

Solvency and Financial Condition Report

International General Insurance Company (Europe) Ltd

31 December 2025



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EXECUTIVE SUMMARY

The EU-wide regulatory regime for insurance and reinsurance companies, known as Solvency II, came into force on 1 January 2016. Solvency II requires reporting and public disclosure of information, including the annual publication of the Solvency and Financial Condition Report ('SFCR').

This SFCR covers International General Insurance Company (Europe) Ltd ('IGIE' or 'the Company') for the year ended 31 December 2025.

The report comprises five key sections that provide a comprehensive view of the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management. This SFCR has been reviewed and approved by the Board of Directors.

Business and Performance

IGIE is a non-life insurance company regulated by the Malta Financial Services Authority ('MFSA') to carry out re/insurance activities in 12 different classes of business and in any European Economic Area ('EEA') using EU passporting rights under the Freedom of Services regime.

For the year ended 31 December 2025, IGIE recorded a loss after tax of US\$2.4m (2024: profit after tax of US\$2.9m). The result was primarily driven by a large claim notified during the first quarter, with a gross incurred value of US\$22.6m. After reinsurance, the net incurred value was US\$3.7m. The year was also impacted by an increased allocation of intra-group management service costs.

The insurance service result was adversely affected by movements in foreign exchange rates, primarily the weakening of the US dollar against the euro, which contributed to the net finance expense recorded by the Company. The movement in net expense from reinsurance contracts held reflects the quota share cession to International General Insurance Co. Ltd ('IGI Bermuda'), IGIE's parent company, as well as the impact of incurred claims.

Notwithstanding these matters, IGIE delivered a stronger underlying performance compared to the prior year. The insurance service result improved to US\$5.2m, up from US\$1.4m in 2024. Throughout the year, the Company continued to operate in challenging market conditions, marked by heightened competition, while maintaining a selective underwriting approach to preserve technical margins and support long-term sustainability.

Aligned with International General Insurance Holdings Ltd's ('IGI Group') long-term strategy, IGIE remains focused on sustainable profitability and value creation. The Company continues to prioritise underwriting discipline and operational efficiency to support returns over the long term. IGIE intends to continue focusing on high-quality business and portfolio optimisation to deliver resilient financial performance in an evolving market environment.

IGIE's investment strategy follows a structured approach, with clearly defined high-level objectives and investment guidelines governing target asset allocation by class. As at year-end 2025, the Company's investment portfolio was composed of cash, term deposits, and short-term, well-rated fixed-income securities, generating an investment return of US\$1.4m (2024: US\$1.3m).

System of Governance

IGIE has implemented an effective system of corporate governance. As at 31 December 2025, the Board comprised one executive director, two non-executive directors and two independent non-executive directors. Each Board member has oversight responsibilities to ensure that key functions and critical business activities are carried out effectively and in a sound and prudent manner.

The primary responsibility of the Board of Directors is to provide effective governance over the Company's activities for the benefit of its shareholders and to balance the interests of its diverse stakeholders, including customers, employees, international suppliers and local communities.

The Company has implemented a comprehensive system of internal controls and risk management governance, to effectively monitor and manage risk exposures to reduce volatility and ensure adequate policyholder protection at all times.

The governance structure is based on well-defined lines of responsibility ('three lines of defence') across business functions, committees, the Board, Risk Management, Actuarial, Compliance and Internal Audit. Ownership and clear lines of accountability are defined for all risk tasks, and these are ultimately linked to individual objectives. Individuals within business functions are responsible for identifying and effectively managing and monitoring risks within their respective business functions. The governance framework enables the Risk Management function to have independent oversight and challenge to the first line through review and ongoing engagement to ensure that risks are being adequately monitored and kept within the risk appetite and limits defined by the Company.

Risk Profile

The Company's risk profile comprises underwriting, market, credit, liquidity, operational, strategic, group contagion, credit rating downgrade, reputational, ESG and other risks (including emerging risks) that arise in the ordinary course of business. These risks are assessed using a combination of qualitative risk and control assessments and quantitative measures (including the Solvency II Standard Formula), and are reported to management and the Board at least quarterly against established risk appetite and tolerance limits.

Underwriting Risk, which is the Company's 'core' risk category, may result from inadequate pricing and reserving assumptions due to internal or external factors including inadequate reinsurance protection, underwriting breaches or large natural or man-made catastrophe claims. Each of the other risk categories as listed above are described in more detail in Section C.

During the reporting period, the overall composition of the Company's risk profile remained broadly consistent with the prior year and within the Company's risk appetite. The Company continues to monitor for material changes in its risk profile through its quarterly risk and capital reporting, with escalation to the Board where risk metrics approach or breach defined limits and where events or strategic developments could materially affect the Company's solvency, liquidity, earnings or reputation.

Section C also outlines the Company's risk management approach and key exposures for each category of risk as required by Article 295 of the Commission Delegated Regulation 2015/35.

Valuation for Solvency Purposes

The assets and liabilities in the Solvency II balance sheet have been valued in compliance with the Solvency II Directive (2009/138/EC).

Section D provides details of the recognition and valuation principles applied, including the bases, methods and main assumptions used in the valuation of assets, technical provisions and other liabilities for each material asset/liability class. The section also provides an analysis of how the valuation of assets and liabilities under Solvency II differ from those applied under the International Financial Reporting Standards ('IFRS') valuation rules.

Section D.2 also provides the value of technical provisions, including the amount of the best estimate and the risk margin. An analysis of the key areas of uncertainties associated with the value of technical provisions is also provided.

Capital Management

During the reporting period, IGIE used the Solvency II ('SII') Standard Formula method to calculate its regulatory capital requirement.

The Solvency Capital Requirement ('SCR') ratio of IGIE as at 31 December 2025 was 183% (2024: 257%), with Eligible Own Funds equal to US\$26.5m (2024: US\$25.2m) and a SCR of US\$14.5m (2024: US\$9.8m).

There is no adjustment made to the SCR to take into account the Loss Absorbing Capacity of Deferred Taxes ('LACDT') in 2025 (2024: US\$2.9m).

The Minimum Capital Requirement ('MCR') requirement over the period has remained stable and is calculated as being the absolute floor MCR of US\$4.6m (equivalent to €4m).

During Q1 2025, IGIE experienced a deterioration in its SCR ratio following the notification of a significant claim. To ensure that IGIE continued to operate above its internal risk appetite threshold of 175%, and to reinforce the Company's capital position, IGI Bermuda provided a capital injection of US\$5m during the reporting period. This capital contribution, effected through an increase in share capital, strengthened IGIE's capital base, increased Tier 1 unrestricted Own Funds, and improved the SCR coverage ratio accordingly.

During 2025, the Company maintained a SCR ratio in excess of both the 100% Solvency II regulatory limit and the 150% MFSA ongoing authorisation condition. As a result of a US\$10 million capital injection received from IGI Bermuda in the first quarter of 2026, the Company's solvency position has been further strengthened. Accordingly, there is no reasonably foreseeable risk of non-compliance over its business planning time period given the Company's risk profile, extensive risk mitigation arrangements and IGI Group's ongoing support.

In the event that the Company's solvency position falls below the Company's risk tolerance limit, recovery actions shall be taken as deemed appropriate. IGIE is an integral part of the IGI Group allowing IGI to access business across Europe, therefore in the event of a local capital strain, it is anticipated that primarily additional capital would be sourced from the Group, either through a subordinated loan or further capital injections.

The objective of IGIE's capital management strategy is to ensure that it maintains a sufficient amount of own funds to meet the SCR, with an appropriate margin, and that sufficient liquidity is available for the payment of claims in order that the Company is able to meet its legal obligations as they fall due. Furthermore, IGIE benefits from a full Parental Guarantee which provides policyholders with protection beyond that provided by its own capital resources.

A. BUSINESS AND PERFORMANCE

A.1. Business

Name and legal form of the undertaking

IGIE is a non-life insurance company incorporated in Malta and authorised by the Malta Financial Services Authority ('MFSA') to carry on the business of insurance and reinsurance in accordance with the Insurance Business Act (Cap 403 of the Laws of Malta). IGIE's registered office is at:

Development House,
St. Anne Street,
Floriana FRN 9010,
Malta
Company Registration Number: C 106283

Directors

Andreas Loucaides (Chair of the Board, Non-executive Director)
Keith Mallia-Milanes (Executive Director)
Clifford Murphy (Non-executive Director)
Paul Martin (Independent Non-executive Director)
Anna Marie Tabone (Independent Non-executive Director)

Insurance Supervisor

Malta Financial Services Authority,
Triq I-Imdina, Zone 1
Central Business District, Birkirkara,
CBD 1010, Malta
Tel: +356 2144 1155
www.mfsa.com.mt

External Auditor

PKF Assurance (Malta) Limited
15, Level 3,
Mannarino Road,
Birkirkara BKR 9080,
Malta
Tel: +356 2148 4373
<https://pkfmalta.com/>

Ownership and Shareholdings

IGIE is 100% owned by International General Insurance Co. Ltd ('IGI Bermuda') which ultimately owned by IGI Group, a Nasdaq-listed company incorporated in Bermuda in 2019. The following shareholdings of more than 10% in the IGI Group are provided in the table below:

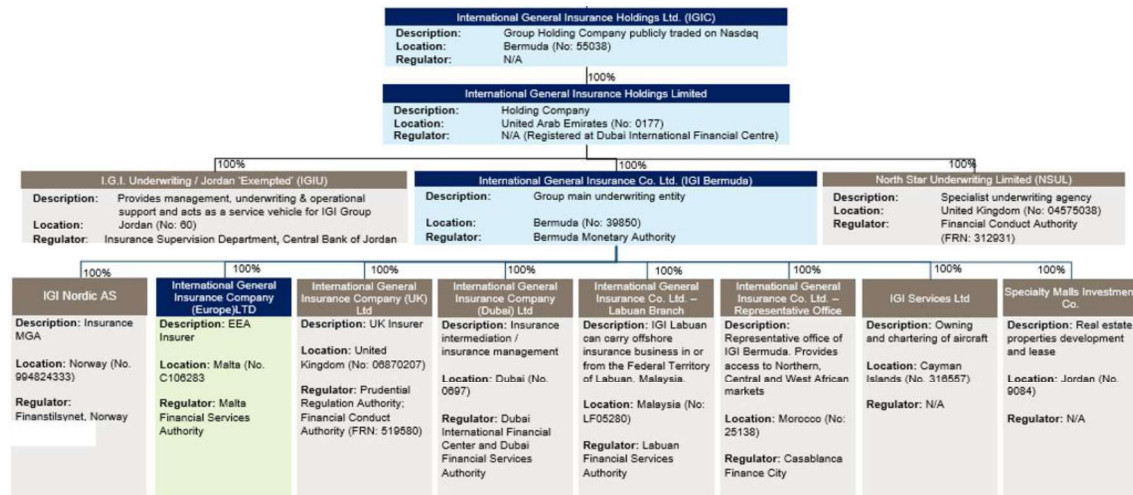
Shareholder	% Holding (Note 1)
Wasef Salim Jabshah (Note 2)	33.9
Oman International Development and Investment Company SAOG (through its subsidiaries Jabreen Capital and Ominvest International Holding Limited)	22.3

Note 1 - The % Holding consists of common shares only.

Note 2 - As of December 31, 2025, Wasef Salim Jabshah's beneficial ownership of 14,508,631 common shares included 148,780 restricted shares for which he has the right to vote, of which 88,410 vest on January 2, 2026, 45,141 vest on January 2, 2027 and 15,230 vest on January 2, 2028.

Corporate Structure

The full Group corporate structure as at 2025 year-end is detailed below:



International General Insurance Holdings Limited ('IGIH') is a non-regulated holding company registered and domiciled in the Dubai International Financial Centre ('DIFC') which was founded in 2006. IGIH acted as a holding company of the group until 2020 when it became a subsidiary of IGI Group.

IGI Bermuda is a Class 3B (re)insurer regulated by the Bermuda Monetary Authority ('BMA') and acts as the principal underwriting entity for the IGI Group.

IGI Underwriting Jordan 'Exempted' ('IGIU') is subject to the regulation of the Insurance Supervision Department of Central Bank of Jordan. It provides management, underwriting and operational support for all the subsidiaries of the IGI Group. It is a wholly owned subsidiary of IGIL.

International General Insurance Company (UK) Ltd ('IGIUK') is a non-life insurance undertaking, based in London, and authorised by the Prudential Regulation Authority ('PRA') and regulated by the PRA and Financial Conduct Authority ('FCA'). IGI UK serves as an important point of contact for brokers based in London. It is a wholly owned subsidiary of IGI Bermuda.

North Star Underwriting Limited ('NSUL') a specialty underwriting agency for writing marine liability and trade, war and special risks policies and which is based alongside IGIUK in IGI's London office. North Star is currently not transacting any business, however, it retains its FCA authorisation.

International General Insurance Co. Ltd. - IGI Labuan branch ('IGI Labuan') is registered as a foreign offshore company of IGI Bermuda in Labuan in accordance with the Offshore Companies Act 1990. IGI Labuan is classified as a second-tier reinsurer and regulated by the Labuan Financial Services Authority ('LFSA'). It acts as an offshore capitalised branch of IGI Bermuda. It is also licensed to issue Islamic law-compliant re-takaful policies. IGI Labuan is supported by a marketing office in Kuala Lumpur.

International General Insurance Company (Dubai) Ltd ('IGI Dubai') is authorised as a category four entity by the Dubai Financial Services Authority ('DFSA') and it operates as a marketing and intermediate office of IGI Bermuda in Dubai. The Dubai operations constitute IGI's Middle East hub and provide access to the Middle East and North Africa ('MENA') region including the Gulf Cooperation Council markets.

International General Insurance Co. Ltd. – Representative Office ('IGI Casablanca') acts as the representative office of IGI Bermuda in Casablanca, which is regulated by Casablanca Finance City. Our Casablanca operations constitute our Africa hub and provide access to the Northern, Central and West African markets.

IGI Nordic AS ('IGI Nordic') is a Norway-based managing general agency writing a portfolio of energy in Norway on behalf of IGI Bermuda. IGI Nordic also has a binding authority agreement with IGIE that allows it to underwrite business on behalf of IGIE. IGI Nordic is a subsidiary of IGI Bermuda.

IGI Services Ltd was established in the Cayman Islands in October 2016 and is engaged in the business of owning and chartering of aircraft. IGI Services Ltd is a wholly owned subsidiary of IGI Bermuda.

Specialty Malls Investments Co. is a limited liability company registered and incorporated in August 2004 under the Jordanian Companies Law No. (22) of 1997. Its office is located in Jordan and the main business objectives of the company are developing and leasing of real estate properties. Specialty Malls Investments Co. is a wholly owned subsidiary of IGI Bermuda.

Business Information and other events

Consistent with the IGI Group's strategy as a diversified, specialty insurer, IGIE maintains the careful and structured approach to develop most of the business lines written by the Group within the EEA and it will do so prudently and with the appropriate underwriting teams with the necessary experience and skills in the sector.

The IGI Group has built high levels of experience and expertise in energy, property, marine, construction and engineering, political violence, general aviation, ports and terminals, contingency, professional lines, financial institutions and treaty reinsurance business. During 2025, IGIE continued focusing and building strategic relationships for the same classes of business in Europe and will continue to do so in the future.

Classes of Insurance Business:

Class 1 - Accident (I/R)	Class 9 - Other damage to property (I/R)
Class 4 - Railway rolling stock (I/R)	Class 11 - Aircraft liability (I/R)
Class 5 - Aircraft (I/R)	Class 12 - Liability for ships (I/R)
Class 6 - Ships (I/R)	Class 13 - General liability (I/R)
Class 7 - Goods in transit (I/R)	Class 16 - Miscellaneous financial loss (I/R)
Class 8 - Fire and natural forces (I/R)	Class 17 - Legal Expenses (I/R)

The Company was granted passporting rights under Freedom of Services to write all the above classes of insurance business in the following countries:

Austria	Finland	Latvia	Romania
Belgium	France	Liechtenstein	Slovakia
Bulgaria	Germany	Lithuania	Slovenia
Croatia	Greece	Luxembourg	Spain
Cyprus	Hungary	Netherlands	Sweden
Czech Republic	Iceland	Norway	
Denmark	Ireland	Poland	
Estonia	Italy	Portugal	

The key features of IGIE's underwriting and management strategies remain:

- Capital preservation and steady growth;
- Focus on technical, profitable underwriting;
- Active management of the insurance cycle; and
- Focus on business efficiency and value-added service to customers.

With its focused strategy, the Company provides tailored insurance and reinsurance solutions via intermediaries to suit the particular needs of its clients, taking factors such as geographical location, risk accumulation, and cross class exposures into account.

This is backed by a deep and extensive knowledge across applicable classes of business and an extensive panel of high-quality reinsurance partners supporting IGI Group in offering meaningful capacity whilst containing downside risk.

IGI Bermuda provided the initial start-up capital of IGIE and continues to support the business including through the provision of a 75% intra-group quota share reinsurance (Bermuda Risk Transfer or 'BRT') and Parental Guarantee providing an additional layer of policyholder protection over and above that provided by IGIE's own capital resources.

The IGI Group and IGIE currently hold an "A" (Excellent) rating with a stable outlook from A.M. Best Inc. ('A.M. Best'), and in 2025 S&P Global Ratings ('S&P') upgraded their financial strength rating to "A" from "A-", also with a stable outlook.

IFRS 17

The Company has applied the Premium Allocation Approach ('PAA') for those insurance and reinsurance contracts with a coverage period of each contract in the group of one year or less or for those contracts whereby the recognition and measurement of insurance contracts under the PAA does not materially differ had those insurance contracts been recognized and measured under the general model. For those contracts which did not meet the PAA eligibility criteria, the Company measures those contracts under the General Measurement Model ('GMM').

A.2. Underwriting Performance

The Company has adopted IGI Group's careful and disciplined underwriting philosophy since inception, which it continues to develop and enhance with continuous emphasis on specialty lines.

The Company focuses on the profitability of the policies that it underwrites rather than on the volume of business, relying on a team of experienced underwriters with strong, long-standing relationships with brokers and reinsurers.

