



SOMERSET

REINSURANCE

Financial Condition Report
For the Year-Ended 31 December 2025

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1. EXECUTIVE SUMMARY

This document is the Financial Condition Report (**FCR** or **Report**) of Somerset Reinsurance Ltd. (the **Company** or **Somerset Re**) for the year ended 31 December 2025. This Report was produced in accordance with the requirements set out in the Insurance (Public Disclosure) Rules 2015 (the **Rules**). Set out below is a summary of the key information provided in this Report:

- **Company overview** – The Company was incorporated in Bermuda on 18 September 2014 and licensed as a Class E insurer by the Bermuda Monetary Authority (**BMA**) on 12 December 2014 to write long-term (life) reinsurance. The Company is an Irish tax resident company.
- **Business** – The Company seeks to reinsure asset-intensive life and annuity business, including whole life, interest-sensitive life, paid-up life and universal life, fixed deferred and equity-indexed deferred annuities, immediate annuities, structured settlements and pension businesses, which are expected to have predictable product liability cash flows. Other business that may be considered, to a limited degree, includes stand-alone mortality risk and financial and capital relief reinsurance coverages (together referred to as structured reinsurance solutions). Our focus is on writing reinsurance business, integrating our actuarial, investments, structuring and capital markets expertise to deliver reinsurance and capital management solutions for companies that look to manage risk levels and capital requirements.
- **Performance** – To date, the Company has successfully executed 26 transactions, bringing total long term insurance liabilities (**EBS BEL**) to ~\$20 billion as of 31 December 2025. In 2025 Somerset Re received an upgrade in its rating with A.M. Best from A- Positive to A Stable, maintained its A rating with Kroll Bond Rating Agency (**KBRA**) with a “stable” outlook and its BBB+ rating with Standard & Poor’s (**S&P**) with a “positive” outlook.
- **Governance Structure** – The Board of Directors of the Company (**Board**) is committed to establishing and maintaining a sound corporate governance and risk management framework having regard to principles of corporate discipline, accountability, responsibility, compliance and oversight. Throughout the course of 2025 the Company continued to enhance its governance and enterprise risk management frameworks to ensure these remain appropriate given the Company’s size and complexity.
- **Material Outsourcing** – Effective 1 April 2025, employees (including executive and senior management) of Somerset Re were transferred to Somerset Service Ltd. (**SSL**), an affiliate of the Company licensed as an insurance manager and regulated by the BMA. SSL provides certain insurance management services to entities within the Somerset group including Somerset Re. The services provided by SSL include operational functions such as actuarial, risk management, underwriting, compliance, legal, finance, investments management and internal audit pursuant to the terms of a service agreement.
- **Risk Profile** – The Company manages a range of risks typical to life insurers/reinsurers, including strategy, financial, investment, asset liability management, insurance and operational risk. To this end, the Board has formalized a risk appetite framework and risk reporting mechanisms to clearly articulate the Company’s interest to take, mitigate or avoid risk, using quantitative and qualitative factors which align to the strategic objectives set out in the business plan.
- **Solvency** – The Company assesses its regulatory capital in line with the BMA’s Economic Balance Sheet regime, hence, the results shown in this Report are in line with that basis. The Company remains well capitalized.

- **Capital management** – The Company’s Bermuda Solvency Capital Requirement (**BSCR**) ratio for the year ending 2025 is 256% (2024: 228%).

2. BUSINESS AND PERFORMANCE

Business Profile

Somerset Re is a trusted reinsurance partner with a proven track record over the past decade of executing multi-billion dollar reinsurance transactions that help life insurance and annuity companies optimize capital, improve profitability, and manage long-term risks. With ~\$22B in assets under management, strong ratings and a robust investment philosophy centered around asset strategies tailored to well understood liabilities, Somerset Re delivers new business flow, inforce management and capital-motivated solutions to insurers globally.

Somerset Re’s client-centric model and platform flexibility prioritize client needs, enabling close collaboration to structure transactions aligned with their strategic objectives, regulatory environment, and risk appetite.

With deep actuarial expertise and an investment approach aligned to liability profiles, Somerset Re manages assets to support long-term obligations while optimizing risk-adjusted returns. The Company leverages a manager-of-managers model, engaging best-in-class asset managers across public and private markets to deliver diversified, high-quality portfolios.

Somerset Re has built a strong track record of execution across a wide range of transaction types and counterparties, supporting both new business flow and in-force blocks across life and annuity products. Its relationship-driven approach emphasizes long-term partnerships, repeat transactions, and consistent delivery across market cycles.

Recognized for its innovation and execution capabilities, Somerset Re was ranked #1 in Business Capability Index in the asset-intensive segment by NMG Consulting’s 2025 U.S. Structured Financial Solutions study.

Key Metrics

~\$22B Assets Under Management	A / A / BBB+ Ratings by A.M. Best, KBRA and S&P
26 Transactions Completed	18 Global Insurance Clients

a. Name of Insurer

Somerset Reinsurance Ltd.

b. Insurance Supervisor

Bermuda Monetary Authority
BMA House
43 Victoria Street, Hamilton
Bermuda

c. Approved Auditor

IFRS and Statutory Reporting
Deloitte Ltd.
20 Church Street
Hamilton HM 08
Bermuda

d. Ownership Details

The Company is wholly-owned by Somerset Holdings International Ltd. (SHIL), a Bermuda exempted company. SHIL is majority owned by certain Aquarian entities and other minority shareholders.

e. Group Structure

The group structure chart at 31 December 2025 is shown in the Appendix.

