2025 Financial Condition Report

Date: 28 May 2026

Definitions

Term	Definition
the Acquisition	The acquisition by AGUK Holdings of Assured Life UK (formerly known as Warwick Company (UK) Ltd. and its subsidiaries, including Assured Life Re (formerly known as Warwick Re Ltd.) completed on January 1, 2026
AG	Assured Guaranty Inc. (formerly, Assured Guaranty Corp., and effective August 1, 2024, successor by merger to AGM)
AGE	Assured Guaranty (Europe) SA
AGL	Assured Guaranty Ltd.
AGM	Assured Guaranty Municipal Corp. (effective as of August 1, 2024, AGM was merged with and into AG, with AG being the surviving entity of the merger)
AG Re	Assured Guaranty Re Ltd.
AGRO	Assured Guaranty Re Overseas Ltd.
AG Services	AG US Group Services Inc.
AGUK Holdings	Assured Guaranty UK Holdings Ltd
AGUK Services	Assured Guaranty (UK) Services Limited
Assured Guaranty or the Group	AGL together with its subsidiaries
Assured Life Re	Assured Life Reinsurance Ltd.
Assured Life UK	Assured Life (UK) Limited (formerly Warwick Company (UK) Limited)
Best Estimate Technical Provisions	Gross best estimate portion of the technical provisions value
BIG	Below-investment-grade
BMA or the Authority	Bermuda Monetary Authority
the Board	Board of Directors
BSCR	Bermuda Solvency Capital Requirement
CFO	Chief Financial Officer
CISSA	Commercial Insurers' Solvency Self-Assessment
CIT	Bermuda's Corporate Income Tax Act of 2023
CMBS	Commercial mortgage-backed securities
Code of Conduct	Insurance Code of Conduct issued by the Bermuda Monetary Authority
Companies Act	Bermuda Companies Act 1981, as amended
The Company	Assured Life Reinsurance Ltd.
debt service	scheduled principal or interest payment
ECM	Economic capital model
ECR	Enhanced capital requirement
ETA	Economic transition adjustment
Expense Load	Present value of projected future operating expenses
FCR	Financial condition report

Term	**Definition**
Fitch	Fitch Ratings Inc.
Future premiums	Insurance premiums that are due to be received after the balance sheet date
GAAP	Accounting Principles Generally Accepted in the United States of America
GHG	Greenhouse gas
GPO	Gross par outstanding
the Service Agreement	Master Service Agreement, effective as January 1, 2026 (as may be amended from time to time)
IG	Investment Grade
Insurance Act	Bermuda Insurance Act 1978, as amended, and related rules and regulations
Insurance Securitizations	Transactions, including life insurance transactions, where obligations are secured by the future earnings from pools of various types of insurance/reinsurance policies and income produced by invested assets
IT	Information Technology
KRIs	Key risk indicators
LAE	Loss adjustment expense
Moody’s	Moody’s Investors Service Inc.
MSM	Minimum Margin of Solvency
NPO	Net par outstanding
PVP	Present Value of New Business Production
Rating Agencies	S&P, Moody’s or Fitch
RMBS	Residential Mortgage-Backed Securities
RVI	Residual Value Insurance
S&P	S&P Global Ratings, a division of Standard & Poor's Financial Services LLC
Solvency Regulations	BMA's Insurance (Prudential Standards) (Class 3A and Class C Solvency Requirement) Rules
Standard Formula	Standard formula to calculate the Bermuda Solvency Capital Requirement provided by the BMA
U.S.	United States of America
USD	U.S. Dollars
Warwick Bermuda	Warwick Bermuda LLC

Introduction

Assured Life Re is wholly owned by Warwick Bermuda, a limited liability company established under the laws of Bermuda. Assured Life UK, a holding company incorporated under the laws of England and Wales, is the direct shareholder of Warwick Bermuda LLC. Assured Life UK is a direct, wholly-owned subsidiary of AGUK Holdings, a holding company incorporated under the laws of England and Wales, which, in turn, is a direct, wholly-owned subsidiary of AGL. AGL is a Bermuda-based holding company that was organized in 2003 and whose common shares are publicly traded on the New York Stock Exchange and registered with the U.S. Securities and Exchange Commission.

Assured Life Re was incorporated in 2014 under the Companies Act as a Bermuda exempted company limited by shares. The Company is licensed as a Class E Long-Term Insurer under the Insurance Act.

Assured Life Re specializes in asset-intensive reinsurance, namely pension risk transfer and multi-year guaranteed annuities.

Business and Performance

a) Name of Insurer

Assured Life Re was incorporated in 2014 under the Companies Act as a Bermuda exempted company limited by shares. The Company is licensed as a Class E Long-Term Insurer under the Insurance Act.

The Company's registered office is:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

b) Supervisor

The Company's insurance supervisor at the Bermuda Monetary Authority is:

Exeviour Shumba
Senior Analyst
Supervision (Insurance)
Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton, Bermuda

