and model, and our appetite for those risks over a short, medium, and long-term horizon. The Risk Appetite Statement includes:

- Risk categories inherent in our business strategy and model, specifically;
    - Strategic
    - Governance
    - Risk management
    - Group support
    - Capital management
    - Underwriting
    - Investing
    - Reserving
    - Claims management
    - Counterparty default
    - Reputation
    - Regulatory
    - Operations
    - Legal
    - Information technology ("IT")
- Risk mitigation efforts to manage risk and aggregation of risk;
- Risk metrics and tolerances to measure risk;
- Solvency metrics to measure capital requirements arising from our planning and ORSA process; and
- Stress scenarios and the situations that would warrant ad-hoc stress tests.

Risk Management Policy

Annually, the Chief Risk Officer presents the Company's Risk Management Policy to the Board of

Directors (the "Board") for review and approval. The goals of this policy are to:

- Set out the roles and responsibilities for:
  - Implementing and reviewing an effective Risk Management Framework;
  - Setting and communicating the risk appetite;
  - Instilling a risk culture within the Company;
  - Ensuring remuneration arrangements do not encourage excessive risk-taking;
  - Contingency planning;
  - Reviewing, approving, and communicating of policies;
  - Putting appropriate controls in place;
  - The assessment and reporting of the Company's risk profile in relation to the risk appetite;
  - Escalated risks and remediation plans; and
  - Ensuring sufficient knowledge, expertise and resources are available, and adequate procedures and communication channels are in place for risk management purposes;
- Set out the rights and powers of the Risk Management function;
- Set out the elements of the Risk Management Framework;
- Set out the structure and contents of the Risk Appetite Statement; and
- Set out the risk escalation procedure.

The Board has overall responsibility for ensuring there is an effective Risk Management Framework. The Board receives regular reporting updates from the Chief Risk Officer. The Risk Management Framework is also managed through the following functions:

Risk Committee
The Risk Committee is responsible for advising the Board on matters relating to the Company's Risk Management Framework.

Group Remuneration Committee
The remuneration strategy is overseen at a Group level and adopted by the Company's Board of Directors. The Group Remuneration Committee, in conjunction with the Risk Committee, is responsible for ensuring that remuneration arrangements do not encourage excessive risk-taking.

Risk Management Function
The Risk Management function is responsible for monitoring and advising the Executive Management team and Risk Committee of the Company's risk profile in relation to its risk appetite. This is done quarterly, or as soon as practicable, if there is a material change to the risk profile.

Other Functions and Organisational Units
Other functions and organisational units, such as Internal Audit, Compliance, Actuarial, Finance, Operations and Underwriting, are responsible for performing risk management related tasks as needed and providing the Executive Management team and Risk Management function with pertinent, accurate and timely information.

Rights and Powers of the Risk Management Function

The Risk Management function is a key function within the Company. The Chief Risk Officer has overall responsibility for the Risk Management function. As such, the Chief Risk Officer has the right and power to ensure that:

- The Risk Management function has sufficient resources;
- There are sufficient resources for other functions and organisational units to be able to effectively perform risk management related tasks as well as business tasks; and
- There are adequate policies and procedures in place so that information required from other functions and organisational units within the Company is pertinent, accurate and timely.

Risk Management Framework

Risk management does not exist in a vacuum but is used to allow for an appropriate understanding of the nature and significance of the risks inherent in the business strategy and model. The elements of the Risk Management Framework are:

- Risk Appetite Statement (see above);
- Risk culture (including remuneration);
- Policies (including procedures therein);
- Contingency plans;
- Internal controls;
- Reporting - the reporting of appropriate information to allow effective governance of risks and the Risk Management Framework;
- Communication - the communication of the risk appetite, contingency plans, policies, and any other appropriate information within the Company as a whole;
- Governance;
- Compliance; and
- Internal audit.

Risk Escalation

The escalation of a risk is the responsibility of the Executive Management Team. A risk is escalated whenever deemed necessary by the Executive Management Team but must be escalated in the event that a risk tolerance breaches the Red threshold (see Risk Appetite Statement). In the event of a risk escalation, the Executive Management Team shall determine if an ad hoc meeting of the Risk Committee is warranted, or if the risk can be considered at the next scheduled Risk Committee meeting. The Executive Management Team shall also draw up a remediation plan for the escalated risk and provide it to the Risk Committee.

The Risk Committee reviews and monitors any escalated risks. The Risk Committee will determine whether a risk should be escalated to the Board. Ultimately, the Board is responsible for determining if an escalated risk is a material breach of the Risk Appetite Statement. A material breach and appropriate remedy will be communicated to the Central Bank of Ireland within five business days of the Board becoming aware of the breach.

Own Risk and Solvency Assessment

The Company is responsible for completing an Own Risk and Solvency Assessment ("ORSA"), which is not only an integral part of the Company's overall Solvency II regime, but also of the Company's system of governance. The ORSA is reviewed and approved by the Board at least annually, or more frequently if there are significant changes to the Company's risk profile. The main purpose of the ORSA is to evaluate all material risks faced by the Company and assess whether the level of capital is adequate to cover the risks presented.

The material risks are fully documented in the Company's Risk Appetite Statement and the review of the risk environment of the ORSA closely follows the structure of the Risk Appetite Statement. The ORSA also collates work performed in other areas of the risk management system and ensures that proper evaluation and reviews are being conducted in line with regulatory guidelines.

As part of the ORSA process, the Company examines the significance with which the risk profile of the Company deviates from the assumptions underlying the Standard Formula and the impact of these deviations on the Own Solvency Needs of the Company. The ORSA reviews the level of surplus capital, produces reports, and makes strategic recommendations on the adequacy of capital. The ORSA also applies stressed scenarios and considers adverse conditions the Company may face and determines measures to address the capital needs under these conditions.

While the Company considers that all material quantifiable risks are fully covered in the Standard Formula, certain underlying assumptions within the Standard Formula may not accurately reflect the risk profile of the Company. The most material differences that impact the Standard Formula are:

- Whole-account aggregate stop-loss - cannot be applied under the Standard Formula, in a manner which reflects the commercial effect of the cover;
- Long-short equity investments - no credit is given for short positions or the ability to reallocate to other securities (such as cash or bonds) in a short timeframe; and
- Funds withheld treatment - counterparty credit exposure to GRL is mitigated by the funds withheld nature of our FAL business, where we do not pay any reinsurance premium to GRL until the conclusion of the contract. We do not currently reflect this in the Standard Formula.

The scope of the ORSA process includes, but is not limited to, the following list of inputs and procedures:

- Board evaluation of business strategy, objectives, and draft business plan;
- Review of Risk Appetite Statement, risk profile and evaluation of key risks identified;
- Risk management system processes, policies, and outputs;
- Consideration of the results of stress tests and pessimistic scenarios applied to each risk area;
- Deliberation on how additional capital can be sourced if required;
- The Company's investment strategy and risks;
- Consideration of how risk can be mitigated including through diversification;
- Review of the results of the SCR, MCR and appropriateness and compliance with the Standard Formula;
- Review of the competence and capability of the Actuarial and Risk functions;
- Risk Committee review of risk tolerance limits set by the Board; and
- Decisions and action plans following the output of the ORSA process.

The results and conclusions from the ORSA process are communicated to senior management and key staff through the ORSA Report, following Board approval, and a copy is provided to the CBI. Following the ORSA assessments under the Solvency II regime, the Board has considered the level of capital held to be adequate.

B.4 Internal control system

The Company's Board has ultimate responsibility for the operation of the corporate governance framework. A corporate governance framework shall not remain effective unless it develops to take account of new and emerging risks, control failures, market expectations or changes in the Company's circumstances or business objectives. It is in this spirit that it is acknowledged that the effectiveness of the corporate governance framework needs to be reviewed on a continual basis.

The Board delegates its authority through a structure of committees and sub-committees which are there to facilitate the effectiveness and efficiency of operations and to assist in the compliance with laws and regulations. The committees of the Board currently comprise of the Audit Committee and the Risk Committee. However, despite delegating responsibilities, the Board has overall responsibility and accountability for the corporate governance of the Company, and this cannot be delegated.

Whilst certain decisions are reserved exclusively for the Board, an effective control system of delegated authority operates from top to bottom, within the Company, through Terms of Reference

(TOR) for the Board and sub-committees and through individual job descriptions. These TOR's are reviewed, at least annually, to ensure they remain relevant by taking into account the continually evolving business environment.

The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting. The internal controls over financial reporting include policies and procedures relating to maintenance of financial records; accurate recording of transactions, authorised processing of receipts and payments; and the prevention or detection of unauthorised use, purchase or sale of the Company's assets.

The Company maintains and evaluates the effectiveness of the financial reporting and disclosure controls annually as part of the Group's annual assessment of internal controls over financial reporting.

The Company's internal controls are part of its Risk Management Framework, being the first line of defence in the 'three lines of defence' model the Company has implemented:

1. Business Operations - Internal Controls

Internal controls are the measures that are incorporated into systems and processes to control day-to-day activities. The internal controls for the Company are based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO's) Internal Control - Integrated Framework (2013 COSO Framework).

The objectives of internal controls are:

- Effective and efficient operations, including safeguarding of assets against loss;
- Internal and external financial and non-financial reporting, in accordance with the Company's policies and procedures; and
- Adherence to laws and regulations.

Components of internal controls include:

- Control environment;
- Risk assessment;
- Control activities;
- Information and communication; and
- Monitoring activities.

There are adequate controls implemented to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

2. Oversight Functions

This includes the Compliance and Risk functions. The Company has implemented policies which describe the Board's approach to key areas of the business, and procedures, where appropriate, which describe how the Board fulfills its responsibilities.