The Company focuses on writing reinsurance business only, integrating actuarial and capital markets expertise to deliver reinsurance and capital management solutions for companies that look to improve capital efficiency. Somerset Re blends strong capital markets, investments and insurance skills with a disciplined risk management process. The Company holds a Financial Strength Rating of an A rating with a Stable Outlook with A.M. Best, BBB+ with S&P with a Positive Outlook and an A rating with a Stable Outlook with KBRA.

f. Insurance Business Written by Business Segment and by Geographical Region

The Company's current treaty reinsurance coverage is all placed from the United States and is long-term (life) business. This includes both life and annuity business. Gross premiums written were \$5.4 billion in 2025. Somerset Re's existing business is 51% annuity, 44% life, 4% longevity and 1% asset only.

g. Performance of Investments, Material Income and Expenses Incurred

Performance of Investments for the Reporting Period

i. Overview

The Company invests in a combination of high quality diversified fixed income securities (fixed income bonds, mortgage-backed securities and asset-backed securities) and a diversified alternative investment portfolio. The Company's diversified alternative investment portfolio is expected to have a low level of correlation with the fixed income market. The investment thesis for the combined approach seeks to reduce overall systemic market risk.

ii. Performance

2025 investment highlights are as follows:

(\$000)	YE2025	YE2024
Investment Assets (total)	3,010,263	2,059,993
Corporate Bond Securities	1,785,440	830,568

Asset Backed Securities	455,813	916,104
Commercial Mortgage Backed Securities	162,550	128,393
Other Equities	83,469	63,848
Municipal Securities	177,816	46,902
Residential Mortgage Backed Securities	48,243	36,254
Private Loans	33,840	5,195
Preferred Shares	3,084	3,721
US Government and Government Agency	196,497	27,349
Non-US Government and Supranationals	20,530	1,659
Derivatives	42,981	0
Funds Held Assets	18,675,212	14,144,736
Total Assets Under Management	21,685,475	16,204,729

During 2025 the investment portfolio grew in alignment with new business written, with that growth split between assets held directly on Somerset's balance sheet and growth in funds withheld assets. Total investment income inclusive of funds withheld assets and net of liability interest accretion resulted in \$84 million in P&L impact in 2025 (\$15 million in 2024).

Material Income and Expenses for the Reporting Period

The Company's main revenue sources are insurance revenues, net investment income and finance income. The Company's major expenses arise from insurance service expenses, namely incurred claims and expenses.

(\$000)	YE2025	YE2024
Insurance Revenues	491,306	408,149
Insurance Service Expenses	(437,334)	(292,777)
Net income/(expenses) from reinsurance	40,695	-
Net Investment Income	86,438	3,128
Net Insurance Finance Income / (Expenses)	(2,619)	12,186
Other Income / (Expenses)	(6,905)	(6,672)
Income Tax Expense	(18,676)	(15,234)
Net Profit (Loss)	152,905	108,780

h. Any Other Material Information

No other material information to report.

3. GOVERNANCE STRUCTURE

The Company's key operational functions are outsourced to SSL as the Company's Insurance Manager. In addition, the Company's executive and senior management are employed by SSL. The Board retains oversight and accountability for all outsourced functions.

Roles, responsibilities and accountabilities for decision-making are structured so that the Company manages and controls risks in line with the 'Three Lines of Defense' principles, with supervision of these activities by the Board or its committees, thereby achieving effective segregation of duties. In particular:

- The first line of defense is responsible for the execution of the Board's strategy and for taking business and management decisions.
- The second line of defense has responsibility for oversight and focuses on monitoring, challenging and providing insight to business functions using risk management tools and procedures. The Risk and Compliance functions reside within the second line of defense and are led by the Chief Risk Officer and the Head of Compliance, respectively. Both report to the Executive Risk Committee (a management committee) and to the Board Risk and Capital Committee and the Board Audit Committee, respectively.
- The third line of defense is provided by Internal Audit, an independent assurance function that evaluates and opines on the adequacy and effectiveness of both first and second line risk management approaches and tracks remediation progress. The Internal Audit Leader reports directly to the Chair of the Board Audit Committee and has unfettered access to the Board.

The Board provides overall oversight and direction to the implementation of the Company's enterprise risk management framework.

Board and Board Committees

The Board is comprised of eight members, four of which are independent non-executive directors (**INEDs**). Directors are selected and appointed based on their relevant skills, qualifications and industry experience. The Board's responsibilities are outlined in the Company's Bye-laws and its Board Charter and Terms of Reference.

To assist the Board in fulfilling its responsibilities, it has established the following Board Committees:



Following is a summary of the purpose of each Board Committee:

- **Audit Committee (Board AC)** – The Board AC assists the Board in its oversight of the integrity of the Company's financial statements and financial reporting process, the Company's compliance with legal and regulatory requirements, the system of internal controls, the audit process, the performance of the Company's Internal Audit Leader and the performance, qualification and independence of the Company's independent auditors.
- **Investments Committee (Board IC)** – The primary purpose of the Board IC is to oversee the governance of investment strategy and performance.
- **Risk and Capital Committee (Board RCC)** – The primary purpose of the Board RCC is to identify and oversee the governance of significant risks and capital adequacy throughout the Company and the establishment and ongoing monitoring of the Company's risk profile, risk capacity and risk appetite.
- **Nomination and Governance Committee (Board NGC)** – The Board NGC assists the Board in its oversight of the Company's corporate governance processes, and in ensuring the Company has suitable directors and executive management to oversee and implement the business strategy of the Company.

Each of the INEDs serves as a Chair of a Board Committee. The respective Chairs are responsible for the effective operation of the Committees and the fulfilment of their mandates as formally defined in the respective Committee Charters.

Management Committees

The Company has established management committees, including the Executive Risk Committee, Investment Committee and Underwriting Policy Compliance Committee, to support the Chief Executive Officer (CEO), senior management and key function holders in fulfilling their responsibilities and executing the Board's strategy.

Following is an overview of the management committees:

Committee	Responsibilities
Executive Risk Committee (ERC)	The ERC is responsible for reviewing the Company's risk assessment results, evaluating compliance with risk limits and preferences, and regularly discussing improvements to the Company's enterprise risk management framework
(Executive) Investment Committee (EIC)	The EIC is responsible for evaluating the current and prospective investment risk and return profiles, including portfolio liquidity and capital at risk exposures.
Underwriting Policy Compliance Committee (UPCC)	The UPCC is responsible for reviewing management recommendations regarding all new reinsurance agreements and determining whether such recommendations are in compliance with the Company's risk policy and underwriting guidelines and procedures.

The roles and responsibilities of each of the foregoing management committees is described in their respective charters, which are regularly reviewed to ensure they remain appropriate.

a. Board and Senior Executive

i. Board and Senior Executive Structure, Role, Responsibilities.

The Board meets at least quarterly to execute its oversight responsibilities. This includes establishing the Company's risk appetite and taking decisions regarding matters of strategic importance. In line with the vision and with the assistance of the committees and senior management in the corporate strategic planning exercise, the Board establishes the corporate/business strategy and objectives taking into account the interest of all stakeholders, including policyholders and shareholders.

The Board considers the relevant legal, regulatory and supervisory requirements within which the Company operates. The strategy and objectives provide the business with sufficient guidelines for formulating goals for each unit, designing policies and procedures and for acquiring and allocating the resources needed to attain those objectives.