The underwriting performance of IGIE for the year ended 31 December 2025 and 2024 is provided below:

US\$ '000	2025	2024
Insurance revenue	50,990	27,634
Insurance service expenses	(58,876)	(19,107)
Net income/ (expense) from reinsurance contracts held	13,127	(7,159)
Insurance service result	5,241	1,368
Finance income / (expenses) from insurance contracts issued	(12,032)	2,397
Finance income / (expenses) from reinsurance contracts held	2,202	194
Net insurance service result	(4,589)	3,959

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

The 2025 result was primarily affected by a significant first-quarter claim, with a gross incurred value of US\$22.6m and a net value of US\$3.7m after reinsurance. In addition, results were influenced by higher allocations of intra-group management service costs. The insurance service result was also adversely affected by the weakening of the US dollar against the euro, which contributed to the net finance expense reported by the Company.

The movement in the net expense from reinsurance contracts held takes into consideration the 75% quota share cession to IGI Bermuda.

Underwriting Result by material lines of business for 31 December 2025

US\$ '000	Energy	Property	Marine & Aviation	Professional & Financial Lines	Other	Total
Insurance revenue	7,151	10,964	10,828	22,047	-	50,990
Insurance service expenses	(25,914)	(8,473)	(8,641)	(15,848)	-	(58,876)
Net income / (expense) from reinsurance contracts held	9,620	4,287	(375)	(241)	(164)	13,127
Insurance service result	(9,143)	6,778	1,812	5,958	(164)	5,241
Finance income / (expenses) from insurance contracts issued	(1,300)	(2,567)	(2,354)	(5,810)	(1)	(12,032)
Finance income / expenses from reinsurance contracts held	95	355	2	-	1,750	2,202
Net insurance service result	(10,348)	4,566	(540)	148	1,585	(4,589)

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Underwriting Result by material lines of business for 31 December 2024

US\$ '000	Energy	Property	Marine & Aviation	Professional & Financial Lines	Other	Total
Insurance revenue	4,031	4,477	8,230	10,896	-	27,634
Insurance service expenses	(5,394)	(3,030)	(4,832)	(5,851)	-	(19,107)
Net income / (expense) from reinsurance contracts held	(324)	(1,615)	(524)	(268)	(4,428)	(7,159)
Insurance service result	(1,687)	(168)	2,874	4,777	(4,428)	1,368
Finance income / (expenses) from insurance contracts issued	177	364	710	1,146	-	2,397
Finance income / expenses from reinsurance contracts held	(20)	(97)	2	1	308	194
Net insurance service result	(1,530)	99	3,586	5,924	(4,120)	3,959

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Energy: Energy (Upstream, Downstream, Renewables)

Property & Contingency: Property, Construction and Engineering, Political Violence, Contingency, Inherent Defects Insurance (now discontinued)

Marine and Aviation: Ports and Terminals, Marine Liability, Marine Cargo, Marine Trades, General Aviation

Professional & Financial Lines (non-US): Financial Institutions, Professional Indemnity, Directors and Officers, Legal Expenses and other casualty lines of business

Other: Reinsurance ceded on legacy business and Bermuda Risk Transfer ("BRT") arrangement

Underwriting Result by material geographical areas

Information on the material geographical areas in which the Company carries out business is provided in the Appendices as part of S.04.05 template.

A.3. Investment Performance*Investment Portfolio Composition*

A summary of the Investment Portfolio by asset class as at 31 December 2025 is given below:

US\$ '000	Carrying Values	Composition %
Cash at Bank	7,076	19%
Term Deposits	3,200	8%
Fixed Income Securities	27,326	73%
Total	37,602	100%

The IGIE Board has adopted an Investment Policy and Guidelines that is similar to that of IGI Group with a focus on Cash, Short Term Deposits and Fixed-Income Securities, allowing for a small holding of listed equities in future years.

The investment strategy is comprised of high-level objectives and prescribed investment guidelines governing target asset allocation by class. The actual asset allocation mix has adhered to these targets with only minor variations driven by broader changes to the macro-economic environment and liquidity requirements. The Company does not however actively change its investments in response to short-term factors such as increased volatility or changes in market sentiment.

The Investment team uses a panel of high-quality third-party custodians/brokers who also act as investment advisors and assist in implementing the Company's investment strategy. The IGI Group's Vice President-Investments is responsible for implementing the IGIE Board approved investment strategy and routinely monitors the portfolio to ensure that the associated parameters are being met and the portfolio is behaving appropriately with further independent oversight provided through the Risk function and adequate Board reporting.

Investment Portfolio Performance

As at year-end 2025, the Company's investment portfolio was composed of cash, term deposits, and short-term well-rated fixed-income securities, generating an investment return of US\$1.4m (2024: US\$1.3m).

Gains and losses recognised directly in equity

As at year-end 2025, the Company recognised a fair value gain on its debt instruments through OCI of US\$0.5m (2024: loss of US\$0.2m).

Information about any investments in securitisations

There were no investments in securitisations as at 31 December 2025.

A.4. Performance of Other Activities

There have been no other significant activities undertaken by IGIE other than its insurance related activities. There are no other material matters to the business or performance of IGIE.

A.5. Any Other Information

Geopolitical risk continues to be a key area of uncertainty. Recent developments, including the sustained Russian invasion of Ukraine, ongoing instability across the Middle East and changes in U.S. trade and economic policy, may affect inflation, economic growth, global supply-chains and energy markets. These developments may have indirect impacts on insurance claims and investments with the potential for broader international spillovers affecting commodity prices, global trade flows and macro-financial conditions.

While IGIE currently has no material direct underwriting or investment exposures to these conflicts and political developments, the Company may be exposed to indirect impacts, including elevated financial market volatility, supply-chain pressures and operational dependencies. The Company continues to monitor developments closely and will respond as appropriate to manage any potential exposures.

Other material information

Effective 1 January 2025, the IGI Group became subject to group-wide supervision, with the Bermuda Monetary Authority ('BMA') appointed as the Group Supervisor. As a result, the Group is required to comply with the BMA's Group Supervision Rules 2011, including consolidated regulatory reporting and disclosure obligations, and the calculation of group solvency in accordance with the Bermuda Solvency Capital Requirement ('BSCR').

There is no further information that requires disclosure.

B. SYSTEM OF GOVERNANCE

This section provides information regarding the system of governance, fit and proper requirements and assessment, remuneration policy and practices, risk management system, key functions and outsourcing policy.

B.1. General Information on the System of Governance

This section provides detail of the Company's governance structure along with roles and responsibilities of the Board of Directors, Board and management committees and key functions.

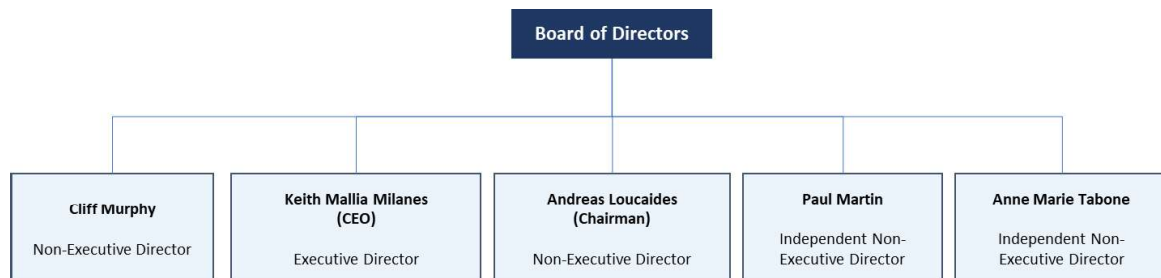
Governance Structure Overview

IGIE has implemented an effective system of corporate governance that is commensurate with the nature, scale and complexity of the Company's business activities. The Board is responsible for setting the business strategy of the Company that is aligned with the IGI Group strategy and ensuring that it is in line with its regulatory obligations and risk appetite.

The Company has adopted the IGI Group 'Corporate Code of Business Conduct and Ethics' applicable to all of its directors, officers and employees. The Code of Business Conduct and Ethics covers, among other things, conflicts of interest, company books and records, use of company property, payments of gifts, corporate opportunities, compliance, extension of credit to officers and directors, confidentiality and employee relations.

The Company has also adopted the IGI Group 'Financial Code of Ethics' applicable to the Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Senior Vice President — Finance, Controller or certain other officers performing similar functions. The Financial Code of Ethics provides that each officer must act ethically with honesty and integrity (including ethical handling of conflicts of interest), provide full and accurate disclosures, comply with applicable laws and regulations, act in good faith, responsibly, with due care, competence and diligence, promote honest and ethical behaviour by others, respect the confidentiality of information acquired in the course of employment, responsibly use and maintain all assets and resources employed or entrusted to the officer, and promptly internally report violations of this Financial Code to the designated Compliance Officer and in the case of the Executive Chairman, President and CEO, and CFO, to the board of directors and/or Audit Committee of the board of directors.

The below outlines the board structure of IGIE:



As depicted in the chart above, as at 31 December 2025 the Board comprised one executive director, two non-executive directors and two independent non-executive directors. Each Board member has oversight responsibilities to help ensure that key functions and critical business activities are carried out effectively and in a sound and prudent manner.

The primary responsibility of the Board of Directors is to provide effective governance over the Company’s activities for the benefit of its shareholders and to balance the interests of its diverse stakeholders, including customers, employees, international suppliers and local communities.

The Board is responsible for providing leadership, integrity and judgement in directing the activities of the Company and for setting the goals and strategies necessary to operate and to provide oversight for the implementation of those strategies carried out by the executive management. Potential conflicts of interest are discussed and disclosed at the start of every Board meeting.

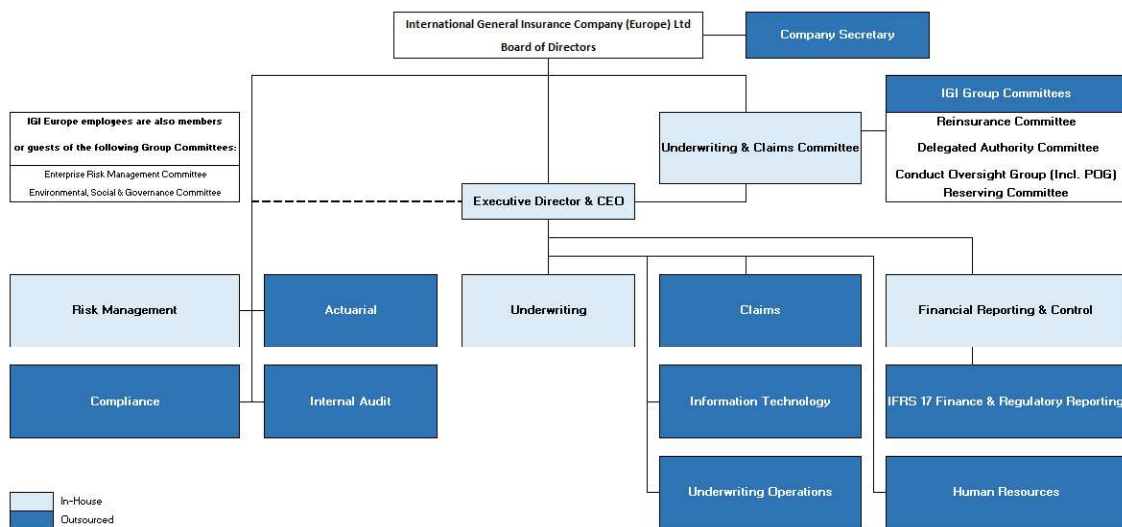
The Board’s responsibilities include:

- Strategy
- Board Committee
- Delegation
- Finance
- Financial Statements
- Investments
- Internal Controls
- General responsibilities assigned to a Board of Directors
- Information and Communications Technology (‘ICT’)
- Risk Management
- Internal Audit
- Compliance
- Actuarial
- Performance Monitoring
- Whistleblowing
- Board Operations
- External Audit
- ESG

The Company’s governance structure defines the key areas of authority and responsibility and establishes the appropriate lines of reporting. IGIE is structured so as to achieve its objectives and to enable effective risk management and to carry out its activities in a manner proportional to its size and complexity.

Taking into account the nature, scale and complexity of the risk profile and business activities of IGIE, the system of governance is considered to be appropriate for the Company.

The chart below outlines the Company’s Corporate Governance Structure.



As depicted in the above chart, IGIE has established an Underwriting and Claims Committee. The terms of reference are approved by the Board. The roles and responsibilities of the Underwriting and Claims Committee are outlined below.

Underwriting and Claims Committee

IGIE's Board of Directors established an Underwriting and Claims Committee comprising of the local CEO, the Head of Underwriting and a non-executive Director. The Committee is responsible for assisting the Board in discharging its responsibilities in respect of the following:

- Set the underwriting parameters in line with the risk appetite strategy of the Company;
- Ensure that the Chief Underwriter/Head of Underwriting is operating in line with the underwriting parameters and reinsurance strategy of the Company and in line with the delegated authority granted to him by the Board;
- Review the retained risk, capital adequacy and solvency of the Company;
- Determine and review on an annual basis the reinsurance strategy of the Company;
- Review security ratings of reinsurers in line with the Board's minimum standards;
- Provision of advice to the Board;
- Review the underwriting results of each portfolio on a quarterly basis;
- Ratify the products approved by the Conduct Oversight Group Committee;
- Ratify the entry into new coverholder agreements approved by the Group Delegated Authority Committee;
- To ratify all reinsurance decisions made by the Group Reinsurance Committee;
- To ensure ongoing compliance with the Insurance Distribution Directive ('IDD') demands and needs requirements;
- Determine and annually review the claims reserving policy of the Company;
- Review any major claims incurred and the appropriateness of reserves held;
- Review of the actuarial report on reserves held;
- Approve any large claim that needs the Committee's authorisation depending on internal authority limits;
- To ratify all reserves decisions made by the Group Reserving Committee;
- To receive an update from the Delegated Authority Team regarding ongoing audit, pending actions, and other facility business and monitoring; and
- To receive an update on ESG and sustainability.

Main roles and responsibilities of key functions

IGIE has in place four key functions, being Risk Management, Compliance, Actuarial and Internal Audit, as required by the Solvency II Directive and Chapter 6 of the Insurance Rules issued by the MFSA.

The information below outlines the main roles and responsibilities of the four key functions:

Risk Management Function

Is responsible for:

- Maintaining and developing the Risk and Capital Management Framework in a way that remains appropriate to the size and complexity of IGIE whilst supporting the effective identification, monitoring, management and reporting of internal and external risks;
- Embedding an enterprise risk culture throughout the business;
- Maintaining the annual risk management plan and reporting on progress to the Board on a quarterly basis;

- Assisting in the identification of all material risks, including sustainability risks and emerging risks faced by the business, and ensuring that all risks are adequately managed, monitored and reported in conjunction with 1st and 2nd line functions;
- Ensuring that the risk and control ownership is allocated to the most appropriate senior managers and facilitating regular risk and control reviews and reporting findings to the Board;
- Providing timely and appropriate influence, challenge and oversight in key business decisions, strategic changes, and operational developments that may materially impact the Company's risk profile, reputational and regulatory standing, or capital adequacy; and
- Maintaining and developing appropriate stress and scenario tests and reverse stress tests and reporting the results of such tests and any recommended remedial actions appropriately.

Further details are provided in section B.3.

Compliance Function

Is responsible for:

- Identifying and assessing compliance risks;
- Establishing an annual compliance monitoring plan;
- Implementing monitoring activities as per the Annual Compliance Monitoring Plan;
- Advising the Board of Directors on compliance and regulatory matters;
- Assessing the impact of any changes in legislation and regulation;
- Ensuring that the Company adheres to all applicable laws, rules and regulations; and
- Providing training programmes for staff on compliance issues.

Further details are provided in section B.4.

Internal Audit Function

The Internal Audit Function acts as the third line of defence. The function provides an independent and objective assurance to the Board on the effectiveness of the Company's risk management system, governance and internal controls. This is achieved through the preparation and implementation of an annual internal audit plan that utilises risk analysis and ensures that there are sufficient checks and balances throughout the Company and its outsourced third-party service providers which are critical to the Company's operations.

Further details are provided in section B.5.

Actuarial Function

The main responsibilities of the Actuarial Function are:

- Coordination and validation of the calculation of technical provisions, while ensuring that the methodologies, models, assumptions and data used in the calculation are appropriate;
- Calculation of best estimates of premium provisions and claims provisions and for each Line of Business;
- Evaluation, monitoring and reporting of the regulatory capital requirements of the Company using the SII Standard Formula;
- Express an opinion on the overall underwriting policy and the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk management system.

Further details are provided in section B.6.

Material Changes During the Period

Following the resignation of Ruwan Perera on 11 March 2025, Subir Kumar was appointed as Chief Technology and Information Officer and Chief Information Security Officer effective 1 September 2025. During the transition period, the IT function was overseen by the Group Chief Operating Officer, Hatem Jabsheh.

Additionally, Ms. Anais Mekki resigned from her role as the approved person for the Compliance Function and subsequently, on 8 January 2025, Ms. Sara Sassone was approved by the MFSA as the person responsible to carry out IGIE's compliance function.

Remuneration Policy and Practices

The remuneration policy and practices in respect of executives and employees are designed to compensate employees equitably based on their performance, consistent with the Company's business needs and financial strength and in a way that does not discriminate against anyone in accordance with the terms of the IGI Employee Diversity and Inclusion Policy.

The Company pays an employee a basic salary that is considered appropriate given the market rate for the role being performed. IGI Group's compensation philosophy is committed to attracting the required talent globally and conducts an analysis of country and local relevant benchmarking data to ensure the accuracy of both variable and fixed remuneration.

Executive directors are remunerated in accordance with their employment contracts issued and executed in their relevant entity country.

In addition to a fixed salary entitlement, IGI Group rewards employees with discretionary Short-Term Incentives ('STI') in the form of annual cash bonuses. The STI bonus awards are at the Company's discretion and do not constitute a contractual right. The STI bonus is based on the employee's individual performance and the profitability of the Group. The STI remuneration provides incentives for prudent risk taking in the short term, long term, and for sound risk management.