3. Independent Assurance Providers

The Internal Audit function prepares, with the approval of the Audit Committee, a three-year audit plan which covers all the key areas of the Company over the three year period. Additionally, the Audit Committee has the ability to request ad-hoc reviews to be conducted at any point during the year.

In addition, the external auditors provide an independent opinion that the audited financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland ("Irish GAAP") and that they have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities Regulations 2015.

The Compliance function, in liaison with the Board, is responsible for ensuring that all Company policies are reviewed at least annually to make certain that they are still fit for purpose. Each relevant area of the business is responsible for ensuring that their procedure(s) are up to date and reflect how the business operates. All reviews are recorded, and version control is maintained. All amendments to policies are submitted to the Board for approval.

There is a compliance monitoring programme in place to ensure that the Company has fulfilled all its legislative and regulatory requirements, and adheres to its policies and procedures. This is completed by the Compliance function on a continuous basis and presented to the Board on a quarterly basis.

Compliance Function

The Company's Compliance Policy sets out the role and responsibilities of the Compliance function and is reviewed by the Board on an annual basis. The role of the Compliance function is to act as a second line of defence, as part of the Company's adopted "Three Lines of Defence" model. The Compliance function provides independent assurance to the Board of Directors that the Company is conducting its business in a compliant manner. This is achieved through the following:

- Developing a compliance plan to provide assurance to the Risk Committee on the Company's overall compliance with Board approved polices, the Companies Act 2014 ("the Act"), CBI requirements and other applicable legislation;
- Regular reporting to the Company's Risk Committee, senior management, and Group personnel on compliance matters;
- Managing the Company's relationship with the CBI;
- Monitoring regulatory change and communicating impactful developments;
- Reviewing and developing policies required under the Corporate Governance Code or other regulatory requirements for Board approval;
- Assisting the Company in complying with Solvency II requirements with a focus on Pillar 2 and Pillar 3 requirements; and
- Reviewing internal controls, processes and procedures on a planned basis from the viewpoint of effective compliance and advising on steps necessary to ensure compliance.

The Board supports the Compliance function, makes available such resources as is necessary, and provides access to all relevant documentation and information from the business, in order that the Compliance function can meet its objectives.

B.5 Internal audit function

The Company supports Internal Audit as an independent and objective assurance activity designed to add value and improve the Company's operations. It assists the Company in accomplishing its objectives by bringing an independent, systemic and disciplined approach to the process of evaluating and improving the effectiveness of the Company's risk management, control and governance processes.

Internal Audit derives its authority from the Board through the Audit Committee. The Internal Auditor reports functionally to the Audit Committee and administratively to the Chief Executive Officer ("CEO"). The Internal Auditor meets with the Audit Committee and the CEO to discuss all audits. The Internal Auditor operates with independence and authority in relation to audits carried out and has unrestricted access to the Chairman, the Executive Management Team and the Chairs of the Audit and Risk Committees. Internal Audit is authorised to examine any of the activities of the Company and has unrestricted access to all records, assets and personnel necessary to discharge its responsibilities.

The Company's Internal Audit function has been outsourced to EisnerAmper Ireland ("EisnerAmper"). A Partner at EisnerAmper is approved by the CBI for the PCF-13 (Head of Internal Audit) role. EisnerAmper prepares, with the approval of the Audit Committee, a three-year audit plan which covers all the key areas of the Company over the three year period. Additionally, the Audit Committee has the ability to request ad-hoc reviews to be conducted by EisnerAmper. EisnerAmper works closely with management and any outsourced service provider of the Company and reports directly to the Audit Committee.

The purpose, scope, authority and responsibilities of the Internal Audit function are set out in full within the Internal Audit Policy, which has been approved by the Board of Directors and which is reviewed and updated on an annual basis, or more frequently, if required. There have been no significant changes to the policy in the current year.

B.6 Actuarial Function

The Actuarial services to support the business are outsourced to a combination of:

a) Group Actuarial Department in GRL; and

b) Artex Risk Management. (Formerly Allied)

The activities of the Actuarial Department are split between those involved in pricing and GAAP reserving, performed by the Company, the Group Actuarial Department in GRL and those activities of the Actuarial function, performed by Artex Risk Management, who coordinate the calculation of the technical provisions and provide independent oversight and validation. The role of the Head of Actuarial Function (HoAF) is outsourced to Artex Risk Management.

The Actuarial function derives its authority from the Board through the Audit Committee. The Head of Actuarial Function (HoAF) reports functionally to the Audit Committee and administratively to the Chief Executive Officer (CEO).

The objective of the Actuarial function is to ensure a standard and appropriate calculation of reserves and technical provisions, consistent with our business strategy and statutory and regulatory requirements and within our stated risk appetite. The detailed objectives are to:

- Coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the Board of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in cases where there is insufficient data quality (as set out in Article 82 of the Directive);
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and,
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements.

Each of these activities is undertaken on at least an annual basis and the outcome reported to the Board in an internal actuarial report.

In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the HoAF contributes to the effective implementation of the risk management system of the Company. In particular:

- In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the HoAF reviews the model used by the Company to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.
- The HoAF provides an Actuarial Opinion on the ORSA process annually. The opinion addresses the following:
    - The range of risks and the adequacy of stress scenarios considered as part of the ORSA process.
    - The appropriateness of the financial projections included within the ORSA process.
    - Whether the undertaking is continuously complying with the requirements regarding the calculation of TPs and potential risks arising from the uncertainties connected to this calculation.

B.7 Outsourcing

The Company recognises the need for an Outsourcing Policy which is consistent with and promotes sound and effective risk management and enables the Company to identify, manage, monitor, and report on such outsourcing risk to which it is or might be exposed. The Board have adopted this policy and it:

- Sets out the roles and responsibilities within the Company in relation to outsourcing;
- Identifies functions that may be outsourced by the Company;
- Establishes a set of principles through which the Company may outsource critical or important functions or activities ("CIFAs");
- Describes the processes and procedures that the Company carries out prior to outsourcing, including the assessment and impact of the outsourcing on its business; and
- Describes the processes and procedures following commencement of an outsourcing arrangement, including the level of review, reporting and monitoring required by the Company.

The following is a list of the CIFAs the Company has outsourced together with the jurisdiction in which the service providers of such functions or activities are located. The Company will not outsource a CIFA where the outsourcing would materially impair the quality of the Company's system of governance, unduly increase operational risk, impair the ability of the CBI to review the Company's compliance with its obligations or undermine the continuous and satisfactory service to policyholders (Article 49(2) of the SII Directive).

Function / Activity	Name of Outsourced Provider	Jurisdiction
External Outsourcing:		
Investment Advisor	DME Advisors, L.P.	USA
Head of Actuarial Function	Artex Risk Management	Ireland
Internal Audit	EisnerAmper Ireland	Ireland
Outsourcing to Group:		
Claims services	Greenlight Reinsurance Ltd	Cayman Islands
IT Management	Greenlight Reinsurance Ltd	Cayman Islands
Actuarial support	Greenlight Reinsurance Ltd	Cayman Islands

The Company has in place a number of controls which seek to mitigate the risks of outsourcing both CIFAs and non-CIFA arrangements:

- Due diligence is performed on all outsourced providers with enhanced requirements for CIFAs;
- Both the CBI and the Board of Directors of the Company are required to approve the outsourcing of any CIFAs;
- Contractual arrangements are in place with each outsourced provider;
- An annual review of all outsourced service providers is conducted and presented to the Board of Directors of the Company;
- A log of all of the Company's outsourced arrangements is maintained; and
- All outsourced arrangements are monitored with enhanced monitoring for CIFAs.

B.8 Any other information on governance

The Company has included all relevant information relating to its systems of governance and is satisfied with the adequacy of the system of governance, considering the nature, scale, and complexity of the risks inherent in the business.

C. Risk Profile

Risk Management

The goal of the Company's management of risk is to set out the level of risk the Company is willing to assume in implementing its business strategy. The Company's business strategy cannot be implemented without taking risks. The Company seeks to comprehensively quantify all risks inherent in the business strategy through scenario testing and ad hoc stress tests, and where necessary apply risk mitigation techniques.

The Company implements appropriate polices, contingency plans and controls as part of the Company's overall risk management system. Further information is detailed in Section B.3 above.

C.1 Underwriting risk

The Company has a broad underwriting appetite for Property and Casualty business providing the pricing and risk selection is appropriate. The Company will write business selectively and in those areas of the market believed to have the best risk-adjusted returns.

<u>Risk mitigation</u>
The Company has entered into two retrocession contracts with its sister company, GRL:

1. An 80% quota share on non-U.S. business; and
2. An unlimited aggregate stop-loss which limits underwriting losses (including expenses, reserve deterioration, counterparty default and collateral drawdown) to 5% of the Company's Shareholders Equity.

The Company has also entered into a number of external retrocession contracts to manage its overall exposure. Key contracts include an excess of loss contract to protect the Company's Aviation, Marine, Energy and Terror book and a number of quota share contracts related to specific Specialty and Motor contracts.

<u>Line of business</u>
See Section *A.2. Underwriting Performance* for a breakdown of the lines of business the Company wrote in 2024 and 2023.

<u>Geography</u>
See Section *A.2. Underwriting Performance* for a breakdown of the geographies the Company wrote in 2024.

<u>Target profitability</u>
We seek to underwrite a portfolio that is profitable and contributes to book value per share.

See Section *A.2. Underwriting Performance* for breakdown of the Company's 2024 and 2023 underwriting performance.

<u>Underwriting process</u>

The assessment and pricing of reinsurance risk are key components of the Company's underwriting process.