The Board has delegated responsibility for day-to-day management of the Company in accordance with the strategy, objectives and policies set by the Board to the CEO.

Other members of executive and senior management, which include the Chief Financial Officer, Chief Investment Officer, Chief Underwriting Officer, Chief Legal Officer, Chief Risk Officer, Chief Actuary and Head of New Business Development, assist the CEO in the exercise of his responsibilities. See the section on 'Management Committees' above and the biographies for executive and senior management below.

ii. Remuneration Policy

The Company has adopted a remuneration policy that provides for fixed base salary along with an annual discretionary and performance-based bonus which varies in accordance with both the Company's and individual's performance. Additionally, the Company offers long-term incentive awards of share options and restricted shares to eligible employees to motivate and incentivise employees and align remuneration with the interests of the Company's stakeholders.

The INEDs are remunerated by means of an annual base fee that is fixed and does not vary based on business performance. The remaining members of the Board do not receive a fee. The Directors do not receive bonuses or stock options except for the CEO who may receive these as part of his compensation package. Members of the Company's management are not additionally compensated for their roles as members of the Board.

Directors are entitled to receive reimbursement for their expenses incurred in the performance of their services. Further, Directors are provided with Directors and Officers insurance for the period during which they undertake their duties.

The CEO and Chief Financial Officer, working with external independent consultants, conduct periodic industry reviews of compensation policy and levels and reviews results with the Board NGC to ensure remuneration is appropriate and in line with the desired risk profile and the performance of the Company.

The Board NGC is responsible for oversight of the Company's remuneration program.

iii. **Pension or Early Retirement Schemes for Members, Board and Senior Employees**

The Company has four employees and provides them with pension benefits through a defined contribution plan. SSL, as the employer of the remaining Somerset employees, has a pension scheme and provides all employees with pension benefits.

iv. **Material Transactions with Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executive**

On 30 December 2022, by virtue of his interest as the ultimate controller of Aquarian, Rudrabhishek Sahay became a significant shareholder controller of the Company. Mr. Sahay is also non-executive Chairman of the Board.

Somerset has a strategic relationship with affiliates of Aquarian. The Company is party to, or indirectly benefits from, certain service and advisory agreements with Aquarian (or its affiliates). In particular, the Company has entered into an investment advisory agreement with Aquarian Holdings Investment Management LLC (**AHIM**) for asset management and investment expertise. We expect the strategic relationship with AHIM to continue for the foreseeable future.

b. **Fitness and Proprietary Requirements**

i. **Fit and Proper Process in assessing the Board and Senior Executive**

Among its responsibilities, the Board NGC is responsible for identifying and recommending director nominees and ensuring members of the Board and Board Committees are fit and proper to perform their duties. The process for reviewing a potential candidate's fitness and propriety includes an assessment of his / her (i) honesty, integrity and reputation; and (ii) financial soundness. Any new Director or member of executive management must be appointed only with approval by the Board, in line with the provisions in the Company's Bye-laws and after satisfying the fit and proper assessment.

Directors are required to complete an annual fit and proper self-certification.

Function and business unit heads are authorized to hire middle management and other staff to ensure there is sufficient expertise to achieve their respective objectives and responsibilities.

ii. **Professional Qualifications, Skills and Expertise of the Board and Senior Executives**

Board

The Board is comprised of the following individuals:

Company Board Members¹	
Rudrabhishek Sahay	Non-Executive Chairman
Tom Barry	Independent Non-Executive Director
Enda Murphy	Independent Non-Executive Director
Joan Collins	Independent Non-Executive Director
Curtis Dickinson	Independent Non-Executive Director
John Frye	Aquarian Director (appointed effective 23 September 2025)
Zachary Anshutz	Aquarian Director (appointed effective 11 March 2025)
Danish Iqbal	Executive Director (effective 31 August 2025)

¹ Stephen Robb resigned as a Director effective 20 August 2025; Jeffrey Burt resigned as a Director effective 26 August 2025.

Rudrabhishek Sahay
Non-Executive Chairman

Mr. Sahay is the Founder and Managing Partner of Aquarian. Previously, Mr. Sahay was Co-Founder, Senior Partner, and an owner of 54 Madison Partners LLC. Before 54 Madison, he was a Senior Partner of Cain Hoy Enterprises, a private investment company, where he focused on real estate investments. Before Cain Hoy, Mr. Sahay was a founding member of the Principal Investment group at Guggenheim Partners, LLC (Guggenheim Partners), a diversified financial services firm with over \$270 billion in assets under management. In this capacity, Mr. Sahay completed over \$3 billion in private equity transactions, almost all in the insurance industry. Mr. Sahay was involved with the creation, acquisition or oversight of six different insurance companies, managing in excess of \$100 billion in assets. He was also involved with identifying and structuring investments for the insurance company balance sheets to maximize capital efficiency.

Mr. Sahay was also the Co-Head of Guggenheim Partners' Growth Equity platform and was a founding member of Guggenheim Partners' Real Estate Private Equity business, where he completed nearly \$1 billion in real estate development and financing. Prior to joining Guggenheim Partners, Mr. Sahay worked with H.I.G. Capital (H.I.G.), a private investment firm with over \$35 billion in assets under management. While at H.I.G., Mr. Sahay was responsible for transaction execution, portfolio management and deal origination. At H.I.G., he served as a member of the Board of Directors of Stant USA, a diversified Tier 1 automotive parts manufacturer of cooling and fuel systems.

In addition, Mr. Sahay worked with former Secretary of State Madeleine Albright to evaluate emerging market investments through her private investment fund, Albright Capital Management LLC. Mr. Sahay was also an investment professional at Jupiter Partners LLC, a middle-market private equity firm investing in leading businesses in the consumer, specialty retail, business services and healthcare sectors. At Jupiter Partners LLC, Mr. Sahay served on the Board of Directors of H-G Holdings, Inc., an outsourced travel and expense processor that was sold to Concur Technologies in 2007. He has also served as a consultant for the Boston Consulting Group, where he was involved in numerous domestic and international engagements with Fortune 100 clients.

Mr. Sahay is also a founding investor of Salus Finance LLC, a healthcare expense management platform.

Mr. Sahay received an M.B.A., with honors, from The Wharton School of the University of Pennsylvania and an A.B., cum laude, from Harvard University.