c) Approved Auditor

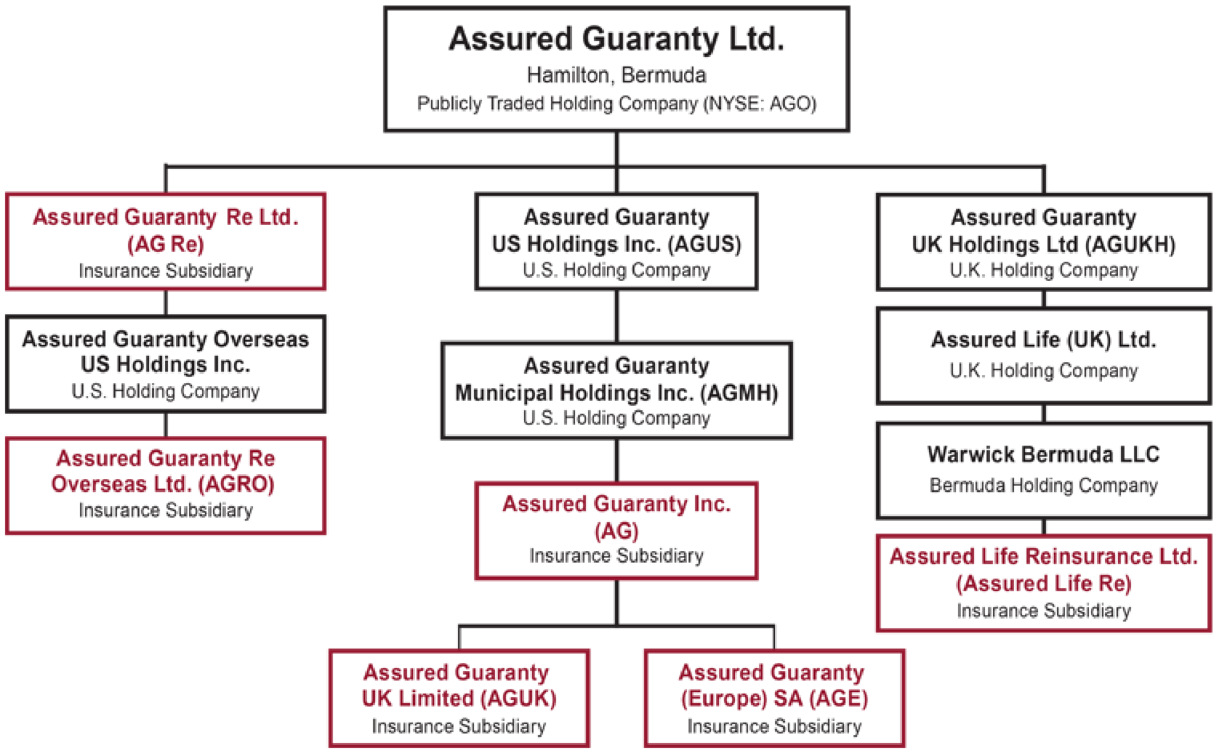
Statutory Reporting & GAAP reporting

Deloitte Bermuda
20 Church Street
Hamilton, Bermuda

d) Ownership Details

The Company is wholly owned by Warwick Bermuda, a limited liability company established under the laws of Bermuda. Assured Life UK, a holding company incorporated under the laws of England and Wales, is the direct shareholder of Warwick Bermuda LLC. Assured Life UK is a direct, wholly-owned subsidiary of AGUK Holdings, a holding company incorporated under the laws of England and Wales, which, in turn, is a direct, wholly-owned subsidiary of AGL. AGL is a Bermuda-based holding company that was organized in 2003 and whose common shares are publicly traded on the New York Stock Exchange and registered with the U.S. Securities and Exchange Commission.

e) Group Structure



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

The Company reinsures:

- 100% quota share of PRT from an unaffiliated UK cedant,
- Quota share reinsurance from an unaffiliated US cedant that includes:
  - 65% quota share on back book MYGA from an unaffiliated US cedant, and
  - 40% quota share on legacy flow business from an unaffiliated cedant in the US

g) Performance of Investments by Asset Class and Details on Material Income and Expenses Incurred During the Reporting Period

The Company invests in a combination of high quality fixed income securities (fixed income bonds, commercial mortgage loans, mortgage-backed securities and asset-backed securities). The Company's investment portfolio is governed by the agreed upon investment guidelines between the Company and the cedants. The Company's assets that are used to enhance capital and surplus, are invested in a diversified portfolio designed to provide liquidity and shorter term duration while being in line with the Company's risk appetite and desire for capital preservation to ensure the Company meets its long-term financial objectives. The management of the portfolio is governed by the Prudent Person Principle in accordance with the regulations of the BMA.

As of December 31, 2025, the Company's investment portfolio comprised fixed maturity assets; including corporate & government bonds, commercial mortgage loans, mortgage-backed securities and asset-backed securities total of $904.7 million (2024: $866.0 million) of which $282.1 million is in funds withheld assets. The net investment income for year ended December 31, 2025, excluding any realized or unrealized gains, was $71.4 million (2024: $45.7 million). The reason for this increase is due to the fact that the Company had a full year of income from the MYGA business in 2025 compared to only seven months in 2024. The Company uses derivative instruments to hedge certain risks in the Company's liabilities including foreign exchange risks associated with asset purchased to back non-dollar denominated liabilities.

h) Any Other Material Information

On January 21, 2026, AGUK Holdings acquired Assured Life UK (formerly known as Warwick Company (UK) Ltd. and its subsidiaries, including Assured Life Re (formerly known as Warwick Re Ltd.). The Acquisition is described in more detail below in *Section 6 Subsequent Events*. To avoid being misleading, the disclosures herein relating to group structure and ownership, as well as governance, risk management, and oversight arrangements, reflect the position as at the reporting date following completion of the Acquisition.

2. Governance Structure

a) Board and Senior Executive

i. *Board and senior executive structure, role, responsibilities and segregation of responsibilities*

Assured Life Re's affairs are managed by its Board and officers in Bermuda in accordance with the Code of Conduct. The Code of Conduct requires Bermuda insurers to establish and maintain a comprehensive corporate governance and risk management framework and to be able to evidence the same, based generally on a principle of proportionality. Assured Life Re's Board has the ultimate responsibility for the sound and prudent governance and oversight of the Company.