The approach to underwriting begins at the class-of-business level. This analysis includes identifying and assessing the structural drivers of risk and emerging loss trends, and understanding the market participants and results, capacity conditions for supply and demand, and other factors. Our underwriting professionals specialise in business lines and our quantitative professionals assist in evaluating all risks we underwrite. Combined with cross-line management, we believe this approach enables us to build and deploy expertise and insight into the business line's risk dynamics and external risk factors that will affect each transaction.

The Board sets parameters for aggregate property catastrophic caps and limits for maximum loss potential under any individual contract. The Board must approve any exceptions to the established limits. The Board may amend the maximum underwriting authorities periodically and to align with our capital base. The Board designs the underwriting authorities to ensure the underwriting portfolio is appropriate on a risk-adjusted basis. The Board approves the Underwriting Plan and Underwriting Guidelines annually with an underwriting update provided to the Board quarterly.

Risk factors

Underwriting inherently involves assuming reinsurance risk. The Company monitors the underwriting environment to track changes in innovation, climate, and the political environment. Potential external risk factors that could impact our current or future underwriting portfolio are:

1. Rating
2. Climate change
3. Inflation
4. Emerging risks

Rating

In September 2024, the A.M. Best rating of the Company and its sister company, Greenlight Reinsurance Ltd. ("GRL") was re-affirmed at "A- Excellent" rating with a rating outlook of Positive. A.M. Best highlighted that the Group's financial strength remains "very strong,".

A downgrade below "A-" is likely to have a significant negative impact on the Company and its ability to underwrite London market specialty business.

Climate change

Global warming has the potential to have a significant impact on weather patterns and loss events. The Company is exposed to Climate change primarily from its FAL book and a limited number of natural catastrophe reinsurance contracts it writes. This exposure is reducing with the non-renewal of the FAL book, effective January 1, 2023..

The Company will continue to closely monitor cat activity and amend its appetite for natural catastrophe business to reflect market conditions and climate change developments. As this business is predominantly short tail in nature, the Company can re-balance the portfolio quickly, if required.

As a small specialty reinsurer our strategy is primarily to be nimble and to position ourselves to take advantage of market opportunity. We do not have any long-term commitments to any particular class, and we consider our strategy annually, as part of our annual planning process. If climate change significantly impacts the profitability of certain classes, we can amend our strategy accordingly.

The Company is also exposed to a certain amount of operational risk linked to cat exposures, as certain services are outsourced to GRL, which is based in the Cayman Islands and are exposed to Atlantic hurricanes. GRL has a robust Business Continuity Plan which is designed to respond to a major hurricane event. In particular, all IT systems are backed up outside the Cayman Islands and the Company has concluded that the services provided by GRL will not be significantly impacted in the event of a major hurricane hitting the Cayman Islands.

Inflation

Global economic performance in 2024 has been steady with inflation reducing from 2023 levels and generally approaching a 2% target. Inflation can be caused by any number of factors including, but not limited to, expansionary monetary policy and deficit spending by the government, a growing economy, rising wages, an imbalance of the supply and demand for goods, supply chain disruptions and the imposition of tariffs. Recently, for instance, the U.S. administration imposed and/or announced (and in some cases postponed) tariffs on imports from various countries and on certain products, which may lead to unpredictable economic consequences including inflation or trade wars. Higher than anticipated inflation could lead to an increase in loss costs and the need to strengthen loss reserves. The impact of inflation on loss costs will likely be more pronounced for longer tail business lines, where it takes a period of time to finalise and settle claims. In general, the Company's underwriting book is skewed towards shorter tail classes and therefore the impact should be less pronounced.

Emerging risks

Emerging risks are newly developing or changing risks which are difficult to quantify, and which may have a major impact. The Company monitors the underwriting environment to track changes in innovation, climate, and political environment. Some of the initial emerging risks identified include:

- Taxation - During 2021, the Irish Government agreed to sign up to the OECD International Tax Agreement which may increase Corporation Tax rates for multinationals with revenues in excess of EURO€750m from 12.5% to 15%. Currently the Group falls below the €750m threshold, however in time, this may result in an increase in the corporation tax rate applied to the Company. In the short term, the Company has deferred tax losses and as such this change will not be material.

- Offshore Jurisdictions - The Company is reliant on the support of its parent and sister companies who are both domiciled in the Cayman Islands. Any clamp down on offshore jurisdictions could impact the Cayman Islands and, as a result, the Company. Recent discussions, regarding international taxation have highlighted the possibility of a withholding tax on certain transactions with offshore jurisdictions. If the Company was to withhold tax on any premium due to GRL under the current intercompany agreements, it may significantly impact the effectiveness of these agreements. The Company will continue to monitor developments in this area.

- Cyber risks - Cyber risks to IT systems and the information they hold are among the most significant security risks today and are notoriously difficult to identify and assess. The Internet of Things enables data streams for connected cars, smart factories, homes, and cities and drives augmented reality and other new technologies. Direct device-to device communication and frequent software updates make protecting from cyber theft a significant challenge. Artificial intelligence (AI) enables the internet of things but it is contributing to disinformation, fake news, deep-fakes, and voter manipulation on an unprecedented scale. As a small reinsurer the Company will look to align interests to strong well positioned insurers and to leverage their knowledge and systems along with building a strong robust IT infrastructure and control framework to reduce the risk to the Company. The organization's ICT risk management strategy is designed to provide a structured and continuous approach to risk identification, assessment, mitigation, and monitoring, with a focus on resilience, business continuity, and compliance. It aligns with the NIST CSF and incorporates key requirements from DORA, ensuring that the organization can operate securely while meeting regulatory demands.

- Scarcity of resources - Population growth, economic development, and the onset of extreme climate change are placing increasing pressure on finite resources such as fossil fuels, rare earth elements, and industrial metals. A key concern of global impact is water scarcity. The lack of, or lack of access to, fresh water to meet water demand is a crucial factor in global food insecurity. The scarcity of resources comes with potentially crippling social effects from mass migration and civil unrest to economic stagnation or decline. Insurers will face higher loss ratios in crop insurance, higher property losses from riots, looting, and social unrest. The Company predominantly writes single year short tail contracts and can quickly pivot as these trends develop. By the end of 2025, it is estimated that 1.8 billion people will be living in countries or regions with absolute water scarcity. (Source: Food and Agriculture Organisation of the United Nations)

C.2 Market risk

The Company is exposed to market risk including interest rate and foreign exchange fluctuations on financial instruments that are valued at market prices. Market movements can be volatile and difficult to predict. This may affect the ultimate gains or losses realised upon the sale of its holdings, as well as the amount of net investment income reported in the statements of comprehensive income. Management has regular dialogue with the Company's investment advisor to monitor the Company's positions and changes in market conditions.

Equity Price Risk

As of 31 December 2024, the Company's equity investment portfolio consisted primarily of an investment in Solasglas Investments LP ("SILP"), which holds underlying equity securities and equity-based derivative instruments, the carrying values of which are primarily based on quoted market prices. Generally, market prices of common equity securities are subject to fluctuation, which could cause the amount to be realised upon the closing of the position to differ significantly from the current reported value. This risk is partly mitigated by the presence of both long and short equity securities. As of 31 December 2024, a 10% decline in the price of each of these listed equity securities and equity-based derivative instruments would result in a loss of US$1.0m.

Computations of the prospective effects of hypothetical equity price changes are based on numerous assumptions, including the maintenance of the existing level and composition of investment securities, and should not be relied on as indicative of future results.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in exchange rates and produce an adverse effect of net income and capital when measured in the Company's functional currency. The Company's cash flows and earnings are subject to fluctuations due to exchange rate variations. Foreign currency risk exists by nature of the Company's global reinsurance program. The Company's principal transactions are carried out in US dollars though it has exposure to foreign exchange risk principally with respect to Sterling and Euro.

The Company does not seek to specifically match the liabilities under reinsurance policies that are payable in foreign currencies with investments denominated in such currencies; the Company continually monitors the exposure to potential foreign currency losses and would consider the use of forward foreign currency exchange contracts in an effort to mitigate against adverse foreign currency movements.

The schedule below shows the surplus or deficiency held in each of the main currencies by the Company at the year ended December 31, 2024:

Foreign Currency	**Assets**	**Liabilities and Equity**	**Surplus / (Deficiency)**
	(US$ in thousands)	**(US$ in thousands)**	**(US$ in thousands)**
British Pound	97,889	91,057	6,832
Euro	12,703	13,265	(563)
United States Dollar	430,735	438,283	(7,549)
Other	4,220	2,941	1,279
Total	545,547	545,547	—

The following table summarises the net impact that a 10% increase and decrease in the value of the United States dollar against foreign currencies would have on the Company as of December 31, 2024:

	10% increase in U.S. dollar	**10% decrease in U.S. dollar**
Foreign Currency	**Change in fair value**	**Change in fair value**
	(US$ in thousands)	**(US$ in thousands)**
British Pound	683	(683)
Euro	(56)	56
Other	128	(128)
Total	755	(755)

Computations of the prospective effects of hypothetical currency price changes are based on numerous assumptions, including the maintenance of the existing level and composition of investment in securities denominated in foreign currencies and related hedges, and should not be relied on as indicative of future results.

Interest Rate Risk

The Company has limited exposure to interest rate risk given the mix of its investment portfolio.

Our “Deposits other than cash equivalents” earn interest at rates that generally follow the movements of the short-term U.S. Treasury rates. At December 31, 2024, a 100 basis points increase or decrease in U.S. Federal Funds Rate would result in approximately a $97k increase or decrease, respectively in our interest income on an annualised basis.

The caption "Deposits to Cedants" in our SII Balance Sheet represents amounts held by cedents, including the Lloyd's syndicates in which we participate. These syndicates invest a portion of the premiums withheld in fixed-income and variable-yield securities, which expose us to interest rate risk. At December 31, 2024 a 100 basis points increase or decrease in interest rates would result in an estimated $136k loss or gain, respectively.

