Solvency and Financial Condition Report 2025

MSIG Europe SE

Cautionary Statement

This Report includes statements with respect to future events, trends, plans, expectation or objectives relating to MSIG Europe SE's ('MSIG Europe') future business, financial condition, results of operations, performance and strategy. Forward looking statements are not statements of historical fact and may contain the terms, "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates" or words which have a similar meaning. No undue reliance should be placed on such statements because, by their nature, they are subject to unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans of MSIG Europe to differ materially from those expressed or implied in the forward looking statements (or from past results). Factors such as, but not limited to (i) general economic conditions and competitive factors, particularly in key markets, in each case on a local, regional, national and/or global basis (ii) the risk of a global economic downturn (iii) performance of financial markets (iv) levels of interest rates and currency exchange rates (v) the frequency, severity and development of insured claims events (vi) policy renewal and lapse rates (vii) changes in laws and regulations and in the policies of regulators (viii) increases in loss expenses may all have a direct bearing on the results of operations of MSIG Europe and on whether any targets may be achieved. Many of these factors may be more likely to occur or be more pronounced as a result of catastrophic events. MSIG Europe does not undertake or assume any obligation to update or revise any of these forward looking statements, whether to reflect any new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

Table of Contents

Executive Summary

This annual Solvency and Financial Condition Report ('SFCR') for the year ended 31 December 2025 has been prepared for MSIG Europe SE ('MSIG Europe' or the 'Company').

Business

The Company is a wholly owned subsidiary of Mitsui Sumitomo Insurance Co. Limited ('MSI'). MSI's immediate and ultimate parent is MS&AD Insurance Group Holdings, Inc., one of the world's largest general insurers with an overseas network of 50 countries and regions, and which is also MSIG Europe's ultimate parent company. The chart presenting the group structure can be found in section A.1.

MSIG Europe is a leading independent provider of corporate insurance in Western Europe. MSIG Europe's business is organised around two operating segments, Marine and Property & Casualty ('P&C'). MSIG Europe underwrites business in both its domestic as well as foreign markets, with the countries of the European Union and the United Kingdom being the most important ones. The Company is domiciled in Belgium and therefore the supervisory authority is the National Bank of Belgium ('NBB').

MSIG Europe holds a 90% stake in Amlin Netherlands Holding B.V, which has full ownership of MSIG Specialty Marine NV ('MSM'), an in-house Managing General Agent focussing on marine insurance. The remaining 10% are held by MSI, MSIG Europe's direct parent company. Additionally, MSIG German Services GmbH is also a related undertaking from MSIG Europe and covers the pension benefits for the German employees.

In June 2024, the Company's shareholder, MSI, announced a strategic merger of its two continental European subsidiaries, MSIG Insurance Europe AG ('MSIG EU') and MS Amlin Insurance SE ('MS AISE'). The merger was executed as a cross-border acquisition, with MSIG EU based in Germany, merging into MS AISE located in Belgium. On 18 April 2025, the shareholder transferred its shares in MSIG EU to MS AISE through a contribution in kind, in accordance with Belgian corporate law. This made MSIG EU a wholly owned subsidiary of MS AISE, allowing the companies to proceed with a streamlined upstream parent-subsidiary merger. Although the merger took effect on 1 July 2025, after obtaining the necessary regulatory approvals, it is applicable retroactively as from 1 January 2025. As a result of the merger, the Company was renamed MSIG Europe SE.

On 11 December 2025, a subordinated loan of £2.5 m was redeemed to MS ACS, a sister company. The loan had previously been classified as Tier 2 own funds.

On 6 February 2026, the Extraordinary General Meeting of Shareholders resolved, in accordance with Article 7:212 of the Belgian Code of Companies and Associations, to distribute an intermediary dividend of a gross amount of €175.0 million. The dividend was charged to retained earnings as reflected in the approved annual accounts as at 31 December 2024 and was effectively paid on 19 February 2026

On 27 February 2026, the shareholder increased the Company's share capital by €250.0 million, bringing it from €345.0 million to €595.0 million. The capital increase was carried out through a cash contribution and the issuance of 2,078,571 new shares, which carry the same rights and privileges as the existing ones. The issue price was €120.27 per share. The new shares were fully taken up in cash, with 25% of the issue price payable at the time of issuance. Consequently, €62.5 million had been paid up as at 27 February 2026.

Although an intermediary dividend has been paid in 2026, the Management Committee recommended to the Board of Directors, following its review, not to distribute any dividend on the 2025 financial results. The Board of Directors approved this recommendation on 19 March 2026 and will propose to the Annual General Meeting of Shareholders that no dividend be paid for the 2025 financial year.

The Company has not identified any events which would threaten its continuity or going concern. The Company has robust financial and operational grounds to sustain the impacts of adverse events.

This report has as a basis of presentation Solvency II with BEGAAP and, in certain cases, IFRS4 for comparative purposes. IFRS principles are presented as this is the basis by which the shareholder assesses the Company and by which the Management Committee and Board manage the Company.

Basis of preparation

This SFCR has been prepared in line with the requirements set out in the regulations relating to Solvency II as passed by the European Union, and guidelines issued by the European Insurance and Occupational Pensions Authority ('EIOPA') and the NBB. This report is only to meet the Company's regulatory reporting requirements and should not be relied upon for any other purpose.

Financial information included in this report is based the Company's annual report and financial statements, prepared for the Company's shareholder and in accordance with Belgian accounting standards and requirements ('BEGAAP'). Unless stated otherwise, this report represents the position of the Company as at 31 December 2025 only and will not necessarily reflect all changes in the Company's operations since that date.

The 2024 figures presented in this report relate to the former MS AISE entity only, prior to the completion of the merger referenced above.

Performance

Underwriting performance

MSIG Europe's overall underwriting result decreased by €45.3 million compared to 2024. The deterioration is mainly explained by higher expenses, including merger integration costs (€33.1 million), an additional claims management expense provision (€19.4 million), foreign exchange revaluation losses (€9.1 million), and other increases in staff and IT-related expenses.

As shown in the table below, the insurance business written via cover holder MSIG Specialty Marine increased in 2025 over 2024, while the underwriting result remained at a €40.1 million profit. The result for other business classes, such as P&C, declined primarily due to several large claims events as well as reserve strengthening in certain portfolios.

BEGAAP underwriting result	2025			2024			Variance	
	Total	Marine	P&C Other	Total	Marine	P&C Other	Total	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	%
Gross written premium	2,135,317	442,054	1,693,263	1,246,145	315,479	930,667	889,171	71.4%
Net written premium	1,447,803	389,053	1,058,750	1,048,259	298,593	749,667	399,543	38.1%
Net earned premium	1,415,617	368,369	1,047,249	1,089,351	334,959	754,392	326,266	30.0%
Net claims	(778,216)	(158,384)	(619,832)	(616,537)	(172,806)	(443,731)	(161,679)	26.2%
Equalisation reserve	(26,671)	-	(26,671)	(26,765)	-	(26,765)	94	(0.4%)
Incurred expenses	(642,903)	(169,837)	(473,065)	(432,894)	(127,409)	(305,484)	(210,009)	48.5%
Underwriting result	**(32,172)**	**40,148**	**(72,319)**	**13,156**	**34,744**	**(21,588)**	**(45,327)**	

Besides the impact from the merger, the gross written premium of the non-specialty marine classes increased mainly in fire and other damage to property insurance business. The property insurance portfolio has grown across Belgium, the United Kingdom and the Netherlands mainly driven by healthy retention rates, moderate rate increases and new business.

Overall, net claims, excluding the equalisation reserve, amounted to €778.2 million, which is €161.7 million higher than 2024 (€616.5 million), where the increase in the absolute level of net claims is largely attributable to the merger and the incorporation of the legacy entity MSIGEU. Despite this rise, the claims ratio improved by 2.2%, decreasing from 59.1% in 2024 to 56.9% in 2025.

Furthermore, 2025 allocation of the BEGAAP equalisation reserve for catastrophes deteriorated the underwriting result by a further €26.7 million.

Investment performance

MSIG Europe's IFRS investment result in 2025, excluding investment management fees, amounted to a profit of €69.3 million (2024: €70.5 million) which is largely driven by a sustained interest rate environment, resulting in a solid interest income from bond positions, fairly offset by spread volatility.

The BEGAAP investment return, excluding management fees, amounts to a profit of €93.4 million, which is €24.1 million higher than the €69.3 million profit under IFRS. This is primarily driven by unrealized losses that are not recognized, such as those relating to the property funds. The impairment testing on financial assets, performed in accordance with BEGAAP principles, resulting in a limited addition of €0.1 million to the impairment provision on property funds in 2025.

The majority of the Company's investment assets are allocated to a segregated mandate managed by Aegon Asset Management UK plc and a dedicated multi-asset mandate with DEVK Asset Management GmbH.

Please refer to section A of this report for further details relating to MSIG Europe's business and performance during the reporting period.

System of governance

MSIG Europe has a Board of Directors (the 'Board') and a Management Committee. The Board composition is designed to include an appropriate balance of Executive and Non-Executive directors. The Board has authority over the conduct of the entire affairs of the Company, while recognising that the entity is a wholly owned subsidiary of MSI. MSIG Europe therefore operates within a framework, strategy and structure set by its immediate parent. The parent is represented on the Board, but this does not impair the Board's obligation to act in the interests of all stakeholders, in particular in the interests of policyholders.

The Board has several committees, to which it delegates oversight and decision-making powers in accordance with the Company's Governance Charter. MSIG Europe reports to its parent on aspects of its operations in line with reporting requirements set by its parent from time to time.

The Board regards the Company's system of governance overall as adequate. This is subject to continual refinement and review in line with good governance practice.

Please refer to section B of this report for further details relating to MSIG Europe's system of governance.

Risk profile

MSIG Europe's risk profile is explained using the six categories of the Risk Management Framework in line with the business model and strategic objectives. Overall insurance risk dominates MSIG Europe's risk profile.

Strategic risk

The impact of strategic developments and emerging trends are considered as part of the Own Risk and Solvency Assessment ('ORSA'). This comprehensive process incorporates horizon scanning, scenario analysis, stress testing, and sensitivity analysis to evaluate both qualitative and quantitative impacts.

Key strategic considerations include the potential impact of adverse business decisions, ineffective implementation, and insufficient responsiveness to changes in the industry and the broader business environment. These also include risks related to the appropriateness of the business strategy in the context of current and future commercial, geopolitical, legislative, and economic environment. Each of these factors plays a crucial role in shaping the risk landscape and the strategic decision-making process.

Insurance risk

Insurance risk is mainly driven by underwriting activities and reserving from prior underwriting years. Underwriting risk is concentrated around natural perils such as windstorm or fire, events such as terrorism, large risks (like shipyards and construction sites) and unforeseen accumulation of attritional losses. Reserving risk relates to the possible inadequacy of claims provisions. These risks are mainly managed by assuring that for every class:

- a maximum line size, exposure and monitoring programme is available; and
- by assuring adequate pricing models are in place.

No significant changes in MSIG Europe's insurance risk profile have been identified over the reporting period, however an increase in gross written business was noted following the merger, for which reference is made to the explanation above and section A.2 of this report.

Market and liquidity risk

Market and liquidity risk is being managed in line with the prudent person principle which requires MSIG Europe to only conduct investment management activities as long as it can be reasonably demonstrated that there is an appropriate level of understanding of the underlying investment, the Company is able to monitor its investments and can justify its investments as prudent to policyholders.

Exposure to market risk is limited to the extent that investments are balanced to:

- optimise investment income whilst focusing on ensuring MSIG Europe maintains sufficient capital to meet solvency requirements; and
- maintain sufficient liquid funds to meet liabilities when they fall due.

Credit risk

Credit risk is mainly driven by exposures to reinsurance counterparties and by exposures to brokers and cover holders. This risk is related to the potential deterioration in the financial condition of counterparties, which may have an impact on MSIG Europe's ability to meet its claims obligations and other obligations as they fall due. Credit risk is managed by having an on-boarding process for reinsurers, brokers as well as cover holders and by managing exposures as well as outstanding balances to these counterparties.

Exposure to broker and cover holder credit risk increased over the year as a consequence of growth in top-line premium during 2025. Past experience showed that there is limited default risk relating to these exposures.

Operational risk

MSIG Europe operates a diverse business across multiple offices and jurisdictions and is expected to comply with legal, regulatory and best-practice standards. Operational risk potentially arises from a failure of critical business processes, people or systems resulting in financial losses or reputational damage. MSIG Europe has a risk averse attitude to operational risk. The Company does not wish to have any operational failures which may hinder trading, result in financial loss or any regulatory sanction for inadequate compliance.

Please refer to section C of this report for further details relating to MSIG Europe's risk profile.

Valuation for solvency purposes

As at 31 December 2025, the Company had excess of assets over liabilities under Solvency II of €1,220.7 million (2024: €875.4 million) compared to net assets under BEGAAP of €826.7 million (2024: €587.3 million).

The adjustments to move from BEGAAP balance sheet to Solvency II balance sheet are set out below:

	2025 €'000	2024 €'000
BEGAAP net asset value	**826,569**	**587,273**
Deferred taxes and IFRS16 assets & liabilities	(43,272)	(26,510)
Financial assets at fair value	19,031	57,391
Solvency II technical provisions adjustment	908,748	667,875
Removal of goodwill, intangible assets and prepayments	(108,667)	(105,058)
Future premiums and claims adjustments	(381,752)	(305,604)
Excess of assets over liabilities – Solvency II	**1,220,657**	**875,366**

Please refer to section D of this report for further details relating to MSIG Europe's valuation for solvency purposes.

Own funds

	2025 €'000	2024 €'000
Excess of assets over liabilities	**1,220,657**	**875,366**
Subordinated liabilities	0	2,655
Total Available own funds	**1,220,657**	**878,021**
Solvency Capital Requirement ('SCR')	742,346	538,496
Ratio of Eligible own funds to SCR ('Solvency Ratio')	**164.4%**	**163.1%**

MSIG Europe's policy is to actively manage capital in order to meet regulatory requirements and contribute to the Company's target to deliver a cross-cycle return on equity after tax in excess of 10% (2024: 10%).

As at 31 December 2025 MSIG Europe's Solvency Ratio was 164.4% (2023: 163.1%). This year-on-year increase is driven by the growth in Own Funds, resulting from strong performance and profits generated during the reporting year. This is partially offset by a higher SCR due to business growth, which led to increased technical provisions and insurance liabilities.

In December 2025, the subordinated loan was redeemed by MSIG Europe to its sister company MS ACS and as at 31 December 2025, Tier 2 capital is nihil.

The below table analyses the movement in the Solvency II Ratio.

	€'000	Solvency II Ratio
Total available own funds over SCR at 1 January 2025	**339,525**	**163.1%**
Change in BEGAAP net assets	239,296	44.4%
Change in Solvency II valuation adjustments	105,995	19.7%
Change in subordinated liabilities value	(2,655)	0.1%
Change in SCR	(203,850)	(62.8%)
Available own funds over SCR at 31 December 2025	**478,311**	**164.4%**

The change in BEGAAP net assets reflects the Company's BEGAAP profit after tax of €34.4 million and the capital increase of €205.0 million in April 2025. In addition, all components noted above are impacted by the incorporation of the former MSIG Insurance Europe AG into the Company following the merger.

The change in Solvency II valuation drivers are detailed in sections D.1 to D.3 of this report.

The change in Solvency Capital Requirement ('SCR') as well as the Minimum Capital Requirement ('MCR') are explained in section E.2 of this report.

Capital structure and arrangements

At 31 December 2025, the Company has own funds of €1,220.7 million. Per the requirements for Solvency II, this is split into tiers as follows:

	2025 €'000	2024 €'000
Tier 1	1,220,657	875,366
Tier 2	0	2,655
Tier 3	0	0
Total Available Own Funds	**1,220,657**	**878,021**

Tier 1 own funds are made up of the Company's entire share capital along with its reconciliation reserve. There is no restriction on Tier 1 own funds. See section E.1 of this report for more information.

Tier 2 own funds relate to the subordinated loan the Company has received, which is classified within this tier as per Solvency II criteria. This loan was redeemed in December 2025.

Tier 3 relates to the net deferred tax asset position of the Company, as this is required to be classified as Tier 3. As at 31 December 2025, there is no Tier 3 capital due to deferred tax liabilities being valued higher than the deferred tax assets on the Solvency II balance sheet. See section D.1 for more information on the deferred tax valuation.

Use of standard formula

The Company uses the standard formula rules, prescribed in the Solvency II Directive, for calculating its SCR. No simplifications have been used in the calculations. Please see section E.2 for more information on the application of the standard formula calculation. MSIG Europe does use an Internal Model for internal capital setting processes and in support of various strategic and tactical business initiatives (like sensitivity testing and calculating exposures) and financial processes (i.e. margin calibration), as well as supporting MSIG Europe's standard formula calculations.

Please refer to section E of this report for further details relating to MSIG Europe's own funds.

Section A - Business and Performance

A.1 Business

Legal form

The name of the Company is MSIG Europe SE ('MSIG Europe' or 'the Company'). The legal form of the undertaking is a "Societas Europaea" or "SE".

The Company is domiciled in Belgium. The address of its registered office is:

Koning Albert II Laan 37
1030 Brussels
Belgium

Group structure

In 2025, MSIG Europe was a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited ('MSI'), which itself is a wholly owned subsidiary of MS&AD Insurance Group Holdings, Inc. ('MS&AD'). Both MSI and MS&AD are registered in Japan.

The registered address of MSI is 9, Kanda Surugadai, Chiyoda-ku, Tokyo, Japan.

The registered address of MS&AD is Tokyo Sumitomo Twin Building (West Tower), 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan.

MS&AD is the ultimate parent of MSIG Europe, and the consolidated accounts of MS&AD represent the largest group in which the results of the Company are consolidated.

For the reporting year 2025, MSIG Europe is subject to supervision by the National Bank of Belgium ('NBB') as well as its branch country regulators.

Post merger MSIG Europe operates in eight countries, and is organised and managed through two distinct operating segments as follows:

- **Marine**: Marine & various other specialty lines are managed by MSIG Specialty Marine ("MSM" hereafter; previously MS Amlin Marine NV), an in-house Managing General Agent focussing on cargo, hull, liability, fixed premium protection & indemnity, yacht, political violence and other specialist areas such as specie. MSIG Specialty Marine is a subsidiary of MSIG Europe SE.

- **Property & Casualty ('P&C)**: Providing insurance coverage in four main areas – property, casualty, engineering and motor – for clients in France, Germany, The Netherlands, Belgium, The United Kingdom, Italy, Spain and Slovakia.

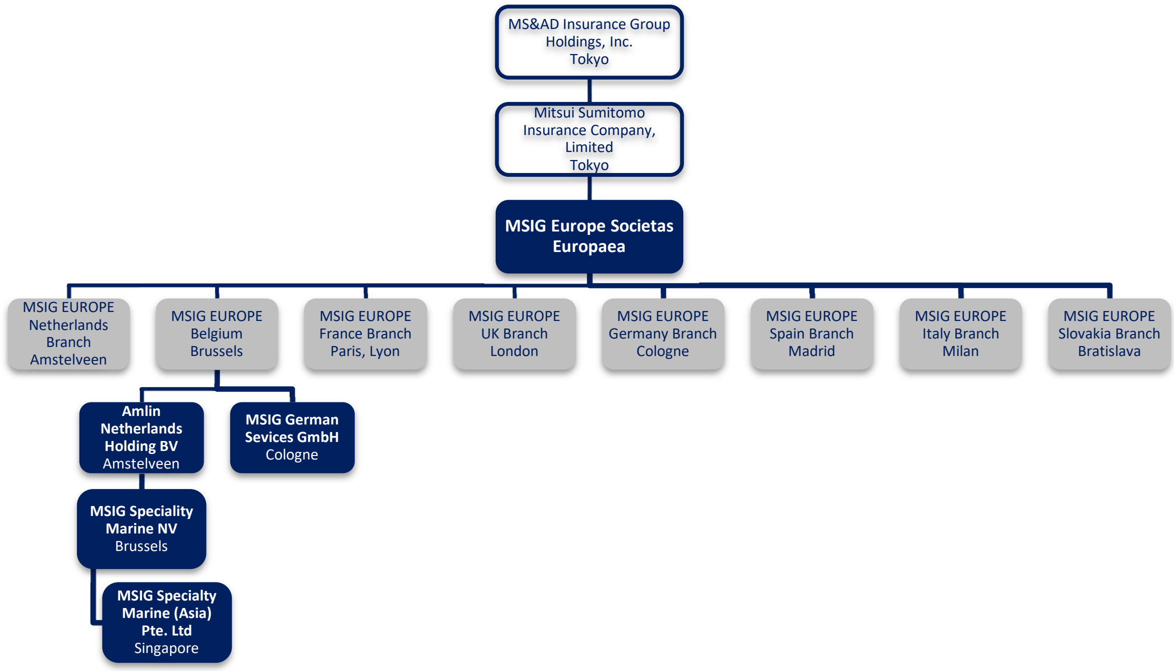
The simplified structure chart below explains the relationships between MSIG Europe and its parent companies during the reporting period.

MSIG Europe holds a 90% stake in Amlin Netherlands Holding B.V, which has full ownership of MSM. The remaining 10% are held by MSI, MSIG Europe's direct parent company.

Additionally, MSIG German Services GmbH is also a related undertaking from MSIG Europe and covers the pension benefits for the German employees.

This report has as a basis of presentation Solvency II with BEGAAP and, in certain cases, IFRS4 for comparative purposes. IFRS principles are presented as this is the basis by which the shareholder assesses the Company and by which the Management Committee and Board manage the Company.

The 2024 figures presented in this report relate to the former MS AISE entity only, prior to the completion of the merger on July 1st 2025, detailed above.



Significant events during the period

In June 2024, the Company's shareholder, MSI, announced a strategic merger of its two continental European subsidiaries, MSIG Insurance Europe AG ('MSIG EU') and MS Amlin Insurance SE ('MS AISE'). The merger was executed as a cross-border acquisition, with MSIG EU based in Germany, merging into MS AISE located in Belgium.

On 18 April 2025, the shareholder transferred its shares in MSIG EU to MS AISE through a contribution in kind, in accordance with Belgian corporate law. This made MSIG EU a wholly owned subsidiary of MS AISE, allowing the companies to proceed with a streamlined upstream parent-subsidiary merger. Although the merger took effect on 1 July 2025, after obtaining the necessary regulatory approvals, it is applicable retroactively as from 1 January 2025. As a result of the merger, the Company was renamed MSIG Europe SE.

On 11 December 2025, the subordinated loan of £2.5 m was redeemed to the sister company MS ACS. The loan had previously been classified as Tier 2 own funds.

No other significant events have been identified during the reporting period.

Significant events after the reporting period

On 6 February 2026, the Extraordinary General Meeting of Shareholders resolved, in accordance with Article 7:212 of the Belgian Code of Companies and Associations, to distribute an intermediary dividend in a gross amount of €175.0 million. The dividend was charged to retained earnings as reflected in the approved annual accounts as at 31 December 2024 and was effectively paid on 19 February 2026.

On 27 February 2026, the shareholder increased the Company's share capital by €250.0 million, bringing it from €345.0 million to €595.0 million. The capital increase was carried out through a cash contribution and the issuance of 2,078,571 new shares, which carry the same rights and privileges as the existing ones. The issue price was €120.27 per share. The new shares were fully taken up in cash, with 25% of the issue price payable at the time of issuance. Consequently, €62.5 million had been paid up as at 27 February 2026.

No other significant events have been identified after the reporting period.

Supervisor information

MSIG Europe’s supervisor is the National Bank of Belgium (‘NBB’), de Berlaimontlaan 14, 1000 Brussels, Belgium.

External auditor information

The Company’s appointed external auditor is KPMG Bedrijfsrevisoren CVBA, Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium, represented by Arnaud Dellicour.

A.2 Underwriting performance

The values in this section are consistent with the values reported in the following Quantitative Reporting Templates (‘QRTs’), as included in the annex to this report,

- S.05.01 ‘Premiums, claims and expenses by line of business’; and
- S.04.05 ‘Premiums, claims and expenses by country’.

Under the classification principle applied in these QRTs, claims management expenses are reported as part of incurred expenses. In addition, non-underwriting expenses and investment management fees are included within the underwriting result, while investment income is excluded.