The Board is responsible for ensuring that Assured Life Re's business (along with its corporate governance policies and practices) is effectively directed, managed and conducted in a sound and prudent manner, with integrity, due care and the professional skills that are relative to the nature, scale and complexity of its business. The Board is responsible for setting appropriate strategies and policies, and for providing suitable prudential oversight of Assured Life Re's risk management and internal controls framework. In carrying out their duties, Assured Life Re's directors will act in accordance with all relevant and applicable legislative and regulatory rules, including the Insurance Act and the Companies Act, in particular, as well as with Assured Life Re's constitutional framework (e.g., its bye-laws).

The Board generally convenes quarterly in Bermuda and on an ad hoc basis as required. The members of the Board are comprised of members of senior management of Assured Life or of its ultimate parent, AGL, or other qualified individuals, in each case, who have been appointed by AGUK Holdings.

The directors and officers of, and other appointed persons providing services to, Assured Life Re are detailed below:

<u>Directors</u>

Daniel Bevill
Gary Burnet
Dominic Frederico
Teresa Munoz
Benjamin Rosenblum
Steven Schreiber

<u>Officers</u>

Daniel Bevill	President
Ashleigh Bischoff	Chief Investment Officer (Interim)
Ling Chow	Assistant Secretary
Dana Damiani	Privacy Officer and Assistant Secretary
Jorge Gana	Chief Risk Officer (Interim)
Matthew Hayes	Deputy Chief Actuary
Teresa Munoz	Chief Financial Officer
Sherman Tsui	Chief Information Security Officer

<u>Principal Representative</u>

Gary Burnet

<u>Approved Actuary</u>

Canterbury Consulting LLC

Additionally, the Board has established and maintains oversight over the following committees:

Audit Committee responsible for the oversight over the integrity of the Company's financial statements and financial reporting processes, its system of internal controls and the audit process, including internal audit, and the performance, qualification, and independence of the Company's independent auditor.

Risk and Investment Committee responsible for the (i) development, implementation and oversight over the Company' enterprise risk management framework; and (ii) oversight over the Company' investment strategy, implementation of the prudent person principle, investment performance, asset allocation and asset liability matching.

Underwriting Committee responsible for the oversight over the Company's reinsurance business strategies and transactions.

ii. Remuneration policy

For 2025, the remuneration of the Company's employees consisted of a fixed base salary, an annual discretionary performance-based bonus and, for employees in service as of September 2025, a retention award. The retention award provided a minimum payout to employees who remained with the Company through specified dates, a portion of which was contingent on the closing of an acquisition, with the amount based on the consideration paid in such an acquisition which in this case includes the Acquisition.

Following the Acquisition, the remuneration policy contained herein applies to employees of Assured Life Re and its affiliates, which serve as the employers of the Group's Bermuda and other employees, including those employees who serve as directors of the Board, and as officers and the Principal Representative of Assured Life Re. Directors and officers of Assured Life Re who are not employees of affiliates within the Group are entitled to receive a fixed fee.

As noted above, Assured Life Re's affairs are managed by its Board and officers in Bermuda. The Company also contracts with affiliates to provide certain administrative support services. Group employees providing such services to the Company are compensated in accordance with the Group's remuneration philosophy.

The Group's remuneration philosophy is grounded in the concept of attracting and retaining talented and experienced business leaders who can drive financial and strategic growth objectives intended to build long-term shareholder value in a manner consistent with the Group's risk parameters. The Group's remuneration policy is designed with the guiding principles of:

- pay for performance by providing an incentive for exceptional performance and the possibility of reduced compensation for underperformance,
- accountability for short and long-term performance,
- alignment to shareholder interests, and
- retention of highly qualified and successful employees.

The remuneration policy is designed to assess performance, using pre-established measures of success that are tied to the Group's (including the Company's) key business strategies. The policy encourages balanced performance, measured relative to financial and non-financial goals as well as measures of shareholder value, and discourages excessive risk taking or undue leverage by avoiding too much emphasis on any one metric or on short-term results.

The Group's remuneration policy rewards the performance of its senior leadership team, who are directly responsible for operational results, with a higher proportion of variable and performance-based compensation than it rewards lower-level executives.

The policy employs a mix of variable at-risk compensation with different time horizons and payout forms to provide an incentive for both annual and long-term sustained performance, in order to maximize shareholder value in a manner consistent with the Group's risk parameters. Most of the remuneration of the Company's directors and most senior personnel consists of variable incentive compensation, in the form of an annual cash incentive as well as long-term equity compensation. For the 2026 performance year, employees of the Company were guaranteed certain minimum incentive remuneration to remain with the Company until March 2027.

In developing its remuneration philosophy, the Group worked to identify areas of risk or potential for unintended consequences that could exist in the design of the philosophy and evaluated the incentive plans relative to enterprise risks. AGL believes that its remuneration philosophy is designed and administered with the appropriate balance of risk and reward in relation to the overall business strategy and does not encourage executives to take unnecessary or excessive risks that could have a material adverse impact on AGL and its subsidiaries, including the Company.

Remuneration consists of three principal elements: base salary, cash incentive remuneration and long-term incentive compensation. The Company's remuneration policy is structured with upside potential for superior achievements, but also the possibility of reduced remuneration if individuals are unable to successfully execute group strategies or meet their business or regulatory obligations. The Chief Executive Officer of AGL, certain other officers of AGL and those individuals who have been granted a non-equity incentive compensation award under the Assured Guaranty Ltd. 2024 Long Term Incentive Plan, as amended from time to time (or a predecessor or successor plan thereto) are subject to a recoupment (clawback) policy pursuant to which certain of their remuneration may be rescinded or recouped if such person engages in misconduct, there is a material restatement of AGL's financial statements or such remuneration is calculated based on objectively quantifiable performance goals, and the achievement of those goals is later determined to have been overstated.

iii. Pension or early retirement schemes for members, Board and Senior Executives

As of December 31, 2025, the Company maintained a defined contribution retirement plan, which was available to eligible full-time employees. The Company contributed 10% of the employees' eligible compensation to the International Retirement Plan, regardless of whether the employee otherwise contributed to the plan. The Company recognized defined contribution expenses of $0.1 million and $0.5 million for the years ended December 31, 2025 and December 31, 2024 respectively.