The Company's investment in SILP includes interest rate sensitive securities, such as corporate and sovereign debt instruments and interest rate swaps. The primary market risk exposure for any debt instrument is interest rate risk. As interest rates rise, the market value of the Company's long fixed-income portfolio falls, and the opposite is also true as interest rates fall. Additionally, some derivative investments may also be sensitive to interest rates and their value may indirectly fluctuate with changes in interest rates.

As of December 31, 2024, a 100 basis points increase or decrease in interest rates would have would result in approximately a $15k increase or a decrease of $14k on the value of our Investment Portfolio.

The Company, along with DME Advisors, monitors the net exposure to interest rate risk and generally do not expect changes in interest rates to have a materially adverse impact on our operations.

Prudent Person Principle

Our investment strategy seeks long term returns through disciplined security selection, portfolio diversity and an integrated approach to risk management. Investments are to be selected and monitored to balance the goals of safety, stability, liquidity, growth and after-tax total return with the need to comply with regulatory investment requirements.

We recognise that under the Solvency II Prudent Person Principle, assets held to cover the technical provisions must be invested "in a manner appropriate to the nature and duration" of the liabilities, and "in the best interest of all policyholders and beneficiaries taking into account any disclosed policy objectives" (Reg.141(2)(c) of S.I. 485 of 2015). Therefore, the assets covering the technical provisions takes account of the type of business carried on by the Company in such a way as to secure the safety, yield and marketability of its investments, which the Company will ensure are diversified and adequately spread. The Company, where applicable, and in accordance with A. 132(2) of the SII Directive, only invests in assets whose risks it can properly identify, measure, monitor, control, report and take into account in its ORSA.

Our equity portfolio consists primarily of long and short equities. The Investment Advisor seeks to achieve capital appreciation by buying securities with trading values materially lower than their intrinsic values and by selling short securities with trading values materially higher than their intrinsic values. The portfolio aims to achieve high absolute rates of return while minimising the risk of capital loss. We seek to combine the analytical discipline of determining intrinsic value with a practical understanding of markets. We seek to invest in mispriced securities where we can ascertain the reason for the market's mispricing. Our approach is rooted in fundamental analysis and rigorous examination of financial statements.

We believe the investment guidelines continue to be appropriate and reasonable and meet the Prudent Person Principle, as they currently restrict the level of long/short equity investing, promote a lower level of investment fees correlated with current and past investment performance, curtail excessive concentration in a small number of investments whilst enabling the Company to participate in higher Assets Under Management and yields through active management of the portfolio.

Investing risks

Discussions have been held with the investment manager on events such as the Covid 19 pandemic, Inflation, the Russia-Ukraine conflict, the war in the middle east and the US election and geopolitical environment. The Company's investment strategy is based on a value orientated investing strategy (i.e., buy undervalued securities (longs) and sell overvalued securities (shorts)). As such, the portfolio in generally not heavily correlated with specific global events or market trends. In recent years there has been a growth in ESG (Environmental, Social and Governance) investing or sustainable investing. It is possible that the continued focus on ESG investing will lead to additional disclosures and possible market and regulatory pressures. The Company are cognisant of the risk of stranded assets which are defined by Lloyds as "assets that have suffered from unanticipated or premature write-downs, devaluation or conversion to liabilities." These write downs are caused by environmental factors such as climate change and society's attitudes towards it, these have become increasingly high profile. Changes to the physical environment driven by climate change, and society's response to these changes, could potentially strand entire regions and global industries within a short timeframe, leading to direct and indirect impacts on investment strategies and liabilities. Developments in this area will continue to be monitored and the Company will continue to review investment guidelines on a regular basis. The Company's portfolio is liquid, and changes can be implemented at short notice if required.

C.3 Credit risk

The Company is exposed to credit risk primarily from the possibility that counterparties may default on their obligations to it. The maximum exposure to credit risk is indicated by the carrying value of the Company's financial assets.The Company conducts business with multiple external counterparties of various types. The unlimited aggregate stop-loss purchased from GRL limits the loss of default or collateral drawdown by clients, brokers, third party administrators and any other underwriting-related counterparties to 5% of the Company's Shareholders Equity. However, the Company still seeks to reasonably minimise the risk of financial loss from counterparty default.

The Company's counterparty risk comes from various sources:

Deposits to Cedants.

Other Client-related

- Letters of credit ("LOCs") provided to clients;
- Premiums receivable from clients;
- Commission adjustments on contracts with clients; and

Third party services

- Reinsurance intermediaries; and
- Claims funds with third party claims administrators.

Investment and banking

- Prime brokers / Custodians; and
- Derivative counterparties.

The Company does not solely rely on the credit assessments of external rating agencies when assessing the credit worthiness of counterparties.

Retrocession

Retrocession falls into one of three categories:

1. The retrocession is with a third party and is tied to an inwards transaction;
2. The retrocession is with a third party and stands alone; and
3. The retrocession is internal between the Company and its affiliates.

The retrocession is with a third party and is tied to an inwards transaction

The third party may or may not be affiliated with the client. If the retrocessionaire is affiliated with the client then the arrangement will usually be for the purposes of aligning the client's interest with that of the Company's, and the retrocessionaire will often be a captive.

The retrocession is with a third party and stands alone

The third party will typically be a professional reinsurer and the retrocession is likely to be on a segment of the Company's portfolio. The Company will assess the financial strength of any such counterparty as part of its counterparty due diligence.

The retrocession is internal to the Company

The Company purchases a quota share and unlimited aggregate stop-loss protection from its sister company, GRL.

Deposits to Cedants
The Company participates on FAL deals and has posted cash to support these deals. The Funds are held in Trust at Lloyd's and are invested in a Money Market Fund that is denominated in US dollars. The FAL can be used to offset the loss reserves underwritten by the Company and the FAL balance can be offset against these liabilities. The Lloyd's Market is strongly capitalised with total capital, reserves and subordinated loan notes of £47.1bn at 31 December 2024 with a solvency ratio of435% based on the Lloyd's Internal Model (approved by the PRA). The FAL business is 80% retroceded to our sister Company Greenlight Reinsurance Ltd.

Letters of Credit and Trusts
The Company's sister company, GRL, issues LOCs on behalf of the Company under various facilities, for the benefit of the Company's insureds. The collateral pledged as security relating to these LOCs is also provided by GRL. In the event that the Company's insureds draw upon any LOCs, the Company shall be obligated to reimburse GRL the amount of the LOCs drawn by the insured. As of 31 December 2024, US$21.4m (2023: US$16.9m) of LOCs were issued by GRL on behalf of the Company and no LOCs were drawn by the Company's insureds for the year ended 31 December 2024. In the event that GRL was unable to pledge its assets as security, the Company may have to pledge its own assets as security relating to the LOCs.

The LOCs are usually unconditional in that the client may drawdown the LOC at their sole option. The Company periodically amends the size of issued LOCs to ensure they do not materially exceed the size of the Company's obligations to clients. If a client were to inappropriately drawdown a LOC, the Company would offset its obligations against the amount drawn down, while seeking legal remedy for the unauthorised drawdown.

In addition to the letters of credit, the Company has established regulatory trust arrangements for certain cedents. As of 31 December 2024, collateral of US$674k (2023: US$10.4m) was provided to cedents in the form of regulatory trust accounts.

Premiums receivable from clients

The Company's reinsurance contracts include the right to offset losses against unpaid premium. The aggregate stop-loss agreement with GRL includes coverage for the risk of default by a client of the Company.

Commission adjustments on contracts with clients

On certain contracts, the client is paid a provisional commission which is adjusted at a pre-determined later date based on the actual losses incurred. The adjustment may result in commission becoming due back from the client. If the client is rated "A- Excellent" or higher by A.M. Best, collateral may not be requested. If the client is rated lower than "A- Excellent" or unrated, the client may be required to post collateral for the potential possible downward adjustment in commission.

Reinsurance intermediaries

Remittances payable and receivable under a reinsurance contract are typically made via a reinsurance intermediary. Usually, the contract specifies that payments by the insured to the reinsurer are deemed paid once the payment is received by the reinsurance intermediary, and payments made by the reinsurer to the insured are only deemed paid once the reinsurance intermediary has forwarded that payment to the insured.

The Company's exposure to intermediary counterparty risk is small owing to the following reasons:

- Payments are typically processed by intermediaries every month
- Payments are made on a net basis (premium less losses)
- The Company's business is primarily with large, well-established intermediaries.

The internal aggregate stop-loss includes coverage for the risk of default by an intermediary.

Claims funds with third party claims administrators

The Company will sometimes pre-fund claims accounts with third party claims administrators in order to make the claims payment process more efficient. Pre-funding amounts are restricted to 2-3 months of expected claims activity.

Prime brokers and Derivative counterparties

Prime brokerage is the generic name for a bundled package of services offered by investment banks and securities firms to professional investors needing the ability to borrow securities and cash. The prime broker provides a centralised securities clearing facility for the investor so the investor's collateral requirements are netted across all investments handled by the prime broker. The securities, commodities, and cash in SILP's investment portfolio are held with several prime brokers and derivative counterparties, subjecting SILP, and indirectly us, to the related credit risk from the possibility that one or more of them may default on their obligations. While the Company has no direct control over SILP, DME Advisors closely and regularly monitors the concentration of credit risk with each counterparty and, if necessary, transfers cash or securities between counterparties or requests collateral to diversify and mitigate credit risk.The securities, commodities, and cash in SILP's investment portfolio are held with several prime brokers and derivative counterparties, subjecting SILP, and indirectly us, to a significant concentration of credit risk.