Discretionary Long-Term Incentives ('LTI') may also be awarded to Executive and Senior Management in the form of Restricted Share Units in IGI Holdings Ltd., in accordance with the IGI Group's 2020 Omnibus Incentive Plan.

Executive Directors and all employees are also eligible for Company pension contributions that are set according to local market practice and at a level that assists the Company in attracting and retaining high quality individuals.

During August 2024, IGI Group approved the Group's Global Employee Share Purchase Plans (collectively 'ESPP'). The ESPPs are non-qualified plans that provide eligible employees of the Company and its designated affiliates with an opportunity to purchase ordinary shares at a discount through payroll deductions. Under the terms of the plans, for every share purchased by eligible employees, the Company will award the employee with a matching share (subject to vesting periods) on the date of purchase of the shares. This, in effect, allows eligible employees to purchase ordinary shares in the Company at a 50% discount.

Non-executive Board members are compensated via the terms of their respective Service Agreements or Terms of Appointment Letters.

Material Transactions during the reporting period

No other material transactions occurred during the reporting period.

B.2. Fit and Proper Requirements

The Company maintains a Fit and Proper Policy designed to ensure that Directors, persons appointed to carry out a senior management role or key function are 'fit and proper' to perform the role. This includes demonstrating prior to appointment and on an ongoing basis that the individual:

- possesses the level of competence, knowledge, experience, qualifications, and has undertaken the required training;
- acts with integrity, due skill, care, diligence, honesty, and has sound judgment to properly perform their duties;
- past conduct and performance reflect high standards;
- is not disqualified from acting in their position or performing their duties in terms of any legislation; and
- complies with Conduct Standards/Rules.

The assessment includes an extensive range of background checks which include but are not limited to:

- The fit and proper declaration form to be completed by the applicant;
- The undertaking of credit checks to determine the status of the person's credit record;
- The verification of qualifications and work experience;
- The undertaking of background checks for violation of any regulations; and
- Undertaking of checks via the internet or any other means for any other adverse information relating to the person.

The fitness and properness of the respective persons are reviewed on an annual basis.

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

Risk Management System

IGIE closely monitors and manages risk exposures and the aggregate risk profile through a dedicated Risk function operating processes aimed at containing volatility, ensuring adequate policyholder protection at all times, and optimising risk / return profiles through the use of effective capital allocation.

Risk management system oversight is the responsibility of the Board of Directors. The Company's Risk Management function holder has a direct reporting line to IGIE's Board of Directors.

The governance structure includes well-defined lines of accountability for individuals, committees and boards and is laid out in the IGI Group's Risk and Capital Management Framework. As with other business functions, the risk management function is subject to Internal Audit.

IGIE has implemented the IGI Group's comprehensive risk framework designed around a clear understanding of the sources and nature of risks faced by the business, consistent with best practices recognised globally and in line with regulatory expectations.

The key objectives of the framework include:

- delivering an acceptable balance of risk / return volatility;
- ensuring the ability of the business to withstand severe but plausible stresses;
- maintaining sufficient liquidity at all times to service policyholder obligations; and
- minimising exposure to 'non-core' risks with no potential for value creation.

The risk function provides detailed Risk and Capital reporting to the Board at least quarterly encompassing the full scope of the risk universe and against the Board's defined Risk Appetites.

In the event of an actual, projected or proposed material change in the risk profile, the function performs an analysis to understand the potential implications from a risk and capital perspective ensuring that the results of the self-assessment form an integral part of the management and strategic decision-making process.

In addition to this ongoing monitoring and reporting, the function provides regulatory reporting on an annual/triennial basis including the ORSA, SFCR and Regular Supervisory Report ('RSR') which are also submitted to the MFSA.

Risk identification

On a quarterly basis, Risk Owners are required to formally reassess and reaffirm the full scope of risks and emerging risks, and associated controls, for which they are responsible through discussion with the Risk function. Any changes to existing items, including the addition of new risks etc. are considered during this discussion to ensure that all significant operational risks faced by the Company are well understood and monitored on a regular basis.

Risk assessment

IGIE has embedded the Group-wide Risk and Control Self-Assessment ('RCSA') framework whereby a qualitative assessment on all key risks and controls is carried out on a quarterly basis. The assessments of risks and controls are performed through discussions with Risk and Control Owners and challenged by the Risk Management function.

All key risks are assigned inherent and residual probability and severity ratings, taking into consideration the controls in place and their effectiveness. Controls are rated as Fully Effective, Partially Effective or Not in Effect/Not Effective, based on supporting narrative provided by Control Owners.

The assessment of controls ensures that they remain effective and the level of residual risk remains within the Company's risk appetite. The aim is to articulate risks and their associated controls clearly and at a level that enables effective monitoring and audit, providing a comprehensive assessment of the control environment.

A quantitative assessment of risks is also carried out using the SII Standard Formula and internal capital tools to quantify the risks to which the Company is exposed and the capital to hold to meet those risk exposures.

Risk and control monitoring

The monitoring of all identified risks and controls is an integral part of the Company's risk management process.

Monitoring of all key risks is carried out on at least a quarterly basis to ensure risks remain within the risk appetite and tolerance limits. This includes the monitoring of natural (e.g. Floods, Earthquake, Windstorm) and man-made (e.g. Fire, Terror) catastrophe risk exposures, quality of investments and their performance, security and credit ratings of counterparties, liquidity and currency mismatches between assets and liabilities, as well as operational risks, risk events and potential emerging risks.

Furthermore, the Risk function monitors the appropriateness of the control environment and the resolution of any identified deficiencies therein in the form of actions recorded on the risk management tool. Actions may also manifest from other sources in relation to the Risk and Capital Management Framework, such as from material changes in business strategy, high risk events, emerging risks, internal audit and board and committee meetings.

Risk reporting

A Risk and Capital review report is circulated to the IGIE Board on a quarterly basis. The report provides information on any material changes during the quarter's risk assessment review such as changes in the inherent or residual risk ratings, material control changes over the quarter, and the quantitative risk assessment results based on the SII Standard Formula calculation.

Any emerging risks and risk events identified during the period are also reported to the Board on a quarterly basis.

Furthermore, IGIE's Risk Management function monitors the risk appetite and tolerance limits on a quarterly basis and Red, Amber and Green ('RAG') ratings are reported to the Enterprise Risk Management Committee ('ERMC') and the IGIE Board accordingly. As a result, risk metrics that are close to or exceed the approved risk appetite and/or tolerance limits are escalated to the IGIE Board for consideration. Any breaches in risk tolerance limits are discussed by the ERMC and the Board and any agreed remediation actions continue to be monitored until the risk metric falls back within the risk appetite and tolerance limit.

The Risk Appetite Frameworks ('RAFs') are reviewed at least annually to ensure they remain consistent with the Company's business strategy and objectives, the economic environment, market conditions and regulatory expectations. Any risk appetite changes are subject to appropriate Board approval and are codified and reported fully in the quarterly Risk and Capital Reporting to the Board. Proposals to add / remove / amend tolerances may also be made at appropriate points in time through the quarterly cycle and considered by the Board at that time.

Furthermore, all underlying detail of control assessments and actions, including any challenge by the Risk function, granular control assessments and justification of action statuses is fully visible to the Internal Audit function.

The IGIE Exposure Management Summary also provides senior management and the IGIE Board with an overview of underwriting exposure accumulations across the multiple lines of business underwritten by the Company.

Implementation and integration of the Risk Management System in the organisational structure and decision-making process

The Board of Directors retain ultimate accountability for ensuring the adequacy of the Company's Risk and Capital Management Framework, approval of risk appetite and tolerance limits, promoting a positive risk culture and ensuring compliance.

The Boards and committees in turn are supported by the Risk, Actuarial, Compliance and Internal Audit functions consistent with the governance model operated across the IGI Group and its operating entities and recognised industry good practice.

The governance structure is based on well-defined lines of responsibility ('three lines of defence') for individuals within business functions, committees, Board, Risk Management, Actuarial, Compliance and Internal Audit. Ownership and clear lines of accountability are defined for all risk tasks, and these are ultimately linked to individual objectives.

Individuals within business functions are responsible for identifying and effectively managing and monitoring risks within their respective business function. The governance framework then enables the Risk Management function to have independent oversight and challenge to the first line through review and ongoing discussions to ensure that risks are being adequately monitored and kept within the boundaries defined by IGI Group and the Company.

The Compliance function is responsible for the identification and assessment of compliance risks, as well as identifying any emerging compliance risks, such as new laws and regulatory information which may have an impact on the Company. At the third line of defence, the Internal Audit function, provides an objective and independent assurance on the effectiveness of the risk management and internal control system.

Furthermore, a good risk culture is a key element contributing to the effectiveness of the Risk and Capital Management Framework and the day-to-day risk management processes across all areas of the Company. The Board assume an important role in providing the 'tone from the top' to embed a positive risk culture within the Company, by promoting support and collaboration among employees for the benefit of stakeholders. IGI encourages the open reporting of risk events and near-misses and as a result has established a culture of continuous learning, improving processes and the control environment.

IGI's risk culture is also demonstrated through the following:

- Risk ownership – All risks are attributed an owner. This would be the most relevant person with responsibility to identify and manage and monitor risks to ensure that the risk exposure remains within risk appetite. On a regular basis, risk owners report to the Risk function on its management of current and forward-looking risk exposures;
- Control owners – Control owners are integrated into the Risk and Capital Management Framework, and regular meetings are held with the Risk function and control owners to ensure the effective management of risks;
- Policies and procedures – The IGI Group has policies and procedures to ensure that all risk and operational decisions are made in accordance with approved policies and procedures and are within the Company's risk appetite; and
- Management information – The Risk function and senior management report and communicate risk-related information to all relevant Boards and management committees across the IGI Group and its entities to ensure that risk information is transparent across all areas of the IGI Group.

Own Risk and Solvency Assessment ('ORSA')

The Company's ORSA philosophy centres around embedding the core elements in our ongoing processes, in a way that is proportionate and reflects the inter-relationship between IGIE, IGIUK and its parent IGI Bermuda.

IGIE performs a comprehensive ORSA at least annually. The ORSA is not a one-off exercise but a process linking business planning, ongoing risk assessments, and capital management, comprising both regular risk monitoring and forward-looking assessment. On a quarterly basis, the Risk function produces a detailed Risk and Capital Review report, highlighting any material changes in the Company's risk exposure, solvency position, or risk appetite over the quarter. This quarterly monitoring of dynamic risk and capital elements ensures that emerging risks or shifts in the risk profile are promptly identified and managed within defined appetite. In parallel, the ORSA includes multi-year projections of IGIE's capital adequacy and solvency needs over the business planning horizon, together with a range of stress tests and scenario analyses (using both deterministic and stochastic methods) to assess the Company's resilience under adverse conditions.

The combination of these elements addresses the full scope of the requirements of the ORSA process and is considered both proportionate and appropriate to the risk profile of IGIE.

The results of the ORSA, including SCR projections and stress and scenario test results, are fully integrated into IGIE's management and Board decision-making. ORSA findings inform the setting of risk appetite, capital and liquidity planning, reinsurance strategy, and other risk mitigation or strategic initiatives. If the ORSA projections or stress results indicate a potential risk of future non-compliance with applicable capital requirements over the business planning period, IGIE's Board will promptly develop and implement an effective capital management action plan to restore and maintain appropriate solvency margins.

In line with Solvency II, on an annual basis the Company prepares an ORSA report documenting the ORSA process and its outcome, including the results of the assessment and the management actions taken as a result of the assessment.

Determination of Solvency Needs

At an aggregate level, the IGI Group targets its economic capital such that it remains sufficient to withstand a reasonably foreseeable shock or series of shocks whilst maintaining the “A” ratings from S&P and A.M. Best that support its ability to access attractive business in its core markets. Sufficient headroom over and above this level is held in order to maintain financial flexibility to allow for continued investment in business development.

The resultant level of capital held at IGI Bermuda is therefore significantly higher than the Bermuda Solvency Capital Requirement (considered broadly equivalent to the Solvency II SCR).

IGIE calculates its overall solvency needs using the SII Standard Formula, which is used to quantify capital requirements of the Company’s material risks and which for IGIE’s risk profile is appropriate. The IGIE Board monitors SII Own Funds coverage against its target Solvency Ratio on a formal basis at least quarterly (including a full recalculation of the Standard Formula SCR) and at any other such times as appropriate in the event of a projected or actual material impairment in the level of Own Funds or a material change in the risk profile.

Additionally, for those risks which are not covered by the Standard Formula, the Company has in place a number of controls to mitigate such risks. As explained above, the Company monitors all risks on an ongoing basis in order to identify any changes which may possibly result in capital shortfalls and ensure adequate management of such risks as they develop/emerge.

Should the Company require additional capital due to unexpected changes in external or internal factors, IGIE has the ability to draw down a capital injection from the IGI Group, IGIE also enjoys the benefit of a Parental Guarantee which provides protection to the Company’s policyholders beyond the level provided by the Company’s own resources.

B.4. Internal Control System

Description of the Internal Control Framework

The Company has established an Internal Control Framework which is directly linked to risk management and compliance. The framework has been established to ensure that the Company has an effective internal control system in place and that the control activities are commensurate to the risks arising from the Company’s activities and processes.

In addition, since IGI Group is listed on the Nasdaq Capital Markets, IGI Group and its subsidiaries are subject to Section 404 of the Sarbanes-Oxley Act of 2002 (‘SOX’). SOX is a law that seeks, among other things, to:

- Restore public trust in the public securities market;
- Improve corporate governance and promote ethical business practices;
- Enhance transparency of financial statements and disclosures;
- Ensure that company executives are aware of material information emanating from a well-controlled environment;
- Hold management accountable for material information that is filed with the SEC and released to investors; and
- Achieve new levels of corporate excellence and resilience.

Furthermore, SOX 404 requires management to accept responsibility for the effectiveness of the Company's internal control over financial reporting and evaluate effectiveness using suitable control criteria supported with sufficient evidence.

The system of internal control follows the Committee Of Sponsoring Organizations of the Treadway Commission ('COSO) framework and encompasses:

Control environment which sets the tone of the organisation, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. The control environment includes delegated authorities, policies and procedures within IGIE and the outsourced functions.

Risk assessment to identify, analyse and manage the relevant risks to the achievement of the Company's objectives and risks of material misstatements and which may significantly impact the system of internal control and the Company's performance.

Control activities which reflect policies and procedures to help ensure that management directives are carried out and any necessary actions are taken to address risks to the achievement of the Company's objectives.

Information and Communication whereby internal and external information is produced and shared across the Company to facilitate the effective operation of the control activities. Effective communication enables all employees and outsourced functions to receive clear and consistent information to assist them in understanding their role within the internal control system.

Monitoring whereby internal controls are monitored on a regular basis to ensure that all controls are adequately designed, executed, effective and adaptive. Any failures, or observed weaknesses identified by employees and/or outsourced functions as part of its ongoing activity shall be reported to management and the Board as soon as is practicable.

Compliance Function

IGIE has outsourced its Compliance function to Willis Towers Watson Malta ('WTW') under the terms of a Service Level Agreement ('SLA') between WTW and IGIE. The Compliance function is an independent and outsourced function and reports to the Board of Directors on at least a quarterly basis.

Compliance ensures that the business of the Company complies with all applicable regulatory requirements.

Among the responsibilities of the Compliance function is the crucial task of identifying and comprehensively understanding the legal, regulatory, and statutory requirements governing the company's operations. This includes staying abreast of any updates or changes in these regulations to ensure ongoing compliance.

Furthermore, the Compliance Function plays a pivotal role in establishing, implementing, and overseeing controls, policies, and procedures within the organization. These measures are designed to uphold regulatory standards and ensure that the company operates within the bounds of the law. Collaboration with various business units is essential in embedding these controls and policies throughout the organization, fostering a culture of compliance across all levels.

In addition to establishing controls, the Compliance Function is tasked with monitoring the firm's activities on a risk-based approach. This involves conducting regular assessments to identify potential compliance risks and taking appropriate action to mitigate them. Reporting these findings to the Board and senior management is essential for maintaining transparency and enabling informed decision-making regarding compliance matters.

As regulations and standards evolve, the Compliance Function serves as a trusted advisor to the Board and senior management, providing insights into impending regulatory changes and their potential impact on the company. This advisory role extends to assisting in the design and implementation of controls necessary to meet these evolving standards, ensuring the company remains compliant and adaptable in a dynamic regulatory environment.

Moreover, the Compliance Officer is responsible for developing and implementing the Compliance Policy and Plan, as well as the Compliance Monitoring Programme. These foundational documents serve as guiding frameworks for the company's compliance efforts and require annual approval from the Board to ensure alignment with strategic objectives and regulatory requirements.

The Compliance Function acts as a liaison with regulatory authorities, facilitating communication, reporting, and addressing any regulatory inquiries or inspections. Prompt notification of any breaches or non-compliance is imperative to maintain regulatory trust and integrity.

Lastly, the Compliance Function conducts regular reviews of products, procedures, and systems to assess their compliance effectiveness and identify areas for improvement. This ongoing evaluation is essential for ensuring continuous compliance and mitigating potential risks to the company's reputation and regulatory standing.

B.5. Internal Audit Function

IGIE has outsourced its Internal Audit function to IGIU under the terms of an SLA between IGIU and IGIE. It carries out an independent review of the internal control and governance system reporting on the strengths and weaknesses of the system.

The objective of the function is to provide IGIE's Board and management with reasonable assurance with regards to effective corporate governance, business risk management and internal controls. This is achieved through providing objective, independent, professional and risk-based assurance and consultation services in line with the Company's values and the professional ethics and standards of the Internal Audit function.

To maintain its independence and objectivity, the Internal Audit function does not perform another key function and does not assume operational responsibility or authority over any of the activities audited. Consequently, the Internal Audit function does not implement controls, develop procedures, install systems, prepare records or engage in any other activity that may impair its judgement.

Internal Audit adopts a risk-based approach with higher risk areas being reviewed on at least an annual basis. The Head of Internal Audit reports to the Company's Board of Directors on a quarterly basis. The Internal Audit plan is agreed by the Board on an annual basis and all its findings and reports are submitted to the Board for review and feedback.

