

RiverStone International Bermuda Limited *(“RIBL”)*

FINANCIAL CONDITION REPORT
YEAR ENDING 31ST DECEMBER 2024

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1. INTRODUCTION

1.1 Context

The Financial Condition Report (“FCR”) has been produced in accordance with the Insurance (Public Disclosure) Rules 2015 under the Insurance Act 1978 and related regulations, as amended and Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008.

This FCR is applicable to the financial year ending 31st December 2024 (the “reporting period”) and was approved by the Board of Directors (the “Board”) of RiverStone International Bermuda Limited (“RIBL” or the “Company”) on 23rd April 2025.

The reporting currency of RIBL is US Dollars (“USD or \$”). Any amounts referenced in this report are in USD unless specifically stated otherwise.

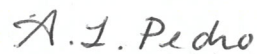
The FCR contains qualitative and quantitative information about RIBL’s business and performance, governance structure, risk profile, solvency valuation and capital management.

2. DECLARATION

To the best of our knowledge and belief, we the undersigned declare the information in the Financial Condition Report fairly represents the financial condition of the Company in all material respects.



David Roche
Chief Executive Officer
23rd April 2025



Allison Pedro
Chief Financial Officer
23rd April 2025

3. SUMMARY

3.1 Company Background Information

The Company is 100% owned by RiverStone International Limited ("RIL"), whose ultimate holding company is RiverStone International Holdings Limited ("RIHL"), which is registered in Jersey. The majority of the shares in RIHL are held by the controlling party CVC Capital Partners ("CVC").

RIBL was incorporated in Bermuda on 21st January 2021 and commenced operations in 2022. The Company is licensed as a Class 3B insurer pursuant to the Insurance Act 1978, effective 14th February 2022.

RIBL is a Bermuda based insurance company, authorised to carry on all classes of general insurance business. The principal activity of RIBL is the timely and economic run-off of the liabilities associated with insurance and reinsurance business previously written.

3.2 Governance Structure

RIBL is committed to high standards of corporate governance and maintains a strong governance framework for the control and management of the business.

RIBL has established and maintains effective systems of governance which provide for sound and prudent management. There is a clear and well-defined organisational structure with clear, consistent, and documented lines of responsibility. The Board and Executive Team have the skills, knowledge, and expertise to fulfil their allocated responsibilities. RIBL's information systems produce sufficient, reliable, consistent, timely and relevant information on all business activities, commitments assumed and risk exposures. Adequate risk management, compliance, internal audit, and actuarial functions are established and maintained. RIBL's system of governance is proportionate to the nature, scale, and complexity of the Company's business.

Further details on the Company's system of governance are provided in section 5.

3.3 Risk Profile

RIBL has an embedded dynamic risk review framework that identifies, assesses, manages and reports risks that, on an ongoing basis, could have a material adverse impact on its business activity, its financial position or results and its ability to meet its strategic objectives. The following are identified as the material risks within the business:

- Insurance risk arising from the uncertainty relating to insurance and reinsurance obligations;
- Market risk arising from adverse movements or volatility of market prices of financial instruments in the financial market; and
- Operational risk arising from inadequate/inefficient internal processes, people and systems or from external events.

The risks that RIBL is exposed to have not changed materially during the reporting period.

Capital is held to allow for risks that RIBL is exposed to and is calculated using the Bermuda Solvency and Capital Requirements ("BSCR").

Further details of the Company's risk profile are provided in section 7.

3.4 Solvency Valuation

RIBL values its assets and liabilities in accordance with the Economic Balance Sheet ("EBS") valuation principles for solvency purposes. The company's financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in the United Kingdom and Republic of Ireland.

Further details of the Company's valuation principles are provided in section 8.

3.5 Capital Management

RIBL maintains policies and procedures which set out how capital management is undertaken. On a EBS basis, RIBL holds unrestricted Tier 1 capital of \$591.2m and Tier 3 capital of \$24.0m. The following table summarises the capital requirements under the BMA regime:

EBS Capital Requirements	31 st December 2024 \$'000	31 st December 2023 \$'000
Available Capital	615,206	246,750
Minimum Margin of Solvency ("MSM")	202,896	55,861
Enhanced Capital Requirement ("ECR")	335,877	103,798
EBS Capital Coverage Ratio	183%	238%

RIBL's available and eligible capital has remained in excess of the Solvency and Minimum Capital Requirements during the reporting period. There have been no changes in the approach to capital management during the reporting period.

Further details of the Company's capital management are provided in section 7.

4. BUSINESS AND PERFORMANCE

4.1 General Information

4.1.1 Name of Insurer

RiverStone International Bermuda Limited

The address of RIBL's registered office is:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

The physical address of RIBL is:

Dorchester House
1st Floor, 7 Church Street
Hamilton, HM 11
Bermuda

4.1.2 Supervisory Authorities

RIBL's supervisory authority responsible for insurance supervision is the Bermuda Monetary Authority ("BMA"), whose contact details are below:

BMA House
43 Victoria Street
Hamilton
Bermuda
HM 12

RIBL's group supervisor is the Prudential Regulation Authority ("PRA") whose contact details are below:

Prudential Regulation Authority
20 Moorgate
London, EC2R 6DA
United Kingdom

4.1.3 Approved Auditor

RIBL's approved auditor for the reporting period were Deloitte Limited ("Deloitte"), whose contact details are below:

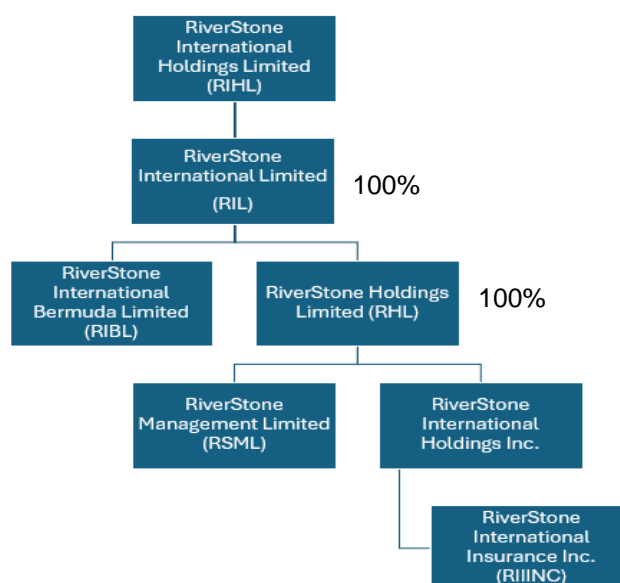
Deloitte Ltd
Corner House
20 Parliament Street
Hamilton, HM 12
Bermuda

4.1.4 Ownership Details

RIBL's immediate shareholder is RiverStone International Limited ("RIL"), a holding company registered in Bermuda with registration number 56234.

RIHL is the ultimate holding company of the RiverStone group of companies ("Group") and is registered in Jersey. The majority of the shares in RIHL are held by investment funds or vehicles managed by the controlling party, CVC.

Below is a simplified structure chart showing the simplified ownership chain upwards to RIHL.



4.2 Insurance Business Written by Business Segment and by Geography

RIBL's primary focus is on the economical and timely runoff of its existing portfolios of runoff business. In addition, it seeks to acquire new portfolios of legacy insurance business.

The following tables shows premium volumes by line of business and geographical location:

Line of Business	31 st December 2024 \$'000	31 st December 2023 (Restated)
International Casualty Non-Motor	1,336	-
US Casualty	192	7,647
US Professional	-	135
Credit Surety	1,336	-
Property	-	3,082
Total Gross Written Premium	2,865	10,864

Geographical Location	31 st December 2024 \$'000	31 st December 2023 (Restated)
United States of America	192	10,864
Malta	2,673	-
Total Gross Written Premium	2,865	10,864

During the year, RIBL elected to change its accounting policy for the treatment of retroactive quota share reinsurance contracts. The 2023 comparative figures have been restated to show the effect of this change in accounting policy. The profit and loss account has been restated under the new policy. There is no impact to the balance sheet, or to the statement of comprehensive income.

Under the new policy the Company treats a retroactive quota share contract as a portfolio transfer directly to the balance sheet. Only premium related to unexpired risks will be recognised as written premium.

RIBL is not a live underwriter. The only form of underwriting it is engaged in is the acquisition of legacy business. RIBL actively seeks acquisition opportunities but has no influence over what opportunities arise or when. Any opportunities that do arise are generally subject to a competitive tendering process.

