

Lloyd's Europe SFCR 2025

(Solvency and Financial Condition Report 2025)

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INTRODUCTION

This report is the Solvency and Financial Condition Report (SFCR) for Lloyd's Insurance Company SA ("LIC", hereafter referred to as Lloyd's Europe), authorised and regulated by the National Bank of Belgium (NBB) and regulated by the Financial Services & Markets Authority (FSMA).

Lloyd's Europe's corporate strategy is to offer non-life insurance and reinsurance to policyholders throughout the EU and EEA. It does this through a network of EU/EEA authorised intermediaries or through the activities of its own underwriters.

This SFCR therefore gives an overview of the company as at 31 December 2025 through its:

- Business and Performance
- System of Governance
- Risk Profile
- Valuation for Solvency Purposes
- Capital Management

SUMMARY¹

Lloyd's Europe's Solvency and Financial Condition Report (SFCR) as at 31 December 2025 has been prepared in accordance with Article 51 of the Solvency II Directive (2009/138/EC), Articles 290 to 298 of the Commission Delegated Regulation (EU) 2015/35, and Commission Implementing Regulation (EU) 2023/895. All figures are presented in EUR 000's (kEUR) unless otherwise stated.

Significant events

The important events that occurred during the reporting period are:

- Changes to Lloyd's Europe's Reinsurance Commission
- First Dividend Payment and Reduction of Letter of Credit
- Changes in governance structure
- English legal proceedings
- Reinsurance Collateral Deposit
- Sub-Outsourcing of ICT Services to Accenture

Underwriting performance

Premium in 2025 of 4,915,590 kEUR increased (2024: 4,381,603 kEUR) and the combined ratio improved to 89% (2024: 95%) supported by stable current-year claims and favourable USD movements on prior-year reserves. No major new loss events emerged, though prior-year aviation-related exposures continued to impact results.

Investment performance

At the reporting date Lloyd's Europe's investments of 767,396 kEUR were held in 25% government bonds, 35% corporate bonds, and 40% collective investment undertakings which includes investment funds. A net gain of 26,833 kEUR was achieved under Solvency II.

Risk profile

The Solvency Capital Requirement is calculated using the standard formula as stated in the Delegated Acts 2015/35. Owing to Lloyd's Europe's 100% reinsurance business model and ceding commission structure market risk is the largest contributor to the risk profile with a standalone risk charge of 193,780 kEUR, followed by counterparty default risk with 165,561 kEUR. The overall SCR for Lloyd's Europe is 377,407 kEUR.

Own funds and solvency ratio

As at 31 December 2025, Lloyd's Europe has basic own funds of 689,589 kEUR with additional ancillary own funds of 50,000 kEUR made available through a letter of credit. This leads to available own funds of 739,589 kEUR, eligible own funds to cover the SCR of 739,589 kEUR, and a solvency coverage ratio of 196%.

Commercial objectives

Lloyd's Europe's commercial objective is to be a preeminent (re)insurer in the EEA, consolidating its position as one of the leading speciality insurers and supporting European commercial clients in addressing their most complex risks, be it by their technical nature, by their capital at risk or by their difficulty to be insured otherwise.

¹ Le résumé en français est disponible en annexe F2

A. BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Name and legal form of undertaking

Lloyd's Insurance Company S.A ("LIC"), hereafter referred to by its commercial name Lloyd's Europe, is a limited liability insurance company under the Belgian law. Lloyd's Europe is headquartered at Bastion Tower, Place du Champ de Mars 5, 1050 Ixelles.

A.1.2 Supervisory authority responsible for financial supervision

Lloyd's Europe is a fully operational, capitalised insurance company under Solvency II authorised and regulated by the National Bank of Belgium (the "NBB") and by the Belgian Financial Services and Markets Authority (the "FSMA") under Number 3094.

The address of the NBB is as follows:

National Bank of Belgium
Boulevard de Berlaimont 14
1000 Brussels

A.1.3 External auditor of the undertaking

PwC Bedrijfsrevisoren BV / PwC Réviseurs d'Entreprises SRL
Culliganlaan 5
1831 Diegem
Belgium

A.1.4 Holders of qualifying holdings

100% of the share capital in Lloyd's Europe is directly owned by The Society Incorporated by Lloyd's Act 1871 By The Name of Lloyd's ('Society of Lloyd's'), with registered office at One Lime Street EC3M 7HA, London, United-Kingdom.

A.1.5 Structure of undertaking

Lloyd's Europe's parent organisation, the Society of Lloyd's, operates a global insurance marketplace of underwriting members.

The Lloyd's market consists of underwriting members that form syndicates. Each syndicate is run by a managing agent, to whom all underwriting and other authority is granted by each underwriting member. The (re)insurance business written at Lloyd's is placed by brokers and coverholders with specialist syndicates, whose - for non-IDD business - underwriting staff price and underwrite the risks. For open market IDD business, the underwriting activities are either undertaken by staff of the Lloyd's Europe UK Branch who are seconded by Managing Agents, or via delegated Service Companies who are registered and authorized in the EEA. Much of the insurance capacity available at Lloyd's is provided on a subscription basis, i.e., where Lloyd's syndicates co-insure risks. This type of structure, combined with the choice, flexibility and financial security of the market, makes Lloyd's the world's leading specialist insurance marketplace.

Lloyd's Europe does not have any material related undertakings.

A.1.6 Material lines of business and geographical areas

Lloyd's Europe offers non-life insurance and reinsurance for risks located in the European Economic Area (EEA), the UK and Monaco.

The type of business written by Lloyd's Europe is a diverse mix of (re)insurance business focussed mainly on specialty property and casualty classes of business. Lloyd's Europe's business focus reflects the reputation of its parent as a marketplace for specialist underwriting skills for large and complex commercial risk. Lloyd's Europe operates across the EEA through Freedom of Establishment and / or Freedom of Services permissions.

Lloyd's Europe is also authorised by the Ministry of Finance in Monaco to write (re)insurance risks located in Monaco.

Lloyd's Europe currently has offices and employees in the following jurisdictions: France, Germany, Ireland, Italy, the Netherlands, Spain and Sweden. It also has a fully licenced third country branch in the UK, authorised by the PRA and FCA.

In general, Lloyd's Europe's authorisations are held in the following classes of business:

1 Accident	10 Motor vehicle liability
2 Sickness	11 Aircraft liability
3 Land vehicles (other than railway rolling stock)	12 Liability for ships (sea, lake, river and canal vessels)
4 Railway rolling stock	13 General liability
5 Aircraft	14 Credit
6 Ships (sea, lake, river and canal vessels)	15 Suretyship
7 Goods in transit (inc. merchandise, baggage and other goods)	16 Miscellaneous financial loss
8 Fire and natural forces	17 Legal expenses
9 Other damage to property	18 Assistance

In addition, Lloyd's Europe participates in public tender bids for public sector insurances in a small number of EEA countries. Owing to the size and diversity of Lloyd's Europe's underwriting strategy, the market segments addressed range across the whole spectrum of customers, from reinsured to large commercial policyholders to individual retail customers, and a wide-ranging portfolio of business.

100% of all risks written are reinsured by Lloyd's Europe to Lloyd's Syndicates.

A.1.7 Significant events during the reporting period

The important events that occurred during the reporting period are stated in the table below:

Table A.1: The following significant events occurred during the reporting period

Changes to Lloyd's Europe's Reinsurance Commission	<p>As from 1/1/2025, Lloyd's Europe's ceding commission is determined using the estimated premium income derived from the Lloyd's Syndicate Business Forecasts (SBFs). In addition, the full amount of ceding commission is collected during the year to which the SBF relates.</p> <p>As a result, Lloyd's Europe's risk profile changes: the earlier charging model exposed Lloyd's Europe to lapse risk and counterparty default risk mainly related to premium debtors as commission payments depended on premium payments being made over time. With all amounts collected across the year, these risks fall materially. At the same time, this increases currency-related</p>
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market risk because future payments made by the Syndicates to Lloyd's Europe are denominated in non-euro currencies, meaning the principal remaining uncertainty relates to foreign-exchange movements rather than counterparty performance.

First Dividend Payment and Reduction of Letter of Credit

In July 2025, Lloyd's Europe achieved a major milestone by paying its first dividend of €40 million to its parent company, the Society of Lloyd's (Lloyd's). This reflects Lloyd's Europe's profitability and transition to a steady-state operating model. Concurrently, Lloyd's Europe initiated a significant capital management action by reducing its ancillary own funds requirement through a decrease in the Letter of Credit from €200 million to €50 million, as approved by the National Bank of Belgium (NBB). This reduction demonstrates strengthened financial resilience and confidence in Lloyd's Europe's capital position.

Changes in governance structure

During 2025 the composition of Lloyd's Europe's Executive Team changed. The Chief Risk Officer (CRO) has taken a temporary leave, with Ms. Yablunivska appointed as Interim CRO. In addition, Mr. Abbassi has assumed the position of Chief Market Development Officer (CMDO). Mr. Adams was appointed to the Lloyd's Europe Board as a Non-Executive Director, subject to NBB approval, replacing Mr. Tiernan, who has stepped down from his role.

English legal proceedings

On June 11, judgment was handed down and found War Risks insurers (including Lloyd's Europe) liable to indemnify the policyholders for the loss of aircraft and engines as a result of Russian Government's actions of March 2022. Payments of the principal amounts took place early July. War Risks insurers have applied for permission to appeal certain of the judge's findings, and such application is still outstanding. A consequential hearing took place on 15 to 16 September to decide on interests and costs, and judgment was handed down on 6 October finding (inter alia) War Risks insurers (including Lloyd's Europe) liable to pay certain amounts in costs and interest to the policyholders and All Risks insurers. Payments of those amounts took place throughout the rest of 2025. While the Contingent and Possessed (C&P) Aviation Claims are substantively resolved (subject to the appeal), the Operator Policy (OP) Claims continue to progress.

Others: At the end of December 2025, there were 4 ongoing claims in Ireland and 1 in Hungary. Further claims may be issued. Lloyd's Europe's reserves have been adjusted taking into account the developments.

Reinsurance Collateral Deposit

During 2025 Lloyd's Europe agreed with its reinsurers the introduction of a Reinsurance Collateral Deposit (RCD) from 1 January 2026 for future underwriting years. This mechanism strengthens the collateral supporting Lloyd's Europe's reinsurance recoverables and provides an additional layer of protection for policyholders.

Sub-Outsourcing of ICT Services to Accenture

Lloyd's Europe IT and Data services are provided as part of the Intra-Group Services Agreement (IGSA) with its parent company, the Society of Lloyd's (Lloyd's). In 2025, Lloyd's Europe saw a significant change in its ICT service delivery model through Lloyd's sub-outsourcing arrangement with Accenture. Lloyd's selected Accenture to assume operational management of these services while retaining accountability and governance under the IGSA framework.

A.1.8 Commercial objectives

Lloyd's Europe's commercial objective is to be a preeminent (re)insurer in the EEA, consolidating its position as one of the leading speciality insurers and supporting European commercial clients in addressing their most complex risks, be it by their technical nature, by their capital at risk or by their difficulty to be insured otherwise. Lloyd's Europe intends to achieve this objective through three commercial pillars:

1. Ensuring it has the relevant distribution capillarity in the EEA to reach clients and provide them with an access to Lloyd's Europe's pertinent risk solutions, remaining agnostic on clients' preferred channels (brokers, agents or direct);
2. Ensuring it is easy to do business with and continues to improve its operations to best serve distributors and our clients, and;
3. Ensuring it keeps taking the pulse of risks as they evolve, being present in the rooms that matter to further its expertise, and the distinctiveness of its value proposition.

A.2 Underwriting Performance

A.2.1 Performance overview

Lloyd's Europe prepares its financial statements in accordance with BEGAAP, the table below presents the underwriting performance for the year ended 31 December 2025 together with comparative information for the prior year.

Lloyd's Europe is 100% reinsured, therefore net earned premium and net claims are nil and Lloyd's Europe's income consists of reinsurance commission. Lloyd's Europe's underwriting performance is the excess/deficit of earned reinsurance commission over incurred expenses. Reinsurance commission is included as an offset in expenses incurred reported here.

Table A.2: Performance over current and previous reporting periods

	2025	2024
	kEUR	kEUR
Gross written premium	4,915,590	4,381,603
Gross earned premium	4,455,060	4,196,983
Net earned premium	0	0
Gross claims incurred	2,771,203	2,994,560
Net insurance result	0	0
Gross combined ratio	89%	95%

Lloyd's Europe's gross written premium increased by 12% in 2025 to 4,915,590 kEUR (2024: 4,381,603 kEUR), with growth observed across most Solvency II lines of business. General Liability, Marine/Aviation/Transport, and Fire & Property remained the largest contributors to premium volume, with notable year-on-year increases in Credit & Suretyship, Income Protection and other specialty classes. Gross earned premium rose to 4,455,060 kEUR (2024: 4,196,983 kEUR), broadly following the same pattern as written premium.

Gross claims incurred reduced from 2,994,560 kEUR in 2024 to 2,771,203 kEUR in 2025. Marine, Aviation and Transport remains the line with the highest claims activity, driven primarily by ongoing aviation-related exposures. Outside this segment, claims experience was stable and no unusually large new losses or major aggregations emerged during the year. The depreciation of prior-year USD-denominated claim exposures reduced the claim ratio by around 10%, contributing to the improvement in overall performance with a gross combined ratio of 89% (2024: 95%).

Premium growth was recorded across most geographical areas. Germany, France and Italy saw the largest year-on-year increases in gross written premium, whereas Ireland continues to be the main contributor to claims, with gross claims incurred rising to 1,458,810 kEUR in 2025 (2024: 972,457 kEUR), reflecting the concentration of aviation exposures in this location. Claims in other territories were broadly stable or lower compared with the prior year.

Developments in aviation-related claims linked to aircraft remaining in Russia continued to influence the Marine, Aviation and Transport results. On 11 June, judgment was handed down in the English legal proceedings, finding War Risks insurers (including Lloyd's Europe) liable to indemnify the policyholders for the loss of aircraft and engines resulting from Russian Government actions of March 2022. Payments of the principal amounts were made in early July, followed by further payments relating to interest and costs after the consequential hearing on 15–16 September. While the Contingent and Possessed Aviation Claims are substantively resolved (subject to appeal), Operator Policy claims continue to progress. At year-end, four related claims remained ongoing in Ireland and one in Hungary, with potential for additional actions. Lloyd's Europe's reserves have been updated to reflect these developments.

Overall, Lloyd's Europe's underwriting performance in 2025 demonstrates solid premium growth, stable claims experience outside known aviation matters, and continued prudence in reserving as legal and geopolitical developments evolve.

A.2.2 Performance by Solvency II line of business

The tables below provide a summary of the key performance indicators for the material Solvency II lines of business underwritten by Lloyd's Europe for the current and prior year. The results are consistent with the BEGAAP financial year result, prepared on a Solvency II line of business consistent with QRT S.05.01.01.

Table A.3: Performance in 2025 by Solvency II line of business

31 December 2025 kEUR	General liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Income protection insurance	Credit and suretyship insurance	Other	Total
Gross written premium	1,527,725	1,040,836	887,446	241,373	654,599	563,612	4,915,590
Gross earned premium	1,533,091	1,043,086	815,551	198,619	349,075	515,637	4,455,060
Net earned premium	-	-	-	-	-	-	-
Gross claims incurred	561,351	1,512,131	369,833	117,353	32,096	178,438	2,771,203
Net insurance result	-	-	-	-	-	-	-

Table A.4: Performance in 2024 by Solvency II line of business

31 December 2024 kEUR	General liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Income protection insurance	Credit and suretyship insurance	Other	Total
Gross written premium	1,495,935	1,143,895	754,205	154,708	411,866	420,993	4,381,603
Gross earned premium	1,477,589	1,117,054	684,915	141,859	338,818	436,749	4,196,983
Net earned premium	-	-	-	-	-	-	-
Gross claims incurred	826,714	1,256,235	357,763	86,652	272,214	194,982	2,994,560
Net insurance result	-	-	-	-	-	-	-

In both tables above lines of business non-proportional casualty, marine, aviation, transport and property are included in the Other category.

A.2.3 Performance by material geographical areas

Underwriting performance within Lloyd's Europe's material geographical areas is shown in the table below. The results are consistent with the BEGAAP financial year result, and are prepared a risk location basis.

