CATALINA HOLDINGS (BERMUDA) LTD.

FINANCIAL CONDITION REPORT

DECEMBER 31, 2024

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Executive Summary

Catalina Holdings (Bermuda) Ltd.

Catalina Holdings (Bermuda) Ltd. (“**CHBL”, “the Company”**, or **“Catalina”,** together with its subsidiaries**, “the Group”)**, incorporated on June 25, 2007, is a holding company incorporated under the laws of Bermuda. Catalina, through its subsidiaries located in Bermuda, the United States, the United Kingdom, Ireland, Singapore and Malaysia, acquires and manages life & non-life insurance and reinsurance companies and portfolios, and insurance and reinsurance business in run-off. This Financial Condition Report for the year ended December 31, 2024 has been prepared in accordance with the requirements of the Bermuda Monetary Authority’s (“**BMA**”) Insurance (Public Disclosure) Rules 2015 and the Insurance (Group Supervision) Rules 2011. It covers the business and performance of the Group and for its BMA regulated subsidiaries, Catalina Re Bermuda Ltd (“**CRBL**”), Catalina General Insurance Ltd. (“**CatGen**”) and Catalina Re Archdale Life Insurance Company Ltd (Bermuda) (“**CRAL**”) as well as their Governance Structure, Risk Profile, Solvency Valuation and Capital Management. CRBL and CatGen are licensed as Class 3B general business and Class E long term insurers while CRAL is licensed as a class E long term insurer. Both CRBL and CRAL commenced insurance operations in 2024. In accordance with the requirements of the Insurance Act 1978 and related regulations, no prior period comparative information is presented in this Financial Condition Report, as this is their first year of regulatory reporting.

The primary capital management objectives of the Group are to maintain a strong capital base to meet regulatory capital requirements at all times and to ensure that the Group has capital available to finance future transactions. The Group strives for an appropriate capital structure that efficiently allocates the risk to the capital. We use the BMA’s Bermuda Solvency Capital Requirements (“**BSCR**”) models to assess the Enhanced Capital Requirement (“**ECR**”).

Catalina Holdings (Bermuda) Ltd.

At December 31, 2024 CHBL’s regulatory capital requirements were assessed as follows:

Table 1.1 - Group regulatory capital requirements

	2024 US$'000	2023 US$'000
Statutory Economic Capital and Surplus	$ 1,147,358	$ 1,346,056
Minimum Margin of Solvency	515,644	402,364
Enhanced Capital Requirement	698,428	812,235
Bermuda Solvency Capital Requirement Ratio	**164 %**	**166%**

Catalina Re Bermuda Ltd.

At December 31, 2024, CRBL's regulatory capital requirements were assessed as follows:

Table 1.2 - CRBL regulatory capital requirements

	2024
	US$'000
Statutory Economic Capital and Surplus	$ 1,241,513
Minimum Margin of Solvency	140,993
Enhanced Capital Requirement	559,974
Bermuda Solvency Capital Requirement Ratio	**222 %**

Catalina General Insurance Ltd.

At December 31, 2024, CatGen's regulatory capital requirements were assessed as follows:

Table 1.3 - CatGen regulatory capital requirements

	2024	2023
	US$'000	US$'000
Statutory Economic Capital and Surplus	$ 1,434,115	$ 1,795,414
Minimum Margin of Solvency	234,674	305,679
Enhanced Capital Requirement	488,042	640,863
Bermuda Solvency Capital Requirement Ratio	**294 %**	**280 %**

Catalina Re Archdale Life Insurance Company Ltd. (Bermuda)

At December 31, 2024, CRAL's regulatory capital requirements were assessed as follows:

Table 1.4 - CRAL regulatory capital requirements

	2024
	US$'000
Statutory Economic Capital and Surplus	$ 13,727
Enhanced Capital Requirement	6,758
Bermuda Solvency Capital Requirement Ratio	**203 %**

Further details of CHBL, CRBL, CatGen and CRAL's Eligible Capital and Solvency Capital Requirements are provided in item 5.

Item 1: Business and Performance

Company Information

Name of the insurance group	Catalina Holdings (Bermuda) Ltd.
Address of its registered office	Dorchester House, 2nd Floor 7 Church Street Hamilton HM 11 Bermuda
Designated Insurer	Catalina General Insurance Ltd.
Group Supervisor	Bermuda Monetary Authority BMA House 43 Victoria Street Hamilton Bermuda
Approved Auditor	Deloitte Ltd. Corner House 20 Parliament Hamilton HM 08 Bermuda

a) Ownership Details

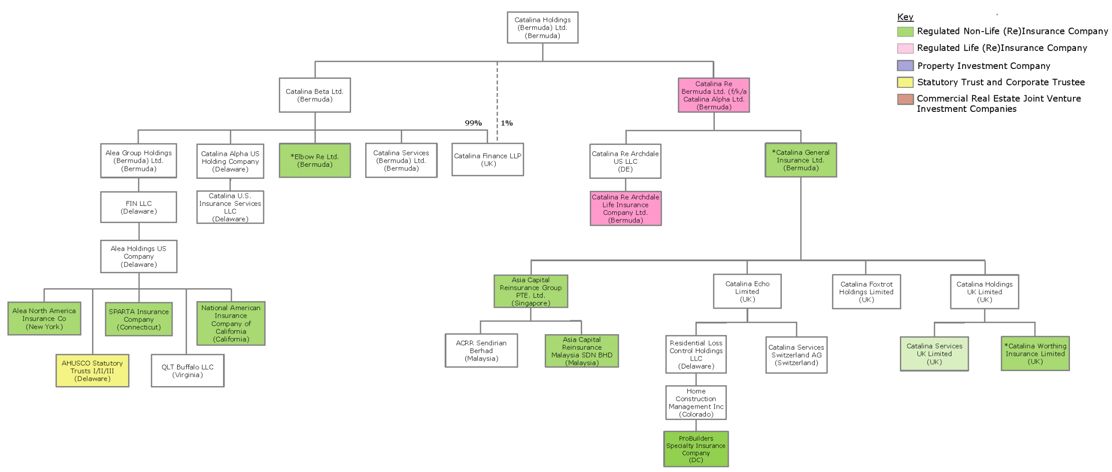
In October 2017, affiliates of Apollo Global Management LLC (the "**Apollo Funds**") together with its consolidated subsidiaries ("**Apollo**"), signed a definitive agreement to acquire in aggregate approx. 94% of the ordinary voting shares of CHBL. At the same time, RenaissanceRe Ventures Ltd. ("**RenRe**") agreed to acquire approx. 6% of the ordinary voting shares of CHBL. The acquisition transaction closed on October 10, 2018. Certain current and former members of executive management of the Group hold less than 0.1% of CHBL's ordinary voting shares. The Apollo Funds and RenRe entered into a three-year Shareholder Commitment to fund CHBL's continued growth. That shareholder equity commitment expired on October 10, 2021.

CatGen and CRAL are wholly owned subsidiaries of CRBL (Formerly Catalina Alpha Ltd) which is in turn a wholly owned subsidiary of CHBL.

b) Group Structure

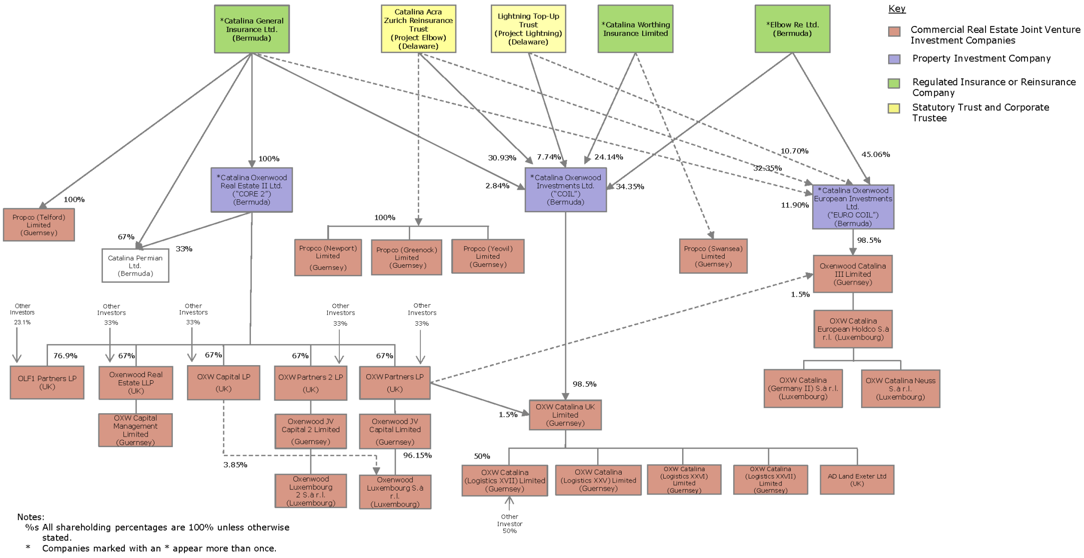
Please refer to the group structure below for our primary regulated insurance companies.

Figure 1 - Group structure (as at December 31, 2024)



Notes:
%s All shareholding percentages are 100% unless otherwise stated.
* Companies marked with an * appear more than once.

Figure 2 – Group Commercial Real Estate Joint Venture Structure (as at December 31, 2024)



c) Insurance business written by business segment and by geographical region by the insurance group during the reporting period

Catalina Holdings (Bermuda) Ltd.

Given the nature of Catalina's business, the geographical distribution of net loss and expense provisions is more meaningful information than a geographical breakdown of premiums written. The geographical distribution of net loss and expense provisions for CHBL at December 31, 2024 in US$ '000s equivalent was as follows:

Table 2.1 - Geographical distribution of net loss and expense provisions

	U.S	UK	Other	Total
2024	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Net Loss reserves	$ 8,391,829	912,647	196,276	**$ 9,500,752**
	U.S	**UK**	**Other**	**Total**
2023	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Net Loss reserves	$ 5,240,571	1,194,134	342,194	**$ 6,776,899**

Distribution of net loss and expense provisions by class of business across CHBL was as follows:

Table 3.1 - Distribution of net loss and expense provisions by class of business

By material line of business	2024 %	2024 US$'000	2023 %	2023 US$'000
Property	2.5 %	$ 242,100	4.4 %	$ 301,096
Marine, Aviation and Transport	0.3 %	28,952	0.6 %	39,449
U.S Casualty	6.7 %	639,065	12.3 %	836,753
Professional	— %	401	— %	2,281
International Motor	0.2 %	18,409	0.4 %	29,260
International Casualty	8.4 %	801,706	15.6 %	1,055,194
Health - including periodic payment orders	0.4 %	38,294	2.1 %	140,900
Other	0.7 %	63,774	1.2 %	80,280
Long-term technical provisions	80.7 %	7,668,051	63.3 %	4,291,686
Total	**100.0 %**	**$ 9,500,752**	**100.0 %**	**$ 6,776,899**

Catalina Re Bermuda Ltd.

The geographical distribution of net loss and expense provisions for CRBL as at December 31, 2024 was as follows:

Table 2.2 - Geographical distribution of net loss and expense provisions

2024	U.S US$'000	UK US$'000	Other US$'000	Total US$'000
Net Loss reserves	$ 7,671,223	1,059,839	426,748	**$ 9,157,810**

Distribution of net loss and expense provisions by class of business across CRBL was as follows:

Table 3.2 - Distribution of net loss and expense provisions by line of business

By material line of business	2024 %	2024 US$'000
Property	2.6 %	$ 241,702
Marine, Aviation and Transport	0.3 %	28,550
U.S Casualty	6.6 %	606,621
Professional	— %	400
International Motor	0.2 %	18,400
International Casualty	5.5 %	501,267
Health - including periodic payment orders	0.3 %	31,172
Other	0.7 %	61,648
Long-term technical provisions	83.7 %	7,668,050
Total	**100.0 %**	**$ 9,157,810**

Catalina General Insurance Ltd.

The geographical distribution of net loss and expense provisions for CatGen as at December 31, 2024 was as follows:

Table 2.3 - Geographical distribution of net loss and expense provisions

2024	U.S US$'000	UK US$'000	Other US$'000	Total US$'000
Net Loss reserves	$ 4,416,186	570,306	231,392	**$ 5,217,884**

2023	U.S US$'000	UK US$'000	Other US$'000	Total US$'000
Net Loss reserves	$ 5,156,555	919,476	256,754	**$ 6,332,785**

Distribution of net loss and expense provisions by class of business across CatGen was as follows:

Table 3.3 - Distribution of net loss and expense provisions by line of business

	2024		2023	
By material line of business	**%**	**US$'000**	**%**	**US$'000**
Property	4.6 %	$ 241,702	4.7 %	$ 300,330
Marine, Aviation and Transport	0.5 %	28,550	0.6 %	$ 39,058
U.S Casualty	11.6 %	606,621	12.0 %	$ 757,267
Professional	— %	400	— %	$ 2,279
International Motor	0.4 %	18,400	0.5 %	$ 29,254
International Casualty	9.6 %	501,267	11.1 %	$ 703,440
Health - including periodic payment orders	0.6 %	31,172	2.1 %	$ 131,117
Other	1.2 %	61,648	1.2 %	$ 78,354
Long-term technical provisions	71.4 %	3,728,124	67.8 %	$ 4,291,686
Total	**100.0 %**	**$ 5,217,884**	**100.0 %**	**$ 6,332,785**

Catalina Re Archdale Life Insurance Company Ltd. (Bermuda)

The geographical distribution of net loss and expense provisions for CRAL as at December 31, 2024 was as follows:

Table 2.4 - Geographical distribution of net loss and expense provisions

2024	U.S US$'000	UK US$'000	Other US$'000	Total US$'000
Net Loss reserves	$ 3,939,927	—	—	**$ 3,939,927**

Distribution of net loss and expense provisions by class of business across CRAL was as follows:

Table 3.4 - Distribution of net loss and expense provisions by line of business

	2024	
By material line of business	**%**	**US$'000**
Long-term technical provisions	100.0 %	$ 3,977,479
Total	**100.0 %**	**$ 3,977,479**

d) Performance from Investing activities

The tables below show the investment income performance for CHBL, CRBL, CatGen and CRAL for the year ended December 31, 2024, together with comparatives for the previous year, where applicable. The tables have been prepared on a U.S. GAAP basis. However, the Funds Held balances for the Funding Agreement Backed Notes ("**FABN**") and Archdale have been added back to align with the EBS investment results.