The presentation of underwriting performance, as shown below, is in accordance with BEGAAP accounting standards. The underwriting performance for inwards reinsurance has not been presented separately in the tables below. The figures are included in the corresponding, more general, Solvency II classifications for lines of business. For year-on-year comparison purposes, only the figures of the legacy entity MS AISE are presented as comparative information.

2025 BEGAAP underwriting result	Motor vehicle liability and other motor insurance €'000	Marine, aviation and transport insurance €'000	Fire and other damage to property insurance €'000	General liability insurance €'000	Other non-material lines of business €'000	Total €'000
Gross written premium	285,052	442,054	809,740	475,367	123,103	2,135,317
Net written premium	277,331	389,053	416,396	321,095	43,927	1,447,803
Net earned premium	271,419	368,369	411,110	320,549	44,170	1,415,617
Net claims	(206,733)	(158,384)	(155,277)	(240,856)	(16,967)	(778,216)
Equalisation reserve	-	-	(20,368)	(6,303)	-	(26,671)
Incurred expenses	(110,703)	(169,837)	(184,177)	(146,555)	(31,631)	(642,903)
Underwriting result	**(46,016)**	**40,148**	**51,288**	**(73,163)**	**(4,427)**	**(32,172)**
Claims ratio	76.2%	43.0%	42.7%	77.1%	38.4%	56.9%
Expenses ratio	40.8%	46.1%	44.8%	45.7%	71.6%	45.4%
Combined ratio	117.0%	89.1%	87.5%	122.8%	110.0%	102.3%

2024 BEGAAP underwriting result	Motor vehicle liability and other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Other non-material lines of business	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Gross written premium	260,370	315,479	307,737	236,091	126,469	1,246,145
Net written premium	249,777	298,593	249,856	208,971	41,063	1,048,259
Net earned premium	243,323	334,959	254,892	213,601	42,576	1,089,351
Net claims	(173,704)	(172,806)	(122,692)	(129,020)	(18,315)	(616,537)
Equalisation reserve	-	-	(15,572)	(11,193)	-	(26,765)
Incurred expenses	(103,234)	(127,409)	(99,820)	(87,900)	(14,531)	(432,894)
Underwriting result	**(33,616)**	**34,744**	**16,809**	**(14,512)**	**9,731**	**13,156**
Claims ratio	71.4%	51.6%	54.2%	65.6%	43.0%	59.1%
Expenses ratio	42.4%	38.0%	39.2%	41.2%	34.1%	39.7%
Combined ratio	113.8%	89.6%	93.4%	106.8%	77.1%	98.8%

Overview

The underwriting result deteriorated by €45.3 million, leading to a loss of €32.2 million and a combined ratio of 102.3% (2024: 98.8%). The lower result is mainly driven by higher expenses, as outlined below, and by losses from foreign-currency revaluation, following the weakening of the USD over the reporting year.

Gross written premium of €2,135.3 million grew by 71.4% or €889.2 million, mainly driven by the incorporation of the legacy entity MSIG Insurance Europe AG into the Company following the merger.

Net earned premium of €1,415.6 million increased by €326.3 million or 30.0% with associated cost for reinsurance equating to 33.0% of gross income (2024: 15.2%).

4

Furthermore, an allowance of €26.7 million was recorded, of which €14.6 million is attributable to the merger, bringing the total BEGAAP equalisation reserve for catastrophes to €83.9 million as at 31 December 2025.

Incurred expenses amounted to €642.9 million, an increase of €210.0 million compared with 2024. Of this increase, €120.3 million relates to the integration of the legacy entity MSIGEU and €33.1 million to merger-related integration costs. In addition, expenses were impacted by a €19.4 million increase in the claims management expense provision, €9.1 million in foreign-currency revaluation losses, and higher commission expenses, staff costs, and IT-related expenses. This resulted in an expense ratio of 45.4% (2024: 39.7%).

Motor vehicle liability and other motor insurance

The MSIG Europe motor business gross written premium increased in 2025 from €260.4 million to €285.1 million (€24.7 million or 9.5% increase), across the United Kingdom, Belgium, and the Netherlands, mainly driven by higher renewal rate (increase from 5.2% to 7.1%) and solid retention rate, with new business decreasing €8.8 million in 2025.

The underwriting result in 2025 was a €46.0 million loss, up €12.4 million compared to 2024. This is mainly explained by an increase in claims ratio of 4.8 % (from 71.4% to 76.2%). Net claims of €206.7 million are €33.0 million higher than 2024 (€173.7 million), largely driven by negative claims experience from both prior year claims development (-€23.3 million compared to -€2.5 million in 2024) and current year claims deterioration (underlying claims ratio increased from 69.8% to 79.3%).

Marine and transport insurance

Gross written premium for the marine and transport insurance business increased by €126.6 million or 40.1% in 2025 (from €315.5 million to €442.1 million). Majority of the increase is driven by Hull, FPPI (both boosted by more new business), and Yacht (supported by higher retention and renewal rate).

2025 underwriting profit improved compared to 2024 (from €34.7 million to €40.1 million), due to the higher volume, with the net earned premium to €368.4 million, €33.4 million (or 10.0 %) higher than 2024.

Net claims of €158.4 million are €14.4 million lower than 2024 (€172.8 million), resulting in a lower claims ratio of 8.6% from 51.6% in 2024 to 43.0% in 2025, driven by positive prior year claims development (+€10.8 million compared to +€3.8 million in 2024) and current year claims improvement (underlying claims ratio decreased from 54.2 % to 52.4 %).

Fire and other damage to property insurance

MSIG Europe property business experienced gross premium growth by €502.0 million in 2025, primarily driven by the merger and incorporation of legacy entity MSIG Europe Insurance AG. For the legacy entity MS AISE, new business decreased from €71.5 million to €68.4 million and retention rates declined slightly from 88.5% to 85.9%, following difficult market conditions.

The underwriting profit in 2025 improved compared to 2024 (from €16.8 million to €51.3 million), largely explained by a decrease in claims ratio of 11.5 % (from 54.2% to 42.7%). Expense ratio increased with 5.6% from 39.2% to 44.8% mainly driven by higher operational expenses linked with the merger. Net earned premium in 2025 is €411.1 million, which is €156.2 million (or 61.3%) higher than 2024, of which €114.2 million is related to the merger.

The property share of the BEGAAP equalisation reserve 2025 allowance for €20.4 million (2024: €15.6 million loss) was driven by strong underwriting profits in the covered risk perils.

General liability insurance

In 2025, the casualty portfolio in MSIG Europe increased by 101.3% (or €239.3 million, including a €219.9 million impact from the merger) with gross written premium of €475.4 million compared to €236.1 million in 2024. This portfolio is also benefitting from higher renewal income in France, Germany, and Belgium.

The underwriting result in 2025 is a loss of €73.2 million compared to €14.5 million loss in 2024. This is mainly explained by an increase in claims ratio of 11.5% (from 65.6% to 77.1%) and increase in expense ratio of 4.9% from 41.2% to 46.1% because of higher operational expenses. Net claims of €240.9 million are €111.8 million higher than 2024, driven by the merger and worsening claims experience from both current and prior underwriting year. The casualty portfolio was impacted by several large claims events as well as reserve strengthening in certain portfolios.

The 2025 allowance to the BEGAAP equalisation reserve reduced the underwriting result by €6.3 million (2024: €11.2 million loss).

Underwriting performance by material geographical area

2025 BEGAAP underwriting result	Belgium €'000	Netherlands €'000	France €'000	Germany €'000	UK €'000	Other €'000	Total €'000
Gross written premium	317,174	608,295	520,134	281,718	174,960	233,035	2,135,317
Net written premium	217,579	574,472	303,656	89,848	154,684	107,564	1,447,803
Net earned premium	210,924	556,020	306,733	90,383	148,357	103,200	1,415,617
Net claims	(194,806)	(329,935)	(84,129)	(48,918)	(81,434)	(38,993)	(778,216)
Equalisation reserve	(9,978)	10,466	(18,887)	(3,798)	(193)	(4,281)	(26,671)
Incurred expenses	(82,714)	(235,136)	(147,395)	(53,588)	(75,783)	(48,287)	(642,903)
Underwriting result	**(76,573)**	**1,416**	**56,322**	**(15,921)**	**(9,054)**	**11,638**	**(32,172)**
Claims ratio	97.1%	57.5%	33.6%	58.3%	55.0%	41.9%	56.9%
Expenses ratio	39.2%	42.3%	48.1%	59.3%	51.1%	46.8%	45.4%
Combined ratio	136.3%	99.7%	81.6%	117.6%	106.1%	88.7%	102.3%

2024 BEGAAP underwriting result	Belgium €'000	Netherlands €'000	France €'000	UK €'000	Other €'000	Total €'000
Gross written premium	239,622	503,212	256,291	161,145	85,875	1,246,145
Net written premium	187,740	481,665	185,266	136,273	57,316	1,048,259
Net earned premium	214,393	488,382	193,458	130,311	62,807	1,089,351
Net claims	(129,662)	(299,993)	(103,509)	(63,960)	(19,413)	(616,537)
Equalisation reserve	(14,601)	(12,167)	82	4,816	(4,895)	(26,765)
Incurred expenses	(64,507)	(197,439)	(82,421)	(63,487)	(25,040)	(432,894)
Underwriting result	**5,623**	**(21,217)**	**7,610**	**7,679**	**13,459**	**13,156**
Claims ratio	67.3%	63.9%	53.5%	45.4%	38.7%	59.1%
Expenses ratio	30.1%	40.4%	42.6%	48.7%	39.9%	39.7%
Combined ratio	97.4%	104.3%	96.1%	94.1%	78.6%	98.8%

Compared to last year, the underwriting performance declined in Belgium (-€82.2 million) and the United Kingdom (-€16.8 million). Whereas France (+€48.7 million) and the Netherlands (+€22.6 million) recorded improvements.

Belgium

In 2025, the income increased by 32.4% (or €77.6 million) with gross written premium of €317.2 million compared to €239.6 million in 2024, including a €37.0 million impact from the merger. Underwriting result in 2025 was a €76.6 million loss compared to a €5.6 million profit in 2024. Driven by higher claims ratio (29.8% increase) notably in the liability book and higher operational expenses (expense ratio increased by 9.0% compared to 2024).

Netherlands

The Dutch business of MSIG Europe showed an increase in premium of €105.1 million or 20.9% in 2025, including a €23.6 million impact from the merger. The underwriting result in 2025 was a €1.4 million profit compared to a €21.2 million loss in 2024, largely driven by lower claims with a claims ratio decreasing by 6.5% (mainly as result of improved claims development in Property Fire class), offset by higher operational expenses with an expense ratio increasing by 1.8% compared to 2024.

France

In 2025, France income increased by 102.9% (or €263.8 million) with gross written premium of €520.1 million compared to €256.3 million in 2024. The underwriting result in 2025 was a €56.3 million profit compared to a €7.6 million profit in 2024, driven by 19.9% lower claims ratio, with claims of €84.1 million, €19.4 million lower than 2024, partially offset by 5.5% higher expense ratio (mainly due to higher net operational expenses).

French business was largely impacted by the merger and the strong presence of the legacy entity MSIG Europe Insurance AG in France (impact of €259.8 million).

Germany

In the 2024 SFCR, there was no German branch established for the legacy entity MS Amlin Insurance.

In 2025, German business of MSIG Europe reported an underwriting loss of €15.9 million, driven by higher net claims (claims ratio of 58.3%), primarily in the Liability class, as well as elevated operational expenses, reflected in an expense ratio of 59.3%.

United Kingdom

The United Kingdom showed a €13.8 million or 8.6% increase in gross written premium from €161.1 million to €174.9 million, predominantly in Property and Motor. The underwriting result in 2025 was a €9.0 million loss compared to a €7.6 million profit in 2024, in large driven by a 9.6% higher claims ratio compared to 2024, and higher expense ratio (2.4% following both higher acquisition costs and operational expenses). Net claims of €81.4 million are €17.5 million higher than 2024.

Movements from a geographical perspective were also covered by the line of business commentary above.

A.3 Investment performance

Investment performance by asset class

Below is an analysis of MSIG Europe's investment income by relevant asset class. The figures presented in the table are aligned with the reported QRT S.09.01 template and exclude certain items, such as asset management fees. The asset categories presented below are consistent with the Solvency II balance sheet presentation reported in QRT S.02.01.

	2025 €'000	2024 €'000
Equities	0	10,815
Government bonds	21,996	20,749
Corporate bonds	35,643	12,331
Collective Investment Undertakings	6,485	23,160
Cash and deposits	5,208	3,455
Total	**69,332**	**70,510**

During the financial year 2025, interest rates remained at elevated levels, even as major central banks initiated gradual rate cuts as inflation appeared to be under control. The prolonged high-rate environment, combined with a higher allocation to fixed-income securities within the MSIG Europe investment portfolio, supported increased interest income from bond holdings. Although many developed economies in Europe recorded subdued or stagnating growth, resilient consumer spending provided support. This, in turn, contributed to improved market sentiment and favourable performance across most major asset classes. Market projections indicate that elevated interest rates are expected to persist into the first half of 2026, accompanied by heightened volatility stemming from ongoing geopolitical uncertainties.

Lower returns were noted in equities and collective investment undertakings, reflecting the disinvestments made during 2025 from money market funds and direct equity positions.

Investments are managed on a multi-asset, multi-manager basis. Exposure to asset classes is achieved through physical holdings. The majority of the Company's investment assets are allocated to a segregated mandate managed by Aegon Asset Management UK plc and a dedicated multi-asset mandate with DEVK Asset Management GmbH.

Manager selection is based on a range of criteria which leads to the expectation that value will be added to the funds over the medium to long term. The managers have discretion to manage the funds on a day-to-day basis within investment guidelines or prospectuses applicable to their funds, which ensure that compliance with the investment frameworks is guaranteed. The managers' performance, compliance and risk are monitored on an ongoing basis.

BEGAAP investment performance

The investment return disclosed above differs significantly from the BEGAAP result. For BEGAAP purposes, financial assets are valued at historical cost value less impairment and allowance for bad debt. Therefore, the investment return as a result of fair value adjustments, also known as unrealised results, is not recognised in the BEGAAP financial statements.

The BEGAAP investment return, excluding management fees, amounts to a profit of €93.4 million, which is €24.1 million higher than the total return in the above table. This is primarily driven by unrealized losses that are not recognized, such as those relating to the property funds. The impairment testing on financial assets, performed in accordance with BEGAAP principles, resulting in a limited addition of €0.1 million to the impairment provision on property funds in 2025. For further details on the valuation rules for impairment, reference is made to the BEGAAP financial statements.

Investments in securitisation

The Company holds no investments in securitised assets as per 31 December 2025.

A.4 Performance of other activities

Other material income and expenses

MSIG Europe has no other material income and expenses in the statement of profit or loss not included in sections A.2 or A.3 of this report.

Leasing arrangements

MSIG Europe rents offices as follows:

- The Netherlands: In 2025, the Amstelveen annual office rent is €0.5 million and is yearly adjusted for inflation. The Rotterdam office rent is €0.1 million annually. The contract for the previous office in Amsterdam, related to the legacy entity MSIGEU, has been terminated in May 2025, rent paid for the first five month of the year was € 17k.

- Belgium: The Brussels annual office rent is €0.5 million in 2025 and is yearly adjusted for inflation. The contract runs until 31 July 2030. Additionally, the Antwerp office rent is €0.05 million annually, ending on 31 August 2027. The office in Brussels related to the legacy entity MSIGEU, with an annual rent of €0.06 million, was ended during the first quarter of 2026.

- France: The lease contracts for the Paris offices related to the legacy entities MS AISE (€0.6 million annually) and MSIGEU (€1.1 million annually) have been terminated and will be vacated in 2026. Both offices will be replaced by a new lease for a single Paris office accommodating MSIG Europe as a whole. This new contract was signed in 2025, with the rental period commencing in June 2026 for a ten-year term and a total value of €9.3 million. The lease for the Lyon office (€0.04 million annually) has been extended for two years until 2 April 2028.

- Germany: The Cologne office total annual rent is €0.96 million in 2026, yearly adjusted for inflation. The contract is running until December 2026. For the office in Hamburg, the total rent is €0.05 million per year while for the Munich office, the total rent is €0.6 million annually.

- Spain: Madrid office rent is €0.5 million annually; the contract is running until May 2030.

- Slovakia: 2025 total office rent for the office in Bratislava was €0.35 million annually. The existing contract was prolonged for another three years and is running until December 2028.

- Italy: The annual office rent for the Italy office in 2025 was a total of €0.04 million. The contract was ended at year-end 2025, 2 years before contract-end on 31 October 2027. The team moved to the new office in December 2025, the office rent for the new office will be €0.1 million annually. The new contract is running until July 2031.

MSIG Europe has no purchase options on the above-mentioned office buildings.

MSIG Europe also leases various cars and laptops under operating lease agreements.

In total for reporting year 2025, MSIG Europe incurred €8.8 million for lease and rental expenses.

- The legacy entity MS AISE spent €3.9 million in 2025 for lease and rental expenses (2024: €3.6 million).

- The legacy entity MSIGEU spent €4.9 million in 2025 for lease and rental expenses (2024: €4.4 million).

A.5 Any other information

All material information relating to the Company's business and performance has been disclosed in sub-sections A.1 to A.4 above.

Section B - System of Governance

B.1 General information on the system of governance

B.1.1 Structure of the MSIG Europe Board and management

MSIG Europe has a Board of Directors (the 'Board') and a Management Committee. The Board is designed to include an appropriate balance of Executive and Non-Executive directors. The Board has authority over the conduct of the entire affairs of the Company, while recognising that the entity is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited ('MSI'). MSIG Europe therefore operates within a framework, strategy and structure set by its immediate parent. The parent is represented on the Board, and this does not impair the Board's obligation to act in the interests of all stakeholders, in particular in the interests of policyholders.

MSIG Europe reports to its parent on aspects of its operations in line with reporting requirements set by its parent.

The Board sets the strategic direction of the Company and determines the risk appetite and framework of systems and controls. The Board ensures that MSIG Europe's Management has the right balance of skills, experience, independence, knowledge and diversity for the development of the business. The Board achieves this by:

- A programme of Board effectiveness evaluation;
- A training and development programme for all directors and senior management;
- Continued analysis by the Remuneration and Nomination Committee of the balance of skills, experience and diversity when appointing new MSIG Europe directors and key staff;
- Continued focus on the development of potential employees with Board readiness specifically in mind, as well as corresponding succession planning and talent development.

The responsibilities of the individual Executive and Non-Executive directors during the reporting period are described later in this section.

The Board has several committees, to which it delegates oversight and decision-making powers in accordance with the Company's Governance Charter. These are described in more detail later in this section.

Main roles and responsibilities of the Board and Management Committee

The Board determines the overall business strategy and risk policy; and supervises the Company's activities. The Management Committee is responsible for the specific management of the Company's activities, the enforcement of the risk management system and maintaining the organisational and operational structure. Duties and matters reserved to the Board, the Management Committee and other bodies of the Company are described in the Company's Governance Charter. This Charter is reviewed periodically by the Board to ensure that it remains appropriate.

The Board meets at least four times per year, with regular contact between Management Committee members and Non-Executive Directors throughout the year. All directors have access to the advice of the Company Secretary, and all directors, committees, and the Board itself may procure professional advice at MSIG Europe's expense in the fulfilment of their duties.

Within the MSIG Europe Board of Directors the following roles existed during the reporting period:

Executive / Non-Executive Director	Role
Independent Non-Executive	Chair of the Board and Chair of the Remuneration and Nomination Committee
Independent Non-Executive	Chair of the Audit Committee

Executive / Non-Executive Director	Role
Independent Non-Executive	Chair of the Risk Committee and Investment Governance Committee
Independent Non-Executive	Chair of the Underwriting Oversight Committee
Independent Non-Executive	Independent Non-Executive Director, Speak Up Champion, Consumer Duty Champion
Non-Executives	Shareholder representatives
Executive	Chief Executive Officer
Executive	Chief Financial Officer
Executive	Chief Risk Officer
Executive	Chief Operating Officer

Allocation and delegation of responsibilities within the MSIG Europe Administrative Bodies

The Governance Charter of the Company sets out how key Board level responsibilities have been allocated to the roles. The Governance and Risk Management frameworks clearly articulate the procedures for decision making. The frameworks include both corporate and regulatory requirements, such as strategic matters and Solvency II requirements. The Governance framework also details explicit procedures for key activities such as financial reporting disclosures and contingent future management actions in the event of certain matters arising.

Key MSIG Europe Committees are:

Management Committee

The Management Committee of MSIG Europe meets at least quarterly but in practice (bi-) weekly. Its membership is composed as follows:

Director / Management	Role
Executive Director / Chair	Chief Executive Officer
Executive Director	Chief Financial Officer
Executive Director	Chief Operating Officer
Executive Director	Chief Risk Officer
Committee member	Chief Claims Officer
Committee member	Chief Market Officer
Committee member	Chief Underwriting Officer

Its remit is determined in the Governance Charter and includes operationalising the strategy, risk management, administrative and accounting procedures, internal controls and integrity policy. The Management Committee also introduces, monitors and assesses the organisational and operational structure as well as providing financial, management and prudential reporting.

The Audit Committee

The MSIG Europe Audit Committee meets at least quarterly. Its membership is composed of Non-Executive Directors only. Its remit is determined in the Governance Charter and includes financial reporting and Solvency II reporting matters, as well as internal controls over Financial Reporting, internal audit, external audit and oversight over the ‘Speak Up’ policy. The latter policy sets out standards to achieve a culture in which individuals feel comfortable to raise genuine concerns about wrongdoing without fear of personal repercussion.

The Risk Committee

The MSIG Europe Risk Committee meets at least quarterly. Its membership is composed of Non-Executive Directors only. Its remit is determined in the Governance Charter and includes risk management and solvency capital requirements as well as issues pertaining to integrity and regulatory compliance.

The Remuneration and Nomination Committee

The MSIG Europe Remuneration and Nomination Committee meets at least quarterly. Its membership is composed of the independent Non-Executive Directors and representatives of the shareholder (Non-Executive Director). The Committee is chaired by the Board Chair. Its remit is determined in the Governance Charter and it leads the process for appointments to the MSIG Europe Board, Management Committee, branch managers, independent control functions and other Solvency II identified staff. It advises the Board on the Company's remuneration policy and remuneration for Solvency II identified staff.

The Underwriting Oversight Committee

The Underwriting Oversight Committee ('UOC') meets at least four times a year. The Committee membership is composed of independent Non-Executive Directors and a representative of the shareholder (Non-Executive Director). The remit of this Committee, as defined in the Governance Charter, is to oversee the performance, strategy, and control framework related to the Company's underwriting activities and to make recommendations as appropriate.

The Investment Governance Committee

The Investment Governance Committee ('IGC') meets at least four time a year. Its membership is composed of independent Non-Executive Directors. Its remit is to oversee the adherence to the investment strategy, considering the investment mandate, the investment performance and related investment risks as well as regulatory requirements.

Reporting to the MSIG Europe Management Committee, Board and its Committees

Monthly and quarterly management information reports are tabled for discussion, reviewed, and challenged at the Board and its committees' meetings, including Management Committee meetings. The reporting covers various business areas including, but not limited to, underwriting, reinsurance, claims, actuarial and reserving, finance, investments, human resources, compliance, legal, internal audit, external audit, risk, internal control and strategy. The reporting facilitates informed decision making.

Roles and responsibilities of key functions

All staff, including key function holders, have clearly defined roles and responsibilities detailed in their job specifications. Performance appraisals take place where staff is assessed against their performance objectives and the requirements of their roles.

The table below comprises the functional areas identified by MSIG Europe as key functions in accordance with the Solvency II Directive, along with the individuals identified as key function holders, and their management reporting lines.