4.3 Performance of investments by Asset Class and details on Material Income and Expenses

A summary of overall investment performance with respect to investment activities as reported in the financial statements for the reporting period is shown below:

Investment Performance	31 st December 2024 \$'000	31 st December 2023 \$'000
Investment income	39,013	23,176
Net realised gains/(losses) on investments	612	(33)
Net unrealised (losses)/gains on investments	(6,109)	2,846
Investment expenses and charges	(569)	(396)
Net Investment Return	32,947	25,593

The current reporting period investment gain of \$32.9 million is \$7.3 million higher than the result for the previous reporting period. This increase in performance primarily reflects the significantly higher investment income in 2024 due to the assets under management growing because of acquisitions during the year.

The table below summarises RIBL's investment performance by Asset Class:

Investment Performance	Investment Income	Unrealised gains/(losses)	Realised gains/(losses)	Expenses & Charges	Investment Return
Asset Class	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	1,898	-	-	-	1,898
Debt securities and other fixed-income securities	35,512	(7,743)	612	(569)	27,812
Share and other variable-yield securities	570	1,634	-	-	2,204
Other	1,033	-	-	-	1,033
Net Investment Return	39,013	(6,109)	612	(569)	32,947

The table below summarises Material Income and Expenses:

Material Income and Expense	31 st December 2024 \$'000	31 st December 2023 \$'000
Net premiums written and earned	1,979	10,864
Other technical (expense) / income	(523)	-
Claims incurred, net of reinsurance	(407)	(9,342)
Net Operating Expenses	(20,440)	(6,305)
Investment Income	39,013	23,176
Realised Gains / (Losses)	612	(33)
Net unrealised (losses) / gains	(6,109)	2,846
Other expenses	(3,427)	583
Profit before tax	10,698	21,789
Deferred tax (expense) / income	(2,700)	2,700
Profit for the financial year	7,998	24,489

4.4 Any Other Material Information

During the reporting period, RIBL completed the following transactions:

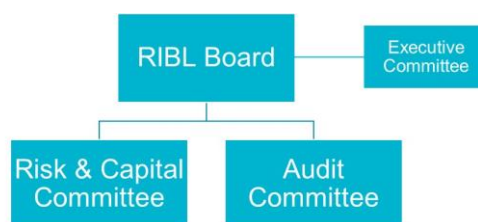
- QS Retrocession Agreement to provide coverage in relation to pre-2018 UK Motor Claims Periodical Payment Orders (“PPOs”). The PPOs relate to compensation to motor accident third party claimants with severe life-long injuries, where the cedant is providing unlimited compulsory third party liability insurance.
- QS Reinsurance Agreement with RiverStone Insurance (Malta) SE (“RMSE”). The contract covers business underwritten by or on behalf of RMSE. This replaced a similar quota share reinsurance previously provided by a third-party reinsurer.
- Loss Portfolio Transfer (“LPT”) retrocession agreement to reinsure various General Liability, Workers Compensation and Credit Lines of Business.
- LPT retrocession agreement to reinsure Motor and Architects & Engineers (“A&E”) Professional Indemnity portfolios.

5. GOVERNANCE STRUCTURE

5.1 General Information on the System of Governance

5.1.1 Governance Structure

RIBL has a Board and three committees as set out in the diagram below:



The RIBL Board

The ultimate responsibility for sound and prudent management of the business of the Company rests with the Board.

The RIBL Board comprises two independent non-executive directors, two non-executive directors and three executive directors. The chair of the RIBL Board is an independent non-executive director.

The Board is responsible for organising and directing RIBL’s affairs in a manner that promotes the success of RIBL for the benefit of its policyholders and shareholder in a way that is consistent with its articles, applicable regulatory requirements, and current corporate governance practice.

The following table lists the RIBL Board members:

Director	Role
Costas Miranthis	Chair & Independent Non-Executive Director
Greg Morrison	Independent Non-Executive Director
Luke Tanzer	Non-Executive Director
Andrew Creed	Non-Executive Director
David Roche	Executive Director and Chief Executive Officer
James Saunders	Executive Director and Chief Underwriting Officer
Allison Pedro*	Executive Director and Chief Financial Officer

**Appointed January 1, 2025 replacing Jonathan Bell*

The Board's duties, membership, frequency of meetings and quorum is defined in the Governance Terms of Reference ("TOR") and the Company's bye-laws.

The following matters are reserved to the Board:

- set the Company's strategy, ensure that the key goals in that strategy are within agreed risk appetite, and oversee executive implementation of that strategy.
- set and monitor the amounts, types and distribution of capital and available capital ensuring their adequacy to cover the risks of the insurance undertaking.
- shall monitor the ongoing solvency and liquidity position, and cash flow forecasts of the Company.
- shall ensure an adequate and effective internal control framework, that includes well-functioning Risk Management, Compliance and Internal Audit Functions, and an appropriate financial reporting and accounting framework.
- shall ensure that the Company complies with all laws, regulations and administrative provisions.
- establish and maintain a culture of risk awareness and ethical behaviour for the entire organisation to follow in pursuit of its business goals.
- shall ensure a remuneration framework that is aligned to the risk strategies of the Company.
- shall ensure that robust succession plans that recognise current and future business needs and requirements are in place, and which address unexpected loss of key individuals and arrangements covering both short- and long-term situations and requirements.
- shall monitor risk exposures and ensure remediation plans are put in place where risk tolerance is exceeded.
- shall monitor the performance of service providers, including the RiverStone Group Service Company.

The mix of skills and experience of Board members ensures that there is an appropriate level of experience, knowledge and expertise that is commensurate with the nature, scale and complexity of RIBL's business.

Audit Committee ("AC")

The AC is a committee of RIBL's Board, composed exclusively of non-executive directors and chaired by an independent non-executive director. The AC convenes at least four times annually.

The AC assists the Board in:

- Overseeing the integrity of financial statements and the effectiveness of internal control systems related to financial reporting.
- Evaluating the adequacy and objectivity of RIBL's processes to ensure robust systems and controls.
- Ensuring that the Company complies with financial reporting requirements and relevant regulations, including those of the BMA.
- Monitoring the effectiveness, performance, independence, and objectivity of the Internal Audit Function and external auditor on behalf of the Board.

In fulfilling its responsibilities under AC's Terms of Reference, the AC considers its duties to the Board.

The meeting frequency outlined in the AC's Terms of Reference is deemed sufficient to meet the AC's responsibilities.

These arrangements are considered proportionate and appropriate for maintaining effective corporate governance within the Group's overall governance framework.

Risk and Capital Committee ("RCC")

The RCC is primarily responsible for oversight of risk management and the capital setting process and reports to the Board.

The RCC ensures that the Board is apprised of relevant information relating to risk management governance and the capital setting process, including the ongoing compliance with the relevant requirements of the Bermuda Insurance Act 1978, Insurance Code of Conduct and related insurance regulations and minimum standards, including those of the BMA.

In discharging its responsibilities under RCC's Terms of Reference, the RCC gives due regard to its responsibilities to the Board.

Executive Committee ("Exco")

The primary purpose of Bermuda Exco is to provide support to the RIBL CEO in managing the day-to-day activities of the Company through:

- Implementing and monitoring strategy, operational plans, policies, procedures and budgets;
- Driving and monitoring operating and financial performance;
- Assessing and controlling risk; and
- Prioritising and allocating resource.

Summary

The Responsibilities of the Board and the committees described above are summarised below:

RIBL Governance Structure		
RIBL Board		
Areas of Governance		
<ul style="list-style-type: none"> • Oversight and management of the company. • Legal and regulatory responsibilities. • Oversee Short and Long-term strategy implementation. • Effective internal control framework. 		
Key Responsibilities		
<ul style="list-style-type: none"> • Setting the company's strategy, ensuring key goals are within the agreed risk appetite. • Monitoring the ongoing solvency and liquidity position. • Ensuring the company complies with all laws and regulations. • Monitoring risk exposures. • Ensuring robust succession plans are in place. • Test and challenge the decisions of senior management. • Identifying, considering and managing conflicts of interest. 		