Table 4.1 - CHBL Investment performance

	2024			2023		
	Total Investment Return	Market Value	Return	Total Investment Return	Market Value	Return
Investment Type	US$'000	US$'000	%	US$'000	US$'000	%
Fixed Maturities	$ 83,061	$ 1,998,021	3.5 %	$ 281,088	$ 2,762,120	11.2 %
Equities	144	642	16.5 %	(12,836)	1,106	(550.2) %
Other investments	(41,096)	561,278	(6.8) %	35,784	660,497	3.7 %
Cash and cash equivalent	7,005	360,667	1.5 %	12,063	564,811	2.6 %
Real estate	—	175,406	— %	—	252,354	— %
Funds Held- FABN	281,244	3,877,601	7.3 %	375,100	4,592,949	8.2 %
Funds Held- Archdale	129,120	4,024,055	3.2 %	—	—	— %
Investment expenses	(9,693)	—	(2.2) %	(8,210)	—	(1.2) %
Total	**$ 449,786**	**$10,997,670**	**3.9 %**	**$682,989**	**$8,833,837**	**7.8 %**

Table 4.2 - CRBL Investment performance

	Total Investment Return	Market Value	Return
Investment Type	US$'000	US$'000	%
Fixed Maturities	$ 78,496	$ 1,522,841	4.3 %
Equities	98	9	17.6 %
Other investments	(21,652)	499,609	(3.7) %
Cash and cash equivalent	22,372	432,257	4.5 %
Real estate	—	175,406	— %
Funds Held- FABN	281,244	3,877,601	7.3 %
Funds Held- Archdale	129,120	4,024,055	3.2 %
Investment expenses	(6,093)	—	(1.3) %
Total	**$ 483,586**	**$10,531,778**	**4.4 %**

Table 4.3 - CatGen Investment performance

	2024			2023		
	Total Investment Return	Market Value	Return	Total Investment Return	Market Value	Return
Investment Type	**US$'000**	**US$'000**	**%**	**US$'000**	**US$'000**	**%**
Fixed Maturities	$ 78,937	$ 1,522,841	4.3 %	$ 242,414	$ 2,133,994	11.3 %
Equities	98	9	17.6 %	(12,972)	1,106	(710.9) %
Other investments	(21,652)	246,052	(4.8) %	32,167	651,133	4.1 %
Cash and cash equivalent	22,373	744,585	3.4 %	10,600	564,811	2.4 %
Real estate	—	175,406	0.0 %	—	252,354	0.0 %
Funds Held- FABN	281,244	3,877,601	7.3 %	375,100	4,592,949	8.2 %
Investment expenses	(6,093)	—	(1.7) %	(6,495)	—	(1.0) %
Total	**$ 354,908**	**$ 6,566,494**	**5.1 %**	**$640,814**	**$8,196,347**	**7.8 %**

Table 4.4 - CRAL Investment performance

	Total Investment Return	Market Value	Return
Investment Type	**US$'000**	**US$'000**	**%**
Cash and cash equivalent	—	10,307	— %
Funds Held- Archdale	129,120	4,024,055	3.2 %
Total	**$ 129,120**	**$ 4,034,362**	**3.2 %**

e) Material Income and Expenses for the Period

Catalina Holdings (Bermuda) Ltd.

CHBL's main sources of revenue are income from investments and the orderly run-off of P&C reserves. The main expenses arise from insurance claims and the cost of operations. The U.S. GAAP consolidated statement of income for CHBL is shown below:

Table 5.1 - CHBL Statement of Income Summary	2024	2023
	US$'000	**US$'000**
Net run-off (loss)	**$ (148,019)**	**$ (135,516)**
Net investment income	135,720	167,457
Other revenue gains (losses)	(39,285)	40,287
Total revenues	**(51,584)**	**72,227**
Total expenses (including Net foreign exchange (losses)/gains)	**(128,226)**	**(290,926)**
(Loss)/Income from continuing operations before income taxes	**(179,810)**	**(218,698)**
Income tax expense	(9,086)	(2,193)
Net (Loss)/Income from continuing operations	**$ (188,896)**	**$ (220,891)**

The slight decrease in net loss for the year ended December 31, 2024, compared to 2023 was primarily driven by a reduction in expenses, which include interest costs and F/X losses. This was partially offset by an increase in net run-off loss, decrease in net investment income and lower other revenue loss during the year.

Catalina Re Bermuda Ltd.

The U.S. GAAP consolidated statement of income for CRBL is shown below:

Table 5.2 - CRBL Statement of Income Summary	2024 US$'000
Net run-off (loss) income	**$ (123,522)**
Net investment income	121,240
Other revenue gains (losses)	(20,239)
Total revenues	**(22,521)**
Total expenses (including Net foreign exchange gains)	**(64,474)**
Income from continuing operations before income taxes	**(86,995)**
Income tax expense	(8,684)
Net income from continuing operations	**$ (95,679)**

Catalina General Insurance Ltd.

The U.S. GAAP consolidated statement of income for CatGen is shown below:

Table 5.3 - CatGen Statement of Income Summary	2024 US$'000	2023 US$'000
Net run-off (loss) income	**$ (120,176)**	**$ (95,089)**
Net investment income	121,683	149,618
Other revenue gains (losses)	(147,963)	42,513
Total revenues	**(146,456)**	**97,042**
Total expenses (including Net foreign exchange gains)	**(57,493)**	**(168,906)**
Income from continuing operations before income taxes	**(203,949)**	**(71,864)**
Income tax expense	(1,917)	(2,064)
Net income from continuing operations	**$ (205,866)**	**$ (73,928)**

The increase in net loss for the year ended December 31, 2024, compared to 2023 is primarily due to a higher net run-off loss,other revenue loss and decrease in net investment income. This was partially offset by lower expenses, which include interest costs and F/X losses.

Catalina Re Archdale Life Insurance Company Ltd. (Bermuda)

The U.S. GAAP consolidated statement of income for CRAL is shown below:

Table 5.4 - CRAL Statement of Income Summary	2024 US$'000
Net investment income	541
Other revenue gains (losses)	34,793
Total revenues	**35,334**
Total expenses (including Net foreign exchange gains)	**3,109**
Income from continuing operations before income taxes	**32,225**
Income tax expense	(6,767)
Net income from continuing operations	**$ 25,458**

f) Material Transactions for the Period

Sale of Catalina Insurance Ireland dac

On September 28, 2023, the Company entered into a share purchase agreement to sell Catalina Insurance Ireland dac. The sale transaction closed on February 2, 2024 for a consideration of $86.1m received from the buyer.The sale of CII qualified as discontinued operation, the disposal of the business leading to the Company's exit from a major geographical area with significant effects on the Company's operations and financial results.

As at December 31, 2024, following the sale of CII, the Company recorded a total loss on deconsolidation of $32.7 million which comprised a $13.2 million recognition of CII's accumulated comprehensive income components at the sale date and $19.5 million reversal of CII's deferred loss on the quota share agreement with CatGen, as net loss from discontinued operations, net of taxes, for the year ended December 31, 2024.

Retail annuity transaction

CRAL was incorporated on September 7, 2023 as a Bermuda exempt company in accordance with Section 14 of the Companies Act 1981. The Company is registered as a Class E Insurer pursuant to Section 4 of the Insurance Act 1978. Effective January 1, 2024, CRAL entered into a modified coinsurance agreement with a leading retirement services company in Bermuda to reinsure their U.S. retail exposures. Effective January 1, 2024, CRAL also entered into an intercompany retrocession agreement with CatGen, and effective July 1, 2024, the agreement was novated to CRBL.

Item 2: Governance Structure

a) General Governance Arrangements

The Catalina Board of Directors (**"CHBL Board"**) has mandated a basis for effective risk management dictated by a clear system of governance that covers all significant aspects of the business, provides an open forum for challenge, and allocates clear responsibilities for both collective management committees and individuals. In addition, there are clear responsibilities within the Company for four (4) key functions –

- Risk management;
- Actuarial;
- Compliance; and

• Internal audit.

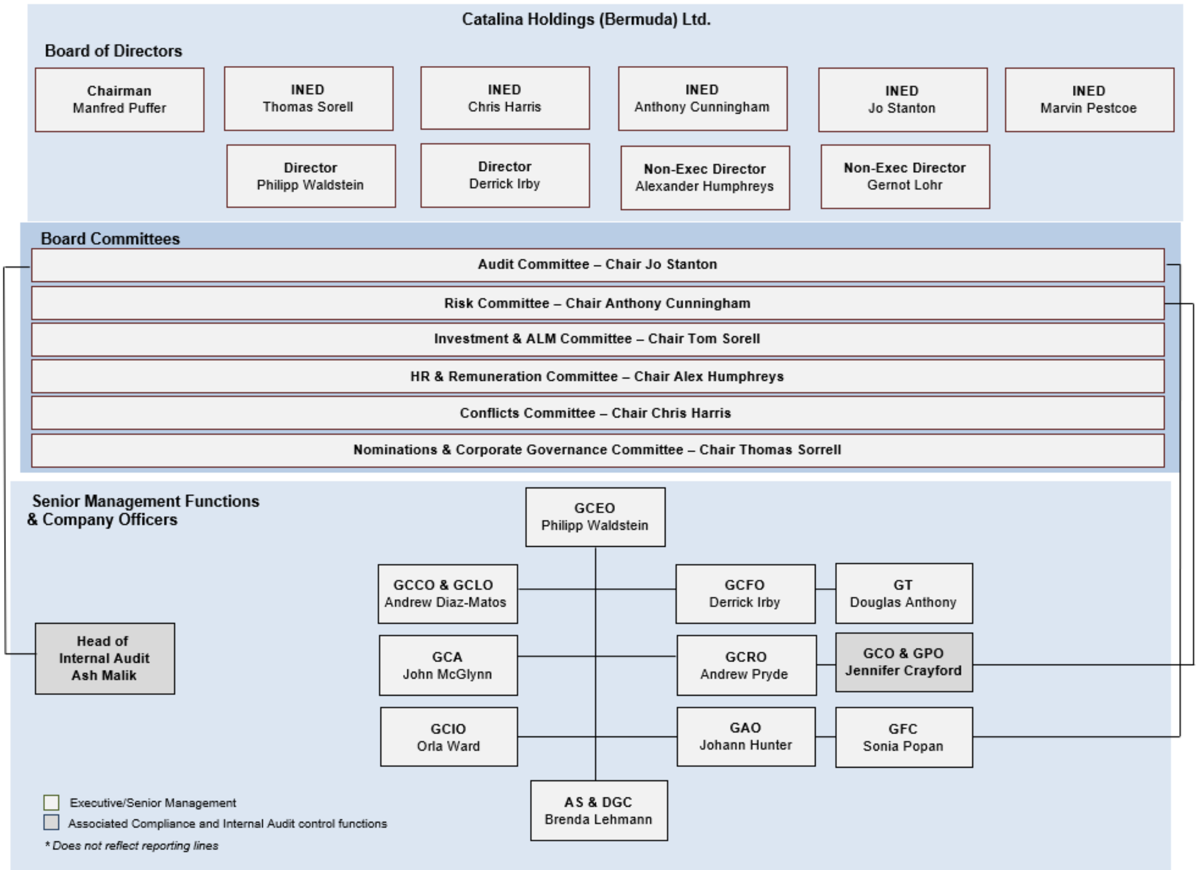
Catalina manages governance at two distinct levels across the Group, at a consolidated Group level and also at the individual operating company level.

b) Board and Senior Executive

The structure of the CHBL Board aligns with the Shareholders' Agreement and is in accordance with the CHBL bye-laws. These documents set out the Board's responsibilities and sphere of influence on the business. The CHBL's Board consists of ten members: three shareholders' representatives, two management representatives and five independent non-executive ("**INED"**) members.

Group wide management functions such as strategic issues, overall planning, risk management, group investment allocation, etc., are handled at the CHBL Board level and implemented by the management and Boards at the operating company level.

Board and Senior Executive structure:



Roles, Responsibilities and Segregation of Responsibilities

The CHBL Board has regularly scheduled quarterly meetings where it reviews the financial results of the Group and all underlying operating companies. This includes a full update on Group reserves, risk management and investment results. In addition, the Board receives updates on Group results against annual business objectives and budgets so that progress against these goals can be measured and monitored.

The CHBL Board has appointed a number of sub-committees (collectively, "**Sub-Committees**"): an audit committee ("**Audit Committee" or "AC"**), a risk committee ("**Risk Committee" or "RC"**), a conflicts committee ("**Conflicts Committee"**), a HR & Remuneration Committee ("**RemCom"**), an Investment & ALM Committee ("**I&ALM Committee"**) and a nominating and corporate governance committee ("**NomCom"**). Terms of reference or a charter (collectively "**ToRs**") govern the membership, purpose and proceedings of each of the CHBL sub-committees.