Tom Barry
Non-Executive Director and Audit Committee Chair

Mr. Barry is an actuary and former CEO of Canada Life in Ireland. He is now a non-executive director and has served on the boards of life insurance, reinsurance and asset management companies. He has a deep understanding and knowledge of all aspects of life insurance, particularly risk management, product pricing and finance. During his long career with Canada Life, he also served at different times as CFO, chief actuary and as Chairman of the German subsidiary. He is currently Chairman of the Europe and Asia subsidiary of a large P&C insurer and Chair of Risk with the Irish subsidiary of an European life insurer. Other roles during his career included Secretary of the Society of Actuaries in Ireland and President of the Irish Insurance Federation.

Mr. Barry studied Mathematics at University College Dublin and University of Texas at Austin. He also completed the General Manager Program at Harvard.

Enda Murphy**Non-Executive Director and Risk and Capital Committee Chair**

Mr. Murphy is an Insurance Consultant and non-executive director. After 35 years in the industry, Mr. Murphy retired from RGA as Executive Vice President in 2017 where he was Managing Director of its European operations, and COO of its international business. In that role Mr. Murphy gained an understanding and familiarization with most forms of life, annuity and asset intensive structured reinsurance contracts on a global basis. As executive director of many of the group's global subsidiaries, Mr. Murphy was approved by several international regulators and gained a deep understanding of business development strategies, audit, risk, and investment issues. Prior to joining RGA, Mr. Murphy was founding Managing Director of De Laga Landen Re (part of the Rabo Bank group) and Canada Life Reinsurance where he developed the business targeting European and North American markets using subsidiaries in Ireland, Bermuda and Barbados. Previously Mr. Murphy was Financial Controller of Canada Life Ireland where he was a founding Director of Canada Life Europe selling life insurance from Ireland into the German market.

By background and training, Mr. Murphy is a Chartered Accountant and studied Business and Economics at Trinity College Dublin followed by internship at PWC. He is a former Director of DIMA (the Dublin Insurance Managers Association).

Joan Collins**Non-Executive Director and Nomination and Governance Committee Chair**

Ms. Collins is an independent non-executive Director and has extensive life reinsurance experience. She previously held the position of Chief Executive Officer and Executive Director at Achmea Reinsurance Ireland Limited 2011-2013 and prior to that was responsible for business development and underwriting.

Ms. Collins graduated with honours from the University of Limerick with a BA in Insurance and European Studies and has an MBA from Smurfit Business School, University College Dublin. She is an Associate of the Chartered Insurance Institute and holds a Diploma in Company Direction from the Institute of Directors.

Curtis Dickinson**Independent Non-Executive Director and Investments Committee Chair**

The Honorable Curtis L. Dickinson JP, MP currently sits as a Member of Parliament in Bermuda's Legislature. He was appointed Minister of Finance on 1 November 2018 and served in that role until his resignation on 14 February 2022. Mr. Dickinson has over 25 years' experience as an investment and commercial banker in the United States, the United Kingdom and Bermuda. Immediately prior to his ministerial appointment, Mr. Dickinson served as Executive Vice President and Group Head of Private Banking at the Bank of N.T. Butterfield & Son Limited. During his tenure at Butterfield, he was also responsible for Butterfield's global Treasury function and its Bermuda based Wealth Management business. While at Butterfield, he also led the bank's \$200 million preference shares offering to Bermuda investors, the proceeds of which were used to partially recapitalize the bank during the sub-prime crisis. Additionally, he led the formation of a strategic relationship with The Carlyle Group for the development and distribution of fund-of-funds vehicles for investment by Butterfield private clients into Carlyle funds. Prior to his return to Bermuda in 2006, he held senior roles with Donaldson Lufkin & Jenrette Securities Corporation, Credit Suisse First Boston Corporation, and Wells Fargo Securities, raising capital for companies in the media and emerging telecommunications, consumer and retail industries. His history of public service in Bermuda includes leading the Board of Education and the Bermuda Hospitals Board and serving as a director on the boards of the Bermuda Economic Development Corporation and the Bermuda Land Development Company.

Mr. Dickinson holds a Master of Business Administration degree from Columbia University's Graduate School of Business and a Bachelor of Arts degree in Finance from Morehouse College.

John Frye

Non-Executive Director

Mr. Frye is an Operating Partner at Aquarian Holdings. Mr. Frye previously served as Chief Strategy Officer at Advisors Excel, a leading insurance marketing firm. He served as Chief Financial Officer at Security Benefit and its life insurance subsidiaries. Mr. Frye began his career with General Electric, where he spent 20 years in numerous senior positions at GE Capital, the company's financial services business. He served as Chief Financial Officer for both the GE Employers Reassurance Business – a \$25 billion life and health insurance business – and GE's commercial insurance business, responsible for covering medical, municipal, special lines and catastrophic risk, as well as GE's European fleet leasing business.

Mr. Frye earned a BA from Michigan State University.

Zachary Anshutz

Non-Executive Director

Mr. Anshutz is the General Counsel and Head of Regulatory Affairs for Aquarian Insurance Holdings. Prior to joining Aquarian, Mr. Anshutz served as AVP Compliance Distribution for Sammons Financial Group. He also served as Chief Risk Officer for two insurance distribution entities, Advisors Excel and Signal Advisors. Prior to entering the private sector, he served in various roles for the Kansas Insurance Department over a 10-year period, including General Counsel and Assistant Commissioner under the Honorable Sandy Praeger.

Mr. Anshutz graduated cum laude from Emporia State University with a Bachelor of Science degree in Political Science and a law degree from Washburn University School of Law.

Danish Iqbal

Executive Director and Chief Executive Officer

Mr. Iqbal provides the vision and strategic direction for the Somerset Re organization. He rejoined the Company after serving as Head of Pricing and Valuation earlier in his career. Immediately prior to rejoining Somerset Re as CEO, Danish served as President of Somerset Life Reinsurance Limited (formerly Neptune Reinsurance Limited), a Bermuda-domiciled reinsurer integrated into Somerset Re in December 2024. As President, he oversaw the establishment of the organization's infrastructure and ensured the entity's licensing with the Bermuda Monetary Authority.

Before Somerset Life Reinsurance Limited, Danish was Chief Actuary at Aspida Re (formerly F&G Re). He was responsible for all actuarial functions and led F&G Re's sale process to Ares Management Corporation. Prior to moving to Bermuda, Danish was Head of insurance and pension product development at QRM Inc., in Chicago, where he worked with numerous Fortune 500 clients. He has additionally held actuarial roles at Genworth Financial and Life Settlement Acquisitions, LLC.