Executive Committee	Risk & Capital Committee	Audit Committee
First Line of Defence	Second Line of Defence	Third Line of Defence
<u>Areas of Governance</u> <ul style="list-style-type: none"> • Business Plan & Strategy. • Oversight of acquisition opportunities and due diligence activity. • Performance Measurement. • Oversight of Outsourced Functions. <u>Key Responsibilities</u> <ul style="list-style-type: none"> • Developing the business plan consistent with the Company's strategy, risk appetite and tolerances for approval by the Board. • Reviewing performance against business plan. • Providing the Board with timely reports that highlight key drivers in business activity, profitability, risk profile and capital position. • Reporting to the Board any material deficiencies in the effectiveness of company functions. • Reviewing high level policies and recommendation to the Board. • Reviewing and approving all material outsourcing arrangements. • Monitoring the performance of service providers. 	<u>Areas of Governance</u> <ul style="list-style-type: none"> • Risk Appetite & Strategy. • Risk Management Framework. • Capital Management. <u>Key Responsibilities</u> <ul style="list-style-type: none"> • Reviewing and monitoring the effectiveness of RIBL's risk framework and risk management function. • Monitoring and overseeing RIBL's risk profile. • Reviewing and making recommendations to the Board on risk appetites and tolerance. • Providing oversight and operation of RIBL's capital models. • Assuming responsibility for the implementation, review and oversight of the Bermuda Commercial Insurers' Solvency Self-Assessment ("CISSA"). • Monitor compliance with the ECR and MCR in line with the BMA regulatory requirements. 	<u>Areas of Governance</u> <ul style="list-style-type: none"> • Financial Reporting. • External Audit. • Internal Audit. • Internal Controls and Risk Management Systems. <u>Key Responsibilities</u> <ul style="list-style-type: none"> • Monitoring the integrity of financial statements and the financial reporting process. • Reviewing the adequacy and effectiveness of RIBL's financial controls, internal controls, and risk management systems. • Overseeing, challenging, and reviewing both the internal and external audit functions.

Key Functions

The following table sets out the functions for RIBL. This includes key functions such as actuarial, risk management, compliance and internal audit, which have the necessary authority, resources and operational independence to carry out their tasks. This is ensured through their respective terms of reference which are reviewed and approved by the Board. The functions have delegated responsibilities from the Board and the relevant committees.

Function	Responsibilities
Actuarial	<ul style="list-style-type: none"> - Coordination of the calculation of technical provisions - Ensuring the appropriateness of methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions - Assessing the sufficiency and quality of data used in the calculation of technical provisions - Comparing best estimates against experience - Informing the Board and management on the adequacy of the calculation of technical provisions
Mergers & Acquisitions	<ul style="list-style-type: none"> - Ensuring appropriate due diligence is performed on all acquisition opportunities and proposals for each opportunity are presented to the boards and shareholders are relevant for consideration - Assessing the capital requirements attaching to the acquisition and working with other functions to ensure sufficient capital is available - Ensuring that there is appropriate project management of the integration of all successful acquisition opportunities
Claims Management	<ul style="list-style-type: none"> - The appropriate reserving, settlement and reporting of all claims
Compliance	<ul style="list-style-type: none"> - Delivering and reporting on the Board agreed annual Compliance plan - Advise management on compliance with laws and regulations - Assess possible impact of any significant changes in the legal environment
Finance	<ul style="list-style-type: none"> - The management, payment, and reporting of the capital and financial resources of the firm
Internal Audit	<ul style="list-style-type: none"> - Delivering and reporting on the Audit Committee recommended and approved annual Internal Audit plan - Evaluating the adequacy and effectiveness of all functions within the Group
IT	<ul style="list-style-type: none"> - Managing the development of new systems and the operation of existing systems - Ensuring the everyday availability of systems to allow minimal downtime - Ensuring that business critical data is able to be accessed and stored accurately and in a controlled environment - Maintenance of the critical infrastructure and user support and maintaining network security at operating system level
Reinsurance	<ul style="list-style-type: none"> - The appropriate calculation, collection and commutation of all third party reinsurance assets
Risk Management	<ul style="list-style-type: none"> - Delivering and reporting on the Risk Committee recommended, Board agreed, annual Risk Management Plan - Document and communicate the Risk Management Plan to embed within business - Develop and review Risk Management strategies and policies - Design and produce CISSA processes and documents
Investment Management	<ul style="list-style-type: none"> - Manage the investment portfolio in line with the approved strategic asset allocation and investment policy - Oversee all third party investment managers - Produce and regularly review the investment strategy, policy (including strategic asset allocation) and guidelines

Certain functions are outsourced through a formal outsourcing agreement with RSML, Group's management services company. During 2024, RIBL did not employ individuals to perform the Internal Audit, Actuarial, Risk or Compliance functions directly. In 2025, RIBL has directly hired both risk and

compliance functions in Bermuda. Claims Management is also outsourced to RIINC, another subsidiary of RIHL.

On minimum of a monthly, and ad-hoc basis if merited, a report is produced by each function head and reviewed by Exco. The appropriateness of resource across all functions is reviewed monthly by Exco. The RiverStone Group service company maintains authority schedules which set out the authorities relevant to each function head and their departments to enable them to manage their functions and their operations effectively.

Reporting from the Key Functions to the Board is through Board members having access to the Exco reports and through the Board determining what specific reporting they require at Board meetings.

The roles and responsibilities of each function are discussed in sections 5.5, 5.6, 5.7 respectively.

5.1.2 Remuneration

The principles of RIBL's remuneration policy are:

- Recruit and retain high calibre employees who are equipped with the correct skills and knowledge required in order to deliver its strategic objectives
- Ensure that salaries and benefits remain competitive with other companies in its market sector and geographical location
- Ensure that the contribution of its employees in achieving the Company goals is recognised and rewarded in a manner that both enhances service delivery and is consistent with the long-term interests of the Shareholder. The measurement of performance takes into account any activities that could have an adverse effect in the future or where there is evidence that activities in previous years have caused deterioration in the current year
- Achieve equity, fairness and consistency in the operation of reward policies and procedures
- Ensure that any material risks linked to remuneration arising at the level of the RiverStone Group are considered and managed
- To pay bonuses which are a fair reflection of individual performance against both the Company and Departmental goals and the overall company performance, whilst also taking account of key personal qualities and responsibilities
- To ensure that the fixed or guaranteed component represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on the variable components, and to allow RIBL to operate a fully flexible bonus policy, including the possibility of paying no variable component
- To create an environment where employees recognise that good performance and behaviours are rewarded appropriately and that bonuses are not paid automatically
- To pay a market rate which is comparable to similar roles within both the financial services industry and the local employment market
- To recognise that our employees are appropriately skilled in their respective fields and, as such, deserve appropriate reward for their respective individual contributions to the Company's performance
- To assist in the retention of our employees

Performance related bonus is the main variable element of remuneration and is awarded dependent on performance for the calendar year prior to the date on which the bonus is paid. Factors considered include

individual performance, contribution to appropriate risk management, contribution to performance against specific, measurable pre-set Company and Departmental goals, and the wider performance of the Group.

The remuneration structure is designed to protect the long-term interests of the company, promote sound and effective risk management, and prevent excessive risk taking.

There are no supplementary pension or early retirement schemes for members, the board or senior executives.

5.1.3 Material Transactions during the Reporting Period

Material transactions undertaken during the reporting period are listed in Section 4.4.

There were no material transactions with shareholder controllers, persons who exercise significant influence, the board, or senior executives.

5.2 Fitness and Proper Requirements

5.2.1 Requirements Concerning Skills, Knowledge and Expertise

RIBL ensures that those individuals who are within scope of the BMA's "Fit and Proper" framework have the required skills, knowledge and expertise through:

- Identification of the requirements of the role, including qualifications, and creation of a role profile.
- Background checks in line with 'Fit and Proper' guidelines issued by the BMA.
- Annual monitoring of competencies and capabilities.
- Annual appraisal process.

5.2.2 Assessment Process for Assessing Fitness and Propriety

An initial assessment of fitness and propriety is performed to ensure the individual is fit and proper to carry out the role they have been nominated or interviewed for.

The following minimum standards are considered when assessing fitness and propriety:

- Experience in the market for the role they are carrying out.
- Any previous regulatory applications or positions held.
- Regulatory References or employment references generally documenting any previous conduct matters.
- Criminal record checks.
- Completion of the Fit and Proper Questionnaire.
- Assessment against the relevant BMA Standards.
- Annual fit and proper reassessment.

All in-scope individuals are subject to an annual fit and proper reassessment to ensure they continue to meet the standards of fitness and propriety.

Collective fitness of the Board is undertaken by RIBL through an annual board effectiveness review process. This consists of a ratings-based questionnaire that all members complete to assess the Board's performance, effectiveness and how it could be improved. The board effectiveness review is externally facilitated on a three-year basis.