The CHBL Board Sub-Committees meetings (excluding the Conflicts Committee, which meets on an ad hoc basis, when required) are held on a quarterly basis or otherwise as needed.

- The Audit Committee is designed to oversee the Company's accounting and financial reporting process and systems, the quality and integrity of its financial statements, the qualifications, independence and performance of the external and internal auditors and compliance with legal and regulatory requirements with respect to accounting and financial reporting.
- The RemCom is responsible for reviewing and considering the terms of employment and appropriate levels of compensation for the senior executive management.
- The Conflicts Committee is responsible for evaluating, voting upon and, if appropriate, consenting to certain material transactions between the Company and its subsidiaries, on the one hand, and any member or members of the Apollo Group, on the other hand.
- The Risk Committee assists the executive officers and the Board and its subsidiaries in ensuring that the Group fulfils its enterprise risk management and control responsibilities in accordance with (i) the various supervisory and regulatory requirements under which it operates and (ii) the strategic wishes of its shareholders. The Risk Committee ToRs address its composition, purpose, objectives and responsibilities, authority and process. Pursuant to its ToRs, the Risk Committee adopted a Risk Appetite Statement and Risk Management Policy. The Risk Committee meets regularly to review the risk exposures and regularly reviews the appetite and management policy and Catalina's processes and procedures as they relate to the risks facing the Company.
- The I&ALM Committee is responsible for recommending investment policies and processes and guidelines for the Group to the CHBL Board. It also consults with the investment team at Catalina regarding specific investment opportunities and has supervisory responsibilities over investments.
- The NomCom is responsible for reviewing and recommending CHBL Board and Sub-Committee appointments and succession planning as well as reviewing board and board sub-committee appointment and succession planning recommendations at the operating company level.
- Additional shareholder committee:
  - There is an ad hoc Transactions Committee comprised of three shareholder representatives and Catalina's CEO and Chief Underwriting Officer that meets to discuss potential reinsurance and acquisition transactions.

In addition, CHBL's senior management team has established an executive committee ("**ExCo"**). ExCo holds weekly meetings which are an important tool to increase coordination across the Group. Senior managers provide updates on local and group level initiatives and operational tasks and discuss areas for profitable collaboration.

Subsidiary Governance Structure

In addition to Group level governance, the Group also has in place a robust layer of governance at each operating company. Each regulated operating company has a Board in place to facilitate oversight of the operations and compliance with its regulatory obligation.

Policies & Practices of Catalina Holdings (Bermuda) Ltd. Board and Sub-Committees

The CHBL Board and Sub-committees (Audit Committee, RemCom, Conflicts Committee, I&ALM Committee, NomCom and Risk Committee) are established in accordance with CHBL's Shareholders' Agreement and bye-laws and are governed by their respective ToRs.

The Catalina Board currently has five INEDs. Each of the Audit Committee, Risk Committee, Conflicts Committee, NomCom and I&ALM Committee is chaired by an INED.

At the subsidiary level, each operating company's constitutional documents give details on Board meeting structure, frequency and voting in addition to the requirements of its directors and officers.

Remuneration Policy

The Group has in place a robust performance evaluation system that is applicable to all employees. All employees are required to set performance objectives that are aligned to corporate objectives. Employees' compensation and discretionary bonuses are based on the output of annual appraisals from team managers, as well as overall Group performance.

Each employee (including the Senior Executive Team) has a fixed and variable compensation package, which has been implemented to align employee incentives with the interests of policyholders and shareholders. The variable compensation component is measured based on the performance of the Group over the year, which in turn is related to the adequacy and volatility of assets and liabilities, so employees are incentivized to manage asset and liability risk prudently to meet performance objectives based on the long-term risk profile of the Company, including the total lifetime of the liabilities. Certain of the Group's senior executives also hold equity stakes in CHBL and certain risk-taking functions at the operating company level and in the asset management team have deferred variable compensation that vests over several years (with a claw back provision).

The Remuneration Committee provides appropriate oversight and approval for remuneration policies at the Group. It is responsible for the review and approval of senior management's terms of employment and appropriate levels of compensation. It has the power to make recommendations to the CHBL Board in relation to resolutions required to implement any grants of CHBL stock and to oversee the administration of any equity-based compensation scheme.

Pension or Early Retirement Schemes for Members, Board and Senior Employees

The Group provides all employees with pension benefits, either through a defined contribution pension program or through a benefits allowance that the employee can use to make a contribution to a personal pension plan. CHBL does not have any early retirement schemes.

Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executive Material Transactions

During 2024 there have been the following transactions in regard to key persons:

- Apollo Funds remain majority shareholders of the Company.
- The Group continues to have investments in certain Apollo managed funds: Apollo AP Highlands fund, Warwick European Opportunities Fund II (USD) L.P., Warwick Capital Partners III, Motive Partners Fund II, Levine Leichtman Capital Partners Europe II SCSp, Apollo Asia Real Estate Fund L.P., ESO Capital Real Assets Fund I SCSp, Apollo Management Holdings L.P. and Apollo European Principal Finance Fund III (Dollar B), L.P. which are managed by an affiliate of Apollo.

  In addition to the above-mentioned funds, on December 31, 2024, the Company invested in three new fund also affiliated with Apollo, Apollo CML Class A GBP Dist, Apollo CML Class C GBP Dist, Apollo CML Class D USD Dist H Share. The total fair value of the Company's investments in these funds as of December 31, 2024 is $73.5 million or 2.3% of investments at fair value (2023: $110.3 million or 3.4%, respectively).

c) Fitness and Propriety Requirements

Fit and proper process in assessing Board and Senior Executives, and other employees identified as material risk personnel

Catalina has implemented consistent processes for assessing fitness and propriety ("**F&P**") of the board and senior executives. The Group has established and follows an appointment process, which includes recruitment and interviewing requirements and performs appropriate third-party checks, to confirm fitness and propriety for the relevant role.

All of CHBL's Board members are selected based on their extensive experience and knowledge of (re)insurance or financial services in general. Chief and executive level officer appointments are reviewed and approved by each Entity's Boards after undergoing a range of checks that enable an informed decision to be made about the suitability of an individual for employment.

The Group has also adopted the Code of Conduct and Conflicts of Interest Policy, which all directors and senior executives are expected to comply with as part of continuing fitness and propriety

Catalina Holdings (Bermuda) Ltd.

Board and Senior Executives Professional Qualifications, Skills and Expertise

The Board Directors and Senior Executives of CHBL, CRBL, CatGen and CRAL have considerable experience in (re)insurance, legal, accounting, actuarial, investment and general financial services matters. Board membership is comprised of Actuaries, Accountants, Investment and Insurance professionals and Lawyers in addition to shareholder appointment members with extensive experience in investment banking and insurance management. This combination of expertise provides excellent oversight and input on Catalina's three main risk areas: acquisitions, loss reserves and investment management.

Table 6 - Group Board members and their profession

Name	Board Position	Profession
Manfred Puffer	Chair & Non Exec Director	Investment Manager
Ian Parker*	CHBL CEO & Director	Insurance Executive
Philipp Waldstein*	CHBL CEO & Director	Insurance Executive
Derrick Irby	CHBL CFO & Director	Insurance Executive
Alexander Humphreys	Apollo	Investment Manager
Gernot Lohr	Apollo	Investment Manager
Tom Sorell	Independent Director	Investment Manager
Anthony Cunningham	Independent Director	Actuary
Christopher Harris	Independent Director	Actuary & Insurance Executive
Jo Stanton	Independent Director	Accountant & Insurance Executive
Marvin Pestcoe	Independent Director	Actuary & Insurance Executive

*Ian Parker resigned and Philipp Waldstein was appointed Group CEO in January 2024

Board Members

Manfred Puffer

Dr Manfred Puffer joined the CHBL board in 2018 and is currently chairman of the CHBL Board. He has served as a Senior Advisor to Apollo since October 2008. From 2006 to 2008, Manfred was a senior managing director in the Financial Institutions Group of Bear Stearns International, Head of Germany, Austria and Eastern Europe and a member of the European Executive Committee. From 2002 to 2005, Manfred was a member of the managing board of WestLB AG and Head of Investment Banking, Fixed Income, Equities and Structured Finance. Currently Manfred is a member of the supervisory board of Infineon Technologies AG. Manfred holds a PhD and a Master of Business Administration from the University of Vienna in Austria.

Ian Parker[1]

Ian Parker joined Catalina as Group Chief Executive Officer in February 2022, bringing more than 25 years of experience across all aspects of the P&C industry. He previously held leadership roles at leading financial services firms including Equity Red Star, Hardy Underwriting Ltd, Zurich, RBS, and Direct Line Group. In his most recent position at ERS, the largest motor syndicate at Lloyd's, Ian was CEO for 7 years and led a major turnaround resulting in significant value creation for its investors. Ian has a strong operational track record and has worked closely with regulators across multiple jurisdictions.

[1] Resigned as director effective January, 2024

Philipp Waldstein[2]

Philipp Waldstein has over 30 years' experience in the insurance asset management and banking industry. He joined Catalina in 2020 as Group Chief Investment officer before becoming Group Chief Executive Officer in January 2024. Prior to joining Catalina as CIO, he served as CIO and later CEO of MEAG, the € 297 billion asset manager for Munich Re Group. He was head of all liquid portfolio management activities in Munich, New York and Hong Kong as well as the illiquid asset division. He served as Chairman of the board of both MEAG Munich ERGO Asset Management GmbH, as well as MEAG New York Inc. and MEAG Hong Kong Ltd. Philipp also held previously roles at Unicredit Group and Bayerische Vereinsbank. Philipp has been a long-standing member of the investment committee of the German Insurance Association as well as member of the board of Deutsches Aktieninstitut, the central German stock market association.

Derrick Irby

Derrick Irby is Group Chief Financial Officer. Derrick has over 25 years' experience advising and leading the finance activities of insurance and reinsurance companies, including managing finance operations, structuring (re)insurance and capital markets transactions, strategic investments, mergers and acquisitions and related integration activities. His corporate finance and insurance industry accounting and finance experience was obtained from 17 years at AXA XL and 8+ years in public accounting. Prior to AXA XL, Derrick worked at PwC's Philadelphia and Bermuda offices where he provided audit and assurance services to insurance companies.

Alex Humphreys

Alex Humphreys is a Partner at Apollo, having joined in 2008. Prior to that time, Alex was with Goldman, Sachs & Co. in the Financial Institutions Mergers and Acquisitions team based in London. Alex graduated from University College London with a BSc in Economics.

Gernot Lohr

Gernot Lohr is a Senior Partner at Apollo, having joined in 2007. Prior to then, Gernot had been a founding partner at Infinity Point LLC, Apollo's joint venture partner for the financial services industry, since 2005. Gernot spent eight years in financial services investment banking at Goldman Sachs & Co. in New York. Gernot received his MBA from the MIT Sloan School of Management and graduated from the University of Karlsruhe in Germany with a joint Master's Degree in Economics and Engineering.

Tom Sorell

Tom Sorell was an Executive Vice President and Advisor to the CEO at Guardian Life Insurance Company ("**GLIC**"), having previously served for 17 years as Chief Investment Officer at GLIC and its subsidiaries. Before that, Tom was Senior Managing Director and the head of GLIC's Fixed Income department and President of The Park Avenue Portfolio® Family of Mutual Funds. He also co-managed several GLIC-sponsored fixed income funds. Before joining GLIC in 1994, Tom held fixed income and investment management positions at Fund American Enterprises and AIG Investment Advisors, as well as institutional

[2] Appointed as a director and Chief Executive Officer effective January, 2024

fixed income sales and research positions at Drexel Burnham Lambert and Kidder, Peabody & Company. Tom holds an MBA from New York University and a BA from Colgate University in the US. He has a Chartered Financial Analyst designation. He also serves on the board of the Forman School in Litchfield, CT, a college preparatory school for students with identified learning differences.

Anthony Cunningham

Tony Cunningham graduated from Cambridge University with an MA in Natural Sciences. He then pursued a career as a consulting actuary, qualifying as a Fellow of the Institute of Actuaries. In 1982, he became a Director of Willis Faber Advisory Services, responsible for their International Actuarial and investment consulting practice. In 1990, Tony joined the U.K. based consulting actuarial partnership, Lane Clark & Peacock, where he was the Partner responsible for all international consulting activities, as well as the strategic direction of the partnership. Tony advised many FTSE100, S&P500 and major global companies on their financial liabilities and assets around the globe. In 2008, Tony switched to the role of Non–Executive Director, with his principal activity being on the board of Liberty Holdings, a JSE top40 financial services group and its investment management subsidiary. He was Chairman of the Actuarial committee and a member of both the Audit and the Risk Committees. Tony stepped down from this role in 2020. Tony joined Catalina's Board as an Independent Non-Executive Director in November 2020.

Christopher Harris

Chris Harris is a seasoned CEO and board member with over 25 years of global risk management, financial services, and leadership experience. Chris is currently CEO and Board member of Monarch Point Re and served as CEO and President and board member of Montpelier Re Holdings Ltd. (NYSE: MRH) from 2008 to 2015. In addition, Chris served as Chairman of the Board for Blue Capital Reinsurance Holdings (NYSE: BCRH) from 2013 to 2015. Prior to his CEO role at Montpelier, Chris served as Chief Underwriting Officer, Chief Risk Officer, and Chief Actuary there. Earlier in his career, Chris managed the risk consulting practice for a large accounting firm and served in an underwriting and actuarial management role for the divisional office of a large U.S. commercial insurer. Chris is a National Association of Corporate Directors Board Leadership Fellow. His professional designations include Fellow of the Casualty Actuarial Society, Chartered Financial Analyst, and Chartered Property and Casualty Underwriter. He holds an MBA with a specialization in Financial Management and a BSc in Mathematics. He completed his undergraduate studies at the U.S. Military Academy and the University of North Texas in the US.