There are no early retirement schemes and there is no pension plan for non-executive directors.

Following the Acquisition, the Company participates in defined contribution retirement plans maintained by AGL, which are available to eligible full-time employees upon hire.

iv. *Material transaction with Shareholder Controllers, person who exercise significant influence, the Board or senior executive*

As at December 31, 2025, there were no material transaction with the Company's shareholder controllers, persons who exercise significant influence, the Board or senior executives. Effective January 21, 2026, the Company and certain of its affiliates entered into the Service Agreement pursuant to which the Company's affiliates, AG Services and AGUK Services, each make available to the Company and such affiliates staff to perform insurance, reinsurance and such other services, including underwriting support, actuarial, claims handling, marketing support, surveillance, legal, corporate secretarial, information technology, human resources, accounting, tax, financial reporting and investment planning services. Expenses under the Service Agreement are allocated based upon an allocation of employee time and corresponding office overhead plus, in the case of services provided by AGUK Services, a mark-up, calculated as a percentage of the relevant costs. The Service Agreement also provides for the allocation to the Company of the applicable portion of (i) all cash and non-cash compensation paid to certain Assured Guaranty employees for time spent in respect of their role as director, officer or statutory function holder of the Company; and (ii) office rent and overhead expenses. The Services Agreement provides for quarterly settlements and an express right of offset with regard to amounts owing between parties under the Services Agreement and other agreements between such parties.

b) Fitness and Propriety Requirements

i. *Fit and proper process in assessing the Board and Senior Executive*

Assured Life Re assesses the fitness and propriety of all of its Board members, officers, Principal Representative and Approved Actuary, in accordance with the Company's Fit & Proper Policy, to confirm, prior to their appointment or reappointment, that all such individuals possess appropriate qualifications and experience to perform their designated role(s) and responsibilities.

ii. *Professional qualifications, skills and expertise of the Board and Senior Executives*

Assured Life Re ensures that all Board members and executive officers possess the characteristics set out below, and therefore are able to provide competent and prudent management through their professional qualifications, knowledge, experience and integrity.

- relevant qualifications and experience for each position,
- sound judgment,
- understanding of the insurance business written by the Company, including residual value, financial guaranty and life reinsurance, as well as other relevant insurance businesses,
- honesty and integrity,
- a good reputation,
- competency and capacity to perform key functions, and
- financial soundness.

Below are details of the Board and executive officer qualifications, skills and experience:

Daniel Bevill (Executive Director and President)

Daniel S. Bevill was appointed as President of Assured Life Re upon its acquisition by the Assured Guaranty group in January 2026. Prior to that he held several senior structured finance leadership roles at Assured Guaranty, most recently serving as Senior Managing Director and Co-Head of the Global Structured Finance group at Assured Guaranty since 2019, leading a global team responsible for originating, structuring, underwriting, and closing structured finance transactions across multiple regions. Before joining Assured Guaranty in 2005, he was a Managing Director at Ambac Assurance and earlier held underwriting roles at Enterprise Re and Zurich Reinsurance North America. Mr. Bevill currently serves as the President and a member of the Board of Directors of Assured Life Re.

Teresa Munoz (Executive Director and CFO)

Teresa Muñoz joined Assured Guaranty in June 2004 and has served in various roles in the Accounting department, most recently as Senior Managing Director, Financial Reporting responsible for U.S. financial reporting for Assured Guaranty Ltd. and its subsidiaries, a role she served in until her appointment as Chief Financial Officer of Assured Life Re upon its acquisition by the Assured Guaranty group in January 2026. Since March 2022, she has also been responsible for the internal controls documentation and testing program, as well as day-to-day coordination and liaison activities relating to Assured Guaranty's outsourced internal audit function. She has served as Key Function Holder for Internal Audit at AGE since October 2022. Before joining Assured Guaranty, Ms. Muñoz was an Assistant Vice President at The MONY Group, and earlier in her career was a Manager in the Insurance Practice at PricewaterhouseCoopers. She is a Certified Public Accountant in New York. Ms. Muñoz currently serves as the Chief Financial Officer and a member of the Board of Directors of Assured Life Re.

Dominic Frederico (Non-Executive Director)

Dominic J. Frederico has been a director of AGL since its 2004 initial public offering, and the President and Chief Executive Officer of AGL since December 2003. Mr. Frederico served as Vice Chairman of ACE Limited from 2003 until 2004 and served as President and Chief Operating Officer of ACE Limited and Chairman of ACE INA Holdings, Inc. from 1999 to 2003. Mr. Frederico was a director of ACE Limited from 2001 through May 2005. From 1995 to 1999 Mr. Frederico served in a number of executive positions with ACE Limited. Prior to joining ACE Limited, Mr. Frederico spent 13 years working for various subsidiaries of the American International Group. His last position at the group was Senior Vice President and Chief Financial Officer of AIG Risk Management. Mr. Frederico currently serves as a member of the Board of Directors of Assured Life Re.

Benjamin Rosenblum (Non-Executive Director)

Benjamin G. Rosenblum has been Chief Financial Officer of AGL since January 1, 2024. Prior to that, Mr. Rosenblum was Chief Actuary of AGL from 2021 through December 2023, and also Chief Actuary of AGM (until its merger with and into AG) and AG from December 2010 to October 2024. He joined Assured Guaranty in 2004, responsible for the loss reserve function at AG Re and AGRO, later assuming the same responsibilities at Assured Guaranty UK Ltd. and AGE. He became a Senior Managing Director in 2015, and has been in charge of accounting and financial reporting since 2019. Mr. Rosenblum currently serves as a member of the Board of Directors of Assured Life Re.