5.2.3 Board and Senior Executives Professional Qualifications, Skills and Expertise

Board Member	Professional Qualifications, Skills and Expertise
Constantinos Miranthis – Chairman (Independent Non-Executive Director)	Costas has over 35 years of experience in the financial and insurance sectors, including 13 years at PartnerRe, five years as its chief executive officer. He also serves on the boards of Hiscox, the Argus Group, and Pacific Life Re as an independent non-executive director. Costas holds a MA in Economics from the University of Cambridge.
Greg Morrison (Independent Non-Executive Director)	A life insurance actuary with over 40 years experience, including Chief Executive Officer and Director experience at both private and public life and property casualty (re)insurers. Greg currently serves on the Board of a number of Bermuda (re)insurers including Brookfield Reinsurance Ltd, Trisura Group Ltd, Aetna Life & Casualty (Bermuda) Limited, Aspen Bermuda Limited and Multi-Strat Holdings Limited. Greg holds a Honours Bachelor of Arts (Mathematics) from the University of Western Ontario.
Luke Tanzer (Non-Executive Director)	With more than 32 years of experience in the insurance industry, Luke runs RiverStone International's operations. He joined RiverStone in 1998 and has held a number of positions including head of workout, reinsurance director and operations director before his promotion to CEO in 2009. Prior to RiverStone, Luke spent eight years in the claims and placing divisions of Alwen Hough Johnson and Sedgwick Re. He was a board member of the Insurance and Reinsurance Legacy Association (IRLA) between 2005 and 2013. Luke graduated from James Cook University, North Queensland with a Bachelor of Economics in 1988.
Andrew Creed (Non-Executive Director)	With more than 15 years of experience, Andy is responsible for all finance, capital, actuarial and business planning matters of RiverStone International's operations. He joined RiverStone in 2013 as a reporting accountant, progressing to become RSMA finance director in 2018 and chief financial officer in 2019. Prior to joining RiverStone, Andy spent three years working in the corporate and investment banking department of Barclays Bank. He started his career in 2007 in the audit and assurance practice at PwC, working almost exclusively with clients in the London insurance market and qualifying as a chartered accountant in 2010.
David Roche (CEO and Executive Director)	With a 28-year career in the insurance industry – all of it in the legacy sector – David holds the position of Chief Executive Officer for RIBL and runs RiverStone International's acquisitions activities, having joined the business in February 2022. He spent 21 years at Enstar in Bermuda and the UK up until 2017, having joined that firm from Deloitte in 1996. David qualified as chartered accountant in

	Birmingham in 1993 having completed his Bachelor of Arts in Mathematics at Merton College, Oxford.
James Saunders (CUO and Executive Director)	With more than 20 years of experience in the insurance industry, Jamie holds the position as Chief Underwriting Officer for RIBL and heads up RiverStone International's Group Mergers and Acquisitions team. He spent 17 years at Enstar, progressing from a financial controller to the Group Head of M&A Operations and Integration. Jamie qualified from the Chartered Institute of Management Accountants in 2009.
Allison Pedro* (CFO and Executive Director)	With more than 24 years of experience in both financial and insurance sectors, Allison succeeded Jonathan Bell as the Company's Chief Financial Officer on January 1, 2025. Prior to joining RiverStone, she was the Chief Financial Officer of Phoenix Re Limited, another PRA group regulated entity. She was also the Director of Financial Reporting at Fortitude Re and held the position of Chief Financial Officer at Sun Life Assurance Company of Canada (Bermuda Branch). Allison started her career in Audit with KPMG and Deloitte, she has multiple certifications including Certified Public Accountant in the State of Arizona; Chartered Financial Analyst and Canadian Risk Manager designation. * (Chief Financial Officer and Director of RIBL starting January 1, 2025)
Jonathan Bell** (Former CFO and Executive Director)	With more than 18 years of experience in both the financial and insurance sectors, Jonathan was responsible for the finance function of RIBL. He joined the company in 2022, having spent 8 years at Enstar in Bermuda where he held the position of Group-Head of Financing Reporting. Prior to Enstar, Jonathan spent three years at Zurich Investment Services and 6 years with PriceWaterhouseCoopers where he started his career. Jonathan qualified as a Chartered Financial Analyst in 2016 and a Chartered Accountant in 2008. ** (Chief Financial Officer and Director of RIBL until December 31, 2024)

5.3 Risk Management System and Solvency Self-Assessment

5.3.1 Risk Management Framework

RIBL has in place a Risk Management Framework ("RMF") underpinned by strategies, processes and procedures. These components identify, measure, monitor, manage and report, the risks to which RIBL is exposed, and consider their interdependencies. The framework incorporates both bottom-up (e.g. risk and controls self-assessment, risk event reporting, etc.) and top-down processes (e.g. risk appetite framework) to ensure that all risks are identified, assessed, managed and reported in an efficient manner while balancing risk and reward optimally and assisting in the facilitation of RIBL's strategic objectives. Some of the core elements of RIBL's RMF are explained in greater detail below:

Identification

RIBL's RMF follows a consistent risk identification approach across all the prudential risk categories comprising of both top-down and bottom-up processes. Risks are identified using a range of tools embedded within the key constituent elements of the risk management framework. Some of these underlying processes are as follows:

- Risk Function engages with key stakeholders from all areas of the business to carry out a detailed assessment of the current and future risks and controls relevant to the business.
- Risk Event reporting framework which provides valuable insight into the nature of the risks crystallising and/or near misses along with their estimated severities.
- Monthly Monitoring of Key Risk Indicators ("KRIs") with the objective of identifying new risks or changes in risk profiles from the trends emerging from the information.
- Monitoring of emerging risks to ensure they are identified and assessed for their latency and relevance to the business.
- Monitoring of and comparison with external data e.g., risk-based publications, regulatory guidance.
- Ongoing general interaction with key stakeholders in the business and members of the RCC and RIBL Board.

Measurement

All risks are assessed against an impact/probability matrix on both a gross (without any form of controls) and net (with existing controls and their effectiveness) basis, with an overall rating provided for reporting purposes. Risk Owners are responsible for continuous consideration of their risks and subject to more detailed reviews by the Risk Management Function. Risks are also assessed as part of the following risk framework processes:

- the Commercial Insurers Solvency Self-Assessment ("CISSA") process and specifically through stress and scenario testing;
- the BSCR outputs which provide valuable insights relating to the assessment of material risks; and
- regular discussions with senior management and the RCC to consider emerging risks which act as an early warning indicator on the potential impact and latency of risks that could crystallise in the future.

Monitoring

It is the responsibility of the individual risk owners to monitor the risks that they are responsible for. The Risk Management Function meets with risk owners regularly to obtain the latest position on their risks and on developments within the business.

Management

It is the responsibility of the individual risk owners to ensure that all risks are cost effectively mitigated on a net basis, and that any associated KRIs do not breach RIBL's risk appetite. This is achieved through a variety of methods, including the regular review of existing controls and processes, as well as the adoption of any additional controls, resource or alterations to process, if necessary. The management of each of the material risk categories is documented within a specific risk management policy.

The key governance bodies in RIBL's risk management process are set out below:

- **The Board:** responsible for setting business and risk strategy and ensuring the principal risks and uncertainties facing the Company are managed.
- **RCC:** responsible for the oversight of the Company's risk management framework and monitoring that the Company is operating within the risk appetites approved by the Board.
- **Exco:** responsible for the oversight and review of key deliverables and updates from the Risk Management Function.

Reporting

The Risk Management Function, through the Group Risk & Compliance Director, reports monthly to the Exco and quarterly to the RCC and the Board. This reporting encompasses:

- Key risk developments.
- The status of key risk indicators, which provides an early warning system for where a key risk may crystallise.
- Risk events that have occurred.
- Any risk appetite breaches.
- The status of identified emerging risks.
- General risk developments and trends.
- Appropriateness of CISSA reports.

Implementation and Integration

The Risk Function implements the RMF through a cyclical process of identifying, assessing, managing, monitoring, and reporting of all material risks to which RIBL is exposed currently and in the future. Ongoing risk identification processes are in place to monitor current risks and identify new and/or emerging risks material to the achievement of RIBL's strategy and business objectives. All relevant risks are regularly discussed and challenged at Board, RCC and executive management level.