B.6. Actuarial Function

IGIE has outsourced its Actuarial Function to IGIUK under the terms of an SLA between IGIUK and IGIE. It supports the IGI Group and all its subsidiaries across all areas where actuarial support is typically required. The Actuarial team is split between London, UK (currently 16 employees including the Group Chief Actuary), Amman, Jordan (currently 2 employees) and Bermuda (currently 1 employee).

The function coordinates and oversees the calculation of the Solvency II and IFRS technical loss provisions for the Company and carries out quarterly reserving reviews. It works closely with the Underwriting, Claims, Finance and Risk Management teams to ensure a deep understanding of exposure and loss experience.

In addition to its core role in reserving, the Actuarial function assists in reinsurance purchases including programme design and the development of technical pricing models and tools across all lines of business.

The IGI Group Chief Actuary reports to the IGI Group CEO and IGIUK CEO and is a member of or attends:

- Group Reserving Committee (Member)
- IGIUK Reserving Committee (Member)
- IGIE Reserving Committee (Member)
- IGI Bermuda Audit, Risk and Compliance Committee (Attendee)
- IGIUK Audit, Risk and Compliance Committee (Attendee)
- IGIE Board (Attendee)
- IGI Group Audit and Risk Committee (Attendee)
- Group Management Committee (Member)
- Group Enterprise Risk Management Committee (Member)
- Group Reinsurance Committee (Member)
- Group Environmental, Social and Governance Committee (Member)

There is potential for conflict of interest to affect the Actuarial Function, and this is dealt with through appropriate protocols and procedures and reporting line structure.

Relevant members are required to consider appropriate actuarial standards including peer review requirements. All actuaries within the function are members of professional organisations and subject to professionalism requirements and regulated by their Self-Regulating Organisations ('SROs').

To ensure that the Actuarial function maintains an appropriate level of independence the Group Chief Actuary has a direct reporting line to the IGIE Board, including Non-Executive Directors.

B.7. Outsourcing

Outsourcing is the use of a third-party (intra-group or outside IGI Group) to perform a process, a service or an activity on a recurring or ongoing basis which would otherwise be undertaken by the Company. The third party to whom the activity is outsourced is referred to as the 'service provider'.

IGIE seeks to outsource those activities where outsourcing provides access to either specialist expertise not available in-house or where outsourcing enables significant efficiency savings. IGIE will only consider outsourcing to those third parties and intra-group that can meet the Company's financial, operational, and regulatory standards.

When outsourcing any critical/important or key functions, the Company remains responsible for discharging its obligations under the relevant regulatory requirements. Outsourcing of critical or important functions or activities is not undertaken in such a way that could lead to any of the following:

- Materially impairing the quality of the Company's system of governance;
- Unduly increasing the operational risk;
- Impairing the ability of the supervisory authorities to monitor the firm's compliance with its obligations; or
- Undermining continuous and satisfactory service to policyholders.

During 2025, the IGIE Board reviewed and approved the Group Outsourcing and Other Third-Party Arrangements Policy, ensuring its applicability to IGIE's operations and regulatory requirements. IGIE follows this Group policy throughout the outsourcing lifecycle (from need initiation to contract establishment). Prior to outsourcing any critical function, the Company conducts a risk assessment and due diligence to confirm that it can maintain sufficient oversight and control over the proposed outsourcing arrangement.

The Company also ensures that it establishes appropriate contingency arrangements to allow business continuity in the event of a significant loss of services from the service provider. Considerations include a

significant loss of resources at the service provider, or financial failure of the service provider and unexpected termination of the arrangement. Third-party arrangements are categorised according to the materiality of their services to the Company. Material arrangements will undergo enhanced due diligence and monitoring, with key performance indicators ('KPIs') established at the outset and regularly tracked during the outsourcing lifecycle.

The table below outlines the critical or important functions that the Company outsourced during the reporting period:

Critical or Important Function	Name of Provider	Jurisdiction
Internal Audit	IGIU	Amman, Jordan
Actuarial Function	IGIUK	London, UK
Compliance Function	Willis Towers Watson	Malta
Claims Management	IGIU ^{Note 1}	Amman, Jordan
	IGIUK ^{Note 2}	London, UK
Finance Function (IFRS17)	Willis Towers Watson	Malta
Information Technology	IGIU	Amman, Jordan

Note 1 – All lines of business except Casualty and Ports & Terminals lines of business

Note 2 – Only for Casualty and Ports & Terminals lines of business

For each outsourced key function IGIE has designated Board members responsible for the oversight of these functions to provide appropriate challenge and oversight of the performance and results of the service providers and ensure that the functions are being carried out in an effective manner and in line with all Solvency II requirements.

The Company takes a risk-based approach to all these activities with service providers subject to defined contracts, service level agreements and ongoing performance management.

B.8. Any Other Information

Assessment of adequacy of the system of governance

Through its ongoing assessment of the system of governance including the critical/important and key functions, the regular review of their outputs, and the annual Corporate Governance Assessment Review, the Board considers the appropriateness and adequacy of the system of governance in relation to the nature, scale and the complexity of the risks inherent in its business.

Other material information

There is no other material information regarding the system of governance that requires disclosure.

C. RISK PROFILE

This section sets out the Company's risk management approach and key exposures for each category of risk as required by Article 295 of the Commission Delegated Regulation 2015/35. It outlines the Company's risk profile and risk exposures over the reporting period, and describes how these risks are identified, monitored and managed in accordance with the Company's Risk and Capital Management Framework ('RCMF') and Own Risk and Solvency Assessment ('ORSA') process.

The Company's principal risk categories comprise underwriting, market, credit, liquidity, operational, strategic, group contagion, credit rating downgrade, reputational, ESG and other risks (including emerging risks) that arise as a result of doing business. These risks are assessed using a combination of qualitative risk and control self-assessments and quantitative measures (including the Solvency II Standard Formula) and are reported to management and the Board at least quarterly against established risk appetite and tolerance limits.

During the reporting period, the overall composition of the Company's risk profile remained broadly consistent with the prior year and within the Company's risk appetite. The Company continues to monitor for material changes in its risk profile through its quarterly risk and capital reporting, with escalation to the Board where risk metrics approach or breach defined limits and where events or strategic developments could materially affect the Company's solvency, liquidity, earnings or reputation.

The approach to quantifying risk in respect of its contribution to the Company's regulatory capital requirement is dealt with in Section E.2. 'Solvency Capital Requirement and Minimum Capital Requirement'.

C.1. Underwriting Risk

Underwriting risk is a 'core' intrinsic risk which arises from the Company's general insurance activities. It is associated with the risk of financial losses or adverse changes in the value of insurance liabilities due to variations in underwriting results from plan.

Risk Exposure

The most material elements of underwriting risk may result from inadequate pricing and reserving assumptions due to internal or external factors including inadequate reinsurance protection, underwriting breaches or large natural or man-made catastrophe claims, including in respect of Political Violence and Contingency classes of business.

Reserve Risk

Reserve risk is defined as the risk that technical provisions may be inadequate, by line of business or in aggregate. To recognise liabilities for unpaid losses and loss adjustment expenses, whether reported or not, the Company establishes reserves representing estimates of future claim payments and related costs arising from insured events that have occurred. These estimates are inherently subjective and based on actuarial judgments, and may change as claims develop, new information becomes available, coverage positions are clarified, or economic conditions evolve.

The timing and amount of claim settlements and reinsurance recoveries may differ from the assumptions used in establishing reserves. Adverse development or delays in settlement could require reserve strengthening or improvements, which would reduce or increase profitability.

Catastrophe Risk

The Company has a low appetite for loss of earnings arising from catastrophe losses or exposures and looks to mitigate downside losses to a reasonable level expressed as a percentage of capital for both a single occurrence and aggregate year basis through outwards reinsurance coverage. Furthermore, IGIE uses the services of IGI Group which has a dedicated catastrophe and exposure management team responsible for continually developing and enhancing the reporting, analysis and methodology underpinning the aggregation systems upon which it relies.

The team has extensive risk management, underwriting, actuarial and data management skills and experience and works closely with risk management, actuaries, proprietary modelling entities and other related entities as required.

To manage and monitor the natural (including climate-related risk) catastrophe exposures, the Company uses a range of approaches incorporating a combination of both stochastic probabilistic loss modelling and deterministic event sets to measure and quantify exposures.

For non-natural exposures where stochastic modelling capabilities are not available, and for natural perils / zones where models are either not available or not robust, the Company uses several alternative deterministic or Probable Maximum Loss ('PML') approaches to assess its exposure to individual loss scenarios.

In addition, the Company produces actual historical loss scenarios that have resulted in large industry wide insured losses along with cloned events to produce a deviation around these scenarios.

Furthermore, as an additional critical part of the underwriting and portfolio management process of the Political Violence class of business, it is imperative that accurate up-to-date exposure data is available. The Company employs the Sequel Impact tool for aggregating terrorism exposures on the basis of individually geocoded risk exposures.

Cyber Underwriting Risk

Cyber underwriting risk is defined as the set of prudential risks emanating from underwriting insurance contracts that are exposed to cyber-related losses resulting from malicious acts (e.g. cyber-attack, infection of an IT system with malicious code) and non-malicious acts (e.g. loss of data, accidental acts or omissions) involving both tangible and intangible assets.

IGIE chooses not to write stand-alone Cyber insurance and hence its affirmative exposures are limited. While the Company aims to exclude cyber exposure where possible, it may still be exposed to silent (non-affirmative) cyber underwriting risk exposure.

To ensure cyber coverage clarity and reduce silent cyber exposures underwriters make use of the cyber clauses released by UK insurance industry associations, namely the Lloyd's Market Association ('LMA') and the International Underwriting Association ('IUA'), to fully exclude or substantially limit potential coverage for cyber-related claims. Furthermore, where policies include an element of exclusion with writebacks or limited exclusions, these are covered by the outwards reinsurance programme.

Risk Concentration

IGIE writes a diversified book of business across the EEA and through different classes of business. The Company seeks to manage its exposure to insurance and reinsurance losses through a number of loss limitation methods, including internal risk management procedures, writing business on an excess of loss ('XOL') basis, enforcement and oversight of our underwriting processes, outwards reinsurance protection, adhering to maximum limitations on policies whether written on a proportional, first loss or XOL basis, written in defined geographical zones, limiting programme size for each client, establishing per risk and per

occurrence limitations for each event, employing coverage restrictions and following prudent underwriting guidelines for each programme written.

In relation to catastrophe risk, the Company monitors and controls the accumulation of risk for a number of realistic disaster scenario events. There are specific scenarios for natural, man-made and economic disasters, and for different business lines.

The following table details the most material IGIE risk concentrations in respect of Underwriting risk as reported to the IGIE Board meeting for the Q4 2025 period. The amounts are reported net of all reinsurance and allowing for reinstatement premiums where relevant. The % Own Funds column demonstrates the impact of each scenario in terms of its potential to deplete available Own Funds at Q4 2025.

Line of Business	Basis	Max Exposure	US\$m	% of Own Funds ^{Note 1}
All Nat Cat Exposed Risks	All Natural Perils – AEP ^{Note 2} (1 in 100)	Italy	0.4	1%
	All Natural Perils – OEP ^{Note 3} (1 in 250)	EEA	0.9	3%
	All Natural Perils – AEP (1 in 250)	EEA	1.0	4%
	All Natural Perils – AEP (1 in 500)	EEA	1.3	5%
Political Violence	Terrorism – 250 Meter Bomb Blast	Aukra - Norway	2.9	11%
	SRCC ^{Note 4} - Largest City Exposures – (Internal PML based on AKE rating)	Greece - Alimos	1.3	5%
	War – Country Exposures – (Internal PML based on AKE rating)	Greece	0.7	3%
Casualty & Professional Lines	Deterministic (2 max lines)		5.5	21%
Financial Institutions	Deterministic (2 max lines)		4.4	17%
General Aviation ^{Note 5}	Deterministic (largest 2 combined Hull / Liability)		5.1	19%

Note 1: Single Occurrence Event Risk Appetite: **Green <15%**, **Amber 15% - 30%**, **Red >30%** (modelled loss as % of Own Funds).

Aggregate Occurrence Event Risk Appetite: **Green <20%**, **Amber 20% - 30%**, **Red >30%** (modelled loss as % of Own Funds).

Note 2: AEP (Aggregate Exceedance Probability) – the probability that the associated loss level will be exceeded by the aggregate losses in the given year.

Note 3: OEP (Occurrence Exceedance Probability (OEP) – the probability that the associated loss level will be exceeded by any event in the given year.

Note 4: SRCC refers to Strikes, Riots and Civil Commotion and is based on a deterministic scenario resulting in the loss amounting to 20% of the total insured value of all exposures in a given major city.

Note 5: This is a somewhat theoretical and extreme return period scenario as it requires the two largest combined Hull/Liability exposures in our worldwide portfolio colliding with each other resulting in a total loss.

IGIE monitors Aggregate Exceedance Probability ('AEP') All Natural Perils ('ANP') metrics by country showing the aggregate level of catastrophe risk at a 1 in 100-year return period, 1 in 250-year return period and at a 1 in 500-year return period for worldwide regions. In addition, IGIE monitors the Worldwide ANP 1 in 250-year return period Occurrence Exceedance Probability ('OEP') metric.

Based on the above, the Company's most significant modelled scenario of the AEP (1 in 500) accounted for 5% of Own Funds at year-end 2025. The Company's most significant modelled exposure to a Realistic Disaster

Scenario (Political Violence Terrorism - 250 Meter Bomb Blast) would amount to 11% of available Solvency II Own Funds and would fall within the headroom held.

Risk Mitigation

The primary tools for managing Underwriting risk include:

- Maintaining a versatile and well-diversified book of business;
- Implementing effective underwriting guidelines and authority matrices and monitoring compliance against them;
- Underwriting within prudent aggregate loss and PML limits at both individual and portfolio levels;
- Operating a robust exposure management system;
- Applying a prudent approach to claims reserving;
- External (Independent) actuarial review of reserves;
- Maintaining a stratified and well-structured reinsurance programme; and
- Conducting frequent and effective monitoring and performance review practices.

The Company employs an extensive reinsurance programme designed to contain underwriting risk within acceptable levels.

The external reinsurance programme is designed and purchased at the IGI Bermuda level to leverage the purchasing power of the IGI Group and to provide protection to all IGI Group insurance risk taking entities and with full oversight from IGIE. It encompasses:

- Excess of Loss ('XOL') treaty arrangements to limit exposure to peak or catastrophe losses to an acceptable level;
- Quota Share or Proportional treaty arrangements to share risk on selected lines of business, particularly newer lines, with partner reinsurers;
- Facultative reinsurances placed on a case-by-case basis to manage individual risk exposures, and to either protect the Company's retention, or reduce the maximum exposure to within the set underwriting limits; and
- Intra-group Quota Share treaty under which 75% of the retained risk net of the external reinsurance arrangements is ceded to IGI Bermuda.

The effectiveness of these arrangements is monitored on a current and retrospective basis through the reserving process, where their impact on mitigating the gross risk and potential counterparty default risk is explicitly considered.

Prospectively, the risk / return profile and overall adequacy of the reinsurance programme are evaluated during the business planning and reinsurance placement process using internal and external deterministic and stochastic analysis, in collaboration with the Actuarial function to appropriately parameterise loss distributions.

The impact of reinsurance recoveries, including the associated counterparty default risk, is explicitly reflected in the Company's SCR calculation under the SII Standard Formula.

The following specific risks relating to the programme are monitored on an ongoing basis to ensure continued alignment with the Risk Appetite Framework and the capital assumptions used in the SCR calculation:

- Vertical exhaustion risk – the risk that gross losses exceed the total limits available under the reinsurance programme. This is monitored through catastrophe exposure modelling, with gross and net (of reinsurance) loss estimates produced using deterministic and stochastic scenarios. Results are reported to management and the IGIE Board on at least a quarterly basis.

- Horizontal exhaustion risk – the risk that multiple loss events exhaust the number of reinstatements available under one or more layers of the programme. This is assessed through monitoring reinstatement utilisation and modelling the expected frequency and severity of losses that may attach to the programme in a given return period.

Stress testing and sensitivity analysis

See section C.7 for information on stress testing and sensitivity analysis for all the risk categories.

C.2. Market Risk

Market risk is defined as the risk of adverse changes in the value of assets, liabilities, and financial instruments arising from movements in market prices, including interest rates, equity prices, credit spreads and foreign exchange rates. This may affect the Company's economic position, including its capital position, investments, liquidity and other market-sensitive exposures.

Risk Exposure

IGIE's market risk is further split into the following sub-categories:

- Currency risk: The risk of adverse variation in the value of net assets in foreign currencies as a result of currency rate movements. IGIE is exposed to currency risk as a natural consequence of writing business and incurring liabilities in different currencies, other than USD. While the Company intends to keep currency mismatches to a minimum, it must ensure that it holds an adequate amount of non-USD assets to meet its future liabilities and policyholder obligations.
- Interest rate risk: The risk of variation in the market value of fixed-interest securities as a result of changes in prevailing interest rates;
- Spread risk: The risk of variation in the market value of fixed-income securities as a result of changes in the compensation required by the market for credit risk including the risk of default;
- Re-investment risk: The risk of reinvesting funds upon maturity at a lower rate of return as the original investment; and
- Asset-liability management: The risk of adverse movements in the relative value of assets and liabilities due to changes in general market factors, such as interest rates, inflation and foreign exchange rates.

IGIE's Investment Portfolio as at 31 December 2025 was composed of cash and term deposits (27.3%) and well-rated fixed-income securities (72.7%).

Risk Concentration

The Company's asset portfolio at 31 December 2025 exposed IGIE to some concentration of cash deposits held with an "A" rated bank. While this is not necessarily of concern, the Company regularly monitors economic conditions and the bank's financial condition and credit ratings to ensure it is aware of any material threats or any possible adverse events in a timely manner.

The Company has no other material risk concentrations.

