



Hamilton Insurance Designated Activity Company

Solvency & Financial Condition Report ("SFCR")

**For Year Ended:
December 31, 2025**

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Summary

The Solvency II (“SII”) regime, a harmonised EU-wide regulatory framework for Insurance Companies, requires reporting and public disclosure arrangements to be put in place by insurers and certain aspects are required to be published on the Hamilton Insurance Designated Activity Company (“HIDAC” or “the Company”) public website. This document is the Solvency and Financial Condition Report (“SFCR”), prepared in accordance with SII requirements, and seeks to provide stakeholders with an insight into the Company's overall financial condition.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate administrative body that has the responsibility for all of these matters is the Company’s Board of Directors (“The Board”). The Board is supported in discharging this responsibility by the Company’s governance structures, including its committees, Senior Management and Internal Control Functions.

Some figures in the tables in this report are rounded to the nearest USD 1,000.

A. Business and Performance

A.1 Business

HIDAC is a regulated non-life insurance private company limited by shares and operating in Ireland. The Company’s registered address is 2 Shelbourne Buildings, Crampton Avenue, Ballsbridge, Dublin 4, Republic of Ireland.

HIDAC is regulated by the Central Bank of Ireland (“CBI”), North Wall Quay, Spencer Dock, PO Box 11517, Dublin 1, Republic of Ireland.

Hamilton Insurance Designated Activity Company (London Branch) (“HIDAC (London Branch)”) is a third country Branch of the Company, and is regulated by the Prudential Regulation Authority (“PRA”) and by the Financial Conduct Authority (“FCA”) for conduct of business rules. The registered address of HIDAC (London Branch) is Level 3, 8 Fenchurch Place, London, EC3M 4AJ.

The Company is wholly owned by Hamilton UK Holdings Limited (UK), which is a wholly owned subsidiary of Hamilton Insurance Group Ltd (“Hamilton”). Hamilton is a Bermuda-headquartered company that underwrites specialty insurance and reinsurance risks on a global basis through its wholly owned subsidiaries. On November 13, 2023, Hamilton, under the symbol “HG”, began trading on the New York Stock Exchange (“NYSE”).

As of December 31, 2025, Hamilton has approximately \$2.8 billion in shareholders’ equity.

See Appendix A for Hamilton’s Group structure.

HIDAC closed the 2025 financial year with gross premium written of \$415.6m (2024: \$401.2m), net premium written of \$143.1m (2024: \$130.8m) and earned premiums, net of reinsurance of \$138.0m (2024: \$116.5m). HIDAC’s net profit after taxes for 2025 was \$8.7m (2024: \$8.1m).

The Company’s external auditor is EY, Chartered Accountants and Statutory Audit Firm, with an address at Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

The Company’s financial year-end is 31 December.

A.2 Underwriting Performance

The Company prepares its financial statements in accordance with United Kingdom (UK) and Irish Generally Accepted Accounting Practice (“GAAP”), and accordingly the underwriting performance information given in this section is on a GAAP basis.

The Company writes a diverse product portfolio, spanning several SII lines of business. The table below shows the Company’s premiums, claims and expenses split by SII lines of business for the year ended December 31, 2025:

2025 US\$000	Income Protection	Other motor	Motor vehicle liability	Marine, Aviation and Transport	Fire and Other Damage to Property	General Liability	Credit and Suretyship	Legal expenses	Misc Financial Loss	Total
Gross premium written	38,314	21,348	11,504	48,568	154,458	61,055	56,862	5,615	17,889	415,613
Net premium written	16,672	9,421	1,206	14,202	60,263	9,314	25,155	807	6,037	143,077
Net premium earned	14,919	6,080	1,470	13,811	57,730	10,746	24,887	799	7,513	137,955
Net claims incurred	6,438	2,097	452	5,607	6,013	5,916	2,525	618	3,055	32,721
Expenses incurred	11,954	4,811	1,437	11,334	48,894	8,860	24,609	2,064	6,314	120,277
Net result	(3,473)	(828)	(419)	(3,130)	2,823	(4,030)	(2,247)	(1,883)	(1,856)	(15,043)

For the purposes of this analysis, direct, proportional reinsurance and non-proportional reinsurance are not presented separately. Rather the obligations are shown under the relevant Solvency II line of business, regardless of the method of placement. This approach aligns with how the Company manages its business.

In the year ended December 31 2025, the Company produced a pre-tax profit of \$8.7m (2024: \$8.1m). The pre-tax profit is largely driven by investment income of \$30.1m (2024: \$10.9m) offset by underwriting losses of \$15.0m (2024: \$6.3m). Gross premium written for the year were \$415.6 (2024: \$401.2m), net premium written in the year amounted to \$143.1m (2024: \$130.8).

Net premium earned for the year was \$138.0m (2024: \$116.5m) with the increase being largely driven by increased premium volume and a higher retention after reinsurance placements.

Net claims incurred in the year amounted to \$32.7m compared to \$25.0m for the prior year. The increase is attributable to higher net premium earned, adverse prior year development and impacted by certain catastrophe events in the year, mainly California Wildfires. Underwriting reported a net loss ratio of 23.7% (2024: 21.5%) and a combined ratio of 110.9% (2024: 105.0%).

The Company utilises reinsurance to limit the exposure on individual risks, protecting against catastrophic risks, and controlling the aggregate exposure of the Company. Reinsurance may be

purchased at several levels ranging from reinsurance of risks assumed on individual contracts to reinsurance covering a portfolio of policies or the book of business as a whole. Outward reinsurance premiums in 2025 were \$272.5m (2024: \$270.4m), the slight increase reflects higher quota share premiums in line with the growth in gross premium written.

The comparative results by SII lines of business for the year ended December 31, 2024 were as follows:

2024 US\$000	Income Protection	Other motor	Motor vehicle liability	Marine, Aviation and Transport	Fire and Other Damage to Property	General Liability	Credit and Suretyship	Legal expenses	Misc Financial Loss	Total
Gross premium written	29,742	7,308	11,222	51,577	132,756	64,295	63,001	14,407	26,925	401,233
Net premium written	12,765	2,719	2,023	12,320	50,834	15,130	25,259	462	9,287	130,799
Net premium earned	11,137	526	1,387	14,188	47,270	13,679	21,083	668	6,543	116,481
Net claims incurred	4,439	184	301	6,766	5,400	3,748	2,348	422	1,395	25,003
Expenses incurred	7,951	1,048	1,574	8,988	38,581	11,180	20,173	2,081	6,221	97,797
Net result	(1,253)	(706)	(488)	(1,566)	3,289	(1,249)	(1,436)	(1,837)	(1,073)	(6,319)

The reconciliation from the SII figures presented in QRT S.05.01 to statutory pre-tax GAAP profit/loss is as follows:

	2025 US\$000	2024 US\$000
Net result from underwriting activities	(15,043)	(6,319)
Investment income (excl. investment mgmt. expenses)	30,093	10,910
Foreign exchange (losses)/gains	(6,395)	3,487
Profit before taxation	8,655	8,078

The geographical spread of gross premium written is presented in the table below. In this analysis risks are categorised by country based on the location of the risk.

	2025 US\$000	2024 US\$000
Ireland	1,874	936
Other EEA	95,792	81,900
United Kingdom	49,555	54,606
United States	244,735	211,917
Worldwide	23,657	51,874
Total	415,613	401,233

A.3 Investment Performance

The primary objective of the investment portfolio is the preservation of capital, as opposed to return on capital. This is the foundation upon which the investment strategy is based, which reflects the Company's relatively low risk appetite for investment risk and financial market loss over the short, medium or long term. The investment guidelines and performance benchmarks have been set accordingly with the investment manager.

The investment portfolio is managed exclusively by Conning Asset Management Limited ("Conning"). The investment portfolio is held in fixed income investment grade securities, with the majority of investments holding a credit quality of 'A-' or better.

There have been no material or significant changes in investment strategy during 2025 when compared with the prior year.

A.3.1 Income and Expenses with respect to Investment Activities

The table below shows the composition of the investment portfolio at year-end and at the end of the preceding financial year:

	2025 US\$000	2024 US\$000
Government bonds	138,162	100,398
Agency and corporate debt securities	255,047	207,044
Covered bonds and securitised bonds	24,193	22,667
Total	417,402	330,109

The table below provides a summary of investment performance in 2025 and for the comparative period, showing income and expenses with respect to investment activities:

	2025 US\$000	2024 US\$000
Interest and other income	14,203	10,551
Realised gains / (losses)	779	(1,541)
Unrealised gains / (losses)	15,111	1,900
Investment fees	(462)	(443)
Total	29,631	10,467

The majority of the investment fees incurred are charged by the investment managers. Fees are charged based on a sliding scale applied to the closing value of assets under management at each period end. The increase in investment performance for 2025 is primarily due to an increase in unrealised gains from the Company's investment portfolio (\$15.1m in 2025 compared to \$1.9m in prior year) which were driven by the global interest rate environment and favourable movement in FX rates. The Company also benefited from increased investment income due to higher interest yields on fixed income securities.

A.3.2 Investments in Securitised Assets

The Company's investment mandate states that the Company may, to a limited extent, invest in securitised obligations as part of its ongoing investment operations.

Non-Simple, Transparent and Standardised Securitisations ("Non-STS") have been removed from the permitted assets included in the Investment Management Agreement ("IMA"), primarily due to the Solvency Capital Requirement ("SCR") capital impact out-weighing the projected positive returns.

The Company's potential market risk exposure to such investments is managed via a well-defined mandate given to Conning including specific parameters around credit quality and restrictions within classes of securitised assets.

The risk is also managed by holding a well-diversified portfolio; at all times Conning are directed to maintain a portfolio that is not only diversified at the security level but also within the deal structures. This covers all areas including geographic servicer, insurer, and all other areas of potential concentration.

A.4 Performance of Other Activities

The Company does not carry out any activities which are not directly connected to the provision of insurance.

A.5 Any Other Information

The Company has no other material information to disclose.

B. System of Governance

B.1 General Information on the System of Governance

The Board and Management recognise the importance of good governance and have established a governance structure reflecting the nature, scale and complexity of the business. The Company is subject to the CBI’s Corporate Governance Requirements for Insurance Undertakings 2015 (the “Requirements”) and the System of Governance requirements of the SII regulations. Additionally, the Company is subject to the CBI’s Individual Accountability Framework (‘IAF’) introduced in 2024.

The Company has implemented a system of governance designed to establish, implement and maintain effective cooperation, internal reporting and communication of information at all relevant levels within the company. The key elements of the system of governance are: The Board and committees; management committee and functions, senior management, internal controls, information systems and security, business continuity and contingency planning, organisational structure and segregation of duties.

The Board is ultimately responsible for the System of Governance and the effective oversight of the business. The Board provides direction and oversight and promotes a culture of integrity by setting the Company’s strategy and risk appetite.

The Company operates a Management Responsibility Map (“MRM”) reflecting the allocation of roles and responsibilities within the governance framework. The Chief Executive Officer (“CEO”) is responsible for implementing the Strategy and for the effective running of the business.