Risk assessments activities, both on a quantitative and a qualitative basis, are carried out regularly to ensure a robust understanding of the Company's exposure to individual risks and underlying events that could trigger these risks and inform RIBL's own view of its risk profile against the Board approved risk appetite. Risk mitigation strategies and control activities are put in place for each risk category based on impact and materiality and are typically aimed at reducing or eradicating net exposure in line with RIBL's risk appetite. RIBL has in place individual risk policies that set out the framework deployed to identify, assess, manage, monitor and report all material risks (refer to Section 6).

The Board has ultimate responsibility for ensuring the effectiveness of the risk management system, setting risk appetite and overall risk tolerance limits, as well as approving the main risk management strategies and policies.

The RCC has been established to support the Board and provides independent oversight of the Risk Management function. The role of the RCC is further described in Section 5.1.1.

A report is provided to the RCC on a quarterly basis which provides information on the risk profile, risk appetite status, key risks, and the activities of the Risk Management Function. This allows the RCC to ensure the continued effectiveness of the risk management framework.

Risk Management Function

RIBL has in place a Risk Management Function with responsibility for delivering the risk management service across the business, with specific responsibilities for:

- Facilitating Board review and agreement of risk appetites and risk tolerances.
- Formulating and executing the annual RIBL Risk Plan
- Monitoring the overall risk profile against the Board approved risk appetite, including any accumulation of risk, trends, and risks from internal and external market changes.
- Drafting risk policies and risk management standards for Board approval.
- Updating and implementing the risk framework on an ongoing basis.
- Developing and distributing tools, techniques, methodologies, common risk language, risk framework, analysis, reporting, communication and training.
- Escalating high priority issues, including key risk events, to the Exco, the RCC and the Board.
- Collating, challenging and reporting on aggregate risk profile, control effectiveness and actions taken to the Board, the RCC and the Exco.
- Ensuring that risks that have been identified as potentially material are reported on to the Board.
- Carrying out the CISSA process and drafting the CISSA report informing the Board of RIBL's overall risk and solvency profile.

RIBL's risk management function is overseen by the Group Risk and Compliance Director. The Group Risk and Compliance Director reports to Exco and the Board and is responsible for delivering an annual, Board agreed, Risk Management Plan.

5.3.2 Solvency Self-Assessment

RIBL's CISSA process is a key mechanism of the RMF and is an integral part of the risk management system. It leverages the capital management and strategic planning processes. The CISSA provides forward-looking information on the respective risk and capital positions, considering RIBL's strategy and risk appetite and includes:

- descriptions of the risk profile and the main risks that RIBL is exposed to;
- overviews of expected changes in the risk profiles over CISSA time horizon; and
- prospective assessments of overall capital needs over the CISSA time horizon, considering RIBL's strategy and risk profile, including an analysis of any excess or shortfall in the Eligible Capital.

The table below sets out the most material elements of the CISSA process:

Report Area	Key Processes
Business Strategy and Objectives	<ul style="list-style-type: none"> • Setting of Strategic Goal and Objectives including Business Planning.
Risk Profile	<ul style="list-style-type: none"> • Risk Management Framework. • Risk register. • Risk profile monitoring. • Setting of Risk Appetite. • Actions taken to stay within Risk Appetite Tolerances.
Capital Requirements & Solvency Position	<ul style="list-style-type: none"> • Data quality requirements. • Calculations of Technical provisions. • Assessment of Economic Capital Requirements including a comparison between the capital held under the BSCR and RIBL's own view of capital. • Adequacy of Solvency and Liquidity.
Stress and Scenario Testing	<ul style="list-style-type: none"> • Criteria for selection. • Stress tests are robust and aligned to risk appetite and tolerance.
Forward Looking Assessment	<ul style="list-style-type: none"> • Forward looking view of future risk and capital needs.

RIBL produces a CISSA report at least annually, and the results of the solvency assessment are reviewed by the RCC for recommendation to the Board for approval.

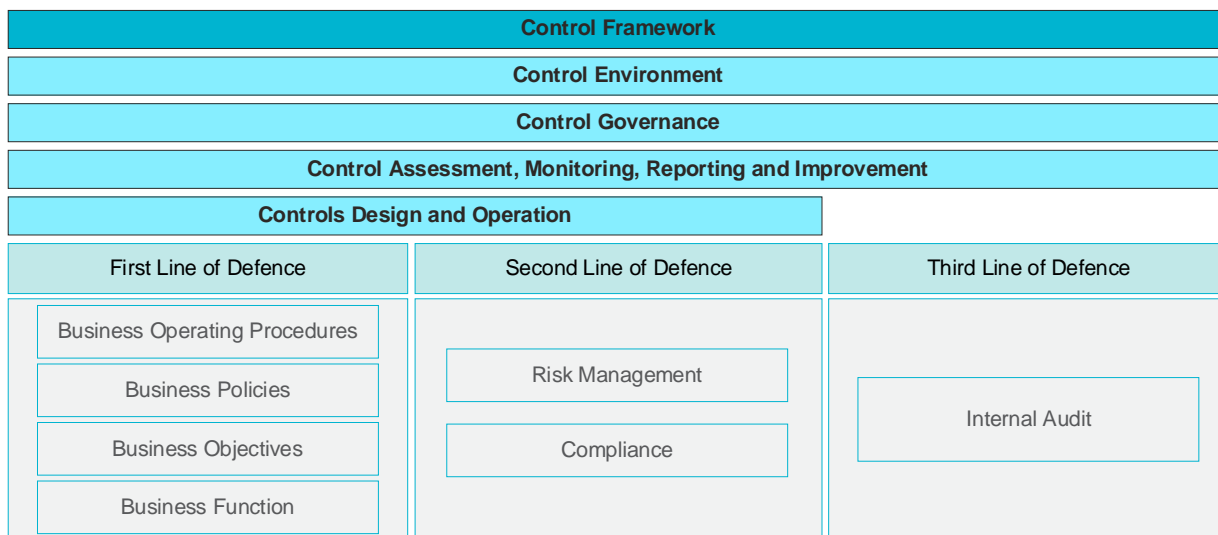
The risk function also monitors CISSA triggers that indicate when there have been material changes to the risk profile of RIBL, indicating a more frequent assessment may be required.

5.4 Internal Control System

5.4.1 Internal Control System

The internal control system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with law and regulations.

The following diagram illustrates the key components of RIBL's Internal Control Framework:



The control framework is made up of:

- The control environment - the culture and organisational structures that support sound internal control.
- Control governance activity - the roles and responsibilities that provide oversight of internal control.
- Control assessment, monitoring and reporting activities - supporting the oversight and governance of internal control.
- Control design and operation - outlining the elements of effective control design and operation.

To ensure the ongoing effectiveness and efficiency of the control framework a “three lines of defence model” is in operation.

Controls are first and foremost the responsibility of the business and relevant line management, i.e., the ‘first line of defence’. As the first line of defence, line management is responsible for monitoring day to day adherence to this framework within its area of jurisdiction.

Assurance, also referred to as quality assurance or the ‘second line of defence’, is provided by specialist employees who are independent from business line management. The Assurance functions are Risk Management and Compliance, which operate on a centralised RiverStone Group basis.

Principal responsibilities include monitoring, benchmarking, and challenge where appropriate. Second line of defence assurance functions monitor adherence to this framework. All controls are designed with an objective of mitigating the inherent risk. The extent to which a particular control mitigates the inherent risk is assessed using the following criteria:

- design effectiveness of the control; and

- operational effectiveness of the control.

The design and operational efficacies of all controls are assessed by the function owner. RIBL is in the process of implementing formalised control assessments using a new governance, risk and compliance tool. This tool is already in place for RSML, which provides a number of services to RIBL. “Partially effective” or “Ineffective” rated controls are reported and escalated on the basis of documented governance framework. In addition, the Risk Function engages with the control owner to help facilitate an achievable remediation plan aimed at rectifying the identified deficiencies and returning the control back to an “Effective” rating in a timely manner. The collective impact of the satisfactory design and operation of all control activities, identified for a given risk, reduces the assessed inherent risk level down to the residual risk level for that particular risk to achieve the desired level of mitigation.

The third line of defence is provided by Internal Audit. The primary role of the Internal Audit department is an independent, objective assurance activity designed to add value and improve the operations. It accomplishes its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Further information on how Internal Audit operates and maintains its independence is provided in Section 5.6. All persons in the second and third line of defence, as described in the diagram above, are independent of the business.

5.5 Compliance Function

During 2024, the Compliance Function was outsourced to RSML. The Compliance Function operates in accordance with an annual, Board approved, Compliance Plan. Work undertaken by the Compliance Function and progress in achieving the annual plan is reported monthly to the Exco and quarterly to the Board. In 2025, RIBL has in place a dedicated Compliance Function in Bermuda.