Key function	Main responsibilities	Key function holder	Reports to	MSIG Europe Board responsibility
Risk Management	To provide assurance on the effectiveness of the risk management system by independently identifying, assessing, monitoring, managing and reporting material risks across the business, and advising on the overall risk profile, risk appetite and key risk limits. For further information on the Risk Management function, please refer to section B.3.	Chief Risk Officer	Chief Executive Officer	Chief Risk Officer

Key function	Main responsibilities	Key function holder	Reports to	MSIG Europe Board responsibility
Actuarial function	To provide assurance on the adequacy and reliability of technical provisions, assessing the sufficiency and quality of the data and methods used; and contributing actuarial opinions on the underwriting policy and reinsurance arrangements. For further information on the Actuarial function, please refer to section B.6.	Director Actuarial Function	Chief Risk Officer	Chief Risk Officer
Compliance function	To provide assurance on the compliance and governance system by independently identifying and assessing regulatory and conduct obligations, advising on compliant implementation, monitoring and reporting on adherence, control effectiveness, and remediation of issues. For further information on the Compliance function, please refer to section B4.2.	Compliance Director	Chief Risk Officer	Chief Risk Officer
Internal Audit function	To provide assurance on the adequacy and effectiveness of the system of governance, internal control framework, key processes, and the reliability and integrity of financial and regulatory reporting by independently auditing, report findings, and track timely remediation of audit findings. For further information on the Internal Audit function, please refer to section B.5.	Internal Audit Director	Non-Executive Director (Audit Committee Chair); administrative reporting line to the CEO	Chief Executive Officer

The assurance functions are resourced and are staffed by appropriately qualified, skilled and experienced individuals. The assurance functions are authorised and empowered to operate within their agreed terms of reference/charters. The Internal Audit Director reports functionally to the Audit Committee Chair, an independent Non-Executive Director. The Internal Audit Director has an administrative reporting line to the CEO, which includes matters such as the determination of necessary human and IT resources as well as the performance with respect to recommendations of the Board or Audit Committee.

The Chief Risk Officer, the Director Actuarial function and the Compliance Director report to the MSIG Europe Risk Committee on a quarterly basis.

Assurance reports are also made available to the Management Committee for their review and consideration but are not subject to executive approval.

The three lines model

The MSIG Europe three lines model explicitly defines the roles and responsibilities of all staff across MSIG Europe based on their remit and authority. The three lines model can be explained as follows:

Three lines model

First line	Second line	Third line
Business functions acting as Control Operators, Control Onwers and Risk Owners with the prime responsibility: • Owning, managing and remediating their risks • Designing, operating and reviewing internal controls • Performing on-going monitoring of internal control design and operational effectiveness via control self-certification • Reporting internal control effectiveness and control exceptions	Risk Management, Actuarial and Compliance functions: • Setting the risk and control framework in line with appetite and regulations • Providing guidance, support, advice and challenge on effective internal controls • Undertaking thematic reviews on internal control effectiveness and regulatory compliance • Reporting risk and control status to the administrative bodies and other key stakeholders including regulators	Internal Audit function maintains their independence of both the business functions and second line functions while: • Testing effectiveness of internal controls performed in the first and second lines • Providing independent and objective assurance on the internal control environment • Reporting audit findings to the Audit Committee and management

MSIG Europe's second line team supports the first line to implement and operate their controls to take responsible business decisions. The second line team combines expertise from the Risk Management, Capital Risk Management and Information Security; and Actuarial and Compliance functions.

The third line operates with complete independence from both the first and second lines to enable them to provide objective and independent assurance to the MSIG Europe Audit Committee and Board.

The 2nd and 3rd line functions form a coherent set of control functions which require coordination. The functions harmonise their activities and ensure adequate exchange of relevant information.

Segregation of duties

Segregation of duties is a key control within MSIG Europe that supports transparent governance and culture, and promotes clear accountability for activities. It is built into the Corporate Governance framework, organisational structure, key persons framework design, the Risk Management framework and Internal Control framework.

Information systems

Management reporting is performed through the MSIG Europe Management Committee and ultimately to the MSIG Europe Board, giving them oversight of the management information containing underwriting, finance, risk, human resources, investments, actuarial and internal control. This reporting forms part of the Company's ORSA process with information contributing to both risk management and capital related decisions.

Risk Management Framework

MSIG Europe has a Risk Management framework that seeks to support the fulfilment of its long term strategic objectives, whilst protecting the interests of all third parties, including its policyholders.

The framework complements the systems of governance, ensuring risk management is inherent in the day-to-day activities of the Company and in the key decisions made by the MSIG Europe Board and its committees.

The framework ensures that information on both qualitative and quantitative aspects of MSIG Europe's material risks is made available to the Board and its committees, including the Management Committee, and that decisions take account of available own funds to support the mitigation of risks.

Further details on MSIG Europe's key risk management activities are detailed in section B.3 of this report.

Internal Control Framework

MSIG Europe operated a system of internal controls for the full year. MSIG Europe's Internal Control framework was adopted by MSIG Europe after formal approval by the MSIG Europe Audit Committee. The framework was developed in consultation with the Internal Audit, Compliance and Risk functions. It is based on a set of core principles (control environment, risk assessment, control activities, information, communication, monitoring and testing) and references to MSIG Europe's three lines model. Furthermore, it sets out roles and responsibilities for MSIG Europe staff of all levels as it relates to matters of internal control.

Further details on MSIG Europe's internal control framework are provided in section B.4 of this report.

Policies and Standards Framework

MSIG Europe is supported by a Policies and Standards framework that articulates the roles, responsibilities and activities that staff must fulfil in relation to these policies and standards. The framework is supported by a Code of Conduct which is translated in French, German and Dutch for non-English speaking staff. Compliance with the Code of Conduct, along with the underlying policies and standards, is monitored, reviewed, and challenged through the respective assurance programs of the Risk, Compliance, and Internal Audit functions.

The framework also includes governing mechanisms, such as:

- Explicit ownership by named heads of functions and executives;
- Monitoring by the Compliance function to ensure policies and standards are kept up to date;
- Escalation of breaches to relevant committees and governance forums.

B.1.2 Remuneration policy and practices

Remuneration strategy

The aim of the MSIG Europe Remuneration Standard is to ensure that the way MSIG Europe's people are rewarded is in accordance with and supportive of the Company's and its parent's vision, objectives and strategy – including the Company's risk profile and risk management practices. The MSIG Europe Remuneration Standard was approved by the MSIG Europe Board.

By achieving this, the maximum possible alignment between the interest and long term career development of employees is secured, alongside the ambitions of the Company and the creation of long term shareholder value (in accordance, at all times, with agreed levels of ambition and risk appetite).

The MSIG Europe Renumeration and Nomination Committee (the 'Committee'), subject to Solvency II and relevant remuneration regulatory principles, develops, implements and monitors the remuneration policy and practices designed to attract, retain and motivate employees to add value to MSIG Europe but prevents having to remunerate at levels which are not merited.

There is a formal and transparent procedure for developing policy on remuneration and for setting the remuneration packages of employees. The Committee also has the discretion to reduce all components of the calculated bonuses to zero if MSIG Europe were to make a loss over the reporting year.

MSIG Europe supports and adheres to regulatory and other appropriate remuneration guidelines unless there is a clear rationale to justify departure or alternative arrangements.

Without prejudice to the foregoing, reward arrangements and practices are designed, implemented and maintained by taking into account best-practice where appropriate:

- With an understanding of the external pay environment;
- With the necessary level of transparency to ensure that MSIG Europe's shareholder may see the link between remuneration paid to Directors and Senior Executives, and corporate performance (considering the cost of capital incurred in delivering such performance where appropriate);
- Ensuring that the financial position and financial soundness of the organisation is taken into account at the time such remuneration is paid;
- Incorporating appropriate safeguards to avoid conflicts of interest;
- Ensuring that an ethical, high-performance culture exists within MSIG Europe, which is aligned to MSIG Europe's values; and
- Rewarding staff differentially related to performance (MSIG Europe does not reward for failure).

MSIG Europe supports the principles of equal opportunities and the management of diversity in employment. Remuneration structures are fair, equitable and free from bias on grounds of gender, ethnic origin, nationality, religious beliefs, disability or any other legally protected characteristics.

Remuneration structure

The remuneration structure for administrative, management or supervisory body employees (excluding Non-Executive Directors) reflects the potential impact on MSIG Europe's risk exposure arising from the actions and decisions of these categories of staff. This is achieved by having remuneration arrangements which contain the following characteristics whilst being compliant with local laws and regulations:

- The fixed component of remuneration represents a sufficiently high proportion of the total remuneration;
- The variable component of remuneration is based on a combination of MSIG Europe's performance and personal performance (using both financial and non-financial measures), as described by the plan rules and/or accompanying guidelines or individual participant communications. It is designed with the intent that top quartile performance is rewarded with top quartile total remuneration and the intent of paying no variable component where a minimum performance threshold is not reached. The non-financial measures referenced in the remuneration setting include the degree of employee alignment with role specific competencies, corporate values and agreed risk appetite;
- A proportion of the variable remuneration for SII identified staff is subject to deferral over a period of not less than three years, in accordance with the deferral target ratio and is also subject to appropriate malus and clawback requirements. Non-financial risk factors which might result in ex-post risk adjustment would include risk failings considered to be material such as adverse audit findings (internal and external), adverse special investigation findings, failure of internal controls, risk appetite breaches, regulatory considerations (including conduct risk) and certain types of misconduct cases;
- The calculation of the aggregate non-discretionary annual variable and non-discretionary individual awards cost is subject to suitable adjustment for factors (both financial and non-financial) of current and future risk;
- Termination and/or redundancy payments are linked to the performance of the individual to ensure failure is not rewarded;
- There is a prohibition from using any personal hedging strategies or remuneration and liability related insurance for remuneration arrangements.

MSIG Europe has pension plan arrangements but does not have any active supplementary pension plans. Early retirement terms, from MSIG Europe sponsored pension plans, are pre-determined in the plan rules. MSIG Europe does not make discretionary enhancements to these terms.

B.1.3 Material changes over the reporting period

Besides the merger disclosed in section A1 and above, there were no other material changes to the system of governance during the reporting period.

B.1.4 Material transactions

On 18 April, the entity acquired all shares in its sister company MSIG Insurance Europe AG from their parent Mitsui Sumitomo Insurance Company, Limited by way of a contribution in kind. On 1 July, the entity absorbed MSIG Insurance Europe AG by way of a cross border merger, and the entity was re-named MSIG Europe SE.

On 11 December, the subordinated loan (Tier II capital) of GBP 2.5 million (€ 2.85 million) was redeemed to sister company MS ACS.

B.2 Fit and proper requirements

MSIG Europe seeks to ensure that the Board and Management Committee contain the appropriate balance of skills and experience to ensure that the Company can be adequately managed and controlled. MSIG Europe's expectations in relation to fitness and propriety are set out in the Fit & Proper Standard. The standard sets out requirements for:

- Fitness – including proper professional qualifications, required knowledge and experience, as well as the required balance of skills across the management body to ensure sound and prudent management of the Company and the performance of an individual's role; and
- Propriety – individuals should be of good repute and have integrity.

MSIG Europe operates procedures at the time of recruitment to ensure that individuals demonstrate appropriate levels of fitness and propriety. Precise requirements vary, depending on the role the individual is undertaking, and the location of their work, but for senior roles pre-employment checks will generally include:

- Criminal record checks;
- Credit checks;
- The taking up of employment references; and
- Obtaining proof of professional and other qualifications.

All members of the Board, Management Committee, independent control functions and material risk takers are required to follow a 'fit and proper' procedure as defined in the Belgian Solvency II Law, and the SM&CR procedure as defined by the UK regulator ('PRA') for the UK branch manager and the compliance function holder. Individuals employed to undertake roles which are subject to Fit & Proper requirements are not allowed to take those roles up until these are approved by the relevant regulator.

On an ongoing basis the individuals mentioned above are subject to:

- Training and development requirements based on their role and responsibilities;
- Performance management processes, including at least an annual formal performance appraisal;
- Regular reviews of remuneration practices, to ensure that incentives are appropriate;
- A duty to disclose any form of dishonest conduct or change in their fit and proper status; and
- An obligation to disclose conflicts of interest.

B.3 Risk management system including the Own Risk and Solvency Assessment

This section provides an overview of MSIG Europe’s risk management system including its Own Risk and Solvency Assessment (‘ORSA’).

The merged entity has established a comprehensive Risk Management System consistent with the requirements of Solvency II and the Group Risk Management Framework. Following the merger, risk governance structures have been aligned to ensure consistent risk oversight across all business units.

The Risk Management Function operates under the oversight of the Chief Risk Officer (CRO) and is responsible for identifying, assessing, monitoring, and reporting risks on a continuous basis. Key elements of the framework include:

- a unified Risk Appetite Framework and tolerance thresholds approved by the Board,
- integrated risk policies across underwriting, reserving, investments, and operational areas,
- quarterly risk reporting and risk dashboards,
- a harmonised Own Risk and Solvency Assessment (ORSA) process across the merged entity.

B.3.1 Risk management system

The risk management system is explained by elaborating on MSIG Europe’s risk management strategy, framework and underlying processes and reporting procedures. This section concludes with a description of how the system has been integrated in the organisational structure and decision making processes.

Risk management strategy

MSIG Europe has a top-down approach to risk management whereby the Board has developed a high level risk and capital management statement and mandated its adoption through the General Risk Management Policy. To fulfil the needs of MSIG Europe's General Risk Management Policy, a Risk Management Framework has been developed.

MSIG Europe’s vision and core values provide the strategic focus for the risk management system to deliver “an effective Risk Management Framework which optimises return for the risks we take” with the objective to deliver long term value to its stakeholders (i.e. shareholders, policyholders, staff and other interested parties). This is achieved by actively seeking and accepting risks while managing the risks within acceptable bands.

MSIG Europe’s risk management strategy has four key elements:

- Clearly defining ownership and responsibilities for identifying, assessing and managing risks across the organisation;
- Ensuring that there is a clear understanding of appetite for key risks, within the overall appetite of the parent, and that there are agreed maximum risk limits or tolerances in place;
- Establishing and maintaining a sustainable enterprise risk management process as an integral part of its business model supporting business planning and capital management; and
- Creating a risk aware culture across the organisation by informing, training and motivating staff to consider risk within their day-to-day decision making.

The implementation of the Risk Management Policy and Framework ensures the analysis of risk on an ongoing basis where assessments consider current risk exposures, as well as forward looking exposures. The analysis considers future business projections as well as emerging trends through potential scenarios and capital management requirements.

Linkage to capital management

MSIG Europe's Capital Management Policy seeks to actively manage capital in alignment to the size of the Company's aggregated risk profile, taking into account of regulatory obligations, requirements to hold contingent capital to support growth and a desire to deliver the return on capital as set by the Board. As a result, the Capital Management Policy plays an integral role within the ORSA process.

Capital is a key consideration in setting business plans and strategies in order to assess whether returns are sufficient to compensate for the risks taken.

MSIG Europe calculates capital requirements using both the standard formula as set in Solvency II legislation and a stochastic Internal Model.

The standard formula is used for calculating and reporting Solvency II capital requirements to regulators.

The Internal Model is used within MSIG Europe for aggregation of the risk profile, including exposures and concentration, and calculation of internal capital requirements.

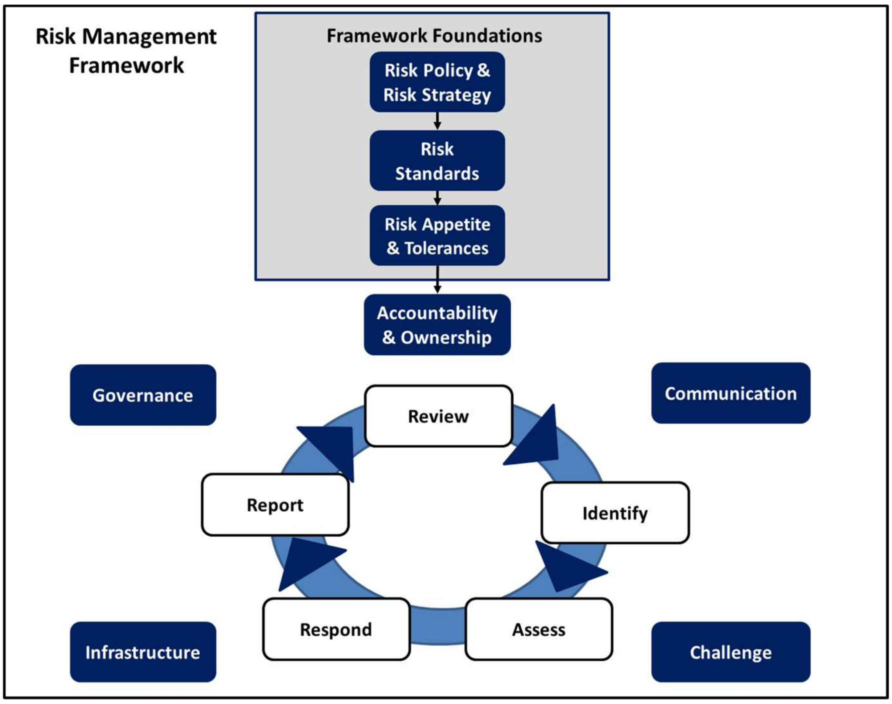
The Actuarial function oversees the process, governance and validation of the Internal Model and is responsible for ensuring the model is appropriately governed and utilised. The capital modelling team is responsible for the day-to-day management of the model including the calculation kernel, model parameterisation, economic simulator generator, catastrophe models and operational risk input.

The following table presents the use of the standard formula and Internal Model within the Company during 2025. MSIG Europe's capital management strategy is further explained in section E.1 of this report.

Process	MSIG Europe
Communicate SCR to regulator	standard formula
Internal capital requirement	standard formula, Internal Model
Decision making	standard formula, Internal Model
Risk assessment	standard formula, Internal Model

Risk Management Framework

MSIG Europe's Risk Management Framework, as presented below, consists of a suite of standards, governance processes and procedures that put risk management into practice. It is built into the core operating model of the Company and forms part of the overall approach to internal control. It provides the infrastructure within risk governance and sets out the processes required to sustain risk management within MSIG Europe.



The framework and underlying processes (see paragraph on risk management process) are being managed by the Risk function. This is an independent second line function which reports directly to the Risk Committee. The function is managed by MSIG Europe's CRO which sits as an Executive Director in the Board of the Company. The CRO also oversees the MSIG Europe Compliance and Actuarial function. Within MSIG Europe there are dedicated resources which oversee the total framework. Additional resources in risk analytics have been added throughout the reporting year in order to strengthen areas like investment risk oversight and management.

The scope of the Risk Management Framework is entity wide and applies to all business activities, countries, functions, systems and employees. It covers day-to-day activities, acquisitions, disposals, outsourcing arrangements, joint ventures, new products and strategic projects.

The Risk Management Framework is documented in the Risk Management Policy, Risk Management Framework Overview, three lines framework and underlying standards per risk category. These documents are evaluated on an annual basis and re-submitted to the Risk Committee for approval.

Risk categorisation

MSIG Europe groups the relevant risks into six key categories as specified in the table below. Accordingly, the Risk Management Framework has been designed to take account of these risk categories and seeks to ensure ownership, accountability and consistency in processes and approach where possible.

Each of these risk categories is owned by a Management Committee member with appropriate expertise and authority to manage the risk on a day-to-day basis.

Risk category / Risk owner	Definition	Scope	Paragraph in section C
Insurance risk / CEO, CUOs, CFO, Head of Claims	Risk of loss arising from the inherent uncertainties in the occurrence, amount and timing of insurance liabilities and premiums. This includes reserving risk or claims arising on business written prior to the year in question.	Underwriting, catastrophe, pricing, delegated authority, product and conduct, reserving, claims, reinsurance (excluding reinsurance credit risk)	C.1

Risk category / Risk owner	Definition	Scope	Paragraph in section C
Market risk / CFO	Risk arising from fluctuations in values of, or income from, assets, interest & currency rates and investment returns.	Investment market volatility, investment counterparty risk, currency fluctuation	C.2
Credit risk / CFO	Risk of loss if counterparty fails to perform its obligations or fails to perform in a timely fashion.	Reinsurers, brokers, cover holders, (re-)insureds, banks	C.3
Liquidity Risk / CFO	Risk arising from insufficient financial resources being available to meet liabilities as they fall due.	All assets and potential liabilities	C.4
Operational risk / CEO, COO, CFO, Head of Claims	Risk from inadequate or failed internal processes, people and systems, or from external events.	Systems, cyber, information security and technology, business interruption, outsourcing, data, people, legal and regulatory financial reporting	C.5
Strategic risk / CEO	Risk of the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry changes.	Group, political & economic, conduct, capital management, merger & acquisition	C.6

The above material risks (except for strategic risk) are all included in the calculation of MSIG Europe's Solvency Capital Requirement as set out in Article 101(4) of SII Directive 2009/138/EC.

The risks in scope of each of the above categories are captured in an entity specific risk register that supports assessment, monitoring and reporting of the risks. The key processes of the Risk Management Framework are discussed in more detail below. The associated exposures, concentrations, mitigating strategies and reporting procedures for each category of risk are described in more detail in section C (see reference in last column of table above).

Risk management process

MSIG Europe's risk management process, as described in the Risk Framework, measures, manages and monitors risks on a continuous basis, both on an individual as well as at an aggregated level. It is an iterative process with high involvement of MSIG Europe's Board and functions, including underwriting management (the first line).

This risk management process can be summarised via the below activities. These are performed in cooperation with the other control functions, like the Compliance and Actuarial function, where needed.

- The Board is responsible for aligning MSIG Europe's strategy with its risk appetite. A Risk Appetite Statement per risk is approved by the MSIG Europe Board.
- Risk Appetite Statements are translated into measurable tolerances and limits. Management is accountable for managing levels of risk within the allocated limits. Exposure versus limits is reported quarterly to the MSIG Europe Risk Committee and Board.
- Via the Internal Model and standard formula a wide range of parameters are stressed and potential impact of future developments is assessed using sensitivity and scenario analysis (see also next section on ORSA).
- Risks are assessed periodically by the first line risk owners and challenged by the second line functions. The purpose of these activities is to identify, assess and analyse areas of risk exposure and associated mitigation.
- Effectiveness of mitigating risks is measured via the Internal Control Framework ('ICF'). The relationship between the risk management process and the ICF is explained in section B.4.
- Reporting on the Risk Management Framework, including Risk's opinion on first line's effectiveness in managing risk exposure is done by the Risk function to MSIG Europe's Management Committee and Risk Committee on a regular basis.

Lessons learned from the risk management process are used as input in the strategy setting process for the following year, but also for improving risk culture and awareness entity wide.

Decision making processes

MSIG Europe's Board is responsible for making key decisions across the organisation, but delegates some of its decision making responsibilities to its committees, e.g. the Management Committee, Risk Committee and Audit Committee. The Risk function presents its opinion on risk exposure to the MSIG Europe Management Committee in order to provide opportunity for concluding on mitigation actions, after which the output is reviewed by the Risk Committee, with a summary of key items taken to the Board.

An important instrument which explains how the risk management function is integrated into the organisational decision making processes is the ORSA reporting process. This process is detailed in the next section.

B.3.2 Own Risk & Solvency Assessment ('ORSA')

The ORSA is fully embedded into MSIG Europe's Risk Management Framework and is closely aligned to the Company's capital strategy, business planning processes and decision making framework. Following the merger of MS Amlin Insurance SE and MSIG Insurance Europe AG, the ORSA process has been harmonised to ensure consistent risk assessment, capital projection, and governance standards across the merged entity.

MSIG Europe operates an annual cycle, supported by continuous monitoring of risk and solvency metrics throughout the year. The results of this process are summarised in the annual ORSA report, which is presented to the Management Committee, the Risk Committee and the Board.

The Board remains accountable for sustaining a robust ORSA process that informs management on business strategy in relation to risk exposure and solvency.

MSIG Europe defines its ORSA process as:

- The entirety of its risk management processes and procedures that seek to identify, assess, monitor, manage, and report the short and long term risks of the Company and its strategy;
- The processes and activities used to determine the adequacy of own funds necessary to ensure that the overall solvency needs of the Company are met at on a continuous basis;
- A process that links and articulates the development and management of the Company's risk profile and associated capital requirements.

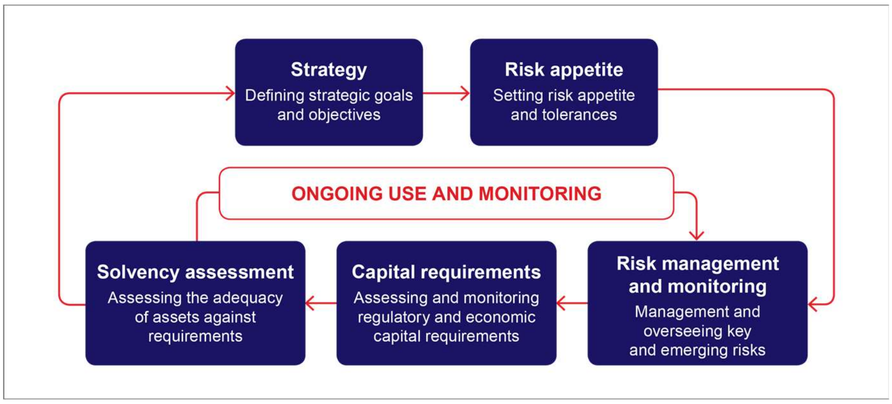
The first integrated ORSA for MSIG Europe (merged entity) was completed in June 2025, concluding with the presentation of the annual ORSA report to the Management Committee, the Risk Committee and the Board. A copy of the report was shared with the NBB.