The Board supervises management and monitors its performance through reporting and a governance structure which incorporates well defined roles and responsibilities and a three lines of defence approach to managing risk. Regular reporting by the CEO and other executives to the Board provide appropriate information and updates, including key data for the core business, financial information and risk and regulatory updates.

At the end of 2025, the Board consisted of four Directors: Two Independent Non-Executive Directors and two Executive Directors. From January 2026, the Board will expand to six members following the approval of an additional Group Executive appointment.

The Board operates under agreed terms of reference and has the following key responsibilities:

Director	Position
Peter Haynes	INED and Chair of the Board - resigned December 31, 2025
Karen Forte*	INED and Chair of Audit Committee
Patricia Billingham	INED and Chair of the Risk Committee
Ross Reynolds	Executive Director and CEO
Padraig Nestor	Executive Director and CFO
Alexander Baker	Group NED - appointed January 1, 2026
Dymphna Lehane**	INED - appointed January 1, 2026

*Karen Forte will assume Chair of the Board January 1, 2026

**Dymphna Lehane will assume Chair of the Audit Committee January 1, 2026

The key responsibilities of the Board include:

- i) Direct and set the strategy and risk appetite;
- ii) Set and oversee the system of internal control;
- iii) Oversee the risk management system;
- iv) Monitor capital adequacy; and

- v) Monitor compliance with relevant laws and regulations.

The following committees have been established by the Board to assist it in discharging their obligations. Each committee operates under defined Terms of Reference and reports to the Board at each Board meeting.

Audit Committee

Composition and Membership: The Company is required to have an Audit Committee consisting of at least three Non-Executive Directors, the majority to be independent. Due to Board resignations the Committee as at the end of 2025 consists of only two members Karen Forte (Chairperson and INED) and Patricia Billingham (INED), the membership will be updated in 2026 to reflect changes in Board personnel.

The responsibilities of the Audit Committee include:

- i) Monitoring the adequacy and effectiveness of the Company's internal control, internal audit and IT systems;
- ii) Liaising with the external auditor, particularly in relation to their audit findings;
- iii) Reviewing the integrity of the institution's financial statements and ensuring that they give a "true and fair view" of the financial status of the Company;
- iv) Reviewing any financial announcements and reports and recommending to the Board whether to approve the Company's financial returns and statements; and
- v) Assessing auditor independence and the effectiveness of the audit process.

The Audit Committee meets at least four times a year and the Terms of Reference are reviewed on an annual basis.

External auditors, internal auditors, and management attend these meetings by invitation in order to, inter alia, discuss auditors' reports, review and assess the audit plan and approach and the examination process, and to assess the activities of both external and internal auditors.

Risk Committee

Composition and Membership: The Company is required to have a Risk Committee as part of the SII Requirements. The Committee consists of three members: Patricia Billingham (Chairperson and INED), Karen Forte (INED) and Ross Reynolds (CEO). The membership will be updated in 2026 due to changes in Board personnel.

In general, the Risk Committee:

- i) Oversees the Risk Framework, including risk management and control, risk policies, their implementation and the risk strategy and the monitoring of operational risks;
- ii) Reviews the methodologies for risk measurement and the Company's adherence to its risk limits and reviews the performance of the Risk Management Function;
- iii) Reviews, with business management and the Risk Management Function, the entities' general policies and procedures and satisfies itself that effective systems of risk management are established and maintained; and
- iv) Receives periodic reports from the HIDAC Risk Management Function and assesses whether significant issues of a risk management and control nature are being appropriately addressed by management in a timely manner.

The Risk Committee meets at least four times a year and the Terms of Reference are reviewed on an annual basis.

Other Board Sub-Committees

The Company has decided not to have a separate Remuneration and Nomination committee, as allowable under the Requirements.

Management Committees

HIDAC Executive Committee

The Committee is authorised by the Board to oversee the implementation of the company's strategic, operational, financial objectives and overseeing the management of risk and regulatory compliance across the business. HIDAC Management are represented on all relevant Group Committees.

The Company operates a number of Group Committees within Hamilton UK Services Limited (HUKSL). HUKSL's Committees prepare and submit reports to inform HIDAC's Executive Committee.

HIDAC Reserving Committee

The HIDAC Reserving Committee is responsible for the effective oversight of the reserving function, and reports to the Audit Committee on any matters in respect of which the Reserving Committee considers that action or improvement is needed and makes recommendations as to the steps to be taken.

The Committee will support the Actuarial Function in fulfilment of their regulatory responsibilities, through oversight of the effectiveness of the reserving function, and the processes by which the Company can identify, assess and mitigate the significant risks to the achievement of its business objectives arising from reserving.

HIDAC UK Branch Management Committee

The UK Branch Management Committee receives status reports from the Underwriting, DUA, Claims and Compliance functions; additionally, the UK Branch Management Committee receive ad hoc reports (as requested)

HUKSL Underwriting Committee

The Underwriting Committee meets monthly to review the underwriting performance of the Company and to review reports from the underwriting and related functions. An update is presented to the Board of the salient points on a quarterly basis or more frequently as required.

HUKSL Claims Committee

The Claims Committee reviews claims data of the Company and reviews reports from the claims and related functions. This information is also presented at the Underwriting Committee meetings, and a claims report is presented to the Board on a quarterly basis or more frequently as required.

HUKSL Finance and Investment Committee

The Finance and Investment Committee identifies, assesses and mitigates the significant financial and market risks in order to achieve the Company's business objectives. The Chief Financial Officer ("CFO") provides reports to both the Audit Committee and the Board on a quarterly basis.

HUKSL Operations Committee

The Operations Committee is responsible for overseeing the provision and performance of services, including IT, outsourced to HUKSL by HIDAC ensuring the activities are aligned to the achievement of

HIDAC's overall business strategies and decision-making process. The committee have responsibility for the identification, assessment and mitigation of significant operational risks.

HUKSL Product Oversight Group

As part of the review of any new products or lines of business discussed as part of the business planning process, the level of product risk is assessed in line with conduct risk requirements. The Product Oversight Group ("POG"), which has authority delegated from the Board, as per its Terms of Reference, is responsible for this assessment to ensure that all lines of business are selling products that are in line with the Company's Risk Appetite. The POG also monitors the Company's conduct risk.

Control Functions

The key control functions within the System of Governance include Risk Management, Compliance, Actuarial and Internal Audit. The functions operate independently from management and each function reports to and has access to the Board, Risk Committee and/or Audit Committee. The functions have access to senior management, the Board and the books and records of the Company. There is additional information on each function below.

Remuneration Policy

The Company's remuneration policy is to provide a fixed base salary along with an annual performance based bonus which is determined by both the Company's performance (measured in terms of achievement against a range of both financial and non-financial objectives) and the individual's performance. In addition, long term incentives are offered to senior employees. We emphasise pay-for-performance and design our executive pay practices to provide incentives that drive business results and reward financial outcomes and, as such, there is a strong correlation between the Company's performance and executive compensation awards on both a relative and absolute basis.

Our executive compensation program is intended to focus on our strategic priorities and drive decision-making to promote our Company's most important financial and business goals. The Company has developed an executive compensation program that seeks to drive a performance culture, align long term economic interests of key employees with both the short and long term interests of our shareholders; and reward successful results. At Hamilton, we expect our executive team to possess and demonstrate accountability for results, strong leadership and management competencies.

B.2 Fit and Proper Requirements

The Company maintains a Board-approved Fitness and Probity Policy, reviewed annually. This Policy outlines the procedures for identifying individuals and conducting assessments to ensure they meet the required standards of fitness, probity, and financial soundness, in line with the Fitness and Probity Standards.

Before appointing individuals to Pre-Approval Controlled Function ("PCF") roles—and on an ongoing basis—the Company must assess their suitability. This includes ensuring that anyone holding a PCF or Controlled Function ("CF") role can demonstrate the necessary competence and capability to perform their responsibilities effectively. They must also possess a sound understanding of the business, their specific duties, and a clear, comprehensive knowledge of the legal and regulatory obligations associated with the role.

In addition to the Fitness and Probity Policy, the Company has prepared and adopted several key documents to ensure compliance with the CBI's IAF. These include a MRM, Statements of Responsibility for PCF role holders, and Reasonable Steps documentation.

For all PCFs, approval from the CBI is required prior to appointment by the Board. All employees are required to read and sign the Hamilton Code of Conduct policy annually and inform relevant personnel of any potential conflicts of interest.

B.3 Risk Management System including the Own Risk and Solvency Assessment

B.3.1 Risk Management Framework

The Company's approach to risk management has been developed in line with its risk management principles, as set out in its Risk Management Framework. The Risk Management Framework has been developed and is maintained in line with HIDAC's risk management principles which underpin our systematic approach taken to manage risk effectively. The principles promote a dynamic, enterprise view of risk across the Company, with a risk-aware culture in which ownership of risks has been established and where the ERM Function forms part of the overall governance structure.

A key part of the framework is the risk appetites which are comprised of qualitative risk appetite statements, expressing an attitude towards risk, and quantitative metrics, distinguished between tolerances and key risk indicators ("KRIs"). Both the statements and metrics are set in line with HIDAC's strategic objectives, with breaches to tolerance metrics requiring management actions to be set to remediate risk levels back to within tolerance, or a documented rationale for acceptance or re-calibration of tolerance thresholds. Quarterly updates on monitoring against the risk metrics are provided to the Risk Committee and other relevant committees for review and discussion.

The following objectives have been identified to provide a foundation for HIDAC's risk management system:

- i) Identify risks which may hinder HIDAC's ability to meet its strategic objectives. The risk identification process is performed by the business with support and appropriate challenge from the ERM Function. Risk may be identified through crystallised risk events, metric breaches, control deficiencies or via the external environment;
- ii) The identified risks are assessed and, where appropriate, monitored through the risk register and linked controls. Risks on the register undergo regular self-assessments by the business, with oversight and support from the ERM Function, with the main output being rating risks on a residual basis, considering the effect of the controls. The process also aims to ensure that appropriate controls, in terms of either design or operational effectiveness, are in place to mitigate those risks;
- iii) Four potential actions may be taken in response to risks: avoidance, acceptance, mitigation and transfer. The course of action taken, and the rationale for doing so, are appropriately documented and reported against;
- iv) Where appropriate, with due consideration of materiality, escalation of risks identified by the business is facilitated by the ERM Function to the Risk Committee and other relevant committees, in order for actions to be allocated and enacted which require appropriate Board or senior management level oversight, authorisation or governance; and
- v) The ERM Function and relevant committees are there to challenge assumptions made with regards to identified risks and take the appropriate action in relation to those risks.

B.3.2 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (“ORSA”) is an integral part of HIDAC’s business strategy and decision-making process. The ORSA process and the resulting report aids in identifying, assessing, monitoring, and managing, on a forward looking basis, the material risks it may face. This process provides a key component in how the Company manages its risks within risk appetite, and to consider its risk profile over the business planning time horizon, to ensure there is appropriate capital to support its business activities.