Table A.5: Performance in 2025 by material country

31 December 2025 kEUR	Germany	France	Italy	Ireland	Netherlands	Home Country
Gross written premium	823,366	694,109	570,197	420,239	389,852	104,207
Gross earned premium	715,197	584,621	522,203	423,552	369,573	101,798
Net earned premium	-	-	-	-	-	-
Gross claims incurred	214,827	30,731	335,435	1,458,810	69,853	4,462
Net insurance result	-	-	-	-	-	-

Table A.6: Performance in 2024 by material country

31 December 2024 kEUR	Germany	France	Italy	Ireland	Netherlands	Home Country
Gross written premium	665,208	525,289	478,505	501,445	436,128	117,043
Gross earned premium	650,048	495,781	478,332	471,929	387,455	108,110
Net earned premium	-	-	-	-	-	-
Gross claims incurred	207,238	185,588	282,208	972,457	409,400	9,401
Net insurance result	-	-	-	-	-	-

A.3 Investment Performance

At the reporting date Lloyd's Europe's investments of 767,396 kEUR were held in 25% government bonds, 35% corporate bonds and 40% collective investment undertakings which includes investment funds. In the financial statements under BEGAAP an investment return of 5,168 kEUR was recognised in the year 2025, which under Solvency II increases to an investment return of 27,281 kEUR primarily due to recognition of unrealised gains. Investment management expenses were 448 kEUR leading to a net gain of 26,833 kEUR under Solvency II.

Table A.7: Investment performance by asset class, kEUR as at 2025 year-end

Asset Class	Market value	Total Income	Investment Management Expenses allocated	Net Result
Corporate Bonds	269,036	(5,595)	92	(5,503)
Government Bonds	192,907	3,456	(57)	3,399
Collective Investment Undertakings	305,454	29,420	(483)	28,937
Total	767,396	27,281	(448)	26,833

At 2024 year-end Lloyd's Europe had an investment portfolio of 714,248 kEUR on which it had made a net profit of 52,475 kEUR for the year 2024.

The portfolio holdings are well diversified across asset classes, geographies and currencies to optimise return and capital preservation in different market conditions.

Lloyd's Europe has no investment in securitisation or financial lease agreements, nor did it have at 2024 year-end.

A.4 Performance of other activities

Lloyd's Europe does not carry out any activities which are not directly connected to the provision of insurance.

A.5 Any other information

Following the balance sheet date, geopolitical tensions continued, including the ongoing Russia-Ukraine and Middle East conflicts. Given the early stage of recent developments and the inherent uncertainty surrounding these events, Lloyd's Europe is currently unable to quantify any financial impact. As these events occurred after the year end, they are treated as non-adjusting events, and developments continue to be monitored.

Lloyd's Europe does not have any other material information to disclose regarding business and performance.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

B.1.1 Management Bodies

B.1.1.1 Board of Directors

The Board of Directors ('the Board') ordinarily comprises a minimum of seven and a maximum of nine natural persons provided that the majority of directors are non-executive. The majority of directors cannot be resident in any country other than the country in which the company is incorporated.

The Board includes:

- The Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer (the executive directors);
- At least three independent non-executive directors who should represent at least half of the overall number of non-executive directors; and
- One of the non-executive directors is appointed as the Chair of the Board ('the Chair'). The Chair cannot be the Chair of the Audit and Risk Committee nor the Chair of the Management Committee.

The purpose of the Board is to undertake all actions necessary to achieve the objectives of Lloyd's Europe, except for those which are reserved by law to the shareholders.

The Board of Directors can create from time to time any other consultative committees. The following specialised committees were created to support the Board:

- An Audit and Risk Committee ('ARC')
- A Nomination and Remuneration Committee ('NRC')
- A Recovery and Resolution Committee ('RRC')

The Board performs the following functions and may exercise the following powers:

- **General company policy:** The Board is responsible for setting the company's objectives, budget, and strategy, as well as approving financial reports and appointing committee members. Additionally, the Board addresses significant matters referred by the CEO or Management Committee, including major projects and expenditures.
- **Risk Management:** The Board is tasked with approving the risk appetite framework, annual ORSA report, and risk management policies. It holds ultimate responsibility for the effectiveness of the risk management system, setting risk appetite and tolerance limits, and approving key risk management strategies and policies.
- **Management supervision:** The Board supervises management by approving key reports and policies, and annually assesses the effectiveness of the governance system, internal audit, and control systems. It oversees the Management Committee's performance in achieving objectives, managing the internal control systems, actions to remedy shortcomings, and compliance. It determines responses to audit findings and compliance planning with advice from the Audit and Risk Committee.

B.1.1.2 Audit and Risk Committee

Members of the Audit and Risk Committee ('ARC') are appointed by the Board, on proposal by the Nomination and Remuneration Committee. The ARC comprises a minimum of three and a maximum of five non-executive directors, with a majority being independent non-executive Board directors. The ARC appoints one of its members as the Chair of the Committee ('the ARC Chair'), who cannot also be the Chair of the Board. The ARC members must have collective expertise in the field of Lloyd's Europe's

activity, audit and accounting. Each ARC member must also possess the necessary knowledge, expertise, experience and proficiency to understand Lloyd's Europe's risk strategy and risk tolerance, along with the necessary professional or academic background to critically approach ARC subjects.

The purpose of the ARC is to assist the Board in its oversight duties in respect of the identification of and control by the management of material risks to the objectives of the company and to ensure that the financial activities of the company are subject to independent review and audit. The ARC is accountable to the Board for properly performing its functions and shall report to the Board on its tasks.

The ARC has an essential role to play as regards the supervisory function carried out by the Board and is responsible for the following tasks:

- **Financial reports:** The ARC informs the Board about the results of the statutory audit of the annual accounts, clarifying the contribution of the annual account statutory audit to financial reporting integrity and specifying the role of the audit committee. It reviews annual and interim financial statements, reports significant issues to the Board, monitors the financial reporting process, and makes recommendations to ensure its integrity. If dissatisfied with any aspect of the financial reporting, the ARC reports its concerns to the Board.
- **Audit:** The ARC monitors the statutory audit of the annual accounts, follows up on the statutory auditor's recommendations, and advises the Board on the statutory auditor's appointment, termination, mandate and fees. It ensures the statutory auditor's independence, reviews the audit plan, and monitors the audit's effectiveness, while also monitoring and reviewing the internal audit function's objective and effectiveness, and approving the annual internal audit plan.
- **Risk & Compliance:** The ARC advises the Board on risk strategy and tolerance, and provides information to assess the effectiveness of internal controls and risk management. It supports the Board in supervising the implementation of these strategies, consults with the Chief Risk Officer and Chief Compliance Officer, and reviews their work programs and the ORSA report. The ARC may also request the Board to assign specific tasks to the risk management and compliance functions.

B.1.1.3 Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee ('NRC') are appointed by the Board. The NRC has a minimum of three non-executive board directors, at least one of whom is an independent director of the Board. The NRC appoints one of its members as the Chair. The NRC is composed to be able to form a competent opinion and supervise the remuneration and nomination policies.

The responsibilities of the NRC can be divided into its two roles:

- a) In its role as **Nomination Committee:** The NRC recommends policies and standards for Board membership and prepares role descriptions for Fit and Proper appointments. It ensures that each "Covered Person" retains the necessary qualifications, annually assesses their external functions and conflicts of interest, and reviews their commitments to ensure they have sufficient time for their roles. The NRC also oversees succession planning for the Management Committee, Board of Directors, and independent control functions.
- b) In its role as **Remuneration Committee:** The NRC advises the Board to ensure the remuneration policy does not encourage excessive risk-taking or conflicts of interest. It provides guidance on the remuneration policy, sets total remuneration packages and pension arrangements for identified staff, and advises on major changes in employee benefits. The NRC prepares decisions on remuneration that impact risk management, oversees contractual terms and annual performance reviews of identified staff, and supervises the remuneration of those in independent control functions.

B.1.1.4 Recovery and Resolution Committee

The purpose of the Recovery and Resolution Committee ('RRC') is to serve as the forum to discuss, prepare and review the recovery and resolution plans on an ongoing basis and to assist the Board in its oversight duties in respect of the initial design of the plans in project mode and subsequent annual updates. The RRC is accountable to the Board for properly performing its functions and reports to the Board on its tasks.

Members to the RC are appointed by the Board, on proposal by the NRC. The RRC comprises a minimum of three and a maximum of five members who are non-executive directors. The RRC members must have collective expertise in the field of the company's activity as well as in the area of recovery and resolution. The RRC meets at the discretion of the Chair and at least once a year before a Board meeting.

B.1.1.5 Management Committee

The membership of the Management Committee ('ManCo') comprises a minimum of three and a maximum of seven natural persons and shall include the Chief Executive Officer ('CEO'), the Chief Financial Officer ('CFO') and the Chief Risk Officer ('CRO'), who are also members of the Board of Directors. Appointments to ManCo are made by the Board.

The ManCo is chaired by the CEO. Besides the CEO, CFO & COO and CRO, the members of the ManCo on 31 December 2025 included the Chief Underwriting Officer ('CUO'), the General Counsel and Deputy CEO ('GC'), and the Chief HR Officer ('CHRO').

The ManCo holds its meetings during the meetings of the Executive Team ('ExTe'), which is a broader and informal governance body whose membership does not require approval by the NBB. The Executive Team is currently composed by the members of the ManCo, the Chief Market Development Officer, the Chief Compliance Officer and the Chief of Staff. The ManCo acts as a collegial body and all decisions are made on the basis of a simple majority.

The purpose of ManCo is to ensure that the day to day management of the company's business activities are conducted in accordance with the general company policy set by the Board of Directors. The functions of the ManCo are:

- **Objectives and strategy:** The ManCo is responsible for implementing the strategy defined by, and the policies approved by, the Board of Directors by incorporating them into processes and procedures. It also manages Lloyd's Europe's activities in line with the strategic objectives, risk tolerance limits, and operational budget set by the Board. Furthermore, the ManCo also submits proposals, opinions, and advice to the Board to shape Lloyd's Europe's general policy and strategy.
- **Risk management:** The ManCo incorporates the risk appetite framework and overall risk management policy defined by the Board of Directors into processes and procedures, overseeing their implementation. It receives and reviews reports from the risk management function and independent control functions to ensure all relevant risks are identified, measured, managed, controlled, and reported appropriately, with suitable internal controls in place. Lastly, the ManCo approves, recommends, and reviews policies and guidelines governing the company's underwriting and counterparty risks, as well as the related processes and procedures.
- **Performance and operations:** The ManCo implements, monitors, and oversees an organizational structure, including suitable internal controls, designed to support strategic objectives and conform to the risk appetite framework. This includes specifying the powers, responsibilities, reporting lines, and procedures of each department. Additionally, the ManCo implements the organizational policies defined by the Board of Directors and ensures timely communication of relevant information and data to the Board and its sub-committees. It prioritizes

and allocates resources according to the budget set by the Board of Directors and ensures compliance with relevant legislation and regulations, including meeting the information and reporting requirements of the regulator and statutory auditor.

- **UK Branch and EU branches:** In addition to its EEA branches, Lloyd's Europe operates a fully licensed third country branch in the United Kingdom. The Lloyd's Europe UK branch supports Lloyd's Europe in underwriting EEA risks where the policyholder is domiciled in the EEA, alongside its activities in the UK market. Due to the unique nature of the Lloyd's Europe UK branch within the overall Lloyd's Europe structure, the ManCo ensures a specific and effective control and oversight framework is in place. Regular reports on the UK branch operations are provided to ManCo. Lloyd's Europe has also developed a branch oversight framework, which includes regular reports to the ManCo, and the impact of relevant decisions on the branches is assessed and reflected in the meeting minutes.

Sub-committees to the ManCo

The ManCo has established four sub-committees to support and strengthen the ManCo in its functioning.

The ManCo appoints the Chairperson and the members of these sub-committees and establishes their Terms of Reference. Members may be staff working at Lloyd's Europe or at Lloyd's, working in the domain of expertise of the sub-committee. The Chairperson of each sub-committee reports on the findings of the sub-committees, for decision by the ManCo.

The four sub-committees of the ManCo are:

- The Underwriting Committee
- The Outsourcing Committee
- The Data Management Committee
- The Reserving Committee

B.1.2 Material changes in the system of governance

Over the reporting period, the composition of Lloyd's Europe's Executive Team has changed. The Chief Risk Officer (CRO) has taken a temporary leave, with Ms. Yablunivska appointed as Interim CRO. In addition, Mr. Abbassi has assumed the position of Chief Market Development Officer (CMDO).

Mr. Adams was appointed to the Lloyd's Europe Board as a Non-Executive Director, subject to NBB approval, replacing Mr. Tiernan, who has stepped down from his role.

B.1.3 Remuneration

B.1.3.1 Principles

Lloyd's Europe has implemented a Remuneration Policy in line with the undertaking's business and risk management strategy, its risk profile, objectives, risk management practices and the long-term interests and performance. The policy applies to the company as a whole. To ensure all colleagues are aware of the policy, it is made available on the Lloyd's Europe SharePoint.

The remuneration policy applies to all Lloyd's Europe employees. In addition, a specific focus is put on all Solvency II identified staff ('Identified staff'), considering they are subject to specific rules. The identified staff are listed below:

- Members of the Board
- Members of the Management Committee
- Independent control function holders

Although Lloyd's Europe's remuneration packages include fixed and variable components applies to identified staff and other employees, identified staff are subject to specific rules in regard to variable remuneration, deferral period for variable remuneration, downward adjustments, termination elements and conflict of interests. The Nomination and Remuneration Committee advises the Board of Directors in the oversight of the Remuneration principles.

B.1.3.2 Individual and collective performance criteria on which any entitlement to share options, shares or variable components of remuneration is based

Lloyd's Europe operates a total reward and recognition approach, which is designed to meet employee and company needs by providing rewards that are linked to individual performance and the delivery of Lloyd's Europe's objectives.

The total reward approach is supported by the following practices:

- The approach looks beyond base salary to the value of the total reward package in meeting the needs of officers and employees;
- It recognises and rewards high performance;
- The remuneration practices are designed to promote and reward sound and effective risk management

Lloyd's Europe's remuneration approach is based on providing a package of rewards (salary plus benefits) that is business-driven, competitive, fair and flexible. It is also founded on the proposition that the ultimate source of value in the business is people.

Key elements of the remuneration package which apply for all Lloyd's Europe employees are as follows:

Table B.1: Key elements

Element	Purpose
Base salary (fixed)	<ul style="list-style-type: none"> • To appropriately recognise responsibilities and to be broadly market competitive
Annual bonus (Variable)	<ul style="list-style-type: none"> • To link reward to short-term performance and contribution (not applicable for (independent) non-executive directors, Head of Internal Audit, the CRO and the CCO)
Lloyd's Performance Plan (Variable)	<ul style="list-style-type: none"> • To link reward to short-term performance and contribution. • To offer an incentive which is directly linked to the performance of the Market (not applicable for (independent) non-executive directors)
Benefits	<ul style="list-style-type: none"> • To provide benefits in line with the market (not applicable for (independent) non-executive directors)

B.1.3.3 Pensions

Lloyd's Europe offers employees the opportunity for pension provision and typically either contributes to an employer sponsored arrangement or provides a pension allowance.

B.1.4 Material transactions

In 2025 a total dividend payment of €40 million was distributed to the Lloyd's Europe shareholder.

There have been no other material transactions with shareholders, persons exercising a significant influence on the undertaking, and with members of the Board of Directors or Management Committee.

B.2 Fit and proper requirements

B.2.1 “Fit and Proper”

The Lloyd’s Europe Fit and Proper framework and requirements are set out in its Nomination and Fit and Proper Policy, including the internal rules on external functions, and Nomination and Fit and Proper procedure. Additionally, a UK regime is available within the Lloyd’s Europe UK branch.

The Nomination and Fit and Proper Policy, as approved by the Board of Directors, establishes the basis on which Lloyd’s Europe will ensure that the persons subject to fit and proper requirements, known as covered persons, meet the statutory and NBB regulatory expertise and reliability requirements, Lloyd’s values and relevant best practices.