Prudent Person Principle

The Company has established investment guidelines approved by the Board for the purpose of effectively managing and monitoring the Company's investments and to ensure that assets are invested in an adequate manner to cover the Minimum Capital Requirement and the Solvency Capital Requirement in accordance with the Prudent Person Principle, as laid down in Article 132 of the Solvency II Directive.

The guidelines enable the Company to maintain a highly liquid investment portfolio while ensuring the security, quality, profitability and sustainability of the investment portfolio. During 2025, IGIE held a high proportion of its investments in well-rated fixed-income securities across different sectors, while still maintaining an adequate proportion of cash. The Company's investment strategy also allows for selective investments in equities and alternative funds. While such investments may be considered in 2026, they will be limited due to their higher risk and volatility.

Furthermore, the Company may only assume investment risks that it is able to identify, measure, respond to, monitor, control, and report on while taking into consideration the capital requirements and adequacy, liquidity requirements, the financial market environment, and policyholder obligations.

The guidelines outline the parameters and allocation limits of the Company's assets that are available for investment including risk tolerances for counterparty quality, concentration, and asset types. The allocation limits are set to ensure the risk is maintained within the risk tolerance levels and that the portfolio meets appropriate regulatory requirements. These are updated at least annually and at other such times as required to adapt to the changing economic, business and investment market conditions.

Risk Mitigation

The Company has a relatively low appetite for market risk and asset-liability mismatch and therefore seeks to maintain its investments in line with the conservative internal investment guidelines, recognising that the Company's primary driver of value creation is underwriting rather than investment activity.

The primary tools for managing Market risk include, but are not limited to:

- Maintaining clear investment guidelines that limit exposure to non-traditional investment classes and establish minimum counterparty quality or credit rating requirements, as well as minimum and maximum limits by investment type and geographical concentration;
- Ensuring ongoing compliance with the Prudent Person Principle;
- Regular monitoring of the investment portfolio, including investment holdings by asset class, cost and current market price;
- Monitoring the credit rating of all investments; and
- Preparing quarterly Asset Liability Management ('ALM') reports.

Stress testing and sensitivity analysis

See section C.7 for information on stress testing and sensitivity analysis for all the risk categories.

C.3. Credit Risk

Credit risk is defined as the risk of financial loss arising from the failure of a counterparty to meet its financial obligation to the Company in a timely manner. The Company is exposed to the risk of counterparty default in respect of premiums receivable, reinsurance recoverables and its investment holdings and cash balances.

The potential impact of such counterparty default is explicitly captured in the Standard Formula SCR calculation.

Risk Exposure

Credit risk is split into the following sub-categories including:

- Reinsurer counterparty: The risk of loss from the failure of a reinsurer to make a payment due;
- Intra-group reinsurance: The risk of loss arising from the Company's reliance on IGI Bermuda to fulfil its reinsurance obligations;

- Investment counterparty: The counterparty credit risk that demand / call / time deposits held with banks or fixed-income investments will not be received due to insolvency; and
- Intermediary counterparty: The risk of loss from the failure of an intermediary to make a payment to, or on behalf of, the Company.

At year-end 2025, the Company's largest exposure to credit risk came from reinsurance counterparties and bank deposits, which are both classified as Type 1 in the Standard Formula SCR. The Company is exposed to reinsurer counterparty risk since it employs an outwards reinsurance programme in addition to the intra-group quota share arrangement in place between the Company and IGI Bermuda. The Company is also exposed to counterparty default risk as a result of the amount of cash held at banks.

Counterparty default risk is considered 'non-core' in that it is not something where we seek to create a return. It arises as a consequence of the use of reinsurance to mitigate underwriting risk, the management of investment holdings, and the Company's reliance on intermediaries and other counterparties in the ordinary course of business.

Risk Concentration

The Company is exposed to concentrations of credit risk in respect of the intra-group reinsurance arrangement with its parent. In this respect, the Board closely monitors the financial and solvency position of IGI Bermuda on a quarterly basis.

During the reporting period, IGIE was also exposed to Credit risk concentration in respect of a significant amount of cash holdings with an "A" rated bank.

Risk Mitigation

The Company has a low appetite for Credit risk in including material levels of bad debt arising from intermediaries, reinsurers and other third parties.

The primary tools for managing Credit risk include:

- Minimum credit quality criteria for outwards reinsurance counterparties, whereby reinsurers must hold at least an "A-" rating from A.M. Best or "BBB+" from S&P for short-tail classes, and at least an "A" rating from A.M. Best or "A-" from S&P for long tail classes at the time of placement. Counterparties rated below these thresholds may only be used subject to the approval of the Reinsurance Committee;
- Applying effective credit control policies and procedures, in respect of broker and reinsurer receivables, including producing and monitoring aged debt reports on a regular basis;
- Ensuring that all brokers and coverholders are subject to appropriate due diligence and terms of business agreements ('TOBAs');
- Monitoring the shared reinsurance programme on a quarterly basis through the Reinsurance Security Committee, assessing potential erosions or exhaustions, and implementing remediation plans as required; and
- Regular monitoring of the banks' financial performance and credit ratings, including the credit ratings of the Company's investments other than cash. The Company developed an investment strategy and guidelines to ensure a better diversification of its investment portfolio.

Stress testing and sensitivity analysis

See section C.7 for information on stress testing and sensitivity analysis for all the risk categories.

C.4. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to meet its commitments associated with insurance contracts and financial liabilities as they fall due.

Risk Exposure

The Company considers liquidity risk both in terms of the risk of having insufficient liquid financial resources to satisfy policyholder liabilities and maintaining financial flexibility in the event of a stress event.

Liquidity risk includes the following:

- Payment default risk: The risk that there is insufficient cash to make payments when due and that no additional cash can be made available by borrowing, or the sale of assets or capital raising;
- Suboptimal asset realisation: The risk that securities or other assets are required to be sold at a suboptimal price to meet liquidity requirements; and
- Collateral risk: The risk that the Company is unable to provide collateral to a third party when contractually required to do so.

Risk Concentration

There were no material liquidity risk concentrations as at 31 December 2025.

Risk Mitigation

The Company maintains a low appetite for liquidity risk. Liquidity risk is primarily mitigated through conservative investment strategy and guidelines designed to ensure the availability of high quality liquid assets at all times. The investment guidelines require the portfolio to be structured so that it can comfortably meet a combination of significant reserve payouts and a gross underwriting stress loss, even under adverse conditions.

As at year-end 2025, the Company's investment portfolio consisted of cash, term deposits and short-term well-rated fixed-income securities. All of these instruments are considered readily realisable with minimal price volatility, thereby supporting the Company's ability to meet its obligations as they fall due.

Additionally, liquidity risk is monitored on a quarterly basis within the Risk Appetite Framework, ensuring continuous oversight and early identification of any emerging vulnerabilities.

IGIE also benefits from a full Parental Guarantee, which provides an additional layer of policyholder protection and strengthens overall liquidity resilience beyond the Company's own capital resources. Furthermore, should the Company require additional liquidity over and above that provided by its own investment portfolio (or as a short-term measure to avoid the realisation of unrealised investment losses) it could draw upon intra-group support through the transfer of assets to IGI Bermuda in return for cash.

Expected Profit in Future Premium

The gross expected profit included in future premiums ('EPIFP') as at 31 December 2025 is US\$3.1m. The EPIFP represents the profits that are expected to materialise from existing (in-force) insurance and reinsurance contracts that are to be received in the future, but that have not yet been received. Any premiums already received by IGIE are not included in the EPIFP. Net of all reinsurance this amount is US\$428k.

Stress testing and Sensitivity analysis

See section C.7 for information on stress testing and sensitivity analysis for all the risk categories.

C.5. Operational Risk

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people, systems, or from external events. Operational risk events may impact the Company in terms of financial loss, reputational damage, regulatory sanction, inefficiency or opportunity loss.

Risk Exposure

The Company is exposed to Operational risks which may crystallise either independently of, or be correlated to the intrinsic 'core' (Underwriting risks and Investment risks) and 'non-core' (Reserving risks, Currency risks, Liquidity risks and Counterparty Default risks). Operational risks include the following:

- **Legal and Compliance Risk:** The risk of legal or regulatory sanctions, material financial loss, or reputational damage due to non-compliance with applicable laws, regulations, general good provisions, and other relevant industry and professional standards. IGIE is committed to full compliance and has no appetite for any material regulatory and compliance breaches.
- **ICT and Cyber Security Risk:** The risk of inappropriate access to, or failure of IT systems or capability to maintain operational resilience and functionality in the event of disruptions including cyber security events. The potential for cyber security events to disrupt IGI's operations or the integrity of its data remain a key risk to IGI which has been escalated as a result of technological advancements and geopolitical tensions.
- **Human Resources Risk:** The risk that the Company may be unable to meet its strategic and operating objectives due to inappropriate management and/or deployment of human resources. This risk is also associated with attracting and retaining talented and key employees, and succession planning.
- **Outsourcing and Third-Party Risk:** The risk of ineffective or inadequate performance of an outsourced or third-party service provider in carrying out a process, a service or an activity, whether directly or by sub-outsourcing via an external service provider or through an intra-group outsourcing arrangement. IGIE outsources a number of activities and key, critical or important functions both intra-group and to WTW. While outsourcing arrangements brings various potential benefits, including increased efficiencies, lower operating cost, use of technology and access to skills and expertise to IGIE, the use of service providers both intra-group and external expose IGIE to outsourcing and third-party risks.
- **Process Risk:** The risk of failures in key processes that may give rise to financial loss, reputational damage, or failure to appropriately deliver customer value or meet regulatory requirements. As an SEC Registrant, IGI Group is subject to compliance with the Sarbanes-Oxley Act of 2002. Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15 (f) and 15d-15(f) under the Exchange Act to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements. IGI's management assessed the effectiveness of internal controls over financial reporting as of 31 December 2025, based upon criteria set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's internal control over financial reporting was effective as at 31 December 2025.

An allowance for the potential capital impact of Operational risks is made under the SII Standard Formula.

Operational risk is monitored via the risks and controls register that articulates the material sources of potential risks and failures in the key controls in place to manage them.

Risk Concentration

The Company's most material Operational risk concentrations as at 31 December 2025, related to its key outsourcing arrangements, specifically those in place with the wider IGI Group and Willis Towers Watson (Malta). These arrangements represent critical dependencies on both intra-group and third-party service providers for the delivery of essential operational, finance, actuarial, compliance and other support functions. As a result, any disruption, or failure within these outsourced activities could have an adverse impact on the Company's ability to maintain effective operations, meet regulatory expectations, and continue delivering services to policyholders.

Risk Mitigation

The control and risk mitigation approach includes:

- Established procedural controls including workflow management, segregation of duties and documented procedures and process maps to ensure operational consistency and reduce the risk of process failures.
- Ongoing monitoring of compliance with all applicable laws, regulations, and internal policies and procedures, supported by regular reviews, mandatory training, and continuous oversight from the Compliance and Risk functions.
- Business continuity and Disaster recovery plans, underpinned by formal Business Impact Assessments. These ensure that critical operations can be maintained or restored within tolerable timeframes in the event of operational disruption, including failures of outsourced service providers.
- Maintaining a comprehensive cybersecurity framework, incorporating network monitoring, threat detection tools, multi-factor authentication, data encryption protocols, vulnerability assessments, access controls, and regular penetration testing, to safeguard systems and sensitive information. This is supported by an appropriate Information and Communications Technology ('ICT') Risk Management framework and IT Security framework to ensure that adequate controls are in place to support business needs and regulatory expectations and manage ICT-related risks.
- Periodic performance and due-diligence reviews of third-party service providers. This includes assessment of financial soundness, operational capability, information security and adherence with service-level agreements.
- Maintaining effective human resource management and development practices, ensuring adequate staffing levels, competence, and succession planning across all critical functions.
- Contingency measures to mitigate outsourcing and third-party dependency risk, including maintaining alternative back-up processes, ensuring contractual provisions provide sufficient termination rights and notice periods; and keeping up-to-date exit strategies together with a comprehensive outsourcing and third-party register.

During 2025, the Company completed an Internal Audit review of its readiness for the Digital Operational Resilience Act ('DORA'). DORA requires that insurance undertakings enhance the resilience of their network and information systems, including those of their critical outsourcing partners. This includes ensuring the ability to withstand, respond to and recover from all types of ICT-related disruptions and threats. Based on the assessment of IGI's documentation, self-assessments and walkthroughs, the internal audit review concluded that the overall readiness rating for IGI's DORA implementation as 'Implemented'.

On a quarterly basis and/or following an operational loss event materialising, the Risk function meets Risk and Control Owners to formally discuss and reassess/reaffirm the risk ratings and control effectiveness ratings for which they are responsible. Control Owners are required to assess whether the controls in place are still operating as intended and whether they will continue to operate effectively in the future.

The risk and control assessment enables the Risk function and the Board to identify the top risks of the Company and understand which risks are being effectively mitigated and controlled and those which are less effective and to focus on and allocate resources to those areas of risk with higher residual risk exposures.

Stress testing and Sensitivity analysis

See section C.7 for information on stress testing and sensitivity analysis for all the risk categories.

C.6. Other Material Risks

In addition to the above risks that have the potential to result in capital depletion, the Company also considers Strategic risk, Group contagion risk, Group rating downgrade risk, Reputational risk and ESG risk to be relevant.

The risks are managed through the strategic and business planning / performance monitoring processes to ensure that changes in the economic and market environment are factored into the long-term and tactical plans for the Company.

Strategic risk

The Company defines strategic risk as the risk of adverse impact on shareholder value, or income and capital arising from adverse business decisions, poor execution or failure to respond appropriately to market and industry changes. This may be caused by failure to:

- devise, implement, maintain and communicate an effective business strategy that is consistent with the risk and return objective and risk appetite; and
- effectively structure and manage the inter-relationships between IGI Group entities in such a way as to maximise the benefits of the structure whilst affording adequate protection to an individual entity.

This is mitigated through detailed strategic and business plans which undergo stress and scenario testing and reverse stress testing annually. Risk assessments and stress and scenario testing, are also carried out prior to any key changes in the Company to ensure that the Company can remain within its risk appetite as a result of any strategic changes.

Group Contagion risk

The Company defines Group Contagion risk as the risk that adverse events, financial stress, operational disruption, or reputational damage affecting one or more business units or entities damage the solvency, liquidity, business continuity or reputation of the Company.

IGIE is exposed to contagion risk due to the interconnected nature of the IGI Group and its entities, both from an operational and financial perspective. IGIE relies on the wider IGI Group for the provision of some functions. Consequently, the Company may be exposed to risks stemming from intra-group outsourcing arrangements, particularly where these services are not carried out in accordance with the service level agreements ('SLAs'), internal policies, and all applicable legal and regulatory requirements.

Contagion risks may also arise from strategic or operational decisions taken by the IGI Group or other Group entities which may compromise the IGI Group or respective entity's going-concern, strategy, regulatory standing or reputation which may have an adverse impact on IGIE. Therefore, the Company may be negatively impacted if the IGI Group fails to effectively structure, manage and oversee the inter-relationships between IGI Group entities in a manner that maximises the benefits of the structure whilst ensuring appropriate protection for individual legal entities.

Group Rating Downgrade Risk

IGIE is exposed to the risk that a downgrade in the credit rating of the IGI Group could adversely affect the Company's business, strategic objectives, and financial performance. The IGI Group currently holds an "A" (Excellent) rating with a stable outlook from A.M. Best, and in 2025 S&P upgraded their financial strength rating to "A" from "A-", also assigning a stable outlook. A downgrade in either of these ratings could negatively impact the IGI Group and IGIE's ability to market its products, expand its insurance and reinsurance portfolio, and renew existing insurance and reinsurance policies and agreements. Additionally, a downgrade could trigger contractual provisions requiring IGI to establish trusts, post letters of credit, or return unexpired premiums, potentially leading to a material loss of business.

IGI Group provides A.M. Best and S&P with detailed balance sheet, risk profile, and business plan data at least annually, which is used in their rating assessments. The Group also participates in annual meetings with rating analysts to discuss financial performance, strategic initiatives, and the risk management framework. IGI actively monitors its S&P capital position on a quarterly basis to ensure an adequate economic capital headroom. IGI's capital position and rating metrics are regularly reported to the Board to ensure full visibility and proactive management of the Group's financial strength.

Reputational risk

Reputational risk is defined as the risk that adverse events or circumstances negatively affect the reputation of IGI Group or its operating entities (including IGIE) with its rating agencies, regulators, policyholders, intermediaries and existing shareholders or prospective investors, which may cause an unexpected decline in IGI's share price value, loss of profits and future business for the Company and a downgrade in IGIE's credit rating. This may be caused due to failure to:

- give due regard to clients' interests or failure to treat clients fairly in accordance with regulatory requirements;
- meet all regulatory requirements including reporting and disclosure requirements;
- meet environmental, social and governance standards and be transparent in sustainability reporting; and
- poor/adverse PR coverage.

Reputational risk may also be caused by the crystallisation of other risks including legal risks, regulatory and compliance risks, strategic risks and information security risks (e.g. a data breach).

Environmental, Social and Governance ('ESG') risk

The Company defines ESG risk as the risk of environmental, social, or governance events, or conditions which, if they occur, could cause an actual or a potential material negative impact on the value of assets; liabilities; financial results; or reputation of the entity.

ESG risks could arise internally within a particular department (including outsourced service providers) or externally, impacting the reputation and/or financial position of the Company. ESG risks that could negatively affect the Company might include the following:

Environmental: Climate related risks i.e. physical, transition and liability risks, which may refer to losses arising from weather-related events such as flooding and windstorms, or that may arise directly or indirectly due to the adjustment towards a less polluting and greener economy or from third parties who have suffered a loss and damage from climate event and seek to recover the losses from IGI's policyholders.

Social: The risk of adverse financial or reputational impact on the Company and/or non-financial impact on stakeholders, such as employees, customers and suppliers, and shareholders which may arise due to any

weaknesses or any unethical or wrongdoing by the company (including outsourced third-party service providers).

Governance: The risk of an adverse impact on the Company and/or stakeholders, which may arise due to weaknesses in ESG initiatives; legal and corporate governance; Risk and Capital Management Framework; business ethics; tax practices and Information security and data privacy.