Jo Stanton

Jo has more than 30 years of experience in the reinsurance sector. Currently she serves as Head of Finance at Tangency Capital since May 2019. Prior to that she worked at AlphaCat Managers Ltd. for approximately six years, most recently as Chief Financial Officer overseeing financial management, reporting and operational aspects of the manager. Before joining AlphaCat, Jo was a professional at Expertise Ltd., where she consulted numerous fund administration and reinsurance companies on financial and regulatory reporting and implementation of operational efficiencies as well as acting as interim CFO. Jo is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Institute of Directors, and holds a degree in Accounting and Finance from the University of Brighton. She also holds a Certificate in Company Direction.

Marvin Pestcoe

With over 35 years in the insurance industry, across both P&C and Life, Marvin Pescoe has had a broad range of executive roles including leadership positions in profit center management, investments, corporate strategy, data analytics and risk management. He recently retired as CEO of Langhorne Re, a global reinsurer of life and annuity portfolios; he remains on the Board. He currently serves as an independent director and Chair of Underwriting and Risk Committee for Hamilton Insurance Group. He is a Fellow of Casualty Actuarial Society and a Member of the American Academy of Actuaries. He has led world-wide teams responsible for the measurement and management of risk including actuarial pricing, cat modeling, reserving and capital modeling.

Other Group Senior Executives

Douglas Anthony

Doug Anthony is the Group Treasurer. Doug has over 25 years of finance and treasury experience, including managing finance and treasury operations, structuring capital markets transactions, mergers and acquisitions and related integration activities. For over fifteen years Doug has been working in the insurance industry and before joining Catalina he has worked for Marsh, Renaissance Re (formerly Platinum Underwriter), and Enstar. Mr. Anthony has considerable knowledge of treasury and in particular run-off insurance experience having most recently served as the Group Treasurer for Enstar. Doug holds a Canadian Certified Public Accountant (CPA, CA) designation, and an Associate in Risk Management (ARM) designation. He is also a Chartered Financial Analyst (CFA) charter holder. He has a Bachelors of Arts (Accounting) and Masters Degree (Accounting) from the University of Waterloo.

Andrew B. Diaz-Matos

Andrew B. Diaz-Matos is Group Chief Commercial Officer and Group Chief Legal Officer. As Group Chief Commercial Officer, he oversees the insurance business around the world with a focus on profitable runoff income. As Group Chief Legal Officer, he is responsible for the global legal and secretarial functions for the group and all its subsidiaries. He has 25+ years' professional experience, the past 16 in the financial-services sector. Prior to joining Catalina Re in 2022, he was Senior Vice President, General Counsel and Secretary of CapSpecialty, a specialty insurance provider for small and mid-sized business across the United States owned at the time by Alleghany Corp (NYSE:Y). During his tenure there, he led the Law & Compliance, Claims, Human Resources and Administration, and IT functions. From 2006 through 2019, Andrew held positions of increasing legal responsibility at The Hartford (NYSE:HIG). Prior to joining The Hartford, he was the lead lawyer for IBM's (NYSE:IBM) mid-range mainframes business. He began his legal career in the New York office of international law firm White & Case. Mr. Diaz-Matos received his bachelor's degree in philosophy from Boston University and his law degree cum laude from Pace University. He is admitted to the bars of New York and Connecticut. Andrew is a member of the boards of directors of the Hartford Public Library and the Capitol Region Development Authority and is a veteran of the United States Army.

Johann Hunter

Johann Hunter is a seasoned finance professional with 17 years of experience in the insurance and reinsurance industry. In 2021, he joined Catalina as Group Financial Controller and was promoted to Group Chief Accounting Officer in April 2024, where he oversees all financial activities of the company, including accounting, financial analysis, audit, and reporting. Prior to joining Catalina, Johann worked for more than a decade at Allied World Assurance Company (Bermuda), where most recently, he served as Bermuda CFO, overseeing the financial operations of the company. Before that, he worked at PricewaterhouseCoopers (Bermuda), where he gained extensive experience in financial reporting and auditing. Johann is a qualified chartered accountant and an associate in reinsurance, and he also holds a Bermuda CPA. He earned a postgraduate degree in Accounting from the University of Johannesburg.

John McGlynn

John McGlynn is Group Chief Actuary having joined Catalina as CatGen Chief Risk Officer in 2020. He joined from EY where he was a Senior Manager leading the Actuarial & Risk Services practice. He is a Fellow of the Institute and Faculty of Actuaries (2013), with 15 years of overall experience. He is familiar with the run-off environment in Bermuda through his consulting work and previously held roles as Loss Reserve Specialist for a number of Bermuda based reinsurers. He has chaired Chief Risk Officer round-tables in Bermuda on a number of occasions and has presented at industry seminars on risk and actuarial topics.

Andrew Pryde

Andrew joined Catalina as the Group Chief Risk Officer in January 2023 and also held the position of Group Compliance Officer temporarily from December 2023 to January 2024. Andrew brings extensive insurance expertise having started his career in 1996 as an actuarial consultant and more recently holding the role of Chief Risk Officer since 2011 within both the live and legacy markets. He has developed a reputation for designing and implementing valued and leading-edge risk management frameworks that create competitive advantage. Andrew is an Associate of the Institute of Risk Managers and a Fellow of the Institute of Actuaries. Andrew has a passion for championing mental wellbeing and harnessing the power of data, analytics and technology in insurance.

Jennifer Crayford

Jennifer Crayford joined Catalina in January 2024 as the Group Head of Compliance and was appointed by the Board of Directors as a Key Function Holder for Compliance at CHBL, CatGen, CRAL and Elbow Re. Jennifer is a senior Compliance professional with 10+ years' experience in the International Reinsurance sector. She joined from Antares Re where she was Executive Director and Group Compliance Officer & Company Secretary. She was also approved by the BMA as Antares's Principal Representative. Jennifer holds Chartered Property Casualty Underwriter (CPCU), Certified Anti-Money Laundering Specialist (CAMS), Associate in Risk Management (ARM) and Certified Compliance Professional (CCP).

Philipp Waldstein

Philipp Waldstein was Group Chief Investment Officer ("**CIO**") until he took over as Group Chief Executive Officer (see above).

Orla Ward

Orla Ward took over as CIO in March 2024. She is qualified actuary since 2016 specializing in Finance and Investment and attaining qualification as a Chartered Enterprise Risk Actuary. She has 10+ years of experience advising insurance companies and pensions on investments, including asset structuring and asset liability management. Prior to Catalina, she led balance sheet management for three Reinsurance companies in her role in Apollo Insurance Solutions Group International, overseeing $10bn of investment assets managing to Bermudian Solvency requirements and U.S. GAAP requirements. In her work with Citi, as European Markets Structuring for Insurance, she advised clients across Europe on Solvency II asset solutions and financing arrangements. Prior to Citi, Orla was an Investment Manager for Legal & General in their London office developing asset pricing portfolios and modelling complex asset portfolios to support Pension Risk Transfer, under Solvency II matching adjustment, in the UK market. Orla has a B.A. in Actuarial & Financial Studies from University College Dublin.

Changes since our last Financial Conditions Report was submitted

Officers

i. Stephanie McIvor-Oakley resigned as, and Ash Malik was appointed as, Head of Internal Audit in March 2025.

d) Risk Management and Solvency Self-Assessment

Risk Management Process and Procedures to Identify, Measure, Manage and Report on Risk Exposures

The overall Group's risk management strategy is to ensure that a proper balance is struck between:

- The risks that are economically attractive to take. These must be properly modelled, measured and priced; and
- The risks that are economically unattractive to take. These should be identified and avoided, managed, mitigated or reduced where it is efficient to do so.

Within CHBL's risk management framework, there are measures in place to ensure that:

- Appropriate risk tolerances are in place to govern CHBL's risk taking activities;
- CHBL maintains an appropriate risk culture and risk appetite forms an essential part of its strategic decision making;
- CHBL measures and monitors risk appropriately and reports key risk metrics to both group and local senior management and the CHBL Board; and
- Appropriate business planning and capital planning processes are in place to support CHBL's risk taking activities.

In line with the risk management framework document, function heads, acting as the ‘first line of defense’ are primarily responsible for the running of the business and the operation of controls within their own areas as well as the management of the business’s risk profile, in line with the Board’s expectations. Acting as part of the ‘second line of defense’, the Risk Management Function is then responsible for risk oversight, including by monitor business operations, and the effectiveness and integrity of the risk management framework. The General Risk Management Principles provides key inputs into several components and facilitates the monitoring of the current and future risk profile of the Company. The Group Chief Risk Officer (“**Group CRO**”), supported by the Chief Risk Officer (“**CRO**”) of each risk-taking subsidiary, coordinate the risk monitoring process, with formal reporting to, and review by, the Board Risk Committee (“**Board RC**”). The Board RC has the following specific responsibilities:

- to receive reports concerning insurance, market, credit, liquidity, operational, regulatory and legal, group, and strategic risks to identify, manage, and mitigate such risks. This includes setting risk appetite, monitoring against such risk appetite, and oversight of risk culture;
- to receive reports on how the risk profile is evolving as the Company increases its exposure to life business;
- to receive reports concerning areas of significant risk exposures and risk incidents to monitor them, including the resolution or mitigation of such risks;
- to receive reports concerning the implications of new and emerging risks, legislative or regulatory initiatives and changes, organizational changes, and major initiatives, to assess and monitor the likely impact on the Company of such initiatives and changes;
- to oversee the Company’s compliance with applicable external obligations and significant internal policies relating to the operation of its business;
- to receive reports concerning the Group’s insurance strategy, including the coverage and limits of the insurance policies managed at a Group level in order to monitor them and, if thought fit, to approve or vary them;
- to maintain an overview of statutory reporting requirements, including review and approval of the Group Solvency Self-Assessment, Financial Condition Report and Bermuda Solvency Capital Requirement;
- to review the risks associated with the liquidity policy and oversee liquidity risk monitoring, management and mitigation actions; and
- to consider and approve the remit of the risk management and compliance functions by reviewing functional plans and ensuring they have adequate resources and appropriate access to information to enable them to perform their function.

The Board RC receives the Risk Report at every quarterly meeting. This provides a summary of the key risk metrics against risk appetite, current risk profile by risk category and other relevant information such as details of any significant control breakdowns, breaches of regulation or legislation and the results of assurance work to date. On an annual basis, the Board RC is also provided with the Group Solvency Self-Assessment (“**GSSA**”).

The internal audit function acts as the 'third line of defense', providing independent assurance that the risk management framework, internal controls and the governance processes within the business are operating effectively.

Risk Policies

Management believes that the Group's risks and exposures can be viewed in the following eight categories, the first four being financial in nature and the last four being non-financial in nature:

- Insurance risk;
- Market risk;
- Credit risk;
- Liquidity risk;
- Operational risk;
- Regulatory and legal risk;
- Group risk; and
- Strategic risk.

To aid the management of risk, risk policies have been set as documented in the Group Risk Management Framework document. Across the risk register, management will determine the most appropriate risk response in order to operate within the risk appetite set by the Board. Appropriate risk responses may include:

- Avoidance: declining to acquire certain types and portfolios of business (for example reducing the quota share arrangement reinsuring US annuities);
- Reduction: taking action to reduce the likelihood or impact related to a particular risk (for example re-investing assets in lower risk instruments);
- Hedge: matching or sharing a portion of the risk, to reduce it (for example by currency matching to reduce foreign exchange risk);
- Control: increasing the controls to reduce the residual risk (particularly for operational risks); or
- Acceptance: accepting the risk given the risk/reward benefits.

Risk awareness

The managing of risk is embedded throughout the organization. All employees are aware of the Group's risk management ethos and are reminded to consider the risks they encounter as they go about their day-to-day work. Risk awareness is promulgated through the organization and both senior management and the risk management function are pro-active at keeping risk awareness to the forefront of daily operations.

CHBL has a policy of assisting employees not only to develop their professional skills but to maintain the level of professional skills required by the business. This manifests itself in the form of ongoing training courses, briefings and updates, and supporting employees who wish to obtain and maintain professional qualifications.

Risk Management and Solvency Self-Assessment Systems Implementation

CHBL's enterprise risk management is coordinated by the Group CRO, supported by CROs and other risk management employees, who work under the authority of the Board RC. The Risk Function Charter defines the risk function's purpose, authority and responsibility and position within CHBL and its operating companies. The

Board RC meets quarterly and aims to identify and manage the key risks to which CHBL is exposed on both the asset and liability sides of its balance sheet. In addition to Group level risk governance, the Group also has in place a layer of governance at each regulated operating company. Each operating company has in place a Board which facilitates oversight of the operations of each licensed insurer in the Group. The assurance functions of each operating company (ie the Risk function, Compliance function and Internal audit function) are charged with assisting the Board oversee the risks of that operating company. Each CRO participates in the board meetings and provides quarterly risk exhibits and counsel on all matters pertaining to ERM. Therefore, risk is discussed at every board meeting, and the board members are kept fully informed on how any risk silos are being bridged in the Group and the operating companies.