A covered person is considered to be suitable if they has complied with the applicable standards in terms of five suitability criteria: fitness, propriety, independence of mind, time availability and, if applicable, collective suitability, required for the position in question, as detailed below:

- **Fitness** – A person is deemed fit if they possess the necessary qualifications, knowledge, and experience (together “expertise”) to lead a business prudently and professionally. Lloyd’s Europe assesses educational and professional qualifications, relevant experience, and leadership capabilities, ensuring individuals meet the role requirements. In addition, persons responsible for independent control functions must have the theoretical and practical knowledge required for the position in question, supplemented by the required professional standards. Where beneficial, remediation plans are created based on skill assessments.
- **Propriety** - A person is considered to be proper if they have a good reputation and integrity and it is considered that they will carry out the task entrusted to them honestly, faithfully, independently, ethically and with integrity. Lloyd’s Europe’s propriety assessment includes evidence regarding a person’s character, personal behaviour and business conduct including any criminal, financial and supervisory aspects relevant for the purposes of the assessment. Considerations that will be part of the assessment include: convictions, ongoing investigations, disciplinary actions by a supervisory authority, financial performance, transparency issues, and conflicts of interest as per Lloyd’s Europe’s Conflict of Interest Policy.
- **Independence of mind** – Independence of mind involves ensuring persons can make objective, independent, conflict-free decisions, supported by financial independence (no financial transactions with Lloyd’s Europe). In addition, formal independence is applicable for independent non-executive directors.
- **Time availability** – Time availability requires directors, senior managers and persons responsible for independent control functions to dedicate sufficient time to the performance of their duties with Lloyd’s Europe. Lloyd’s Europe assumes that the positions of members of the management committee and persons responsible for a control function are held full-time.
- **Collective suitability** – Collective suitability requires the Board and Management Committee to possess a diverse range of expertise, ensuring professional management and control of Lloyd’s Europe. Skills assessments are conducted to maintain the necessary technical and managerial skills, with adjustments made to preserve collective expertise if changes in composition occur.

B.2.2 Nomination and Fit and Proper Procedure, Application and Control Framework

The Nomination Fit and Proper Procedure includes the criteria and considerations that are applied when evaluating fitness and propriety. It sets out the detailed operational arrangements for the suitability assessment, appointment, renewal and termination of the covered person during the different stages of their Lloyd’s Europe role. It contains the circumstances in which an assessment will be performed, the

criteria against which covered persons are assessed, and the steps for completing the assessment and the appointment process, taking into account the principles set in the Nominations and Fit & Proper Policy.

The process covers the following stages:

- **Initial application** – The assessment process for the initial application is performed under the responsibility of HR and the Company Secretary with all applications archived and reported to the Board of Directors. Lloyd's Europe ensures its management bodies have a balanced mix of skills, experience, and knowledge to act in the company's best interests. Directors are selected for their diverse knowledge and experience, with a focus on inclusivity and integrity. Heads of independent control functions are evaluated based on job qualifications, expertise, and integrity checks by the CEO and HR officer.
- **Periodic suitability** – Periodic re-assessments are conducted through an annual suitability assessment reviewed by Compliance and presented to the Board of Directors, with the Nomination & Remuneration Committee evaluating the CEO, Management Committee, and independent control functions. Additionally, the Nomination and Fit & Proper Procedure outlines trigger events (e.g., changes in external functions, conflicts of interest or impact on propriety) that may prompt re-assessment of individual or collective suitability.

The Nomination and Fit & Proper Procedure has an allocation of tasks to different Lloyd's Europe departments across the different Fit and Proper stages. HR is involved in the recruitment and offer phase, followed by internal approval from the Remuneration and Nomination Committee and Board of Directors, and submission for regulatory approval. The Company Secretary and Compliance department play key roles in the process, including post-approval follow-up on regulatory conditions, training plans, and conflicts of interest. Lastly, the Lloyd's Europe UK branch must comply with the UK Senior Management & Certification Regime (SM&CR), which imposes extra procedural requirements.

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

B.3.1 Risk Management System

B.3.1.1 Risk Management Framework

Lloyd's Europe's Risk Management Framework comprises a range of elements which collectively ensure the risks Lloyd's Europe is exposed to are effectively identified, assessed, managed and monitored. Each of the Framework's tools and components contribute to the effectiveness of the risk management system, supporting the early detection and resolution of risks.

The core components of the Risk Management Framework are:

- **Risk strategy** – Defined by the Board of Directors. The risk strategy reflects the way in which risk is embedded in the overall management of the company, its decision making and strategic direction.
- **Risk appetite** – Defined and set by the Board of Directors. Risk appetite translates stakeholder expectations into clear statements and boundaries within which the business should operate. It enables effective monitoring of risks and of the organisation's risk profile on an ongoing basis, and guides business decision-making.
- **Internal Control System ('ICS')** – The internal control system comprises a set of business and risk management activities the company implements to strengthen its internal control environment and enhance the likelihood of the company achieving its strategic objectives. Lloyd's Europe's ICS is based on the Committee of Sponsoring Organizations ('COSO') ERM framework. Various activities are performed to assess the company's ICS, such as the Risk and Control Self-Assessment ('RCSA'), key control testing, and the System of Governance assessment ('SoGA').

- **Risk incident reporting ('RIR')** – Risk incidents are undesirable events which have had or could have had an adverse impact on Lloyd's Europe. The Risk Management function centrally manages the reporting process and facilitates root-cause analysis and remediation follow-up with the incident owners as and when employees report incidents.
- **Own Risk and Solvency Assessment ('ORSA')** – The ORSA enables Lloyd's Europe to assess the adequacy of its risk management and current and forward-looking solvency positions under normal and severe stress scenarios.
- **Stress and scenario testing** – Lloyd's Europe identifies stress tests and scenarios that may have an adverse impact on its operating business model, to ensure that potential risks are clearly understood and monitored effectively and that adequate controls are in place. The outcomes of these tests act as prompts for senior management to take action across a number of areas (e.g., re-evaluating risk appetites, business plan and capital management decisions).
- **Thematic reviews and risk opinions** – Separate from the RCSAs, thematic reviews are top-down, independent, ad-hoc deep dives on particular risks or themes performed by the Risk Management function in order to ensure there is appropriate understanding and effective management of material risks. Risk opinions are independent assessments performed by the CRO and the Risk Management function to support the Audit & Risk Committee and Board of Directors in taking risk-based, informed decisions on key strategic priorities impacting Lloyd's Europe.
- **Recovery plan** – Lloyd's Europe, as a systemically important insurance company, is required to establish, implement and maintain its own recovery plan. This is a document that sets out and demonstrates Lloyd's Europe's ability to continue to operate as a going concern, through identifying scenarios and triggers of severe stress and analysing the feasibility and effectiveness of the recovery options/actions.
- **Emerging risks** - Lloyd's Europe identifies emerging risks (including sustainability risks) to ensure that the impact of such risks on the business are understood, considered in decision-making processes and included where agreed upon in the organisational risk taxonomy to drive the scope of subsequent risk assessments.

B.3.1.2 Risk & Control Register

The Risk & Control Register, as described in the Lloyd's Europe Internal Control System Policy, is a complete repository of risks, controls and corresponding actions identified in the company for both BAU and project activities. Information from the Register is reported by the Risk Management function to the Executive Team and Audit & Risk Committee with a view of all critical risks, control effectiveness and the status of the corresponding remediation actions.

B.3.1.3 Risk taxonomy

Lloyd's Europe's risk taxonomy provides a universal overview of all risk categories Lloyd's Europe recognises, the owners and the definitions of the risks. It enables Lloyd's Europe to have in place a common universe to identify, describe and manage all risks and issues that are observed across all governance bodies and functions in the organisation. It also allows for more efficient collection and reporting of risk data and information. The risks are aligned with the Solvency II framework as well as how the respective risks are defined in the corresponding policies.

B.3.1.4 Risk culture

Lloyd's Europe's Risk Management function aims to create an environment in which risk is managed on an ongoing basis by all employees. This is achieved through:

- **Risk leadership and ownership:** The CEO has responsibility for risk management supported by the CRO. Both are accountable to the Board of Directors for all areas of risk within the business. In addition, each risk type has an executive owner, ensuring that the right level of oversight and scrutiny is applied to actual and potential exposures.
- **Risk awareness and competency:** Various levels of training are delivered to ensure that all Lloyd's Europe employees understand their responsibilities with respect to risk management. Training varies from principles-based training to technical training as required.
- **Risk-based decision making:** Risk management is at the heart of decision making with regards to setting Lloyd's Europe's business strategy. Promoting a common risk language and framework allows management to make effective and structured risk decisions.
- **Risk communication:** Risk information and initiatives are communicated within Lloyd's Europe to ensure effective sharing of information between technical areas.

B.3.1.5 Risk monitoring, reporting and escalation

Monitoring

Findings arising from the Risk Management Framework's activities and processes such as risk incident reporting and risk assessments are monitored by the Risk Management function on an ongoing basis. Risk incidents and risks reported by the first line are monitored via the global Governance, Risk and Compliance platform.

Reporting

The Executive Team and the Board of Directors must have appropriate knowledge about the outcome of managing the day-to-day operations and the actual risks being identified, assessed, managed and monitored. For this purpose, structured and regular risk reporting to the Executive Team, Audit & Risk Committee and the Board of Directors is required. The following types of reporting apply:

1. **Quarterly Risk Reports ('QRR'):** QRRs summarise the quarterly position of risk appetites, material risk exposures, key findings from thematic reviews, and the capital and solvency position, providing transparency on Lloyd's Europe's overall risk profile on an ongoing basis.
2. **Recovery reporting:** This reporting evaluates Lloyd's Europe's current position with primary focus to provide an early indication of potential impairments, enabling escalation and timely actions to be taken to safeguard Lloyd's Europe. The reporting will be on a semi-annual basis via the Q2 and Q4 Risk Reports and will be included within the annual ORSA.
3. **Annual regulatory reporting to the NBB** under the Solvency II framework, which comprises:
 - Lloyd's Europe's Regulatory Supervisory Reporting (Pillar 3);
 - Own Risk and Solvency Assessment (Pillar 2) and F8. Top Risk Assessment Report;
 - Liquidity Risk Management Report;
 - Report on Effectiveness of the System of Governance ('RESOG'); and
 - Lloyd's Europe Recovery Plan.
4. **Annual function report to the Board:** A report documenting the Risk Management function's activities and outcomes over the past year, referring to the accomplishments on the annual objectives, other works carried out, identified shortcomings (if any) and identified remediations. This activity report is used for internal purposes, and also subject to submission to the NBB if requested.

As part of day-to-day operations and ongoing risk management activities, the Risk Management function also produces where relevant ad-hoc reports and communications outside of the above formal reporting channels.

Escalation

The CRO, as the function holder, has the right to escalate significant risks affecting Lloyd's Europe to the Audit & Risk Committee and the Board of Directors where appropriate.

B.3.1.6 Risk Management function responsibilities

The Risk Management team is responsible for implementing the Risk Management Framework, ensuring the governance forums receive relevant and timely risk information and actively challenging the risk-taking of first line business departments. The team works closely with other departments to support risk identification and management; however, it is required to take an independent view on risks and has the ability to escalate these to the Lloyd's Europe Executive Team and Audit & Risk Committee where required.

The Risk Management function's objectives and responsibilities are detailed in the sections above.

B.3.2 Own Risk and Solvency Assessment

B.3.2.1 ORSA procedure

The ORSA is an integral part of risk and capital management at Lloyd's Europe. It comprises a series of processes employed to identify, assess, monitor, manage and report the short- and long-term risks an insurer faces or may face, and to determine the capital necessary to ensure the organisation's solvency needs are met based on its strategy set by the Board of Directors.

Although Lloyd's Europe is required by the NBB to calculate and meet the Solvency Capital Requirement ('SCR'), the key focus of the ORSA is to present Lloyd's Europe's own view of the risks faced and the associated economic capital needs in order to meet its strategic goals. This process is aligned with the regulations at both EU and national levels and is integrated into the overall Solvency II framework ensuring consistency with Pillar 1 and Pillar 3.

Lloyd's Europe's risk profile and the size and quality of its assets influence the definition of the scope of the ORSA. The ORSA considers the risks arising from the company's activities, both non-financial (e.g., operational) and financial (e.g., underwriting), including the risks arising from the company's role in overseeing the underwriting and associated activities that take place through its UK and European branches. With the designation by the NBB of Lloyd's Europe as a systemically important insurance company since January 2024, Lloyd's Europe is expected to assess systemic risk during the annual ORSA cycle.

The undertaking of an ORSA is a key element of the Lloyd's Europe Risk Management Framework. The ORSA is an ongoing process and, as a result, it incorporates many of the key business processes which operate through the course of the year. The five main areas are:

- Lloyd's Europe's strategy
- Risk appetite
- Risk and control self-assessment
- Capital setting
- Solvency assessment

The ORSA report typically focuses on different aspects of the ORSA process through the year, depending on the activity that is taking place at a given point. Following the occurrence of a significant event, the activities within the ORSA may be revisited to ensure that they are still valid. An assessment may be made of the impact on the level of economic capital and the Own Funds necessary to meet solvency requirements.

B.3.2.2 ORSA frequency

Frequency of performance

The ORSA is an ongoing process that is aligned to Lloyd's Europe's business planning cycle. As such, the activities of the ORSA are performed throughout the year in line with changes to the risk profile of Lloyd's Europe and the capital setting cycle. Every year, a full ORSA report is made. On a quarterly basis, the most important deviations and management actions still open are reported and discussed.

Frequency of review

Following a significant event, the activities within the ORSA may be revisited to ensure that they are still valid and to assess any impact on the level of economic capital and the Own Funds necessary to meet solvency requirements. Certain trigger events may require all activities within the ORSA process to be revisited, however less material events may only trigger the review of some ORSA components.

Trigger events which may require a re-assessment of the processes within the ORSA can be categorised in the following groups:

1. **External factors:** Significant changes in the external environment, such as a material change in the macroeconomic environment, a material loss event or a significant regulatory change or requirement.
2. **Internal changes:** Significant changes in internal strategy, process or risk profile, for example a shift in strategy or risk appetite, a material change in the risk profile of Lloyd's Europe, risk exposure materially outside risk appetite, or a request from the Audit & Risk Committee.
3. **Supervisory request:** A direct request from the NBB to re-run all or part of the ORSA.

B.3.2.3 ORSA statement

Capital setting

Capital requirements are set as part of the annual business planning process.

Solvency assessment

An assessment is performed of the Lloyd's Europe solvency position and Own Funds to ensure that Lloyd's Europe remains in excess of capital requirements at all times. This capital assessment considers not only the amount of capital held but also the quality of assets and whether the tiers of capital are appropriate for Lloyd's Europe and its business model.

Application of standard formula

A standard formula calculation is used to cover all material risks faced by Lloyd's Europe and to ensure that the amount of capital is appropriate. Non-quantifiable risks which are not considered as part of the standard formula do form part of the ORSA. Therefore, the ORSA report considers these risks and the appropriateness of controls that have been put in place to manage them.

Use of stress and scenario testing

Lloyd's Europe identifies and examines stress and scenario tests (SSTs) that may have an adverse impact on the business model in order to ensure that potential risks are clearly understood, are monitored effectively and that adequate controls are in place.

Calculation of technical provisions

The Lloyd's Europe second line Actuarial function is responsible for co-ordinating the calculation of technical provisions for Lloyd's Europe, as set out in Solvency II. It also ensures the use of appropriate methods and assumptions, the sufficiency and quality of data and performs the validation of the technical provisions.

Actuarial calculations and activities are performed by the first line Actuarial team under the supervision of the Chief Finance Officer (CFO). The monitoring and review of the calculations of the technical provisions is overseen by the second line Actuarial function. The second line Actuarial function reports at least annually to the Board of Directors on the results, noting any deficiencies identified and including recommendations to address these.

Data quality management

The quality of the data inputs used in each process within the ORSA is also part of the scope of the ORSA. Those responsible for managing each process within the ORSA are also responsible for ensuring an appropriate quality of data.

B.3.2.4 ORSA monitoring and reporting

Monitoring

The Risk Management function, as the co-ordinator of the ORSA, closely monitors the progress of the exercise throughout the assessment period. Significant updates are presented to the ARC for attention.