IGIE includes the consideration of ESG risks alongside other risk factors in its strategic decision making, including but not limited to underwriting, investments, and operational practices.

During 2025, IGI's ESG committee meetings continued to be held on a quarterly basis to support the Board in overseeing the Company's Corporate Social Responsibility ("CSR"), Diversity and Inclusion ("D&I"), employee wellbeing, human rights and fair labour practices, ethical business practices and integrity, ESG-related risks and other ESG matters.

IGI also continued to progress the actions arising from the group-wide double materiality assessment finalised in 2025. The outcomes of this assessment continue to guide our ESG strategy and sustainability action plan, with a focus on areas of high materiality impact, risks and opportunities ('IROs'). In addition, IGI established individual risk appetite statements and tolerance limits for ESG risks to further strengthen the alignment of ESG considerations within the Risk and Capital Management Framework.

Risk mitigation

To mitigate the above risks IGIE has implemented a number of controls, which are recorded in the risks and controls register and are monitored and assessed on a quarterly basis.

C.7. Other material information

Stress Testing and Sensitivity Analysis

IGIE monitors and reports quarterly on a range of individual underwriting stress scenarios as defined within the Standard Formula SCR calculation and a full set of PMLs and RDSs are reported through the quarterly Risk and Capital Review Board reporting and accompanying Executive Exposure Summary.

IGIE conducts specific stress and scenario testing on a regular basis to assess the resilience of its business plan and to implement informed decision making. In the most recent round of stress testing and scenario analysis, the following scenario tests were considered:

- Combined Ratio Deterioration;
- Significant Catastrophe Loss;
- Significant Catastrophe Loss with Reinsurer Default;
- Reserve Deterioration;
- Climate Change Impact;
- Further Premium Growth;
- Premium Reduction;
- Exchange Rate Shock;
- Key Counterparty Default; and
- Market Downturn.

IGIE also applies reverse stress testing on a periodic basis in support of its planning and as an integral part of the ORSA process including reporting the conclusions to Boards and regulators.

The creation of reverse stress tests at a level that are sufficient to exhaust regulatory capital at IGIE may result in somewhat implausible scenarios at significant extreme return periods however reverse stress testing can add greater value through considering those elements that are not readily quantifiable in capital terms

including where they refer more to loss of opportunity rather than pure balance sheet impact. In addition, were such scenarios to manifest, IGIE would utilise the Parental Guarantee.

In relation to operational risks, a qualitative approach to stress testing and scenario analysis is carried out, focusing on the events, the impact of which may be difficult to quantify but could still cause IGIE's business model to become unviable. IGIE has established the following situations, each of which individually may render the business model unviable or significantly impaired:

Scenario	Description
Liquidity shortfall	IGIE is unable to make available sufficient resources to pay its financial obligations as they fall due.
Capital shortfall	IGI Group is unable to maintain capital in excess of rating agency and / or regulatory requirements.
Loss of license to operate	Withdrawal of IGIE's regulatory authorisation or suspension from undertaking regulated activities.
Withdrawal of reinsurer support	Reinsurance partners limit / withdraw support or offer terms that are not commercially viable.
Loss of rating / downgrade	One or both of S&P and A.M. Best put the IGI Group, and consequently IGIE on negative outlook or downgrade current ratings.
Failure to run operations / exposure to IGI Group systems	IGIE is unable to process business over a prolonged period due to governance failure, loss of people/teams, poor risk culture, or rogue underwriter.

Emerging Risks

IGI defines Emerging Risks as new, developing or changing risks that are not yet fully understood and for which there is a high degree of uncertainty around their likelihood, velocity and potential impact. In March 2026, IGI formalised a dedicated Emerging Risk Working Group to strengthen horizon-scanning and provide coordinated oversight of new and developing risks.

An Emerging risk register is maintained by the Risk Management function. Additionally, emerging or crystallising risks are reported through as a standing item in quarterly Risk Management report to the Board. In the event of a new or developing Emerging Risk being considered as representing a material risk, the Risk Management function will escalate as appropriate in order that appropriate mitigation can be implemented.

The following provides a summary of the key emerging risks identified and monitored during 2025 and into early 2026:

Geopolitical Uncertainty

Ongoing and rapidly intensifying geopolitical tensions which were most recently heightened by the joint U.S. – Israel strikes on Iran on 28 February 2026 and subsequent regional military and cyber retaliation, continue to reshape the global risk environment. Resulting disruptions to key energy and shipping routes, particularly the Strait of Hormuz, have increased commodity-price volatility, supply-chain instability, and macro-financial uncertainty. These developments heighten the risk of claims inflation, political-violence exposures, market-driven impacts on IGI's global investment portfolio and operational resilience. IGI continues to closely monitor these developments to assess implications for underwriting and claims, reinsurance availability, investments and operational resilience across IGI.

Social inflation

Social Inflation is concerned with the rising costs of insurance claims. Those rising costs are being fuelled by trends in society like significantly increased jury awards against corporate policyholders.

Artificial Intelligence

The emerging trends and developments of Generative Artificial Intelligence ('AI') has become a top concern globally. While AI presents significant opportunities it may also introduce new operational risks to the Company in relation to data privacy issues, cybersecurity, incorrect or biased results, intellectual property issues and increased cyber-attacks. Regulatory changes and the implications of ethical, social and market considerations may also affect claims handling, legal exposures and reputational risk. Increasing reliance on a small number of AI and cloud providers additionally heightens concentration risk and operational vulnerability. To strengthen oversight, IGI is developing a new AI Governance Policy to formalise controls around AI adoption, model-risk management, ethical use, vendor due diligence and ongoing monitoring.

Social Engineering

Social engineering threats continue to increase which has been elevated with the use of generative AI, making it harder for the victim to detect whether a call or email is real or malicious. To mitigate exposure to social engineering threats, IGI requires all employees to undertake the ongoing mandatory cyber security awareness training and conducts simulated phishing exercises. Furthermore, IGI has a suite of IT and cyber security controls, including encrypted backups with regular restoration testing and Microsoft Defender. These are supported by broader threat detection and monitoring capabilities, security operations, and automated incident response.

PFAS – Forever Chemicals

PFAS (Per- and polyfluoroalkyl substances), also known as the 'forever chemicals', are a group of over 10,000 industrial substances associated with significant health and environmental concerns. PFAS are widely used in society for their water, heat, and stain-resistant properties but come with some hidden costs. These forever chemicals can disrupt biological processes, meaning they can be toxic to many species, including humans. Worse still, these chemicals do not breakdown in the environment, meaning they have been building up around us for years, posing long-term risks to our health and the planet. Whilst IGIE has not received any PFAS-related claims to date, the Company continues to monitor emerging developments, litigation trends and the evolving insurance market response, recognising this as a potential long-term liability exposure.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. Assets

The following table summarises the assets held by the Company as at 31 December 2025 with analysis of the main differences between Solvency II and IFRS valuation rules:

Asset Class <i>US\$ '000</i>	Value as per Solvency II	Reclassification / Adjustment for Solvency Purposes	Value as per IFRS Financial Statements
Deferred tax asset	2,739	(1,030)	1,709
Right of use asset	-	303	303
Property, plant and equipment held for own use	-	26	26
Reinsurance recoverables	51,267	9,107	60,374
Insurance and Intermediaries Receivables	6,187	(6,187)	-
Reinsurance Receivables	-	-	-
Investments	30,912	(386)	30,526
Cash and Cash Equivalents	7,076	-	7,076
Other Assets	169	1,659	1,828
Total Assets	98,350	3,492	101,842

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

The valuation principles applied to each material asset class are explained below. No changes were made during the reporting period to the bases and estimation approaches used to recognise and value assets except with respect to the valuation of reinsurance recoverable as per IFRS financial statements following the transition to IFRS 17.

Property, Plant & Equipment held for Own Use

Under IFRS these assets are held at cost less accumulated depreciation. For Solvency II purposes they can be valued at fair value less depreciation or impairment but have been given a nil valuation.

Right of use asset

Under IFRS the value of the lease is valued in accordance with IFRS 16. For Solvency II purposes these assets could not be exchanged between knowledgeable willing parties in an arm's length transaction, and they are valued at nil under Solvency II.

Cash and Cash Equivalents

These financial assets are recognised at fair value as at the balance sheet date. The Solvency II valuation rules are consistent and in line with those applied in the IFRS financial statements, with the exception of an overdraft balance which is recognized as part of the debts owed to credit institutions in the liability section of the Solvency II balance sheet.

Investments

All the investment securities, comprising of bonds, are quoted in active markets and are therefore valued at fair value as at the balance sheet date. For Solvency II valuation purposes, accrued interest due on the investments is transferred from Other Assets. Investments include fixed-term deposits which have a maturity date exceeding 3 months but not more than 6 months and are recognised at fair value as at the balance sheet date. The Solvency II valuation rules are consistent and in line with those applied in the IFRS financial statements, however, under Solvency II, the accrued interest income on the term deposits is also included with the fair value, whereas under IFRS, the accrued interest is shown as part of the other assets.

Reinsurance Recoverable

The valuation rules applied in the reinsurance assets calculation are covered in the Best Estimate Technical Provision section.

Insurance and Intermediaries / Reinsurance Receivables

The Solvency II valuation is based on the best estimate of the recoverable value, discounted to present value where the expected recovery is greater than one year. In addition, the undue insurance receivables are reclassified and included as part of the Premium Provisions. Under IFRS, these amounts are reclassified as part of the re/insurance contracts assets/liabilities.

Other Assets

The valuation of these other assets, apart from prepayments, is the same under Solvency II and IFRS. The IFRS valuation includes an element of receivables included within the insurance and intermediaries receivable under Solvency II. Prepayments do not meet the Solvency II valuation criteria, as prepayments could not be exchanged between knowledgeable willing parties in an arm's length transaction and they are valued at nil under Solvency II.

Deferred Tax Asset

A deferred tax asset has been recognised under IFRS on the basis of temporary differences arising from unabsorbed tax losses and a provision for foreign exchange differences.

An adjustment to the deferred tax asset has been recognised under Solvency II and is valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with Solvency II and the values under IFRS.

A deferred tax asset is only recognised on the basis that future taxable profit will be available against which the deferred tax asset can be utilised.

D.2. Technical Provisions

Technical Provisions reflect an amount of money as at the evaluation point (year-end) that would be needed to cover the future cost of claims and related expenses for all policies we have either written or committed to write, plus a Risk Margin. These are split into three component parts:

- Provision for future claim payments for events that have already taken place prior to the evaluation point – referred to here as the “Claims Provision”;
- Provision for future claims on exposures yet to take place at the evaluation point – referred to here as the “Premium Provision”; and
- Risk Margin deemed to reflect a margin that would be necessary to affect a commercial portfolio transfer to another insurer.

The Company has applied appropriate methodologies and procedures to assess the sufficiency of the Technical Provisions and the calculation is consistent with the requirements set out in Articles 76-86 of the Solvency II Directives.

The Technical Provisions have been estimated at a homogeneous line of business level. The segmentation is based on obligations that have similar characteristics and are managed together by the business. The Company has no Life Technical Provisions, including Periodic Payment Orders.

Whilst some of the approaches and techniques applied under Solvency II are similar to those under IFRS 17 reporting, there are areas where there are major changes.

Material differences with IFRS 17

IGIE's financial statements are prepared in accordance with IFRS 17. The IFRS 17 contract assets and liabilities and the Solvency II Technical II Provisions are both calculated using US GAAP (IGI Group Accounting basis) reserves, comprising of claims reserves and unearned premium reserves, as a starting point. The most material element in Technical Provisions – IFRS 17 claims reserves (O/S + IBNR) – is common to both IFRS 17 and Technical Provisions. Certain adjustments carried out to revalue Technical Provisions are common across both IFRS 17 and Solvency II, such as ENIDs and discounting. However, the basis of calculation may differ.

The following table describes the commonality between adjusting from US GAAP reserves to both IFRS 17 and Solvency II.

Adjustment to US GAAP	To IFRS 17	To Solvency II
Removal of Unearned Premium Reserve ¹	Partly	Yes
Explicit consideration of contract boundaries, such as recognizing bound but not incepted business as a liability	Partly	Yes
Applying yield curves to future cashflows to allow for the time value for money	Yes – Risk free rate plus an illiquidity premium	Yes – Risk free rate only
Inclusion of additional expense reserves	Yes – an allocation of fixed and variable overheads	Yes – an amount reflecting the full cost of running off the claims and premium provisions
Risk Margin	Yes – using a VAR approach	Yes – using a cost of capital approach
Inclusion for ENIDs	Yes	Yes
Provision for RI default	No – not material	Yes

Best Estimate Technical Provisions

The Solvency II lines of business represent the minimum level of granularity at which to perform the calculation. The principle of substance over form should underlie any segmentation. IGIE estimates its technical provisions by homogeneous risk groups and allocates these estimates down to policy. IGIE is then able to aggregate results by Solvency II line of business.

The best estimate technical provisions are calculated gross, without deduction for reinsurance, and that reinsurance recoverable amounts are calculated separately, but on a basis consistent with the gross.

The following quoted figures and tables summarise the Gross, Ceded and Net positions, where Net has been derived as Gross less Ceded.

The Technical Provisions total of US\$58.3m (gross of reinsurance), US\$51.3m (ceded) and US\$7.0m (net of reinsurance) is subdivided by Line of Business in the following tables:

¹ This is a material component of reserves on a US GAAP balance sheet, but its removal is accompanied by the removal of premiums receivable as an offsetting asset. The effect, when taking the balance sheet in its entirety is therefore less material than when comparing only US GAAP reserves against Technical Provisions. This is the most important difference arising from the cashflow basis of Solvency II compared with the accrual's basis of US GAAP and is replaced by the inclusion of the Premium Provision. For IFRS 17, most IGIE contracts are valued using the Premium Allocation Approach, which results in a similar output compared to the US GAAP approach, however premium receivables are also accounted for as an offsetting asset. For those contracts valued under the General Model Approach, the methodology closely reflects that under Solvency II, however a Contractual Service Margin is also recognised, representing the unearned portion of profits in the contracts.

Technical Provisions Gross of Ceded Reinsurance

Line of Business US\$ '000	Abbrev	Claims Provision	Premium Provision	Risk Margin	Technical Provisions
Marine, aviation and transport insurance and proportional reinsurance	MAT	9,605	(840)	401	9,166
Fire and other damage to property insurance and proportional reinsurance	Fire	23,109	2,331	445	25,885
General liability insurance and proportional reinsurance	Liability	15,214	2,346	618	18,178
Miscellaneous financial loss insurance and proportional reinsurance	Financial	2,101	614	104	2,819
Legal Expenses	LE	607	1,203	72	1,883
Non-proportional property reinsurance	NP prop	208	64	31	302
Non-proportional casualty reinsurance	NP cas	57	1	1	59
Total		50,901	5,718	1,672	58,292

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Technical Provisions Ceded Reinsurance

Line of Business US\$ '000	Abbrev	Claims Provision	Premium Provision	Risk Margin	Technical Provisions
Marine, aviation and transport insurance and proportional reinsurance	MAT	(7,135)	(1,674)	0	(8,808)
Fire and other damage to property insurance and proportional reinsurance	Fire	(20,819)	(618)	0	(21,437)
General liability insurance and proportional reinsurance	Liability	(11,988)	(4,580)	0	(16,568)
Miscellaneous financial loss insurance and proportional reinsurance	Financial	(1,643)	(776)	0	(2,420)
Legal Expenses	LE	(519)	(1,235)	0	(1,754)
Non-proportional property reinsurance	NP Prop	(160)	(74)	0	(234)
Non-proportional casualty reinsurance	NP Cas	(45)	(00)	0	(45)
Total		(42,309)	(8,957)	0	(51,267)

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Technical Provisions Net of Ceded Reinsurance

Line of Business US\$ '000	Abbrev	Claims Provision	Premium Provision	Risk Margin	Technical Provisions
Marine, aviation and transport insurance and proportional reinsurance	MAT	2,470	(2,514)	401	357
Fire and other damage to property insurance and proportional reinsurance	Fire	2,290	1,713	445	4,448
General liability insurance and proportional reinsurance	Liability	3,225	(2,234)	618	1,610
Miscellaneous financial loss insurance and proportional reinsurance	Financial	458	(163)	104	399
Legal Expenses	LE	88	(32)	72	129
Non-proportional property reinsurance	NP Prop	48	(10)	31	68
Non-proportional casualty reinsurance	NP Cas	13	00	01	14
Total		8,592	(3,239)	1,672	7,025

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Methods

The following sets out the methods used to calculate the individual components shown in the above table.

Claims Provision

Claims provision is the expected present value of the future cashflows arising from claim events occurring before or at the valuation date. The claims provision consists of:

- Reserve estimates which are made up of:
 - Outstanding Claims Reserves ('O/S') (reserves held for claims that have already been reported, and which will be paid and settled in the foreseeable future) as determined by the Claims team based on a legal view, loss adjuster reports etc; and
 - Incurred But Not Reported ('IBNR') (reserves held for claims that have occurred but have not been reported as at the valuation date).
- An estimate of Unallocated Loss Adjustment Expense ('ULAE') is also added to these reserves.
- An estimate of Additional Expenses is also added to these reserves.

The IBNR reserve is estimated according to a range of widely used actuarial methods including evaluation of run-off patterns of paid and incurred claims (both internal and external benchmarks), and evaluation of expected loss ratios (both internal and external benchmarks) having regard to the impact of the underwriting cycle. This analysis takes place separately for each material line of business.

Reserves are estimated on both a Gross and Net of reinsurance basis. The Actuarial function assesses how the reinsurance programme should respond to known unreported claims, historical recovery rates from reinsurance contracts and considering current Gross/Net ratios for each line of business, accident year and reinsurance contract type. This is estimated without margins for prudence as required by the regulations.

Using the patterns of claims payments and risk-free interest rates published by EIOPA in accordance with the Solvency II Directive, cash-flows are estimated and discounted for the time value of money.