Gary Burnet (Non-Executive Director)

Gary Burnet has been President of AG Re and AGRO since August 2012, and prior to that he served as the Managing Director - Chief Credit Officer of AG Re from 2006 until his appointment as President. Mr. Burnet also served as the Vice President - Risk Management and Operations of AG Re from 2002 to 2005. Prior to joining Assured Guaranty, Mr. Burnet's previous experience included two years at ACE Asset Management, where he was Investment Officer with responsibility for developing and modeling the ACE group's consolidated investment and insurance credit risk. Prior to ACE Asset Management, he was an Assistant Vice President-Investments at ACE Bermuda. Mr. Burnet trained as a Chartered Accountant with Geoghegan & Co. CA from 1993 to 1996 in Edinburgh, Scotland and also worked as an audit senior for Coopers & Lybrand from 1996 to 1998 in Bermuda. Mr. Burnet currently serves on the Board of Directors and as Principal Representative of Assured Life Re.

Steven Schreiber (Independent Non-Executive Director)

Steven I. Schreiber has served as a director of Gerber Life Insurance Company and National Integrity Life Insurance Company since June 2025 and serves on the Audit Committee of each company. Previously, he spent 38 years at Milliman as an actuarial consultant, advising life insurers on mergers and acquisitions, structured reinsurance, reserve financing, mutual company restructurings, and New York regulatory matters. During his tenure, he was co-managing partner of Milliman's New York life consulting practice for over 20 years and served on Milliman's board from 2021 to 2023, including on the Governance, Budget, and Compensation Committees. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. Mr. Schreiber currently serves as an independent non-executive member of the Board of Directors of Assured Life Re.

Jorge Gana (Chief Risk Officer – Interim)

Jorge A. Gana has been Chief Risk Officer of AGL and Chair of the U.S. Risk Management and Portfolio Risk Management Committees since January 1, 2023. Prior to that, Mr. Gana served as Deputy Chief Risk Officer of AGM and AG. Mr. Gana joined Assured Guaranty in 2005 as a Director in structured finance. Over the years, Mr. Gana has held a number of positions at Assured Guaranty, including Managing Director, Structured Finance at AG, Senior Managing Director of Workouts and Government & Corporate Affairs at AGM and AG, and chair of AGM's and AG's Workout Committees. Prior to joining Assured Guaranty, Mr. Gana served as a Director of Global Commercial Asset Securitization for XLCA (now Syncora). Prior to XLCA, Mr. Gana worked at Natexis Banques Populaires (now Natixis) and at Banco Santander in global capacities dealing with credit and risk, managing investment portfolios, originating complex transactions, and issuing repackaged debt. Mr. Gana currently serves as the Interim Chief Risk Officer of Assured Life Re.

Ashleigh Bischoff (Chief Investment Officer – Interim)

Ashleigh Bischoff joined Assured Guaranty in 2005 and has served in several senior capacities across the group over the last 20 years, including Chief Investment Officer of Assured Guaranty Inc., a role she has held since August 2023, in which she is responsible for investing, managing, and surveilling alternative investments across the Assured Guaranty platform. Ms. Bischoff was also recently appointed as interim Chief Investment Officer of Assured Life Re upon its acquisition by the Assured Guaranty group in January 2026. Previously, she served as Deputy Chief Investment Officer and Co-Head of Asset Backed Investments of Assured Investment Management and as Managing Director – Workouts and Alternative Investments at Assured Guaranty Municipal Corp. and Assured Guaranty Corp. Prior to joining Assured Guaranty, Ms. Bischoff was a Director at Fitch Ratings, Inc. and earlier in her career was a Business Development Analyst at Netfolio, Inc. and a Financial Analyst at CIBC World Markets.

Matthew Hayes (Deputy Chief Actuary)

Matthew Hayes was appointed as Managing Director, Deputy Chief Actuary of Assured Life Re upon its acquisition by the Assured Guaranty group in January 2026. Prior to the acquisition, he served as Chief Risk Officer at Warwick Re from October 2025, where he was responsible for enterprise risk management, governance, and actuarial model oversight. Matt is a qualified actuary with over 20 years of experience across the UK life insurance and reinsurance industry, having served in senior actuarial roles at several leading insurers and reinsurers. He began his career at Scottish Widows before spending several years in consulting at Ernst & Young and Deloitte, gaining broad experience across the life and general insurance sectors. He is a Fellow of the Institute and Faculty of Actuaries (FIA).

c) Risk Management and Solvency Self-Assessment

i. *Risk Management process and procedures to identify, measure, manage and report on risk exposures*

The Company maintains a Risk Register, which tracks all of the material risks that the Company is exposed to. Most of the Company's risks assumed are long-term in nature and specific to individual transactions. The primary source of risk management is therefore at the initial transaction analysis after which the Company is bound by the terms of the transaction. At this stage in the Company's development, capital deployment and transaction approval is contingent on the approvals of the Company's Underwriting Committee and the Risk & Investment Committee . Both committees ensure the quality of the transaction that the Company is underwriting and recommend proposals to the Board to consider. The Company monitors ongoing risks via the Risk & Investment Committee who have oversight of the Company's Asset Liability Management, Capital Management, Liquidity Management and Investment Management policies.

ii. *Risk management and solvency self-assessments systems*

The Company's risk management framework is implemented and integrated into the Company's operations through systems, processes, procedures, and controls developed and documented by management.