The ORSA process is ultimately owned by the Board, who is responsible for the ongoing development of the ORSA process and challenging the results. The annual ORSA report provides a view on the quality and quantity of the Company’s capital under baseline and stressed conditions. Outputs from the ORSA process are considered during the business planning process and when setting risk appetite. The Board reviews and approves an ORSA report at least annually prior to submission to HIDAC’s regulator.

B.4 Internal Control System

B.4.1 Description of the Internal Control System

HIDAC adopts an internal control and governance model that comprises three lines of defence. The three lines of defence is a framework for how specific duties related to risk and control are assigned and managed within the organisation.

HIDAC Board and management encourage an integrated assurance approach between Hamilton’s assurance functions to ensure efficient and effective operation of the three lines of defence.

First Line

Functions that face risks in day to day activities and control (first line operating management): The majority of employees comprise the first line of defence. Senior management and oversight committees have responsibility for setting the organisation’s objectives and an appropriate tone from the top, defining strategies to achieve those objectives, and establishing governance structures. In carrying out these activities, first line management has a key role in identifying, assessing, controlling, and mitigating risks. In addition, adherence to procedures, policies and guidelines set by management that are designed to minimise and mitigate risks, as well as reporting and escalating identified risk events, are the responsibility of all employees.

Second Line

The second line provides expertise over risk and compliance matters while challenging and supporting implementation of corrective or enhancements actions adopted by the first line on such matters. It consists of the ERM, Actuarial and Compliance functions.

Risk Management provides the below key services:

- i) Establishing risk management strategy, principles, framework, and policy. The process for each of these is guided by risk identification processes across a wide range of risk categories;
- ii) Implementing the agreed risk management philosophy, culture, processes, methodologies throughout Hamilton, and subsequently monitoring their effectiveness;
- iii) Setting risk appetites in line with business strategy, with the determination of appropriate metrics and tolerance levels in liaison and coordination with senior management;
- iv) Facilitating regular risk and control self-assessments, supported by a risk-based approach to control evidencing and testing. The monitoring and reporting of risk events from a broader

base of business owners and/or their respective delegates occurs via Hamilton's GRC system. Where appropriate, a risk event may trigger root cause analysis to understand if the event occurred due to a control gap or failure;

- v) Producing Risk Reports for the Risk Committee, and other committees, along with any ad hoc reports, summarising the ERM view of the risk profile of the entity or specific business functions at a point in time; and
- vi) Leads the annual ORSA process and resulting reports, which provide an evaluation of material risks to the business and the commensurate level of capital, including within it stress and scenario testing of severe but plausible adverse events.

The above cover the SCR risk categories of underwriting, market, credit and operational risk, as well as the other key material risks of group risk, strategic risk, legal and regulatory risk, financial operational risk, liquidity and currency risk.

The collective findings are reviewed by the Risk Management team and reported to the Risk Committee for review and challenge. In turn, the Risk Committee will escalate, as appropriate, such findings and their recommendations to the Board for their review and challenge. Any actions emanating from the recommendations approved by the Board will then, where appropriate, be incorporated in HIDAC's business strategy. The risk management and actuarial function are both overseen by the Group Chief Risk Officer (CRO) at Hamilton.

The Actuarial function is a key control function set out in Solvency II, playing a key part in applying appropriate and suitable actuarial methodologies to various reporting outputs that the Risk Management function produces. Further overview of the Company's Actuarial functions is provided in section B6.

The Compliance function is responsible for establishing, implementing, and maintaining adequate policies and procedures to support the management of regulatory risks. Consequently, Compliance has ownership of all Legal and Regulatory risks in the Risk Register and associated controls, as well as maintaining responsibility for communications and submissions to regulators.

Compliance is responsible for an ongoing Compliance Monitoring programme, in order to monitor and test the appropriateness of Compliance-related frameworks and adherence. In addition, horizon scanning and compliance training is carried out on an ongoing basis to ensure that Hamilton is apace with regulatory change and is fully adhering to all relevant standards and regulatory requirements.

Third Line

Internal Audit provides senior management and HIDAC's Audit Committee with assurance based on independence and objectivity. Internal Audit provides assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which risk management and control objectives are achieved. The Internal Audit function provides independent testing of management's controls, as well as SOX controls that are relevant to HIDAC (given Hamilton Group's listing in the NYSE). Some of this work may be relied upon by the external auditors, who also perform a necessary and statutory assurance function.

B.4.2 Compliance Function Implementation

The Compliance function is a key part of the Company's overall corporate governance structure. The function is responsible for the monitoring, managing, and reporting of the compliance risks to which the Company is exposed. Compliance monitoring occurs in line with an annually approved compliance plan, to check that the Company and its service providers are adhering to their obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company.

Management of the Company, and its service providers, are responsible for notifying the Head of Compliance of any breach of applicable laws and regulations that fall within the scope of their responsibilities. Upon receipt of notification, this is recorded in the Company's risk register and remedial actions discussed with the management concerned.

B.5 Internal Audit Function

B.5.1 Internal Audit Function Implementation

The purpose, role, professionalism, authority and responsibilities of the Internal Audit function are set out within the Group Internal Audit ("GIA") Charter. It and associated methodology provide guidance on annual audit planning as well as audit review planning, fieldwork, reporting and follow-up processes. The Charter is reviewed annually with consultation and approval by the HIDAC Audit Committee. The Charter was last reviewed and approved by the HIDAC Audit Committee in their March 2025 meeting. The methodology is continuously reviewed and updated as needed. It is next due to be presented to the HIDAC Audit Committee in March 2026.

A risk-based approach is being taken to develop the annual audit plan. Consideration is given to when areas were last audited and the audit rating, as well as recommendations by management, regulators and industry hot topics. Material areas, specifically underwriting, have coverage annually. The scope of the audits includes assessment of the risks, controls, and mitigations identified by risk and control owners. External specialist resources are used where appropriate to supplement internal skills of the Internal Audit function.

B.5.2 Independence and Objectivity

Internal Audit's independence and objectivity is dependent on having no operational responsibility for, or authority over, any of the activities subject to review. Internal Audit's assessment does not relieve other personnel in the organisation of the responsibilities assigned to them. Internal Audit does make recommendations regarding the quality of operations and/or adequacy of internal controls. While Internal Audit may provide advice to management during the formulation of policies or development of new systems, this involvement is strictly in an advisory capacity and does not entail decision-making authority or responsibility for design or implementation. All final decisions and implementation are the responsibility of appropriate management.

B.6 Actuarial Function

HIDAC's Actuarial Function ("AF") is led by the Head of Actuarial Function ("HoAF") and is responsible for the actuarial work of the Company. HIDAC's AF is supported cross-departmentally by the CEO, Chief Risk Officer ("CRO"), Chief Underwriting Officer ("CUO"), CFO as well as members of their respective teams. The personnel in the AF possess the required level of skills and qualifications for their roles and responsibilities. Any resourcing gaps identified are raised with the Board and filled by discharging duties to the contracted external service providers.

B.6.1 Head of Actuarial Function

The HoAF position is held by the Head of Reserving of Hamilton Global Specialty. The following areas fall under their responsibility:

B.6.2 Quarterly Calculation of the Technical Provisions

HIDAC's internal AF team calculate the GAAP reserves which form the base for the SII Technical Provisions ("SII TPs") calculation.

A key responsibility of the HoAF is to coordinate the calculation of the SII TPs and provide a report to the Board on the SII TPs. This includes the HoAF's own views on the SII TPs, including setting out how the requirements of SII have been met. The HoAF interprets deviations of best estimates against experience, ensures the appropriateness of the methodologies and underlying models used, as well as the assumptions made in the calculation of the technical provisions.

B.6.3 Actuarial Opinion on the ORSA

The HoAF provides an actuarial opinion to the Board in respect of the ORSA process undertaken during the year. This opinion covers the range of risks and the adequacy of stress scenarios considered as part of the ORSA process, the appropriateness of the financial projections included within the ORSA process and whether the undertaking is continuously complying with the requirements regarding the calculation of SII TPs and potential risks arising from the uncertainties connected to this calculation.

B.6.4 Underwriting Opinion & Reinsurance Opinion

Each year, the HoAF provides an opinion on the underwriting policy and an opinion on the reinsurance arrangements of the Company.

B.6.5 Actuarial Function report

The HoAF produces a written report at least annually, which documents all the tasks that have been undertaken by the AF. This report summarises the work undertaken and refers back to the individual reports produced throughout the year. The Actuarial Function Reports will also include the Actuarial Opinion on Technical Provisions ("AOTP") and the Actuarial Report on Technical Provisions ("ARTP").

B.6.6 Validation of the Technical Provisions

The SII TPs are validated at least once a year. This validation is performed by a team within the AF who are independent from the actuaries who prepared the technical provisions in the first instance. The results of this validation are approved by the HoAF.

B.6.7 Risk

The HoAF contributes to the effective implementation of the risk management system.

B.7 Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the Company. The third party to whom an activity is outsourced is called a 'service provider'. Although activities may be transferred to a service provider, the responsibility may not be outsourced. The Company is responsible for ensuring that an outsourcing arrangement does not diminish the ability to fulfil its obligations to customers nor impede effective supervision by its regulator.

The Board sets and approves the Outsourcing Strategy, ensuring that outsourcing decisions align with the Company's overall risk appetite and strategic objectives.

To this end, the Board have established an Outsourcing Policy. The Policy outlines how its system of governance is designed to ensure there is effective monitoring, oversight, challenge and reporting of the various outsourced activities undertaken for and on behalf of the Company. This incorporates Groupwide activities related to third party outsourcing within Hamilton's global procurement framework.

The policy also ensures that outsourcing arrangements are subject to appropriate due diligence, approval and ongoing monitoring. Where appropriate, notifications are submitted to the CBI in relation to outsourcing of critical or important functions or activities ("CIFA").

HIDAC's principal material outsourcing arrangements are its inter-company services contracts with Hamilton UK Services Limited and external providers Genpact (UK) Limited and Conning Asset Management Limited. Other material outsourcing arrangements include Delegated Underwriting Authorities. HIDAC maintains an outsourcing register with details of all outsourcing arrangements, which is submitted to the CBI as required.

B.8 Any Other Information

The Company continuously assesses its system of governance to ensure appropriate oversight of operations. This ongoing review is designed to maintain effective, sound, and prudent management of the business, proportionate to the nature, scale, and complexity of the Company's activities.

Changes in the system of governance were implemented in 2025 to enable HIDAC senior management and the Board oversee business activities, including those provided by the Group under its services agreement. These changes include:

- i) Building out of resources across the Company's control functions;
- ii) Hiring of an Irish based Head of Compliance; and
- iii) Creation of a suite of management committees with dedicated responsibilities for overseeing the various operations and enhancements in reporting to the HIDAC Executive Committee and Board.

HIDAC continues to embed the Governance Framework across the Company with the enhancements of KRIs across all Committees. This includes enhancements and implementation to the IT Risk Management Framework, the Operational Resilience Framework and the Outsourcing Framework to align with the Digital Operational Resilience Act.