The implementation process starts with CHBL and regulated operating company risk registers being used to record the current risk profile; these risk registers document all risks that the business is considered to face, along with an assessment of the potential likelihood and impact of each risk, before and after taking into account the effectiveness of mitigating controls. Risk registers are an integral part of managing risk, both for local executive management and the Risk Management function. Each operating company has a comprehensive risk register, which is filled out by management and mitigating activities are discussed with the Risk Management function. The goal is to manage all risks that could adversely affect the operations of the relevant company. The starting point for the identification of risks is the risk universe; this can be defined as a complete view of all possible types of risk that the business may face.

The risk register records the following for each risk:

- The risk category to which the risk is allocated;
- A risk owner who has overall responsibility for the management of the risk;
- A description of the likely frequency and severity causes of the risk; and
- A description of the existing controls.

Once the risks have been identified, they are recorded in the risk register from where they can be assessed and monitored.

The CHBL Board RC has set a suite of risk appetites on behalf of the CHBL Board to monitor that the Group is operating as expected. These risk appetite metrics focus on capital, debt gearing, asset liability modelling (ALM) and liquidity. These metrics are reported to every RC Board for oversight purposes and any breaches are reported with planned management actions. More granular risk appetites are set for each operating company (e.g. reserve adequacy, credit and concentration risk, market risk, liquidity risk and operational risk) so each subsidiary board can also oversee those businesses in line with their expectation and the principles set by the Group board.

The Group uses custom self-developed risk management tools, along with commercial risk management analytical software to build economic capital models and develop stress tests for an internal view of risk and capital. The Group Internal Capital Model ("**ICM**") is used in addition to regulatory capital models to support prudential submissions and risk tolerance calculations. The GSSA is reviewed on an annual basis, or whenever there is likely to be a significant change in the Group's capital requirement to ensure that the Group's capital adequacy and liquidity is sufficient based on the risks to the Group that arise from its operations. The Group ICM is calibrated to ensure that the Group has sufficient capital to meet all obligations using a TVaR level metric subject to a confidence level of 99%.

An accurate representation of the business in an ERM 'model' leads to executive management using the Solvency Self-Assessment as a true decision-support system, with the following benefits:

- Alignment of the strategic aspects of risk with day-to-day operational activities;
- Facilitation of more transparency for investors and regulators;
- Enhancement of revenue and earnings growth; and
- Control of downside risk potential.

Relationship between Solvency Self-Assessment, Solvency Needs & Capital and Risk Management

The GSSA is the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a company faces or may face and to determine the own funds necessary to ensure that a company's overall solvency needs are always met. It is an internal assessment process and, as such, should be embedded in the strategic decisions of the Group and allows management and the Board to review the risk and capital requirements and take a strategic, forward-looking view of future risks and capital needs. Members of senior management and a number of functions including Finance, Operations, Actuarial, Compliance and Risk Management have been involved in the production of the GSSA.

The GSSA will highlight key risk issues to management, and should allow management to confirm that:

- The current risk profile is understood and appropriate for the nature of a legacy portfolio in conjunction with a life portfolio and within the Group's risk appetite;
- Capital requirements during the reporting period have continuously been met (or if not, corrective action was taken);
- CHBL's current capital and solvency position is appropriate;
- The various regulatory solvency models and the Group ICM have been used appropriately for strategic decisions throughout the period;
- The risks to the enterprise that could likely change the risk profile are understood; and
- Plans to cover the solvency position and planned capital distributions over the required period are appropriate.

CHBL manages capital to ensure a prudent cushion of Statutory Economic Capital and Surplus to protect economic viability, finance new growth opportunities and meet regulatory requirements. At CHBL level, there is a business plan which feeds into the Solvency Self-Assessment economic capital forecasts, and which demonstrates capital adequacy is expected throughout the three-year planning horizon. Capital management decisions guided by the Capital Management Plan are made in the light of this assessment. CHBL targets a weighted average of Enhanced Capital Requirement ("**ECR**") comprising of 150% for P&C business and 175% for US annuity business, which is well in excess of 120% ECR (the Target Capital Level), and present and future capital levels must reflect this. Where a subsidiary operating company board makes material surplus capital related decisions, the relevant regulatory capital model is run to test that the action proposed is not endangering the operating subsidiary's solvency. Therefore, the regulatory capital model is effectively run each time a subsidiary operating company board wishes to present an application to the local regulator for capital release, or a material change in the risk profile of that operating subsidiary. The regulated operating subsidiaries within the Group currently all hold capital in excess of their respective regulatory targets and have done so throughout the period covered by this report.

Solvency Self-Assessment Approval Process

The GSSA approval process is set out in the GSSA Policy. The GSSA Policy document provides a description of the processes and procedures in place to conduct the GSSA Process. The GSSA Policy also sets out the roles and responsibilities of the various relevant functions and committees with regards to the GSSA. The Risk Management Function is responsible for executing the Own Risk and Solvency Assessment process and for producing the GSSA.

The Actuarial Function performs the actuarial calculations required for the GSSA process and provides input on compliance with the requirements regarding the technical provisions and the risks arising from these calculations. The Finance Function provides finance inputs into the calculations required for the GSSA and is responsible for the business planning including capital and liquidity planning. The CHBL Board has delegated the approval of the GSSA to the Board RC. The Board RC is responsible for steering how the assessment is to be performed, for challenging its results and for final approval of the GSSA.

e) Internal Controls

The Internal Control System is all of the policies and procedures that management uses to achieve the following goals:

- Safeguard assets – well-designed internal controls protect assets from accidental loss or loss from fraud;
- Ensure the reliability and integrity of financial information - Internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations;
- Ensure compliance - Internal controls help to ensure the Group is in compliance with the many international and local laws and regulations affecting its business operations;
- Promote efficient and effective operations - Internal controls provide an environment in which managers and employees can maximize the efficiency and effectiveness of their operations; and
- Accomplishment of goals and objectives - Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

For the Group and its operating subsidiaries, internal control systems provide assurance that operations are effectively controlled, that the Group is compliant with applicable laws and regulations and that the financial reporting is reliable. The CHBL Board and each operating company Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management and internal control systems. The oversight and management of these systems necessarily involves participation of the Board, the Board Audit Committee, the Board Risk Committee, senior management, Finance, Legal, operational managers and Internal Audit.

For all companies within the Group, the importance of appropriate internal controls is promoted by: (i) ensuring that all employees are aware of their role in the internal control system as per the Fit and Proper Policy; (ii) ensuring consistent communication and implementation of the internal control systems; (iii) establishing monitoring and reporting mechanisms to review and report the decision making processes; and (iv) providing appropriate training to all employees.

Compliance Function

The Compliance Function, a second line function, operates in accordance with an annual Board approved Compliance Plan and acts in an advisory, control and assurance capacity to ensure that the Company is operating within regulatory and legislative requirements on an ongoing basis, including identifying and reporting new regulations and assessing their impact. Work undertaken by the Compliance Function and progress in achieving the annual plan is reported monthly as required to the ExCo and quarterly to the Board.

The Group Head of Compliance (GHoC) oversees the consolidated profile for the group and engages with function heads to ensure local compliance functions operate cohesively and respond to meet external challenges. The GHoC also maintains an open and cooperative relationship with the regulator and is responsible for promoting and embedding a culture of compliance and integrity throughout the Company.

The role of the compliance function is to support management in managing the Company's compliance risk and reputational risk. At the operational level, the compliance function:

- Develops company-wide compliance policies and procedures, and it ensures appropriate training is provided to enable all business functions to meet their compliance and regulatory obligations:
- Compiles and maintains Compliance Charts and/or Compliance Risk Assessments;
- Undertakes regular monitoring and ad-hoc reviews to verify that controls remain robust and adherence to procedures is maintained; and

Reports compliance control failures, or incidents which may indicate a need to review Compliance Risk Assessments or mitigating procedures.

f) Internal Audit

The mission of the Internal Audit (**"IA"**) function is to enhance and protect organizational value by providing risk-based, independent and objective assurance, advice, and insight to the Board and Catalina staff. The IA function is CHBL's third line of defense, the Group Internal Audit Charter defines the function's, authority, responsibility and position within CHBL and its operating companies. The function, described in further detail in The Charter, aims to help Catalina accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

IA performs its own risk assessment as the basis for the annual internal audit plan that is reviewed and approved by the CHBL Audit Committee (**"AC"**). The audit plan is updated on a regular basis to reflect the Group's evolving risk landscape and assurance needs.

The IA function regularly provides formal updates on its activities to the CHBL AC and operating company's ACs and/or Boards. These updates include audit opinions on the control environment of the specific processes, functions or themes audited, the status of any agreed management actions arising from audits, and the appropriateness of the resources and skills of the IA function. The Group Head of Internal Audit ("**HIA**") meets privately with the CHBL AC Chair at least annually and will immediately report any issue which could potentially have a material impact on the Group's business. IA is authorized to allocate resources, determine audit scopes, select the audit approach, and obtain the necessary assistance and specialized services within or outside the Group to accomplish its agreed audit objectives.

The operating guidance for the IA function is set out in the Catalina Group Internal Audit Procedures. This is updated on an annual basis and is aligned with the Global Internal Audit Standards (2024) issued by the Institute of Internal Auditors (IIA).

g) Actuarial Function

The Actuarial function is made up of an in-house actuarial team, located in Bermuda, London, Farmington (Connecticut, USA) and Singapore. All P&C reserves carried by the Company are based on internal actuarial loss reserve reviews. The Company also engages an outside actuarial consulting firm that provides an independent review of a sample of the carried P&C loss reserves of the Company. The Group Chief Actuary is responsible for the oversight of the actuarial function. The Group's actuaries use traditional methods to set the loss reserves for most of the books of business. A separate internal reserve analysis is performed for each of the acquisitions that Catalina has acquired through December 31 2024.

The Approved Actuary for Long-Term business ensures that Technical Provisions calculated by Catalina meet the requirements of the insurance laws of Bermuda, are computed in accordance with accepted actuarial reserving practices and make an adequate provision for the long-term business liabilities of CHBL, CatGen, CRAL and CRBL under the terms of their contracts and agreements and makes sure that the assumptions are appropriate to the circumstances of the company and the policies in force.

The P&C Actuary puts together a report and presents to the Executive Committee and the CatGen Reserving committee the current reserve position of each of the Company's acquisitions on at least an annual basis. There are also separate Loss Reserve Committees for each legal entity.

Similarly, the Chief Life Actuary puts together a report on GAAP reserves and Technical Provisions and presents to the Executive Committee and the CRAL and CRBL Boards.

All acquisitions that are booked within that legal entity are included in their Loss Reserve Committee meeting.

h) Outsourcing

Outsourcing Policy and Key Functions that have been outsourced

Outsourcing is governed by the Group's Vendor Management policy which sets out and provides guidance upon Catalina's approach to implementing and maintaining adequate and effective Vendor Management practices which, alongside other policies, standards and practice guides, contributes to the overall system of internal control. The policy has been developed in accordance with the latest Vendor Management regulatory requirements across all jurisdictions in which Catalina operates. The scope of the policy encompasses the governance of Group Vendor Management (including outsourcing, non-outsourcing, material and non-material arrangements) across the Group and its subsidiaries in all jurisdictions within which we operate.

The Catalina Group's business model utilizes key, and specialist, in-house provided capabilities, and leverages services from Vendors to ensure it fulfills the requirements of its stakeholders. The Group's strategy is to continue to utilize and enhance in-house and Vendor provided capabilities in such combination where it benefits and satisfies the rights and requirements of our stakeholders. The Catalina Group understands that certain responsibilities cannot be outsourced, and they remain accountable for regulatory compliance and the ability to oversee all the Vendor arrangements including outsourcing of critical or important functions.

The Group is cognisant of regulatory themes across the Group's operating jurisdictions, with some of the themes highlighted below:

- Materiality assessment of vendors to identify those providing critical business services;
- Applying a risk based, outcomes based and proportionate approach to managing vendors;
- Ensuring appropriate governance and oversight of the individual and aggregate risk;
- Development and testing of exit strategies and plans for vendors providing critical services;
- Maintenance and reporting of a vendor inventory for that subset of vendors;
- Concentration risk, management of subcontractors and visibility of onwards parties; and
- Visibility and aggregate risk in the use of Cloud services (directly or indirectly via vendors).

i) Material Intra-Group Outsourcing

With respect to intra-group outsourcing, the arrangements are subject to the same requirements and expectations as set out in the Vendor Management Framework, and are not be treated as being inherently less risky. However, Catalina possesses a higher level of control and influence over these arrangements than an external party and relies upon Group policies and procedures that have been vetted to ensure they are appropriate for regulatory and other obligations. Ultimately Catalina has discretion to adjust its vendor due diligence for intra-group arrangements, but management affirms that the applicable intra-group party has the ability, capacity, resources and appropriate structure to support the performance of the service.

j) Other material information

No other material information to report.

Item 3: Risk Profile

The following section describes CHBL's risk profile, covering each of the 8 risk categories in turn. It covers:

a) Material Risks to which the Group is exposed during the reporting period; and

b) How risks are mitigated, including the methods used and the process to monitor the effectiveness of these methods.

Insurance Risk

Legacy P&C

Insurance risk is impacted by fluctuations in the timing, frequency and severity of insured events and subsequent development of long-term claims, relative to expectations at the time of underwriting. Given the Group's regulated operating companies' run-off status, reserve risk is the principal insurance risk the Group faces, especially the potential for future claims to deteriorate beyond the actuarial best estimates.