Management information obtained from the risk management process is used to complete solvency self-assessments of the quantity and quality of capital required to support the Company's objectives and liabilities. The solvency self-assessment is reviewed at least quarterly and when transactions are being considered to ensure the Company's capital adequacy and liquidity resources are sufficient. The Company uses proprietary and third-party models / information to determine the capital adequacy.

iii. *Relationship between solvency self-assessment, solvency needs & capital and risk management*

The Company's self-assessment process is a fundamental part of the Company's risk management framework as governed by the CISSA. The Company has developed the Bermuda statutory model to assist in its self-assessment. This allows the Company to maintain confidence that it can continue to meet its regulatory capital requirements in accordance with the Company's own risk tolerances. If the Company identifies any key risks, these are notified to the relevant committees and the Board.

iv. *Solvency self-assessment approval process*

The Company's model for self-assessment as noted above relies on the CISSA as well as the Company's Bermuda Statutory model of whose findings are reported to relevant committees and the Board.

d) Internal Controls

i. *Internal control system*

Financial Reporting Internal Controls

The Company has systems and processes to ensure that data and reporting is reliable, company policies are adhered to and adequate security measures are implemented. If any issues arise, they will be reported to the Audit Committee.

IT Controls

A combination of preventive and detective controls are used to ensure the integrity, availability and confidentiality of IT systems.

Vendor Management Controls

Following the Acquisition, the Company implemented the Group Vendor Management Policy that ranks vendors in terms of level of risk, and requires, for higher risk vendors, an annual review of internal control reports from those vendors.

ii. *Compliance function*

The Company's Compliance function is outsourced to AG Services and carried out by Assured Guaranty's Chief Compliance Officer with oversight by Assured Guaranty's General Counsel, each of which is independent from any business or operational unit.

The Compliance function is responsible for:

- Developing and implementing policies, procedures and processes designed to ensure compliance with the risk management framework, legal and ethical conduct, applicable laws, rules, and standards;
- Advising on compliance with applicable laws and regulations and assessing the possible impact of new laws and regulations on the Company;
- Ensuring that new regulatory rules and internal guidelines are communicated to the affected business areas and providing guidance to those business areas in respect of such requirements;
- Monitoring compliance with the Company's policies, procedures and process and reporting compliance violations or significant issues raised during the year;
- Maintaining an open dialog with BMA, and other applicable regulators, and submitting the appropriate information to those regulators, including notice of matters that are of concern to the regulators;

- Promoting a corporate culture of compliance and integrity and developing a mechanism for employees to report confidentially concerns regarding compliance deficiencies and breaches;
- Implementing a training program for Company personnel on compliance with the Company's Global Code of Ethics, Global Compliance Manual and related compliance policies, and on compliance with applicable laws and regulations, on a regular basis (including anti-money laundering and anti-bribery/corruption training); and
- Assessing, together with the Internal Audit functions, the adequacy and effectiveness of the Company's compliance controls.

Following the Acquisition, the Company's compliance program was integrated with Assured Guaranty's compliance program. The CCO oversees a comprehensive quarterly compliance review and maintains (i) an inventory of all filings due by the Company throughout the year; (ii) a tracker summarizing new and/or revised laws, regulations or other requirements coming into effect or being proposed that are or may be applicable to Assured Guaranty or that could otherwise impact Assured Guaranty's business. These items are reviewed and significant issues are discussed on a quarterly basis at group-wide compliance meetings.

The Compliance function reports quarterly to the Board or Audit Committee thereof.

e) Internal Audit

The primary responsibility of the Internal Audit function is to provide the Board with an independent and objective analysis and appraisal of the efficiency and effectiveness of the Company's governance, operations and internal control systems, the accuracy of financial reporting, and compliance with applicable laws and regulations.

The Internal Audit function is segregated and staffed by persons independent from operational functions, including risk management, compliance, underwriting, finance and actuarial.

Following the Acquisition, the Company outsourced its Internal Audit function to an international public accounting firm. Internal Audit is authorized to have unrestricted access to all Company functions, records, property and personnel, subject to all documents and information given to Internal Audit during a periodic review being handled in the same prudent and confidential manner as by those employees of the Company normally accountable for them. Internal Audit reports directly to the Board or Audit Committee thereof. All employees are required to assist the Internal Audit function in fulfilling their duty.

f) Actuarial Function

Each transaction the Company enters into is subject to a detailed actuarial analysis and sophisticated modelling from both a cash flow and investment return perspective. This analysis is carried out by the Company's internal actuarial team and third-party actuarial consultants, if applicable. Canterbury Consulting LLC serves as the Company's Approved Actuary for the Bermuda Actuarial Opinion for statutory purposes.

g) Outsourcing

The Company carefully selects all service providers, evaluating and reviewing their capabilities, reputation, costs and fit.

Given the relatively small size of its operations and the desire to ensure the efficiency and effectiveness of its operations, the Company has determined that certain functions and processes should be outsourced to an affiliate company or third parties.

All of the Company's outsourcing arrangements are reviewed on an annual basis by the Board and more frequently if required. Any new affiliate or third party outsourcing arrangements, or changes to existing affiliate or third party outsourcing arrangements, are reviewed and approved by the Company's management and/or the Board, as appropriate.

Third-Party Outsourcing Arrangements

Investment Management

The Company outsources the management of some of its investment portfolio to various third party investment managers under mandates designed to meet the Company's investment priorities, manage credit risk, ensure ample liquidity to cover losses in a stress scenario and maximize income. The investment managers manage the Company's investment portfolios in accordance with the investment guidelines approved by the Company's Board. For more information on the 'prudent person principle' see *Section iii.b Market Risk*.