The Risk Committee oversees the execution of the ORSA process ensuring that it remains appropriate, comprehensive and consistent with the Company's governance framework and process. In particular, the Risk Committee ensures that:

- The ORSA is reviewed by all members of Management Committee;
- The ORSA is presented to the Risk Committee for review and comment; and
- The Board approves the ORSA, subject to the actions raised.

ORSA Processes

The ORSA leverages key business processes, the Risk Appetite Framework, Risk Management, capital modelling and finance processes. The process runs in conjunction to the business planning process, allowing it to inform the development of the business plan during the annual cycle. The process covers current year business plan monitoring on a quarterly basis as well as forward looking forecasting of future years.



Current year monitoring

The current year monitoring ORSA process is designed to provide MSIG Europe's Management Committee and Board with a clear understanding of the solvency position at a particular point in time, given the risk exposures. Current year monitoring runs from the start of the financial year to 31 December with quarterly reporting in place.

As part of current year monitoring MSIG Europe's business plan is assessed and challenged by the Risk function which takes into consideration risk, capital and solvency implications. The development of the business plan against these considerations is monitored during the year to ensure that the business plan and levels of risk remain within predefined risk appetites and tolerances.

The iterative current year monitoring takes account of all (net) current risk exposure that determine solvency requirements via the Internal Model and standard formula. Capital requirements are assessed versus actual own funds and consider the capital management ranges and intervention points detailed in the Capital Management Policy. The quarterly outcomes of current year monitoring are used to support decision making and are standing agenda items for the Risk Committee and Board.

Forward looking forecasting

The ORSA combines forward-looking solvency assessments with strategic forecasting processes to identify, assess, monitor and manage both short- and long-term risks. It provides management with an integrated view of MSIG Europe's solvency position, key risk exposures and expected returns under base case and stressed conditions. Forward looking forecasting also considers how MSIG Europe's solvency needs are impacted by changes in these risks. It is conducted using a selection of stress and sensitivity tests which are challenged in the Management Committee, Risk Committee and/or Board meetings. It is an annual process and summarised into the annual ORSA report. Capital requirements are calculated using both the standard formula and the Internal Model.

The process is based on a number of sub-processes operated through the year to identify, assess and manage the possible risks MSIG Europe may face in the next financial year and beyond. It is designed to ascertain that sufficient own funds, necessary to meet the solvency requirements, are held at all times in these future periods.

Ad hoc ORSA reruns

There is a framework to determine whether the ORSA process needs to be executed outside of the typical schedule. Both the quarterly current year monitoring process, forward looking process and resultant reports can be run outside of these timeframes (in full or partially) if there is a significant (risk) event, or series of (risk) events that may necessitate the immediate review and re-evaluation of Company's solvency position or risk profile based on changed circumstances and assumptions.

In 2025, the merger of MS AISE and MSIGEU represented such a material event. The integration of two regulated entities required an ad hoc ORSA exercise to re-evaluate the combined balance sheet, updated risk exposures, and solvency position under the merged structure. Examples of such ad hoc triggers include, and not limited to, business plan reforecasts, material underwriting catastrophes, material financial market movements/volatility or material reserve adjustments.

Stress, scenario and sensitivity testing framework

MSIG Europe has an established stress scenarios and sensitivity testing framework to assess its risk profile. Testing is based on the business plans and capital projections of the Company. The process seeks to challenge assumptions made and calibrations used in determining the expected business plan, as well as to evaluate the financial robustness of MSIG Europe in extreme circumstances. The process also challenges or improves management's preparedness for extreme events. On an ad hoc basis stress and scenario analyses are performed via the risk assessment process or via deep-dives into a specific risk. The stress and scenario analyses combine multiple risks and risk categories.

For the design of the analyses information is taken from the following sources:

- Subject matter experts view of the business model;
- Risk and control assessments and risk ranking;
- Risk event and near miss information;
- Emerging risks;
- Market knowledge; and
- Historic data and experience.

The analyses can be grouped in five categories as presented in the below table. For each type of test the impact is assessed in line with risk appetite. The impacted parameters can all be traced back to the profit or loss account, balance sheet or capital requirements.

Type	Explanation	Process	Frequency
Realistic Disaster Scenarios ('RDS')	Monitors in force exposures to specific event scenarios at a single point in time.	Business planning, ORSA	100% annually with a quarterly update of the most material scenarios.
Sensitivity analysis	Assessment of standardised and severe change in single or multiple parameter(s) at a single point in time.	Business planning, ORSA, Internal Model validation	Multiple times on different occasions.
Stress testing	Assessment of standardised and severe change in single or multiple parameter(s) during one year.	Business planning, ORSA, Internal Model validation	Multiple times on different occasions.
Scenario analysis	Assessment of standardised and severe change in single or multiple parameter(s) during multiple years.	Business planning, ORSA, Internal Model validation	Multiple times on different occasions.
Reverse stress testing	Single or multiple parameters to stress risk of discontinuity of business activities.	ORSA, recovery plan	Annually.

B.4 Internal Control System

B.4.1 Internal controls system

MSIG Europe operated a system of internal controls for the full year ended 31 December 2025.

MSIG Europe's Internal Control Framework is organised around the three lines model and based on a set of core principles (control environment, risk assessment, control activities, information, communication, monitoring and testing), references to MSIG Europe's three lines model (as explained in section B.1.1) and sets out roles and responsibilities for MSIG Europe staff of all levels as it relates to matters of internal control.

MSIG Europe's key internal control procedures comprise company level controls, IT general controls and process level controls. These include, but are not limited to, access controls, oversight controls, segregation of duties, initiation and approval controls, monitoring and oversight controls, reporting controls, reconciliation controls, as well as other controls. The effectiveness of internal controls is assured through the operation of the MSIG Europe three lines model.

For the year ended 31 December 2025, MSIG Europe's internal controls contributed to meeting various objectives, including operational effectiveness and efficiency, reliable financial reporting, compliance with laws and regulations, and management of reputational and strategic risks. MSIG Europe managed its internal controls on a dedicated internal controls software solution that required control operators to perform a quarterly self-assessment of the effectiveness of their controls on the system, to upload supporting evidence to the system and to submit their self-assessment to an assigned control owner for review and approval. Following the merger between MS AISE and MSIGEU during the reporting year, the controls are being recorded in a shared GRC system, harmonized and consolidated, where possible. During this transitional post-merger integration phase, many controls of both former entities are retained and applied simultaneously. The quarterly self-assessment cycle process is managed by Enterprise Risk Management team, which was also tasked with reporting on the results to the MSIG Europe Risk Committee. This process contains quality assurance reviews that were carried out by the Enterprise Risk Management team over the control self-assessments, which was done on a sample basis ensuring a full coverage of the control population on an annual basis. The Enterprise Risk Management team supports and challenges the first line on their management, maintenance, enhancement and remediation of key internal controls, provides internal control training to control owners and operators, and manages the quarterly internal control self-assessment process.

Other assurance providers, such as the Internal Audit, Risk and Compliance functions, contributed to the enhancement of MSIG Europe's Internal Control Framework through their respective assurance activities and reporting. Feedback loops between these assurance providers and the Enterprise Risk Management team are present and were operating effectively for the year ended 31 December 2025.

B.4.2 Compliance function

The Compliance function operates on the basis of a Charter with a dedicated Compliance Director having responsibility for the Compliance function within MSIG Europe as a legal entity. The independent status of the Compliance function in MSIG Europe's framework is set out in the Governance Charter and the function's Charter. Compliance representatives are present at MSIG Europe's head office and all larger branches of the Company. If a Compliance representative is not based at an office location, this will be covered by an off-site Compliance employee. The Compliance function annually reviews the Compliance Management System.

The function's Charter sets out the Compliance function's responsibilities, reporting lines and rights to perform its duties unimpeded by management. The Charter is approved by the Risk Committee and reviewed annually. The Risk Committee approves the Compliance plan on an annual basis as part of the Integrated Assurance Plan and enables the Compliance function to discharge their responsibilities set out in the Charter.

The Charter is supported by the Compliance strategy and describes the role of the Compliance function as being to provide assurance to the Management Committee and Board of compliance with regulatory requirements, associated laws and relevant policies. These policies are adjusted to local regulations in the countries where MSIG Europe operates if necessary. The Compliance function has six key responsibilities to support its objective:

- Establish – identifying stakeholders, integrity risks, determining the scope and establishing the Compliance management system and Compliance policy;
- Develop – identifying compliance obligations and evaluating integrity risks;
- Implement – planning to address integrity risks, achieve objectives and design and implement controls to protect MSIG Europe from identified risks, including awareness and training;
- Evaluate – evaluate, monitor and report on the effectiveness of these controls;
- Improve – managing compliance issues if and when they occur as well as continuous improvement;
- Maintain – advise the business on compliance, rules and controls in specific cases.

The Compliance function reports quarterly to the Risk Committee on integrity risks, regulatory breaches (if any) and compliance monitoring findings. The Compliance function reports to the MSIG Europe Management Committee on a quarterly basis. The Compliance Director has a standing invitation to the meetings of the MSIG Europe Board and its committees.

Three lines model

The Compliance function forms part of a coherent set of transversal control functions, which is set out in MSIG Europe's three lines model. The model is explained in section B.1.1. The model explicitly defines the roles and responsibilities of all staff across MSIG Europe based on their remit and authority. Segregation of duties is a key control within MSIG Europe that supports transparent governance and culture, and promotes clear accountability for activities. It is built into the Governance framework, organisational structure, Risk Management framework and Internal Control framework. In addition, all (potential) conflicts of interest are logged and monitored in the Company's Conflict of Interest Register.

Integrity risk identification and management

As part of the key responsibilities, the Compliance function periodically assesses integrity risks within the Integrity Risk Framework. The Integrity Risk Framework is part of the overall enterprise Risk Management Framework and builds on the same processes, tools and governance structure. The framework aims to provide assurance to the MSIG Europe statutory governing body in managing integrity risks. The framework is built on the principle that integrity risks and controls are predominately owned within/by the first line. Senior management of the first line is interviewed and involved in the assessment of integrity risks through the periodic risk reviews. The findings feed into the Compliance plan. The outcome of the periodic risk reviews and the Compliance plan are reviewed and recommended for approval to the Board by the Risk Committee.

Compliance monitoring

Compliance monitoring is carried out in accordance with a plan approved annually by the MSIG Europe Risk Committee. The compliance monitoring process includes both thematic reviews and periodic data analysis, with the intention of ascertaining that:

- Processes operated by first line functions servicing MSIG Europe, designed to achieve compliance with Group standards and underlying regulations, would be adequate to ensure compliance if followed; and
- These processes are being followed in practice by MSIG Europe.

The universe of issues covered by compliance monitoring is set out in the Integrity Risk Framework. Areas covered include:

- Business integrity;

- Financial crime controls;
- Customer treatment; and
- Prudential control requirements.

Integrity Policy

The Compliance function is also responsible for the integrity related policies and standards and the code of conduct. These policies and the code of conduct are periodically reviewed by the MSIG Europe Management Committee and recommended for approval to the Board by the MSIG Europe Risk Committee. The policies and code of conduct articulate the roles, responsibilities and activities that staff must fulfil in relation to the company's integrity.

Corporate Values

MSIG Europe has adopted the corporate values of the global parent MS&AD:

- Customer Focus – striving to provide security and satisfaction to our customers;
- Integrity – being sincere, kind, and fair in our dealings with people;
- Teamwork – growing together as a team by respecting one another's individuality and opinions and sharing knowledge and ideas;
- Innovation – always improving the way we work while responding to stakeholders' interests;
- Professionalism – providing high-quality services by constantly enhancing our skills and proficiency.

The company has added a sixth value:

- Sustainability – our duty to treat our customers, our colleagues and our environment with respect and appreciation - for a safe future together

These values are implemented by the senior leadership team of MSIG Europe

Compliance with Solvency II

In accordance with the Charter, the Compliance function has advised the MSIG Europe Board on several recommendations relating to Solvency II in 2025. These include advisory about the acquisition of MSIG Insurance Europe AG and the subsequent merger; on the suitability requirements for individuals, on governance, outsourcing and on regulatory submissions.

B.5 Internal Audit function

The Solvency II key function holder for Internal Audit is the MSIG Europe Internal Audit Director, overseeing and managing the Internal Audit function. The Internal Audit Director attends the MSIG Europe Audit Committee ('MSIG Europe AC') and reports inter-alia, on planned audit work, recent audits completed and any other matters as directed by the MSIG Europe Board and/or the MSIG Europe AC. A twelve-month rolling audit plan is prepared and updated each quarter, which is approved by the MSIG Europe AC. The audit plan includes MSIG Europe's marine activities being managed via the cover holder MSIG Specialty Marine NV. Audits might focus on MSIG Europe as a legal entity, on a specific location or country, or on any outsourced activities at external or intra-group service providers where these impact MSIG Europe.

The Internal Audit plan is developed using a risk-based methodology, including input from senior management and the MSIG Europe Board and/or the MSIG Europe AC. Internal Audit reviews and adjusts the plan, as necessary, in response to changes in the organisation's business, strategies, risks, operations, programmes, systems, and controls. The MSIG Europe Internal Audit Director communicates the impact of resource limitations and significant interim changes to the MSIG Europe Board and/or the MSIG Europe AC and other stakeholders as deemed applicable.

Internal Audit has sufficient and timely access to key management information and a right of access to all of the organisation's records, personnel, locations, property and operations of the Company, necessary to discharge its responsibilities, with strict responsibility for safekeeping and confidentiality.

The scope of internal auditing is based on an approved audit plan and encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and the internal control framework established by management, to ensure achievement of MSIG Europe's strategic and operational objectives. Internal Audit also examines the quality of performance in carrying out assigned responsibilities. This is achieved by:

- Effective identification, assessment and management of risk;
- Compliance with those policies, standards, procedures, laws and regulations which could have a significant impact on MSIG Europe's operations or reputation;
- Display of and adherence to MSIG Europe's values and culture;
- Safe custody of assets; and
- Effective and efficient use of resources.

There is specific emphasis on:

- The design and operational effectiveness of governance structures and control processes, including strategic and operational decision making information presented to the MSIG Europe Board.
- The setting of an adherence to risk appetite.
- The effectiveness of the second line function with regards to its monitoring and oversight responsibilities.
- The Company's culture and management of conduct risk, including:
    - Key indicators of a sound risk culture, “tone at the top”, accountability, effective communication and challenge;
    - The risk of poor customer outcomes, giving rise to reputational or conduct risk;
    - High-risk key corporate events, for example significant business process changes, the introduction of new products and services, outsourcing decisions and mergers/acquisitions/divestments.

The key responsibilities of Internal Audit are to:

- Develop and maintain a risk-based audit plan that takes account of emerging risks, significant corporate events, strategic changes, regulatory themes and areas of control concerns;
- Review the plan on a continuous basis and propose additions, cancellations and deferrals to the Audit Committee for approval on a quarterly basis;
- Provide reasonable assurance as to the adequacy and effectiveness of the Internal Control Framework in operation throughout the Company by ensuring there is appropriate audit coverage across all areas;
- Report the results of internal audit activity, significant control issues identified, progress in delivering the audit plan and status of management remediation activities;
- Establish and deliver a quality assurance and improvement programme to confirm that expected internal audit standards are being met and to report the results to the Audit Committee annually;
- Manage the function to ensure that audit staff have appropriate knowledge, skills, qualifications and experience to deliver the proposed plan of work;
- Provide active support to the MSIG Europe Board and management in the promotion of high standards of internal control;
- Assist and advise management on the prevention of fraud and embezzlement;
- Work with the MSIG Europe Legal team to play a leading role in coordinating the investigation of internal fraud; and
- Support the Speak Up Committee in discharging its responsibility.

In providing assurance, Internal Audit typically offers an opinion on the effectiveness of the control framework operating within the area covered by the audit. Internal Audit may also be asked by management to perform advisory work, i.e. to assist with the design of controls and processes or to complete other work, including work of an investigatory nature. Such work will not be accepted if doing so significantly impairs Internal Audit’s ability to deliver on its primary objectives, with the retention of its independence and objectivity.

The MSIG Europe Audit Committee:

- Approves the Internal Audit Charter;
- Approves the risk-based Internal Audit plan, and any changes to the plan during the year;
- Approves the Internal Audit budget;
- Ensures the Internal Audit function conforms with the IIA’s Global Internal Audit Standards;
- Approves decisions regarding the appointment and removal of the Internal Audit Director, in consultation with MSIG Europe Internal Audit (‘MSIG IA’);
- Evaluates the performance of the Internal Audit function on a regular basis;
- Makes appropriate inquiries of management and the Internal Audit function to determine whether there is an inappropriate scope or resource limitations.

The MSIG Europe Management Committee:

- Is responsible for establishing and maintaining organisational conditions that enable the Internal Audit function to achieve its purpose;
- Must participate in discussions with the Board, Audit Committee and Internal Audit Director and provide input on expectations for the Internal Audit function that the Board and Audit Committee should consider when establishing the Internal Audit Mandate, which is included in the Internal Audit Charter;
- Must communicate with the Board, Audit Committee and Internal Audit Director about management’s expectations that should be considered for inclusion in the Internal Audit Charter; and

- Must support the Internal Audit Mandate, which is included in the Internal Audit Charter, throughout the organisation and to promote the authority granted to the Internal Audit function.

Approvals above are required annually except for the approval of the Internal Audit Charter as such approvals are required every two years or when it is revised. Internal Audit has the right to attend and observe all or part of the MSIG Europe Board meetings, including sub committees, MSIG Europe Management Committee meetings and any other key management decision making fora. The Internal Audit Director operates at a sufficiently senior level within the organisation to provide the appropriate standing, access and authority.

B.6 Actuarial function

The Actuarial function provides an independent opinion to the MSIG Europe Management Committee and Board on the adequacy of the Solvency II technical provisions, the reinsurance policy and the underwriting policy. Additionally, oversight of the Solvency Capital Requirement (both standard formula and Internal Model), credit risk and technical pricing are included in its remit. To ensure the independent position, the Actuarial function directly reports to the MSIG Europe Chief Risk Officer and is not involved in first line activities.

The first line actuarial activities are delivered by the following teams:

- **MSIG Europe Reserving team:** the calculation of and reporting on the IFRS/BEGAAP reserves and the Solvency II technical provisions are performed on a quarterly basis, including additional analysis like back testing. The team reports directly to the Chief Financial Officer. All results and reports are discussed with the key stakeholders, such as the Management Committee of the legal entity, claim handlers, underwriters and finance departments, notably in the Reserving Committee meetings.

  The Actuarial function reviews the activities of the reserving team and shares his view directly with the team in the reserving meetings, to the Reserving Committee and to the Audit Committee. Any conclusions will be summarised in the relevant Actuarial function report.

- **Capital modelling team:** the capital modelling team calculates the Solvency II standard formula and internal formula SCR, handles end to end processes related to the Internal Model and interprets the results. The team relies on the Internal Model to provide insight in specifics items like the margin setting, the business planning and determination of strategic targets for the loss ratios. This Internal Model is not yet approved by the regulators. The capital modelling team reports directly to the CFO.

  The Actuarial function verifies the capital calculations, and provides insight in the potential developments, risks and opportunities thereof.

- **Technical pricing team:** the technical pricing team is responsible for designing and maintaining the technical pricing models which are used by the underwriters to set the policy premiums. The technical pricing team reports to the CUO.

  The Actuarial function reviews the sufficiency of the pricing and the use of the models by the underwriters.

Furthermore, the inputs of the following team are taken into account:

- ***Central reserving team:*** *the central reserving team, employed by sister entity MS ACS, provides an additional layer of oversight and peer review of the reserving process for Group reporting purposes.*

  The Actuarial function uses the findings of the central team when forming an opinion on the output of the reserving team.

The second line activities entail the following, next to the responsibilities described above:

- Review the planning and coordination of the calculation of the IFRS and BEGAAP reserves and the Solvency II technical provisions. This is done in close cooperation with the Finance reporting team, which is responsible for the delivery of all regulatory reports.

- Review the calculations, methodologies and assumptions of the IFRS and BEGAAP reserves (including the equalisation reserve) and technical provisions, for gross and reinsurance. Assess the risks and uncertainties associated with these results and form an opinion on the quality of the data. Special attention is also given to the overall efficiency of the process, since this could limit the available time for quality control and the implementation of improvements. The Actuarial function will make sure this review is shared before the numbers are finalised, so any conclusion can be incorporated in the submitted regulatory reports. The conclusions will also be shared in the Actuarial function report on the technical provisions, including suggested actions for further improvement of the process.

- Providing advice on the various options and the potential impact thereof in the reinsurance programme, especially when the programme is being negotiated for the next year. The base for these discussions will be incorporated in the Actuarial function report on reinsurance.

- Monitoring and reporting on the credit risk, whether it is coming from reinsurers, fronting business, captives or brokers. This includes approval of individual counterparties and providing guidance on this topic for the relevant first line teams.

- Determine the sufficiency of the premium setting, considering effects like market trends and anti-selection in the portfolio. This is primarily done by reviewing the business plan, including the underwriting actions contained therein (prospective), and the reserving results and class performance (retrospective). Expert Risk Reviews are set up to provide in-depth feedback on the underwriting processes. New products are evaluated to make sure these will contribute to long term profitability, whether any specific issues are present in the risk selection, and whether the impact on capital is within limits. Options and guarantees in the (re)insurance are not underwritten by MSIG Europe, and therefore not a concern. Any conclusions will be shared directly with the relevant stakeholders and included in the Actuarial function report on underwriting.

- Validate the capital models, being the regulatory standard formula or the Internal Model, and provide advice to management which improvements should be made. This includes reviewing the completeness and consistency of the model, the statistical soundness, the data quality of the inputs, the available documentation and the quality of the expert judgments.

- Any other activities, including contributing to the ORSA report.

The second line Actuarial function has a charter/terms of reference in place, which includes the following:

- The place of the Actuarial function within the organisation, including the authority, the reporting lines and an organogram;

- How the independence of the Actuarial function is guaranteed, by direct access to the Board, a remuneration independent of the direct responsibilities, appropriate resources and information, and limiting the options to remove the function from its responsibilities;

- The scope/activities of the function, including a detailed description of the responsibilities for the reserving process, the Solvency II technical provisions, the reinsurance and technical pricing/underwriting;

- The reporting obligations (regulatory or otherwise).

The Actuarial function consists of the function holder, who is knowledgeable on the relevant actuarial techniques and the wider organisation. The function holder is assisted by two team members, who focus on underwriting, reinsurance/credit risk and review/validation of the capital calculations. There is close cooperation with the other control functions.

The charter/terms of reference will be evaluated once per year, or when the circumstances dictate more often. The Actuarial function proposes changes hereto (if any), which must be approved by the Risk Committee.

B.7 Outsourcing

B.7.1 Description of the outsourcing policy

B.7.1.1 External outsourcing

Outsourcing of critical or important functions and activities

The MSIG Europe Outsourcing Policy outlines the approach and regulatory requirements to be considered to both the third party service provider selection and the management of outsourcing agreements. The Policy applies to all new and existing outsourcing agreements.

MSIG Europe has outsourced the provision of certain critical or important operational functions and activities which are listed in subsection B.7.2 of this report. Material outsourcing refers to outsourcing of a 'critical or important' operational function of, or for, MSIG Europe. The test as to what is 'critical or important' is if any defect or failure in the outsourcing performance would materially impair the Company's:

- Continued compliance in accordance with the terms of its authorisation;
- Other obligations under its regulatory system;
- Financial performance; and
- Soundness or continuity of its services and operations.

The following functions will not be considered as critical or important for the purposes of outsourcing:

- Provision of advisory services, and other services which do not form part of the core services and activities of MSIG Europe, including the provision of legal advice, the training of personnel, billing services and the security of premises and personnel;
- Purchase of standardised services, including market information services and the provision of price feeds.