The company does not use the matching adjustment, the volatility adjustment, the transitional risk-free interest rate-term structure or transitional deduction, as referred to in the Directive 2009/138/EC.

The cashflow projections consider administrative, overhead, investment management and claims management expenses which relate to the recognised insurance and re-insurance obligations.

Solvency II Technical Provisions are required to be a best estimate for all possible events. This will include events that may not have been experienced historically. Such events which are not presented in the observable historical data are referred to as Events Not in Data ('ENIDs').

The Gross Claims Provision is then: O/S **plus** IBNR **less** Discount Credit **plus** ENIDs **plus** Expenses.

The ceded Claims Provisions is analogous to the gross with an allowance (deduction) for Reinsurance Default ('RI Default'). RI Default takes account of the amount of total expected recoveries within the claims reserve banded by the credit ratings of the reinsurers and is a different basis from IFRS bad debt provisions.

The Claims Provision is then: O/S **plus** IBNR **less** Discount Credit **plus** ENIDs **plus** RI Default.

Premium Provision

Premium provision is calculated on both future exposures related to existing business and for business that is bound but not yet incepted ('BBNI'). BBNI policies are contracts that the Company is contractually committed to, but which are not yet on risk.

The approach is to estimate likely future claims and remove future premium to be received. The future claims loss ratio will vary by line of business but are consistent with the loss ratios adopted in the claims provision calculations.

Future premiums are estimated according to the actual payment terms of the policies. Both components are calculated gross and net of reinsurance, with assumptions where appropriate that future reinsurance terms will be consistent with projections within the Company's business plan and future management actions. The future reinsurance recoveries, allowed for in the net loss ratios, take account of the type of reinsurance applicable and for non-proportional coverage, and are consistent with the recoveries modelled in the derivation of the Business Plan. Netting down is undertaken by line of business, accident year and reinsurance contract type.

Where the allowance for future reinsurance anticipates recoveries on reinsurance contracts that are to be paid for after the valuation date, allowance is made for this cost. The largest element of this is likely to be the renewal of Treaties purchased on a Losses Occurring During basis.

A further allowance is calculated for additional expense reserves, being an estimate of future expenses that would be required to manage the claims without regard for future underwriting, and which is calculated on a different basis from the allowance for claims management expenses. A single loading across Claims and Premium Provisions is calculated and included within the Premium Provisions. As with the Claims Provision calculation above, allowance is made for discounting, ENIDs, and RI Default. The calculation methods are the same, but the results are different to allow for different claims payment timings and different exposure to reinsurers.

The Gross Premium Provision is then: The Future claims **less** future premiums **less** Discount **plus** Future cost of Reinsurance, **plus** ENIDs, **plus** total additional expense reserves.

The ceded Premium Provision is analogous to the gross with an allowance (deduction) for RI Default.

Risk Margin

The risk margin has been considered to ensure that the value of the Technical Provisions is equivalent to the amount that would be expected to have to be paid to a third-party insurance company in order to take over and meet the insurance obligations.

The risk margin has been calculated based on the estimated capital requirements to run off the insurance obligations and applying a cost of capital of 6% as specified by the Solvency II regulations. The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and counterparty risk.

Uncertainties

The key areas of uncertainty in the Technical Provisions are:

New Entity

Whilst the profile of business written is almost identical to the one previously written by IGIUK, it is a subset of that business which may not exhibit the same characteristics. As IGIE grows these characteristics are likely to diverge. As a relatively new entity, IGIE has limited experience, reserving assumptions can be biased, and it could take several years for a credible experience to be established. In the absence of such experience reserving assumptions are based on those used for the IGI Group. This introduces an additional level of uncertainty into the results of the reserves projected.

Reserving: Undertaken at a IGI Group Level

Reserving is undertaken using IGI Group data. Across the IGI Group, business thought to exhibit reasonably similar characteristics is grouped into Reserving Classes. However, the need for homogeneity is balanced against the need to have a volume of data and historic experience that is sufficiently credible to enable the application of actuarial projection methods to be reliable. Having derived IBNR for the IGI Group, IBNR is allocated to every policy written by IGIE.

This approach introduces uncertainty:

- Where the business grouped into a Reserving Class is heterogeneous and/or not representative of the sub-set of business for the Company.
- The process of allocating IBNR by policy is, by necessity, broad-brush.

Outstanding Case Reserves

As a specialty insurer IGIE is exposed to large individual claims which in both first party and especially in third party coverages can change over time as new information emerges and negotiations take place. This risk is managed through regular claims reviews, consistent reserving philosophy and the allowance in IBNR for expected future movements on case reserves.

IBNR Claims

Uncertainty in the estimate of IBNR is usually greater than for outstanding case reserves because much of the IBNR is in respect of claims that have not yet been reported. Regular Reserve Review meetings are held with the Claims Department and Underwriters in which movements in the account are discussed and differences in the Actual-to-Expected critically examined to identify random timing or fluctuations as distinct from clear reserving signals. A formal Reserving Committee containing representatives of Underwriting, Claims, Finance, Management and Actuarial meet at least quarterly providing robust reserving governance.

Except where otherwise stated, no provisions are made for post balance sheet events occurring after 31 December 2025 in the estimates. Actual experience between this date and the time of writing this report may give cause to invalidate some parts of the analysis and results.

Estimation of claims on future exposures

Estimates of future claims are generally more uncertain than reserves for claims that have already taken place. The Company has a formal Business Plan to derive expected loss ratios for future exposures which considers attritional, large and catastrophe claims separately and takes account of historical and expected future movements in premium rates. These loss ratios, which are consistent with the IBNR reserving analysis, inform the Company's annual corporate plan and are used for future claims estimates in the Premium Provision.

Catastrophe losses

The Claims Provision incorporates known natural catastrophe events, whereas the future claims part of the Premium Provision is exposed to potential future catastrophes. The Company models its catastrophe exposure and incorporates the findings into its reinsurance purchases, risk capital and expected future loss ratios.

Environmental, Social and Governance (ESG)

The risks associated with climate change are wide ranging and could have major economic, political, social and financial impacts. Whilst the Actuarial Function has made no explicit allowance for Climate risk as at 31 December 2025, it is considered within discussions with the Claims team and underwriters during quarterly reserve reviews and business planning for 2026. IGIE's current assessment is that in the short to medium term, it presents very limited uncertainty on the reserves held other than the uncertainty inherent in the transaction of insurance and reinsurance obligations.

IGI has an ESG Committee which addresses sustainability risks, regulatory updates and IGI's ESG priorities and initiatives. During 2025, IGI has continued to progress with its ESG initiatives, which include conducting a materiality assessment.

Geopolitical Risks

Recent geopolitical developments continue to contribute to heightened uncertainty. Military conflicts, such as the Russia–Ukraine war and the escalation of hostilities in the Middle East, together with broader political and economic tensions, have increased the risk of volatility in global commodity prices, the supply of energy and other critical resources, and international supply-chains. These disruptions may in turn influence inflationary dynamics and could lead to an increase in both the frequency and severity of insurance claims arising from associated economic or physical losses. In addition, shifts in international trade policy, including the imposition or adjustment of tariffs by the U.S. administration and possible retaliatory measures by other governments, have the potential to adversely affect financial market conditions, with corresponding implications for the insurance sector.

The Company continues to closely monitor these geopolitical uncertainties, particularly those relating to ongoing Middle East tensions, and assesses their potential impact these may have on its technical provisions, investment portfolio and the overall business, particularly regarding exposure to the Political Violence class of business.

Inflation

After decades of historically low levels, inflation picked up from around the second half of 2021. Initially this was considered to be temporary, and central banks were reluctant to raise interest rates to dampen excessive economic demand. However, inflation increased rapidly, and inflationary pressures were compounded by the Russian invasion of Ukraine and the consequent price rises in food and energy.

Whilst inflation appears to have eased recently, there remains continued uncertainty around future inflationary trends, particularly due to geopolitical events, including trade tariffs with the US and the ongoing

conflicts in the Middle East. In particular, heightened geopolitical tensions have contributed to increased volatility and upward pressure in global oil prices, which may, in turn, exert renewed inflationary pressures through higher energy and transportation costs.

Inflationary pressures will ultimately result in claims inflation through the increase in the cost to settle insurance claims in the future. While this will increase uncertainty around future claim settlement costs, IGIE is taking claims inflation into consideration in its Premium Provisions, via Initial Loss Ratio Assumptions, and Claims Provisions. Given the current period of uncertainty the Company will continue to monitor inflation rates and remain alert to emerging trends.

Additionally, so-called 'social inflation' has been observed in the US insurance market, particularly in the liability classes of business. Social inflation refers to the impact that societal factors (e.g., legal advertising, litigation funding, expanding class-action lawsuits, and public distrust of corporate defendants) can have on insurance claims. While this is not currently a concern for IGIE, there is also no evidence that social inflation has increased claims frequency and severity for the IGI Group as a whole. The Company continues to monitor any developments, including trends in class actions and changes in the legal and regulatory environment.

At the time of writing, IGIE has not observed any significant increased claims frequency arising from recessionary pressures on various European economies. However, we believe we have made robust assumptions to deal with the prevailing market conditions.

IGIE is not materially exposed to bodily injury awards in countries requiring indexed annuity type settlements. Practically all of the Company's exposure is expected to settle over a short to medium term.

Market environment

IGIE operates through brokers and is subject to uncertainties including the rating environment, customer retention and broking trends such as creation of automatic acceptance facilities. Each line of business is affected differently. The Company responds to these uncertainties by regular monitoring of these trends and incorporating up to date insight in its forward-looking Business Plan and projections.

Description of Recoverable from Reinsurance Contracts

Reinsurance recoveries are provided on the basis of paid and incurred claims for each Line of Business ('LoB')/Accident Year by type (Facultative, external Quota Share and XOL Treaty) as factual inputs to the IBNR assessment process.

The IBNR is then subdivided between Pure IBNR and Incurred But Not Enough Reported ('IBNER'). Pure IBNR is netted down using the Initial Expected reinsurance recovery ratio, derived in the business planning exercise and IBNER netted down by applying a judgementally selected net to gross ratio, based on the ratio of net to gross incurred claims for each line of business by year.

Having allocated gross and ceded (pre-BRT reinsurance) IBNR by policy, results for each risk-taking entity of IGI Group are readily derived. The BRT is then applied to the IGIE (pre-BRT) net position and the post BRT IGIE values derived.

Technical Provisions Reconciliation with IFRS 17 by Line of Business

The table below outlines the Technical Provisions Reconciliation with IFRS 17 by Line of Business. The segmentation under IFRS 17 does not follow the same segmentation as per Solvency II and therefore the reconciliation from IFRS 17 to the traditional IFRS 4 / US GAAP claims reserve has been carried out on a total basis only:

US\$ '000 ^{Note 1}	Total	MAT	Fire	Liability	Financial	LE	NP prop	NP Cas	NP MAT
LIABILITY FOR INCURRED CLAIMS (GROSS AMOUNT)	56,884								
ASSET FOR INCURRED CLAIMS (REINSURANCE AMOUNT)	(50,145)								
LESS ENID	(375)								
LESS Risk Adjustment	(336)								
PLUS Discount amount	(370)								
RECLASS of Reinsurance Receivables balance	2,296								
NET IFRS 4 Reserves	7,953								
Gross IFRS 4 reserve Including ULAE	50,413	9,326	22,445	15,604	2,173	598	209	58	0
LESS Reinsurance amount	(42,461)	(7,022)	(20,508)	(12,477)	(1,726)	(518)	(163)	(46)	0
PLUS ENID	376	107	91	149	22	4	2	1	0
PLUS RI Bad Debt	57	5	19	27	5	1	0	0	0
PLUS Expenses	681	126	303	211	29	8	3	1	0
LESS Discount amount	(474)	(72)	(62)	(286)	(45)	(4)	(3)	(1)	0
CLAIMS PROVISION	8,592	2,470	2,288	3,227	458	88	48	13	0

US\$ '000 ^{Note 1}	Total	MAT	Fire	Liability	Financial	LE	NP prop	NP Cas	NP MAT
LIABILITY FOR REMAINING COVERAGE – PAA (GROSS AMOUNT)	3,876								
LIABILITY FOR REMAINING COVERAGE – GMM (GROSS AMOUNT)	2,972								
CONTRACTUAL SERVICE MARGIN	3,402								
PLUS Future Premium	17,163								
GMM valuation differences	(1,122)								
PLUS Commissions and other valuation differences	2,053								
Gross IFRS 4 UPR ^{Note 2}	28,344	3,759	9,006	11,806	1,586	2,003	184	0	0
PLUS UPR for Bound but not Incepted	12,693	3,437	3,405	4,838	550	417	46	(0)	0
Apply Expected Loss Ratio (for future claims)	18,928	2,593	5,872	7,525	1,247	1,584	107	0	0
Less Reinsurance amount	(15,106)	(1,995)	(4,732)	(6,012)	(969)	(1,315)	(83)	(0)	0
PLUS ENID	190	30	57	75	14	13	1	0	0
PLUS RI Bad Debt	32	3	6	18	2	2	0	0	0
PLUS Expenses	624	166	174	234	29	19	2	(0)	0
LESS Discount amount	(268)	(24)	(47)	(160)	(22)	(13)	(2)	(0)	0
LESS Future Premium (discounted)	(7,638)	(3,286)	387	(3,918)	(463)	(322)	(36)	0	0
PREMIUM PROVISION	(3,239)	(2,513)	1,717	(2,238)	(162)	(32)	(11)	0	0

US\$ '000 ^{Note 1}	Total	MAT	Fire	Liability	Financial	LE	NP prop	NP Cas	NP MAT
Best Estimate	5,353	(44)	4,003	992	295	57	38	13	0
Risk Margin	1,672	401	445	618	104	72	31	1	0
Total Technical Provisions	7,025	357	4,448	1,610	399	129	68	14	0

Note 1: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Note 2: The amount of US\$28.3m in the table above is net of deferred acquisition costs. The Gross UPR is US\$37.1m with acquisition costs of US\$8.7m. UPR includes Pipeline Premium.

The Valuation of Technical Provisions on a Solvency II basis and compared to IFRS is provided in the table below:

Description US\$ '000	Solvency II Technical Provision	Reclassification/ Adjustment for Solvency Purposes	IFRS Technical Reserves
Gross Claims Reserve	50,902	2,351	53,253
Gross Premium Reserve	5,718	4,532	10,250
Risk Adjustment / Margin	1,672	1,958	3,630
Total Gross Reserves	58,292	8,841	67,133
Reinsurance	(51,267)	(9,107)	(60,374)
Net Reserves	7,025	(265)	6,759

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

D.3. Other Liabilities

The following table provides a summary of insurance payables and liabilities other than Technical Provisions for the year ended 31 December 2025:

Description US\$ '000	Value as per Solvency II	Reclassification / Adjustment for Solvency Purposes	Value as per IFRS Financial Statements
Right of use Liability	-	358	358
Insurance & Intermediaries Payables	3,731	(3,731)	-
Reinsurance Payables	3,824	(3,566)	258
Payables (trade, not insurance)	5,440	(57)	5,383
Total Liabilities	12,995	(6,996)	5,999

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

No changes were made during the reporting period to the bases and estimation approaches used for Solvency II to recognise and value liabilities.

Under IFRS 17, insurance and reinsurance payables are reclassified and shown within the re/insurance contract assets/liabilities and this results in a variation in the valuation of payables with Solvency II.

D.4. Alternative methods for valuation

The Company does not use any other alternative methods for the valuation of its assets and liabilities.

D.5. Other material information

There is no other material information that requires disclosure.

E. CAPITAL MANAGEMENT

The objective in managing IGIE's Own Funds is to ensure that capital meets the Solvency Capital Requirement, with an appropriate margin, and that sufficient liquidity is available for the payment of claims in order that the Company is able to meet its legal obligations as they fall due.

In the event that ongoing monitoring leads to the Company's solvency position falling outside of the Company's risk tolerance limit, recovery actions shall be taken as deemed appropriate. IGIE is an integral part of the IGI Group allowing IGI to access business across Europe, therefore in the event of a local capital strain, it is anticipated that primarily additional capital would be sourced from the Group, either through a subordinated loan or capital injection. IGIE also maintains the protection of a full Parental Guarantee providing additional policyholder protection beyond that provided by its own capital resources.

During the reporting period, the Company received a capital injection of US\$5m from its parent, IGI Bermuda. The increase in share capital was made to strengthen the Company's capital base and ensure that IGIE maintains an SCR ratio above its risk appetite of 175%. The capital injection increased Tier 1 unrestricted Own Funds and improved the SCR coverage ratio accordingly. IGI Bermuda has agreed to provide a further US\$10m capital injection to IGIE, executed in March 2026, to continue supporting the Company's ongoing growth and enhancing its capacity to absorb adverse events.

The Company developed Investment Guidelines which set out the principles and minimum standards for investment of financial assets as well as for asset liability management. The Guidelines also deal with liquidity risk, credit risk, market risk, the asset/liability management process and the process for appointing investment managers.

Cash at hand and projected cash flows are reviewed to ensure the most efficient use of funds and to ensure that sufficient cash is available for the payment of obligations as they fall due.

E.1. Own Funds

The following table analyses the differences between the equity in the IFRS financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes as at 31 December:

Excess of assets over liabilities	US\$ '000	US\$ '000
	2025	2024
Excess of assets over liabilities under Solvency II	27,063	25,178
Difference in the valuation of other liabilities	6,996	7,072
Difference in the valuation of gross technical provisions	(8,843)	(4,665)
Difference in the valuation of assets	3,492	(2,014)
Total Equity in the financial statements	28,708	25,571

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

The following table shows the analysis of the Available Own Funds as at 31 December 2025 of US\$27.1m (2024: US\$25.2m):

Own Funds	US\$ '000	US\$ '000
	2025	2024
Ordinary share capital	25,893	20,893
Reconciliation reserve	(1,569)	3,369
Tier 1 funds	24,324	24,262
Deferred tax asset	2,739	916
Tier 3 funds	2,739	916
Total Own Funds	27,063	25,178

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Tier 1 Capital

Tier 1 Capital is made up of paid-in ordinary share capital and the reconciliation reserve. This is of the highest quality, unsubordinated and permanent. There are no planned redemptions, repayment or maturity dates linked to its share capital.