He earned his Bachelor of Mathematics in Honors Statistics from the University of Waterloo. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries and also holds the CFA charter.

Executive and Senior Management

The following individuals are members of the Company's executive and senior management:

Company Executive and Senior Management	
Danish Iqbal	Chief Executive Officer (appointed effective 30 April 2025)
Steven Belcher	Chief Financial Officer (appointed effective 14 January 2026)
John Neal	Chief Investment Officer (appointed effective 30 April 2025)
Thomas Porter	Chief Underwriting Officer
Joelina Redden	Chief Legal Officer (appointed effective 8 September 2025)
Riley LaTour	Chief Risk Officer
Jin Sun	Chief Actuary (appointed effective 5 January 2026)
Manisha Dias	Head of New Business Development

Danish Iqbal

Chief Executive Officer²

See biography in Board section.

Steve Belcher

Chief Financial Officer³

Mr. Belcher brings more than 34 years of global knowledge and expertise in life and annuity insurance. Prior to joining Somerset Re, he spent 15 years at MetLife, where he most recently served as Senior Vice President, Global Controller and Reinsurance CFO, overseeing accounting and related financial reporting for MetLife's global insurance and reinsurance subsidiaries. During his tenure at MetLife, Mr. Belcher held several senior finance leadership positions, including U.S. Controller and Global Head of Accounting Policy. Prior to that, he held senior finance leadership roles at AIG, including Global Head of Accounting Policy and Chief Accounting Officer of its global life and annuity subsidiary, American Life Insurance Company.

Mr. Belcher served as Chair of the Accounting Committee of the American Council of Life Insurers (ACLI) from 2017-2021 and as Chair of the American Institute of Certified Public Accountants' (AICPA) Insurance Experts Panel from 2017-2019. Since June 2022, he has served as a member of the AICPA's Finance Reporting Executive Committee. He is a CPA and holds a master's degree in accounting from the University of Illinois Urbana-Champaign.

John Neal

Chief Investment Officer⁴

Mr. Neal serves as Chief Investment Officer, overseeing Somerset's investment strategies and asset portfolios. Mr. Neal has held various positions within the Somerset Re Investment department, most recently as Head of Portfolio Management, where he was responsible for implementation and oversight of the company's investment strategy. Prior to joining Somerset Re, Mr. Neal was a member of the investment teams at AXIS Capital and Butterfield Asset Management.

Mr. Neal is a CFA charter holder and graduated from The Hull University Business School with a bachelor's degree in Business, Economics and Financial Management.

² Jeffrey Burt resigned as Chief Executive Officer effective 31 March 2025.

³ Stephen Robb resigned as Chief Financial Officer effective 19 March 2025.

⁴ Clark Jeffries resigned as Chief Investment Officer effective 25 August 2025.

Thomas Porter
Chief Underwriting Officer

Mr. Porter is Chief Underwriting Officer for Somerset Re, responsible for overseeing the firm's underwriting and pricing activities.

Prior to joining Somerset, Mr. Porter was Head of Financial Reporting & Valuation at Hannover Re in Orlando, and prior to that Lead Pricing & Structuring Actuary for Hannover Re's financial solutions structured reinsurance, captive, and derivative transactions. Mr. Porter has been in the reinsurance industry since 2005 and has focused on bringing tailored, efficient, and optimized solutions providing benefits to capital, liquidity, earnings, and solvency.

Mr. Porter is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. He graduated with a Bachelor of Science degree in Actuarial Science from Florida State University.

Joelina Redden
Chief Legal Officer

Ms. Redden is the Chief Legal Officer for Somerset Re with over 23 years of experience in the Bermuda (re)insurance industry. Before joining the company, she was General Counsel, Chief Compliance Officer and Corporate Secretary at Athora Life Re Ltd., and Senior Counsel and Corporate Secretary at Athora Holding Ltd., where she was responsible for legal, regulatory, corporate secretarial, governance and compliance matters. Before that, she was Vice President, Associate General Counsel at Allied World Assurance Company, Ltd., and, prior to that, Counsel at Appleby (Bermuda) Limited, where she advised on all aspects of (re)insurance-related corporate, regulatory, compliance and transactional matters.

Ms. Redden graduated with a Bachelor of Arts (cum laude) in Anthropology and International Development Studies from Saint Mary's University, Halifax, Canada. She earned a Post Graduate Diploma in Law from City St George's University of London, England and completed the Legal Practice Course at BPP Law School, London. She has been a member of the Bermuda Bar Association since 2002.

Riley LaTour
Chief Risk Officer

Mr. LaTour is Chief Risk Officer for Somerset Re, responsible for the firm's risk management strategies and operations.

Mr. LaTour was most recently Head of Risk Analytics for Somerset Re, leading quantitative risk assessments and supporting the CRO in managing and executing the risk management strategy. Prior to joining Somerset Re, Mr. LaTour was a member of the risk management teams at Kemper Corporation and Securian Financial Group, contributing to the development, implementation and maintenance of effective risk management frameworks.

Mr. LaTour is both a Fellow and a Chartered Enterprise Risk Analyst of the Society of Actuaries. He majored in Actuarial Science at the University of Wisconsin – Eau Claire, graduating with a Bachelor of Science with Honors.

Jin Sun
Chief Actuary⁵

Ms. Sun is the Chief Actuary for Somerset Re, responsible for valuation and reporting under IFRS and Bermuda EBS.

Prior to joining Somerset, Ms. Sun was Head of Actuarial Valuation at Kuvare where she led reporting under US GAAP and Bermuda EBS for their Bermuda reinsurance entities and supported the pricing of earlier third party and affiliate reinsurance transactions. Prior to Kuvare, Ms. Sun worked at Deloitte in actuarial consulting spanning valuation, capital management, M&A, and pricing for Bermuda and international re(insurers) and captives. She previously held a number of actuarial roles in ALM, valuation and pensions in Canada at Manulife, John Hancock and Morneau Shepell.

Ms. Sun is a Fellow of the Society of Actuaries and a Chartered Enterprise Risk Analyst. She holds a Bachelor of Science degree in Actuarial Mathematics and Finance from Concordia University.