Reporting

The outcome of the ORSA process is formally documented and presented to the Lloyd's Europe Board of Directors on at least an annual basis. Once approved by the Board of Directors, the ORSA report is submitted to the NBB.

B.4 Internal control system

B.4.1 Internal Control System (ICS)

B.4.1.1 Key elements of ICS

An effective internal control system ('ICS') is a critical component of a successful business as it provides the foundation for safe operations, ensuring compliance with relevant laws and regulations and the safeguarding of assets. An effective ICS is crucial to embedding the responsibility of risk management in the business and supporting the achievement of the company's strategic goals.

The ICS is based on the COSO framework and comprises the following components.

Control environment

The internal control environment sets the tone of an organisation and defines the context in which risks are taken and managed. Control environment factors include integrity, ethical values and competence of the entity's people; management's philosophy and operating style; the way management assigns authority and responsibility, organises and develops its people; and the attention and direction provided by the Board of Directors. Whilst the Board of Directors is responsible for establishing the "tone at the top", the Executive Team and senior management act to direct and embed an appropriate control culture throughout the company. Internal control environment factors include an effective organisational structure, clear

assignment of authority and responsibility and promotion of integrity and ethical values. Individual employees are accountable for their internal control responsibilities in the pursuit of objectives, and the company demonstrates a commitment to attract, develop and retain competent employees in alignment with objectives.

Risk assessment

Risk assessments enable Lloyd's Europe to identify and manage relevant risks (of both internal and external sources) to the achievement of its strategic objectives, and assess changes that could significantly affect the company's ICS. It provides reasonable assurance that risks faced throughout the processes are under control; and action plans are defined with proper follow-up of identified weaknesses implemented. Lloyd's Europe's Risk Management Policy describes the overall framework and approach for the management of risks in the company, including key tools, process and reporting procedures. The below risk assessment activities within the framework are governed and facilitated by the Risk Management function:

1. **Risk and Control Self-Assessment ('RCSA')**: Performed by the first line, this identifies and assesses all risks, evaluates the effectiveness of controls in place, and determines appropriate action plans based on defined risk appetite levels. Additionally, first line functions are required to attest that the key controls they own have been tested and are operating effectively as defined within the Global Control Framework based on key controls testing results. The RCSA supports delivery of the company's strategic goals and protects its brand, reputation and assets.
2. **Key Control Testing**: This is a regular exercise performed by the first line departments, focusing on specific control activities that are key. It aims to identify errors and improve the effectiveness and quality of controls operated by the business and verify that the controls are working as intended (design effectiveness) and achieve the desired outcomes (operating effectiveness). Any deficiencies identified from the testing are remediated and monitored through action plans.
3. **System of Governance ('SoGA') assessment**: An annual assessment that evaluates Lloyd's Europe's overall governance system against the requirements set out in the NBB System of Governance circular. This assessment is performed by the Management Committee (ManCo).
4. **Risk incident Reporting**: Reporting of incidents to Risk Management. Incidents are point-in-time, adverse events on the company that arise due to an underlying control failing or an external event.
5. **Thematic reviews and risk opinions**: Thematic reviews are independent, ad-hoc deep dives on particular risks or themes performed by the Risk Management function in order to ensure there is appropriate understanding and effective management of material risks.

Information and communication

Clear communication and reporting lines are established throughout Lloyd's Europe via the governance structure, facilitating effective flow of information across all levels of the organisation. Relevant and quality information must be obtained, generated and/or used to support the functioning of internal control. Information should be communicated in a form and timeframe that allows senior management and employees to carry out their responsibilities and make informed decisions.

Monitoring

Monitoring of Lloyd's Europe's ICS occurs during normal operations and includes on-going activities and actions taken by employees when performing their duties. All employees are responsible for undertaking routine monitoring to detect control weaknesses or control failures. The Risk Management function also performs second line monitoring activities to ensure the company's internal controls are present and

effectively functioning. This is done by monitoring the risk, incident, control and action information recorded by each department, function or branch in their risk and incident registers.

Reporting

The Risk Management function reports on the outcomes of the various ICS activities and processes via the RESOG report, Quarterly Risk Reports ('QRR'), risk opinions and thematic risk reviews.

B.4.1.2 Three lines of defence

Lloyd's Europe applies the 'Three Lines of Defence' model across its organisation, which enables effective segregation of duties between the business areas (i.e., the risk-takers) and those who perform independent risk and control activities (i.e., Risk Management function, Actuarial function, Compliance function and Internal Audit).

In order to assure a sound System of Governance, the model distinguishes between:

- Functions that own and manage risks: first line of defence;
- Functions that oversee risks: second line of defence;
- Functions that provide independent assurance: third line of defence.

Processes are performed by the three lines of defence to manage risks, from the initial identification through to the monitoring and reporting of a risk. The processes fall under five key stages of risk management:

1. **Identify:** Process of determining risks that could potentially prevent the company from achieving its objectives.
2. **Measure & analyse:** Risks are ranked and prioritised, to allow Lloyd's Europe to have a holistic view of the risk exposure of the whole organisation.
3. **Risk response:** The response to risks are determined, with the main responses being to mitigate or accept.
4. **Monitor & review:** Risks are regularly reviewed and monitored. Where a particular risk response is determined, this is documented to monitor the evolution or change in the risk.
5. **Report:** The documented risk information is reported to key stakeholders within and outside the company.

B.4.2 Compliance Function

The Compliance function is responsible for the supervision of compliance with the legal and/or regulatory integrity rules and rules of conduct which are applicable to Lloyd's Europe.

The Compliance function is a control function, part of the second line of defence and independent of the first line business functions. To guarantee its independence:

- The Compliance function holds a formal status within the company;
- The Chief Compliance Officer and Compliance Officers remain free from potential conflicts of interest between their compliance responsibilities and other responsibilities;
- The staff in the Compliance function have unrestricted access to all information and other staff when necessary for the execution of their tasks;

- The Chief Compliance Officer has direct access, and on their own initiative, to the Chairman of the Board of Directors, the statutory external auditor, the NBB or the FSMA when they deem it necessary to do so.

The Compliance function reports, via the Deputy Chief Executive Officer, to the Management Committee and Board of Directors of Lloyd's Europe. The Chief Compliance Officer has a standing invitation to the Audit and Risk Committee. The nature, role, responsibilities, status and authority of the Compliance function is set out in the Lloyd's Europe Compliance Charter, which also outlines the scope of its activities.

Table B2: The Compliance function covers the following domains

Domains owned by Lloyd's Europe Compliance function	Domains owned by 1st LoD with oversight by Compliance function
<ul style="list-style-type: none"> • Conflicts of interest • Discrimination • FATCA • Fit and proper and external mandates • Financial crime including: Anti-money laundering and counter-terrorism financing, Bribery and corruption Fraud, Gifts and hospitality, Sanctions and trade embargoes • Market abuse and insider dealing • Special tax evasion mechanisms • Whistleblowing 	<ul style="list-style-type: none"> • Consumer protection and customer conduct risk, including complaints handling • Insurance and reinsurance distribution • Data privacy and protection of personal data • Outsourcing • Remuneration

As part of the Lloyd's Europe Compliance framework, the Compliance function is responsible for the following tasks and implementation methods relating to the above-mentioned domains:

- **Monitoring** - The Compliance function identifies, documents, and assesses compliance risks in Lloyd's Europe, including those related to branches and outsourced activities. Monitoring and testing activities are performed on the different compliance domains in order to identify shortcomings and recommend the necessary changes. Additionally, the Compliance function monitors and analyses regulatory developments, conducts investigations into suspected compliance incidents or breaches, and handles whistleblowing reports.
- **Advising** - The Compliance function provides guidance and advice on compliance with laws, regulations, and internal rules. The Compliance function trains staff and raises awareness about compliance areas. In addition, it serves as the point of contact for compliance matters for staff, external organizations, and authorities, and supports business units in resolving compliance issues as they arise.
- **Reporting** - An annual Compliance Plan is created, with regular status updates provided on progress. The Compliance function reports to the Management Committee, the Board of Directors, and the Audit & Risk Committee at appropriate intervals, and at least once a year. It also fulfils compliance-related notification obligations to relevant authorities.

B.5 Internal Audit function

B.5.1 Implementation

Internal Audit is the 'third line of defence' in the risk governance structure. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined

approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit is accountable for:

- Developing and executing a risk-based programme of assurance designed to assess the effectiveness of controls in managing key business risks.
- Reporting its findings, conclusions, and recommendations to the audited parties, Lloyd's Europe Executive Team and the Lloyd's Europe Audit and Risk Committee.
- Ensuring that timely follow-up on management actions is tracked and reported to the Audit & Risk Committee. Management is responsible for implementing corrective actions on reported weaknesses.

Management may request Internal Audit to perform additional audit reviews subject to these requests not affecting Internal Audit's independence or objectivity. The final decision for any amendments to the Internal Audit plan rests with the Lloyd's Europe Audit and Risk Committee.

An annual review of the adequacy of the Internal Audit Charter is performed by Internal Audit and presented to the Lloyd's Europe Audit and Risk Committee for review and approval.

B.5.2 Independence and objectivity

Internal Audit must be independent from management at all times in order to be effective in executing its work freely, objectively and without undue influence. As such:

- Individual auditors are required to attest to their conformance to the IIA Standards and Code of Ethics, including compliance with requirements regarding and conflicts of interest.
- A process exists to manage the risk of auditors auditing areas for which they have previously held responsibilities for in the previous 12 months.
- The Lloyd's Europe Head of Internal Audit has a direct reporting line, with unrestricted access, to the Lloyd's Europe Chair of the Audit and Risk Committee and a functional reporting line to the Global Internal Audit Director.
- The Lloyd's Europe Audit and Risk Committee is responsible for the approval of Internal Audit's annual plan and the overall budget.
- Internal Audit is authorised to allocate resources, determine audit frequencies, select areas for review, define audit scopes, apply audit tools and methodologies, and obtain the necessary assistance and specialised services within or outside Lloyd's Europe to fulfil its responsibilities.
- Internal Audit is entitled to be informed promptly by management, of any significant control failures identified either by management or the external auditor.
- The Lloyd's Europe Head of Internal Audit has the right to attend and observe all or part of the Lloyd's Europe Executive Team meetings and any other key management decision making forums where they would have the appropriate standing, access and authority to challenge the Lloyd's Europe Executives.
- If the Head of Internal Audit has or is expected to have roles and/or responsibilities that fall outside of internal audit, safeguards will be established to limit impairments to independence and objectivity.

Internal auditors will have no direct operational responsibility or authority over any of the activities they audit. To preserve their independence, internal auditors do not implement internal controls, develop procedures, install systems, prepare operational records, or undertake any activity that could compromise their professional judgement. This includes:

- Reviewing operations for which they held responsibility within the previous year.
- Performing any operational duties for Lloyd's Europe or its affiliates.
- Initiating or approving transactions outside the Internal Audit department.
- Directing the activities of any Lloyd's employee not employed by the Internal Audit department, other than those assigned to support Internal Audit work.

The independence of the Internal Audit function is fundamentally upheld by its ability to conduct its work free from undue influence from management or other stakeholders.

B.6 Actuarial function

B.6.1 Implementation

The Actuarial function is a second-line control function. The Actuarial function is a measure of quality assurance with a view to safeguarding that certain important decisions of undertakings can be taken based on expert technical actuarial advice.

The Actuarial function reports to the CRO, who is identified as the 'Personne-Relais' for the Actuarial function considering the function is outsourced to a third party. The activities are subject to the provisions of the Outsourcing Policy and appropriate Service Level Agreements. The Actuarial Function reports at least annually through the CRO to the Audit and Risk Committee. The actuarial work itself on calculations, setting of assumptions and others is done by the first line Lloyd's Europe Actuarial team, which reports to the CFO. The calculations are verified by the Actuarial Function under an external outsourcing agreement.

The usual actuarial function activities include:

- Co-ordinate the calculation of technical provisions;
- Opinion on underwriting policy and profitability;
- Opinion on adequacy of reinsurance;
- Contribution to risk management.

The nature, role, responsibilities, status and authority of the Actuarial function is set out in the Lloyd's Europe Actuarial function Charter, which also outlines the scope of its activities.

B.7 Outsourcing

B.7.1 Outsourcing principles

Whilst Lloyd's Europe performs many activities necessary for the operation of its business, outsourcing remains critical to the business model of Lloyd's Europe. Hence, Lloyd's Europe has designed an Outsourcing & ICT Service Provider Policy, that also includes DORA² requirements within the outsourcing domain, and an Outsourcing & ICT Service Provider Management Framework.

While the Outsourcing Policy sets out the key principles and high-level roles and responsibilities, processes and controls with respect to outsourcing and ICT arrangements undertaken across Lloyd's Europe the Outsourcing Management Framework sets out the key processes to ensure an appropriate monitoring of outsourcing and ICT arrangements and the related risks across the end-to-end outsourcing and ICT lifecycle.

² Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector

Lloyd's Europe seeks to ensure adequate control is retained over outsourced and ICT services, activities or functions by actively managing and monitoring relationships with service providers to ensure that outsourced and ICT services are performed satisfactorily and in compliance with regulatory & contractual requirements and expectations.

The effective implementation of the framework facilitates structured management and monitoring of the performance and risks associated with all service providers. It ensures that any deviations are promptly reported. This approach enables Lloyd's Europe to effectively manage service delivery and mitigate risks arising from outsourcing and ICT arrangements.

The 'Three lines of defence' model used by Lloyd's Europe as applies equally to the oversight and management of outsourcing.

B.7.2 Outsourcing and jurisdiction of the critical or important functions

B.7.2.1 Criticality determination

Both the Outsourcing & ICT Service Provider Policy and Outsourcing & ICT Service Provider Management Framework encompass the methodology for assessing whether an activity or function is critical or important, based on inherent risks.

There are two different methods applied for determining the criticality of outsourcing and ICT services:

- **Outsourcing Services:** The criticality qualification takes into account the question of whether the service provider is providing services or performing activities that are essential to Lloyd's Europe's operations to the extent that Lloyd's Europe would not be able to provide its services to policyholders without it
- **ICT Services:** Lloyd's Europe also identifies Critical or Important Functions ("CIFs") and ICT Third Party Provider supporting critical or important functions. An ICT service provider supporting a critical function is not automatically considered an ICT third party provider supporting critical or important functions unless specific criteria are met.

A non-critical or non-important outsourcing arrangement is one where any disruption to the products or services provided by such arrangements would not materially impact Lloyd's Europe's core operations or compromise its ability to comply with legal and regulatory requirements.

B.7.2.2 Outsourcing and jurisdiction

Lloyd's Europe has four segments or categories of service providers, which are identified based on the nature of outsourced services. This enables Lloyd's Europe to facilitate a risk-based and proportionate approach in managing outsourcing and the underlying risks across the various types of service providers. The segments are:

- **Intragroup:** Intra-group outsourcing refers to all services provided by the Corporation of Lloyd's to Lloyd's Europe.
- **Managing Agents:** This refers to the services provided by Managing Agents and service companies. In addition, this includes the Managing Agents' underwriting activities under a secondment agreement with Lloyd's Europe to ensure IDD requirements are met. This covers also the activities performed by Managing Agents as Responsible for Distribution in a secondee capacity.
- **DCAs and Coverholders:** This covers all underwriting, claims and complaints arrangements with Coverholders and DCAs.
- **Other Outsourcing:** This refers to all other outsourcing arrangements that Lloyd's Europe has contracted. This typically comprises services in relation to Business Process Outsourcing (BPO).

The jurisdictions in which the service providers for these functions or activities are located include the European Union (EU), the European Economic Area (EEA), the United Kingdom (UK), and India.

B.7.3 Outsourcing and ICT Governance

Lloyd's Europe applies the 'Three lines of defence' model as part of its operating model to oversee outsourcing and ICT services. Lloyd's Europe applies the Three Lines of Defence model to ensure effective oversight of outsourcing and ICT services. The first line, consisting of the business areas and Contract Owners, is responsible for the day-to-day management of service providers, including monitoring service delivery, assessing performance against SLAs and KPIs, identifying issues and escalating them when necessary. The second line, formed by the Risk Management and Compliance functions, provides independent challenge and oversight by reviewing risk assessments, monitoring outsourcing and ICT-related risks, ensuring compliance with regulatory requirements, and reporting key findings to senior governance bodies. The third line, Internal Audit, offers independent assurance through risk-based audits that evaluate the effectiveness of controls across the outsourcing and ICT management framework, with results reported directly to the Audit & Risk Committee and the Board.