Policy requirements

The policy requirements are set to undertake the outsourcing of critical or important operational functions and activities in such a way as to:

- Assure the quality of MSIG Europe's internal controls;
- Assure the quality, confidentiality and control of services provided to the clients;
- Enable the appropriate regulator to monitor MSIG Europe's compliance with all obligations under the regulatory system;
- Conduct an appropriate level of due diligence on the supplier of the services outsourced to assure the provision of the services on an ongoing basis;
- Conduct the minimum standards of due diligence for material outsourcing as defined in the Policy applicable to MSIG Europe;
- Record material outsourcing on a register maintained by the Procurement function;
- Ensure robust due diligence is undertaken and that there is an appropriate level of internal challenge and approval prior to the ultimate decision for the outsourcing to proceed;
- Inform the Compliance Director for guidance on regulatory communications prior to entering into a material outsourcing arrangement;
- Notify the relevant regulators of any new material outsourcing or any material changes to existing material outsourcing agreements;
- Utilise the Procurement function to support the commercial and contracting discussions prior to entering into or materially amending an outsourcing agreement;

- Ensure an acceptable level of rigour and governance is maintained for the oversight, relationship management and risk management of the outsourced service and its suppliers to ensure that the interests and assets of MSIG Europe and its policyholders remain protected.

Implementation, monitoring and management of the outsourcing

MSIG Europe is responsible for implementing, monitoring and managing the outsourcing arrangements on an ongoing basis to ensure the quality and efficiency of the outsourced services or functions. This is assured by:

- The reporting on an agreed basis and in an agreed manner sufficient to meet the Company's responsibilities;
- A register kept of all MSIG Europe's material outsourcing arrangements and the supported entities for each agreement, which is provided to the Procurement function at least annually;
- The right from the compliance or internal audit teams to audit the monitoring and management processes of critical or important outsourcing providers;
- The appointment of a functional head or similar grade for each material outsourcing agreement, who retains responsibility for ensuring all regulatory responsibilities are met by the supplier;
- Agreeing the Terms of Reference for the implementation, monitoring and management of the relationship and performance of the service provider.

Expected or unexpected termination and other service interruptions

MSIG Europe has contingencies in place for dealing with expected or unexpected service interruptions from its outsourcing arrangements and requires service providers to have adequate contingency plans to deal with emergency situations or business disruptions. MSIG Europe has a Business Continuity Management Policy and Business Continuity Management Standard which is also applicable for all material outsourcing agreements.

Renewing outsourcing agreements

Outsourcing agreements may run for a fixed term and be renewable or may be operated on a continuous basis. MSIG Europe has processes in place to:

- Review the financial health, business continuity plans and exit plans of MSIG Europe's critical and important outsource providers;
- Review the appropriateness of written agreements (both term-based and continuous) at the point of renewal or, at least, not less frequently than every two years; and
- Report any issues identified or encountered appropriately to the Board.

Outsourcing of underwriting and claims activities

Material outsourcing parties for underwriting and claims activities are monitored and managed through the Binder Control Framework, with data exchange, audits, market scans and delegated authorities.

Investments activities

The Company has invested the majority of its investment assets (€1,801.7 million out of €2,975.8 million) into a segregated mandate that is managed by Aegon Asset Management UK plc. Aegon Asset Management has been authorised and is regulated by the Financial Conduct Authority and as an investment firm subject to the Markets in Financial Instruments Directive 2014/65/EU ('MiFID').

Another part of the portfolio (€875.2 million) is commissioned to DEVK Asset Management GmbH as a specialist service provider in respect of asset management. This includes the front office tasks such as investment activities in accordance with investment guidelines stipulated by the Company (purchase and sale of investments), preparation of internal and external reporting as well as operational risk management of investment activities.

MSIG Europe also holds shares in a private equity fund which is being managed by LGT Capital Partners, through administrator LGT Fund Managers (Ireland) Limited. The market value of the investment amounts to €25.6 million. In addition, the Company has appointed CBRE Global Collective Investors UK Limited to manage €70.4 million of its assets, and BlackRock Asset Management Ireland Ltd to manage €128.6 million invested in bond exchange-traded funds (“ETFs”).

The residual balance of the investment assets presented on the Solvency II balance sheet consists of foreign-exchange forwards and the participations in the subsidiary companies Amlin Netherlands Holding B.V. and German Services GmbH.

B.7.1.2 Intra-group outsourcing

Centralised support functions

MS Amlin Corporate Services (‘MS ACS’) is an MSI sister entity that provides services from its personnel to MSIG Europe and other MSI Group companies with appropriate skills and qualifications. MS ACS as a legal entity does not provide any professional or regulated services itself.

The individuals employed by MS ACS provide services to MSIG Europe under the direction and supervision of the MSIG Europe Management Committee and Board either directly or through the centralised service functions by MS ACS, and these individuals are accountable to the entities. MS ACS has contracted with MSIG Europe to deliver suitably qualified personnel, and the service levels to be delivered by the personnel supplied are agreed on a case-by-case basis as appropriate. During 2025, the quality of the services delivered was monitored both at MS ACS level as well as at MSIG Europe level. The SLAs are accompanied by a Master Services Agreement (intra-group), that provides the overall contractual framework for the outsourcing relationship.

The service agreement between MSIG Europe and the shared service centre MS ACS is underpinned by the service catalogues that have been reviewed and agreed between MSIG Europe and MS ACS for 2025. These catalogues include KPIs and reporting requirements. The cost allocation for 2025 from MS ACS to MSIG Europe was agreed as part of the business planning process

Investments activities

The Company also has a service agreement in place with an MSI sister entity – MS Amlin Investment Management Limited (‘MS AIML’) – for the provision of investment services. The cost allocation for 2025 from MS AIML to MSIG Europe was agreed as part of the business planning process. During 2025, the outsourcing of investment management to MS AIML was further reduced, and the intention is for MS AIML to be dismantled in 2026.

B.7.2 Outsourced key functions or activities and their local jurisdiction

MSIG Europe is currently utilising several service providers for the outsourcing of certain critical or important operational functions or activities on its behalf. Details of the outsourced key functions, activities and the jurisdiction are provided below:

Description of outsourced key functions or activities	Jurisdiction
External outsourcing	
Delegated underwriting activity for certain products in all business lines	Belgium, the Netherlands, France, United Kingdom
Specialized bond and fund investment manager	Germany
Global real estate investment manager	United Kingdom
Bond investment manager	United Kingdom
Private equity fund manager	Ireland
End-to-end claims outsource for motor and fire insurance	Belgium, United Kingdom

IT infrastructure provider for hosting managed network, workplace and service desk services	United Kingdom, Germany
Catastrophe modelling analytical services	United Kingdom
Internal outsourcing	
MSIG Speciality Marine service provider acting as delegated underwriting and claims authority for marine products	Belgium
MS AIML as investment portfolio manager	United Kingdom
MS ACS providing personnel, IT and infrastructure services	United Kingdom
MS ACS providing information security and risk management operations services	United Kingdom

B.8 Any other information

All material information relating to the Company’s systems of governance has been disclosed in sub-sections B.1 to B.7 above.

Section C - Risk Profile

Section C presents MSIG-Europe's risk profile in accordance with MSIG-Europe's Risk Management Framework which identifies the following risk categories: insurance, market, credit, liquidity, operational and strategic. For each risk category there is an individual section which explains:

- Risk definition and appetite statements;
- Material risk concentrations;
- Risk exposure (including off-balance sheet positions);
- Measures used to assess these risks;
- Outcomes of stress, scenario and sensitivity testing; and
- Risk mitigation techniques used (including a description of monitoring activities).

The description includes exposures at year-end as well as developments in exposure during the year. The tables and diagrams contain MSIG-Europe specific data unless otherwise stated. Besides the risk categories in MSIG-Europe's Risk Management Framework, no other risk categories have been identified. Strategic risk is explained in the other risk section.

Risk appetite statements

Risk appetite statements in the document follow a standard categorisation as set out below:

- Risk seeking (grow) – These are risks where the Company will seek to increase exposure in the pursuit of fulfilling strategic objectives, knowing there are rewards associated with taking on the risk;
- Risk seeking (maintain) – These are risks the Company will continue to seek as part of the business strategy, maintaining a level of risk relatively consistent with current exposures;
- Risk neutral – These are risks the Company will accept with caution, as by-products of pursuing risk, knowing there may be some negative impact necessary in the pursuit of strategic objectives. There is no desire for unnecessary additional exposure and strong control is expected to manage exposure within acceptable limits;
- Risk averse – These are risks the Company has no desire to accept on the basis they should be wholly manageable and have no material contribution to the fulfilment of strategic objectives.

Methods and assumptions used for measuring exposures and concentrations, and sensitivity analyses are applicable to multiple risk categories. Therefore, this introduction presents the methods and assumptions used. The actual exposures and concentrations, and outcomes of sensitivity analyses are presented in subsections per risk category.

Exposures and concentrations

As referred to in section B.3, in addition to the standard formula, MSIG-Europe measures the Company's exposures and concentrations through the use of a stochastic Internal Model. The outcome of the Internal Model is an internal capital measure per risk category and an overall capital measure. The Internal Model aggregates exposures considering the reduction impact of the associated mitigation strategies. Modelled exposures are monitored quarterly and reported to MSIG-Europe's Risk Committee where management actions are concluded if necessary. The presented exposures and concentrations in this section are based on the Internal Model. Furthermore, deterministic in force exposure figures are used in addition to modelled recoveries output from the Internal Model and presented in this document where applicable.

Risk mitigation

For each category of risk there are mitigation techniques in place as presented in the subsections. These techniques are unique for every category but do follow a standardised pattern. For each category at least the following measures are in place:

- Policies, procedures and standards;
- Tolerance, limit setting and performance monitoring;

- Stochastic modelling;
- Scenario analysis; and an
- Internal Control Framework.

C.1 Insurance risk

MSIG Europe defines insurance risk as the risk of loss arising from the inherent uncertainties in the occurrence, amount and timing of insurance liabilities and premiums. This includes reserving risk or claims arising on business written prior to the year in question. The scope of insurance risk includes underwriting, catastrophe, reserving, claims and the mitigation effect of reinsurance (excluding reinsurance credit risk).

C.1.1 Risk definition and appetite

Insurance risk consists of two core components, namely underwriting risk and reserving risk.

Underwriting risk

Underwriting risk refers to both expected and unexpected financial losses, including unexpected attritional and large losses. These losses may arise from inadequate pricing, terms and conditions, an unforeseen frequency of claims, as well as major catastrophic events, whether natural (such as earthquakes or hurricanes) or man-made (such as terrorist threats).

MSIG Europe has a positive, risk seeking appetite towards underwriting risk and actively seeks to balance the Company's underwriting exposures by writing a diverse risk portfolio which is made up of several business classes. There is an inherent risk of insurance losses associated with these exposures. The appetite for underwriting risk is governed by the amount of business that meets the pricing requirements and fits the Company's overall strategy for profitable growth but also by the risk bearing capacity determined by the capital base and outwards reinsurance arrangements.

Reserving risk

Reserving risk relates to the possible inadequacy of claims provisions. Specifically, it relates to the uncertainty that reserves (technical provisions under Solvency II) are adequately accounted for, taking account of fluctuations in claim settlements.

MSIG Europe has adopted a risk neutral approach to reserving risk, which is a consequence of underwriting a business portfolio where claims may develop after the policy period has elapsed. MSIG Europe's appetite is governed by a policy which ensures that reserves are carried above the actuarial best estimate of future outcomes by adding a risk management margin under IFRS and BEGAAP principles. Classes of business which have a higher level of uncertainty of potential development will naturally carry a higher level of reserve provision. MSIG Europe does not discount reserves to take account of the investment return generated by premium or reserves held for future claims payments. Furthermore, the Company takes consideration of likely cash flow requirements when investing carried reserves to reduce asset-liability miss matching.

C.1.2 Underwriting risk

Concentration and exposure

MSIG Europe has a portfolio of property, casualty, motor and marine insurance that has exposure to non-elemental perils such as industrial accidents as well as weather and earthquake exposures. Primary underwriting risk concentration is derived from:

- Natural perils such as windstorm, flood, fire and earthquake;
- Large loss man-made events such as terrorism, industrial accidents (e.g. oil spills), etc.;
- Large risks such as shipyards and construction; and
- Correlated liability coverage such as professional liability for medical practice.

The liability line of business exhibits a high level of underwriting risk, driven by the uncertainty surrounding the frequency of occurrence and severity of claims across a broad range of commercial activities. Property lines also present significant risk, reflecting substantial exposure due to high insured values and their susceptibility to catastrophic events. In addition, both liability and property lines remain exposed to inflationary pressures.

Scenario, stress and sensitivity testing

Specific sensitivity analyses performed for underwriting risk are, on the one hand, Realistic Disaster Scenarios (‘RDS’) and, on the other hand, stress and sensitivity testing.

The results of the RDS and stress tests are compared with MSIG Europe’s risk appetite and operating capital target as outlined in MSIG Europe’s Capital Management Policy. On a continuous basis MSIG Europe’s capital position is monitored and compared to predefined thresholds triggering required management responses.

Realistic Disaster Scenarios (‘RDS’)

The table below presents the results from the RDS analysis with the largest exposures as of 1 January 2025 and 2026. Data is presented including reinsurance recoveries and reinstatement premiums (net losses). Exposures as per 1 January are used to reflect positions against the reinsurance programme for the coming year.

Event	Jan 2026 €'000	Event	Jan 2025 €'000
EU Windstorm	107,647	EU Windstorm – UK Europe	42,272
EU Windstorm – France, Belgium, Netherlands	98,286	EU Windstorm – France, Belgium, Netherlands	40,635
EU Windstorm – Bordeaux Munich	34,845	EU Windstorm – Bordeaux Munich	36,406
US Windstorm - North East Windstorm	13,842	US Windstorm - North East Two Events	14,688

The table above shows an approximate standalone impact from various events on profitability. Increases to the net exposures are mainly explained by changes to the reinsurance structure and overall business growth resulting in higher gross exposures.

It should be noted that the RDS analysis does not consider the potential for any additional reserve releases or other management actions that may be applied in the ordinary course of business leading up to or following an event.

Stress testing and sensitivity analysis

The below scenarios were designed to test the financial resilience of the 2026 business plan under stressed underwriting assumptions.

Nr.	Sensitivity test	Impact on available capital €'000	Impact on SCR €'000	Impact on Solvency Ratio %
Base	solvency position per 31 December 2025	1,220,657	742,346	164.4%
1	5% less gross premium received during 2026 compared to plan - fixed expenses & reserves	(68,443)	(18,277)	(5.3%)
2	5% less gross premium received during 2026 compared to plan - fixed combined ratio	(3,760)	(18,277)	3.6%
3	5% more ceded reinsurance premium during 2026, across all classes, compared to plan	(25,450)	(5,335)	(2.3%)
4	One European windstorms in 2026 with an expected occurrence of one-in-ten years	(13,069)	-	(1.8%)
5	One European windstorm in 2026 with an expected occurrence of one-in-fifty years	(21,239)	-	(2.9%)
6	One European windstorms in 2026 with an expected occurrence of one-in-hundred years	(23,826)	-	(3.2%)

A 5% decrease in premiums results in a reduction in the solvency ratio of 5% in 2025, compared with 2% in 2024, indicating increased sensitivity to business volume. Conversely, under the assumption of a constant combined ratio, the scenario results in a positive impact of 3% on the solvency ratio, highlighting the role of technical profitability.

The increase in ceded premiums results in a limited but more adverse impact on the solvency ratio in 2025 (-2% compared with -0.6% in 2024), reflecting a relatively higher cost of risk transfer.

The European windstorm sensitivity tests result in contained impacts on Own Funds, ranging from -€13 million to -€24 million, with no material impact on the SCR and a limited reduction in the solvency ratio of 2 to 3%, indicating improved catastrophe risk absorption compared with 2024.

All stress test scenarios generate a solvency ratio exceeding 140%, providing assurance that the underwriting strategy aligns with the Company's Solvency II risk appetite.

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3.1, this section discloses management and mitigation techniques in relation to underwriting risk. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Strategy and business planning* – As part of business planning, the underwriting strategy is elaborated into plans for the coming year. In these annual plans resources are directed to those businesses which create the most desirable expected loss costs and ultimate loss ratios during the underwriting year. The goal is to realise profitable growth;
- *Policies, procedures and standards* – The Underwriting Policy and Philosophy, as owned by the first line, assure consistency across underwriting and related control activities;
- *Tolerance, limit setting and performance monitoring* – The underwriting strategy is aligned to a risk appetite and tolerances. For every insured class there is a maximum line size, exposure, and monitoring process (using stochastic modelling). Furthermore, there are underwriting authority limits and guidelines for individual underwriters in place;
- *Reinsurance* – A key instrument for risk mitigation of insurance risk is the use of reinsurance facilities;
- *Technical pricing and modelling* – Technical pricing takes account of hazards so premiums are adequate. Furthermore, stochastic modelling is used to estimate exposures to assure sufficiency of the best estimate and for price setting;
- *Underwriting control framework* – A technical underwriting review process complements the standard underwriting controls in place to ensure adherence and discipline to the procedures and standards across all branches.

C.1.3 Reserving risk

Concentration and exposure

Reserving risk concentrations are the accumulation of assumed claims and the uncertainty associated with the ultimate size of the claims, given the extended duration it can take for some claims to mature. As a result of its long tail nature, MSIG Europe's portfolio of casualty classes dominates the reserving risk profile.

MSIG Europe operates an actuarial led reserving process to estimate the reserves on a best estimate basis. Reserving risk exposures and concentrations are identified through the use of the Internal Model. Exposures are modelled using volatility around the amount of reported best estimates. The following table presents MSIG Europe's five largest reserving exposures as per year-end 2024 and 2025.

2025	Class	2024	Class
1	GE Liability – General Third Party Liability	1	NL Fleet - Liability Binder
2	Liability - Construction	2	NL Liability - General Third-Party Liability
3	Liability - General Third Party Liability Residuals	3	FR Property - Non-Binder
4	NL Fleet – Liability Binder	4	BE Liability - Non-Medical
5	NL Liability – General Third Party Liability	5	BE Liability - Medical

The 2025 ranking highlights that the largest exposure concerns GE - General Third Party Liability, which occupies the top position, accounting for 12% of the Reserve Risk (diversified SCR). It is followed by Liability - Construction, representing 9% of the Reserve Risk (diversified SCR). General Third Party Liability Residuals, as well as the NL Fleet - Liability - Binder and NL General Third Party Liability, contribute 8%, 7%, and 6% respectively. The other risk classes not included in this table carry a more limited weight in the overall ranking, ranging between 0% and 5%. In summary, the dominant exposure in 2025 is clearly concentrated in General Liability in Germany.

Scenario, stress and sensitivity testing

For reserving risk, following selection of tests has been made from the tests completed:

Nr.	Sensitivity test	Impact on available capital €'000	Impact on SCR €'000	Impact on Solvency Ratio %
Base	solvency position per 31 December 2025	1,220,657	742,346	164.4%
1	5% increase in net claims ratio during 2026, across all classes, compared to plan	(51,624)	15,453	(10.2%)
2	5% increase in net claims ratio during 2026 for class Fleet, compared to plan	(7,092)	2,123	(1.4%)

These sensitivity tests assess the Company's exposure to reserve deterioration, focusing on adverse movements in the net claims ratio across the overall portfolio as well as within specific lines of business.

A deterioration limited to the Fleet line of business results in a more contained impact, with Own Funds decreasing by €7.1 million, the SCR increasing by €2m, and the solvency ratio reducing by 1%.

Overall, the solvency ratio remains above the Company's risk appetite threshold across the tested scenarios, confirming the adequacy of reserve risk coverage within the Solvency II capital framework.

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3.1, this section presents management and mitigation techniques in relation to reserving risk. Monitoring results of reserving risk are reported to MSIG Europe's Risk Committee and Audit Committee on a quarterly basis.

- *Process and governance* – MSIG Europe operates a consistent, actuarially driven process quarterly to assess that appropriate level of reserves are carried, taking account of the characteristics and risks of each business class, to arrive at a best estimate. The best estimates are reviewed by members of the Management Committee and the MSIG Europe Audit Committee on behalf of the MSIG Europe Board;
- *Policies and procedures* – Consistent claims processes and accurate case reserve setting aims to ensure that an adequate provision is established for advised claims;
- *Tolerance setting and monitoring* – A tolerance is set for reserving as the minimum probability of carried reserves being in excess of liabilities for at least 65%. This sufficiency of reserves is monitored on a quarterly basis via the Internal Model;
- *Risk margin* – An additional margin is proposed by management which aims to reflect the level of underlying risk and to achieve the required tolerance level to determine the carried reserves;
- *Reinsurance* – The reinsurance programme responds to large loss developments from prior years.

C.2 Market risk

Market risk is defined as risk arising from fluctuations in values of, or income from, investment assets, interest rates, currency exchange rates and market prices. MSIG Europe seeks to optimise its risk adjusted investment return whilst focusing on ensuring it maintains sufficient capital to meet solvency requirements and maintain sufficient liquid funds to meet liabilities when they fall due. Exposure to market risk is therefore limited to the extent that investment strategies are balanced by these primary objectives.

In addition to the description of market risk, this section explains how MSIG Europe adheres to the prudent person principle.

C.2.1 Risk definition and appetite

Market risk is divided into three subcategories, namely investment market volatility, foreign exchange and investment counterparty risk.

Investment market volatility risk

This is the risk of loss resulting from fluctuations or volatility of investment assets and in the value of financial securities, either directly or indirectly. MSIG Europe has a cautious risk seeking (maintain) attitude to investment market volatility risk. The Company has multi-asset risk exposures and manages the risk within a full set of guidelines, including but not limited to, duration, individual sectors, individual issuers, concentration by rating and geographical exposure. Investments are limited by the liquidity requirements of meeting claims as these become payable.

Foreign exchange risk

Foreign exchange risk is the impact on the value of balance sheet items or earnings arising from movements in the exchange rate of the euro against other currencies. MSIG Europe has a risk neutral appetite to currency risk. The Company is exposed to currency risk by virtue of holding balance sheet assets, investment funds, premiums and liabilities in foreign currencies.

Investment counterparty risk

There is a risk of loss to MSIG Europe due to a change in the value of assets resulting from investment counterparties default, credit rating downgrade or a change in spread over the risk-free rate accounted for the counterparties. MSIG Europe has a risk seeking (maintain) appetite for investment counterparty credit risk as part of market risk. The Company manages the counterparty exposures by monitoring the concentration of assets against grade/quality exposure limits, which are designed to maintain a level of diversification in the asset portfolio.

C.2.2 Prudent person principle

The prudent person principle provides guidelines for undertakings about how to manage investment strategy. Undertakings should only conduct investment management activities as long as it can be reasonably demonstrated that there is an appropriate level of understanding of the underlying investment (i.e. the ability to look through into individual positions), are able to monitor their investments (counterparty monitoring) and can justify their investments as prudent to policyholders.

Following the merger, MSIG Europe works together with 2 asset managers, MS AIML (internal intra-group) and DEVK, a well-known German insurance group. The asset managers are responsible for the day-to-day management of MSIG Europe’s investments and operates within the MSIG Europe Investment Governance Framework and Investment Guidelines. The asset managers only invest in assets and instruments whose risks can be identified, measured, monitored, managed, controlled and reported.

MSIG Europe's policyholder assets (backing technical provisions) are managed in a dedicated cash flow matching portfolio which consists of government and corporate bonds matching the cash flow pattern of the covered liabilities. The management of policyholder funds is aligned with the prudent person principle.

C.2.3 Investment market volatility risk

Concentration and exposure

Market concentration risk can result from having too much exposure in a single asset class, currency, political domicile or counterparty. Concentration risk is managed by ensuring MSIG Europe's portfolio is well-diversified across multiple asset classes and multiple regions. It is managed to tolerances that prohibit excessive market and credit risk concentrations.

MSIG Europe's asset allocation at year-end 2024 and 2025 is presented below as a percentage of asset under management ('AUM'). Allocations are primarily held in corporate and government bonds.

	2025		2024	
	€'000	%	€'000	%
Collective investment undertakings (excl. property)*	154,255	5%	456,466	21%
Property*	70,429	2%	99,667	5%
Equities*	17,636	1%	17,600	1%
Corporate bonds*	1,601,699	52%	423,731	20%
Government bonds*	1,131,735	37%	713,017	33%
Derivatives*	86	0%	421	0%
Cash and deposits	82,566	3%	429,003	20%
Total assets invested	3,058,406	100%	2,139,905	100%

* These items are presented together under the line Investments (incl. participations) in the Solvency II assets table under section D.1 of this report.