C.4 Liquidity risk

The Company's invested assets are generally liquid. As of 31 December 2024, the majority of the Company's investments in SILP were valued based on quoted prices in active markets for identical assets (Level 1). Given the Company's value-oriented long and short investment strategy, if equity markets decline, the obligations for covering short positions should also decline. Any reduction in the short portfolio would reduce the need for restricted cash and thereby cash would be freed up to be used for any purpose. Additionally, since the majority of the Company's investments in SILP are liquid, even in distressed markets, the invested assets can be liquidated to generate cash to pay claims, hence mitigating any liquidity risk.

As of 31 December 2024, the Expected Profits In Future Premiums ("EPIFP") US$23,973 and does not impact the Company's liquidity risk.

C.5 Operational risk

Operational

The Company identifies and assesses the operational risk inherent in all core elements of its business strategy and model (as defined in the Company's Risk Appetite Statement), including related activities, processes, and systems. It is ensured that before new service offerings, activities, processes, and systems are introduced or undertaken, the operational risk inherent in them is subject to risk assessment procedures.

The Company mitigates operational risks by defining, documenting, and updating all relevant business processes. Operational risk is mitigated by following strict rules for the assignment of duties and responsibilities among and within the functions of the business and by operating a system of internal control and supervision that supports and enhances the Company's operational risk strategy. An important factor in the Company's operational risk mitigation strategy is the continual development, upgrading, review and assessment of strategic information and communication systems.

Operational Resilience Approach

- The Company has developed and maintains business continuity plans (BCP) to ensure the continuation of critical or important business services (CIS) during disruptions.
- The Company has an incident management response plan which is outlined within the BCP to facilitate an effective response to operational disruptions.
- Communication plans have been established within the BCP to ensure timely and effective communication with impacted stakeholders during disruptions.
- Lessons learned exercises will be conducted following the occurrence of an incident;
- Testing of the Company's Operational Resilience framework will be performed as outlined within the Company's BCP on an annual basis or as deemed necessary;
- Regular reviews of the operational resilience framework will be performed to ensure it remains effective and up to date; and
- Operational resilience activities and incidents will be reported to the Board via the Incident Log on a quarterly basis.

There were no material weaknesses identified in any of the operational risk categories.

C.6 Other material risks

Group Support

We rely upon the support of our parent company, GLRE, and our sister company, GRL, to pursue our business activities. The financial position of GRL remains strong. Proactive monitoring of the financial strength of the Group will continue with the Company monitoring its exposure to reinsurance recoverables from GRL.

Capital

GLRE is our source of capital. Capital is Tier 1 common equity.

Rating

A.M. Best provides the Group with a group rating that applies to both GRL and the Company. The group rating is mostly derived from GRL as it is a much larger company. In September 2024, the A.M. Best rating of the Company and its sister company, Greenlight Reinsurance Ltd. ("GRL") was re-affirmed at "A- Excellent" with a rating outlook of Positive.

Retrocession

The Company has two retrocession contracts with GRL and a number of retrocession contracts with non-affiliated retrocessionaires as discussed in Section C.1. Remittances under the reinsurance agreements are made quarterly. GRL is required to provide collateral for any reinsurance recoverables as follows:

- None if it has an A.M. Best rating of "A- Excellent" or higher;
- 50% collateralisation if it has an A.M Best rating of "B++ Very good" or "B+ Very good"; and
- 100% collateralisation if it has an A.M Best rating of "B Fair" or lower.

Services

From July 1, 2024 all existing staff in the Company transferred to Greenlight Re Ireland Services Limited (GRIS) in accordance with the CBI's Guidance on the U*se of Service Companies for Staffing Purposes in the Insurance Sector.* The Company and GRIS have entered into a Personnel Services Agreement through which GRIS commits to providing staff to the Company. The staff operate under the direction and control of the Company.

Group provides the Company with various services, including legal, underwriting, actuarial, reserving, marketing and IT. This arrangement is formalised in a Service Level Agreement.

C.7 Any other information

Anticipated/future risk exposures are not expected to be different from current exposures disclosed in Section C of this report (A.309(2)(a) of the SII Directive).

We use risk scenarios to stress our core underwriting (including reserving) and investment activities, counterparty recoverables and operational activities, in order to determine the impact on capital. Full details of the scenarios used and the impact on the Company's projected capital are set out in full in section E.1 of this report.

Risk scenarios

We use risk scenarios to stress our core underwriting (including reserving) and investment activities, counterparty recoverables and operational activities, in order to determine the impact on capital.

For the purposes of the scenarios, risks are divided into five categories:

1. Investing
2. Underwriting
3. Reserves
4. Counterparty
5. Operational

For each risk category, there are three stress levels:

1. No stress – expected risk levels
2. Adverse stress – 'unlikely but not remote' risk levels
3. Severe stress – 'remote' risk levels

Selected risk scenarios

There are six risk scenarios, comprising different combinations of stress factors, which are applied to the current and projected risk profiles.

<table>
<tr><th></th><th colspan="5">Stress Levels</th></tr>
<tr><th>Scenario</th><th>Investments</th><th>Underwriting</th><th>Reserves</th><th>Counterparty</th><th>Operational</th></tr>
<tr><td>1 (Base)</td><td colspan="5">None</td></tr>
<tr><td>2</td><td colspan="3">Adverse</td><td>None</td><td>Adverse</td></tr>
<tr><td>3</td><td>Severe</td><td colspan="4">None</td></tr>
<tr><td>4</td><td colspan="3">None</td><td>Adverse</td><td>None</td></tr>
<tr><td>5</td><td colspan="5">Adverse</td></tr>
<tr><td>6</td><td colspan="3">Severe</td><td>None</td><td>Severe</td></tr>
</table>

Scenario 1 is the three-year business plan, and it is aimed to have a SCR ratio in excess of 130% in each year. Scenarios 2, 3 and 4 represent scenarios where it is expected to have a SCR ratio in excess of 100% for the year in which the stress occurs.

In scenarios 5, which applies a stress to underwriting/reserving combined with a stress to counterparty recoverables, including a 10% write off of uncollateralised reinsurance recoverables whilst assuming a notch downgrade and the subsequent impact on the credit quality step (in addition to an adverse investment and operational stress), the SCR ratio is expected to be in excess of 100%.

In scenario 6, although a combined severe underwriting/reserving, investments, and operational stress, are applied it is expected to have an SCR ratio above 100% as a counterparty default stress is not applied.

The full stress is applied to each year individually in all of the above scenarios.

Selected stress factors

Risk scenarios and stress factors were chosen after internal dialogue with underwriters, actuaries, senior management, and directors. The Risk Committee meeting held on September 4, 2024, and the Board meeting held on October 2, 2024 discussed risk scenarios and stress factors in detail. The selection focused on historical Greenlight and industry performance (the Company has performed detailed analysis of historical underwriting and investment performance), combined with expert judgement.

Investments
Adverse: 15% loss to the Solasglas investment fund; 2% loss to net funds withheld (reflecting exposure of FAL book to rising interest rates); 0% loss to the cash portfolio.
Severe: 30% loss to the Solasglas investment fund; 4% loss to net funds withheld (reflecting exposure of FAL book to rising interest rates); 0% loss to the cash portfolio.

Underwriting
Adverse: A net composite ratio of 100% for the next 12 months, after internal quota share before Aggregate Stop Loss.
Severe: A net composite ratio of 150% for the next 12 months after internal reinsurance before Aggregate Stop Loss.

Reserves
Adverse: 10% deterioration in net reserves, before internal reinsurance.
Severe: 20% deterioration in net reserves, before internal reinsurance.

Example events that could lead to the severe losses chosen (reserves)
Historically the GRIL portfolio was primarily weighted towards US exposures with the Company taking the majority share in a lead market capacity. This strategy has evolved significantly over the past five years, with the Company writing a larger number of contracts on a subscription basis taking small shares in a following market capacity. The Company takes some comfort in the detailed review and oversight of reserves conducted by each lead market and the Company is less exposed to anti-selection risk.

The following table provides some context to the potential reserve deterioration.

Gross reserves

Gross reserves at 31/12/2024		251,986
10% deterioration in reserves		25,199
20% deterioration in net reserves		50,397
Historic reserve deterioration / (release)		
	2024	1,810
	2023	(1,843)
	2022	2,439
	2021	(9,760)
	2020	8,761
	2019	(4,742)
	2018	1,241

The aggregate stop loss (ASL) cover would be triggered in the event of a combined underwriting and reserve shock. This limits the exposure of the shock to 5% of the opening Shareholders Equity in the year.

Counterparty
Adverse: 10% credit loss in relation to uncollateralised reinsurance recoverables (GRL).
Severe: 20% credit loss in relation to uncollateralised reinsurance recoverables (GRL).

Operational
Adverse: US$500,000 additional expense due to operational failure.
Severe: US$1,000,000 additional expense due to operational failure.

Capital risk thresholds
Our capital risk appetite is to maintain a SCR coverage ratio in excess of 100% in going-concern scenarios. Under risk scenario 5 we may fall below 100%. This scenario is considered to be extreme as it contains a combination of adverse stresses including a counterparty default stress.

Dependencies between Risk Modules
The Company uses the Standard Formula model to calculate the SCR. The quantitative data necessary for determining the dependencies between risk modules and sub-modules of the BSCR are included in the model.

D. Valuation for Solvency Purposes

D.1 Assets

The Company's financial statements for the year ended 31 December 2024, are prepared in accordance with Generally Accepted Accounting Practice in Ireland "Irish GAAP", FRS 102 and FRS 103.