C. Risk Profile

The undertaking's SCR is calculated to determine HIDAC's capital requirements to withstand a severe stress at a confidence level of 99.5% (1 in 200), with the coverage ratio of Own Funds over the SCR a reflection of HIDAC's capital adequacy. The Company uses the Solvency II Standard Formula ("SF") as defined by the European Insurance and Occupational Pensions Authority ("EIOPA") to calculate the SCR. The Company's SCR at December 31, 2025 was \$90.2m (with Own Funds coverage at 164%) compared to \$79.9m (174%) at December 31, 2024.

Given that the SF is a method of calculation calibrated to the risk profile of the average European insurance entity, in order for HIDAC to be able to properly reflect its risk profile and the ongoing appropriateness of the SF SCR, all material risks are monitored and reported against as part of HIDAC's Risk Management Framework, insofar as these risks may adversely impact the achievement of its goals. This includes both the modelled risks in the SF SCR and other material non-modelled risks. The associated processes of risk profile monitoring and SCR calculation are undertaken based on both ongoing conditions and as part of stressed scenarios, informing the production of HIDAC's ORSA, the HIDAC ORSA policy and Capital Management Strategy. These include views of capital needs and transferability as appropriate. A full view of SCR by risk modules is provided in section E.2.2.

The Company undertakes stress and scenario testing ("SST") as part of its annual ORSA process and the Pre-Emptive Recovery Plan. The results and the process of undertaking SSTs provide assurance that HIDAC has the ability to take action to withstand severe, but plausible, shocks over its business planning horizon. The extreme severity but low likelihood scenarios that form the ORSA reverse stress test ("RST") and the Recovery Plan scenarios ensure that a plan of action is available for management to taken even in the most extreme situations.

C.1 Underwriting Risk

HIDAC seeks a measured amount of risk in exchange for underwriting profit, provided that the nature of these risks are adequately assessed, evaluated and priced, based on both internal strategy, approach and business planning processes, as well as considering the standards and expectations set by regulators and rating agencies. The Company is risk averse to subcategories of insurance risk, which, upon materialisation, may impede or disrupt the assessment and evaluation process. These subcategories include underwriting governance, reserving risk, catastrophe risk, claims risk, outwards reinsurance risk and risk of inadequate premiums.

Underwriting Risk is the risk of unexpected developments or fluctuations in insured losses compared to plan. Underwriting Risk may arise from various sources, including:

- i) Selecting undesirable risks that are outside of appetite;
- ii) Impact of the underwriting cycle, which may contribute to inadequate premium income for the risks assumed;
- iii) Inaccurate reserving;
- iv) Fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting;
- v) Failure to accurately measure/model exposure, including CAT risk; and
- vi) Inaccurate pricing (due to inadequate internal process, methodologies or assumptions).

Because risks arise from both external and internal sources, HIDAC management and staff have varying levels of control over each risk driver listed above. Below is a summary of key controls and risk monitoring processes over these risk drivers.

Underwriting Risk Oversight and Governance

The Company writes business in a diversified range of geographies and products, spanning property, casualty and specialty. Underwriting Risk is regularly monitored via application of actuarial techniques and methodologies, ensuring appropriate pricing, reserving and monitoring of exposures

and assessing the impact of large losses arising from both natural and man-made catastrophes. Controls to ensure appropriate underwriting practices include underwriting limits, guidelines and premiums and pricing benchmarking that is verified on at least an annual basis through the business planning process. Underwriting authorities are issued in accordance with underwriters' experience. Peer reviews are subsequently performed to attest the appropriateness of underwriting decisions.

There are several subcategories and related risks that can have a material impact upon Underwriting Risk:

Reserving Risk

Reserving Risk is the risk that inadequate reserves are held due to inappropriate assumptions, human error, or data quality and availability issues. HIDAC mitigates this risk through various controls such as: independent external review, claims peer review, exposure data accuracy checks and reviews of reserving results to ensure assumptions are accurate as reported to the Reserving Committee.

Catastrophe Risk

Catastrophe Risk is the risk that either a single or a combination of natural or man-made catastrophe event (or series of such events) of significant magnitude, usually over a short period of time, leads to a materially negative impact to earnings and/or balance sheet strength. Catastrophe Risk is also a source of concentration risk for the Company. Catastrophe Risk is monitored by several controls and activities, such as assessing the Company's occurrence and aggregate exposures against the risk appetites and tolerances set by the Board, analysis of exposures through scenarios and continuous calibration against external data and vendor models.

Claims Management Risk

Claims Management Risk relates to inadequate or inconsistent claims philosophy, procedures, reserving or oversight, which could result in a delay in management recognising claims or litigation trends, reinsurer disputes, inaccurate reserves, delayed or incorrect payments, and increased loss adjustment expenses. Poor adherence to claims handling philosophy and procedures may also lead to regulatory action or reputational damage. HIDAC monitors and manages this risk through various controls such as the timely recording, update and review of claims reserves, oversight by relevant committees such as the Claims Committee, claims peer review and setting of claims handling levels of authority.

Outwards Reinsurance Risk

Outwards Reinsurance Risk is the risk of loss arising from inadequate or inappropriate reinsurance cover, through inadequate matching of inwards and outwards exposures and coverage, or wording issues and disputes. This may lead to higher than expected net losses and an inability to meet the business plan. This risk is managed through the reinsurance purchasing and business planning processes and monitored on an ongoing basis through various committees and working groups. The Company has an appropriate reinsurance strategy and governance process in relation to purchasing reinsurance, in line with its strategy to manage the degree of HIDAC's net exposures to an appropriate level.

C.2 Market Risk

Market Risk refers to significant movements in financial markets and certain macro-economic factors resulting in realised or unrealised investment losses impacting financial performance and potentially eroding capital (Own Funds). This risk includes foreign currency risk, investment governance, default risk, interest rate risk, and devaluation risk. HIDAC has a risk averse appetite to materialisations of market risk that could erode capital available to support the core function of the Company.

Within Market Risk, the two key sub-risks that HIDAC is exposed to are investment governance and currency risk. Both of these sub-risks are monitored and managed adequately through various controls, the most important of which being the setting of investment guidelines, the investment management mandate to the Company's external investment manager, and ongoing monitoring of

investment performance. The Investment Policy is prudent and conservative, setting out appetite towards credit quality, asset class, concentration, and duration considerations. This approach is thus reflected in the asset quality held in the investment portfolio. The portfolio is high grade, low risk investments and is well diversified in terms of sectors and sovereign issuers. Asset and liability matching is carried out to minimise foreign exchange risk and ensure appropriate liquidity. Whilst certain macroeconomic conditions which influence interest rate risk can cause unrealised adverse impacts, this is an acceptable level of risk in exchange for an asset portfolio that seeks to minimise overall investment risk and preserve capital to support underwriting activities. HIDAC monitors a market risk tolerance metric based upon value at risk ("VaR") at the 1-100 or 99% confidence level.

There have been no purchases of investments which sit outside HIDAC's investment management policy and guidelines over the past year, whilst minor technical breaches which arose due to day-to-day transactions or changes in credit rating have been remediated within stipulated timeframes. All assets are invested in accordance with the "prudent person principle" as required under Article 132 of Solvency II, which sets out expectations that assets are invested in line with capital adequacy requirements and ability to cover technical provisions. There are no intentions at the date of writing for any significant structural changes in investments in the foreseeable future or any intention to amend the existing investment strategy and/or investment risk appetite.

C.3 Credit Risk

Credit Risk refers to either actual financial loss due to the inability or unwillingness to pay by a counterparty, or credit rating downgrades of counterparties suggesting increased risk of loss due to counterparty default. Credit Risk in the SF SCR is driven by forward-looking indicators such as credit rating and overdue balances (> 3 months). HIDAC has a risk averse appetite to credit risk, particularly the aforementioned factors that can drive an undesirable increase in the SCR.

The Company is exposed to Credit Risk through its commercial relationships with brokers, coverholders, reinsurers, and financial institutions, including those within the Hamilton Group. The inability or unwillingness of a counterparty to perform its contractual obligations could impact the Company's liquidity position, capital requirements, reputation, and/or regulatory perception. Such events, however, are beyond the Company's direct control, therefore the Company seeks to manage this risk operationally through diversification of counterparty relationships and maintaining robust controls to monitor, report and escalate. Together these measures ensure the creditworthiness of counterparties remains within appetite and that any issues with late or non-payment do not pose excessive liquidity or solvency risks. The Company places some reliance on globally recognised credit rating agencies reports, such as AM Best and S&P.

A tolerance is in place that reinsurers should have a credit rating of A- or better, with collateralisation in place for reinsurance contracts where reinsurers have a credit rating below this threshold. New reinsurers are subject to approval and recoveries due are frequently monitored, as are any changes to credit rating. Recoveries due from reinsurers are monitored on a regular basis, with escalation of amounts outstanding by more than three months from the date that the collection was submitted.

Broker counterparty risk is monitored in the risk tolerance metric tracking overdue premium receivables (>3 months) as a ratio of the SCR. As stated, the Company is risk averse to late or non-payment of premium to negatively affect its liquidity position or capital requirements.

The Company manages its risk to banking and other financial institution counterparties through monitoring of their credit ratings and ensuring appropriate due diligence processes are followed before any new relationships. There is also diversification of banking relationships to avoid concentration risk with any one particular banking counterparty.

C.4 Liquidity Risk

Liquidity Risk is the risk that the Company has insufficient liquid assets in order to settle its financial obligations when they fall due. HIDAC is risk averse to materialisation of liquidity risk.

As mentioned in section C2, ensuring appropriate liquidity, including cash and cash equivalents, is a key consideration of the Investment Framework. Minimum cash requirements are set, based upon both technical provisions and operations related liabilities, and monitored to meet expected future cash flows. Access to, and quantity of, liquid assets is also considered as part of the annual recovery plan exercise undertaken by the Company. HIDAC also monitors a risk metric relating to instances of any unplanned withdrawals or liquidations of invested assets over the previous quarter.

The total amount of expected profit included in the future premiums as calculated in accordance with Article 260 (2) at December 31, 2025 is \$36.2m.

C.5 Operational Risk

Operational Risk includes a broad range of risks that arise from the day-to-day operations of the company, and includes subcategories such as people risk, business continuity, procurement, cybersecurity, technology, outsourcing, data governance, financial reporting, legal & regulatory and projects. HIDAC has a risk averse appetite to operational risk.

In particular, the Company is dependent on intragroup services provided by HUKSL. Given staff are contractually retained by HUKSL, the intragroup service provision includes risks relating to talent and personnel. Risks relating to the ability to attract and retain staff are monitored as KRIs through analysis of turnover and tenure. The HR team monitors this further through surveys, exit interviews, and annual performance reviews.

Risk tolerances relating to Operational Risk include minimum availability for critical systems and networks (aligned to operational resilience thresholds), tracking of KPIs from HUKSL services, service level provision by key third parties and quantum of financial losses incurred due to risk events.