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3, this section presents management and mitigation techniques in relation to investment market volatility risk. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Strategic asset allocation* – Investment opportunities are evaluated taking into consideration risk and reward, liquidity and effects on capital in relation to solvency requirements;
- *Asset – Liability matching* – The interest rate risk exposure resulting from the term structure of policyholder liabilities is mitigated through duration matching of a fixed income investment portfolio;
- *Policies, procedures and standards* – The investment policy aims to maximise risk-adjusted investment return in relation to an agreed risk budget;
- *Tolerance, limit setting and performance monitoring* – Investment strategy is aligned to risk appetite, tolerances and indicators. For every asset class there is a maximum exposure and monitoring programme;
- *Stochastic VaR monitoring* – Exposure is assessed using a stochastic model at various confidence levels;
- *Scenario and stress tests* – Stress and scenario tests are performed outside of the Stochastic VaR monitoring to provide alternate portfolio losses in a variety of stressed circumstances;
- *Sub-advisor monitoring* – A spread of sub-advisors is appointed to carry out asset selection within specialized asset classes. Each sub-advisor has discretion to manage the funds on a day-to-day basis within the Investment Guidelines or Mandates. These are designed to ensure that investments comply with the Investment Frameworks.

C.2.4 Foreign exchange risk

Concentration and exposure

MSIG Europe is exposed to the fluctuations in the exchange rates of currencies. Besides euro (EUR) denominated exposures, MSIG Europe holds material exposures in US dollars (USD) and British pound sterling (GBP). As part of the investment guidelines, there are clear restrictions in place with regard to the currency gap between investment assets and policyholder liabilities.

The table below presents the Company's exposure to its main foreign currencies, primarily USD and GBP, translated into euros. Investment exposures are presented on a look-through basis, consistent with the methodology applied in the standard formula SCR calculation for currency risk. Amounts are reported on a net-matching basis, whereby assets and liabilities denominated in the same foreign currency are offset to determine the net open position. A negative balance indicates that liabilities exceed assets in that currency. The net balance indicates there is no significant mismatching between assets and liabilities.

Value by currency ('000)	2025		2024	
	USD	GBP	USD	GBP
Total assets & liabilities	8,076	-26,355	-4,514	-54,138

Stress, scenario and sensitivity testing

For foreign exchange risk, no stand-alone sensitivity analyses are being performed, motivated by the proportionality principle, focusing on other more material market risk exposures. Furthermore, foreign exchange risks are stochastically modelled within the context of the Internal Model.

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3.1, this section presents management and mitigation techniques in relation to foreign exchange risk. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Asset-liability matching* — The currency risk resulting from the currency gap between asset and liabilities is managed by investment guidelines that match the policyholder exposures;
- *Hedging* – The use of derivatives such as currency forwards or cross-currency swaps is used in case the cash exposures cannot fully match the matching currency exposure of the policyholder liabilities as a result of market imperfections or temporary treasury exposures.

C.2.5 Investment counterparty risk

Concentration and exposure

Risk concentration can occur due to an accumulation of MSIG Europe owned assets with a limited number of counterparties. The investment guidelines are designed to mitigate credit risk by ensuring diversification of the holdings. For each portfolio there are limits to the exposure to single issuers and to the total amount that can be held in each credit quality rating category, as determined by reference to credit rating agencies. MSIG Europe is exposed to investment counterparty risk primarily through the investment in bond positions.

Stress, scenario and sensitivity testing

Scenario analysis is performed for investment market volatility risk. The following selection of tests has been made:

Nr.	Sensitivity test	Impact on available capital €'000	Impact on SCR €'000	Impact on Solvency Ratio %
Base	solvency position per 31 December 2025	1,220,657	742,346	164.4%
1	Downgrade to default for asset portfolio, with credit quality step 4 or less	-	30,355	(6.5%)

This scenario results in an increase in SCR of €30.4 million and 6% reduction in the solvency ratio, while Own Funds remain broadly unchanged.

Overall, the solvency ratio remains above the Company's risk appetite threshold, indicating that market risk is adequately covered within the Solvency II capital framework

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3, this section presents management and mitigation techniques in relation to investment counterparty risk. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Counterparty on-boarding* – Due diligence processes exist to pre-vet any counterparties before being on-boarded;
- *External credit ratings* – MSIG Europe uses ratings from multiple credit rating agencies, such as Standard & Poor and AM Best;
- *Credit rating limits* – Investment counterparty exposure is managed through limits over exposure based upon credit ratings;
- *Creditworthiness monitoring* – Is conducted by MS AIML for all banking institutions MSIG Europe transacts with, both current and potential. A summary is sent to the Investment Management and Compliance functions;
- *Investment Counterparty Management* – The custodians of MSIG Europe's investment assets are contractually bound to hold all assets specifically on behalf of MSIG Europe and not in their own right.

C.3 Credit risk

MSIG Europe SE defines credit risk as the risk of loss, resulting from deterioration in the financial condition of insurance and reinsurance counterparties (reinsurers and retrocessionaires, insured and reinsured clients, cover holders, brokers). Credit risk could therefore have an impact upon MSIG Europe SE's ability to meet claims and other obligations as they fall due and upon the investment return.

C.3.1 Risk definition and appetite

Credit risk is divided into three subcategories, i.e. reinsurance credit risk, broker credit risk and investment counterparty risk. Investment counterparties (e.g. treasury intermediaries) have a high proximity to market risk. Therefore, exposure to investment counterparties is described within the market risk section.

Reinsurance credit risk

Reinsurance credit risk is the risk of loss resulting from deterioration in the financial condition of reinsurers and retrocessionaires. MSIG Europe has a risk neutral attitude to reinsurance credit risk and recognises the need to accept some reinsurance counterparty credit risk as a result of using risk capacity and providing protection for large losses and severe catastrophe events. MSIG Europe SE aims to limit credit risk in relation to reinsurer balances and potential recoveries by establishing limits for the extent to which such assets could become uncollectible in the event of insolvency or impairment.

Broker and cover holder credit risk

MSIG Europe SE defines broker and cover holder credit risk as the risk of loss resulting from deterioration in the financial condition of insured and reinsured clients, cover holders and brokers. MSIG Europe SE has a risk neutral attitude to intermediary credit risk. MSIG Europe SE recognises that brokers need to collect both premiums and claims as part of their services. The Company aims to limit credit risk in relation to debtor balances by establishing limits for the extent to which such assets could become uncollectible in the event of insolvency or impairment.

C.3.2 Reinsurance credit risk

Concentration and exposure

Reinsurance credit risk includes both reinsurers' share of outstanding claims, as well as amounts expected to be recovered on unpaid outstanding claims (including incurred but not reported claims) in respect of earned risks. Reinsurance recoverables by external credit rating according to Standards & Poor's, based on Solvency II valuation principles, due at 31 December 2024 and 2025 are shown in the table below.

	2025		2024	
Reinsurance recoverables	**€'000**	**%**	**€'000**	**%**
AAA or AA	237,201	29.2%	29,866	39.3%
A	558,281	68.6%	45,430	59.7%
BBB	7,142	0.9%	1	0.0%
Other	10,842	1.3%	770	1.0%
Total	**813,466**	**100.0%**	**76,068**	**100.0%**

Overall, the requirement for reinsurers to hold at least an A- rating or equivalent financial strength credit ratings, assigned by external credit rating agencies such as Standard & Poor, AM Best and Fitch. The second-best rating is utilized to generate the lowest capital, which aligns with Delegated Act 2015/35, Article 4.

The internal credit rating is used in case of non-rated counterparties, where such rating is derived from the latest available solvency ratio. The applied limit per counterparty is the aggregate exposure across all programmes written. The exposure of the counterparty, who participates in a current reinsurance programme, is frequently monitored by the MSIG Europe Actuarial Function team and the CF Reinsurance team.

MSIG Europe SE benefits from several treaty programs, including excess of loss reinsurance, surplus reinsurance, and quota share treaties. The reinsurance policy clearly mandates that every counterparty must maintain at least an A rating, as determined by traditional rating agencies such as Standard & Poor's and A.M. Best.

Collateralised reinsurance

For about 25% of the book, a net quota share reinsurance treaty for all material lines is applicable to provide capital relief, which reduces underwriting risk and strengthens SCR coverage ratios. The current cession rate is 8%. Hannover Re holds a 100% share as reinsurer.

This reinsurance contract essentially occurs at the original conditions (follow the fortune) as in the original policies and preceding reinsurance. The starting point is the net portfolio of all major lines of non-life business and after all other reinsurance (mandatory and facultative). The additional counter-party default risk is minimized by the reinsurance deposit (funds-withheld account). For this book, receives MSIG Europe SE a profit commission on the reinsurer's profit via the expected reinsurance margin. The Company has the unilateral right to cancel the contract after one year.

For 2026, it has been decided not to extend the treaty, and it is not expected to be systematically renewed over the remainder of the plan period.

Use of external credit ratings

Information from external credit rating agencies is used on a quarterly basis to determine the credit risk. for reporting to the Counterparty Security meeting. Both the Actuarial Function and CF Reinsurance team monitors the internal credit ratings provided to reinsurance counterparties which participate in the reinsurance programme.

Stress, scenario and sensitivity testing

Nr.	Sensitivity test	Impact on available capital €'000	Impact on SCR €'000	Impact on Solvency Ratio %
Base	solvency position per 31 December 2025	1,220,657	742,346	164.4%
1	Downgrade to default forcounterparties with credit quality step 4 or less	-	29,396	(6.3%)

This sensitivity test assesses the impact of a one-notch deterioration in the credit quality of counterparties, including exposures initially rated below BBB and moved to the lowest rating category, on the Company's solvency position.

This scenario results in an increase in SCR of €29.4 million and 6% decrease in the solvency ratio, while Own Funds remain broadly stable.

Overall, the solvency ratio remains above the Company's risk appetite threshold, confirming that counterparty credit risk is adequately covered within the Solvency II capital framework

Management, mitigation and monitoring techniques

This section presents management and mitigation techniques in relation to reinsurance credit risk. De pending on the branch location, monitoring results are reported on regular basis to the Counterparty or Reinsurance Security meeting.

- *Accreditation* – Internal procedures have been established to assess the accreditation of reinsurers, as well as to approve the engagement of new reinsurers and to review existing ones. Depending on the location, this process can either be automated through the Counterparty

Approval tool or conducted manually, based on various quantitative and qualitative criteria. Typically, reinsurance contracts have a duration of one year.

- *Fronting* – The approval of fronting local policies for members of the International Network of Insurance (INI) or other networks is managed using the Counterparty Approval tool. However, approvals related to fronting for the parent company, Mitsui Sumitomo Insurance Company Ltd. in Tokyo, Japan (MSIJ), are handled manually.
- *Policies, procedures and standards* – Procedures for the approval of new reinsurers, review of existing reinsurers and use of unapproved reinsurers on an exception basis are set out in the Counterparty Security Standard or the Reinsurance Security and Placement Manual;
- *Tolerance, limit setting and performance monitoring* – Framework are available to manage and monitor exposures to reinsurance companies. Depending on the branch's location, the following frameworks are applied:
  - The Counterparty Security Committee, which establishes risk tolerances and indicators across various risk categories.
  - The Terms of Reference of the Reinsurance Security Meeting, which sets thresholds regarding reinsurance transaction concentration and credit risk accumulation.
- *Stochastic modelling* – Stochastic modelling is used to assess counterparty default risk by reporting on modelled reinsurance recoveries. Additionally, some branch offices evaluate a lower credit rating for reinsurers across the board by uniformly reducing the credit rating of all reinsurers by one notch;
- *Reinsurer review process* – The reinsurer review process varies based on the branch's location and includes several key components:
  - Monitoring Aggregate Capital: Each reinsurer's aggregate capital across all programs is tracked. This information is incorporated into the Counterparty Approval database and reported quarterly at the Counterparty Security meeting.
  - Managing Transaction Risk: The reinsurance transaction risk is managed by monitoring the amount of premiums ceded to each reinsurance carrier. The company regularly checks to ensure that the current credit risk exposure for each reinsurer remains below the maximum tolerable credit risk for that reinsurer.
- *Debt control* – The management of reinsurance debt is designed to limit the outstanding balances owed by counterparties. Depending on the branch's location, aged debt is monitored internally by applying maximum exposure limits for each reinsurer, which are linked to their ability and willingness to pay claims. This responsibility may also be managed by the reinsurance partner, in which case it is regularly monitored and reported annually to the members of the Reinsurance Security Meeting.
- *Claims management* – the claims end-to-end process is designed to pursue and secure claims recoveries in an efficient manner.

C.3.3 Broker and cover holder credit risk

Exposure and concentrations

The table below shows the distribution of insurance receivables by rating, according to external credit agencies. It includes credit risk exposures from brokers, policyholders, and insured parties.

	2025		2024	
Insurance receivables	**€'000**	**%**	**€'000**	**%**
AA or A	306,444	39.7%	347,119	67.8%
BBB	293,510	38.0%	82,303	16.1%
Other	171,826	22.3%	82,777	16.2%
Total	**771,779**	**100.0%**	**512,199**	**100.0%**

Broker credit risk is managed at branch office level through various controls and (internal) reporting measures, which include broker approval, annual financial review, the internal rating assessment of brokers and regular monitoring of premium settlement performance.

Credit risk associated with cover holders is managed through various controls and internal reporting mechanisms. These include the approval of cover holders, evaluation of their internal ratings, and ongoing monitoring of open positions and payment behaviour. Additionally, there are annual financial monitoring controls that assess the cover holder's solvency ratio and current account balances.

Use of external credit ratings

The risk assessment of brokers and cover holders relies on information from external credit rating agencies, such as Dun & Bradstreet and CRIF, as well as internal credit ratings. These assessments vary based on the location of the branch offices. Currently, there is no centralized reporting and monitoring process to manage the participation of counterparties in inward business.

Stress, scenario and sensitivity testing

No sensitivity analyses are performed for broker and cover holder credit risk. After managing the exposures to brokers and cover holders via the debt control process, the residual risk is not considered significant.

Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3.1, this section presents management and mitigation techniques in relation to broker and cover holder credit risk.

The process of risk mitigation is similar for brokers and cover holders. Monitoring results are reported to Risk Committee on a quarterly basis.

- *On-boarding*
  - The Sales or Underwriting team at each branch location is responsible for broker accreditation and on-boarding (approval of new brokers);
  - The Delegated Authority team is responsible for the cover holder accreditation and on-boarding (approval of new cover holders);
- *Policies, procedures and standards* – For both brokers and cover holders, policies and standards are in place to explain the process of on-boarding, credit review, debt control and claims management;
- *Tolerance, limit setting and performance monitoring* – For both brokers and cover holders, the Company seeks to manage and monitor exposures by a number of risk tolerances and limits across the risk category;
- *Debt control* – The Credit Control team within the Finance department at each branch location monitors timely and accurate settlements for both brokers and cover holders on a daily basis. Monthly reports on monitoring results, including aging debts and unmatched cash, are presented during Business Review meetings;
- *Claims management* – the claims management process is designed to pursue and secure claims recoveries in an efficient manner for both brokers and cover holder.
- In case of irregularities or issues noted for specific counterparties, a mitigation process is in place to handle and minimize the risk. This process includes all the corresponding parties such as the Finance team, the Sales team (for brokers) and the Delegated Authority team (for cover holders).

In case of irregularities or issues noted for specific counterparties, a (mitigation) process is in place to handle and minimize the risk, with the escalation process depending on the type of issue. This process includes all the corresponding parties such as the Finance team, the Sales or Underwriting team (for brokers), the Delegated Authority team (for cover holders).

C.4 Liquidity risk

Liquidity risk refers to the risk that sufficient financial resources may not be available to meet liabilities as they fall due, such as the payment of claims, reinsurances settlements, or other keys financial commitments. For MSIG Europe, liquidity risk may arise from a lack of fungibility of directly held investments, limited access to certain bank accounts, unexpected cash requirements, delays in the collection of reinsurance recoveries, or a combination of illiquid markets and sudden increase in policy cancellations.

Following the merger of MS AISE and MSIGEU, the liquidity risk management framework has been harmonised across MSIG Europe as part of the transition plan towards a low-risk investment portfolio. Sufficient excess liquidity was maintained against minimum tolerance levels to ensure sufficient highly liquid assets under severe stress tests.

In addition to describing the sources of liquidity risk, this section also considers the impact of expected profits included in future premiums (EPIFP) on the Company's overall liquidity position.

C.4.1 Risk definition and appetite

The scope of liquidity risk includes managing unexpected changes in funding sources, market conditions and cash flow planning incorporating asset-liability management. MSIG Europe has a risk averse attitude to liquidity risk. It seeks to avoid any situation where funds are not available to meet claim payments and operating expenses as required because this would have significant reputational and regulatory impact. The Company recognises that it has the obligation to pay claims promptly and that this could result in heavy cash flow demands in the event of catastrophe claims. MSIG Europe ensures the availability of sufficient funds to cover any claims from such events and the combination of other adverse circumstances which may give rise to short term cash requirements in excess of MSIG Europe's available liquid funds.

C.4.2 Concentration and exposure

Liquidity risk can result from having concentrations in financial assets which cannot be monetised quickly. It can materialize as a result of exposure to simultaneous occurring perils such as windstorms and floods, in combination with stress on the capital markets.

MSIG Europe's investment guidelines is frequently reviewed to ensure that the investment portfolios are sufficiently liquid to allow liabilities to be settled at any time, in particular under stressed circumstances. The prudent person principle, as described in paragraph C.2.2, is applicable to managing liquidity risk.

MSIG Europe maintains a strong liquidity position in 2025, the liquidity risk is managed by ensuring sufficient High Quality Liquid Assets ('HQLA') are maintained within both the total and capital asset portfolios, including operational cash.

The minimum required HQLA coverage ratio is determined by assessing a severe cash-drain scenario, which must be fully covered by eligible HQLA assets.

Throughout 2025, the excess HQLA coverage ratios of both the total investment portfolio and operational cash have remained comfortably positive at all times.

The excess liquidity of the capital asset portfolio has remained stable following the merger, reflecting broadly similar HQLA coverage ratios across the legacy entities.

It is important that MSIG Europe can pay obligations as they fall due. Levels of cash are therefore managed on a daily basis and buffers of liquid assets are held in excess of the immediate requirements. This is to reduce the risk of being a forced seller of any of MSIG Europe's assets, which may result in realising prices below fair value, especially in periods of abnormal asset liquidity.

C.4.3 Sensitivity analysis

Given the current excess level of liquidity, no additional liquidity stress tests are deemed necessary, in line with the principle of proportionality. However, uncertainty related to stressed market conditions is incorporated into the liquidity ratio, which is subject to ongoing monitoring.

As part of the liquidity management framework review, sensitivity and stress analyses are performed to assess the robustness of the existing liquidity ratio.

Experience shows that the settlement of large or catastrophe-related claims usually occurs over an extended period. In such cases, MSIG Europe may request cash advances from its reinsurers through funding calls to support timely claim payments.

Liquidity risk could increase if reinsurers were to deny coverage for a major loss or decline a funding request. In this scenario, MSIG Europe would need to temporarily settle gross losses using its own available liquidity.

C.4.4 Management, mitigation and monitoring techniques

MSIG Europe has assessed the liquidity risk arising from a potential temporary non-payment by all external reinsurers for its largest losses, as well as from the interim funding required for the most severe modelled natural catastrophe event. The analysis confirmed that MSIG Europe would be able to generate the necessary liquidity from its own internal resources, even under such extreme scenarios.

MSIG Europe continuously ensures prudent daily cash management and maintains adequate liquidity buffers under both normal and stressed conditions. Management and mitigation of liquidity risk is done via cash management and liquidity ratio monitoring:

- The rapid collection of reinsurance recoveries following settlement of major claims is a key priority within cash management;
- Liquidity ratio monitoring is done to assess if MSIG Europe can meet its liabilities in a stressed liquidity environment.
- Contingency funding options and internal escalation procedures are in place to ensure an appropriate and coordinated response in the event of unexpected liquidity needs.

C.4.5 Impact of expected profit in future premiums (‘EPIFP’)

Any profits expected from premiums that have not yet been invoiced but are expected in future periods are utilised in business planning and amounted to €354.5 million as at 31 December 2025 (2024: €296.1 million).

Management is aware of the risk of falling short of either the expected profits or the level of future expected premiums, both of which can contribute to liquidity risk if large enough. MSIG Europe’s capital position is strong and liquid enough to absorb shocks of this magnitude. No material liquidity issues are expected to arise if the level of profits from expected future premiums is not met.

C.5 Operational risk

MSIG Europe operates a diverse business across multiple offices and jurisdictions and is therefore required to comply with legal, regulatory and best-practice standards.

Operational risk refers to the potential for loss resulting from inadequate or failed processes, people or systems, or from external events. It also includes legal risks and risks arising from criminal or fraudulent acts. Such risks can manifest in different forms, with varying frequency, severity and duration, and may lead to financial losses or reputational damage.

Operational risk exposures are identified and assessed through regular reviews of critical business processes and control activities. The effectiveness of key controls is discussed with risk owners on a quarterly basis and documented in the operational risk register.

C.5.1 Risk definition and appetite

Operational risks are quantified in the Internal Model. The table below shows an overview of all the operational risks considered in the Internal Model.

Risk related to systems and processes	Risk related to conduct or people
Business interruption	Fraud and financial crime risk
Information security risk	Risks from products and business practices
Execution, delivery and process management risk	Inadequate incentive risk
Insufficient data availability & quality	Governance risk
Project failure	Corporate culture failure
Outsourcing risk	Insufficient competence
Reputational Risk	Customer-related risk
Inadequate model quality risk	
Capital inadequacy risk	
Distribution risk	
Systematic risk	
Competition risk	
Group risk	
Geopolitical risk	
Regulatory change risk	

Risk Control self-assessment

The listed operational risks are assessed and quantified as part of the Risk Control Self-Assessment (‘RCSA’), which is the process in place to identify potential risks and to assess the effectiveness of internal controls. It provides a structured approach for evaluating risks and ensuring that adequate controls are in place to mitigate them.

Given the critical role of the RCSA, a tight governance is in force which combines shared responsibility and oversight of both first and second line teams. The processes are facilitated by the second line Enterprise Risk Management team to ensure that risk assessments are performed timely and that output is challenged by relevant second line representatives.

MSIG Europe has an aversion to operational risk, targeting an exposure that is “as-low-as-reasonably - practical”, avoiding any operational failures which may hinder trading, result in financial loss or any regulatory sanction for inadequate compliance. It is recognised, however, that achieving complete certainty of such failures not occurring would entail an unacceptable cost.

Process for preparing contingency plans

A Business Continuity Management policy is in place. Each department is required to develop and maintain a Business Impact Analysis and Risk Assessment, the tools used for the identification and assessment of the departmental criticality and the impact of its loss.

Where the Business Impact Analysis indicated that critical business activities take place, the department shall be required to develop and maintain a Business Continuity Plan which contains the documentation used to manage the continuation of critical business area processes at the time of an incident. The department will also have to test and exercise the plan.

C.5.2 Stress and sensitivity analysis

The above listed operational risks are modelled stochastically within the context of the Internal Model. Review of the model parameters is fully integrated within the RCSA process and signed off by the Model Governance Committee.

In addition, a stress scenario is presented below to assess the vulnerability of the business plan to adverse expense developments.

Nr.	Sensitivity test	Impact on available capital	Impact on SCR	Impact on Solvency Ratio
		€'000	€'000	%
Base	solvency position per 31 December 2025	1,220,657	742,346	164.4%
1	10% increase in expenses, across all classses, during 2026	(6,656)	2,105	(1.4%)

An increase in expenses results in a decrease in Own Funds of €6.7 million, an increase in the SCR of €2.1 million, and a 1% reduction in the solvency ratio. Overall, the impact remains limited, with the solvency ratio continuing to exceed the Company's risk appetite threshold, indicating that operational risk is adequately covered within the Solvency II capital framework.