Assets held by the Company as at 31 December 2024 and 2023 were as follows:

Assets	2024			2023		
	GAAP Accounting Basis	SII Valuation Principles	Difference in Valuation	GAAP Accounting Basis	SII Valuation Principles	Difference in Valuation
	(US$ in thousands)			(US$ in thousands)		
Investments	28,829	28,829	—	26,053	26,053	—
Deposits other than cash equivalents	674	674	—	10,434	10,434	—
Reinsurance receivables	106,908	—	106,908	62,363	—	62,363
Reinsurance recoverables	264,809	155,571	109,238	206,920	134,041	72,880
Deposits to cedants	133,983	134,152	(169)	206,400	206,528	(129)
Cash & cash equivalents	8,322	8,356	(34)	6,501	6,525	(24)
Receivables (trade, not insurance)	232	232	—	1,378	1,378	—
Any other assets, not elsewhere shown	2,483	19	2,465	1,172	107	1,065
Deferred acquisition costs	(1,073)	—	(1,073)	(890)	—	(890)
Deferred tax assets	378	378	—	1,107	1,107	—
Total assets	545,547	328,212	217,335	521,437	386,174	135,135

Investments

As permitted by FRS 102, the Company has elected to apply the recognition and measurement provisions of International Accounting Standard 39, Financial Instruments: Recognition and Measurement, ("IAS 39"). The Company's financial instruments are carried at fair value, and all unrealised gains or losses are included in investment income in the statement of comprehensive income.

Deposits other than cash equivalents

The Company has established regulatory trust arrangements for certain cedents.

Reinsurance receivables

Amounts receivable from reinsurance operations are valued at settlement amount and reviewed for impairment under FRS 102. At 31 December 2024 there were no provisions required. These assets are reclassified to net technical provisions for Solvency II purposes and discounted at the risk-free rate to the present value.

Reinsurance recoverables

Reinsurance recoverables form part of the reinsurers share of technical provisions under Solvency II, and are covered under the technical provisions note below.

Receivables (trade, not insurance)

Trade receivables comprise of trade receivables and other sundry receivables not related to insurance. Under Solvency II and Irish GAAP these amounts are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at a non-US bank and cash and cash equivalents held with prime brokers. All cash equivalents have an original maturity of three months or less.

Other Assets

Other assets include profit commissions receivable, prepayments, accrued income and deposits to cedents. For Solvency II purposes, profit commissions receivable have been excluded from other assets as they form part of technical provisions. Under Solvency II and Irish GAAP these amounts are measured at fair value.

Deferred acquisition costs

Deferred acquisition costs are commissions and brokerage costs directly related to writing business. These costs are amortised over the term of the related contract. Under Solvency II valuation rules, these costs are not recognised an asset.

Deferred tax assets

Deferred tax assets are calculated on all timing differences that have originated but not reversed as of the date of the statement of financial position, where transactions or events result in an obligation to pay less tax in the future. These obligations are recalculated based on the Solvency II Balance Sheet which gives rise to a different deferred tax asset or liability. Deferred tax assets have been recognised on the basis that future taxable profits will be available against which these deferred tax assets can be utilised. The evidence for the future taxable profits is a forecast consistent with the operational plans prepared by the Company, which is subject to internal review and challenge. See Section D.3 for deferred tax liability recognised on Solvency II Balance Sheet.

D.2 Technical provisions

The technical provisions consist of the Best Estimate of the Liabilities and the Risk Margin. At 31 December 2024 the technical provisions split by line of business were:

Line of Business (SII)	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
		(US$ in thousands)		
Non-proportional marine, aviation and transport reinsurance	70,754	821	60,049	11,526
General liability insurance	27,571	197	22,131	5,637
Marine, aviation and transport insurance	23,092	725	19,059	4,758
Non-proportional property property	22,352	254	18,288	4,317
Fire and other damage to property insurance	33,350	211	30,578	2,983
Motor vehicle liability insurance	628	10	118	519
Medical expense insurance	1,519	8	1,024	503
Workers compensation insurance	758	5	604	159
Other motor insurance	106	1	20	87
Credit and suretyship insurance	293	3	231	65
Miscellaneous financial loss	12	—	10	3
Non-proportional casualty reinsurance	3,062	30	3,457	(365)
Total	**183,497**	**2,266**	**155,571**	**30,192**

** Any differences between totals and the individual items in the table above are due to rounding*

At 31 December 2023 the technical provisions split by line of business were:

Line of Business (SII)	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
		(US$ in thousands)		
General liability insurance	47,878	456	37,557	10,777
Fire and other damage to property insurance	52,750	372	42,633	10,489
Marine, aviation and transport insurance	37,362	608	29,504	8,465
Non-proportional marine, aviation and transport reinsurance	14,276	528	9,505	5,299
Motor vehicle liability insurance	5,010	68	1,920	3,159
Non-proportional property reinsurance	8,665	138	7,029	1,774
Medical expense insurance	2,710	16	1,686	1,040
Non-proportional casualty reinsurance	3,255	54	2,623	686
Other motor insurance	525	8	65	468
Workers compensation insurance	946	6	740	212
Miscellaneous financial loss	519	6	408	117
Credit and suretyship insurance	475	11	370	116
Total	**174,371**	**2,271**	**134,041**	**42,602**

** Any differences between totals and the individual items in the table above are due to rounding*

Technical provisions are calculated on a treaty-by-treaty basis. Future premium estimates are provided by the Company in accordance with the Company's calendarised plan, as used for budgeting, the Company's ORSA process and the premium volume measure in the Company's SCR calculation.

Motor vehicle liability insurance and other motor insurance is quota share reinsurance of US non-standard auto business. For US non-standard auto business the claim provisions were reviewed and validated by the Actuarial function using a variety of actuarial methods - Chain Ladder, Bornhuetter Ferguson, Cape Cod and Average Cost per Claim - applied to paid and incurred loss triangles, segmented by business line.

Marine, Aviation and Transport, Fire and other damage to Property insurance, General Liability insurance and Non-proportional Casualty reinsurance arise from a number of reinsurance treaties of multi-line insurance/reinsurance companies. The claim provisions are based on a combination of the losses reported by the cedants (including cedant estimates of IBNR), benchmark data and the Company's actuaries' view of the expected loss for these treaties. As the treaties mature more weight has been placed on the reported losses.

Non-proportional marine, aviation and transport reinsurance and non-proportional property reinsurance is characterised by large losses with short reporting delays and the claim provision is mainly based on reported claims. This business is written on both an open market basis and assumed indirectly through our FAL account.

Reserving for FAL business is based on the syndicate quarterly reports, supplemented by syndicate and market information, and validated by the Actuarial function.

As noted above, the Company has exposure through its FAL and Specialty books to the Russia Ukraine and Middle East conflicts. The Company has provided for potential claims arising from the conflicts on a best estimate basis, based on a comprehensive review of its exposure and management's views.

A loading for Events not in Data (ENID) is applied to the claim and premium reserves, and payables and receivables not past due are allocated to the technical provisions.

Risk Margin

The Risk Margin is in addition to the Best Estimate of Liabilities to ensure that the value of the technical provisions as a whole is equivalent to the amount that an insurance undertaking would be expected to require to take over and meet the insurance obligations of the Company.

The Company uses Method 1 listed in Guideline 62 of EIOPA's Guidelines on the valuation of technical provisions to calculate its risk margin; this is the most sophisticated of the simplifications permitted.

Difference in Bases of Valuation for Solvency Purposes and for the Financial Statements

The financial statement Irish GAAP reserves are used as the starting point for the claim provision.

The UPR in the financial statements is multiplied by the expected loss ratio (by treaty) to derive the premium provision in respect of written premium. Other adjustments included in the Solvency II technical provisions include:

- Inclusion of Written but not Incepted treaties;
- Inclusion of payables and receivables that are not past due, including future premiums;
- Addition of loading for ENID;
- Adjustment for retrocession default;
- Inclusion of profit commission reserve; and
- Discounting.

The Solvency II technical provisions are discounted at the EIOPA-prescribed risk-free interest rate.

Uncertainty associated with Best Estimate of Liabilities

Projections of future ultimate losses and loss expenses for claim provisions are subject to considerable uncertainty, particularly for liability classes. The losses are affected by many factors, including emergence of latent claims, or new types of claims, claims inflation, changes in court awards, legal judgements, and reporting delays. To the extent that these factors are present in the historical data (including benchmark data) they are allowed for in the projections; in other cases, an additional loading for ENID is added where appropriate.

Premium provisions are subject to greater uncertainty - in addition to the factors above which apply equally to premium provisions, the premium provisions relate to future exposure periods and so are exposed to loss events, including catastrophe events, fire, windstorm, flood, hail, freeze etc. An additional loading for ENID is added where appropriate.

Other sources of uncertainty include payments being faster or slower than expected, expenses being different than expected or failure of a retrocession counterparty.

Claims Provisions

The main risks to the Company's claim provisions are:
- The emergence of large losses;
- Deterioration of existing losses;
- Deterioration of reserves on existing treaties;
- Higher than expected losses arising from the Russia Ukraine conflict; and
- Higher inflation of that allowed for in the calculation of the technical provisions.

Premium Provisions

The main risks to the Company's premium provisions are:
- Catastrophes/large losses on catastrophe transactions;
- Higher inflation than expected
- Performance of the London market transactions being worse than expected.

Changes in Technical Provisions

There have been no material changes in the level of technical provisions other than organic changes as some treaties have run-off and other new business has been written or renewed. There have been no material changes in the relevant assumptions made in the calculation of the Technical Provisions compared to the calculation of Technical Provisions for the 2023 year-end.

Adjustments and Transitional Measures

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

Furthermore, the extrapolation of the risk-free interest rate term structure referred to in Article 77a of Directive 2009/138/EC is not applicable. Therefore, the assessments referred to in points (a), (b) and (c) of the first subparagraph of Article 44 of Directive 2009/138/EC were not necessary.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

Retrocession Recoverables

The recoverables from reinsurance (retrocession) contracts in the Technical Provisions are from a number of Quota Share treaties and are calculated by application of the ceded proportion.