Internal Audit

The Company outsources the Internal Audit function to an international public accounting firm. Refer to *Section ii.e Internal Audit Function* above for additional information.

Approved Actuary

The Company outsources the Approved Actuary role to Canterbury Consulting LLC. Refer to *Section ii.f Actuarial Function* above for additional information.

Material Intra-Group Outsourcing

As described in Section *ii.a.ii Remuneration Policy and Section ii.a.iv Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executive Material Transactions* above, Assured Life Re's affairs are managed by its Board and officers in Bermuda. In addition, the Company contracts with its affiliates to provide certain administrative support services. The Company is a party to the Service Agreement pursuant to which AG Services and AGUK Services make available staff to perform insurance, reinsurance and such other services, including underwriting support, actuarial, claims handling, marketing support, surveillance, legal, corporate secretarial, information technology, human resources, accounting, tax, financial reporting and investment planning services. The Company outsources the Compliance function pursuant to the Services Agreement.

h) Any Other Material Information

Not applicable – no other material information to report.

3. Risk Profile

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

The key risk categories that the Company is exposed to include Underwriting Risk, Investment Risk, Liquidity Risk and Operational Risk.

- Underwriting Risks consist primarily of longevity, mortality and policyholder behaviour risk.

- Investment risk is defined as the uncertainty or loss relative to expected return on investments. The Company's main source of profit on reinsurance transactions is from the investment spread between returns on assets and funding costs for liabilities.

- Liquidity risk is the potential inability to meet obligations when they become due because the Company has insufficient liquid funds, liquid assets or cannot obtain new funding.

- Operational Risk is the risk of losses caused by inadequate internal processes, people or systems.

b) Risk Mitigation in the Organization

The Company has a control framework that allows all material risks to be reported to and monitored by the UWC. These controls include maintaining a Risk Register, monitoring regulatory capital, monitoring investment performance, measuring asset and liability mismatches, and monitoring operational risk events.

The Risk function verifies that the risks are either kept within agreed limits or temporary breaches for unique situations are reported to the UWC for approval or correction. The CEO, the UWC and the Board ensure the controls are in place for risk exposures and operate as intended.

The Internal Audit function measures the effectiveness of these controls and reports their findings to the Board.

c) Material Risk Concentrations

The Company regularly monitors its risk concentrations. The Company utilizes the BSCR solvency capital risk charge for concentration risk as a key metric of monitoring market concentration risk. The Company also manages concentration risk in compliance with both the Company's counter-party investment guidelines and investment risk management policies as approved by the Board.

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

The Company's investment portfolio is managed by its Group Head of Investments and contracted institutional investment managers in accordance with the Company's investment management standards as approved by the Investment Committee. These standards include limits with respect to single issuers, sector limitations, ratings and duration, among others.

The Company regularly reports on the performance of its invested assets to the Investment Committee and the Board.

e) Stress Testing and Sensitivity Analysis to Assess Material Risks

The Company performs various stress tests to determine the adequacy of capital & liquidity and to ensure it meets regulatory requirements. These stress scenarios include shocks to interest rates, inflations, spreads, exchange rates, longevity, mortality, expenses and lapse rates. The Company also considers the impact of severe yet plausible economic scenarios.

Based on these tests, the Company believes that it has sufficient capital and liquidity to comply with contractual obligations of the Company and regulatory requirements, even under stressed conditions.

f) Any Other Material Information

Not applicable – no other material information to report.

4. Solvency Valuation

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

The Company uses valuation principles outlined by the BMA for the reporting period's statutory filing. The economic valuation principles outlined in this document are to measure assets and liabilities on a fair value basis (the value that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants as at the measurement date).

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

The Company's technical provisions comprise best estimate liability, or reserve, and risk margin. The best estimate reserve is determined as the highest asset requirement needed to fund cash flows using the BMA's standard discount rate curves as at December 31, 2025. The risk margin, which reflects the uncertainty contained inherent in the underlying cashflows, is calculated using the cost of capital approach and a risk-free discount rate term structure. As at December 31, 2025, the total Net Technical Provisions amounted to $829.6 million (2024: $807.5 million) and was comprised as follows:

	USD ($000)
Best Estimate Policy Reserves – Life	522,590
Best Estimate Policyholder's Funds on Deposit	287,900
Risk Margin	19,100
Total	**$829,590**

c) Description of Recoverables from Reinsurance Contracts

Not applicable.

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

As noted above, the Company's liabilities are valued at fair value in accordance with the valuation principles outlined by the BMA's "Guidance Note for the Statutory Reporting Regime".

e) Any Other Material Information

Not applicable – no other material information to report.

5. Capital Management

a) Eligible Capital

i. Capital Management policy and process for capital needs, how capital is managed and material changes during the reporting period

The Company's primary capital management objective is to hold sufficient capital to meet the Company's obligations to cedants and meet regulatory requirements (including the Bermuda Solvency Capital Requirement set out in the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011)). Management closely monitors the Company's capital needs and capital level and in times of volatility and turmoil in global capital markets actively takes steps to increase or decrease the Company's capital to achieve an appropriate balance between financial strength, liquidity and shareholder returns. Capital management is achieved in several ways: (i) establishing appropriate capital at the transaction level to support the risk profile; (ii) ensuring compliance with the Company's ALM and risk management strategy, which dampens exposure to volatility by equalizing exposure on both asset and liability sides of the Company's balance sheet; and (iii) by ensuring liquidity and margin is retained in the business to meet cash flow variability. The Company's transactional objectives seek to either deploy capital to fund attractive business opportunities inside prescribed and Board approved Internal Rate of Return (IRR) hurdles, or in times of excess capital and times when business opportunities are less attractive, returning capital to the Company's shareholder by way of dividends.