The Compliance Function:

- Ensures that suitable compliance policies and procedures are in place;
- Advises the Board, and the Executive Committee as appropriate on compliance with rules and other laws, regulations and administrative provisions;
- Identifies and assesses compliance risk;
- Manages compliance and regulatory risks as recorded within the risk register;
- Assesses the possible impact of any changes in the legal/regulatory environment on the operations of RIBL and the identification and assessment of compliance risk;
- Escalates high priority issues, including risk events, to the Exco and the Board;
- Monitors, tests, challenges and reports on control effectiveness to Exco and the Board;
- Develops and distributes tools, techniques, methodologies, common compliance language, compliance framework, analysis, reporting, communication and training;
- Cooperates with other Functions in carrying out their roles; and
- Reports to the Exco and the Boards. The Compliance Function Terms of Reference are reviewed annually, initially by the Compliance Director and then the Board. There were no significant changes to the policy during the reporting period.

The Group Risk & Compliance Director reports to Exco and the Board on compliance matters. If any material compliance breaches or deficiencies are identified, the Group Risk & Compliance Director reports on the corrective measures recommended to address them, and on corrective measures already taken.

In undertaking its role, the Compliance Function has the authority and ability to communicate with any staff member on its own initiative and has full access to any records necessary for it to fulfil its role.

The Compliance Function TORs define the responsibilities, competencies, and reporting duties of the Compliance function. The Compliance Function TORs are reviewed annually, initially by the Group Risk & Compliance Director and then the Board.

5.6 Internal Audit Function

5.6.1 Internal Audit Function

The primary objective of the Internal Audit function is to help the Board and Executive Management protect the assets, reputation, and sustainability of the organisation, providing them with a vision to support effective decision making.

RIBL is serviced by the Group Internal Audit Function ("Internal Audit Function"), governed by a Group Internal Audit Charter and Internal Audit Mandate, adopted and approved by the RIBL Audit Committee.

The Internal Audit Function uses a risk-based approach to establish its annual Internal Audit plan (the "IA Plan"). This risk-based approach is supported by an Audit universe, to ensure there is adequate coverage of business activities (with a particular focus on the higher risk areas of the business). The IA Plan is formally approved by the Audit Committee and subsequently reviewed at least quarterly (with any changes approved by the Audit Committee).

The Internal Audit Function identifies the key risks relevant to the scope of each Audit (on the IA Plan). The Internal Audit Function tests the adequacy and effectiveness of the controls - as owned and operated by the business - that mitigate those risks. An Internal Audit report is provided to the relevant members of Exco and the Audit Committee upon completion of the audit. Findings are included in the report along with the agreed management actions to address the findings.

Internal Audit tracks the progress and completion of agreed management actions. Internal Audit reports the status of agreed management actions at the monthly Exco meetings and the quarterly Audit Committee meeting.

The Internal Audit Function derives its ultimate authority from the RIBL Board via delegation to the Audit Committee. The Head of Group Internal Audit reports functionally to the Chair of the RIBL Audit Committee to maintain independence and administratively (and for the purpose of executive communication) to the RIBL Chief Executive Officer. The Head of Group Internal Audit has direct access to the Chair of the Audit Committee.

5.6.2 Internal Audit Independence

To ensure independence, the Internal Audit Charter requires that the Internal Audit Function:

- Remains free from interference over Audit selection, scope, procedures, frequency, timing, or report content;
- Has no direct operational responsibility or authority over any of the activities audited;
- Exhibits professional objectivity in gathering, evaluating, and communicating information;

- Considers the use of external resource, where required to preserve independence or to ensure sufficient expert knowledge of the Audit subject matter;
- Confirms to the Audit Committee, at least annually, the organisational independence of Internal Audit; and
- Holds regular sessions with the Audit Committee where executive management is not present.

Any potential impairment to independence and/or objectivity of the Internal Audit Function is reported directly to the Audit Committee.

Individuals within the current Internal Audit Function have not performed any other role.

5.7 Actuarial Function

The company's Actuarial Function is led by RiverStone's Group Chief Actuary, who is supported by the wider Group Actuarial Function. The actuarial TOR defines the responsibilities, competencies, and reporting duties of the actuarial function as follows:

- Ensures that suitable actuarial policies and procedures are in place.
- Takes steps to ensure that the role is undertaken objectively, free from any conflicts or bias.
- Oversees the calculation of the technical provisions, ensuring the appropriateness of the methodologies, underlying models and assumptions.
- Assesses the sufficiency and quality of the data used in the calculation of technical provisions.
- Assesses the sufficiency of reserves, comparing best estimates against experience.
- Compares actual versus expected development on a quarterly basis.
- Contributes to the effective implementation of the risk-management system, with respect to the risk modelling underlying the calculation of the capital requirements and the CISSA.

The Actuarial TOR is reviewed annually, initially by the Group Chief Actuary and then the Board.

The Actuarial Function maintains open communication with other Functions in the undertaking of their role and reports to the Exco through the Chief Actuary and to the Board, as required.

Overview of Activities of RIBL Actuarial Function

During the reporting period the Actuarial Function contributed to the effective implementation of the risk management system through:

- Overseeing the calculation of technical provisions.
- Assessing the sufficiency of reserves
- Comparing actual versus expected development on a quarterly basis.
- Being responsible for risk modelling within the capital model, including ensuring
 - appropriate actuarial methods are used.
- Providing the Boards and senior management with details of the drivers behind the breakdown by risk type of the BSCR.
- Providing capital modelling outputs as part of the CISSA process.

- Expressing an opinion on the adequacy of the technical provision through the Loss Reserve Specialist Opinion.

5.8 Outsourcing

5.8.1 Outsourcing Policy

In fulfilling its business objectives RIBL continuously explores and, where appropriate, implements organisational changes that improve efficiency and effectiveness.

RIBL only approves proposals to outsource where the proposal is supported by a clear and achievable business case, and where the requirements set out in the Third-Party Services policy have been met.

Any proposals to outsource must include:

- A materiality assessment assessing whether the outsourcing arrangement is deemed Material;
- Completed due diligence in line with the requirements per the Third-Party Due Diligence Procedures;
- A risk assessment assessing the potential risks of the third-party arrangement including operational and financial risks;
- Appropriate approvals and/or notifications as required per the Third-Party Services Policy;
- A written agreement reviewed by legal which includes all required contract provisions as per the Third-Party Services Policy.

For all material outsourcing arrangements, a business continuity plan and exit strategy (stressed and non-stressed) are documented in line with the requirements of the Third-Party Services Policy.

All outsourcing arrangements have appropriate oversight processes for the on-going assessment of the service providers' performance.

The Board is responsible for identifying and understanding the firm's reliance on critical service providers. The Board receives reports on material arrangements to facilitate their effective oversight and challenge.

5.8.2 Material Intra-Group Outsourcing

Intra-Group outsourcing is subject to the same requirements and expectations as outsourcing to third-party service providers. The terms are negotiated and agreed on an arm's length basis. The only material outsource service providers to RIBL are currently other RiverStone entities.

RIBL outsources the following operational activities to RSML, another RiverStone Group company:

- Actuarial Function
- Risk Management function (being transferred to RIBL in 2025)
- Compliance function (during 2024 but now transitioned to RIBL)
- Internal Audit function
- Investment function
- IT function

The Board maintains oversight over RSML in relation to the outsourced activities and the terms of the agreement are set out in an outsource agreement in place between RIBL and RSML. Monitoring of this relationship occurs regularly during the monthly Exco meetings and through attestations provided by functions within RSML.

RIBL also outsources claims handling to RIINC, another RiverStone Group company.

Note that RIBL has fourth party outsource service provider arrangements through the intra-company service agreement with RSML. The most material fourth party relationship is with external investment managers who are overseen by the RSML investment function.

5.9 Any Other Material Information

There is no additional material information regarding the system of governance that should be disclosed.

6. RISK PROFILE

Risks that RIBL is exposed to include Strategic Risk, Insurance Risk (including Reserve Risk), Market Risk, Credit Risk, Liquidity Risk, Capital Risk and Operational Risk. Of these Reserve Risk, Market Risk and Operational Risk are currently considered the material risks to the business.