D.3 Other liabilities

Other liabilities held by the Company as at 31 December 2024 were as follows:

Other Liabilities	2024 GAAP Accounting Basis	2024 SII Valuation Principles	2024 Difference in Valuation	2023 GAAP Accounting Basis	2023 SII Valuation Principles	2023 Difference in Valuation
	(US$ in thousands)			(US$ in thousands)		
Reinsurance payables	92,949	—	92,949	58,985	—	58,985
Payables (trade, not insurance)	904	904	—	—	—	—
Deposits from reinsurers	76,095	76,095	—	129,173	129,173	—
Deferred tax liability		752	(752)		613	(613)
Total other liabilities	**169,948**	**77,751**	**92,197**	**188,158**	**129,786**	**58,372**

** Other liabilities does not include Technical Provisions (see Section D2)*

Reinsurance payables

Reinsurance payables are reclassified to net technical provisions for Solvency II purposes, and discounted at the risk-free rate to the present value. Under Irish GAAP reinsurance payables are held at amortized cost.

Payables (trade, not insurance)

Trade payables comprise of trade accruals and other sundry payables not related to insurance. Under Solvency II and Irish GAAP these amounts are measured at fair value.

Deposits from reinsurers

Deposits from reinsurers comprise of funds withheld pledged as collateral on reinsurance arrangements. Under Solvency II and Irish GAAP these amounts are measured at fair value.

Deferred tax liability

Deferred tax liabilities are calculated on all timing differences that have originated but not reversed at the reporting date. These obligations are recalculated based on the Solvency II Balance Sheet and may give rise to an additional deferred tax asset or liability.

D.4 Alternative methods for valuation

The Company does not use any alternative methods for valuation.

D.5 Any other information for valuation

All material information regarding the Company’s valuation for solvency purposes is disclosed in the above sections.

E. Capital Management

E.1 Own funds

The Company’s ordinary share capital and share premium is owned by a single shareholder being the immediate and ultimate parent of the Company. There were no restrictions on the availability of the Company’s own funds to support the Solvency Capital Requirement (“SCR”) and Minimum Capital Requirement (“MCR”). Own funds comprises the following tier structure;

	Basic Own Funds 31 December 2024				
	Total	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
	(US$ in thousands)				
Ordinary share capital (gross of own shares)	10,000	10,000	—	—	—
Share premium account related to ordinary share capital	—	—	—	—	—
Share-based payment reserves	3,434	3,434	—	—	—
Reconciliation reserve	51,264	51,264	—	—	—
Forseeable dividends and distributions	—	—	—	—	—
An amount equal to the value of net deferred tax assets	—	—	—	—	—
Total Basic Own Funds	**64,699**	**64,699**	—	—	

	Basic Own Funds 31 December 2023				
	Total	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
	(US$ in thousands)				
Ordinary share capital (gross of own shares)	10,000	10,000	—	—	—
Share premium account related to ordinary share capital	70,500	70,500	—	—	—
Share-based payment reserves	2,910	2,910	—	—	—
Reconciliation reserve	(5,183)	(5,183)	—	—	—
Forseeable dividends and distributions	(20,000)	(20,000)			
An amount equal to the value of net deferred tax assets	494	—	—	—	494
Total Basic Own Funds	**58,721**	**58,227**	—	—	**494**

During the year ended 31 December 2024, US$524,227 (2023: US$602,776) of the group share based benefit expense was recognised in the Company’s equity as capital contribution from the parent.

There were no capital contributions (2023: US$0) received from Greenlight Capital Re, Ltd. in 2024.

The Company paid a dividend of US$20m during 2024 (2023: US$0).

The total eligible amount of basic own funds to cover the SCR and MCR is as follows:

	2024		2023	
	SCR	MCR	SCR	MCR
	(US$ in thousands)		(US$ in thousands)	
Capital Requirement	39,739	9,935	39,367	9,842
Basic Own Funds	64,699	64,699	58,721	58,227
Surplus capital	24,960	54,764	19,354	48,385
Solvency cover	163%	651%	149%	592%

The reconciliation between equity in the financial statements and the basic own funds for solvency purposes, as at 31 December 2024 and 2023, is presented in the following tables:

Reconciliation between Equity & Basic Own Funds	**2024**	**2023**
	(US$ in thousands)	
Ordinary share capital (net of own shares)	10,000	10,000
Share premium account related to ordinary share capital	—	70,500
Share-based payment reserves	3,434	2,910
Surplus funds	46,002	(8,982)
Total equity in the financial statements	**59,436**	**74,428**
Differences in valuation of technical provisions	**6,014**	**4,906**
Differences in valuation of deferred tax liability	**(752)**	**(613)**
Forseeable dividends and distributions	—	(20,000)
Total differences	**5,262**	**(15,707)**
Total basic own funds under Solvency II	**64,699**	**58,721**

There are no restrictions on the availability of the Company's own funds and no deductions have been applied. The Company does not hold any ancillary own funds and none of the Company's basic own funds are subject to transitional arrangements. The Company does not plan any material changes in the make-up of it's own funds over the future planning period. The Company paid a dividend of US$20m to its parent, Greenlight Capital Re, Ltd. in 2024 (2023: US$0).

E.2 Solvency Capital Requirement and Minimum Capital Requirement

As at 31 December 2024, the Company has an SCR of US$39.7m and MCR of US$9.9m. The Company has used EIOPA's Solvency II Standard Formula in determining the calculation of the SCR. The following table comprises the components of the SCR as at 31 December 2024 and 2023:

Components of the SCR:	**2024** (US$ in thousands)	**2023** (US$ in thousands)
Market risk	**13,339**	**13,401**
Health underwriting	**96**	**196**
Non-Life underwriting	**18,491**	**17,026**
Counterparty default risk	**13,607**	**14,839**
Overall diversification effect	**(11,299)**	**(11,423)**
Basic SCR	**34,234**	**34,039**
Operational risk	**5,505**	**5,328**
Loss-absorbing capacity of deferred taxes	—	—
SCR	**39,739**	**39,367**

The Company uses the Standard Formula calculation as the basis for calculating capital requirements having reviewed the assumptions underlying the formula and assessed them to be appropriate for the Company. The Company has not used any simplified calculations or applied any Company specific parameters, and there were no capital add-ons requiring justification by the CBI.

The SCR has increased from US$39.4m at 31 December 2023 to US$39.7m at 31 December 2024. The non-life risk charge has increased marginally by US$1.5m. The counterparty risk charge has decreased by US$(1.2)m primarily due to the run-off of the FAL business.

The table below shows the inputs into the MCR calculation and the Absolute Floor of the Minimum Capital Requirement ("AMCR") 31 December 2024 and 2023:

	2024 (US$ in thousands)	**Parameters % of SCR**	**2023** (US$ in thousands)	**Parameters % of SCR**
AMCR	4,038		4,125	
Cap	17,883	45%	17,715	45%
Floor	9,935	25%	9,842	25%
MCR	9,935		9,842	

The AMCR is the US$ equivalent of $4.0m, as defined for reinsurance undertakings in Article 129 (1d) (iii) of the Solvency II Directive. The MCR is the result of a specified linear formula subject to a floor of 25% and a cap of 45% of the SCR calculated based on the standard formula model. As at 31 December 2024, the Company's MCR is equal to the floor of the linear formula, being 25% of the

SCR (2023: 25%).

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

The Company does not use the duration-based equity risk sub-module in the calculation of the SCR.

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

The Company applies the Standard Formula model and does not use an internal model to calculate the SCR.

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

The Company has been continuously compliant with both the MCR and the SCR throughout the reporting period. The Company has reviewed the possibility of non-compliance under several stresses in Section C.7. In all non-runoff scenarios the Company's SCR and MCR remains in excess of 100%.

E.6 Any other information on capital management

Risks not covered by the Standard Formula Model

While the Company feels that all material quantifiable risks are fully covered in the Standard Formula, certain underlying assumptions within the Formula may not accurately reflect the risk profile of the Company. The most material differences that impact the Standard Formula are:

- Whole-account aggregate stop-loss - cannot be applied under the Standard Formula in a manner which reflects the commercial effect.
- Long-short equity investments - no credit is given for short positions or the ability to reallocate to other securities (such as cash or bonds) in a short timeframe.
- Funds withheld treatment - counterparty credit exposure to GRL is mitigated by the funds withheld nature of our FAL business, where we do not pay any reinsurance premium to GRL until the conclusion of the contract.

All other material information on capital management has been disclosed.