As part of its long-term strategy, the Company will continue to seek to grow capital resources to support its operations, maintaining financial strength ratings and claims paying ability.

ii. Eligible capital by tiers in accordance with the eligible capital rules used to meet the ECR and MSM requirements of the Insurance Act

As a Class E long-term insurer, the Company is required to disclose the capital in accordance with a 3 tiered-capital system. Tier 1 capital includes statutory economic surplus, capital stock and contributed surplus. As of 31 December 2025, all the capital was Tier 1 capital, and is expected to continue to be in this format.

The Company is licensed as a Class E long term insurer under the Act and is required to maintain a minimum statutory solvency margin equal to the greater of a minimum solvency margin (MSM) and a percentage of the Enhanced Capital Requirement (ECR). The MSM is equal to the greater of (i) \$8.0 million (ii) 2% of the first \$500 million of assets plus 1.5% of assets above \$500 million or (iii) 25% of ECR. The ECR is calculated based on a standard risk-based capital model developed by the BMA. As at December 31, 2025, the Company is required to maintain an estimated MSM of \$16.8 million. The actual statutory capital and surplus, as determined using statutory accounting principles, is $163.3 million as at December 31, 2025.

iii. Confirmation of eligible capital that is subject to transactional arrangements

Not applicable.

iv. Identification of any factors affecting encumbrances on the availability and transferability of capital to meet the ECR

Not applicable

v. Identification of ancillary capital instruments approved by the Authority

Not applicable

vi. Identification of differences in the shareholder's equity as stated in the Financial Statements versus the available capital and surplus

Other than the impact of removing the Company's non-admitted assets (equaling $376,000 of prepaid assets), there are no significant differences between the Company's shareholder's equity and available statutory capital and surplus.

b) Regulatory Capital Requirements

i. ECR and MSM requirements at the end of the reporting period

Requirement	USD ($000)
Minimum Margin of Solvency	16,760
Transition Enhanced Capital Requirement	44,234
Transition Enhanced Capital Requirement Ratio	245%

ii. Identification of any non-compliance with the MSM and ECR

Not applicable. The Company was compliant with the MSM and ECR requirements as at December 31, 2025.

iii. A description of the amount and circumstances surrounding the non-compliance, the remedial measures and their effectiveness

Not applicable.

iv. *Where the non-compliance is not resolved, a description of the amount of the non-compliance*

Not applicable.

c) Approved Internal Capital Model

i. *Description of the purpose and scope of the business and risk areas where the internal model is used*

Not applicable.

ii. *Where a partial internal model is used, description of the integration with the BSCR model*

Not applicable.

iii. *Description of methods used in the internal model to calculate the ECR*

Not applicable.

iv. *Description of aggregation methodologies and diversification effects*

Not applicable.

v. *Description of main differences in the methods and assumptions used for the risk areas in the internal model versus BSCR model*

Not applicable.

vi. *Description of the nature and suitability of the data used in the internal model*

Not applicable.

vii. *Any other material information*

Not applicable.

6. Subsequent Events

a) Description of Significant Events

In January 2026, Assured Guaranty completed the Acquisition, after which the Company underwent rebranding and now operates as Assured Life Reinsurance Ltd. The transaction resulting in a change in ultimate ownership, with Assured Guaranty Ltd. becoming the Company's ultimate parent.

The acquisition did not alter the Company's licensing status or regulatory classification under the Insurance Act 1978. Assured Guaranty continues to operate Assured Life Re as a Bermuda-domiciled life reinsurance entity, with its principal activities, business model, and risk profile remaining focused on asset-intensive reinsurance transactions.

Following the Acquisition, governance, risk management, and reporting frameworks have been reviewed and, where appropriate, aligned with Assured Guaranty group-level standards, while remaining proportionate to the nature, scale and complexity of the Company's business and consistent with Bermuda regulatory requirements.

The integration process has been undertaken with a focus on maintaining business continuity and ensuring ongoing compliance with all applicable regulatory and supervisory expectations.

b) Approximate Dates(s) or Proposed Timings of the Significant Event

The Acquisition was completed on January 21, 2026.

c) Confirmation of how the Significant Event has Impacted or will Impact any Information Provided in the Most Recent Financial Condition Report Filed with the Authority

Following the Acquisition and rebranding of the Company, information presented throughout this Financial Condition Report has been updated, where relevant, to reflect the Company's current ownership, governance, risk management, and operating structure.

In particular, disclosures relating to group structure and ownership, as well as governance, risk management, and oversight arrangements, reflect the position as at the reporting date following completion of the Acquisition.

The Company's risk management framework is currently subject to further enhancement, with improvements being implemented on a phased basis which management expects will reduce the operational risk charge in future filings. This includes ongoing alignment with group-level standards, while ensuring that the framework remains proportionate to the nature, scale, and complexity of the Company's business. The Company has implemented a new Risk Management Framework Policy following the Acquisition.

In respect of capital management, the Company has implemented a new Capital Management Policy and a Risk Appetite and Stress Testing Policy following the Acquisition. Stress and scenario testing is performed in accordance with these policies, with results considered as part of the year-end CISSA process and broader solvency monitoring.

The Company's business strategy continues to be focused on asset-intensive reinsurance transactions. The Acquisition has not resulted in a fundamental change to the nature of the Company's business, but provides a broader group context within which the strategy is executed.

Where historical information is presented for comparative purposes, such disclosures should be read in light of the Company's current ownership and governance structure.

d) Any Other Material Information

Not applicable.

Declaration

We declare, to the best of our knowledge and belief, that the financial condition report fairly presents the financial condition of the Company in all material respects.

Daniel Bevill
President
Assured Life Reinsurance Ltd.

Teresa Munoz
Chief Financial Officer
Assured Life Reinsurance Ltd.