Deferred tax assets

Tier 3 capital is made up of the net deferred tax asset. Deferred tax asset has been recognised under IFRS on the basis of temporary differences arising on unabsorbed tax losses and provision for foreign exchange differences.

An additional deferred tax asset has been recognised under Solvency II and is valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with Solvency II and the values under IFRS. Deferred tax assets comprise of a deferred tax asset on the reconciliation reserve.

A deferred tax asset is only recognised on the basis that future taxable profit will be available against which the deferred tax asset can be utilised. The Company has made this conclusion on the basis of the approved Business Plan which indicates that the Company shall be profitable over its planning period.

The Tier 3 Capital recognised is capped at 15% of the SCR in line with the requirements of the Regulations and cannot be utilised as eligible capital to cover its MCR.

Other Matters

None of the Company's Own Funds are subject to any transitional arrangement. No additional ratios to the ones calculated and disclosed in template S.23.01 are included in this document. None of the Company's Own Funds are transferable or fungible.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

IGIE has chosen the Solvency II Standard Formula method to calculate its regulatory capital requirement.

The Company has assessed the appropriateness of the Standard Formula on both a qualitative and quantitative basis and considers it to provide an adequate fit to the Company's business and risk profile and no material deviations were indicated. As part of the qualitative assessment IGIE took into consideration the assumptions, methodology and parameters of the Standard Formula.

Specifically, the assessment confirms that the Standard Formula:

- Captures the full scope of risks to which the Company is exposed and for which the holding of capital is an appropriate response;
- Is sufficiently sensitive to future changes in the risk profile on both the asset and liabilities side of the balance sheet including the influence of outwards reinsurance arrangements;
- Has been applied in full with no application of undertaking specific parameters or transitional measures; and
- Is applied with an adjustment for the loss absorbing capacity of deferred taxes ('LACDT'); currently Nil.

Amounts of SCR and MCR

	2025		2024	
	US\$ '000	Coverage %	US\$ '000	Coverage %
SCR	14,474	183%	9,812	257%
MCR	4,622	526%	4,353	557%

As required by the Own Risk and Solvency Assessment process, the Standard Formula SCR is recalculated at least quarterly and at other times in response to an actual or projected material change in the risk profile and its results reported in full to the Board of IGIE. The adequacy of the Company's Own Funds to meet the SCR is monitored on an ongoing basis and particularly in the event of an anticipated or actual material impairment in the level of Own Funds.

In addition, the 2025 year-end calculation of the Solvency Capital Requirement as included in this report has been subject to internal and external validation. The Solvency Capital Requirement is also subject to supervisory assessment.

Solvency Position

The Solvency Capital Requirement of US\$14.5m (2024: US\$9.8m) is covered to 183% (2024: 257%) by Eligible Own Funds of US\$26.5m (2024: US\$25.2m) and to 168% (2024: 247%) by the Tier 1 Own Funds of US\$24.3m (2024: US\$24.2m).

The table below outlines the capital requirement per risk category:

SCR Component	US\$ '000	US\$ '000
	2025	2024
Market Risk	4,803	4,024
Counterparty Default Risk	2,589	2,590
Non-life Underwriting Risk	9,057	8,450
Diversification between Risk Categories	(3,673)	(3,300)
BSCR	12,776	11,765
Operational Risk	1,699	964
LACDT	0	(2,917)
Total SCR	14,474	9,812

Note: Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.



With allocation of the diversification and LACDT benefit on a pro-rated basis, as shown in the table below, it is noted that the SCR is mainly driven by Non-Life Underwriting Risk contributing 49.9% (2024: 52.7%) of the total SCR while Market Risk and Counterparty Default Risk constituted about 26.5% (2024: 25.1%) and 14.3% (2024: 16.2%) respectively.

SCR Component	2025		2024	
	US\$ '000	%	US\$ '000	%
Market Risk	3,831	26.5%	2,464	25.1%
Counterparty Default Risk	2,065	14.3%	1,586	16.2%
Non-life Underwriting Risk	7,224	49.9%	5,173	52.7%
Operational Risk	1,355	9.4%	590	6.0%
Total SCR	14,474	100.0%	9,812	100.0%

Note 1 - Values underlying the tables shown are held to the nearest US\$1. When displayed and rounded to the nearest US\$1,000 the row totals and column totals may differ from the sum of the rounded amounts.

Standard Formula simplifications

The Company does not make use of simplifications for any of the modules or sub-modules of the SCR.

Use of undertaking specific parameters

The Company does not make use of undertaking specific parameters, referred to in Article 104(7) of Directive 2009/138/EC.

Capital add-ons

The Company does not make use of any capital add-ons.

Information on inputs used in the calculation of the MCR

The inputs used in the calculation of the MCR are provided in template S.28.01.01 and the MCR at 31 December 2025 amounts to US\$4.6m (equivalent to €4m) as set out in paragraph 5.6.4 of Chapter 5 of the MFS Insurance Rules.

Material Changes to the SCR and MCR

The following table tracks the SCR showing percentage movement year on year for 2024 and 2025.

US\$ '000	2025	2024
Solvency Capital Requirement	14,474	9,812
SCR Movement vs Prior Year	+48%	+11%
Minimum Capital Requirement	4,622	4,353
MCR Movement vs Prior Year	+6%	-2%

The underlying movements in the SCR over the period reflect the general organic growth in the business which is expected given that IGIE started writing business in July 2021. The Company expects this to continue over the business planning time period given that the Company is projecting a modest expansion of its underwriting activity.

The SCR continues to be projected and calculated on at least a quarterly basis as part of the Own Risk and Solvency Assessment process and any material changes either actual or anticipated will be considered in the context of the IGIE Board's risk and solvency appetite.

The MCR remained at the level of the absolute MCR (AMCR) of US\$4.6m (equivalent to €4.0m).

The movement in MCR is solely due to changes in exchange rates between the calculation periods.

Loss Absorbing Capacity of Deferred Taxes

The loss absorbing capacity of deferred tax ("LACDT") is considered as a risk mitigating element in the calculation of the Solvency Capital Requirement ("SCR") for the Company. Solvency II allows for a reduction in the amount of the required capital through the adjustment for LACDT since a future loss in profits resulting from a 1-in-200-year event may also result in a reduction in associated tax liabilities, thus reducing the impact on the Company's own funds and reducing capital requirements.

This adjustment has been calculated in accordance with Article 207 of the Regulation and is equal to the change in the value of deferred taxes that would result from an instantaneous loss of an amount that is equal to the Basic SCR plus operational risk. The valuation method is in line with the "Deferred Tax Asset" line in Section D and "Tier 3 Capital" in Section E.1.

The finance function is responsible for selecting and assessing the methods and assumptions used to demonstrate the amount and recoverability of the LACDT. On an annual basis, the actuarial function and the risk management function are jointly responsible to assess and validate the underlying assumptions used for the projections of the Company's future taxable profits for the purposes of Articles 15 and 207 of the Commission Delegated Regulation (EU) 2015/35, including an explanation of any concerns about those assumptions. The outcome of the assessment is then reported to the Board.

During 2025, the adjustment to LACDT was nil (2024: US\$2.9m).

E.3. Use of the duration based equity risk sub module in the SCR Calculation

The duration-based equity risk sub-module does not apply to IGIE.

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

Whilst the Company uses stochastic capital modelling to support its decision making and pricing processes, it does not use a model in the sense of an 'Internal Model' for the purpose of calculating its regulatory capital requirements.

E.5. Non-Compliance with the SCR and MCR

During 2025, IGIE maintained a SCR ratio in excess of both the 100% SII regulatory requirement and the 150% MFSA ongoing authorisation condition. Over its business planning time period there is no reasonably foreseeable risk of non-compliance, given the Company's relatively stable risk profile and extensive risk mitigation arrangements.

Were the Company to project a material lowering of its solvency ratio (either through a significant increase in the SCR or an adverse development in the level of Own Funds) the Board would determine the appropriate action to be taken. This might include risk mitigation, the injection of further capital from its parent (via an arrangement that is already explicitly in place) or through a hybrid of these two approaches.

It should be noted that IGIE maintains the protection of a full Parental Guarantee providing additional policyholder protection beyond that provided by its own capital resources.

E.6. Other material information

IGI Bermuda has agreed to provide a further US\$10m capital injection to IGI Europe, executed in March 2026, to continue supporting the Company's ongoing growth and enhancing its capacity to absorb adverse events.

There is no other material information regarding capital management that requires disclosure.

APPENDIX 1: QUANTITATIVE REPORTING TEMPLATES

List of Reported Templates:

S.01.02.01 – Basic Information

S.02.01.02 - Balance sheet

S.04.05.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

S.05.01.01 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

S.17.01.01 - Non-Life Technical Provisions

S.19.01.01 - Non-Life insurance claims

S.23.01.01 - Own Funds

S.25.01.01 - Solvency Capital Requirement - for undertakings on Standard Formula

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

International General Insurance Company (Europe) Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2025

(Monetary amounts in USD thousands)

General information

Undertaking name	International General Insurance Company (Europe) Ltd
Undertaking identification code	21380087SZ854SSNYJ36
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	MT
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	USD
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- 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 - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	2,739
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	30,912
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	27,709
R0140	<i>Government Bonds</i>	0
R0150	<i>Corporate Bonds</i>	27,709
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	0
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	3,203
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	51,267
R0280	<i>Non-life and health similar to non-life</i>	51,267
R0290	<i>Non-life excluding health</i>	51,267
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	6,187
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	7,076
R0420	Any other assets, not elsewhere shown	169
R0500	Total assets	98,350

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	58,292
R0520	<i>Technical provisions - non-life (excluding health)</i>	58,292
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	56,620
R0550	<i>Risk margin</i>	1,672
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	3,731
R0830	Reinsurance payables	3,824
R0840	Payables (trade, not insurance)	5,440
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	71,287
R1000	Excess of assets over liabilities	27,063

S.23.01.01
Own Funds

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
25,893	25,893		0	
0	0		0	
0	0		0	
0	0		0	
0	0		0	
0	0		0	
0	0		0	
-1,569	-1,569		0	
2,739			0	2,739
0	0	0	0	0
0	0	0	0	0
27,063	24,324	0	0	2,739

0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	
0			0	

27,063	24,324	0	0	2,739
24,324	24,324	0	0	
26,495	24,324	0	0	2,171
24,324	24,324	0	0	

14,474
4,622
183.05%
526.31%

C0060
27,063
0
0
28,632
0
-1,569

0
3,013
3,013

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

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

- R0200 Unpaid and uncalled ordinary share capital callable on demand
- R0310 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
- R0320 Unpaid and uncalled preference shares callable on demand
- R0330 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
- R0340 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
- R0350 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
- R0360 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- R0390 Other ancillary own funds
- R0400 Total ancillary own funds

Available and eligible own funds

- R0500 Total available own funds to meet the SCR
- R0510 Total available own funds to meet the MCR
- R0540 Total eligible own funds to meet the SCR
- R0550 Total eligible own funds to meet the MCR
- R0580 SCR
- R0600 MCR
- R0620 Ratio of Eligible own funds to SCR
- R0640 Ratio of Eligible own funds to MCR
- Reconciliation reserve
- R0700 Excess of assets over liabilities
- R0710 Own shares (held directly and indirectly)
- R0720 Foreseeable dividends, distributions and charges
- R0730 Other basic own fund items
- R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- R0760 Reconciliation reserve

Expected profits

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

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	4,803		
R0020 Counterparty default risk	2,589		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	0		
R0050 Non-life underwriting risk	9,057		
R0060 Diversification	-3,673		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	12,776		
	C0100		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	1,699		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	14,474		
R0210 Capital add-ons already set	0		
R0211 <i>of which, capital add-ons already set - Article 37 (1) Type a</i>	0		
R0212 <i>of which, capital add-ons already set - Article 37 (1) Type b</i>	0		
R0213 <i>of which, capital add-ons already set - Article 37 (1) Type c</i>	0		
R0214 <i>of which, capital add-ons already set - Article 37 (1) Type d</i>	0		
R0220 Solvency capital requirement	14,474		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
	Yes/No		
	C0109		
Approach to tax rate	Yes		
R0590 Approach based on average tax rate			
	LAC DT		
	C0130		
R0640 LAC DT	0		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	-5,066		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

1,658

Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
--	---

- R0020 Medical expense insurance and proportional reinsurance
- R0030 Income protection insurance and proportional reinsurance
- R0040 Workers' compensation insurance and proportional reinsurance
- R0050 Motor vehicle liability insurance and proportional reinsurance
- R0060 Other motor insurance and proportional reinsurance
- R0070 Marine, aviation and transport insurance and proportional reinsurance
- R0080 Fire and other damage to property insurance and proportional reinsurance
- R0090 General liability insurance and proportional reinsurance
- R0100 Credit and suretyship insurance and proportional reinsurance
- R0110 Legal expenses insurance and proportional reinsurance
- R0120 Assistance and proportional reinsurance
- R0130 Miscellaneous financial loss insurance and proportional reinsurance
- R0140 Non-proportional health reinsurance
- R0150 Non-proportional casualty reinsurance
- R0160 Non-proportional marine, aviation and transport reinsurance
- R0170 Non-proportional property reinsurance

C0020

C0030

C0020	C0030
0	
0	
0	
0	
0	
0	2,578
4,003	3,131
992	3,104
0	0
57	138
0	0
295	540
0	0
13	3
0	0
38	194

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

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

C0050

C0060

C0050	C0060

Overall MCR calculation

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

C0070

1,658
14,474
6,514
3,619
3,619
4,622
4,622

Report of the independent approved auditor to the Directors of International General Insurance Company (Europe) Ltd. (the "Company") pursuant to paragraph 8.10.2 and Annex 5 to Chapter 8 of the Insurance Rules issued by the MFSA ("competent authority") in terms of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta) (the "Act")

Our Opinion

We have audited the following annexed documents prepared by International General Insurance Company (Europe) Ltd. (referred to as the "Company") as at 31 December 2025, which we have initialled for identification purposes only:

- Annual quantitative templates S.02.01.02, S.17.01.02, S.23.01.01, S.25.01.21, and S.28.01.01 ("the relevant templates"); and
- The 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report (the "relevant information").

The relevant templates and the relevant information subject to audit are collectively referred to as the "relevant elements of the SFCR".

The relevant elements of the SFCR specified above have been prepared by the Company in accordance with the Act, Regulations and Insurance Rules issued thereunder (as applicable), the Commission Delegated Regulation (EU) 2015/35 and the European Commission Implementing Regulation (EU) 2023/895 (the "relevant legislation").

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2025 as specified above, are properly prepared, in all material respects, in accordance with the relevant legislation.

Scope exclusion

The relevant legislation does not require us to read or audit, nor have we read or audited, and as a consequence do not express any opinion on the other elements of the Solvency and Financial Condition Report ("SFCR") which comprises:

- The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the SFCR;
- Comparative amounts within the relevant elements of the SFCR; and
- Other Company templates not listed within the relevant templates.

To the extent the information subject to audit in the relevant elements of the SFCR includes amounts that are totals, sub-totals or calculations derived from the other elements of the SFCR, we have relied without verification on the other elements of the SFCR.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, together with the ethical requirements that are relevant to our audit in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta) ("APA"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report of the independent approved auditor to the Directors of International General Insurance Company (Europe) Ltd. (the "Company") pursuant to paragraph 8.10.2 and Annex 5 to Chapter 8 of the Insurance Rules issued by the MFSA ("competent authority") in terms of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta) (the "Act")

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the 'Valuation for Solvency Purposes' and 'Capital Management' of the SFCR, which describe the basis of accounting. The SFCR is prepared to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the relevant elements of the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. We understand that our report will be made available to the MFSA in support of your obligation under the relevant legislation in respect of your business for the year ended 31 December 2025. Our report is solely for this purpose and for your information and is not to be used for any other purpose or to be copied or distributed or otherwise made available, in whole or in part, to any other parties. This report will not form part of the public disclosure of the SFCR. We do not accept any liability or responsibility to any third party to whom our report is shown or into whose hands it may come. We hereby give you permission to provide this letter to the MFSA but assume no liability or responsibility towards them in this respect.

Responsibilities of the Directors

The Board of Directors shall be responsible for the preparation of the SFCR in accordance with the financial reporting provisions contained in the relevant legislation referred above which have been modified by waivers, approvals and other supervisory determinations issued by the competent authority where applicable.

In accordance with section 8.9 of Chapter 8 of the Insurance Rules, the Board of Directors is responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the SFCR and for the approval of the SFCR.

The Board of Directors is also responsible to have the necessary internal controls to enable the preparation of the SFCR which is free from material misstatement, whether due to fraud or error. The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the relevant legislation as applicable to the Company. All Directors are required to sign a Declaration Form, in accordance with sections 8.6.2 of Chapter 8 of the Insurance Rules and Annex IV to the said Chapter, for submission with the SFCR to the competent authority.

In preparing the SFCR, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the amounts and disclosures in the relevant elements of the SFCR as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the relevant elements of the SFCR specified above.

Report of the independent approved auditor to the Directors of International General Insurance Company (Europe) Ltd. (the "Company") pursuant to paragraph 8.10.2 and Annex 5 to Chapter 8 of the Insurance Rules issued by the MFSA ("competent authority") in terms of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta) (the "Act")

Auditor's Responsibilities (continued)

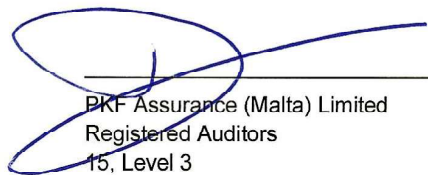
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant elements of the SFCR whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the relevant elements of the SFCR, including the disclosures, and whether the relevant elements of the SFCR represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The principal in charge of the audit resulting in this independent auditor's report is Ms. Donna Greaves for and on behalf of



PKF Assurance (Malta) Limited
Registered Auditors
15, Level 3
Mannarino Road
Birkirkara BKR 9080
Malta

2nd April 2026