Lloyd's Europe oversees outsourcing and ICT services throughout their lifecycle through structured processes covering assessment, due diligence, contracting, monitoring, and exit planning. Criticality and risk assessments are performed upfront, followed by proportionate due diligence and the inclusion of required contractual safeguards. Once in delivery, services are monitored through SLA/KPI reviews, risk and incident management, and periodic audits, with renewal or termination preceded by a reassessment of performance, risks and continuity arrangements.

Lloyd's Europe maintains proportionate governance and oversight for outsourcing and ICT arrangements. Two registers support transparency and control: a Register of Information in line with DORA and an Outsourcing Repository in line with NBB outsourcing circular. All providers are also recorded in the procurement system for centralised tracking.

B.8 Any other information

B.8.1 Assessment of adequacy of the system of governance

In accordance with Article 35 of the SII Directive 2009/138/EC and the Circular 2025_08 of the National Bank of Belgium ("NBB") published in June 2025, Lloyd's Europe Management Committee is required to demonstrate it has an appropriate governance system to ensure efficient and sound management of the company. To this end, the Management Committee is required to assess and report at least once a year on the evaluation of the effectiveness of Lloyd's Europe's governance system and on the measures taken to tackle any non-conformity.

For 2025, the Management Committee concluded that Lloyd's Europe's system of governance remains broadly stable and generally mature, with minor improvements needed across certain domains. The review concluded on high maturity of Management structure, Fit and proper, Internal audit domains. Risk management system, Actuarial function and Outsourcing domains are assessed as generally effective. A need for improvement was identified in the areas of Organizational structure as well as other areas of governance. More specifically in IT and security, oversight of resilience risks arising from the market, supplier oversight and governance of special mechanisms for tax evasion (a newly assessed area). To remediate the findings, the defined management actions have been defined and are in progress. Management Committee will continue to monitor their implementation to ensure the governance framework remains robust, effective, and aligned with regulatory expectations.

B.8.2 Any other material information

There is no additional relevant information.

C. RISK PROFILE

This section contains information about Lloyd's Europe's risk profile. This includes a view of all the risks to which Lloyd's Europe is exposed through its operations. In order to understand the risk profile, the nature of the risk needs to be understood, as well as the changes and trends that affect it.

All the calculations have been done in accordance with Solvency II requirements. Lloyd's Europe uses only the standard formula as stated in the Delegated Acts 2015/35.

C.1 Underwriting risk

Lloyd's Europe has 100% quota share reinsurance treaties with individual syndicates. Thus, there is no use of special purpose vehicles.

The expected profits included in future premiums (EPIFP) as reported in the QRT S.23.01 in Annex F.3.5 amounts to 100,083 kEUR. As a 100% reinsured insurance company, Lloyd's Europe's expected profits on future premiums is the result of ceding commissions expected to be received in future less the expenses in servicing the associated business.

C.1.1 Non-Life Underwriting Risk

Lloyd's Europe's started to incept business on 1 January 2019. Lloyd's Europe mitigates its written business impact through its use of 100% reinsurance to the syndicates in the Lloyd's Market, which are backed by the central fund of the Corporation of Lloyd's.

The underwriting risks represent the potential loss arising from entering into or underwriting insurance policies. In practice it can be subdivided into:

- Premium and reserve risk
- Catastrophe risk
- Lapse risk

As at 31 December 2025, over the last 12 months Lloyd's Europe had written approximately 4,582,813 kEUR premium in non-life business valued in accordance with the requirements for the underwriting risk calculation. There is no non-life catastrophe risk exposure, owing to the 100% quota share reinsurance to Lloyd's syndicates, and backed in turn by the Lloyd's Central Fund. There is no lapse risk owing to the change in 2025 of Lloyd's Europe's ceding commission which increases certainty of receipt of future commissions. Therefore, underwriting risk is driven by and the premium and reserve risk which amounts to 11,291 kEUR.

As summarised in the QRT S.25.01 Solvency Capital Requirement in annex F.3.6, the non-life underwriting risk solvency capital requirement therefore amounts to 11,291 kEUR.

As at 31 December 2025, the solvency capital requirement for non-life underwriting risk represents 3.0% of the total undiversified basic solvency capital requirement (BSCR).

C.1.2 Health Underwriting Risk

Lloyd's Europe also writes Class 2 health similar to non-life business. Lloyd's Europe has no health similar to life business and reinsures 100% of its catastrophe risk to Lloyd's syndicates. The SCR for health catastrophe risk is therefore equal to zero. The only driver of the Health Underwriting module is the Non-Similar to Life Techniques (NSLT) health underwriting premium risk sub-module which consists of the following:

- The NSLT health premium and reserve risk sub-module
- The NSLT health lapse risk sub-module

As at 31 December 2025, the health underwriting premiums represent 7% of the total premiums over the last 12 months and amount to 332,777 kEUR valued in accordance with the requirements for the underwriting risk calculation. The SCR for the NSLT underwriting risk module amounts to 1,045 kEUR and represents 0.3% of the total undiversified BSCR. NSLT underwriting risk is therefore considered immaterial for Lloyd's Europe.

C.1.3 Risk sensitivity

The concentration risk regarding underwriting risk is considered insignificant. Lloyd's Europe writes its business that is reinsured by over 80 Syndicates and is therefore well diversified across Syndicates. The business written by Lloyd's Europe is well diversified across Europe both by line of business and geographically by risk location, and as such is not very sensitive to changes in mix of business in this regard.

A number of scenarios are run for the Lloyd's Europe ORSA through which it can be seen that following a movement of plus or minus 30% in the Lloyd's Europe gross written premiums, Lloyd's Europe is expected to comfortably remain above its risk appetite threshold SCR ratio of 125%. Underwriting risk is considered immaterial for Lloyd's Europe under this stressed condition and is well mitigated by reinsurance.

C.2 Market risk

Lloyd's Europe's investment strategy reflects the nature of Lloyd's Europe's business to manage the underlying risk whilst generating a return on the portfolio by investing in investment funds and in different currencies following the prudent person principle. The portfolio holdings are well diversified across asset classes, geographies and currencies to optimise return and capital preservation in different market conditions.

The market risk is subdivided as follows:

- Interest rate risk
- Equity risk
- Spread risk
- Concentration risk
- Currency risk
- Property risk

Market risk is the most material risk for Lloyd's Europe. The risk drivers for the market risk module are currency risk, equity risk, spread risk, interest rate risk and concentration risk, which respectively represent 49%, 32%, 9% and 7% of the undiversified market risk capital requirement.

As at 31 December 2025, Lloyd's Europe had 767,396 kEUR that were held in 25% government bonds, 35% corporate bonds and 40% collective investment undertakings which includes investment funds, where the majority had a credit rating of A or higher.

The investment funds contain an element of equity exposure which is the primary driver of equity risk. In addition, Lloyd's Europe has a small amount of equity risk driven by the minimum guaranteed rate on the employee pension plan.

Lloyd's Europe has no property as part of its assets. However, the small amount of property risk identified is due to the IFRS 16 accounting treatment of Lloyd's Europe's company cars and its office leasing. These risks remain insignificant.

Lloyd's Europe has a non-EUR currency allocation of 41% of invested assets which contributes two thirds of the currency risk. The remaining currency risk is predominantly driven by future reinsurance commission being received in non-EUR currency. Lloyd's Europe has negligible liabilities in foreign currencies owing to its insurance liabilities being 100% reinsured.

As Lloyd's Europe holds a well-diversified and high-quality investment portfolio, its market concentration risk is insignificant.

As summarised in the QRT S.25.01 Solvency Capital Requirement in annex F.3.6, the market risk solvency capital requirement is approximately 193,780 kEUR and represents 52% of the undiversified BSCR.

Market risk has increased from 133,481 kEUR at 31 December 2024 driven by both the increased size of the investment portfolio and the additional currency risk following the change in 2025 for Lloyd's Europe's reinsurance commission to be received in non-EUR currency.

C.2.1 Risk sensitivity

An extreme test considered was the impact on the SCR ratio following a doubling in size of the investment portfolio for the purpose of calculating market risk. In such a scenario Lloyd's Europe would remain comfortably above its risk appetite threshold SCR ratio of 125%.

C.3 Credit risk

Counterparty default risk is the second most material risk for Lloyd's Europe after Market risk. Its solvency capital requirement as at 31 December 2025 amounts to 165,561 kEUR and represents 45% of the undiversified BSCR. This is owing to its 100% reinsurance business model.

Under the Solvency II standard formula, in which the lowest of the top two credit scores is used, Lloyd's Europe's counterparty default risk SCR reflects a Lloyd's market counterparty Credit Quality Step (CQS) of 1, and remains in line with the counterparty CQS at 31 December 2024.

As at 31 December 2025, counterparty default risk is composed of 96% of type 1 exposure and 4% of type 2 exposure, with type 1 counterparty default therefore being the main risk driver of Lloyd's Europe's counterparty default risk. Counterparty default risk on the 100% reinsurance to syndicates represents almost all of type 1 risk and is therefore the main risk driver for Lloyd's Europe's SCR.

The best estimate of reinsurance recoverables contributed 75% of the type 1 default risk exposure on this reinsurance to syndicates, and the risk mitigating effect of this reinsurance on the SCR contributed 25%.

Counterparty default risk reduced from 196,697 kEUR at 31 December 2024, primarily due to a reduction in type 2 exposure as following the change in Lloyd's Europe's reinsurance commission the ceding commissions are no longer overdue.

C.3.1 Risk sensitivity

Lloyd's Europe's counterparty default risk exposure is sensitive to the credit rating of the Corporation as insurance risks written by Lloyd's Europe are 100% ceded to Lloyd's syndicates. Therefore, the SCR is driven primarily by the credit rating of the Lloyd's Market and the corresponding credit quality step (CQS) applied in the standard model. As at year end 2025 Lloyd's ratings were "A+" by AM Best, "AA-" by Fitch, "AA-" by S&P and "AA-" by KBRA. The second-best rating is therefore AA-, which equates to a CQS of 1.

The credit rating assigned to our counterparty drives the overall SCR result. A downgrade to a CQS of 2 would bring the SCR ratio close to 125%, but after the investment portfolio is de-risked the SCR ratio would

remain above its risk appetite threshold of 125%. Further mitigation of counterparty credit is possible through collateral arrangements on Lloyd's Europe's reinsurance agreements.

C.4 Liquidity risk

In accordance with the NBB Circular 2022_08, the Lloyd's Europe Management Committee has assessed, documented and demonstrated the overall adequacy of liquidity risk management, both in normal and crisis conditions. Based on this 2025 assessment, the Lloyd's Europe Management Committee observed and acknowledged that the back-to-back reinsurance model removes Lloyd's Europe liquidity risk. There is no Standard Formula calculation for liquidity risk.

The rationale is that Lloyd's Europe needs to pay claims or other liabilities as they fall due. It does this by using processes that ensure that claims are not paid by Lloyd's Europe until the money for that claim is provided by its reinsurer. This way it is not subject to any short-term funding or basis risk. The liquidity to meet expense payments is managed as part of the day-to-day cash management of the Finance function.

C.5 Operational risk

As at 31 December 2025 operational risk is calculated under the standard formula and amounts to 87,094 kEUR and represents 30% of the diversified BSCR and 23% of the total SCR.

Lloyd's Europe's assessment of the appropriateness of the standard formula calculation is based on the Lloyd's Europe Risk Appetite Framework, which is a key building block of Lloyd's Europe's Risk Management Framework which articulates the level of risk acceptable or desirable for Lloyd's Europe.

The framework includes clear risk appetite statements, appropriate risk metrics and thresholds across its key non-financial risk exposures. Any breaches in risk appetite prompt further investigation and analysis, and a comprehensive rationale and associated action plan to bring the risk exposure back within acceptable levels.

C.5.1 Risk sensitivity

To test sensitivity to operational risks in 2020 Lloyd's Europe assessed an extreme scenario linked to the COVID pandemic by shocking different components of the BSCR. A reserve increase of 298,000 kEUR was combined with a 5% recurring expenses increase, a 2% shock on the investment portfolio, a 10% decrease in GWP as well as a 200,000 kEUR once-off expense due to a GDPR breach caused by a cyber-attack that could have been facilitated by the new working from home model. This scenario did not materialise throughout the COVID pandemic, nevertheless this extreme scenario demonstrates the balance sheet is robust to operational risks with Lloyd's Europe remaining above its risk appetite threshold of 125%.

C.6 Other material risks

C.6.1 Capital Risk

Lloyd's Europe is capitalised to meet its 2025 business plan under Solvency II requirements. Its shareholder has made clear that they will support the business to support the writing of new business in future years.

C.6.2 Other material risks identified by the Risk Management function

In addition to the above, the risk management function has, from a top-down ORSA assessment, defined the following key risks at Lloyd's Europe:

- Resilience (DORA implementation, reliance on Velonetic)
- Cyber (insider threat, outside threat)
- Third party (supply chain compromise, dependency on third parties)
- Litigation exposure
- Market risk

Lloyd's Europe actively manages the above risks and minimises them through governance structures supported by processes and controls. Risks are identified and assessed on an ongoing basis with stress and sensitivity testing conducted as part of the ORSA process.

C.7 Any other information

Lloyd's Europe does not have any other material information to disclose regarding its risk profile.

D. VALUATION FOR SOLVENCY PURPOSES

Lloyd's Europe values assets and liabilities, other than technical provisions, at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods. The financial statements of Lloyd's Europe are prepared under Belgian General Accepted Accounting Principles (BEGAAP). The following summarised balance sheet as at 31 December 2025 analyses the differences in valuation between Lloyd's Europe's annual financial statements and Solvency II.

Table D.1: Summarised balance sheet as at 31 December 2025 illustrating the adjustments in valuation between Lloyd's Europe's annual financial statements and Solvency II

ASSETS	BEGAAP kEUR 2025	Adjustment kEUR	Solvency II kEUR 2025	Solvency II kEUR 2024
Intangible assets	164	(164)	0	0
Deferred tax assets	0	17,085	17,085	13,329
Property, plant and equipment held for own use	640	3,520	4,160	2,922
Investments (other than assets held for index-linked and unit-linked contracts)	709,129	58,267	767,396	714,248
Reinsurance recoverables from: Non-life and health similar to non-life	11,516,104	(3,593,782)	7,922,322	7,867,408
Insurance and intermediaries receivables	3,634,635	(1,390,330)	2,244,306	2,060,650
Reinsurance receivables	1,083,649	(508,447)	575,202	584,138
Receivables (trade, not insurance)	132,958	(93,975)	38,982	28,130
Cash and cash equivalents	152,927	0	152,927	170,474
Any other assets, not elsewhere shown	18,738	(18,184)	554	0
Total assets	17,248,944	(5,526,011)	11,722,933	11,441,298
LIABILITIES	BEGAAP kEUR 2025	Adjustment kEUR	Solvency II kEUR 2025	Solvency II kEUR 2024
Best Estimate	11,516,104	(3,707,239)	7,808,866	7,880,898
Risk margin	0	86,812	86,812	83,736
Provisions other than technical provisions	1,545	(20)	1,525	950
Pension benefit obligations	1,235	0	1,235	1,353
Deposits from reinsurers	120,473	(16,959)	103,514	132,221

Deferred tax liabilities	0	58,009	58,009	24,174
Debts owed to credit institutions	0	0	0	0
Financial liabilities other than debts owed to credit institutions	0	8,784	8,784	8,436
Insurance & intermediaries payables	1,019,948	(445,619)	574,328	526,396
Reinsurance payables	3,729,324	(1,481,393)	2,247,930	2,060,650
Payables (trade, not insurance)	76,806	(4,210)	72,596	60,322
Any other liabilities, not elsewhere shown	129,864	(102,118)	27,746	20,189
Total liabilities	16,595,299	(5,603,955)	10,991,344	10,799,326

D.1 Assets

D.1.1 Key differences between valuation for Solvency II and financial reporting

Table D.2: Summarised valuation basis between Solvency II and Lloyd's Europe's annual financial statements (BEGAAP)