Operational Risk in the Solvency II definitions can overlap with Legal & Regulatory Risk, which is monitored as a distinct risk category in the Risk Management Framework. The Company is risk averse to all forms of Legal & Regulatory Risk, recognising that breaches of law or regulation or not meeting expected standards could subsequently result in financial penalties, reputational damage, restrictions on growth or business plans, or increased regulatory oversight.

Key areas of compliance include, but are not limited to:

- i) Solvency II;
- ii) Tax laws;
- iii) Financial Crime;
- iv) Data Protection;
- v) Conflicts of Interest;
- vi) Conduct rules;
- vii) Outsourcing; and
- viii) Consumer protection.

The Company seeks to avoid Legal & Regulatory Risks by maintaining a robust control framework to ensure adherence to relevant requirements, which are overseen by various functions, including Compliance, General Counsel, and Tax Functions.

C.6 Other Material Risks

Other material risks in the RMF include Group, Strategic and Financial Operational (including Financial Reporting, Expense Management, Treasury Management and Tax) risks.

Group Risk is the adverse impact on the Company as a result of group interactions or dependencies, such as reliance on Group credit rating, service provision, shared reinsurance or financial resilience, and brand or reputation risks that may have a contagion effect from the Group or other entities under the Hamilton brand. HIDAC is risk neutral to Group Risk, acknowledging that this reliance delivers significant benefits to HIDAC's ability to achieve its objectives.

Strategic Risk arises from the inability to implement or achieve appropriate business plans and/or strategies, and can be heavily influenced by the external business or economic environment. HIDAC is risk neutral to the external factors influencing Strategic Risk, while risk seeking in instances where new opportunities arise and rely upon new initiatives and projects to realise these benefits.

HIDAC has a risk averse appetite towards risks arising from inadequate processes, systems or personnel within Finance Operations, which can in turn negatively impact the accuracy, timeliness or promptness of financial reporting, treasury management, expense management, tax and credit control (including reinsurance recoverables).

The Company has implemented the following controls and mitigation measures to manage its Group, Strategic and Financial Operational risks:

- i) Business planning and strategy process are devised by the Board and senior management, who apply an appropriate level of oversight and approval over preparation of plans;
- ii) Policies are in line with market standards and acceptable to our regulators;
- iii) In addition to internal and external audit over financial operational processes, any identified issues are escalated to the Finance and Investment Committee;
- iv) A monitoring and reporting process has been implemented for monitoring intragroup service provision; and
- v) Controls and metrics maintained by HIDAC management on assessing the appropriateness of the Internal Quota Share ("IQS") and Capital Management Agreement ("CMA").

Controls and risk metrics are set around these risks are monitored on a quarterly basis by the risk management function.

C.7 Any Other Information

Financial Impacts of Climate Risk

The Company monitors and assesses the potential financial impacts of climate change. The risks arising from climate change are closely integrated with existing risks outlined in this section, such as underwriting risk, market risk, credit risk, operational risk and harder to quantify risks such as strategic and legal and regulatory. As such, the Company seeks to integrate climate risk mitigation measures into its existing risk management framework and practices. The Company has a risk appetite towards the financial impacts of climate risk (be it physical, transition or liability) from a position of being risk averse. Metrics are monitored for climate risk over benchmarking of the investment portfolio against rating agency methodology and data ("MSCI"), as well as the notification of any climate related litigation.

D. Valuation for Solvency Purposes

D.1 Assets

Assets	2025	2025	2025	2024	
	Irish GAAP	Adjustment	SII Value	SII	
	Value	US\$000	US\$000	Value	
	US\$000	US\$000	US\$000	US\$000	
Investments	417,402	3,698	421,100	332,581	D.1.1
Deferred acquisition costs	53,890	(53,890)	—	—	D.1.2
Deferred tax asset	—	180	180	395	D.1.3
Reinsurance recoverables	803,612	(277,472)	526,140	484,809	D.1.4
Insurance and intermediaries receivables	167,237	(124,463)	42,774	38,666	D.1.5
Reinsurance receivables	149,984	—	149,984	115,995	D.1.6
Cash and cash equivalents	49,535	—	49,535	56,700	D.1.7
Any other assets	24,599	(2,151)	22,448	25,860	D.1.6
Total assets	1,666,259	(454,098)	1,212,161	1,055,006	

D.1.1 Investments

The Company's investments in fixed maturity securities are reported in the GAAP balance sheet at fair value to profit and loss and this consists of government bonds, corporate bonds and collateralised securities. For the purpose of the SII balance sheet valuation accrued investment income has been added to such fair values, whereas it is disclosed separately in the GAAP balance sheet.

Fair values of the Company's fixed maturity securities are based on quoted market prices at the reporting date or observable market data. As at December 31, 2025, all of the fair value of the Company's investments are based on observable market data. Investment transactions are recorded on a trade date basis with balances pending settlement recorded as receivable for investments sold or payable for investments purchased.

D.1.2 Deferred Acquisition Costs

Deferred acquisition costs, which are recognised under GAAP as cost carried forward in the balance sheet to match the related future premium earnings, have been removed in total from the Solvency II asset base as the associated future cash flow are already incorporated in arriving at the best estimate valuations for SII technical provisions. To prevent duplication of these cash flows, deferred acquisition costs are therefore assigned a value of nil for Solvency II purposes.

D.1.3 Deferred Tax Asset

There is no deferred tax asset recognised on the Company's GAAP balance sheet. Under GAAP, a deferred tax asset can only be recognised to the extent it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The valuation of deferred tax assets under SII is determined by the tax effect of differences between the economic valuation of an asset or liability on the SII balance sheet and the carrying amount under GAAP balance sheet.

D.1.4 Reinsurance Recoverables

The SII economic value of the reinsurance recoverable is calculated as a best estimate, which corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money. Included within HIDAC's register of technical provisions are five charges in respect of residual value insurance policies issued in 2015 and 100% reinsured to Liberty Specialty Markets Bermuda ("LSMB") at inception. The charges relate to the recoveries on these reinsurance policies. Technical provisions are discussed in Section D.2.

D.1.5 Insurance and Intermediaries Receivables

Insurance and intermediaries receivables primarily consists of premium debtors. In the financial statements, this balance is comprised of netted down amounts and includes both premiums that are due and premiums not yet due. Any balances that are not yet due are considered to be future cash flows under SII balance sheet and therefore reclassified to technical provisions in the calculation of best estimate values for such provisions. These are further split between the portion relating to earned business which is included within the claims provisions, while the unearned element is incorporated into the premium provisions. Further detail on this treatment is provided in Section D.2 for further details.

As a result of this reclassification, the premium debtor balances are significantly reduced in the SII balance sheet as compared with the GAAP balance sheet.

D.1.6 Reinsurance Receivables and any Other Assets

Reinsurance receivables and all other assets are valued for SII purposes on the same basis as the financial statements. The accrued investment income has been reclassified to investments as per Section D.1.1.

There were no changes to any of the recognition criteria or valuation methods during the year.

D.1.7 Cash and Cash Equivalents

Cash and cash equivalents have an original maturity of ninety days or less and are valued at fair value. Balances held at the reporting date are denominated in Euro, Sterling and United States Dollars. Short term highly liquid investments that are disclosed as cash and cash equivalents in the GAAP balance sheet are included in investments for SII valuation purposes.

D.2 Technical Provisions

	2025 Irish GAAP Value US\$000	2025 Adjustment US\$000	2025 SII Value US\$000	2024 SII Value US\$000
Gross technical provisions	927,637	(340,751)	586,886	541,787
Risk margin	—	10,549	10,549	7,707
Total technical provisions	927,637	(330,202)	597,435	549,494

The valuation of technical provisions follows the transfer value principle, under which the value of technical provisions shall correspond to the current amount the insurer would have to pay if it was to transfer its insurance obligations immediately to another insurer. To achieve a valuation consistent with this principle, the technical provisions are calculated as a best estimate plus a risk margin. The best estimate corresponds to the probability-weighted average of future cash-flows, taking account

of the time value of money. The risk margin represents the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof.

SII introduced a legal obligations concept to accounting under which all bound and existing contracts must be valued, whether the contracts have incepted or not. For this purpose, the total technical provisions are split into earned and unearned elements. These are designated into the claims and premium provision respectively.

D.2.1 Bases, Methods and Main Assumptions for the Valuation of Technical Provisions

Value of technical provisions as at December 31, 2025 by SII line of business:

Technical Provisions as at December 31, 2025	Total best estimate - gross US\$000	Total best estimate - net US\$000	Risk Margin US\$000	Net Technical Provisions Total US\$000
Income protection insurance	17,760	5,358	930	6,288
Motor vehicle liability insurance	11,211	1,428	248	1,676
Other motor insurance	8,255	2,525	438	2,963
Marine, aviation and transport insurance	44,259	6,755	1,173	7,928
Fire and other damage to property insurance	75,913	12,388	2,151	14,539
General liability insurance	274,759	18,009	3,128	21,137
Credit and suretyship insurance	30,638	3,674	638	4,312
Legal expense insurance	23,056	1,673	291	1,964
Miscellaneous financial loss	36,703	4,834	839	5,673
Non-proportional health reinsurance	24	5	1	6
Non-proportional casualty reinsurance	29,753	720	125	845
Non-proportional marine, aviation and transport reinsurance	8,091	1,362	237	1,599
Non-proportional property reinsurance	26,464	2,016	350	2,366
	586,886	60,747	10,549	71,296

There is limited historic data and claims development history on some classes of business which the Company has only commenced underwriting in recent years. The context for the calculation of technical provisions is therefore one of using the Company's data where appropriate, but necessarily supplementing this with external benchmarks and the use of expert judgment. The assumptions and actuarial techniques used are relatively standard; extensive use is made of the chain-ladder and Bornhuetter-Ferguson techniques. Over time it is expected that the use of the Company's own data will increase.

Each reserving class contains homogenous risks based on the Company's assessment of the underlying policies. Each reserving class includes risks which have similar characteristics (for example, in terms of underwriting policy, claims settlement patterns, risk profile of policyholders, likely policyholder behaviour, product features including guarantees, future management actions and expense structure) to ensure that there is a sufficient volume of data for projections purposes but at the same time allowing the Company to manage the business at a sufficiently granular level.

Calculating technical provisions at a reserving class level also allows for the calculation of reinsurance recoveries (and hence the calculation of the net best estimate reserves) to be carried out at a sufficiently granular level with regards to the reinsurance programs in place. Reinsurance is typically purchased to cover specific reserving classes and performing calculations at reserving class level will ensure that sufficient allowance is made for the impact of any changes in the reinsurance structure over time.

Having established estimates of gross IBNR, and hence gross reserves, by reserving class and underwriting year, reinsurance is then applied to produce the equivalent net reserves.

The approach used for netting down the gross reserves is undertaken at a class level as follows:

- i) Quota share recoveries are allowed for in proportion to the earned premium ceded to the quota shares;
- ii) Outstanding claims on the excess of loss and facultative reinsurance treaties are allowed for; and
- iii) IBNR on excess of loss and facultative reinsurance treaties are determined using netting down assumptions determined through review of historical recoveries, discussions with underwriters and review of the reinsurance programmes.