Manisha Dias
Head of New Business Development

Ms. Dias is the Head of New Business Development for Somerset Re, responsible for leading global commercial activity and marketing.

Prior to joining Somerset, Ms. Dias was Head of Partnerships at SCOR Global Life Reinsurance in Charlotte. She co-founded the Partnerships business, which encompassed the development of proprietary and digitally-enabled Life product offerings, and led various teams through the growth of the business in the U.S. market. Ms. Dias was previously at SCOR in Toronto, responsible for new business development and cultivating an innovation footprint for the Canadian market. Prior to SCOR, she held a number of traditional and non-traditional actuarial roles globally across Canada, US and Asia at John Hancock and Manulife.

Ms. Dias has an Honors bachelor's degree in Actuarial Science with Finance from the University of Waterloo. She is also a Fellow of the Society of Actuaries, Fellow of the Canadian Institute of Actuaries, Chartered Enterprise Risk Analyst, and a Strategic Partner Leadership Professional.

c. Risk Management and Solvency Self-Assessment

i. Risk Management Process and Procedures to Identify, Measure, Manage and Report on Risk Exposures

The risk management framework at the Company is grounded on four process steps:

- Risk identification;
- Risk measurement and management;
- Risk monitoring; and
- Risk reporting.

⁵ Logan Blake resigned as Chief Corporate Actuary effective 31 January 2026.



- **Risk identification** – On at least an annual basis the Risk function meets individually with each of the senior executives to identify risks. Additionally, everyone at Somerset has a responsibility to identify risks in their area, engage to ensure they are appropriately assessed, and ensure controls are put in place to manage the risks within our risk appetite. The risks identified are documented and maintained in the Risk Register.
- **Risk measurement and management** – In order to manage its risk exposure in line with the limits defined in the Risk Appetite Framework (RAF), the Company adopts quantitative methods to measure its exposure to risk with use of stress and scenario testing to determine the potential impact that an increase in risk exposure may have on its capital, earnings and liquidity position. For those risks where additional capital or liquidity is not considered effective mitigation, the Company manages its exposure through the implementation of risk management processes and procedures to ensure appropriate controls and tailored management activities.
- **Risk monitoring** – Monitoring of risk exposure against set appetite and tolerance limits is performed on a regular basis. Risks that have progressed beyond the approved risk appetite level are managed in line with their risk assessment and escalated to the appropriate governance forum. This ensures visibility on key mitigating actions being implemented to bring the risk exposure within appetite is provided at the right levels.
- **Risk reporting** – a mix of monthly, quarterly and annual reporting is developed to monitor the Company's risk profile proportionately to the materiality of the risks being faced.

ii. **Risk Management and Solvency Self-Assessment Systems**

The Company's risk management framework is implemented and integrated into its operations through the systems, processes, procedures, and controls developed and documented by management. Management information arising from the risk management process is used to complete Solvency Self-Assessments of the quantity and quality of capital required to support the Company's business goals given the amount of risk the Company has taken on (or plans to take on) and environmental factors. The Solvency Self-Assessment is reviewed at least quarterly and when major transactions are considered to ensure that the Company's capital adequacy and liquidity resources are sufficient based on the risks to the Company that arise from its operations. The Company uses a combination of proprietary and third-party (vendor) models to determine the adequacy of capital.

iii. **Relationship Between Solvency Self-Assessment, Solvency Needs & Capital, and Risk Management**

The Solvency self-assessment process is a fundamental part of the Company's risk management framework which provides the overall framework for the identification, measurement, monitoring and reporting of risks. The process starts with the setting of the Company's risk appetite statements and tolerances, which are reviewed and updated at least annually as part of the business planning process. Risks are then identified and prioritized in line with the Company's risk appetite and their relative materiality to the business plan.

As the Company implements the business plan, the Risk function works collaboratively with other functional areas to perform quantitative and qualitative analysis of the most material risks to plan, reporting risk exposures against appetite at least quarterly to the Executive Risk Committee and the Risk and Capital Committee of the Board.

The Company's commercial insurer's solvency self-assessment report (**CISSA Report**) is the final output of the solvency self-assessment process, which provides a comprehensive description of risk management activities that occurred throughout the year and key expected developments going forward. Given the solvency self-assessment process is an ongoing process, the CISSA Report is then used as an input to the risk appetite setting and business planning processes.

iv. **Solvency Self-Assessment Approval Process**

The development of the CISSA Report is led by the Risk function in consultation with the relevant risk owners. Elements of the CISSA are reviewed and discussed in each meeting of the Executive Risk Committee and the Risk and Capital Committee. The CISSA Report is reviewed by the Executive Risk Committee and the Risk and Capital Committee before being presented to the Board for approval.

d. **Internal Controls**

i. **Internal Control System**

The Company has systems, processes and procedures to ensure that data and reporting is reliable, organizational policies are adhered to, and adequate security measures are implemented. If any findings are found, they are documented and presented to the Board AC who monitors progress on remediation plans.

ii. **Compliance Function**

The Head of Compliance has responsibility to monitor regulatory changes in the relevant jurisdictions and compliance with applicable existing laws, including regulatory reporting and public disclosure requirements. The Head of Compliance monitors compliance with the Company's policies and procedures, including adherence to the Company's Code of Business Conduct and Ethics. The Head of Compliance reports to the Chief Legal Officer and provides quarterly reports to the Board AC.

e. **Internal Audit**

The Head of Internal Audit has the responsibility to develop and execute the Company's annual risk-based audit plan. The Company utilizes a third-party service provider to access subject matter experts and additional auditor resources on an as-needed basis. To provide for the independence

of the internal audit, the Head of Internal Audit reports directly to the Chair of the Board AC and administratively to the Company's Chief Financial Officer.

f. Actuarial Function

The Company's Chief Actuary is responsible for setting, monitoring and adjusting actuarial reserves, including technical provisions which comprise both the best estimate liabilities (or reserves) and a risk margin. Any significant items affecting the technical provision are highlighted to the senior management team as well as the Board as part of the quarterly review of the BSCR. The actuarial function works with the Company's Approved Actuary who provides an independent opinion regarding the reasonableness of the Company's technical provisions, which is submitted as part of the annual filing to the BMA.

g. Outsourcing

The Company has adopted an Outsourcing Risk Policy to ensure adequate due diligence is carried out on its service providers. Outsourcing risk has three major components: selection risk, contracting risk and delivery risk. Selection risk addresses the choice of the best fit provider. To manage selection risks, the Company evaluates several alternative vendors, reviewing their capabilities, fitness to the business, reputation in the marketplace and all-in costs, in line with the Company's due diligence process with risk assessment set out in its Outsourcing Risk Policy. Contracting risk is mitigated by evaluating the terms of the agreements, the specified services and related performance levels to be delivered, the ownership of records and processes, remedies for underperformance, exit strategies and length of the contracts, and security and backups. Delivery risk is controlled by the ongoing monitoring of the services, independent reconciliation of results with other sources where possible, periodic on-site visits and internal and external audit reviews. Outsourced services are also reviewed regularly by management and the Board to determine whether they are appropriate or should be brought in-house.