ASSET	Solvency II Valuation	Financial Reporting Valuation
Intangible assets	Intangible assets are not accounted for under the Solvency II balance sheet.	As at year end 2025 these are exclusively related to IT development cost. Amortisation of these costs will commence from the start of their usefulness and typically depreciated over a 5 year period. Additional depreciation is booked when it is justified by economic circumstances.
Deferred tax assets	Solvency II recognises Deferred Tax Asset as part of the balance sheet and includes expected profit in future premiums.	Deferred tax assets are not reported on the BEGAAP balance sheet.
Property, plant and equipment held for own use	Under Solvency II the asset value includes a dilapidation amount anticipating the future refurbishing cost of the premises that Lloyd's Europe is renting, due on leaving the premises at the end of the rent contract, as well as the value of our lease agreements. These will be amortised straight-line over the lease periods.	In BEGAAP only a liability provision could be progressively set up on a straight-line basis to account for the dilapidation amount, and fixed assets are included and amortised over their useful lifetime.
Investments (other than assets held for index-linked)	Bonds are valued at market value with the accrued interest included in the value of the bond. Equities and investment funds are valued at market value. Money Market Funds are	Bonds are valued at amortised cost with accrued interest booked separately but remaining under the Investments category. Equities and Investment funds are valued at acquisition value.

and unit-linked contracts)	considered as collective investments undertakings under Solvency II and included within investments, valued at their fair value.	
Reinsurance recoverables from: Non-life and health similar to non-life	On a Solvency II basis, this balance presents the net of cash inflows with respect to recoveries on business bound at the reporting date and cash outflows with respect to premiums payable on outwards reinsurance arrangements, including reinsurer bad debt, in respect of bound business.	The BEGAAP balance sheet presents the reinsurer's share of the unearned premium reserve and claims provisions relating to reinsurance of direct business.
Insurance and intermediaries' receivables	These represent all debtor cash flows related to premiums which are past due. Balances which are not past due are deemed to be future cash flows and reclassified as part of the technical provisions.	This asset category primarily relates to premium and policy holder tax which is valued at the nominal or acquisition value. Impairments are registered as required to reflect the uncertainties of their recovery. This also includes the control accounts in respect of direct settlement accounts set up for the Part VII portfolio.
Reinsurance receivables	Solvency II amounts receivable from the reinsurers in respect of overdue premiums we will pay to them, are valued considering commissions and other charges. All other items are valued at the nominal or acquisition value in line with the BEGAAP valuation.	This asset category relates to commissions, policy holder taxes and other charges which are valued at the nominal or acquisition value. Impairments are registered to reflect the uncertainties of their recovery. This also includes the control accounts in respect of reinsurance settlement accounts set up for the Part VII portfolio.
Receivables (trade, not insurance)	Does not include pre-paid rent and taxes.	This asset category includes pre-paid expenses and VAT, which are valued at the nominal or acquisition value. Impairments are registered to reflect the uncertainties of their recovery.
Cash and cash equivalents	Cash and cash equivalents are monies held as cash on hand, cash and short-term deposits held on call with banks. Such balances are held at fair value under Solvency II. The difference between BEGAAP value is due to the classification of negative balances under "Debts owed to credit institutions".	Under BEGAAP Money Market Funds are considered as cash equivalent. Other cash and cash equivalent items are valued on the same basis as under SII.
Any other assets, not elsewhere shown	Does not include any accrued interest, this is included in the market price of the investments.	Includes accrued interest under Belgian GAAP and the value of the cash suspense account and suspense account in respect settlement accounts set up for the Part VII portfolio.

At the reporting date Lloyd's Europe's investments of 767,396 kEUR were held in 25% government bonds, 35% corporate bonds and 40% collective investment undertakings which includes investment funds. Lloyd's Europe's asset allocation targets 22% equities and a non-EUR currency allocation of 41%. Lloyd's Europe does not provide any guarantees.

D.2 Technical provisions

The Actuarial Function holder is responsible for the oversight of the calculation of technical provisions.

The technical provisions net of reinsurance as at 31 December 2025 are -26,644 kEUR. The table below lists Lloyd's Europe's technical provisions by line of business.

Table D.3: Technical provisions by line of business as at year end 2025

	Solvency II Line of Business	Gross Best Estimate kEUR	Recoveries kEUR	Net Best Estimate kEUR	Risk Margin kEUR	Total Net Technical Provisions kEUR
Direct Business and Accepted Proportional Reinsurance	Medical expense insurance	22,362	29,004	(6,642)	280	(6,362)
	Income protection insurance	213,775	223,491	(9,716)	2,471	(7,245)
	Workers' compensation insurance	259,244	266,197	(6,953)	2,632	(4,321)
	Motor vehicle liability insurance	5,195	5,156	39	50	90
	Other motor insurance	88,505	88,798	(293)	956	663
	Marine, aviation and transport insurance	1,994,787	2,009,083	(14,295)	21,356	7,060
	Fire and other damage to property insurance	754,867	789,117	(34,250)	8,967	(25,284)
	General liability insurance	3,287,184	3,305,094	(17,910)	35,286	17,376
	Credit and suretyship insurance	636,831	663,012	(26,181)	8,884	(17,297)
	Legal expenses insurance	3,102	3,091	11	42	53
	Assistance	167	166	1	2	3
Miscellaneous financial loss	131,147	131,408	(261)	1,558	1,297	
Accepted Non-Proportional Reinsurance	Non-proportional health reinsurance	22,037	22,111	(74)	234	160
	Non-proportional casualty reinsurance	71,204	70,639	565	725	1,290
	Non-proportional marine, aviation and transport reinsurance	101,013	100,258	755	1,040	1,795

Non-proportional property reinsurance	217,446	215,698	1,748	2,329	4,077
Total Non-Life obligation	7,808,866	7,922,322	(113,456)	86,812	(26,644)

Table D.4: Technical provisions total at year end 2024

	Gross Best Estimate kEUR	Recoveries kEUR	Net Best Estimate kEUR	Risk Margin kEUR	Total Net Technical Provisions kEUR
Total Non-Life obligation	7,880,898	7,867,408	13,490	83,736	97,226

The decrease in net best estimate is predominantly driven by an increase in ceding commissions to be received. The increase in risk margin is predominantly driven by the increase in Lloyd's Europe's SCR. Overall this leads to a decrease in net technical provisions.

D.2.1 Best estimate

D.2.1.1 Best estimate

The best estimate represents the probability weighted average of all future cash flows from bound contracts. A valuation of the best estimate is required for both the business that was transferred to Lloyd's Europe under the Part VII scheme effective 30 December 2020, referred to as the 'Part VII' liabilities, as well as the business written through Lloyd's Europe since 1 January 2019, referred to as the 'BAU' liabilities.

These best estimates are calculated through a multi-stage reserving process which utilises the available historic premium and claims data, which can be summarised as:

1. A full reserving process ground up calculation of Unpaid Claims Reserves on a best estimate basis at valuation date, 30 September 2025
2. A roll-forward exercise to calculate the value of the claims reserves at the reporting date 31 December 2025. This stage of the process also includes an estimate for any specific IBNR required at the valuation date.
3. Additional elements required for Solvency II technical provisions are calculated, consisting of a provision for Events Not In Data (ENIDs), bound but not incepted policies, an allowance for discounting, a Solvency II expense provision, future reinsurance premiums, ceding commissions, reinsurance recoverables and bad debt

An exercise was undertaken to identify an appropriate granularity of homogeneous risk groupings, referred to as Reserving Cohorts, to enable appropriate reserving processes to be performed within Lloyd's Europe. The Reserving Cohorts are defined based on an aggregation of risk codes, a common but granular grouping of policies used in the Lloyd's market and Corporation of Lloyd's.

The claims are further split into two high-level groupings based upon size, known as attritional and non-attritional claims, for which separate calculation methodologies are employed. For premiums and attritional claims standard actuarial valuation techniques are used. For the non-attritional claims a bespoke frequency and severity model is used.

An allowance is additionally made for ENIDs to reflect potential adverse claims' experience not included in historical claims data.

A Solvency II expense provision is required, predominately for overhead expenses incurred in servicing insurance obligations, arising from contracts bound at the valuation date. The value of the expense reserve should correspond to the amount which another insurance or reinsurance undertaking would be expected to require to take over and fulfil the underlying insurance and reinsurance obligations.

An allowance for the bound but not incepted (BBNI) premium as at the reporting date is included.

The future cash flows are discounted by applying risk-free yield curves by currency.

Future reinsurance premiums, ceding commissions and recoverables have been estimated by applying the applicable reinsurance arrangements to projected gross premiums and claims. Lloyd's Europe has reinsurance agreements with approximately 100 Syndicates who form part of the Lloyd's market, which are 100% quota share agreements. Therefore, the reinsurance recoverable includes 100% of the claims and premium provisions claims cost.

Lloyd's Europe does not have any arrangements with special purpose vehicles and hence technical provisions are not adjusted for recoveries from such vehicles.

No significant simplifications have been used to calculate the best estimate technical provisions.

D.2.1.2 Risk margin

Technical provisions include a risk margin to ensure that the value of the technical provisions is equivalent to the amount that an insurer would be expected to require taking over the insurance obligations of the company. In calculating the risk margin, Simplified Method 2 is applied, as outlined in Guideline 62, "Hierarchy of methods for the calculation of the risk margin" of EIOPA's "Guidelines on the Valuation of Technical Provisions". Methods 3 or 4 are not run in accordance with the hierarchy of methods as are too simplistic given Method 2 is applicable. In calculating technical provisions, none of the other simplifications provided in the Solvency II Delegated Acts have been used.

D.2.2 Uncertainty

The projected ultimate claims are subject to inherent uncertainty due to various reasons, including but not limited to, the normal variation in claims experience from year to year, the actuarial methods used, actuarial judgement applied, and that the ultimate claims valuation can change based upon new information which arises over time. Lloyd's Europe have estimated the level of volatility around the reserve projection and therefore the uncertainty in the gross claim ultimates, which gives an insight into this primary element of uncertainty.

However, all uncertainty in claim related elements of the technical provisions is mitigated by the 100% reinsurance protections that are in place.

D.2.3 Key differences between valuation for Solvency II and Lloyd's Europe's annual financial statements.

Table D.5: Summarised valuation differences between Solvency II and Lloyd's Europe's annual financial statements

Item	Solvency II Valuation	Financial Reporting Valuation
Contract Recognition	Technical provisions include all contracts which were bound at the valuation date.	Financial reporting only recognises contracts that have incepted at the valuation date.

Technical Provision	The best estimate represents the probability weighted average of all future cash flows from bound contracts. Include an explicit risk margin, as prescribed by Solvency II regulations.	Unearned premium reserve is calculated from the gross written premium and does not assess the economic value of these unearned premiums. Claim Provisions include an additional margin in the statutory accounts, however unlike the Solvency II valuation excludes. Discounting Events Not in Data (ENIDs) Future premiums An expense provision other than for direct claim fees
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Apart from the differences above, there would not be any material differences between the bases, methods and main assumptions used by for the valuation for solvency purposes and those used for valuation in financial statements.

Because of the nature of Lloyd's Europe's business set-up, it does not apply any of the following as provided in the Solvency II Delegated Acts:

- Matching adjustment
- Volatility adjustment
- Transitional risk-free rate structure volatility adjustment and
- Transition deduction

D.3 Other liabilities

Under Solvency II Lloyd's Europe values other liabilities at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods. Under BEGAAP Lloyd's Europe values liabilities at the nominal value.

Lloyd's Europe operates a defined contribution pension scheme. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.3.1 Key differences between valuation for Solvency II and financial reporting

Table D.6: Summarised valuation basis between Solvency II and Lloyd's Europe's annual financial statements (BEGAAP)

Item	Solvency II Valuation	Financial Reporting Valuation
Provisions other than technical provisions	Includes an allowance for re-structuring costs.	Includes estimated redundancy costs.
Pension benefit obligations	Under Solvency II the entire liability is booked, which at year end equates to the contributions yet to be invested plus the cost of the legal obligation related to a minimum return guarantee for Belgian defined contribution pension schemes.	There are no differences from SII valuation basis.

Deposits from reinsurers	Such balances are held at fair value under Solvency II.	Balances are held at fair value. Does not include the suspense account in respect settlement accounts set up for the Part VII portfolio.
Debts owed to credit institutions	These balances are held at fair value under Solvency II.	There is no difference in the valuation basis between Solvency II and BEGAAP, the difference is that these liabilities are included under the asset item "Cash and cash equivalents" in the BEGAAP balance sheet.
Financial liabilities other than debts owed to credit institutions	Under Solvency II the liability value includes a dilapidation amount anticipating the future refurbishing cost of the premises that Lloyd's Europe is renting, due on leaving the premises at the end of the rent contract, as well as the liability value of our lease agreements.	There are no items classified here under the BEGAAP balance sheet.
Insurance & intermediaries payables	Solvency II amounts payables in respect of overdue premiums are valued considering commissions and other charges.	This liability category relates to commissions and other charges which are valued at the nominal or acquisition value.
Reinsurance payables	These represent all reinsurance cash flows related to direct premiums which are past due. Balances which are not past due are deemed to be future cash flows and reclassified as part of the reinsurance recoverables.	This liability category primarily relates to reinsurance of premium and policy holder tax which is valued at the nominal or acquisition value.
Payables (trade, not insurance)	Solvency II payables are valued on the same basis as BEGAAP. The difference is due to an inter-Company debt classified under "Any other liabilities, not elsewhere shown" in the Solvency II balance sheet, and policy holder taxes payable are excluded and subsequently included as part of the technical provisions calculation and pre-paid taxes not included under Solvency II.	Payables are recorded on an accruals basis.
Deferred tax liability	Solvency II recognises deferred tax liability as part of the balance sheet.	Deferred tax liabilities are not reported on the BEGAAP balance sheet.
Any other liabilities, not elsewhere shown	Payable relating to an inter-company debt, recorded on an accruals basis.	This liability category relates to deferred reinsurance commissions which are valued at the nominal or acquisition value. Impairments are registered to reflect the uncertainties of their recovery. This deferral follows the same pattern as unearned premium therefore reinsurance commission is earned

following the same pattern as the premiums they related to. Planned dividend is also included in accordance with BEGAAP valuation rules.

D.4 Alternative methods for valuation

Lloyd's Europe does not use any alternative methods for valuation.

D.5 Any other information

Lloyd's Europe does not have any other material information to disclose regarding valuation for solvency purposes.

E. CAPITAL MANAGEMENT

E.1 Own funds

E.1.1 Objective, policies and processes for managing own funds

Lloyd's Europe aims to maintain sufficient own funds to cover its Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). The amount of excess funds held will be reviewed on an ongoing basis. Lloyd's Europe holds excess funds to absorb potential volatility in SCR coverage and to absorb risks not included in the SCR, such as strategic risk, and monitors coverage of the SCR and MCR on a quarterly basis. Lloyd's Europe considers its objectives for managing its own funds as part of its annual ORSA process, which is based on a three-year business plan.

The CRO and CFO report to the Board on the level of eligible own funds and the ratio of cover over the SCR and MCR. Ultimate responsibility for maintenance of own funds lies with the Board of Directors.

40,000 kEUR was distributed as dividend to shareholders during the year in relation to the 2024 financial year. A dividend of 42,000 kEUR is foreseeable in relation to the results of the 2025 financial year.

The structure of the available own funds has not changed since the previous reporting period. Basic own funds consist of Tier 1 unrestricted own funds except for the net deferred tax asset included under Tier 3 own funds. In addition 50,000 kEUR of ancillary own funds through a letter of credit facility are available which form Tier 2 own funds.

The primary objective of Lloyd's Europe's Capital Management is to ensure continued compliance with regulatory capital requirements and that Lloyd's Europe maintains a level of capital that protects its viability. This is achieved with the following principles:

- A target capital level is defined which includes a buffer over the SCR against which the quarterly SCR ratio is monitored
- The SCR is calculated according to the Solvency II Standard Formula
- The capital position is continuously managed
- The SCR and MCR should never be breached

E.1.2 Own funds classification

As at 31 December 2025, Lloyd's Europe's basic own funds are 689,589 kEUR, comprised of issued share capital of 557,972 kEUR in ordinary share capital, a reconciliation reserve of 114,532 kEUR and a net deferred tax asset of 17,085 kEUR. These own funds are available as Tier 1 unrestricted own funds, except the net deferred tax asset classified as Tier 3.