It is assumed that the Company will purchase a reinsurance program for future years consistent with that described in the Company's business plan, which is generally set at broadly the same coverage and cost as purchased in the previous year, subject to availability and commercial terms.

D.2.2 The level of uncertainty associated with the value of technical provisions

Estimates of SII TPs are subject to a significant level of estimation and expert judgement, since the ultimate amounts of cash inflows (such as premiums) and cash outflows (such as claims and expenses) are subject to the outcome of events that have not yet occurred. Examples of these events include jury decisions, court interpretations, legislative changes, changes in the medical condition of claimants, public attitudes, social/economic conditions such as inflation, returns on assets backing the liabilities and the ultimate level of business written for legally obliged contracts at the valuation date. Any estimate of future cashflows is subject to the inherent limitation on one's ability to predict the aggregate course of future events. The estimate of the SII technical provisions represents a point estimate of the provisions as at the year end.

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as:

- i) Uncertainty as to whether an event has occurred which would give rise to a policyholder suffering an insured loss;
- ii) Uncertainty as to the extent of policy coverage and limits applicable;
- iii) Uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring; and
- iv) Uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by class according to the characteristics of the insured risks. The calculation of technical provisions is an inherently judgemental and uncertain process and, as a consequence of this uncertainty, the eventual costs of settlement of outstanding claims provisions can vary materially from initial estimates. The Company seeks to provide appropriate levels of claims provisions, taking the known facts and experience into account.

The Company actively manages the risks around uncertainties through on-going monitoring of claims and mitigates its gross exposure to claims through the purchase of reinsurance. The Underwriting Committee and Actuarial Function monitor claims developments and reinsurance arrangements.

D.2.3 Material differences between the bases, methods and main assumptions used by the Company for the valuation for solvency purposes and those used for their valuation in the financial statements

The changes to technical provisions as at December 31, 2025 are reflected in the table below:

Irish GAAP Position to SII Technical Provisions	2025 US\$000	2024 US\$000
Irish GAAP position	124,024	98,544
Credit for future premiums	(24,052)	(9,985)
Removal of margins and future profits	(51,988)	(44,121)
Bound but not incepted business	(662)	(2,059)
SII expenses	15,114	15,424
Cost of future reinsurance	1,352	1,070
Reinsurance bad debt	499	608
ENID load	2,432	2,027
Allowance for discounting	(5,972)	(4,530)
SII best estimate - net	60,747	56,978
Risk margin	10,549	7,707
SII technical provision total - net	71,296	64,685

The calculation of technical provisions under SII is significantly different from the current reserves in the GAAP financial statements. Technical provisions are reported by SII lines of business, with calculations performed at a homogeneous risk group and currency level. The differences include, but are not limited to, the following:

- i) Credit for future premiums: There is no requirement to hold an unearned premium reserve or other non-monetary items. Instead, future premium on legally obliged business is estimated (on a best estimate basis) and, to the extent it relates to unearned business, is included in “premium provisions”. There is also an element of future premium, where it relates to earned business, within the claims provision. Technical provisions include premium (and reinsurance premium) already included as debtors and creditors within the GAAP balance sheet. All such premium is allocated to technical provisions, unless it is overdue at the balance sheet date.
- ii) Removal of margins and future profits: Profit recognition is accelerated under SII effectively removing it from the technical provisions. SII technical provisions are required to be on an actuarial best estimate basis with no implicit margin, a prudence margin for uncertainty included in the GAAP position is excluded.
- iii) Inclusion of legally obliged business: Contracts need to be recognised on a “legal obligation basis”. For instance, policies incepting on or after 1 January which have been legally agreed in the period running up to 31 December in the preceding year are required to be included within the technical provisions as at 31 December. This will therefore generally include all renewals incepting on the first day of the forthcoming period.
- iv) SII expenses: The claims and premium provisions include an allocation of all expense cashflows related to running off all liabilities (including allocated/unallocated claims handling expenses, ongoing admin expenses and subrogation/salvage), but on a “going concern”

- basis. This expense is in excess of the booked unallocated loss adjustment expenses (“ULAE”).
- v) Cost of future reinsurance: Allowance is made within technical provisions for a share of the cost of excess of loss contracts which have not yet been renewed but which are likely to be renewed at a point in the future that allows the current unearned business to benefit from them.
 - vi) Reinsurance bad debt: Technical provisions include an allowance for counterparty default.
 - vii) ENIDS: Inclusion of the valuation of very low probability extreme events, including latent claims, referred to as “events not in data” (“ENIDS”), by SII class of business. The aim of this is to ensure that the technical provisions represent the mean of the full range of possible future outcomes, and not just the range of outcomes included within the data used to calculate the GAAP reserves.
 - viii) Allowance for discounting: Both inwards gross and outwards reinsurance provisions are valued on a cashflow basis. This introduces the concept of discounting (the time value of money) to the balance sheet. Technical provisions are discounted (within present value calculations) using risk-free interest rate term structures published by EIOPA.
 - ix) Risk margin: Technical provisions include a risk margin in addition to the discounted best estimate. The risk margin calculation allows for the discounted cost of holding the required SCR during the run-off of the risks. The relevant SCR is that calculated using the Standard Formula, on the basis that the run-off liabilities are transferred to a “reference undertaking”.

D.2.4 Matching adjustment

The matching adjustment referred to in Article 77b of Directive 2009/138/EC has not been applied.

D.2.5 Volatility adjustment

The volatility adjustment referred to in Article 77d of Directive 2009/138/EC has not been used by the Company.

D.2.6 The transitional risk-free interest rate-term

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

D.2.7 The transitional deduction

The transitional deduction referred to in Article 308d of Directive 2009/138/EC has not been applied by the Company.

D.2.8 Reinsurance contracts

In the normal course of business, the Company seeks to mitigate its gross exposure to claims through the purchase of reinsurance. The Company participates in a number of global reinsurance policies for certain risks and, where considered to be appropriate, purchases additional facultative reinsurance protection on certain risks. The Company participates in an intergroup quota share agreement across all risks written since acquisition with HRe, a company registered in Bermuda. The Company participates in a quota share agreement with Liberty Specialty Markets Bermuda Limited, a company registered in Bermuda, on all risks written prior to the acquisition of the Company by Hamilton in August 2019.

The Company does not have any special purpose vehicles.

D.2.9 Material changes in the assumptions made in the calculation of technical provisions

During 2025 the calculation of the Risk Margin was adjusted to use a gross of reinsurance run off pattern as it was deemed more appropriate than the net pattern due to the impact of the WAQS.

D.3 Other Liabilities

As at December 31, 2025, the Company reported the following liabilities for SII purposes:

Other liabilities	2025	2025	2025	2024	Reference
	Irish GAAP Value	Adjustment	SII Value	SII Value	
	US\$000	US\$000	US\$000	US\$000	
Reinsurance payables	525,015	(124,847)	400,168	304,647	D.3.1
Payables (trade, not insurance)	5,322	1,546	6,868	5,618	D.3.2
Insurance & intermediaries payables	53,752	—	53,752	50,856	D.3.2
Total liabilities excluding technical provisions	584,089	(123,301)	460,788	361,121	

D.3.1 Reinsurance payables

Reinsurance payables in the GAAP balance sheet comprise of netted down amounts and include payables now due and payables not yet due including the reinsurance share of deferred acquisition costs. In the SII balance sheet the 'not yet due' amounts are reclassified to reinsurance technical provisions and are further split between claims provisions for the earned element of 'not yet due' and premium provisions for the unearned element. As a result of this reclassification, the reinsurance payables balance is significantly reduced in the SII balance sheet as compared with the GAAP balance sheet.

The reinsurance share of deferred acquisitions costs are not recognised for SII purposes following the recognition and valuation criteria of its asset base in Section D.1.2.

D.3.2 Payables

The payables comprise the following items:

- i) Payables (trade, not insurance); and
- ii) Insurance and intermediaries payables

There have been no valuation adjustments from GAAP balance sheet to Solvency II value.

D.4 Alternative Valuation Methods

The Company has not applied alternative valuation methods as set out in Article 10 (5) and Article 263 of the Commission Delegated Regulation (EU) 2015/35.

D.5 Valuation - Other Material Information

The Company has no other material information to disclose regarding its valuation for Solvency purposes.

E. Capital Management

E.1 Own Funds Overview

The Company classifies its own funds as tier 1, which is the best form of capital for absorbing losses. Available or eligible own funds to support the Minimum Capital Requirement (“MCR”) are reduced by the deferred tax asset balance which is classified as tier 3.

The Company carries out an ORSA exercise at least annually, or when the risk profile of the Company changes materially. The ORSA comprises an assessment of the capital requirements based on the current risk profile and potential changes to that profile over the next three years.

E.1.1 Capital Management Objective

As the Company’s risk profile and strategic plans change, so will its capital needs. The Board recognise the importance of having a plan for addressing capital requirements to meet its strategic plans for growth and in times of crisis. The Company has a Capital Management Policy which seeks to provide a thorough and realistic structure for maintaining an efficient level of capital. Shortfalls will be managed by setting out actions that may be undertaken based on the severity and urgency of the deficit.

The successful execution of the Capital Management Policy requires a set of risk management standards to be embedded within the Company to promote consistency and best practice in the identification, assessment, monitoring and updating of risk as well as a commitment to employing leading practices in the management of the risks faced by it. HIDAC seeks to maintain a risk ownership environment which recognises the accountability for risk management within the business units. The Risk Function has developed a framework which allows risk owners to identify, assess, mitigate, monitor and report risk exposure. The risk owners’ responsibilities and obligations of the Company to enable risk owners to fulfil these responsibilities are clearly set out in the Company’s Risk Management Framework.

E.1.2 Contingency Capital Planning and Time Horizon for Business Planning

The standard formula is used to calculate the SII capital requirement and capital assessment. The future plans of the Company positively seek growth. The plans will be adapted year on year to reflect changes in market conditions and availability of capital.

Contingency Short and Medium Term

Capital management is closely aligned with the business planning process and utilises the risk appetite to guide business decisions. When creating the business plan for future time periods risk management review any new business opportunities and consider any implications this will have on the overall risk exposure. If the new business alters the profile of the Company in such a way that the Risk Appetite Statement does not provide a realistic point of measurement, then revised risk appetite measures will be designed in keeping with the new profile of the Company and submitted to the Board for approval.

Contingency Long Term

The Company’s strategy is to consistently deliver profitable growth through a balanced and diversified portfolio with a keen focus on execution. This is accomplished over the insurance pricing cycle through revenue growth, expense management, investment management, focus on underwriting specialty lines and developing top talent.

E.1.3 Structure, Amount and Quality of Own Funds

The Company's own funds are made up of ordinary share capital, capital contributions and a reconciliation reserve. The table below shows the capital components, all of which fall under Tier 1.