The Company has access to support services from SSL and material outsourcing arrangements with SSL include: operational functions such as actuarial, risk management, underwriting, compliance, legal, finance, HR, IT network and infrastructure, investments management and internal audit.

The Board has ultimate oversight of outsourced service providers and at least annually, the Board reviews the performance of the service providers.

h. Other Material Information

No other material information to report.

4. COMPANY RISK PROFILE

a. Material Risks the Insurer is Exposed to During the Reporting Period

Key to proper risk management is the identification of all possible detriments to regulatory and rating agency risk-based capital (herein referred to as "capital", "capital adequacy" or "capital at risk"), as well as negative impacts to financial strength and shareholder returns.

In particular, the key risks impacting the Company's ability to meet its strategic objectives are categorized below:

Risk Type	Risk description
Strategy Risk	The risk that the strategic plan is flawed or ineffective implementation not meeting business objectives, or lack of responsiveness to industry changes.
Financial Risk	The risk from ineffective liquidity or capital management to meet business objectives, or from budgeting and financial reporting errors.
Investment Risk	The risk from the quality of asset portfolio leading to increased capital requirements and financial loss.
Asset Liability Management Risk	The risk due to asset liabilities mismatch, or the business does not have sufficient liquid financial resources available to meet its obligations as they fall due.
Insurance Risk	The risk due to uncertainty associated with misestimation of insurance liabilities for new or existing business.
Operational Risk	The risk on business operation from inadequate or failed internal processes, people or systems, or from external events.

b. Risk Mitigation in the Organization

The Company controls risk through a variety of ways, but ultimately risks are reported and monitored centrally by the Chief Risk Officer, the chair of the Executive Risk Committee. The Risk function verifies that risks are either kept within agreed limits or temporary breaches for unique situations are appropriately escalated to the Executive Risk Committee and either approved or cured. Further, the Executive Risk Committee reviews the enterprise risk management framework and ensures the controls in place for managing the risk exposures are operating as intended. Through periodic reporting, the Board monitors the effectiveness of the enterprise risk management framework.

Additionally, the Company maintains a strong solvency capital position relative to its risk profile.

c. Material Risk Concentrations

The Company has policies governing risk concentrations in relation to counterparties, credit quality and sectors. These risks are addressed in the Company's investment management policies and are monitored by both the Investment Committee and the Executive Risk Committee. Aside from highly rated sovereigns and associated sponsored agencies, the Company has a policy that prohibits exposure exceeding pre-defined thresholds to any one issuer in its fixed income portfolio (dependent on the type and quality of issuer, in any case not to exceed 1.25% in most cases). The Company manages credit risk exposure by limiting aggregate below investment grade assets to 12% of the entire fixed income portfolio. The fixed income portfolio in aggregate targets an A- rating and must maintain a minimum average credit rating of BBB+ at all times. The Company also has asset class and industry sector limits.

The Company's Underwriting Guidelines govern underwriting risk and are monitored by the Underwriting Policy Compliance Committee and the Board.

From an operational perspective, the Company aims to maintain a diversified portfolio and client mix as it continues to deliver against the business plan approved by the Board.

d. Investment in Assets in Accordance with the Prudent Person Principles of the Code of Conduct

The Company's investment portfolio is managed by the Investments function in accordance with the Company's Investment Management Framework (**Framework**) and its Asset Liability Management Policy that clearly defines the investment strategy, concentration and allocation limits. The Framework requires, among other guidelines, that the portfolio(s) backing reserves is invested in a manner expected to be reflective of the Company's risk tolerances and liquidity requirements to ensure that policyholder claims can be paid on a timely basis. The guidelines, as set out in the Framework are reviewed on at least an annual basis to determine if any significant deviations have occurred as a result of financial markets activity and whether changes are warranted as a result of changes to the Company's risk appetite and tolerances. Performance measurements and investment risks with key risk indicator metrics are reported in the quarterly investment and risk dashboard. Stress and scenario testing are performed at least on a quarterly basis incorporating investment, liabilities and policyholder behavior risks.

The investment process represents a disciplined, experienced approach that balances yield of investments relative to yield of liabilities, total return, and capital at risk. Our asset selection process uses a top-down approach towards strategic asset allocation (**SAA**). SAA is combined with a bottom-up approach that adds value through specific security selection to ensure that both assets and liabilities are properly aligned and priced.

e. Stress Testing and Sensitivity Analysis to Assess Material Risks

The Company periodically performs various stress tests to determine the adequacy of capital/liquidity and ensure rating agency and regulatory requirements can be met. The tests performed relate to the quantifiable risk identified in section 4.a.

Based on these results, the management of the Company believes that it has sufficient capital and liquidity to comply with the contractual obligations of the organization and regulatory requirements.

f. Any Other Material Information

No additional material information to report.

5. SOLVENCY VALUATION

a. Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

The Company uses valuation principles outlined by the BMA as revised from time to time. The economic valuation principles outlined in this Report are to measure assets and liabilities on a fair value basis (which is the value that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date). The fair value principles used for the assets are as follows:

- *Cash and Cash Equivalents* – includes cash time deposits and investments maturing within three months. The fair value of these holdings is determined by using mark to market valuation or quoted market prices in active markets for similar assets with adjustments to reflect differences if mark to market valuation is not possible, or mark to model valuation otherwise.