Strict claim review policies are in place to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent review of all claims are the key policies and procedures put in place to reduce the risk exposure of the Group.

Run-off income is monitored against budgeted results on a quarterly basis. In addition, the gross and net loss reserves are reviewed actuarially bi-annually and compared to the business plan. The monitoring incorporates identification, measurement and explanation of variances which are reported to senior management. Factors such as claims inflation and trends in average cost per claim for specific claim types are also analyzed as part of the reserve reviews, which are seen as key future risk drivers of insurance risk. The primary objective of the operating companies is to ensure that sufficient reserves are available to cover these liabilities.

US Annuities

There are four key insurance risks associated with the reinsurance of the US annuity business consisting of Multi Year Guaranteed Annuities ("**MYGA**") and Fixed Indexed Annuities ("**FIA**") sold to retail customers across the United States:

- Lapse Behavior: A significant change in investment market conditions leads to a mass lapse event. This risk is mainly mitigated by product design and pricing assumptions (e.g. surrender charges, market value adjustments).
- Return of premium products: Some products have a feature where a policyholder can request a return of premium. This can lead to a loss, particularly at early duration, given the upfront administrative costs and if there is a cost in liquidating the assets supporting the liability. This is risk mainly mitigated by product design (commission claw backs).
- Longevity risk: Some products have income riders that provide whole of life income. This introduces longevity risk and account values can be depleted below the base benefit value. This risk is mainly mitigated by product design (ability to reset participation rates and caps), pricing assumptions and the use of reinsurance.
- Mortality risk: Some products have death and terminal illness benefit features. This risk is particularly important if there is a confluence of increased mortality coupled with a market stress. This risk is mainly mitigated by pricing assumptions.

Given the product profile, the key risk is a mass lapse event which is monitored through stress testing.

Market Risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities. The Group's market risk is tracked in various ways, including rate and spread durations, asset liability management ("**ALM**") and historic stress tests. There is a comprehensive set of investment checks and balances which define in detail the Group's risk appetite with regard to individual and sectoral concentration, effective duration, credit quality and exposure to emerging markets and high yield instruments.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main source of interest-rate exposure is fixed-rate cash bonds of which the Group holds different types, primarily corporate and government bonds. Interest rate changes affect the valuations of the assets. For Economic Balance Sheet purposes, the technical provisions are affected, as they are discounted in line with risk free interest rates. An increase in interest rates reduces the value of both interest rate-sensitive assets and the value of Economic Balance Sheet technical provisions. ALM is fully implemented, and for the management of interest rate risk, it takes the form of matching the cash flows and interest rates of investments with the maturities of liabilities in order to maintain adequate positive net cash flow and to ascertain any duration imbalance. Interest rate derivatives are also used to manage the ALM position.

Foreign exchange risk

Many companies within the Group undertake certain transactions denominated in foreign currencies and therefore exposures to exchange rate fluctuations arise. The risk of exposing the assets or liabilities to exchange rate fluctuations is managed by matching liabilities with assets in the same currencies. Assets and liabilities by currency are reviewed each month to ensure they are matched where possible and that cash is available to discharge liabilities in their respective currencies. From time to time, each operating company may utilize foreign currency forward contracts as part of its overall foreign currency risk management strategy or to obtain exposure to a particular financial market, as well as for yield enhancement. CHBL reviews the net consolidated position by currency and hedges net positions in line with its hedging strategy.

Equity price risk and other price risk

Each operating company is exposed to price risk arising from fluctuations in the value of financial instruments as a result of changes in the market prices and the risks inherent in all investments. Many of the operating companies within the Group are exposed to equity price risk through their investments in publicly traded equities. The risk is managed by maintaining an appropriate mix of investment instruments in line with the Strategic Asset Allocation ("**SAA**").

Each operating company manages investment risk through extensive use of portfolio management analysis software and the appointment of specialist third party asset managers, who have demonstrated an extensive and successful track record of managing assets on behalf of insurance and reinsurance company clients. They follow a mandate which is called the Investment Policy Statement, and there is a board approved Investment Risk Management Policy. Regular oversight of all investment decisions, their compliance with regulations and

CHBL's own guidelines by the Group CIO, supported by subsidiary CIOs, coupled with regular convening of the Board Investment & ALM Committee and clear reporting lines from this committee, ensures that the regulated operating entities are not exposed to threatening levels of market risk. Each insurance operating company carries out quarterly scenario testing based on various past market distress events to understand the implication of changes in asset mix, credit quality, duration and currency.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for each operating company are in relation to its investment portfolio and reinsurance program. The objective of each operating company in the Group in managing its credit risk is to ensure risk is managed in line with the respective operating company's risk appetite. Each operating company has established policies and procedures in order to manage credit risk and methods to measure it. Credit risk on receivables is minimized by pursuing early commutation where possible. The Group is also exposed to credit risk via its investment portfolio. Regular oversight of all investment decisions by the Group CIO, coupled with regular convening of the advisory Investment Committee, will ensure that stated standards are adhered to the CHBL's Investment Guidelines. Credit risk is measured in several ways, the Group assesses credit ratings, issuers and domicile concentrations. It also carefully tracks spread duration based on security level modeling.

Liquidity Risk

Liquidity risk relates to the possibility that CHBL, including its operating companies, finds itself unable to fund its present and future financial obligations or that CHBL becomes exposed to losses because its assets are not sufficiently liquid to meet its liabilities as and when they become due. Each operating company manages liquidity risk through regular forecasting of expected cash flows. Liquidity management ensures that each operating company has sufficient access to funds necessary to cover insurance claims and expenses.

Liquidity considerations are a material component of the Group's ALM approach. Divergence from the Group's ALM approach could have an adverse impact on the Group's capital position. Liquidity risk, and therefore Market Risk, is sought to be minimized by structuring total investments and cash in a way that the expected cash out-flows, mainly related to gross loss reserves and capital distributions, are covered by current cash and cash equivalents as well as by expected future cash in-flows from investments, i.e., income payments as well as principal repayments.

A further consideration is the relative ratio of pledged versus unencumbered assets backing liabilities. CHBL monitors the degree of collateralization existing in its operating companies' liabilities. The value of Letters of Credit in CHBL's collateral accounts and Trust Accounts that are pledged as collateral to ceding companies are monitored and reported monthly by the Group's Treasurer.

Operational Risk

Risk exposure

Operational risk relates to the possibility that companies within the Group become exposed to losses occurring as a result of failures within their internal systems and processes. Management adopts an approach to operational risk in proportion to the size of each operating company and its operations. Management believes strongly in setting performance precedents for their employees and ensuring as far as practicable the maintenance of our business systems. Close collaboration with HR and IT allows the CROs and the local executive teams to identify any operational vulnerabilities before they are able to adversely affect business process or maintenance of accounts. Processes and procedures are regularly enhanced.

IT and Cyber-intrusion Risk

This is the risk relating to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems. Given the reliance on technology and data, Management ensures that the regulated operating entities have suitable means to identify, articulate, assess, mitigate and report on IT & Cyber risks.

These risks are governed by the Group's Information Technology and Information Security policies which sets out and provides guidance on Catalina's approach to implementing and maintaining adequate and effective practices and controls which, alongside other policies, standards and practice guides, contributes to the overall system of internal control.

Key controls include:

- IT Governance & Risk Management
- Architecture & Service Management
- Incident Readiness & Response
- Infrastructure Monitoring & Management
- Access Management
- Third Party Risk Management
- Business Continuity & Disaster Recovery
- Staff Training & Awareness
- Systems Hardening & Configuration Management

Controls are a balance of people, process and technology and are monitored through various management and governance processes with independent testing and validation taking place through internal and external audit and assurance.

Key Risks and Controls are reviewed quarterly to ensure adequate levels of design and operating effectiveness are maintained and executive management and the board receive regular updates on our risk landscape and control posture.

Regulatory and Legal Risk

This risk arises from not complying with regulatory and legal requirements. Inadequate governance is a key risk for Catalina. The General Counsel, the risk owner, is responsible for managing legal resources, providing legal strategy and has oversight of corporate governance matters across the organization. The Group Governance Framework sets out how the group implements governance in relation to commonly accepted standards, regulatory requirements, stakeholder expectations and the circumstances and requirements of the group's business model and geographic reach. It also maps out how governance flows from the CHBL board of directors via the group executive team to the subsidiary boards and local management teams.

In addition, key staff, particularly those who hold defined roles with regulatory requirements maintain regular dialogue with regulators and Non-Executive Directors have experience and contact with regulators in other business relationships.

Group Risk

The risk represents the contagion risk that an action or inaction of one part of the Group will adversely affect another part or parts. This risk is mitigated by controls such as the corporate structure and commonality of directors on the boards across the group.

In addition, it includes the risk of dilution of culture and negative reputation. The Group believes in a strong Catalina culture. This risk is mitigated primarily through pre-emptive controls and monitored via regular staff engagement surveys.

Strategic Risk

Strategic risk relates to ineffective strategic direction or decisions impacting CHBL's target operating model and its ability to operate in a sustainable way. Catalina strategy statement and the annual business plan provides a concrete statement for shareholder expectations to be met.

The Company is committed to developing and adopting solutions that minimize the adverse impact of its operations on the environment. The Company works to raise awareness amongst its stakeholders of the risks arising from climate change and promote environmentally sustainable business practices.

Crisis management is a key strategic risk that companies may face. Catalina seeks to avoid the risk or mitigate it via controls. Should these fail, Catalina maintains a crisis management action plan that would be invoked as timely, coordinated action in these situations is critical.

c) Material Risk Concentrations

CHBL has risk concentration limits included within the various risk policies, for example, in relation to counterparties, credit quality, type of investments and geographical areas. The risk concentration tolerances are monitored on a quarterly basis during the Board Risk Committee at the Group level but also by the Operating companies on a more frequent basis.

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

The Group's investment portfolio is managed by the Group's investment team in accordance with the Group's Investment Policy. The Investment Policy governs the Group's exposure to market risks. Exposures are controlled by the setting of investment limits in line with CHBL's risk appetite. The Investment Policy is approved by the CHBL and operating company Boards and is applied by the Group Investment team, who are responsible for making and implementing investment decisions on behalf of the operating companies in line with the Investment Policy and risk appetite statements approved by the various Boards.

Each insurance operating company seeks to maximize investment returns within its Board-approved Risk Appetite Statement. The investment management philosophy is implemented through both internal investment management decisions and the assistance of external investment managers to best achieve the objectives of the Investment Policy.

Each insurance operating company's investment policy and related guidelines have been formulated to ensure that they are in accordance with all aspects of the Prudent Person Principle. The investment goals are:

- To preserve solvency;
- To maintain the ability to meet liability payment obligations and operating expenses as they become due;
- To always manage the portfolios in conformity to the regulatory framework and agreed investment guidelines; and
- To earn the best possible risk adjusted total return on invested capital.

e) Stress Testing and Sensitivity Analysis to Assess Material Risks

As part of the CHBL capital setting process, a range of stress tests are carried out in order to assess the sensitivities of key inputs and evaluate the Group's ability to be able to withstand exposure to extreme conditions and events. This provides valuable insight into the financial vulnerability of the Group in response to deterioration in asset and liability values. The stress tests are based on extreme but realistic events to which the Company could be exposed and close consideration of the risk register has been made in selecting the events giving rise to the various stresses. The Group has also developed a Recovery Plan, which explores stress tests and documents the mitigation activity available in such a circumstance.

Stress Tests

The stress tests undertaken are primarily with respect to insurance risk, credit risk, market risk and liquidity risk. These stress tests enhance the ability to quantitatively and qualitatively understand risk factors that could impact the Group's business and risk appetite, and to inform risk and capital decisions.

The following sections discuss each of the stresses that have been applied:

Insurance Risk: Increase in gross claims reserve

Insurance risk is one of the largest contributors to the total economic capital charge and this is a reflection of the Group's focus on risks in run-off. Careful consideration was given to the classes of business with the largest net reserves and the main uncertainties to which these classes are exposed were used to develop realistic scenarios under which the Group's net reserves could be significantly stressed. The basic stress applied is (unanticipated) deterioration in the level of reserves and is in line with one of the largest risks identified on the risk register of each individual operating company.

Market risk: Investment stress tests

The investment stress tests that have been applied include: a global recession scenario, extreme U.S. yield curve widening, widening of credit spreads (public and private lending), foreign currency shocks and a severe downside stress equivalent to the Great Financial Crisis of 2008. Based on the results of the stress tests, Management considers the Group to be appropriately capitalized.

Credit Risk: Default in reinsurance recoveries

CHBL cedes approximately a third of P&C gross reserves to reinsurance counterparties and therefore the losses that it would have to sustain in the event of default of reinsurance recoveries would not be immaterial. A loss given default of 50% of expected reinsurance recoveries has been assumed as a suitable stress on CHBL's credit risk. This is considered to be sufficiently severe and is in line with market practice.

Liquidity Risk: Impact from top-up in collateral accounts

Shortfalls in the level of assets required in operating companies' collateral accounts would need to be met by Group and therefore impact the liquidity position. The core liquidity and the liquidity position following a market stress (both in a rates up scenario and a rates down scenario) are forecasted over a two-year horizon to ensure there is sufficient liquidity over that period. This analysis is performed monthly and reported to the executive level Capital and Liquidity Committee ("**CLC**") and the Board RC.

Management Actions upon Solvency Deterioration

Should the capital coverage for CHBL fall below the Group's minimum target capital ratio, there are several courses of action that would be considered, and one or more of these would generally be taken. The Capital management Plan policy presents some of the key management actions that the Group could execute. The Recovery Plan covers specific actions related to different types of liquidity and capital stress scenarios.