In addition ancillary own funds of 50,000 kEUR have been made available through a letter of credit facility which forms Tier 2 capital to meet both SCR and MCR requirements. This facility has been issued to Lloyd's Europe by Barclays Bank Ireland PLC, is irrevocable and was approved by the NBB on 3rd December 2025 as recognisable as Tier 2 supplementary capital for a period of five years commencing 6 November 2020.

Lloyd's Europe does not have any Tier 1 own funds that fall within the following categories:

- paid-in subordinated mutual member accounts
- paid-in preference shares and the related share premium account
- paid-in subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC

None of Lloyd's Europe's own funds are subject to transitional arrangements. Furthermore, Lloyd's Europe has not deducted any items from its own funds.

Table E.1: Lloyd's Europe's sources of funds on a Solvency II basis

Basic Own Funds	Tier 1 – unrestricted kEUR	Tier 2 kEUR	Tier 3 kEUR	Total kEUR
Ordinary share capital (gross of own shares)	557,972	-	-	557,972
Reconciliation reserve	114,532	-	-	114,532
An amount equal to the value of net deferred tax assets	-	-	17,085	17,085
Total basic own funds after deductions	672,504	-	17,085	689,589
Total ancillary own funds	-	50,000	-	50,000
Total available own funds to meet the SCR	672,504	50,000	17,085	739,589
Total available own funds to meet the MCR	672,504	-	-	672,504
Total eligible own funds to meet the SCR	672,504	50,000	17,085	739,589
Total eligible own funds to meet the MCR	672,504	-	-	672,504
SCR	-	-	-	377,407
MCR	-	-	-	94,352
Ratio of Eligible own funds to SCR				196%
Ratio of Eligible own funds to MCR				713%

Lloyd's Europe has Paid in Ordinary Share Capital of 557,972 kEUR. The reconciliation reserve at 31 December 2025 was 114,532 kEUR. Tier 1 own funds of 672,504 kEUR are eligible in full to meet both the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) and a Letter of Credit that is classified as a Tier 2 that amounts to 50,000 kEUR.

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

Lloyd's Europe's Own Funds are represented by 672,504 kEUR Tier 1 unrestricted, and 50,000 kEUR Tier 2 and 17,085 kEUR Tier 3. Table E.1 above shows the eligible amounts available to cover the SCR.

E.1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

Lloyd's Europe's Own Funds are represented by 672,504 kEUR Tier 1 unrestricted. Table E.1 above shows the eligible amount available to cover the MCR.

E.1.5 Reconciliation of BEGAAP own funds to Solvency II own funds

Table E.2: Composition of reconciliation reserve, based on difference between own funds in BEGAAP and available own funds according to the Solvency II standard formula

		kEUR
A	Belgian GAAP Own Funds	653,645
B	Any other assets, not elsewhere shown	(18,184)
C	Insurance and intermediaries receivables	(1,390,330)
D	Intangible assets	(164)
E	Investments (other than assets held for index-linked and unit-linked contracts)	58,267
F	Reinsurance receivables	(508,447)
G	Reinsurance recoverables from: Non-life and health similar to non-life	(3,593,782)
H	Other Assets	(90,456)
I	Any other liabilities, not elsewhere shown	(102,118)
J	Best Estimate	(3,707,239)
K	Insurance & intermediaries payables	(445,619)
L	Payables (trade, not insurance)	(4,210)
M	Reinsurance payables	(1,481,393)
N	Risk margin	86,812
O	Other Liabilities	49,813
P	Asset over Liabilities Sol II: A+B+C+D+E+F+G+H-I-J-K-L-M-N-O	714,504
Q	Deferred tax assets	17,085
R	Sol II Own Funds: P+Q	731,589
S	Total of reserves and retained earnings from financial statements	95,673
T	SII Foreseeable Dividend	(42,000)
U	Differences between BEGAAP and Sol II: P-A	60,859
V	Reconciliation reserve: S+T+U	114,532

Solvency II Guidelines on “Reporting and public disclosure” require disclosure in this section 5.1 of information about any additional solvency ratios reported other than those included in template S.23.01. No such additional solvency ratios are reported.

E.1.5.1 Deferred tax assets (DTA) and Deferred tax liability (DTL)

As at 31 December 2025, Lloyd's Europe's DTA amounts to 17,085 kEUR and Lloyd's Europe's DTL amounts to 58,009 kEUR.

The Deferred tax asset and liability arise due to the valuation basis difference between the Solvency II and BEGAAP balance sheets. This does not include an allowance for the difference based on the Solvency II Risk margin included in the Technical Provisions, excluded considering guidance in the NBB circular with reference NBB_2022_27, or the difference based on the dividend included in the BEGAAP liabilities. Furthermore, considering the timing of cash flows the income related to future ceding commission contained within the Solvency II Technical Provisions has been considered separately and not netted of the DTA described above.

Lloyd's Europe has 50,000 kEUR of Tier 2 capital which is eligible as own funds to meet the SCR. The net deferred tax asset is available as basic own funds and classified as Tier 3 which is eligible as own funds to meet the SCR, as the amount of tier 3 is less than the prescribed limit of 15% x SCR and the combined amount of Tier 2 and Tier 3 is less than the maximum prescribed limit of 50% x SCR.

As a 100% reinsured insurance company, Lloyd's Europe's principal source of income is the reinsurance commission based on earned premium.

Lloyd's Europe's forecasted profit and loss account over the next three to five years demonstrates the probability that future taxable profit will be available against which the deferred tax asset can be offset. The local tax rules and limits are considered in making this assessment.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

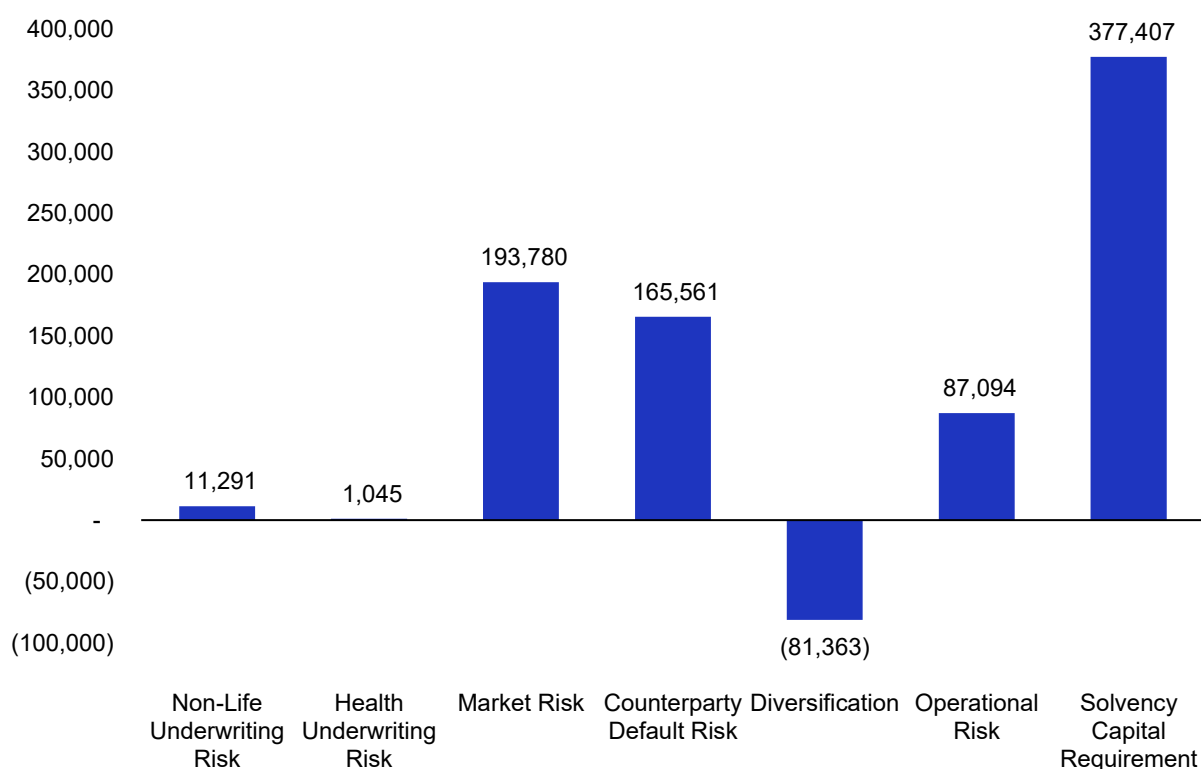
Lloyd's Europe's Standard Formula Solvency Capital Requirement as at 31 December 2025 is 377,407 kEUR. The SCR is designed to absorb the loss resulting from the occurrence of a 1-in-200-year loss event over the next 12 months. Lloyd's Europe uses the Standard Formula specified by EIOPA to estimate SCR. This models insurance, market, credit, and operational risk, and takes account of Lloyd's Europe's outwards reinsurance programmes. Lloyd's Europe's SCR calculation includes the use of a simplification provided by the Solvency II Delegated Acts 2019 update for the natural catastrophe risk sub-module within the underwriting module. It requires the map of the sum insured by risk zones which Lloyd's Europe uses where available. Where this granularity is not available Lloyd's Europe uses the simplified calculation of the sum insured for natural catastrophe risks as stated in the *Article 90b* from the *Commission Delegated Regulation (EU) 2019/981, 2019*, which is based on a maximum risk weight approach.

Table E.3: This table provides a breakdown of Lloyd's Europe's Solvency Capital Requirement by risk module and Coverage Ratio as at 31 December 2025

	KEUR
Non-Life Underwriting Risk	11,291
Health Underwriting Risk	1,045
Market Risk	193,780
Counterparty Default Risk	165,561
Undiversified BSCR	371,677
Diversification Credit	(81,363)
Basic SCR	290,313
Operational Risk	87,094
Basic SCR + Operational Risk	377,407

Loss-Absorbing Capacity of Deferred Tax Liabilities	-
Final SCR	377,407
Eligible Own Funds	739,589
SCR Ratio	196%

Chart E.4: Breakdown of Lloyd's Europe's Solvency Capital Requirement by risk module kEUR



In addition to the SCR, the MCR is also required to be calculated. This is lower than the SCR and is designed to correspond to a solvency level below which policyholders and beneficiaries would be exposed to an unacceptable level of risk if the insurer could continue its operations. MCR as at the report date was 94,352 kEUR.

Table E.5: The following table is an extract from form S28.01

Item	kEUR
Linear MCR	576
SCR	377,407
MCR cap	169,833
MCR floor	94,352
Combined MCR	94,352
Absolute floor of the MCR	4,000
Minimum Capital Requirement	94,352

Basic Own Funds is the excess of assets over liabilities as determined by the Solvency II balance sheet. Lloyd's Europe's own funds include Tier 1 unrestricted funds, Tier 2 and Tier 3 without imposed capital add-ons. Throughout the period Lloyd's Europe has eligible own funds available to meet the SCR and MCR. The own funds ratio to SCR and MCR at the reporting period end are 196% and 713%, respectively.

Lloyd's Europe has not used any undertaking-specific parameters in calculating the SCR using the Standard Formula.

In calculating the MCR, Lloyd's Europe has used the following approach:

- A linear MCR based on the net of reinsurance best estimate technical provisions and the net written premiums in the last 12 months.
- A floor of 25% of the SCR and a cap of 45% of the SCR is applied.
- An absolute floor of 4,000 kEUR is applied to calculate the overall MCR requirement.

The following table shows how the SCR by risk category has evolved compared to the SCR for the year end 2024 reporting period.

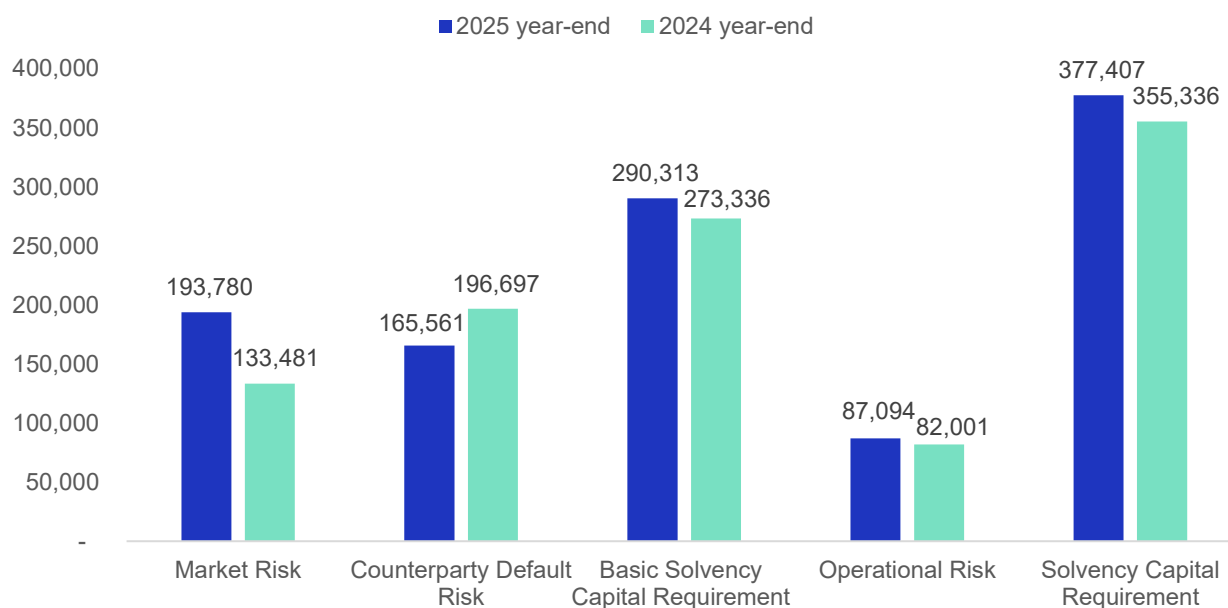
As from 1/1/2025, Lloyd's Europe's ceding commission is determined using the estimated premium income derived from the Lloyd's Syndicate Business Forecasts (SBFs). In addition, the full amount of ceding commission is collected during the year to which the SBF relates. As a result, Lloyd's Europe's risk profile changes: the earlier charging model exposed Lloyd's Europe to lapse risk and counterparty default risk mainly related to premium debtors as commission payments depended on premium payments being made over time. With all amounts collected across the year, these risks fall materially. At the same time, this increases currency-related market risk because future payments made by the Syndicates to Lloyd's Europe are denominated in non-euro currencies, meaning the principal remaining uncertainty relates to foreign-exchange movements rather than counterparty performance.

The other risks have not changed materially except in the case of operational risk which as a set proportion of the basic solvency capital requirement reduces in line with the underlying risks.

Table E.6: SCR and MCR comparison against previous reporting period

Risk module	2025 year-end kEUR	2024 year-end kEUR
Market risk	193,780	133,481
Counterparty default risk	165,561	196,697
Life underwriting risk	-	-
Health underwriting risk	1,045	1,095
Non-life underwriting risk	11,291	17,430
Diversification	(81,363)	(75,368)
Basic Solvency Capital Requirement	290,313	273,336
Operational Risk	87,094	82,001
Solvency Capital Requirement	377,407	355,336
Minimum Capital Requirement	94,352	88,834

Chart E.7: SCR comparison against previous reporting period (kEUR)



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

Lloyd's Europe did not make use of the duration-based equity sub-module in the reporting during the reporting period.

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

Lloyd's Europe uses the Standard Formula to calculate its Solvency Capital Requirement. Therefore, no differences exist.

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

Lloyd's Europe complied with the Solvency II Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period. Lloyd's Europe held Own Funds in excess of both the Minimum Capital Requirement and Solvency Capital requirement throughout the reporting period.

E.6 Any other information

Lloyd's Europe does not have any other material information to disclose regarding capital management.