- *Fixed Income Securities* – are valued in accordance with mark to market principles where possible or quoted market prices in active markets for similar assets with adjustments to reflect differences if mark to market valuation is not possible. For fixed income securities that are not actively traded and for which similar assets are also not actively traded, the Company uses pricing services to prepare inputs to assist the Company with mark to model valuations.
- *Accounts Receivable and Premium Receivable* – are recorded at fair value and balances due in more than one year have been discounted at the relevant risk-free rate.
- *Alternative assets* – The Group obtains pricing information from a range of pricing services and brokers. Where the fair values of securities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flow models and/or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgments include considerations of liquidity risk, credit risk, and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities. The valuation techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and, if applicable, enterprise valuation and may include a number of assumptions relating to variables such as credit risk and interest rates. Changes in assumptions relating to these variables could positively or negatively impact the reported fair value of these instruments.
- *Derivative instruments* – are valued at quoted market prices. In the absence of an active market, prices are based on observable market inputs.

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

Insurance technical provisions comprise the sum of a best estimate liability, or reserve, and a risk margin. The best estimate reserve is determined as the highest asset requirement needed under the scenario-based approach to fund cash flows developed for each scenario. The risk margin, which reflects the uncertainty contained inherent in the underlying cash flows, is calculated using the cost of capital approach and a risk-free discount rate term structure. The discount rate term structures are prescribed by the BMA for each reporting period. There is limited level of uncertainty regarding the liability cash flows, due to the nature of the underlying business. There is some degree of uncertainty regarding the determination of assets needed to support the liability cash flows. The best estimate insurance reserves also include provisions for incurred but unreported claims. At 31 December 2025, the total Technical Provisions amounted to ~\$20 billion comprising the following:

(\$millions)	2025	2024
Best Estimate Reserve for Unreported Claims	2	2
Best Estimate Reserves - Life	10,337	8,755
Best Estimate Reserves – Annuity	9,414	6,359
Risk Margin	208	204

c. Description of Recoverables from Reinsurance Contracts

Recoverables from reinsurance contracts are based on principles similar to the gross best estimate and include reinsurance claims and expenses paid by the reinsurer net of reinsurance premiums.

d. Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities

All other liabilities are valued on an IFRS basis and settlements not expected to be settled within a year, are discounted using the prescribed discount rates provided by the BMA as at 31 December 2025. Loans and Notes Payable are valued on an IFRS basis and Derivative Instruments are valued at quoted market prices. In the absence of an active market, prices are based on observable market inputs.

e. Any Other Material Information

No additional material information to report.

6. CAPITAL MANAGEMENT

a. Eligible capital

i. Capital Management Policy and Process for Capital Needs, How Capital is Managed and Material Changes During the Reporting Period

The Company seeks to maintain a strong capital base to support the development of its reinsurance business and to meet regulatory requirements and target rating agency capital requirements at all times.

Required capital is calculated as the larger of the BSCR or selected rating agency capital requirements. These requirements help the Board to determine an annual risk budget, which defines the overall risk appetite for the Company and ensures that risk taking is reasonable in relationship to the Company's capitalization.

ii. Eligible Capital Categorized by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act

At the end of the reporting period, the Company's Eligible Capital for its Minimum Margin of Solvency (**MSM**) and Enhanced Capital Requirement (**ECR**) was categorized as follows:

(\$000)	2025	2024
Unconsolidated Eligible Capital to Meet the MSM	1,843,830	1,232,798
Tier 1 Consolidated	1,724,196	1,141,511
Tier 2 Consolidated	226,619	11,090
Tier 3 Consolidated	0	203,434
Total Consolidated Eligible Capital to Meet the ECR	1,950,815	1,356,035

iii. Confirmation of Eligible Capital That is Subject to Transitional Arrangements

None.

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

The Company has entered contracts with cedants that require the Company to fully collateralize estimates of its obligations as calculated by the cedant. Assets are held in trust or custody accounts for the benefit for the cedants. These assets are released to the Company upon the payment of the obligations. Interest income arising from these assets accrues to the Company.

v. **Identification of Ancillary Capital Instruments Approved by the BMA**

None.

vi. **Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus**

Other than the impact of employing statutory-based technical provision valuation techniques, significant differences between IFRS shareholder equity and available statutory capital and surplus include the reduction in available statutory capital for goodwill and other intangible assets.

b. Regulatory capital requirements

i. **ECR and MSM Requirements at the End of the Reporting Period**

At the end of the reporting period, the Company's regulatory capital requirements were assessed as follows:

(Reported in thousand units)

<u>Requirement</u>	<u>2025</u>	<u>2024</u>
Total Capital Eligible to Meet MSM	1,843,830	1,232,798
Minimum Margin of Solvency	190,767	148,965
Minimum Margin of Solvency Met?	Yes	Yes
Total Capital Eligible to Meet ECR	1,950,815	1,356,035
Enhanced Capital Requirement (ECR)	763,068	595,862
ECR ratio	256%	228%

ii. **Identification of Any Non-Compliance with the MSM and the ECR**

The Company was compliant with the MSM and ECR requirement at the end of the reporting period.

iii. **A Description of the Amount and Circumstances Surrounding the Non- Compliance, the Remedial Measures and Their Effectiveness**

Not applicable.

iv. **Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance**

Not applicable.

c. Approved Internal Capital Model

i. **Description of the Purpose and Scope of the Business and Risk Areas Where the Internal Model is Used**

Not applicable - the Company has not applied to have its internal capital model approved to determine regulatory capital requirements.

ii. **Where a Partial Internal Model is Used, Description of the Integration with the BSCR Model**

Not applicable.

iii. **Description of Methods Used in the Internal Model to Calculate the ECR**

Not applicable.

iv. **Description of Aggregation Methodologies and Diversification Effects**

Not applicable.

v. **Description of the Main Differences in the Methods and Assumptions Used for the Risk Areas in the Internal Model Versus the BSCR Model**

Not applicable.

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

Not applicable.

vii. **Any Other Material Information**

Not applicable.

7. SUBSEQUENT EVENTS

In January 2026, the Company made an in-kind capital contribution in the amount of US\$226 million to its wholly-owned subsidiary, Somerset Reinsurance America Holdings, Inc.

8. DECLARATION ON THE FINANCIAL CONDITION REPORT

(Prepared in accordance with section 5 of the Insurance (Public Disclosure) Rules 2015 for the year ending 31 December 2025)

We, the undersigned, Chief Executive Officer and Chief Financial Officer of Somerset Reinsurance Ltd., declare that to the best of our knowledge and belief, the Financial Condition Report fairly represents the financial condition of the insurer in all material aspects.



Signed by Danish Iqbal
Chief Executive Officer
30 April 2026



Signed by Steven Belcher
Chief Financial Officer
30 April 2026

Appendix – Somerset Group Structure (as at 31 December 2025)