	As at December 31, 2025		As at December 31, 2024	
	Total	Tier 1 Unrestricted	Total	Tier 1 Unrestricted
	US\$000	US\$000	US\$000	US\$000
Ordinary share capital (gross of own shares)	2,500	2,500	2,500	2,500
Reconciliation reserve	(43,854)	(43,854)	(53,616)	(53,616)
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as SII own funds	(5,569)	(5,569)	(5,421)	(5,421)
An amount equal to the value of net deferred tax assets	180	—	395	—
Other own fund items approved by the supervisory authority as basic own funds not specified above	195,111	195,111	195,111	195,111
Total available own funds to meet the SCR	148,368	148,188	138,969	138,574

Share Capital

The Company has \$2.5m of ordinary share capital. Ordinary shares in issue in the Company rank pari passu. All ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company. Ordinary share capital is classified as Tier 1 in accordance with Article 94 (1) of Directive 2009/138/EC and meets the criteria set out in Article of 93 of that Directive.

Other own fund items approved by the supervisory authority as basic own funds

Other own fund items primarily relate to capital contributions. The Company has \$195.1m (2024: \$195.1m) of capital contributions, this excludes \$5.6m which was under review from the CBI in respect of its inclusion as tier 1 eligible own funds as at year end but has subsequently been approved in Q1 2026. Funds contributed by the Company's immediate parent undertaking are used to fund the insurance operations of the Company and are not given in return for any rights such as voting rights, a share in the profits nor a share in the surplus assets of the Company on liquidation.

Reconciliation reserve

The reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. The reconciliation reserve consists of accumulated comprehensive income of the Company, the cost of share based payment awards accounted for as additional capital contribution, and movements between the GAAP balance sheet and SII balance sheet.

The reconciliation reserve is recognised in full under Tier 1 unrestricted basic own funds.

Deferred tax

Deferred tax is calculated on the reconciliation movement between the GAAP balance sheet and the SII balance sheet, see Section D.1.3. The deferred tax asset ("DTA") is classified as a Tier 3 capital. This category of own funds can be used to cover the SCR (for maximum 15%) but is not eligible for the MCR.

E.1.4 Available and Eligible Own Funds to cover SCR

The Company had the following eligible own funds to cover the SCR at December 31, 2025:

	As at December 31, 2025		As at December 31, 2024	
	Total	Eligible own funds	Total	Eligible own funds
	US\$000	US\$000	US\$000	US\$000
Total available own funds to meet SCR	148,368	148,368	138,969	138,969

The amount included under “Other own fund items approved by the supervisory authority as basic own funds not specified above” represent capital contributions received by the Company from Hamilton. The CBI has approved the treatment of these capital contributions as Tier 1 own funds pursuant to the SII Directive.

There was no material change in the eligible own funds to cover the SCR during the period.

E.1.5 Available and Eligible Own Funds to cover MCR

The Tier 1 unrestricted available own funds presented in table E.1.3 above are eligible in full to cover the MCR.

E.1.6 Explanation of any material differences between equity as shown in the Financial Statements and the excess of assets over liabilities as calculated for solvency purposes

As discussed in section D, ‘Valuation for solvency purposes’, there are a number of reconciliation movements between the SII balance sheet and the GAAP financial statements. The table below shows a waterfall of the movement from GAAP equity to the excess of assets over liabilities under SII. The main adjustments are to the technical provisions. The movement from GAAP technical reserves to SII technical provisions is discussed in section D.2.3.

Excess assets over liabilities	2025	2024
	SII Value	SII Value
	US\$000	US\$000
Irish GAAP equity	154,533	145,724
Net deferred acquisition costs	(29,453)	(25,603)
Net technical provisions movements	31,399	41,567
Risk margin	(10,549)	(7,707)
Removal of prudence margin from GAAP reserves	7,827	(9,985)
Deferred tax on reconciliation movements	180	395
Excess assets over liabilities	153,937	144,391

E.1.7 Transitional Arrangements

The Company does not have any basic own fund items that are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.8 Ancillary Own Funds

The Company does not have any ancillary own funds.

E.1.9 Items Deducted from Own Funds

The Company does not deduct any items from own funds nor are there any restrictions affecting the availability and transferability of own funds within the undertaking.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

HIDAC calculates the SCR by means of the Standard Formula.

The SCR is designed to cover all aspects of the Company's risk profile. It includes an assessment of exposure to catastrophic events, reserve deterioration, asset risk, counterparty risk, the reinsurance program, operational risk and the calculation of an 'economic consistent balance sheet'. This involves a different set of calculations from treatment under GAAP. Due to the breadth of data required to perform the calculation there are a number of different teams involved in preparing the information. The Company has a 'HIDAC SCR Methodology and Process Document' in place which provides a guide to those involved in calculating the standard formula; articulates formal responsibilities and sign-offs required in supplying the data for the SCR and documents the process undertaken to calculate the SCR.

E.2.1 Solvency Capital Requirement and Minimum Capital Requirement as at December 31, 2025

The table below shows HIDAC's SCR and MCR as at December 31, 2025.

	As at December 31, 2025		As at December 31, 2024	
	Ratio of eligible own funds	US\$000	Ratio of eligible own funds	US\$000
Total eligible own funds to meet SCR		148,368		138,969
Total eligible own funds to meet MCR		148,188		138,574
SCR	164.48%	90,204	173.95%	79,890
MCR	657.13%	22,551	693.83%	19,972

E.2.2 SCR by Risk Modules

The key components of the SCR are:

SCR	2025	2024
	US\$000	US\$000
Market risk	29,266	27,389
Counterparty default risk	14,355	10,862
Health underwriting risk	4,017	2,570
Non-life underwriting risk	49,569	43,647
Diversification	(24,610)	(20,832)
Basic SCR	72,597	63,636
Operational risk	17,607	16,254
SCR	90,204	79,890

E.2.3 Simplified Calculations

The Company does not apply any simplifications to the standard formula.

E.2.4 Undertaking Specific Parameters

The Company does not apply any undertaking-specific parameters to the standard formula pursuant to Article 104(7) of Directive 2009/138/EC.

E.2.5 Option provided for in Article 51(2) of Directive 2009/138/EC

The Company has not received any imposed capital add-ons or imposed undertaking specific parameters.

E.2.6 Significant deviations from the assumptions underlying the Standard Formula calculation

The Company is not required to adopt any undertaking specific parameters in accordance with Article 110 of Directive 2009/138/EC, nor has the supervisory authority applied any capital add-on to the SCR.

E.2.7 Inputs used to calculate the Minimum Capital Requirement

The inputs used to calculate the MCR of the Company are as follows:

	As at December 31, 2025		As at December 31, 2024	
	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole US\$000	Net (of reinsurance) written premiums in the last 12 months US\$000	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole US\$000	Net (of reinsurance) written premiums in the last 12 months US\$000
Income protection insurance	5,358	16,665	2,647	12,756
Motor vehicle liability insurance	1,428	1,206	247	2,023
Other motor insurance	2,525	9,421	705	2,719
Marine, aviation and transport insurance	6,755	11,696	6,327	10,920
Fire and other damage to property insurance	12,388	57,464	14,846	49,690
General liability insurance	18,009	9,160	18,062	14,916
Credit and suretyship insurance	3,674	25,155	4,605	25,259
Legal expense insurance	1,673	807	1,409	462
Miscellaneous financial loss insurance	4,834	6,037	4,018	9,287
Non-proportional health reinsurance	5	7	5	8
Non-proportional casualty reinsurance	720	154	759	214
Non-proportional marine, aviation and transport reinsurance	1,362	2,506	18	1,400
Non-proportional property reinsurance	2,016	2,799	3,331	1,144

E.2.8 Material change to the Solvency Capital Requirement and the Minimum Capital Requirement over the reporting period

There was no material change to the SCR or MCR during the reporting period.

E.3 Use of the Duration-Based Equity Risk Submodule in the Calculation of the Solvency Capital Requirement

The Company does not use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4 Differences between the Standard Formula and any Internal Model used

The Company does not use an internal model to calculate the SCR.

E.5 Non-Compliance with the Minimum Capital Requirement or Significant Non-Compliance with the Solvency Capital Requirement

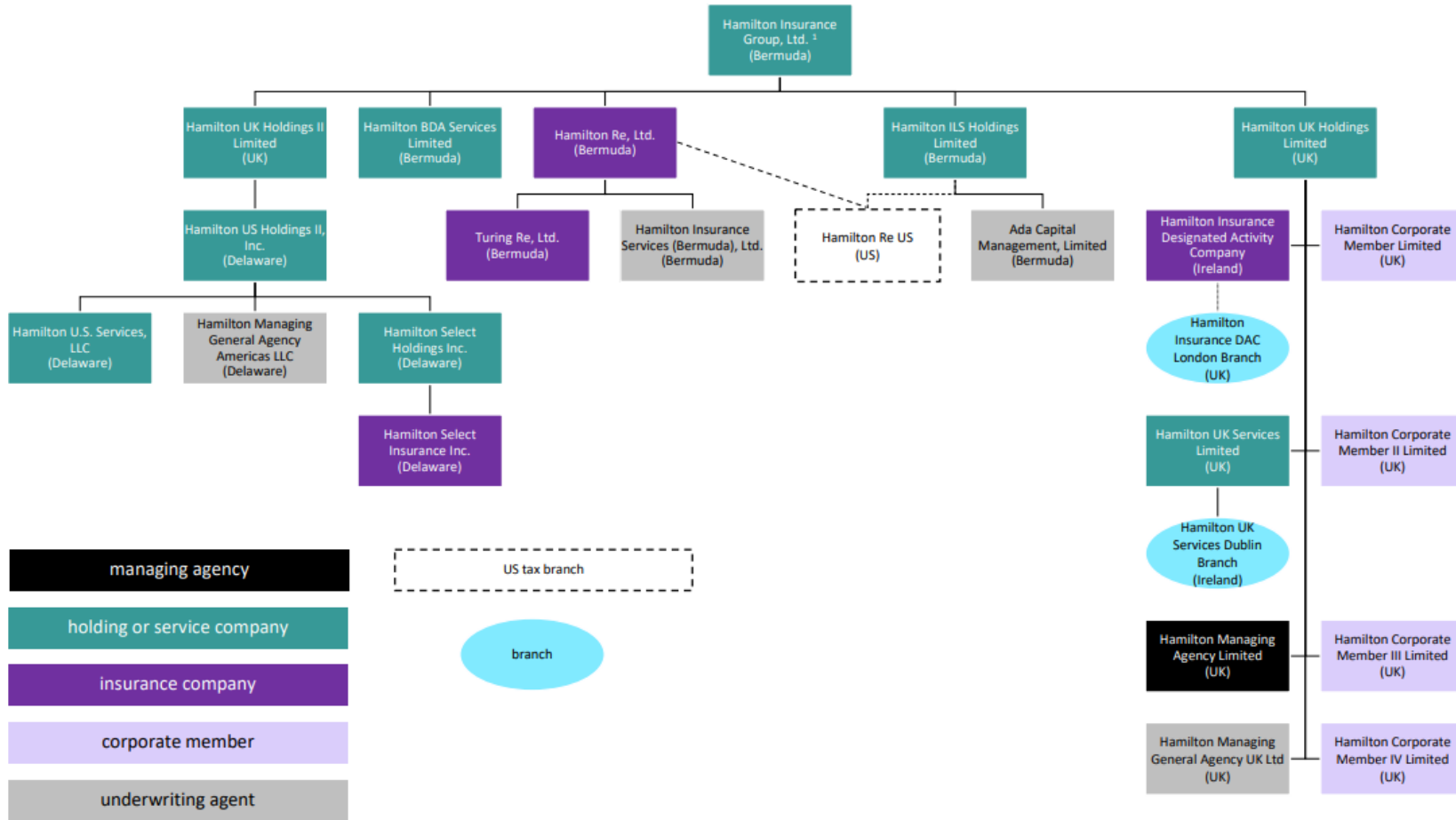
The Company has been continuously compliant with both the MCR and the SCR requirements throughout the reporting period.