6.1 Material Risks and Risk Mitigation

Insurance Risk

- Description: Insurance risk comprises primarily reserve risk arising from the uncertainty inherent within the estimation of the frequency, severity and timing of future claims and indemnity payments.
- Measurement: Reserve risk is driven by the size and nature of the claims reserves held by RIBL. From a capital perspective, risk is driven through the volatility of particular classes of business and the correlations between classes of business. Reserve risk is modelled using actuarial techniques. This is reviewed by Exco and reported quarterly to the Board.
- Mitigate: Reserve adequacy is assessed at least annually through a full reserving exercise and there are monthly metrics in place that give an indication of the performance of the reserves during the year. In relation to acquisition activity, a granular review is carried out at the due diligence stage to ensure that any reserves acquired are adequate for the entirety of the run-off. The Board specifically reviews Reserve Risk in its quarterly meetings and receives presentations on actual versus expected development and the progress against the annual goals as a standing agenda item.
- Material Risk Concentration: The largest loss type to ultimate within RIBL is US Casualty. The mix of business has changed during the year due to acquisitions.

Market Risk

- Description: Market risk is the risk of changes in the income from assets or the value of assets arising from fluctuations in economic variables, including credit spreads, interest rates and exchange rates, and is mainly driven by the nature and composition of the investment portfolio.

- **Measurement:** Market risk is measured through key risk indicators and metrics have been established which track market risk through effective duration, credit quality, concentration exposure, asset liability matching and stress tests. These are reviewed by the Exco and are reported quarterly to the Board.
- **Mitigate:** There are Board approved Investment policy and guidelines that are based on Market Risk appetite. There is regular monitoring of exposures relative to Market Risk appetite. There is robust Asset Liability Matching framework mitigating interest rate and currency risks. Where material currency mismatches still exist post ALM allocations, RIBL use forward contracts to further mitigate currency risk, if appropriate, to remain within set appetites. Interest rate risk is well managed through ALM resulting in no significant mismatches. There is also regular oversight of third-party managers who manage the investment portfolio in accordance with the investment guidelines.
- **Material Risk Concentration:** RIBL mitigates the risk of loss of investment value through excessive reliance on a particular asset, issuer, geographical area or other area of concentration by investing in a range of securities of different investment types and counterparties, operating in different industries and jurisdictions. The investment guidelines and risk appetite statements set tolerances over asset risk concentrations, and these are monitored monthly.

Operational Risk

- **Description:** Operational risk arises from inadequate/inefficient internal processes, people and systems or from external events. Material Operational Risks that RIBL was exposed to during the reporting period include integration of new acquisitions, failure or unavailability of IT systems, outsourcing to other group entities, and data integrity.
- **Measurement:** The RIBL Risk Register employs a bottom-up approach of identifying Operational Risks, their sources and the controls associated with mitigating the risks. Risk owners assess their risks regularly assigning impact and likelihood scores to their risks which form the basis of all operational risk assessment
- **Mitigate:** RiverStone has an established project management framework for the integration of acquisitions and dedicated project managers who are experienced in managing integration projects. In the event of failure by one or more systems, disaster recovery and business continuity plan in place which are reviewed, updated and tested regularly. RIBL has several of its functions / services provided by RSML and RIINC. Compliance co-ordinates the quarterly service level agreement (SLA) attestations for services provided to RIBL, with exceptions reported to oversight bodies such as Exco and the Board.
- **Material Risk Concentration:** RIBL places reliance on related party outsource service providers. This reliance is mitigated through clear contractual obligations, monitoring of service levels through regular assessments and business resilience contingency planning.

See also Section 5.3 - Risk Management System and Solvency Self-Assessment

6.2 Investment in Assets In Accordance with the Prudent Person Principle of the Code of Conduct

All investments are made by RIBL with due regard to the Prudent Person Principle and the Guidelines on system of governance. Investments are only made in assets that are appropriate for RIBL's risk appetite,

where the Board can clearly understand the underlying risk and make decisions based on the information provided by the business.

Prudent person principles, whereby investment decisions are to be made as if being decided by the objective “prudent man”, are applied in the context of the investment portfolio. RIBL and its Investment Manager apply these standards by consideration of how a prudent person would invest their own money without undue risk of loss or impairment and with a reasonable expectation of a fair return and appropriate levels of liquidity. The application of prudent person investment principles does not preclude investment in securities that may be perceived to have a higher degree of risk than others, for which a higher return would be anticipated, provided that such risk is balanced within the overall investment portfolio.

RIBL has specific risk tolerances and parameters in place to ensure that it fulfils its obligations to invest all its assets in accordance with Prudent Person Principles.

RIBL has tolerances in place to ensure the preservation of invested assets covering its Enhanced Capital Requirement, Minimum Capital Requirement and policyholder obligations, having regard to the nature of liabilities such that sufficient liquidity is always available for the settlement of claims and other obligations as they fall due, and the adequate capitalisation of RIBL at all times.

6.3 Stress Testing

Stress testing in the reporting period was undertaken to assess and evaluate the company’s ability to withstand exposure to extreme events. The stress tests assess the company’s financial and capital position in response to deterioration in asset and liability values.

The following stress tests were applied:

Type of Risk	Description
Reserve Risk	Reserve stresses that have been applied include: <ul style="list-style-type: none"> - Net Technical Provision deterioration across the company. - Deterioration in the level of reserves based on key classes of business to which the company is exposed. - Inflation risk (economic and social).
Market Risk	Investment stresses that have been applied include: <ul style="list-style-type: none"> - Widening of Credit Spreads. - Extreme US Yield Curve widening. - Foreign currency shocks.
Operational Risk	Qualitative analysis of the occurrence of two operational risk event scenarios: <ul style="list-style-type: none"> - M&A Integration – not successfully integrating and/or migrating company acquisitions. - Failure of key outsourcing arrangements.
All Risks	Reverse Stress Test incorporating severe reserve and market risk stresses resulting in a level of depletion of capital that makes the business unviable.

Under the above scenarios except for the most extreme reverse stress test, RIBL is sufficiently capitalised to meet its liabilities and regulatory requirements. No future management actions have been considered as part of the stress tests. The Board considers that, although plausible, all the stresses that have been applied are extreme and that therefore there is a good level of resilience to such scenarios.

6.4 Any Other Material Information

There is no additional material information regarding the risk profile that should be disclosed.

7. SOLVENCY VALUATION

The company's financial statements are prepared in conformity with UK GAAP and form the basis for the solvency valuation under the Bermuda insurance regulations.

RIBL has used the valuation principles outlined by the Insurance (Prudential Standards) (Class 4 and 3B Solvency Requirement) Rules 2008 and the BMA's "Guidance Note for Statutory Reporting Regime" to prepare its EBS.

7.1 Assets

The table below summarises the value of each material class of EBS assets as at 31st December 2024 and 31st December 2023:

EBS Classification	2024 \$'000	2023 \$'000
Cash & Cash Equivalents	221,993	29,418
Investments	706,258	369,191
Funds Held by Ceding Reinsurers	1,067,172	177,837
Letters of Credit	24,000	24,000
Accounts and Premiums Receivable	265	11,516
Investment Income Due and Accrued	13,705	5,027
Other Assets/Debtors	1,131	13,721
Total Assets	2,034,524	630,710

7.1.1 Cash and Cash Equivalents

Cash and cash equivalents include fixed interest deposits, money market funds and all highly liquid debt instruments which have an original maturity of three months or less from date of purchase.

The valuation methodology for the EBS is consistent with UK GAAP.

7.1.2 Investments

RIBL classifies its investments in debt securities, equity securities and alternatives in accordance with the fair value hierarchy.

Quoted investments are valued at fair value based on quoted prices in active markets that are readily available or observable inputs.

Unquoted investments are not readily marketable investments and priced using unobservable inputs. Valuation requires varying degrees of management judgement due to the absence of quoted market prices and lack of liquidity. Initial valuation is based on the acquisition cost and subsequent valuations reflect business appraisals, as well as market transaction data for similar benchmark companies. The fair value of most of RIBL's unquoted investments is typically estimated using the Net Asset Value of the fund as a practical expedient.

The valuation methodology for the EBS is consistent with UK GAAP.

7.1.3 Funds Held by Ceding Reinsurers

Funds held by ceding reinsurers are valued at fair value and the valuation methodology is consistent under both the EBS approach and UK GAAP.

7.1.4 Letters of Credit

Letters of Credit ("LOC") are admitted under the EBS valuation approach as Other Fixed Capital contrary to UK GAAP which classifies LOC as Off-Balance Sheet items.

7.1.5 Accounts and Premiums Receivable

Accounts and premiums receivable are valued in line with UK GAAP.