C.5.3 Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3, this section presents management and mitigation techniques in relation to operational risks. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Policies, procedures and standards* – The Operational Risk Policy ensures all significant operational risks are identified, assessed, evaluated, managed, monitored and reported in a consistent manner across the organisation. The Internal Control Framework explains the standards required for the ownership, operation and performance of internal controls. Besides these standards there are policies in place for managing business continuity, data quality, information security, outsourcing, and procurement;
- *Tolerance setting* – Results of the risk assessment are monitored against tolerances and limits according to target risk appetite levels. The framework considers the adequacy of the mitigation strategies via the Internal Control Framework;
- *Risk Management Framework* – The implementation of a framework for the identification, assessment and control of operational risks ensures that operational risks are understood and managed by relevant functions/operating segments;
- *Internal Control* – Effectiveness of managing operational risk is measured via the Internal Control Framework. This framework measures operation of key controls in day-to-day operations;
- *Risk assessments* – The identified risks are assessed via periodic risk discussions with relevant stakeholders and via thematic deep-dive assessments. For identified risks remediation actions are

identified and monitored, such as the IT strategy aimed at simplifying and modernising the IT landscape and Cyber Security strategy targeted at improving cyber resilience;

- *Incidents and near misses* – Are reported to raise awareness and identify areas for improvement. MSIG Europe's risk appetite is used as the basis for evaluating risk incidents;
- *Scenario analyses* – Are used to determine the level of economic capital required to support the level of operational risk within the Company;
- *Insurance coverage* – MSIG Europe purchases insurance protection to cover property damage, liability, cyber risk, errors and omissions and fraud. These insurances are purchased either centrally or in the respective countries.

C.6 Other risks

MSIG Europe identifies strategic risks as input for the other risks section. Besides the risk categories in MSIG Europe's Risk Management Framework no other material risk categories have been identified.

Strategic risk

MSIG Europe has processes in place to respond effectively to changes in the internal and external environment that closely involve the Board. The aim of the process is to identify impending changes that could compromise the business model in the long term and to identify threats or opportunities requiring strategic repositioning of the portfolio, organic expansion and/or acquisition where market conditions allow. Once changes and/or targets are secured, change resources are assigned to deliver the necessary objectives.

C.6.1 Risk definition and appetite

Strategic risks are defined as risks to current and prospective earnings or capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry changes and the business environment in general. These include risks associated with the appropriateness of business strategy in the face of the current and future commercial, geopolitical, legislative and economic environment.

MSIG Europe has a risk seeking attitude to those risks as it actively pursues ways of developing the business model. MSIG Europe also faces a number of external factors which may impact demand for or supply of our products. These risks are analysed and actions are agreed to adapt the strategic approach to cater for them.

C.6.2 Concentration and exposure

MSIG Europe sees strategic risk concentration from several factors explained below.

Developments in relation to strategic objectives

The development of strategic objectives is carried out by MSIG Europe senior executives and through the decisions of the MSIG Europe Board. The strategy is fundamental to the development of MSIG Europe's market share, brand, reputation, underwriting aims and the fulfilment of the expectations of its parent and other interested parties such as policyholders, rating agencies and regulators.

Geopolitical and economic factors

MSIG Europe is exposed to geopolitical uncertainty and resulting instability that could affect the delivery of MSIG Europe's strategy and/or the provision of its products and services. This could crystallise as a result of political decisions, events or conditions.

Drivers for political and economic risk are political and economic protectionist movements, geopolitical unrest, economic inflation, volatile energy market cyber-attacks and industrial espionage. To mitigate this risk, continuous monitoring of the market environment and claims activity is performed in order to anticipate emerging events and trends in a timely manner.

Competition risk

Increasing market capacity and softening pricing conditions place pressure on both top-line growth and bottom-line profitability. When combined with high fixed costs, this environment may result in the postponement or cancellation of necessary investments aimed at maintaining cost efficiency, thereby potentially undermining future growth. In response, the Company seeks to enhance business efficiency by setting selective strategic investment priorities, focusing on initiatives that support profitability and improve overall productivity.

Integrity Risk – Corporate Culture failure

A successful integration supports effective decision making to support change and meeting business targets and requires aligned culture and tone from the top. Early actions have been taken to assess cultural differences for the senior leadership team. In addition, fire-chat engagement sessions have been organised to understand concerns from staff and how to align ways of working. As a mitigating measure, HR is rolling out initiatives on team building and continuous two-way engagement with staff sessions managing expectations and fosters cohesion.

Strategic Group risk

MSIG Europe is a subsidiary of the MS&AD Group and there is a risk that losses in other Group companies may impact the ability of MSIG Europe to execute its strategy, especially if the impact is upon the Group's capital management strategy and limits options to recapitalise in the event of a material capital reduction. Other examples include Group's influence over entities' strategy, potentially clashing with the fulfilment of local strategy.

C.6.3 Scenario analysis and reverse stress testing

The ORSA includes a specific section on climate risks, currently focusing on following aspects:

- Impact of changing climate patterns in terms of frequency, severity and correlations between perils of different kinds such as hail, flood and windstorms.
- Impact on assets considering, considering transition to carbon free economy.

The performance of a reverse stress test, also embedded in the ORSA, to identify climate scenarios that could significantly threaten solvency or the sustainability of the business model.

Analysis is typically performed by means of scenario-analysis. Further effort are also explored with regard to the sophistication of the exposure management framework in this context.

C.6.4 Management, mitigation and monitoring techniques

In addition to the risk management process outlined in section B.3, this section presents management and mitigation techniques in relation to strategic risk. Monitoring results are reported to MSIG Europe's Risk Committee on a quarterly basis.

- *Group Strategy Alignment* – MSIG Europe's strategic objectives and decisions also include consider the strategy requirements of the MS&AD Group, including capital needs, regulatory requirements and risks;
- *Culture* – MSIG Europe's culture and strategic objectives take account of customer needs and expectations;
- *Strategy commitment* – There is resource commitment to support the duration of the executed strategy and strategies have flexible re-directive decision points in their plan;
- *Market monitoring* – Horizon scanning of external factors continuously takes place, decisions take account of current and longer term market movements;
- *Governed decision making* – Strategic risks are assessed taking account of all requirements while risk acceptance is undertaken within a controlled manner considering capital constraints and the cost of capital;
- *Capital management* – Aggregate risk exposure is continuously monitored against available capital, and action is taken where solvency ratios are deemed unacceptable. Contingency and resilience plans are developed to manage adverse capital events;
- *Stress testing* – Business plans are thoroughly considered and reviewed against the potential impact of external factors and developments;

C.7 Any other information

All material information relating to the Company’s risk profile has been disclosed in sub-sections C.1 to C.6 above.

Section D - Valuation for Solvency Purposes

D.1 Assets

D.1.1 Solvency II valuation method and differences compared to BEGAAP per material asset class

	Note	Reported under BEGAAP €'000	SII reclass €'000	SII valuation adjustment €'000	SII balance sheet 2025 €'000	SII balance sheet 2024 €'000
Cash and cash equivalents	1	82,470	96	(0)	82,566	429,003
Investments (incl. participations)	2	2,933,970	22,723	19,147	2,975,840	1,710,902
Reinsurers' recoverables	3	1,163,184	-	(349,718)	813,466	76,068
Insurance, reinsurance and intermediaries receivables	4	1,339,839	259	(517,035)	823,063	87,540
Receivables (trade, not insurance)	5	97,513	(23,074)	(3,499)	70,940	83,983
Deferred tax asset	6	-	-	24,041	24,041	6,789
Property, plant & equipment held for own use	7	4,797	-	33,058	37,855	14,149
Goodwill and intangible assets	8	105,898	-	(105,898)	-	-
Pension benefit surplus	9	3,368	-	-	3,368	-
Total Assets		**5,731,039**	**4**	**(899,904)**	**4,831,139**	**2,408,433**
Total Liabilities		**4,904,470**	**4**	**(1,293,993)**	**3,610,482**	**1,533,067**
Excess of Assets over Liabilities		**826,569**	**(0)**	**394,089**	**1,220,657**	**875,366**

The above table presents the bridge from BEGAAP to Solvency II for assets, distinguishing between reclassifications and valuation adjustments as at 31 December 2025. The 2024 Solvency II balance sheet has been included for comparative purposes based on the Solvency II balance sheet of the legacy company MS AISE.

The breakdown into asset classes in the above table is less granular than the S.02.01 balance sheet QRT, as presented in the annex. This has been done to allow a clearer understanding of the valuation differences.

BEGAAP to Solvency II adjustments

1. Cash and cash equivalents

There is no valuation difference on the cash and cash equivalents between Solvency II and BEGAAP. However, there is a slight presentation difference related to the transit account for processing and matching of executed payments. The transit account is presented as insurance and reinsurance receivables under BEGAAP while it has been included as part of the cash position for SII reporting purposes.

In addition, the definition of cash equivalents under Solvency II is narrower. For Solvency II reporting, cash equivalents are defined as deposits exchangeable for currency on demand at par and which are directly usable for making payments by cheque, draft, giro order, direct debit/credit, or other direct payment facility, without penalty or restriction. As a result, certain cash equivalents under BEGAAP are reclassified into different asset categories for Solvency II reporting.

2. Investments (incl. participations)

Under BEGAAP financial assets are valued at historical cost value less impairment and allowance for bad debt. For Solvency II purposes, investments are recognised at fair value. Therefore, the fair value adjustments are added to the balance sheet. Any currency exchange differences recognised on the fair value adjustments are to be included on the balance sheet as well.

For reporting in line with IFRS principles, MSIG Europe recognizes its investment securities either as fair value through profit or loss or as fair value through other comprehensive income. Management determines the classification of its investment securities at initial recognition. MSIG Europe's investment assets designated at fair value through profit or loss amounted to €2,919.2 million (2024: €1,710.9 million) and at fair value through other comprehensive income to €56.6 million.

The Company holds shares in several investment funds and has assessed whether any of these should be recognised as participations in accordance with the requirements of the Solvency II Directive. None of the funds meet the criteria for recognition as a participation.

Fair Value Hierarchy

For Solvency II reporting purposes, MSIG Europe classified its investments (incl. participations) into the three Solvency II levels of fair value hierarchy as follows:

Quoted market prices – Quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is a market where transactions for the asset occur with sufficient frequency and volume to provide readily and regularly available quoted prices.

Adjusted quoted market prices – Where the use of quoted market prices in active markets for the same assets or liabilities is not possible, the Company will value assets and liabilities using quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences. Those adjustments reflect specific and relevant factors such as:

(a) the condition or location of the asset or liability;

(b) the extent to which inputs relate to items that are comparable to the asset or liability; and

(c) the volume or level of activity in the markets where the inputs are observed.

Alternative valuation methods – Inputs to a valuation model for the assets or liabilities that are not based on observable market data (unobservable inputs) and are significant to the overall fair value measurement. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the assets or liabilities at the measurement date (or market information for the inputs to any valuation model). As such, unobservable inputs reflect the assumptions that market participants would use in pricing the assets.

At the reporting date, MSIG Europe's Investments (including participations) classified by hierarchy is as follows:

Investments classification under Solvency II	Quoted market prices	Adjusted quoted market prices	Alternative valuation methods	According to article 9(4) of Delegated Regulation 2015/35	Total
	€'000	€'000	€'000	€'000	€'000
Holdings in related undertakings, including participations	-	-	17,600	36	17,636
Collective investment undertakings	128,642	-	96,042	-	224,684
Equities	-	-	-		-
Corporate bonds	1,247,824	297,288	-	56,587	1,601,699
Government bonds	1,131,735	-	-	-	1,131,735
Derivative assets	-	86	-	-	86
Total investments	**2,508,201**	**297,374**	**113,642**	**56,622**	**2,975,840**

Corporate and government bonds

The majority of the Company's investment assets consist of corporate and government bonds, which are partly managed by Aegon Asset Management UK plc under a segregated mandate, covering €1,801.7 million of the Company's assets as at 31 December 2025. A further portion of the bond portfolio, amounting to €875.2 million, is managed by DEVK Asset Management GmbH. As shown in the table above, these securities are classified either under quoted market prices or under the adjusted market price method.

In addition, the Company holds German private placements, reported as corporate bonds on the balance sheet, for a total amount of €56.6 million where the valuation is determined in line with Article 9(4) of Delegated Regulation 2015/35. These instruments are governed by German civil law and are known for their standardised documentation, strong creditor protections, and transparent covenant structures.

Collective investment undertakings

Collective investment undertakings and participations include MSIG Europe's investment in a portfolio of bond exchange-traded funds ('ETFs') of €128.6 million managed by BlackRock Asset Management Ireland Ltd. The shares in the fund are valued using quoted market prices for the same assets.

The collective investment undertakings balance also includes investments in property fund portfolios of €70.4 million, and a €25.6 million investment in a private equity fund managed by LGT Capital Partners. These fund portfolios are valued by using an alternative valuation method. Alternative valuation methods are explained in section D.4 of this report.

Holdings in related undertakings (participations)

As explained in section A.1, the Company holds a €17.6 million participation in Amlin Netherlands Holding BV, presented as a holding in related undertakings in the above table.

In addition, the Company has full ownership of MSIG German Services GmbH. The participation of €0.4 million is valued using a proportionate valuation approach in accordance with Article 9(4) of Delegated Regulation 2015/35.

Equities

As of 31 December 2025, MSIG Europe does not hold any equity positions.

Derivatives

Listed derivative contracts are valued using quoted prices and are classified as quoted market prices. Over the counter ('OTC') currency options are valued by the counterparty using quantitative models with multiple market inputs such as foreign exchange rate volatility. The market inputs are observable, and the valuation can be validated through external sources. Therefore, OTC derivative contracts are classified as adjusted quoted market prices.

The value of derivative liabilities has been included in other liabilities as shown in the table per section D.3 of this report.

3. Reinsurance recoverables

On the BEGAAP balance sheet reinsurance recoverables represent the reinsurers' share of the provision for outstanding claims and unearned premiums. The reinsurers' share of the provision for unearned premiums, according to BEGAAP, is calculated on the reinsurance premiums less commission expenses for acquisition. On the Solvency II balance sheet reinsurance recoverables represent amounts due from reinsurers on unsettled claims arising from the related reinsurance contracts.

Please refer to subsection D.2.5 for a bridge table from BEGAAP to Solvency II net technical provisions.

4. Insurance, reinsurance and intermediaries receivables

Under Solvency II, insurance, reinsurance and intermediaries receivables represent amounts due at the balance sheet date and are measured at fair value. Given the short-term nature of these receivables, their BEGAAP carrying amount (amortised cost net of bad-debt provisions) is considered not to differ materially from their fair value under Solvency II.

The BEGAAP-to-Solvency II adjustment, amounting to €517.0 million as presented above, relates primarily to receivables that are not yet due and are therefore included in the calculation of technical provisions as future premiums. In addition, certain recourse items are reclassified from assets to technical provisions on the liabilities side.

5. Receivables (trade, not insurance)

Receivables (trade, not insurance) include prepayments, sundry debtors, and other receivables.

The BEGAAP-SII reclass relates to €23.0 million in receivables from accrued interest on corporate and government bonds, which are re-classified to be part of the Investments (incl. participations) line under Solvency II.

The BEGAAP-to-Solvency II valuation adjustment primarily relates to prepayments which are consider to have a market value of zero as these relate to future liability obligations.

Due to the short term nature of the other receivables, the BEGAAP carrying value is considered not materially different from the fair value under Solvency II. Therefore, no other adjustment is made.

6. Deferred tax assets

According to BEGAAP principles, deferred tax is not recognised except for government investment grants and disposal of fixed assets. As MSIG Europe does not have any qualifying deferred tax items, the positions are valued at zero on the balance sheet.

For the Solvency II balance sheet MSIG Europe recognises deferred taxes on the basis of the difference between values of the assets, liabilities and technical provisions assessed in accordance with Solvency II principles and the values ascribed to assets and liabilities as recognised for tax purposes.

The Company considers the requirements of the Circular 2022_27, issued by the NBB on 2 November 2022, which sets out the methodology for the recognition and calculation of deferred taxes under Solvency II.

A deferred tax asset is recognised to the extent that MSIG Europe is capable and allowed to utilise it within the applicable tax legislation. MSIG Europe does not discount its deferred tax assets and liabilities. MSIG Europe offsets deferred tax assets and liabilities only if it has a legally enforceable right to set off and if it relates to taxes levied by the same tax authority on the same taxable undertaking.

MSIG Europe has material deferred tax assets outstanding for the Belgian and UK branches which are predominantly related to tax losses carried foward. These losses can be offset against future profits for an indefinite period. Unused Belgian and UK tax losses were not fully recognized as deferred tax asset, the asset has been limited to the amount which MSIG Europe expects to be able to realise over the next five years.

7. Property, plant and equipment held for own use

Property and equipment are the physical assets utilised by the Company to carry out business activities and generate revenues and profits. For MSIG Europe, it consists of the following:

- Fixtures and fittings;
- Computer equipment; and
- Lease properties.

Solvency II valuation follows the IFRS 16 standard for the lease contracts. Under BEGAAP, however, the standard and corresponding lease assets are not recognised on the balance sheet, resulting in a €33.1 million restatement of assets.

8. Goodwill and intangible assets

Intangible assets are recognised in the Solvency II balance sheet at a value other than zero only if they can be sold separately and it can be demonstrated that there is a value for the same or similar assets that is derived from quoted market prices in active markets. Intangible assets of MSIG Europe consist of internally developed software that do not meet these criteria. As a result, the intangible assets are valued as nil in the Solvency II balance sheet.

Goodwill is also valued at nil on the Solvency II balance sheet in accordance with article 12 of Delegated Regulation (EU) 2015/35.

9. Pension Benefit surplus

The pension benefit surplus contained the mathematical surplus of pension fund assets over liabilities. Please refer to subsection D.3.4 for Retirement benefit obligations.

Solvency II reclassification of BEGAAP balances

For Solvency II reporting purposes there are several reclassifications with the BEGAAP balance sheet. These reclassifications are presentational in nature, thus do not impact the excess of assets over liabilities balance. These have been summarised in the below table and major reclassifications are further explained after.

	Reported under BEGAAP	SII re-class	BEGAAP represented
	€'000	€'000	€'000
Cash and cash equivalents	82,470	96	82,566
Investments (incl. participations)	2,933,970	22,723	2,956,693
Insurance, reinsurance and intermediaries receivables	1,339,839	259	1,340,098
Receivables (trade, not insurance)	97,513	(23,074)	74,439
Derivative liabilities	-	(4)	(4)
Total	**4,453,793**	**(0)**	**4,453,793**

Major reclassifications are on investments. There is a receivable of €23.0 million related to accrued interest on corporate and governments bonds which is considered as part of receivables (trade, not insurance) valuation under BEGAAP, while it is classified as Investments (incl. participations) on the Solvency II balance sheet in line with Solvency II guidance.

D.1.2 Leasing arrangements per material asset class

MSIG Europe entered into several non-cancellable lease arrangements for office space and cars. In accordance with IFRS16, these are recognised on the Solvency II balance sheet as property. Please refer to section A.4 for details on the Company's leases.

D.1.3 Changes made to the recognition and valuation bases used or to estimations

No material changes to recognition principles, valuation bases or estimations have been made since the last Solvency and Financial Condition Report.

D.2 Technical provisions

This section contains an analysis of the Company's Solvency II technical provisions.

Below is a summary bridge of the components of the technical provisions from IFRS to Solvency II. The 2024 Solvency II values have been included for comparative purposes and relate solely to the legacy entity MS Amlin Insurance SE.

	As reported under BEGAAP	SII valuation adjustment	SII balance sheet 2025	SII balance sheet 2024
	€'000	€'000	€'000	€'000
Technical provisions	3,937,741	(1,258,466)	2,679,275	1,269,634
Reinsurance recoverables	(1,163,184)	349,718	(813,466)	(76,068)
Net technical provisions	**2,774,557**	**(908,748)**	**1,865,809**	**1,193,567**

The significant increase in technical provisions is primarily driven by the merger and the incorporation of the former entity MSIG Insurance Europe AG (€468.6 million). The remaining movements are further described below.

The remaining increase in the gross technical provisions compared to last year can be primarily explained by the increases of the earned claims (€143.6 million), the Solvency II expenses (€18.3 million), the unearned claims (€13.6 million) and less profit on unincepted legally obligated business (€3.6 million). This is partly offset by the increase in discount credit (€27.8 million) and future premiums (€2.1 million).

The remaining increase in reinsurance recoverables is mainly due to the decrease in future premium (€30.5 million) and less profit on unincepted legally obligated business (€5.6 million). This is partly offset by an decrease in the earned claims (€15.0 million) and unearned claims (€5.2 million)..

D.2.2 Best estimate plus risk margin by Solvency II line of business

The table below shows the Solvency II technical provisions, including the amount of the best estimate and risk margin separately for each material line of business.

	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	Other SII lines of business	Total 2025	Total 2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Total best estimate - gross	267,870	51,126	295,101	664,091	1,193,502	24,755	19,526	2,515,970	1,175,748
Less: Total best estimate - reinsurance	(16,810)	(1,561)	(45,030)	(340,870)	(392,384)	(11,754)	(5,057)	(813,466)	(76,068)
Total best estimate - net	**251,060**	**49,565**	**250,071**	**323,221**	**801,117**	**13,001**	**14,469**	**1,702,504**	**1,099,681**
Add: Risk margin	24,082	4,754	23,987	31,003	76,843	1,247	1,388	163,304	93,886
Technical provisions - total	**275,142**	**54,320**	**274,058**	**354,224**	**877,961**	**14,248**	**15,857**	**1,865,809**	**1,193,567**

D.2.3 Description of bases, methods and main assumptions

Introduction

The Solvency II technical provisions are calculated as the sum of a best estimate of the insurance liabilities and a risk margin.

The best estimate portion of the Solvency II technical provisions represents the sum of probability-weighted average future cash flows in respect of all policies that are legally obligated as at the valuation date, taking into account the time value of money (expected present value of future cash flows) using the EIOPA risk-free rate term structure. These future cash flows include future premium receipts, future claims payments, future reinsurance spend, future reinsurance recoveries and associated future expense cash flows.

The risk margin represents the risk premium that would be required to be paid to a third party in order to take over and meet the insurance and reinsurance obligations over their lifetime.

Best estimates: the foundation of the IFRS, BEGAAP and Solvency II technical provisions

The actuarial best estimate reserves calculated as part of the IFRS and BEGAAP balance sheet form the foundation of the best estimate portion of the Solvency II technical provisions. This is adjusted to allow for Solvency II principles.

Full year projections

Projections are carried out at a reserving class level using standard actuarial techniques and incorporating actuarial judgement. Ultimate claims are selected using reserving tools which allow a variety of standard actuarial reserving methods to be used. Input from underwriters is provided at an early stage of the process in order to capture information such as changes in the portfolio and softer information such as market conditions.

All assumptions are reviewed in light of the diagnostics and other information. All projections are subject to review by the actuarial team and by a wider audience including representatives from the underwriting, risk, claims and senior management teams.

In the case of large or catastrophe losses, the actuaries make use of expert knowledge from the claims and underwriting departments.

Actuarial judgement

The projections are subject to a certain amount of judgment as many, often conflicting, factors are considered when determining the ultimate income and losses.

Best estimate full year projections – calculation of earned portion and estimation of unearned incepted claims

In the reserving process underwriting year projections are carried out for all branches. The premium ultimates are split between the earned-to-date and the expected earnings in the future period, based on the earning patterns of each reserving class. The unearned claims are used unadjusted in the Solvency II process as part of the premium provision. The earned claims are part of the claims provision.

Gross future premiums

Solvency II requires the technical provisions to include all gross future premium cash flows except overdue premium debtors.

The starting point for this amount is the IFRS not-yet-overdue premium debtors figure. This is adjusted for specific known differences in the basis of preparation between Solvency II and IFRS which are explained below (see section on discount credit).

The resulting future premium value is allocated by class, and then split between earned (claims provision) and unearned (premium provision). The method for the legacy entity MSIG Insurance Europe AG, following the merger, follows a slightly different approach where it is assumed that all future premium lies within the premium provision.

Reinsurance future premiums

The Solvency II technical provisions include:

- All future reinsurance premiums (incl. Reinstatement premiums) that are legally obligated; and
- A contribution towards reinsurance to be bought in the future providing cover to inwards legally obligated gross business. The method for the portfolio related to the legacy entity MSIG Insurance Europe AG is slightly different and no specific allowance is made as a result of materiality.

Expenses

Under Solvency II, all future expenses that will be incurred in servicing existing policies are allowed for.

Future expense cash flows are captured using expense percentage assumptions and applying those to future cash flows. Expense percentage assumptions are calibrated using the current forecast for the annual expense budget.