E.6 Capital Management - Other Material Information

The Company has no other material information to disclose regarding its capital management.

Hamilton Group structure



¹ Hamilton Insurance Group, Ltd. ("Parent") is the ultimate owner of all entities within the Hamilton Insurance Group corporate group of entities. All subsidiary entities are owned 100%, directly or indirectly, by Parent, unless indicated otherwise.



Hamilton Insurance Designated Activity Company

Solvency and Financial Condition Report

Disclosures

**For Year Ended:
December 31, 2025**

(Monetary amounts in USD thousands)

S.02.01.02

Balance sheet

Solvency II value	
C0010	
	180
	0
	421,100
	0
	0
	0
	421,100
	138,864
	257,947
	0
	24,288
	0
	0
	0
	0
	526,140
	526,140
	513,719
	12,421
	0
	0
	42,774
	149,984
	0
	49,535
	22,448
	1,212,161

Assets

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

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	597,436
R0520	<i>Technical provisions - non-life (excluding health)</i>	578,721
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	569,103
R0550	<i>Risk margin</i>	9,618
R0560	<i>Technical provisions - health (similar to non-life)</i>	18,715
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	17,784
R0590	<i>Risk margin</i>	931
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	53,752
R0830	Reinsurance payables	400,167
R0840	Payables (trade, not insurance)	6,868
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	1,058,224
R1000	Excess of assets over liabilities	153,937

S.05.02.01

Premiums, claims and expenses by country

Non-life

	C0010	C0020	C0030	C0040	C0050	C0060	
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					
		US	GB	LU	SE	DE	
	C0080	C0090	C0100	C0110	C0120	C0130	
R0010	Premiums written						
R0020	Gross - Direct Business	68	200,801	38,527	16,978	16,382	5,629
R0021	Gross - Proportional reinsurance accepted	1,204	38,905	6,470		0	9,133
R0022	Gross - Non-proportional reinsurance accepted	601	5,029	4,558	-75	0	780
	Premiums earned						
R0030	Gross - Direct Business	679	191,399	35,465	16,459	15,044	6,701
R0031	Gross - Proportional reinsurance accepted	232	31,766	7,762		0	8,419
R0032	Gross - Non-proportional reinsurance accepted	611	4,609	3,945	598	64	430
	Claims incurred						
R0040	Gross - Direct Business	620	113,525	51,911	13,287	7,897	3,962
R0041	Gross - Proportional reinsurance accepted	0	14,446	7,642		-367	12,713
R0042	Gross - Non-proportional reinsurance accepted	50	4,037	1,298	-1,494	-7	-1,888
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	135	80,727	14,746	6,348	6,538	3,483
R0051	Gross Expenses Incurred (proportional reinsurance)	222	18,298	1,487		0	3,155
R0052	Gross Expenses Incurred (non-proportional reinsurance)	143	2,287	775	25	13	90

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance									Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0130	C0140	C0150	C0160	C0170	C0180
R0010	Technical provisions calculated as a whole	0	0			0	0	0	0	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole															0
Technical provisions calculated as a sum of BE and RM																
Best estimate																
Premium provisions																
R0060	Gross	0	8,482	2,442	2,485	932	16,013	12,640	3,004	530	4,130	0	303	2,044	1,705	54,712
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	5,587	1,979	1,194	-195	9,936	9,976	1,928	452	2,869	0	240	1,560	1,404	36,930
R0150	Net Best Estimate of Premium Provisions	0	2,895	463	1,291	1,127	6,076	2,663	1,077	79	1,261	0	62	484	301	17,781
Claims provisions																
R0160	Gross	0	9,277	8,769	5,770	43,327	59,900	262,120	27,634	22,526	32,573	24	29,451	6,047	24,758	532,175
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	6,815	7,804	4,536	37,699	53,589	246,773	25,037	20,931	29,001	19	28,793	5,169	23,044	489,210
R0250	Net Best Estimate of Claims Provisions	0	2,462	964	1,233	5,628	6,311	15,346	2,597	1,595	3,573	5	658	878	1,714	42,965
R0260	Total best estimate - gross	0	17,760	11,211	8,255	44,259	75,913	274,759	30,638	23,056	36,703	24	29,753	8,091	26,464	586,886
R0270	Total best estimate - net	0	5,358	1,428	2,525	6,755	12,388	18,009	3,674	1,674	4,834	5	720	1,362	2,016	60,746
R0280	Risk margin	0	930	248	438	1,173	2,151	3,128	638	291	839	1	125	237	350	10,549
R0320	Technical provisions - total	0	18,690	11,459	8,694	45,432	78,065	277,887	31,276	23,347	37,543	25	29,878	8,327	26,814	597,436
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	12,402	9,783	5,731	37,504	63,526	256,750	26,964	21,382	31,870	19	29,033	6,729	24,448	526,140
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	6,288	1,676	2,963	7,928	14,539	21,137	4,312	1,964	5,673	6	845	1,599	2,366	71,296

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year										In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9			10 & +	
R0100	Prior											9,266	9,266	9,266
R0160	2016	5,919	23,517	24,735	24,621	11,508	10,484	15,826	39,658	7,440	4,259		4,259	167,967
R0170	2017	17,933	76,286	35,666	41,172	23,977	18,400	36,494	6,765	8,391			8,391	265,084
R0180	2018	10,490	52,512	32,780	13,549	27,392	15,466	19,978	17,557				17,557	189,724
R0190	2019	16,806	27,636	22,511	16,192	5,332	4,502	7,366					7,366	100,345
R0200	2020	8,446	29,244	37,457	22,365	37,677	30,490						30,490	165,679
R0210	2021	15,978	57,794	49,295	35,415	12,585							12,585	171,067
R0220	2022	14,395	51,734	35,488	28,484								28,484	130,101
R0230	2023	7,866	32,764	50,382									50,382	91,012
R0240	2024	8,298	62,671										62,671	70,969
R0250	2025	10,967											10,967	10,967
R0260												Total	242,420	1,372,181

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year										Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9			10 & +
R0100	Prior											92,032	71,090
R0160	2016	53,845	100,460	110,470	79,360	94,533	87,746	72,189	45,570	28,344	27,710		22,672
R0170	2017	114,669	138,990	114,062	85,723	71,791	55,041	49,603	44,800	49,991			41,894
R0180	2018	81,061	98,849	124,594	135,462	105,477	87,459	61,235	54,181				48,704
R0190	2019	40,822	36,102	42,376	21,927	25,930	12,340	9,495					8,906
R0200	2020	29,631	81,036	48,504	38,037	22,930	11,119						10,534
R0210	2021	89,271	138,263	90,837	54,605	48,784							45,019
R0220	2022	81,285	118,488	82,104	66,825								61,642
R0230	2023	62,119	105,104	91,507									84,242
R0240	2024	58,268	117,429										109,784
R0250	2025	30,730											27,687
R0260												Total	532,175

S.23.01.01

Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

R0230 **Deductions for participations in financial and credit institutions**

R0290 **Total basic own funds after deductions**

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580 **SCR**

R0600 **MCR**

R0620 **Ratio of Eligible own funds to SCR**

R0640 **Ratio of Eligible own funds to MCR**

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
2,500	2,500		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
-43,854	-43,854			
0		0	0	0
180				180
195,111	195,111	0	0	0
5,569				
0				
148,368	148,188	0	0	180
0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
148,368	148,188	0	0	180
148,188	148,188	0	0	
148,368	148,188	0	0	180
148,188	148,188	0	0	
90,204				
22,551				
164.48%				
657.13%				
C0060				
153,937				
0				
197,791				
0				
-43,854				
36,226				
36,226				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	29,266		
R0020 Counterparty default risk	14,355		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	4,017		
R0050 Non-life underwriting risk	49,569		
R0060 Diversification	-24,610		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	72,597		
Calculation of Solvency Capital Requirement			
	C0100		
R0130 Operational risk	17,607		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes			
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	90,204		
R0210 Capital add-ons already set	0		
R0211 <i>of which, capital add-ons already set - Article 37 (1) Type a</i>	0		
R0212 <i>of which, capital add-ons already set - Article 37 (1) Type b</i>	0		
R0213 <i>of which, capital add-ons already set - Article 37 (1) Type c</i>	0		
R0214 <i>of which, capital add-ons already set - Article 37 (1) Type d</i>	0		
R0220 Solvency capital requirement	90,204		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
Approach to tax rate			
	C0109		
R0590 Approach based on average tax rate	0		
Calculation of loss absorbing capacity of deferred taxes			
	LAC DT		
	C0130		
R0640 LAC DT			
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

21,114

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	C0020	C0030
R0020 Medical expense insurance and proportional reinsurance	0	0
R0030 Income protection insurance and proportional reinsurance	5,358	16,665
R0040 Workers' compensation insurance and proportional reinsurance	0	0
R0050 Motor vehicle liability insurance and proportional reinsurance	1,428	1,206
R0060 Other motor insurance and proportional reinsurance	2,525	9,421
R0070 Marine, aviation and transport insurance and proportional reinsurance	6,755	11,696
R0080 Fire and other damage to property insurance and proportional reinsurance	12,388	57,464
R0090 General liability insurance and proportional reinsurance	18,009	9,160
R0100 Credit and suretyship insurance and proportional reinsurance	3,674	25,155
R0110 Legal expenses insurance and proportional reinsurance	1,674	807
R0120 Assistance and proportional reinsurance	0	0
R0130 Miscellaneous financial loss insurance and proportional reinsurance	4,834	6,037
R0140 Non-proportional health reinsurance	5	7
R0150 Non-proportional casualty reinsurance	720	155
R0160 Non-proportional marine, aviation and transport reinsurance	1,362	2,506
R0170 Non-proportional property reinsurance	2,016	2,800

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

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

Overall MCR calculation

R0300 Linear MCR
R0310 SCR
R0320 MCR cap
R0330 MCR floor
R0340 Combined MCR
R0350 Absolute floor of the MCR
R0400 **Minimum Capital Requirement**

C0070

21,114
90,204
40,592
22,551
22,551
4,689
22,551