7.1.6 Investment Income Due and Accrued

Investment income due and accrued is recorded at fair value and is consistent with UK GAAP.

7.1.7 Other Assets/Debtors

Other Debtors are recorded at fair value and is consistent with UK GAAP.

7.2 Technical Provisions

7.2.1 Value of Technical Provisions and Description of Bases, Methods and Main Assumptions Used in Valuation

Insurance Technical Provisions represent the amount that RIBL would have to pay to immediately satisfy its insurance obligations and are calculated as the sum of a best estimate of liabilities and a risk margin.

The table below shows the EBS Technical Provisions as at 31st December 2024 and 31st December 2023:

Technical Provisions	2024 \$'000	2023 \$'000
Net Reserves – UK GAAP	1,353,492	372,409
Net EBS adjustments	(148,819)	(47,778)
Net Loss and Loss Expense Provisions – EBS	1,204,673	324,631
Risk Margin	72,905	25,848
Total Insurance Technical Provisions	1,277,578	350,479

The best estimate of liabilities is calculated as a probability-weighted average of future cash flows, discounted in accordance with BMA discount curves. Cash flows belonging to all legally obligated contracts are included in the valuation of technical provisions and corporate spot rates are derived from yield curves supplied by the BMA.

The risk margin is calculated using the cost of capital approach and a corporate spot rate to reflect the uncertainty inherent in the underlying cash flows.

UK GAAP Best Estimate Reserves

Provisions for outstanding claims and related reinsurance recoveries are established based on best estimates of the ultimate net cost of settlement along with actuarial and statistical projections. Claims provisions are determined based upon previous claims experience, knowledge of events and the terms and conditions of the relevant policies and on interpretation of circumstances. Particularly relevant is experience with similar cases and historical claims payment trends. The approach also includes the consideration of the development of loss payment trends, levels of unpaid claims, judicial decisions, and economic conditions.

7.2.2 Adjustment of UK GAAP Best Estimate Reserves to EBS Loss and Loss Expense Provisions

The differences in valuation for RIBL's technical provisions on a UK GAAP and EBS basis comprise the following adjustments:

EBS Adjustments	Description
Events Not in Data ("ENIDs")	This valuation adjustment reflects the additional provision under EBS approach to capture potential future loss generating events that do not exist in the historical data. These events are high severity and low probability.
Expense Provision	This valuation adjustment reflects all expenses that will be incurred in servicing RIBL's insurance and reinsurance obligations. All costs associated with the entire run-off to expiry are included.
Discounting	This comprises the discounting of best estimate technical provision cash-flows to their present value using yield curves provided by the BMA as at December 31, 2024.
Risk Margin	This reflects the expected cost of capital to support the runoff of the technical provisions as required by the EBS approach.

Technical Provision Uncertainties

Whilst the Board believes that the insurance technical provisions are fairly stated, these estimates inevitably contain inherent uncertainties due to:

- Significant periods of time may elapse between the occurrence of an incurred loss, the reporting of that loss to RIBL, RIBL's payment of the loss and the receipt of reinsurance recoveries.
- Estimates and judgements are based upon current facts available to RIBL and the prevailing legal environment and are subjected to continual review.
- Significant assumptions are made that relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies and the ultimate liability will inevitably vary as a result of subsequent information and events.
- The discounting of the best estimate of cash flows will change as risk free rates and spreads are volatile over time.
- ENIDs in the context of run-off is speculative and judgemental and insurers reserving policy will differ.

7.3 Other Liabilities

The table below shows the Other Liabilities as at 31st December 2024 and 31st December 2023:

Other Liabilities	2024 \$'000	2023 \$'000
Reinsurance Payables	69,690	30,715
Amount Payable and Accrued Liabilities	6,023	1,969
Due to affiliates	15,412	234
Sundry Liabilities	50,615	558
Total Other Liabilities	141,740	33,476

7.3.1 Reinsurance Payables

Reinsurance payables mainly relate to payables from existing external reinsurance transactions. The valuation methodology for the EBS is consistent with UK GAAP.

7.3.2 Amount Payable and Accrued Liabilities

Payables comprise expense accruals only. These are measured at their respective transaction amount. The valuation methodology for the EBS is consistent with UK GAAP.

7.3.3 Sundry Liabilities

The remaining liabilities comprise of amounts due to affiliates, derivative instruments held for hedging purposes and in prior year balances payable for the purchase of investments. The valuation methodology for the EBS is consistent with UK GAAP.

7.4 Any Other Material Information

There is no additional material information regarding the valuation for solvency purposes that should be disclosed.

8. CAPITAL MANAGEMENT

8.1 Eligible Capital

8.1.1 Objectives, Policies and Processes

RIBL's Capital Management Policy sets out how RIBL manages its capital resources, including how it monitors, manages and reports both the sufficiency and adequacy of capital and the quality of capital held.

The primary capital management objectives of the Company are:

- To maintain sufficient capital to support the current business and to ensure ongoing policyholder protection.
- To seek to enhance shareholder value by the efficient run-off of the existing portfolios of business.
- To comply with regulatory guidelines and legislation applicable to capital management.

RIBL's Board is ultimately responsible for ensuring that the capital held by RIBL is appropriate, whilst senior management, including the Actuarial Function, take a key role in performing the role of monitoring, managing and reporting capital through discussion with and recommendations to the Board.

The output from the risk management systems and the CISSA are considered by the Board in setting the appropriate level of capital to hold.

RIBL maintains a medium-term capital management plan, balance sheet projections and projected capital requirements for at least the next 3-5 years.

Capital plans are subject to re-evaluation and possible change in the event of an acquisition and at a minimum are performed as part of the annual CISSA process or following a material change to RIBL's risk profile.

8.1.2 Eligible Capital Categorised by Tiers in Accordance with the Eligible Capital Rules

The company's eligible capital was categorised as follows:

Eligible Capital	31 st December 2024 \$'000	31 st December 2023 \$'000
Tier 1	591,206	222,750
Tier 3	24,000	24,000
Total Capital	615,206	246,750

Tier 1 Basic Capital consists of:

- Fully paid common shares.
- Contributed surplus.
- Statutory economic surplus.

Tier 3 Ancillary Capital consists of a \$24m Letter of Credit.

8.1.3 Confirmation of Eligible Capital That is Subject to Transitional Arrangements as Required under Eligible Capital Rules

Not applicable.

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

Not applicable.

8.1.5 Identification of Ancillary Capital Instruments Approved by the Authority

The following instrument has been approved by the Authority:

- \$24m Amendment and Restatement Letter of Credit, approved by the BMA on 28th November 2023.

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

The following table shows a reconciliation of UK GAAP shareholder's equity to the available capital and surplus:

Reconciliation	31 st December 2024 \$'000	31 st December 2023 \$'000
Shareholder's Funds – UK GAAP	515,523	200,825
Non-Admitted Assets	(231)	(5)
Tier 3 – LOC	24,000	24,000
Statutory Capital and Surplus	539,292	224,820
Technical provision adjustments	148,819	47,778
Risk Margin	(72,905)	(25,848)
Statutory Economic Capital and Surplus (EBS)	615,206	246,750

8.2 Regulatory Capital Requirements

The ECR is determined based on the maximum of the MSM and the BSCR and is shown below:

Enhanced Capital Requirement	31 st December 2024 \$'000	31 st December 2023 \$'000
Bermuda Solvency Capital Requirement	335,877	103,798
Minimum Solvency Margin	202,896	55 861
Enhanced Capital Requirement	335,877	103,798
Enhanced Capital Requirement Ratio	183%	238%

At the reporting date, the ECR ratio exceeds the solvency target set by the Board.

8.2.1 Identification of Any Non-Compliance with the MSM and ECR

The company was compliant with the MSM and ECR requirements for the reporting period.

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

Not applicable.

8.2.3 Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance at the End of the Reporting Period

Not applicable.

8.2.4 Approved Internal Capital Model to Derive the ECR

Not applicable. RIBL does not currently operate on approved Internal Model. Instead, it relies on the BSCR Standard Approach for assessment of its regulatory capital requirements, regulatory submissions and to inform its decisions around capital, solvency, acquisitions, investments and business planning. The BSCR is deemed to be appropriate for assessing regulatory capital requirements based on an assessment performed during the CISSA process.

8.3 Any Other Material Information

There is no additional material information regarding capital management that should be disclosed.

9. SUBSEQUENT EVENTS

There are no material items to report.