Item 4: Solvency Valuation

a) Assets

Catalina Holdings (Bermuda) Ltd.

Catalina has used the valuation principles outlined by the BMA's "Guidance Note for Statutory Reporting Regime" for the statutory filing for the year ended December 31, 2024. The economic valuation principles outlined in this document are to measure assets and liabilities on a fair value basis (which is 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 at the measurement date). The valuation methodology for each material class of asset in the Economic Balance Sheets of CHBL, CRBL, CatGen and CRAL is as follows:

- Investments and cash and cash equivalents: Valued at fair value for EBS purposes, consistent with the valuation approach under U.S. GAAP
- Investment Income Due and Accrued: Investment income due and accrued is recorded at fair value in line with U.S. GAAP
- Accounts and Premiums Receivable: Valued in accordance with U.S. GAAP
- Reinsurance Balances Receivable: Valued in accordance with U.S. GAAP
- Funds Held by Ceding Reinsurers: Valued in accordance with U.S. GAAP

- Sundry Assets:
    - Derivatives are recorded at fair value in line with U.S. GAAP.
    - Deferred tax balances are recognized in relation to all assets and liabilities that are recognized for solvency or tax purposes in conformity with U.S. GAAP with a positive value only recognized where it is probable that future taxable profits will lead to the realization of the asset.
    - Intangible assets relate to insurance licenses for two of the Group's U.S. insurance subsidiaries. These licenses can be sold separately and the fair value is in line with values realized from recent sales of licenses from the Group's other subsidiaries.
    - Other sundry assets include a receivable related to the sale of property held within Oxenwood subsidiaries and funds held by third party claims administrators that are used as a float to pay claims.

- Investment in affiliates: The investment in affiliates are investments in Catalina ORE Ltd. ("**CORE**"). CORE was set up as an intermediate holding company for Catalina and its subsidiaries to invest in commercial real estate via Oxenwood Capital LP, Oxenwood Real Estate LLP and Oxenwood Real Estate Capital.

b) Technical provisions

General Business

The best estimate technical provision is the sum of the loss and loss expense provision and the premium provision. Insurance technical provisions are valued based on best estimate cash flows, adjusted to reflect the time value of money using a risk-free discount rate term structure with an appropriate illiquidity adjustment. In addition, there is a risk margin to reflect the uncertainty inherent in the underlying cash flows which is calculated using the cost of capital approach and a discount rate term structure. The discount rate term structures are prescribed by the BMA for each reporting period or set using prescribed BMA guidelines.

The best estimate for the loss and loss expense provision is calculated by using U.S. GAAP reserves as the starting point and then performing a series of adjustments:

- Removal of prudence margins, where appropriate;
- Deferred income / loss is included within net outstanding losses and loss expenses in the U.S. GAAP audited financial statements and added back for EBS purposes;
- The U.S. GAAP reserves for Periodic Payment Orders were discounted at 3.0% per annum. This discount was removed as all reserves in the Economic Balance Sheet are discounted at the risk-free rate;
- Incorporation of expected reinsurance counterparty defaults;
- Incorporation of Events Not In Data ("**ENID**");
- Other adjustments relating to consideration for investment and administration expenses etc.; and
- Discounting of cash flows

The loss and loss expense provision is the discounted best estimate of all future cash flows relating to claim events prior to the valuation date, including claims which have not yet been notified to the (re)insurer. Hence the loss and loss expense provision is calculated as the expected present value of claims incurred, including incurred but not reported claims ("**IBNR**") plus future expenses incurred to settle these claims.

Long Term Business

Long Term business consists of two transactions:

1. FABN transaction, which is classified as a financial derivative for U.S. GAAP purposes and is consolidated under CatGen.
    a. CHBL (and CatGen) provide for the payment leg of the contract, while taking on the risk of the receive leg related to the underlying excess spread return over payments made on FABN. For EBS purposes, in accordance with regulatory requirements, the Company has applied a look-through approach and grossed up both sides of the derivative.
2. Modified Coinsurance ("**ModCo**") transaction which consists of Multi Year Guaranteed Annuities ("**MYGA**") and Fixed Indexed Annuities ("**FIA**") issued by Athene's Iowa carrier ("**AAIA**"), internally reinsured to Athene Annuity Re Ltd. ("**AARE**") in Bermuda and retro ceded to CRAL via a quota share agreement.

    CRAL has an internal reinsurance agreement with CRBL. The impact of the internal reinsurance agreement eliminates on consolidation.

The resulting Long Term Technical Provisions are prepared using approved methodologies that reflect the economics of the underlying liabilities, plus a Risk Margin.

At December 31, 2024 Catalina's Technical Provisions on an Economic Balance Sheet basis are as follows:

Table 7.1 - CHBL Technical Provision and Risk Margin (EBS Basis)

	2024		2023	
	General Business	**Long-Term Business**	**General Business**	**Long Term Business**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Best Estimate Loss and Loss Expense Provision	$ 1,832,701	$ 7,705,603	$ 2,485,213	$ 4,291,686
Risk Margin	203,112	10,710	264,063	5,067
Technical Provision	**$ 2,035,813**	**$ 7,716,313**	**$ 2,749,276**	**$ 4,296,753**

Table 7.2 - CRBL Technical Provisions and Risk Margin (EBS Basis)

	2024	
	General Business	Long-Term Business
	US$'000	US$'000
Best Estimate Loss and Loss Expense Provision	$ 1,489,760	$ 7,705,503
Risk Margin	130,202	10,810
Technical Provision	**$ 1,619,962**	**$ 7,716,313**

Table 7.3 - CatGen Technical Provisions and Risk Margin (EBS Basis)

	2024		2023	
	General Business	Long-Term Business	General Business	Long-Term Business
	US$'000	US$'000	US$'000	US$'000
Best Estimate Loss and Loss Expense Provision	$ 1,489,760	$ 3,728,124	$ 2,041,099	$ 4,291,686
Risk Margin	130,202	2,319	184,434	5,067
Technical Provision	**$ 1,619,962**	**$ 3,730,443**	**$ 2,225,533**	**$ 4,296,753**

Table 7.4 - CRAL Technical Provisions and Risk Margin (EBS Basis)

	2024	
	General Business	Long-Term Business
	US$'000	US$'000
Best Estimate Loss and Loss Expense Provision	$ —	$ 3,977,479
Risk Margin	—	8,391
Technical Provision	**$ —**	**$ 3,985,870**

The run-off nature of Catalina means that there are minimal future exposures post December 31, 2024, resulting in a nil premium provision.

c) Description of recoverables from reinsurance contracts

Recoverables from reinsurance contracts are based on principles similar to the gross best estimate. Reinstatement premiums required to be paid to the reinsurer are included within reinsurance balances payable.

The recoverables from reinsurance contracts balance is adjusted for potential impairment based on counterparty credit rating based on rating agency and experience default statistics.

d) Other liabilities

Similar to the valuation principles for assets, Catalina's liabilities follow the valuation principles outlined by the BMA's "Guidance Note for Statutory Reporting Regime" which values liabilities at a fair value basis. All other liabilities are valued on a U.S. GAAP basis and settlements not expected to be settled within a year are discounted using the prescribed discount rates provided by the BMA as at December 31, 2024.

For the consolidated Group, the value of each material class of Economic Balance Sheet liabilities, other than Technical Provisions, is determined using the following approach:

- **Insurance and Reinsurance Balances Payable:** The valuation methodology for these under U.S. GAAP is consistent with the approach for EBS purposes.
- **Commissions, Expenses, Fees and Taxes Payable:** The valuation methodology for these under U.S. GAAP is consistent with the approach for EBS purposes.
- **Loans and Notes Payable:** The valuation methodology for debt obligations under U.S. GAAP is consistent with the approach for EBS purposes. Certain of CHBL and CatGen's debt obligations have been approved by the BMA as eligible capital, as described in Item 5a.
- **Tax Liabilities:** The valuation methodology for these under U.S. GAAP is consistent with the approach for EBS purposes.
- **Accounts Payable and Accrued Liabilities:** The valuation methodology for these under U.S. GAAP is consistent with the approach for EBS purposes.
- **Sundry Liabilities:** The valuation methodology for these under U.S. GAAP is consistent with the approach for EBS purposes.

e) Any other material information

The Company's insurance and reinsurance company subsidiaries are regularly involved in legal proceedings in the normal and ordinary course of business, including litigation and arbitration proceedings in various jurisdictions, relating to direct insurance claims and also assumed and ceded reinsurance claims. Except as set forth below, the Company does not believe that there is any pending or threatened litigation against or by the Company or any of its subsidiaries that is material to the Company. Note that summary disclosure of any matter shall not be construed to mean that such matter is required to be disclosed, that it is material, or that any applicable privilege or confidentiality protection is waived.

SPARTA Insurance Company ("**SPARTA**"), a Connecticut, USA-domiciled, indirect subsidiary of the Company, has filed suit in the federal district court for the District of Massachusetts against Pennsylvania General Insurance Company ("**PGIC**") relating to PGIC's failure to administer and pay claims for which it retained responsibility pursuant to PGIC's and its affiliates' and predecessors' transaction to convey SPARTA as a "clean shell." From 2004 to 2021, PGIC and its affiliates, predecessors and successors administered and paid those claims. In 2021, one of those successors was put into liquidation in Pennsylvania and subsequently began refusing to pay claims. PGIC has also denied its own clear obligations under the conveyance documents, resulting in the instant lawsuit.

Item 5: Capital Management

Capital management refers to implementing measures to maintain sufficient capital and assessing the internal capital adequacy of CHBL, CRBL, CatGen and CRAL. CHBL, CRBL, CatGen and CRAL manage capital to ensure a prudent cushion of Eligible Capital to protect against volatility, to finance new growth opportunities and to meet regulatory requirements. CHBL has a business plan which feeds into the GSSA and which demonstrates capital adequacy is expected throughout the three year planning horizon.

a) Eligible capital

Catalina Holdings (Bermuda) Ltd.

Capital Management Policy and process for capital needs, how capital is managed and material changes during 2024

The primary capital management objectives of the Group are to maintain a strong capital base to meet regulatory capital requirements at all times and to ensure that the Group has capital available to finance future acquisitions and reinsurance transactions. The Group strives for an appropriate capital structure that efficiently allocates the risk to the capital. Other than dividends paid to management shareholders, the Group has not declared dividends and earnings are retained to invest in future transactions. The Group's capital and risk management strategy was primarily unchanged over 2024.

To maintain a strong capital base, the Group identifies, assesses, manages and monitors the various risk sources that it faces in the course of business, both currently and as anticipated over a three-year planning horizon. This process culminates in an assessment of the capital necessary to maintain solvency at the threshold targeted by senior management given the Group's risk profile. The Group's risk profile includes an assessment of the material risks faced by the Group, the strength of the Group's enterprise risk management, capital measures derived from proprietary and vendor models, qualitative risks, stress testing and liquidity.

The Group's approach to capital management is to ensure that all insurance and reinsurance operating subsidiaries within the Group have sufficient capital to meet regulatory capital requirements. The Group's most significant insurance and reinsurance operating subsidiaries are based in jurisdictions where risk-based capital models are used to calculate the regulatory capital requirements for insurers and reinsurers. The targeted capital level of the Group and each regulated operating subsidiary is set above regulatory capital requirements. Capital in excess of the targeted levels is retained for future business or distributed to the operating subsidiaries' shareholder. Most of the Group's regulated operating subsidiaries require regulatory approval before declaring a dividend or making a capital distribution.

The potential sources of liquidity to CHBL as a holding company consist of cash flows from proceeds from issuance of equity to shareholders, proceeds from the issuance of debt instruments, dividends and capital distributions from subsidiaries, and borrowings from existing financing relationships. As of December 31, 2024, the Group had a $600 million Revolving Credit Facility Agreement ("RCF") of which, $56.3 million utilized, leaving an available capacity of approximately $543.7 million. Subsequent to December 31, 2024, the Company has voluntarily reduced the facility by $200 million.

CHBL utilizes cash to fund new acquisitions or capital contributions to subsidiaries, to pay operating expenses, to pay interest and principal on debt obligations.

Eligible Capital Categorized by Tiers in Accordance With the Eligible Capital Rules

Eligible capital represents Catalina's assessment of the quality of its capital resources eligible to satisfy its regulatory requirements. As at December 31, 2024 the Group's Eligible Capital was categorized as follows:

Table 8.1 - Group eligible capital

	Applied to MSM		Applied to ECR	
	2024	2023	2024	2023
	US$'000	US$'000	US$'000	US$'000
Tier 1	$ 723,794	$ 1,026,705	$ 723,794	$ 1,026,705
Tier 2	180,948	256,676	223,388	319,351
Tier 3	—	—	167,178	—
Total	**$ 904,742**	**$ 1,283,381**	**$ 1,114,360**	**$ 1,346,056**

The majority of capital is **Tier 1 Basic Capital**, and consists of:

- Fully paid common shares
- Perpetual preference shares
- Additional paid-in capital
- Statutory Economic Surplus
- Minority Interest

Confirmation of Eligible Capital That is Subject to Transitional Arrangements

The Group does not have any Eligible Capital that is subject to transitional arrangements.

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

Not applicable.