F. Public Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	378
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	29,504
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	676
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	676
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	28,153
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	674
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	155,571
Non-life and health similar to non-life	**R0280**	155,571
Non-life excluding health	**R0290**	153,943
Health similar to non-life	**R0300**	1,628
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	134,152
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	232
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	8,356
Any other assets, not elsewhere shown	**R0420**	19
Total assets	**R0500**	328,212

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	185,763
Technical provisions – non-life (excluding health)	**R0520**	183,473
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	181,220
Risk margin	**R0550**	2,253
Technical provisions - health (similar to non-life)	**R0560**	2,290
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	2,277
Risk margin	**R0590**	13
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	76,095
Deferred tax liabilities	**R0780**	752
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	904
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	263,514
Excess of assets over liabilities	**R1000**	64,699

Annex I
S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries: non-life				
			C0011	C0012	C0013	C0014	C0015
	R0010		GB	AE	SG	US	BM
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020						
Gross Written Premium (proportional reinsurance)	R0021	1,857	23,686	31,554	19,269	15,408	7,131
Gross Written Premium (non-proportional reinsurance)	R0022	1,769	33,219	122		2,335	2,496
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030						
Gross Earned Premium (proportional reinsurance)	R0031	3,423	21,431	18,264	18,840	11,218	4,832
Gross Earned Premium (non-proportional reinsurance)	R0032	1,752	30,900	206		3,890	930
Claims incurred (gross)							
Claims incurred (direct)	R0040						
Claims incurred (proportional reinsurance)	R0041	1,833	11,864	11,987	14,745	8,214	3,422
Claims incurred (non-proportional reinsurance)	R0042	815	46,035	203		11,046	567
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050						
Gross Expenses Incurred (proportional reinsurance)	R0051	1,299	7,663	5,250	5,200	5,560	915
Gross Expenses Incurred (non-proportional reinsurance)	R0052	205	2,695	0		275	114

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**									Line of business for: **accepted non-proportional reinsurance**			Total
		Medical expense insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation, transport	Property	
		C0010	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0120**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written														
Gross - Direct Business	**R0110**													
Gross - Proportional reinsurance accepted	**R0120**	-3	5	417	0	72,377	31,537	11,124	4	63				115,524
Gross - Non-proportional reinsurance accepted	**R0130**										1,802	42,502	7,537	51,841
Reinsurers' share	**R0140**	-10	4	334	0	61,805	28,317	8,912	3	51	1,464	36,188	6,056	143,124
Net	**R0200**	7	1	82	0	10,572	3,221	2,212	1	13	338	6,314	1,481	24,242
Premiums earned														
Gross - Direct Business	**R0210**													
Gross - Proportional reinsurance accepted	**R0220**	-7	5	417	0	55,184	26,541	13,509	4	63				95,716
Gross - Non-proportional reinsurance accepted	**R0230**										1,811	39,990	7,075	48,875
Reinsurers' share	**R0240**	-13	4	334	0	46,586	24,259	10,820	3	51	1,471	34,192	5,686	123,392
Net	**R0300**	6	1	82	0	8,598	2,282	2,689	1	13	340	5,798	1,389	21,198
Claims incurred														
Gross - Direct Business	**R0310**													
Gross - Proportional reinsurance accepted	**R0320**	-558	20	59	-104	46,743	22,870	4,982	42	-32				74,021
Gross - Non-proportional reinsurance accepted	**R0330**										2,303	56,097	9,362	67,762
Reinsurers' share	**R0340**	-62	16	241	-51	38,791	20,706	4,644	34	-26	1,842	49,292	7,490	122,917
Net	**R0400**	-496	4	-183	-52	7,952	2,164	337	8	-6	460	6,805	1,872	18,866
Expenses incurred	**R0550**	186	1	-8	-21	2,499	470	1,423	-3	14	67	999	310	5,937
Balance - other technical expenses/income	**R1200**													
Total expenses	**R1300**													5,937

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Accepted non-proportional reinsurance			
		Medical expense insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0130**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**													
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**													
Technical provisions calculated as a sum of BE and RM														
Best estimate														
Premium provisions														
Gross	**R0060**	1	0			-16,723	-13,823	-1,018	0		-1,050	-12,990	-569	-46,171
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-2	-1	-2	0	-11,605	-12,950	-772	0	0	-751	-11,446	-446	-37,976
Net Best Estimate of Premium Provisions	**R0150**	3	1	2	0	-5,118	-873	-246	1	0	-299	-1,544	-123	-8,195
Claims provisions														
Gross	**R0160**	1,518	758	628	106	39,815	47,173	28,589	293	12	4,113	83,744	22,921	229,668
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	1,026	606	121	21	30,664	43,528	22,903	232	10	4,208	71,495	18,734	193,547
Net Best Estimate of Claims Provisions	**R0250**	492	153	507	85	9,150	3,644	5,686	61	2	-96	12,249	4,187	36,121
Total Best estimate - gross	**R0260**	1,519	758	628	106	23,092	33,350	27,571	293	12	3,062	70,754	22,352	183,497
Total Best estimate - net	**R0270**	495	154	509	85	4,033	2,772	5,440	62	2	-395	10,705	4,063	27,926
Risk margin	**R0280**	8	5	10	1	725	211	197	3	0	30	821	254	2,266
Technical provisions - total														
Technical provisions - total	**R0320**	1,526	763	637	107	23,817	33,561	27,768	296	12	3,093	71,575	22,606	185,763
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	1,024	604	118	20	19,059	30,578	22,131	231	10	3,457	60,049	18,288	155,571
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	503	159	519	87	4,758	2,983	5,637	65	3	-365	11,526	4,317	30,192

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

							Development year									
	Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**			**In Current year**	**Sum of years (cumulative)**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**			**C0170**	**C0180**
Prior	**R0100**											3,584		**R0100**	3,584	227,094
2015	**R0160**	6,217	27,202	8,404	4,389	3,265	-1,254	243	49	26	10			**R0160**	10	48,551
2016	**R0170**	8,477	34,823	10,422	4,267	36	240	58	13	25				**R0170**	25	58,362
2017	**R0180**	4,815	23,196	44,313	10,490	3,298	853	180	106					**R0180**	106	87,250
2018	**R0190**	2,551	7,207	11,636	4,403	4,232	4,280	3,651						**R0190**	3,651	37,960
2019	**R0200**	3,037	13,530	10,113	6,578	223	737							**R0200**	737	34,219
2020	**R0210**	3,743	21,839	14,066	6,834	923								**R0210**	923	47,404
2021	**R0220**	6,504	25,270	38,692	33,758									**R0220**	33,758	104,224
2022	**R0230**	2,924	34,788	52,406										**R0230**	52,406	90,118
2023	**R0240**	424	8,188											**R0240**	8,188	8,612
2024	**R0250**	1,366												**R0250**	1,366	1,366
													Total	**R0260**	104,756	745,161

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

							Development year								
	Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**			**Year end (discounted data)**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**			**C0360**
Prior	**R0100**											3,231		**R0100**	3,114
2015	**R0160**		17,351	11,977	3,033	2,603	1,476	504	471	459	221			**R0160**	216
2016	**R0170**	16,344	26,567	4,022	5,104	3,103	314	300	310	-5				**R0170**	-5
2017	**R0180**	13,071	10,565	17,722	12,853	8,089	6,987	3,552	1,424					**R0180**	1,405
2018	**R0190**	8,333	15,484	20,938	18,468	6,578	7,723	6,380						**R0190**	5,989
2019	**R0200**	6,619	14,950	8,166	2,189	2,078	2,484							**R0200**	2,324
2020	**R0210**	13,594	21,578	13,664	4,317	3,658								**R0210**	3,558
2021	**R0220**	56,177	79,455	51,057	23,955									**R0220**	23,440
2022	**R0230**	83,353	120,636	101,227										**R0230**	99,104
2023	**R0240**	15,444	44,494											**R0240**	43,155
2024	**R0250**	48,882												**R0250**	47,368
													Total	**R0260**	229,668

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	10,000	10,000			
Share premium account related to ordinary share capital	**R0030**	3,434	3,434			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	51,264	51,264			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	64,699	64,699			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	64,699	64,699			
Total available own funds to meet the MCR	**R0510**	64,699	64,699			
Total eligible own funds to meet the SCR	**R0540**	64,699	64,699			
Total eligible own funds to meet the MCR	**R0550**	64,699	64,699			
SCR	**R0580**	39,739				
MCR	**R0600**	9,935				
Ratio of Eligible own funds to SCR	**R0620**	162.81%				
Ratio of Eligible own funds to MCR	**R0640**	651.23%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	64,699
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	13,434
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced fu	**R0740**	
Reconciliation reserve	**R0760**	51,264
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	23,973
Total Expected profits included in future premiums (EPIFP)	**R0790**	23,973

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	13,339		
Counterparty default risk	**R0020**	13,607		
Life underwriting risk	**R0030**			
Health underwriting risk	**R0040**	96		
Non-life underwriting risk	**R0050**	18,491		
Diversification	**R0060**	-11,299		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	34,234		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	5,505
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	39,739
Capital add-on already set	**R0210**	
of which, capital add-ons already set - Article 37 (1) Type a	**R0211**	
of which, capital add-ons already set - Article 37 (1) Type b	**R0212**	
of which, capital add-ons already set - Article 37 (1) Type c	**R0213**	
of which, capital add-ons already set - Article 37 (1) Type d	**R0214**	
Solvency capital requirement	**R0220**	39,739
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	2 - No

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		**C0130**
LAC DT	**R0640**	
LAC DT justified by reversion of deferred tax liabilities	**R0650**	
LAC DT justified by reference to probable future taxable economic profit	**R0660**	
LAC DT justified by carry back, current year	**R0670**	
LAC DT justified by carry back, future years	**R0680**	
Maximum LAC DT	**R0690**	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	**R0010**	7,398

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	**Net (of reinsurance) written premiums in the last 12 months**
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	495	7
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**	154	1
Motor vehicle liability insurance and proportional reinsurance	**R0050**	509	82
Other motor insurance and proportional reinsurance	**R0060**	85	
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	4,033	10,572
Fire and other damage to property insurance and proportional reinsurance	**R0080**	2,772	3,221
General liability insurance and proportional reinsurance	**R0090**	5,440	2,212
Credit and suretyship insurance and proportional reinsurance	**R0100**	62	1
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	2	13
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		338
Non-proportional marine, aviation and transport reinsurance	**R0160**	10,705	6,314
Non-proportional property reinsurance	**R0170**	4,063	1,481

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

Total capital at risk for all life (re)insurance obligations

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

Overall MCR calculation

		C0070
Linear MCR	**R0300**	7,398
SCR	**R0310**	39,739
MCR cap	**R0320**	17,883
MCR floor	**R0330**	9,935
Combined MCR	**R0340**	9,935
Absolute floor of the MCR	**R0350**	4,038
Minimum Capital Requirement	**R0400**	9,935