F. ANNEX

F.1 Glossary of terms

Table F.1: This table provides a description of each abbreviation referred to throughout the document

Abbreviation	Description
BBNI	Bound But Not Incepted
BEGAAP	Belgian General Accepted Accounting Principles
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMDO	Chief Market Development Officer
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organizations
CQS	Credit Quality Step
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EU	European Union
ENIDs	Events Not in Data
FSMA	Financial Services and Markets Authority
FTE	Full Time Employee
ICS	Internal Control System
ManCo	Management Committee
MCR	Minimum Capital Requirement
NBB	National Bank of Belgium
NSLT	Non-Similar to Life Techniques
ORSA	Own Risk and Solvency Assessment
Part VII	A legal transfer of insurance business from one company to another governed by Part VII of the UK Financial Services and Markets Act 2000
PRA	UK Prudential Regulatory Authority

QRR	Quarterly Risk Report
RCSA	Risk and Control Self-Assessment
RESOG	Report on the Effectiveness of the System of Governance
RIR	Risk Incident Reporting
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SoGA	System of Governance
SSTs	Stress and Scenario Tests
STFO	Settlement and Trust Fund Operations

F.2 Résumé

Le rapport sur la solvabilité et la situation financière (SFCR) de Lloyd's Europe au 31 décembre 2025 a été préparé conformément à l'article 51 de la directive Solvabilité II (2009/138/CE), aux articles 290 à 298 du règlement délégué de la Commission (UE) 2015/35, et au règlement d'exécution de la Commission (UE) 2023/895. Tous les chiffres sont présentés en EUR 000 (kEUR) sauf indication contraire.

Événements significatifs

Les événements importants survenus au cours de la période de référence sont :

- Des modifications de la commission de réassurance de Lloyd's Europe
- Premier paiement de dividende et une réduction de lettre de crédit
- Des changements dans la structure de gouvernance
- Des procédures judiciaires anglaises
- Dépôt de garantie de réassurance
- Sous-traitance de second rang des services informatiques à Accenture

Performance de souscription

Les primes en 2025 de 4,915,590 kEUR ont augmenté (2024 : 4,381,603 kEUR) et le ratio combiné a amélioré à 89% (2024 : 95%) soutenu par la stabilité des sinistres de l'année en cours et par des mouvements favorables du dollar américain sur les réserves des exercices précédents. Aucun nouvel événement de sinistre majeur n'est survenu, bien que les expositions liées à l'aviation des années antérieures aient continué d'affecter les résultats.

Performance des investissements

À la date de référence, les investissements de la société de 767,396 kEUR étaient détenus en 25% d'obligations gouvernementales, 35% d'obligations d'entreprises, 40% d'organismes de placement collectif, incluant des fonds d'investissement. Un gain net de 26,833 kEUR a été réalisé sous Solvabilité II.

Profil de risque

L'exigence de capital de solvabilité est calculée en utilisant la formule standard comme indiqué dans le règlement délégué 2015/35. En raison du modèle commercial de réassurance à 100% de Lloyd's Europe et la structure de la commission de réassurance, le risque de marché est le plus grand contributeur au profil de risque avec une charge de risque autonome de 193,780 kEUR, suivi par le risque défaut de contrepartie avec 165,561 kEUR. Le SCR global pour Lloyd's Europe est de 377,407 kEUR.

Fonds propres et ratio de solvabilité

Au 31 décembre 2025, la société dispose de fonds propres de base de 689,589 kEUR avec des fonds propres auxiliaires supplémentaires de 50,000 kEUR mis à disposition par une lettre de crédit. Il en résulte des fonds propres disponibles de 739,589 kEUR, des fonds propres éligibles pour couvrir le SCR de 739,589 kEUR, et un ratio de couverture de la solvabilité de 196%.

Objectifs commerciaux

L'objectif commercial de Lloyd's Europe est d'être un (ré)assureur de premier plan dans EEE, en consolidant sa position comme l'un des principaux assureurs spécialisés et en accompagnant les clients commerciaux européens dans la gestion de leurs risques les plus complexes, que ce soit en raison de leur nature technique, du capital exposé ou de la difficulté à les assurer autrement.

F.3 Quantitative Reporting Templates (QRT) at 2025 year-end

The following QRT templates, applicable to Lloyd's Europe, are required for the Solvency and Financial Condition Report.

The reporting currency is Euro and is presented in thousands of units.

Table F.2: QRT List

S.02.01.02	Balance Sheet
S.04.05.21	Premiums, claims and expenses by country
S.05.01.02	Premiums, claims and expenses by line of business
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life insurance claims
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement
S.28.01.01	Minimum Capital Requirement

F.3.1 S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	-
Deferred tax assets	R0040	17,085
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	4,160
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	767,396
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	461,942
Government Bonds	R0140	192,907
Corporate Bonds	R0150	269,036
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	305,454
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	7,922,322
Non-life and health similar to non-life	R0280	7,922,322
Non-life excluding health	R0290	7,381,519
Health similar to non-life	R0300	540,803
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-

Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	2,244,306
Reinsurance receivables	R0370	575,202
Receivables (trade, not insurance)	R0380	38,982
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	152,927
Any other assets, not elsewhere shown	R0420	554
Total assets	R0500	11,722,933
		C0010
Liabilities		
Technical provisions – non-life	R0510	7,895,678
Technical provisions – non-life (excluding health)	R0520	7,372,642
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	7,291,447
Risk margin	R0550	81,195
Technical provisions - health (similar to non-life)	R0560	523,036
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	517,418
Risk margin	R0590	5,618
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-

Provisions other than technical provisions	R0750	1,525
Pension benefit obligations	R0760	1,235
Deposits from reinsurers	R0770	103,514
Deferred tax liabilities	R0780	58,009
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	8,784
Insurance & intermediaries payables	R0820	574,328
Reinsurance payables	R0830	2,247,930
Payables (trade, not insurance)	R0840	72,596
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	27,746
Total liabilities	R0900	10,991,344
Excess of assets over liabilities	R1000	731,589

F.3.1 S.04.05.21 Premiums, claims and expenses by country

	Home Country	Top 5 countries: non-life					
	Belgium	Germany	France	Ireland	Italy	Netherlands	
	C0010	C0020	C0030	C0040	C0050	C0060	
Premiums written (gross)							
Gross Written Premium (direct)	R0020	88,919	531,028	674,151	386,250	548,412	364,425
Gross Written Premium (proportional reinsurance)	R0021	3,162	85,123	12,291	29,049	20,914	8,916
Gross Written Premium (non-proportional reinsurance)	R0022	12,125	207,215	7,666	4,940	871	16,511
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030	87,047	436,151	564,212	393,948	502,795	344,060
Gross Earned Premium (proportional reinsurance)	R0031	4,124	78,667	10,471	24,756	18,630	8,130
Gross Earned Premium (non-proportional reinsurance)	R0032	10,627	200,379	9,939	4,847	778	17,383
Claims incurred (gross)							
Claims incurred (direct)	R0040	4,604	153,060	28,411	1,453,486	331,194	68,680
Claims incurred (proportional reinsurance)	R0041	-551	8,512	507	869	4,036	298
Claims incurred (non-proportional reinsurance)	R0042	409	53,255	1,813	4,455	205	875
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050	17,770	102,064	151,946	95,622	148,787	87,807
Gross Expenses Incurred (proportional reinsurance)	R0051	738	16,565	2,440	4,519	5,642	1,812
Gross Expenses Incurred (non-proportional reinsurance)	R0052	1,342	23,478	1,120	681	125	1,861

F.3.2 S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)											Line of business for: accepted non-proportional reinsurance				Total	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	31,143	235,099	44,862	-	66,233	925,394	645,799	1,468,715	641,185	7,279	405	140,758					4,206,872
Gross - Proportional reinsurance accepted	R0120	1,123	6,274	49	22	(1)	115,442	241,647	59,010	13,414	-	-	1,062					438,041
Gross - Non-proportional reinsurance accepted	R0130													14,227	21,702	59,340	175,408	270,676
Reinsurers' share	R0140	32,266	241,373	44,911	22	66,233	1,040,836	887,446	1,527,725	654,599	7,279	405	141,820	14,227	21,702	59,340	175,408	4,915,590
Net	R0200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premiums earned																		
Gross - Direct Business	R0210	26,084	192,605	51,646	0	62,103	939,575	599,314	1,472,991	347,082	4,829	309	102,368					3,798,907
Gross - Proportional reinsurance accepted	R0220	1,419	6,014	67	22	(1)	103,512	216,236	60,100	1,993	-	-	584					389,946
Gross - Non-proportional reinsurance accepted	R0230													14,214	23,291	59,841	168,860	266,207
Reinsurers' share	R0240	27,502	198,619	51,713	22	62,103	1,043,086	815,551	1,533,091	349,075	4,829	309	102,952	14,214	23,291	59,841	168,860	4,455,060
Net	R0300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims incurred																		
Gross - Direct Business	R0310	20,174	115,524	22,997	(126)	27,007	1,505,261	305,131	551,276	37,128	1,302	123	43,968					2,629,766
Gross - Proportional reinsurance accepted	R0320	780	1,830	(34)	265	(229)	6,870	64,702	10,075	(5,032)	-	-	(1,669)					77,558
Gross - Non-proportional reinsurance accepted	R0330													1,601	880	(6,431)	67,829	63,879
Reinsurers' share	R0340	20,954	117,353	22,963	139	26,779	1,512,131	369,833	561,351	32,096	1,302	123	42,299	1,601	880	(6,431)	67,829	2,771,203
Net	R0400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred	R0550	(223)	(1,142)	(1,097)	0	(492)	(14,602)	(10,699)	(28,114)	(3,658)	(40)	(3)	(1,764)	(396)	(549)	(1,056)	(3,884)	(67,718)
Balance - other technical expenses/income	R1200																	9,752
Total expenses	R1300																	(57,966)

F.3.3 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	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0170
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross - Total	R0060	2,841	23,476	8,057	0	7,749	132,140	54,338	114,597	98,233	(160)	28	6,732	1,550	1,469	5,427	5,967	462,444
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	9,631	34,630	16,908	0	8,652	160,510	93,882	156,481	128,484	(147)	27	7,933	1,779	1,431	5,395	5,817	631,413
Net Best Estimate of Premium Provisions	R0150	(6,789)	(11,154)	(8,851)	0	(903)	(28,370)	(39,544)	(41,884)	(30,251)	(13)	0	(1,201)	(229)	38	32	150	(168,969)
Claims provisions																		
Gross - Total	R0160	19,521	190,299	251,187	5,195	80,756	1,862,647	700,529	3,172,586	538,598	3,263	140	124,415	20,488	69,734	95,585	211,479	7,346,421
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	19,373	188,861	249,289	5,156	80,146	1,848,573	695,235	3,148,613	534,528	3,238	138	123,475	20,333	69,207	94,863	209,881	7,290,909
Net Best Estimate of Claims Provisions	R0250	148	1,438	1,898	39	610	14,075	5,293	23,973	4,070	25	1	940	155	527	722	1,598	55,513
Total Best estimate - gross	R0260	22,362	213,775	259,244	5,195	88,505	1,994,787	754,867	3,287,184	636,831	3,102	167	131,147	22,037	71,204	101,013	217,446	7,808,866
Total Best estimate - net	R0270	(6,642)	(9,716)	(6,953)	39	(293)	(14,295)	(34,250)	(17,910)	(26,181)	11	1	(261)	(74)	565	755	1,748	(113,456)
Risk margin	R0280	280	2,471	2,632	50	956	21,356	8,967	35,286	8,884	42	2	1,558	234	725	1,040	2,329	86,812
Technical provisions - total																		
Technical provisions - total	R0320	22,642	216,246	261,876	5,245	89,461	2,016,143	763,834	3,322,470	645,715	3,144	169	132,705	22,271	71,929	102,053	219,775	7,895,678
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	29,004	223,491	266,197	5,156	88,798	2,009,083	789,117	3,305,094	663,012	3,091	166	131,408	22,111	70,639	100,258	215,698	7,922,322
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	(6,362)	(7,245)	(4,321)	90	663	7,060	(25,284)	17,376	(17,297)	53	3	1,297	160	1,290	1,795	4,077	(26,644)

F.3.4 S.19.01.21 Non-Life insurance claims

Accident year / Underwriting year	Z002	Underwriting year
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Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											163,800
N -9	R0160	100,669	391,319	356,639	204,282	130,700	134,884	180,715	79,864	122,802	43,747	
N -8	R0170	84,231	336,164	424,772	279,265	151,226	123,785	125,496	72,367	63,788		
N -7	R0180	55,839	416,532	331,468	160,504	98,781	108,637	125,641	74,881			
N -6	R0190	61,859	328,536	333,148	151,423	171,132	111,134	82,315				
N -5	R0200	50,630	255,019	168,865	150,085	113,263	90,909					
N -4	R0210	46,324	294,607	413,849	705,737	1,522,580						
N -3	R0220	33,293	258,140	464,489	238,102							
N -2	R0230	38,056	350,906	328,482								
N -1	R0240	166,558	331,051									
N	R0250	82,171										

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											534,487
N -9	R0160										203,747	
N -8	R0170									237,004		
N -7	R0180								241,578			
N -6	R0190							436,993				
N -5	R0200						509,361					
N -4	R0210					1,562,644						
N -3	R0220				879,077							
N -2	R0230			983,471								
N -1	R0240		1,517,687									
N	R0250	1,014,658										

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life Business

		In Current year	Sum of all years (cumulative)
		C0170	C0180
Prior	R0100	163,800	7,069,262
N-9	R0160	43,747	1,745,621
N-8	R0170	63,788	1,661,094
N-7	R0180	74,881	1,372,283
N-6	R0190	82,315	1,239,547
N-5	R0200	90,909	828,771
N-4	R0210	1,522,580	2,983,096
N-3	R0220	238,102	994,024
N-2	R0230	328,482	717,444
N-1	R0240	331,051	497,609
N	R0250	82,171	82,171
Total	R0260	3,021,826	19,190,923

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative). Total Non-Life Business

		Year end (discounted data)
		C0360
Prior	R0100	493,843
N-9	R0160	181,408
N-8	R0170	214,189
N-7	R0180	214,963
N-6	R0190	393,291
N-5	R0200	460,864
N-4	R0210	1,427,412
N-3	R0220	789,423
N-2	R0230	880,394
N-1	R0240	1,373,734
N	R0250	916,901
Total	R0260	7,346,421

F.3.5 S.23.01.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	557,972	557,972		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-				
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	114,532	114,532			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	17,085				17,085
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	689,589	672,504	-	-	17,085

Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	50,000			50,000	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	50,000			50,000	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	739,589	672,504	-	50,000	17,085
Total available own funds to meet the MCR	R0510	672,504	672,504	-	-	
Total eligible own funds to meet the SCR	R0540	739,589	672,504	-	50,000	17,085
Total eligible own funds to meet the MCR	R0550	672,504	672,504	-		
SCR	R0580	377,407				
MCR	R0600	94,352				
Ratio of Eligible own funds to SCR	R0620	1.96				
Ratio of Eligible own funds to MCR	R0640	7.13				

Reconciliation reserve		
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	731,589
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	42,000
Other basic own fund items	R0730	575,057
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	114,532
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	100,083
Total Expected profits included in future premiums (EPIFP)	R0790	100,083

F.3.6 S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

Article 112*	Z0010	2 - Regular reporting
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Basic Solvency Capital Requirement

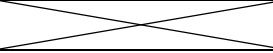
		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	193,780	
Counterparty default risk	R0020	165,561	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	1,045	
Non-life underwriting risk	R0050	11,291	Natural catastrophe risk
Diversification	R0060	(81,363)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	290,313	

Basic Solvency Capital Requirement (USP)

		USP
		C0090
Life underwriting risk	R0030	None
Health underwriting risk	R0040	None
Non-life underwriting risk	R0050	None

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	87,094
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	377,407
Capital add-on already set	R0210	-
of which, capital add-ons set - Article 37 (1) Type a	R0211	-
of which, capital add-ons set - Article 37 (1) Type b	R0212	-
of which, capital add-ons set - Article 37 (1) Type c	R0213	-
of which, capital add-ons set - Article 37 (1) Type d	R0214	-
Solvency capital requirement	R0220	377,407
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	3

F.3.7 S.28.01.01 Minimum Capital Requirement

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	576

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	7	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	39	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	11	-
Assistance and proportional reinsurance	R0120	1	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	565	-
Non-proportional marine, aviation and transport reinsurance	R0160	755	-
Non-proportional property reinsurance	R0170	1,748	-

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation		C0070
Linear MCR	R0300	576
SCR	R0310	377,407
MCR cap	R0320	169,833
MCR floor	R0330	94,352
Combined MCR	R0340	94,352
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	94,352

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