Identification of Ancillary Capital Instruments That Have Been Approved by the BMA

The following instruments have been approved by the BMA as Ancillary Capital for CHBL:

- €21.3 million of floating rate subordinated notes due January 2030 issued by CHBL, approved by the BMA as Tier 2 Ancillary Capital on November 7, 2019
- €37.5 million of floating rate subordinated notes due January 2031 issued by CHBL, approved by the BMA as Tier 2 Ancillary Capital on December 3, 2020.
- $50.0 million of floating rate subordinated notes due February 2031 issued by CHBL, approved by the BMA as Tier 2 Ancillary Capital on December 21, 2020.
- $54.0 million and €26.0 million of floating rate subordinated notes due in June and December 2035 issued by CHBL approved by the BMA as Tier 2 Ancillary Capital on November 18, 2019.
- £160 million Term Facility Agreement was entered into in October 2024 for 5 years and approved by the BMA as Tier 3 Ancillary Capital.

Identification of Differences in Shareholders' Equity as Stated in the Financial Statements versus the Available Capital and Surplus

The most significant differences in shareholders' equity as stated in the U.S. GAAP financial statements versus the available capital and surplus are the inclusion of approved ancillary capital items (as described above) and the impact of employing statutory based technical provision valuation techniques as discussed in item 4, section (b).

Table 9.1 – Reconciliation of U.S. GAAP shareholders' equity to total statutory economic capital and surplus for CHBL

	2024 US$'000	2023 US$'000
Total Shareholders' Equity – U.S. GAAP	$ 673,172	$ 961,436
Non-admitted assets - Prepayments	(18,049)	(18,070)
Release deferred income/loss (including fair value adjustments)	(209,051)	(236,531)
Long-term subordinated debt – approved as Other fixed capital	416,969	319,351
FV adjustment on Real Estate	8,252	10,279
Remove U.S. GAAP discounting of Periodic Payment Orders	(31,575)	(89,345)
Gross up FABN derivative	(63,274)	(63,780)
Admin Expenses, ENIDS and other expenses	(118,869)	(109,691)
Loss reserves discount	692,893	841,537
Risk margin	(203,112)	(269,130)
Total Statutory economic capital and surplus	**$ 1,147,358**	**$ 1,346,056**

Catalina Re Bermuda Ltd.

Capital Management Policy and process for capital needs, how capital is managed and material changes during 2024

The Capital Management objectives of CRBL are aligned with the Group, refer to item 5 section (a).

As a regulated insurance company with regulated operating subsidiaries, CRBL has some additional sources and uses of cash relative to CHBL. In addition to the sources available to CHBL, CRBL can generate liquidity through premium received through its reinsurance transactions, CRBL also has significant liquid assets in its investment portfolio and additional non-liquid assets which can generate liquidity through distributions and disposals. Additional uses of cash for CRBL include policyholder payments, payments for services rendered, posting of collateral to counterparties and investment purchases.

Eligible Capital Categorized by Tiers in Accordance With the Eligible Capital Rules

Eligible capital represents CRBL's assessment of the quality of its capital resources eligible to satisfy its regulatory requirements.

As at December 31, 2024 CRBL's Eligible Capital was categorized as follows:

Table 8.2 – CRBL's eligible capital

	Applied to MSM 2024 US$'000	Applied to ECR 2024 US$'000
Tier 1	$ 1,026,727	$ 1,026,727
Tier 2	79	79
Tier 3	—	—
Total	$ 1,026,806	$ 1,026,806

The majority of capital is **Tier 1 Basic Capital**, and consists of:

- Fully paid common shares
- Perpetual preference shares
- Additional paid-in capital
- Statutory Economic Surplus
- Minority Interest

Confirmation of Eligible Capital That is Subject to Transitional Arrangements

CRBL does not have any Eligible Capital that is subject to transitional arrangements.

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

Not applicable.

Identification of Ancillary Capital Instruments That Have Been Approved by the BMA

Not applicable

Identification of Differences in Shareholders' Equity as Stated in the Financial Statements versus the Available Capital and Surplus

The most significant differences in shareholders' equity as stated in the U.S. GAAP financial statements versus the available capital and surplus are the inclusion of approved ancillary capital items (as described above) and the impact of employing statutory based technical provision valuation techniques as discussed in item 4, section (b).

Table 9.2 – Reconciliation of U.S. GAAP shareholders' equity to total statutory economic capital and surplus for CRBL

		2024
		US$'000
Total Shareholders' Equity – U.S. GAAP	$	1,161,080
Non-admitted assets - prepayments		(3,624)
Release deferred income/loss (including fair value adjustments)		(78,379)
FV adjustment on Real Estate		(8,251)
Remove U.S. GAAP discounting of Periodic Payment Orders		(23,537)
Gross up FABN derivative		(63,274)
Admin Expenses, ENIDS and other expenses		(52,362)
Loss reserves discount		448,454
Risk margin		(138,593)
Total Statutory economic capital and surplus	**$**	**1,241,513**

Catalina General Insurance Ltd.

Capital Management Policy and process for capital needs, how capital is managed and material changes during 2024

The Capital Management objectives of CatGen are aligned with the Group, refer to item 5 section (a).

As a regulated insurance company with regulated operating subsidiaries, CatGen has some additional sources and uses of cash relative to CHBL. In addition to the sources available to CHBL, CatGen can generate liquidity through premium received through its reinsurance transactions, CatGen also has significant liquid assets in its investment portfolio and additional non-liquid assets which can generate liquidity through distributions and disposals. Additional uses of cash for CatGen include claims payments, payments for services rendered, posting of collateral to counterparties and investment purchases.

Eligible Capital Categorized by Tiers in Accordance With the Eligible Capital Rules

Eligible capital represents CatGen's assessment of the quality of its capital resources eligible to satisfy its regulatory requirements.

As at December 31, 2024 CatGen's Eligible Capital was categorized as follows:

Table 8.3 – CatGen's eligible capital

Tier 3	Applied to MSM				Applied to ECR			
		2024		2023		2024		2023
		US$'000		US$'000		US$'000		US$'000
Tier 1	**$**	**898,849**	**$**	**1,698,817**	**$**	**898,849**	**$**	**1,698,817**
Tier 2		—		96,597		—		96,597
Tier 3		—		—		—		—
Total	**$**	**898,849**	**$**	**1,795,414**	**$**	**898,849**	**$**	**1,795,414**

The majority of capital is **Tier 1 Basic Capital**, and consists of:

- Fully paid common shares

- Perpetual preference shares
- Additional paid-in capital
- Statutory Economic Surplus
- Minority Interest

Confirmation of Eligible Capital That is Subject to Transitional Arrangements

CatGen does not have any Eligible Capital that is subject to transitional arrangements.

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

Not applicable.

Identification of Ancillary Capital Instruments That Have Been Approved by the BMA

None as at 31 December 2024

Identification of Differences in Shareholders' Equity as Stated in the Financial Statements versus the Available Capital and Surplus

The most significant differences in shareholders' equity as stated in the U.S. GAAP financial statements versus the available capital and surplus are the inclusion of approved ancillary capital items (as described above) and the impact of employing statutory based technical provision valuation techniques as discussed in item 4, section (b).

Table 9.3 – Reconciliation of U.S. GAAP shareholders' equity to total statutory economic capital and surplus for CatGen

	2024 US$'000	2023 US$'000
Total Shareholders' Equity – U.S. GAAP	$ 1,278,892	$ 1,564,173
Non-admitted assets - prepayments	(3,606)	(3,782)
Release deferred income/loss (including fair value adjustments)	(47,277)	(64,302)
Long-term subordinated debt – approved as Other fixed capital	—	70,500
FV adjustment on Real Estate	(8,251)	14,646
Remove U.S. GAAP discounting of Periodic Payment Orders	(23,536)	(87,272)
Gross up FABN derivative	(63,274)	(63,780)
Admin Expenses, ENIDS and other expenses	(54,638)	(92,515)
Loss reserves discount	486,007	647,246
Risk margin	(130,202)	(189,501)
Total Statutory economic capital and surplus	**$ 1,434,115**	**$ 1,795,414**

Catalina Re Archdale Life Insurance Company Ltd.

Capital Management Policy and process for capital needs, how capital is managed and material changes during 2024

The Capital Management objectives of CRAL are aligned with the Group, refer to item 5 section (a).

Eligible Capital Categorized by Tiers in Accordance With the Eligible Capital Rules

Eligible capital represents CRAL's assessment of the quality of its capital resources eligible to satisfy its regulatory requirements.

As at December 31, 2024 CRAL's Eligible Capital was categorized as follows:

Table 8.4 – CRAL's eligible capital

	Applied to MSM 2024 US$'000	Applied to ECR 2024 US$'000
Tier 1	$ 13,727	$ 13,727
Tier 2	—	—
Tier 3	—	—
Total	$ 13,727	$ 13,727

The majority of capital is **Tier 1 Basic Capital**, and consists of:

- Fully paid common shares
- Additional paid-in capital
- Statutory Economic Surplus

Confirmation of Eligible Capital That is Subject to Transitional Arrangements

CRAL does not have any Eligible Capital that is subject to transitional arrangements.

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

Not applicable.

Identification of Ancillary Capital Instruments That Have Been Approved by the BMA

Not applicable

Identification of Differences in Shareholders' Equity as Stated in the Financial Statements versus the Available Capital and Surplus

The most significant differences in shareholders' equity as stated in the U.S. GAAP financial statements versus the available capital and surplus are the inclusion of approved ancillary capital items (as described above) and the impact of employing statutory based technical provision valuation techniques as discussed in item 4, section (b).

Table 9.4 – Reconciliation of U.S. GAAP shareholders' equity to total statutory economic capital and surplus for CRAL

		2024 US$'000
Total Shareholders' Equity – U.S. GAAP	$	13,827
Non-admitted assets - prepayments		(99)
Total Statutory economic capital and surplus		**13,727**

b) Regulatory Capital Requirements

Catalina Holdings (Bermuda) Ltd.

At December 31, 2024 CHBL's regulatory capital requirements were assessed as follows:

Table 10.1 - Group regulatory capital requirements

	2024 US$'000	Ratio %
Minimum Margin of Solvency	515,644	223%
Enhanced Capital Requirement	698,428	164%

Identification of non-compliance with the MSM and the ECR

CHBL was compliant with the MSM and ECR requirement throughout 2024.

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

Not applicable.

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

Not applicable.

Catalina Re Bermuda Ltd

At December 31, 2024 CRBL's regulatory capital requirements were assessed as follows:

Table 10.2 – CRBL's regulatory capital requirements

	2024 US$'000	Ratio %
Minimum Margin of Solvency	140,993	881%
Enhanced Capital Requirement	559,974	222%

Identification of non-compliance with the MSM and the ECR

CRBL was compliant with the MSM and ECR requirement throughout 2024.

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

Not applicable.

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

Not applicable.

Catalina General Insurance Ltd.

At December 31, 2024 CatGen's regulatory capital requirements were assessed as follows:

Table 10.3 – CatGen's regulatory capital requirements

	2024 US$'000	Ratio %
Minimum Margin of Solvency	234,674	611%
Enhanced Capital Requirement	488,042	294%

Identification of non-compliance with the MSM and the ECR

CatGen was compliant with the MSM and ECR requirement throughout 2024.

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

Not applicable.

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

Not applicable.

Catalina Re Archdale Life Insurance Company Ltd.

At December 31, 2024 CRAL's regulatory capital requirements were assessed as follows:

Table 10.4 – CRAL's regulatory capital requirements

	2024 US$'000	Ratio %
Minimum Margin of Solvency	—	—%
Enhanced Capital Requirement	6,758	203%

c) Approved Internal Capital Model

Catalina Holdings (Bermuda) Ltd.

Description of the purpose and scope of the business and risk areas where the Internal Model is used

Not applicable. CHBL has not applied to have its internal capital model approved to determine regulatory capital requirements.

Where a partial Internal Model is used, description of the integration with the BSCR Model

Not applicable.

Description of methods used in the Internal Model to calculate the ECR

Not applicable.

Description of aggregation methodologies and diversification effects

Not applicable.

Description of the main differences in the methods and assumptions used for the risk areas in the Internal Model versus the BSCR Model

Not applicable.

Description of the nature & suitability of the data used in the Internal Model

Not applicable.

Catalina General Insurance Ltd.

Description of the purpose and scope of the business and risk areas where the Internal Model is used

Not applicable. CatGen has not applied to have its internal capital model approved to determine regulatory capital requirements.

Where a partial Internal Model is used, description of the integration with the BSCR Model

Not applicable.

Description of methods used in the Internal Model to calculate the ECR

Not applicable.

Description of aggregation methodologies and diversification effects

Not applicable.

Description of the main differences in the methods and assumptions used for the risk areas in the Internal Model versus the BSCR Model

Not applicable.

Description of the nature & suitability of the data used in the Internal Model

Not applicable.

d) Any other material information

Not applicable.

Item 6: Subsequent Events

In preparing the financial condition report, the Company has evaluated subsequent events through until May 30, 2025, which is the date that the report was finalized and issued. It was determined that there are no subsequent events that require adjustments or additional disclosure to the report.

Approval

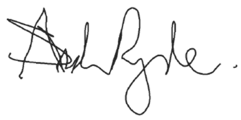
To the best of our knowledge and belief the financial condition report fairly represents the financial condition of Catalina Holdings (Bermuda) Ltd., Catalina Re Bermuda Ltd., Catalina General Insurance Ltd. and Catalina Re Archdale Life Insurance Company Ltd (Bermuda) in all material respects.

Signed: 

Name: Philipp Waldstein

Position: Group Chief Executive Officer

Date: May 30, 2025

Signed: 

Name: Andrew Pryde

Position: Group Chief Risk Officer

Date: May 30, 2025