Unincepted legally obligated contracts

Solvency II requires the inclusion of future cash flows in respect of all contracts that are legally obligated at the valuation date. This includes contracts that will incept after the valuation date but have been written prior to the valuation date. MSIG Europe looks at expected future inceptions and assumes two to three months of this business is legally obligated reflecting that most contracts have a cancellation clause of two or three months and as such would be known in advance.

Initial expected loss ratios are applied to these expected premiums to calculate expected losses. Other items such as reinsurance bad debt, expenses and discount credit associated with these contracts are explained in other paragraphs of this section.

Reinsurance obligation adjustments

The Solvency II technical provisions include all future reinsurance premiums that are legally obliged and a contribution towards reinsurance to be bought in the future providing cover to inwards legally obligated gross business. The latter is done on a ‘correspondence’ basis where the cost of the cover is shared across the relevant legally obligated and non-legally obligated gross business.

Settled but unpaid claims

Gross settled but unpaid claims and reinsurance debtors are transferred into the Solvency II technical provisions which have a neutral impact on the Solvency II own funds.

Reinsurance bad debt

Where appropriate, an allowance is made for potential bad debt on reinsurance recoveries. Charge factors are applied to the outwards reinsurance cash flows as these run off over time. Charge factors represent the mix of reinsurer ratings for relevant lines of business, probability of default and expected recoveries given default.

Discount credit

Under Solvency II all cash flows are discounted for the time value of money. The yield curves are the risk-free interest rates issued by EIOPA with the volatility adjustment applied in the technical provisions calculation.

Segmentation

Solvency II requires technical provisions to be reported by line of business and original currency. Reserves are analysed at a level which ensures that volumes of data remain credible. In rare cases, an allocation is required before Solvency II technical provisions can be mapped to lines of business and original currencies.

Risk margin

The risk margin is calculated using the standard formula SCR and represents the risk premium that would be required to be paid by a third party in order to take over and meet the insurance and reinsurance obligations over their lifetime.

Conceptually, the risk margin is calculated as the discounted cost of capital required to be held in order to run off legally obligated business. Therefore, an SCR is calculated for each future year during the run-off period. A discounting factor is applied by using the EIOPA risk-free interest rate without volatility adjustment.

Market risk is not included in the calculation of the SCR because, if the insurance liabilities were transferred to a third party, it would be expected that the third party would be able to switch to a risk-free investment portfolio.

The SCR is assumed to run off proportionally to the technical provisions, considering the delay in run-off of the premium risk. This assumption is a good approximation since most sub-risks are heavily influenced by the size of the technical provisions. For example, the counterparty default risk is dependent on the size of the reinsurance coverage, which in itself is closely related to the net technical provisions. The remaining risks are not material. It is a requirement to allocate the risk margin to Solvency II line of businesses and therefore the risk margin is allocated to Solvency II line of business in proportion to the future claims at the reporting date.

D.2.4 Level of uncertainty associated with the Solvency II technical provisions

Most of the uncertainty in the Solvency II technical provisions arises in the process of setting quarterly reserves. The inputs for the net earned future claims and future premiums come directly from the quarterly projections of the ultimate premiums and ultimate claims.

The assessment of the reserves is based on commonly accepted actuarial techniques applied in a consistent manner. Whilst professional judgment has been exercised in all instances, projections of future ultimate losses and loss expenses are inherently uncertain due to the random nature of claim occurrences. The accuracy of the results is dependent upon the accuracy of the underlying data and additional information supplied to the actuarial teams.

The projections are also dependent on future contingent events and are affected by many additional factors, including:

- Claim reserving procedures and settlement philosophy;
- Social and economic inflation;
- Legislative changes;
- Changing court and jury awards;
- New sources of claims;
- Changes in the frequency and/or severity of extreme weather events;
- Improvements in medical technology;
- Changes in policyholder behaviour;
- Underwriting and reserving cycles;
- Other economic, legal, geopolitical and social trends; and
- Random fluctuations, particularly on small accounts.

For long-tailed classes, where development potential exists but is not present in historical data, a specific allowance is made within the IBNR. The level of uncertainty naturally reduces over time as claims are reported and settled, depending upon the nature of the event, the complexity of the losses and the potential for disputes.

Sources of uncertainty that are more specific to the nature of underwriting risks written are explained in the remainder of this section.

Property catastrophe losses: Catastrophe losses by nature are large and often unpredictable and hence can often give rise to additional uncertainty. There is a relatively large amount of uncertainty in respect of future events.

Large (disputed) 'risk' losses: Individual large losses can give rise to relatively high levels of uncertainty, particularly where there is an element of dispute, litigation or uncertainty as to the form of the claimed losses, including reinsurance collections.

Emergence of new latent claims: Some classes are exposed to latent claims, in particular liability classes. Where new claim types have arisen, it can take many years for the full scale of the number and size of claims to emerge. For claims yet to arise there is additional uncertainty around how much allowance to consider for future unknown claim types.

Established long-tailed classes: Long-tailed classes can give rise to relatively large amounts of uncertainty due to the size of the best estimate reserves held in respect of them and the fact that the oldest years may not be fully developed. In particular, the possibility exists for legislative changes applying both prospectively and potentially retrospectively that could affect multiple accounting years. Additionally, if there are development changes in more recent years, the changes may take some time to emerge.

Changes in the mix of business/re-underwriting and case reserving procedure: Some classes have undergone a change in the mix of business written or rate changes in recent years. Other classes have undergone changes in claim handling policy. These changes impact the development profile of relevant lines of business and the expected loss ratios. For long-tailed classes, the considerations regarding uncertainty can be similar to those for new long-tailed classes. The effect of rate changes and re-underwriting on more recent underwriting years is uncertain and hence less weight can be placed on the historic development.

Other components of the Solvency II technical provisions also have some uncertainty, although typically to a lesser extent. The material areas of uncertainty related to each of the other components is set out below.

Expenses: In estimating the expenses, the starting point is the expense budget for the upcoming year. Assumptions are used to estimate the proportion of annual expenses required to service existing policies for the run-off pattern of the liabilities. There is a medium level of uncertainty on all of these assumptions.

Unincepted legally obligated contracts: A large proportion of policies, underwritten by MSIG Europe, incept at 1 January each year. This means that for the year-end calculation there are large amounts of future premiums and future claims arising from these unincepted but legally obligated contracts. Uncertainty in these items arises not only from the same factors mentioned above, but also from the quality of the business plan used to set assumptions, including premium volumes by inception month, loss ratios, and the volume of binders written. There is also uncertainty around whether the business plan will be achievable given the commercial conditions in place at the time of writing.

Factors influencing whether the unincepted premium will be more or less than expected are less material to the overall technical provisions, as any difference in unincepted premium will partially be offset by a corresponding movement in the unincepted claims. Factors relating to the loss ratio used to calculate the unincepted claims, contributes to a larger level of uncertainty in the overall technical provisions.

Future reinsurance premiums: The proportion of reinsurance contracts that are losses-occurring, the earnings patterns and the nature of the reinsurance contracts (quota share or excess of loss) are important parameters in the calculation. The key assumption underlying all of these is that management will continue to buy the same/similar reinsurance programme in future years. While this assumption is reasonable based on a stable portfolio, there is uncertainty over what the future state of the Company's reinsurance covers will look like in the coming years; as well as the availability and price of reinsurance which could influence management decisions.

Reinsurance bad debt: There is considerable uncertainty in this amount, driven by whether or not recoverable events occur, future economic conditions and the long term solvency of individual reinsurers. However, the reinsurance bad debt is an immaterial part of the total technical provisions, so there can be no large impact on the overall technical provisions arising from this uncertainty.

Risk margin: The methodology to calculate the risk margin is prescribed, and depends only on the SCR, which is calculated using the standard formula, and its expected run-off. Uncertainty arises from the inputs into the standard formula and the assumed cash flows used to run-off the SCR.

Discount credit: The yield curves used for discounting are prescribed by EIOPA including volatility adjustment. Uncertainty arises from assumptions around the timing of any cash flows, driven by both the timing of claim events and the period needed to settle claims and the overall level of the interest rates. Given the current economic circumstances, the uncertainty on the overall technical provisions is high.

Inflation: The level of inflation over the past years has been higher and more volatile than the average of the past decades. Whilst inflation remains a lower concern than in recent years, there is could be a notable impact to the provisions given the long tailed nature of the portfolio, as such this is continued to be monitored closely.

D.2.5 Material differences between BEGAAP and Solvency II technical provisions

The adjustments required to bridge the gap from BEGAAP reserves to Solvency II technical provisions as at 31 December 2025 are shown below both at the total level and for the lines of business that are most material for MSIG Europe.

Most of the adjustments are explained in the preceding sections. Additional items are explained underneath the table. IFRS data split by Solvency II line of business represents an approximation since not all business is allocated at source to a line of business. As a result, in some cases, judgement has been used.

	Motor vehicle liability €'000	Other motor €'000	Marine, aviation and transport €'000	Fire and other damage to property €'000	General liability €'000	Miscellaneous financial loss €'000	Other SII Lines of Business €'000	Total 2025 €'000
BEGAAP net technical provisions	**413,705**	**81,675**	**411,289**	**523,812**	**1,298,868**	**21,423**	**23,785**	**2,774,557**
Removal of unearned premium, equalization reserve, expenses and margin provisions	(139,911)	(11,863)	(126,829)	(195,187)	(367,328)	(2,695)	(6,916)	(850,729)
Settled but unpaid claims	(1,120)	(271)	(1,709)	(1,270)	(3,501)	(554)	(84)	(8,510)
Earned Claims	**272,674**	**69,542**	**282,750**	**327,355**	**928,038**	**18,174**	**16,784**	**1,915,318**
Future premium and reinsurance obligation adjustment	(31,607)	(30,409)	(150,026)	(88,537)	(62,896)	(8,677)	(1,751)	(373,902)
Unearned Claims	18,901	19,580	89,499	107,471	65,365	3,892	1,151	305,859
Profit on unincepted legally obligated contracts	(3,831)	(17,460)	(11,104)	(57,899)	(65,472)	(5,505)	(2,114)	(163,385)
SII expenses	22,894	11,198	51,256	50,802	96,632	6,371	2,182	241,335
Allowance for reinsurance bad debt	31	4	75	669	1,313	267	21	2,379
Discount credit	(28,003)	(2,890)	(12,378)	(16,641)	(161,863)	(1,520)	(1,804)	(225,099)
Risk margin	24,082	4,754	23,987	31,003	76,843	1,247	1,388	163,304
SII net technical provisions	**275,142**	**54,320**	**274,058**	**354,224**	**877,960**	**14,248**	**15,857**	**1,865,809**

Earned claims: Starting from the BEGAAP net reserves, first the components which are not recognised under Solvency II are removed, namely the provision for unearned premium net of deferred acquisition costs, the expenses as well as part of the earned prudency margin. Secondly, before obtaining the earned claims under Solvency II, the settled but unpaid claims have to be added.

Future premiums and reinsurance obligation adjustment: This is a combination of the future premiums obtained (€411.6 million) and the reinsurance obligation adjustments (€37.7 million).

D.2.6 Matching adjustment or transitional measures

The Solvency II technical provisions calculations do not apply the matching adjustment or transitional measures referred to in Article 77b and 308d of Delegated Regulation (EU) 2009/138.

D.2.7 Reinsurance recoverables

The calculation of reinsurance recoverables is explained in more detail in prior sections (best estimate full year projections and unincepted legally obligated contracts). In calculating the reinsurance recoveries and the reinsurance premiums, the characteristics of the Company's reinsurance programmes are considered.

The outward reinsurance contracts are written on a variety of bases, including risks attaching, losses occurring, excess of loss and quota share bases, and with a variety of reinsurers. MSIG Europe does not have outwards reinsurance contracts with special purpose vehicles.

D.2.8 Material changes in methodology and assumptions

There are no material changes in methodology and assumptions during the reporting year.

D.3 Other liabilities

Solvency II valuation methods and differences compared to BEGAAP and IFRS per material other liabilities class

	Note	Reported under BEGAAP €'000	SII reclass €'000	SII valuation adjustment €'000	SII balance sheet 2025	SII balance sheet 2024 €'000
Technical provisions		3,937,741	-	(1,258,466)	2,679,275	1,269,634
Insurance, intermediaries and reinsurance payables	1	748,039	-	(135,282)	612,756	-
Payables (trade, not insurance)	2	211,795	-	39,978	251,773	219,963
Derivative liabilities	3	-	4	115	119	1,396
Retirement benefit obligations	4	6,896	-	(730)	6,166	5,681
Deferred tax liabilities	5	-	-	60,392	60,392	33,738
Subordinated liabilities	6	-	-	-	-	2,655
Total Liabilities		**4,904,470**	**4**	**(1,293,993)**	**3,610,482**	**1,533,067**
Total Assets		**5,731,039**	**4**	**(899,904)**	**4,831,139**	**2,408,433**
Excess of Assets over Liabilities		**826,569**	**(0)**	**394,089**	**1,220,657**	**875,366**

The above table presents the bridge from BEGAAP to Solvency II for liabilities, distinguishing between reclassifications and valuation adjustments as at 31 December 2025. The 2024 Solvency II balance sheet has been included for comparative purposes based on the Solvency II balance sheet of the legacy company MS AISE.

The breakdown into liability classes in the above table is less granular than the S.02.01 QRT, as presented in the annex. This is to allow a clearer understanding of the valuation differences.

For information on the Solvency II reclassifications reference is made to the explanation in section D.1 Assets. For information on technical provisions, reference is made to section D.2 Technical provisions.

BEGAAP to SII adjustments

1. Insurance, intermediaries and reinsurance payables

Similar to the insurance and reinsurance receivables as described under section D.1, due to the short term nature of these payables, the BEGAAP carrying value is not materially different from the fair value under Solvency.

The BEGAAP-to-Solvency II adjustment, amounting to €135.3 million as presented above, relates primarily to reclasses which have been made for settled but not paid claims and reinsurance premiums payable but not-yet-due at the balance sheet. These amounts have been transferred to technical provisions. Please refer to section D.2 for further details on technical provisions and the valuation thereof.

2. Payables (trade, not insurance)

Under BEGAAP, trade and other payables represent liabilities to pay for goods or services that have been received or supplied in the normal course of business, invoiced by the supplier before the balance sheet date, but for which payment has not yet been made. Trade payables consists principally of accruals for future expenses, payables to other MSI Group entities and other sundry payables.

For Solvency II purposes, the valuation adjustment relates mainly to lease liabilities, which are measured in accordance with IFRS 16 but are not recognised on the balance sheet under BEGAAP. In addition, the

Solvency II balance sheet recognises further future obligations as other payables towards the service and sister entity MS ACS.

3. Derivative liabilities

As mentioned in section D.1 Assets, under BEGAAP investments (incl. derivative liabilities) are recognised at at historical cost value less impairment and allowance for bad debt. As the book value of the derivative liabilities is valued at zero, BEGAAP balance is nil.

Please refer to section D.1 for valuation methods and details surrounding MSIG Europe's investments portfolio.

4. Retirement benefit obligations

Under BEGAAP, the liability recognised on the balance sheet in respect of defined benefit pension plans is the fair value of plan assets less the present value of the defined benefit obligation at the reporting date, together with adjustments for restrictions on the recognition of a defined benefit asset due to an asset ceiling. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates set on the basis of the yield of high-quality debt instruments (AA rated or equivalent) issued by blue-chip companies, with maturities consistent with those of the defined benefit obligations.

There is no difference in the valuation of the defined benefit pension liability between Solvency II and BEGAAP. The disclosed restatement of €0.7 m does not relate to defined benefit pension plans. It concerns a pension provision that must be recognised at the French branch in accordance with local regulatory requirements. For completeness, this amount has been reclassified from payables (trade, not insurance) and presented as retirement benefit obligations under BEGAAP. Under Solvency II, however, valuation follows IAS 19, and based on the recognition criteria in that standard, the provision is not recognised.

5. Deferred tax liabilities

As explained in section D.1, according to BEGAAP principles, deferred tax is not recognised except for government investment grants and disposal of fixed assets. As MSIG Europe does not have any qualifying deferred tax items, the positions are valued at zero on the balance sheet.

Reference is made to section D.1 for valuation methods surrounding deferred tax positions. There is a SII deferred tax liability primarily related to the Dutch, French and German branches, which is adjusted under Solvency II following the impact of valuation differences on assets, liabilities and technical provisions between the tax ledger and Solvency II.

Current tax liabilities are included within payables (trade, not insurance) and are measured at fair value for Solvency II purposes.

6. Subordinated liabilities

The outstanding subordinated loan was redeemed to MS ACS during the reporting year. Consequently, no remaining liabilities are outstanding as at 31 December 2025.

7. Contingent liabilities

MSIG Europe does not have any material contingent liabilities to disclose under Solvency II.

D.4 Alternative methods for valuation

Methods of valuation for items other than net technical provisions recognised in the Solvency II balance sheet and valued based on quoted market prices or adjusted quoted market prices have been disclosed in section D.1 and D.3 of this report.

MSIG Europe's property fund investments are valued by using an alternative valuation method. The most recent net asset value provided by the fund managers is used. The net asset values, which may be a quarter in arrears, are determined by the fund managers using proprietary cash flow models. Rental growth and income are expected to be the predominant drivers of returns rather than capital appreciation. In certain instances, adjustments are made to bring the net asset value to a more current valuation. The inputs into that valuation, such as discount rates, are primarily unobservable and as a result, these assets are classified as alternative valuation methods. Where an investment is made into a new property fund the transaction price is considered to be the fair value if that is the most recent price available. The value of MSIG Europe's property fund portfolio is based on the net asset value provided by the investment manager, CBRE Global Collective Investors UK Limited.

The Company's investment into the fund managed by LGT Capital Partners, is also being revaluated via an alternative valuation method as it concerns private equity. The fund administrator periodically calculates the net asset value ('NAV') based on the records which are maintained independently of any other party involved. To maintain this independence, the fund administrator has separate and direct access to all documents and information provided by the general partners or managers of the underlying investments. Private equity valuations are generally based on the latest available NAV reported by the general partners or managers of the underlying investments, provided the NAV has been appropriately determined by using proper fair value principles (e.g. IFRS, USGAAP, etc.).

Furthermore, the present value of MSIG Europe's defined benefit pension plan obligation is determined by using an alternative valuation method (as described in section D.3 of this report).

During the reporting period, MSIG Europe had no other material assets or liabilities valued by using alternative valuation methods in accordance with Article 10(5) of the Delegated Regulation (EU) 2015/35.

D.5 Any other information

The risks associated with the assets and liabilities set out in sections D.1 to D.4 of this report and how these are managed in accordance to Article 260 of the Delegated Regulation (EU) 2015/35 are explained in section C of this report.

All other material information relating to the Company's valuation for solvency purposes has been disclosed in sub-sections D.1 to D.4 above.

Section E - Capital Management

E.1 Own funds

Capital management

MSIG Europe's approach to capital management aims to ensure that MSIG Europe maintains sufficient capital for regulatory and rating agency purposes, can withstand major catastrophe claims, can attract good quality business and be able to exploit opportunities for profitable growth.

MSIG Europe's diverse spread of underwriting risk and geographical exposure among thirty principal classes of business, spread over four material Solvency II lines of businesses which are described in section A of this report, helps to increase capital efficiency through diversification of risks.

MSIG Europe believes that significant value can be added over the insurance cycle, through a combination of organic growth and carefully selected acquisitions. MSIG Europe's goal is to maintain a diverse and balanced portfolio, which reduces volatility and enhances capital efficiency.

Capital deployment to meet short and long term business needs is balanced with the need to meet the requirements of stakeholders. MSIG Europe operates a planning period of three to five years. Business plans are reviewed and debated at executive level and approved by the Board. MSIG Europe ensures that it continuously maintains own funds of suitable quality and permanence to meet the relevant tier requirements of Solvency II, whilst making prudent use of instruments to enhance the earnings of the entity. In line with the Company's Capital Management Policy, at least 80% of the SCR should be covered by Tier 1 own funds and no more than 15% of the SCR should be covered by Tier 3 own funds (with the balance being Tier 2 basic own funds).

MSIG Europe's policy is to actively manage capital in order to meet regulatory requirements and contribute to the Company's target to deliver a cross-cycle return on equity after tax in excess of 10% (2024: 10%), which will be reviewed should the Company move to an internal model and away from the standard formula.

MSIG Europe's internal target level for the Solvency Ratio is 150% (based on the standard formula) during the reporting year, as captured in the Company's Capital Management Policy. As Solvency numbers can be volatile a tolerance of 10% is allowed around the target of 150%. This means that once the solvency ratio falls below the 140%, capital management actions will be planned to bring the ratio back to 140%. If the solvency ratio exceeds 160% sustainably and throughout the entire reporting year, the surplus own funds would be considered for business growth opportunities and strategic initiatives, increase in risk taking or for dividend distribution.

Differences between BEGAAP and Solvency II net asset value

	2025 €'000	2024 €'000
BEGAAP net asset value	**826,569**	**587,273**
Deferred taxes and IFRS16 assets & liabilities	(43,272)	(26,510)
Financial assets at fair value	19,031	57,391
Solvency II technical provisions adjustment	908,748	667,875
Removal of goodwill, intangible assets and prepayments	(108,667)	(105,058)
Future premiums and claims adjustments	(381,752)	(305,604)
Excess of assets over liabilities – Solvency II	**1,220,657**	**875,366**

Sections D.1 to D.3 of this report explain the Solvency II valuation methods and adjustments to the BEGAAP net asset value.

Available own funds

As at 31 December 2025, MSIG Europe had available own funds of €1.220.7 million (2024: €878.0million). MSIG Europe does not have any non-available or non-transferrable own funds. MSIG Europe's available own funds are made up of:

	2025 €'000	2024 €'000
Excess of assets over liabilities	1,220,657	875,366
Subordinated liabilities	0	2,655
Total basic and available own funds	**1,220,657**	**878,021**

MSIG Europe's available own funds only consists of basic own fund items. Basic own funds primarily consist of the Solvency II excess of assets over liabilities. The subordinated liability that qualified as own funds in accordance with Article 73 of Delegated Regulation (EU) 2015/35 was redeemed during the year and is therefore no longer included in the available own funds.

MSIG Europe does not have any ancillary own funds.

Own funds structure

	2025				2024			
	Total €'000	Tier 1 €'000	Tier 2 €'000	Tier 3 €'000	Total €'000	Tier 1 €'000	Tier 2 €'000	Tier 3 €'000
Ordinary share capital	345,000	345,000	-	-	140,000	140,000	-	-
Reconciliation reserve	875,657	875,657	-	-	735,366	735,366	-	-
Subordinated liabilities	-	-	-	-	2,655	-	2,655	-
An amount equal to the value of net deferred tax assets	-	-	-	-	-	-	-	-
Total own funds	**1,220,657**	**1,220,657**	**-**	**-**	**878,021**	**875,366**	**2,655**	**-**

The table above shows the composition and quality of own funds as at 31 December 2025 and 31 December 2024.

Available own funds are classified into tiers based on the extent to which they possess the characteristics of permanency and subordination. Four further features are also taken into consideration, namely:

- Sufficient duration;
- An absence of incentives for redemption;
- An absence of mandatory servicing costs; and
- An absence of encumbrances.

Based on these classification criteria, called up and fully paid ordinary shares and reconciliation reserve are Tier 1 items.

The subordinated debt was issued by MS Amlin Corporate Services Limited ('MS ACS') to MSIG Europe. The agreement was drafted in line with Articles 72 and 73 of the Delegated Regulation (EU) 2015/35 and the subordinated liability was therefore classified as Tier 2 capital for Solvency II purposes. In December 2025, the subordinated loan was redeemed by MSIG Europe to its sister company MS ACS and as at 31 December 2025, Tier 2 capital is nihil.

Tier 3 own funds represent net deferred tax assets only. As at 31 December 2025, Tier 3 capital is nihil due to deferred tax liabilities being higher as deferred tax assets on the Solvency II balance sheet. Please refer to section D.1 for details of deferred tax valuation.

Analysis of significant changes to available own funds during the period

Movements in the reconciliation reserve

The primary component of the available own funds is the reconciliation reserve, which represents the excess of assets over liabilities as valued in the Solvency II balance sheet. Movements in the reconciliation reserve during 2025 are presented in the table below. Following the merger, as described in section A.1, a capital contribution was made by the parent company, resulting in an increase in share capital of €205.0 million. The corresponding residual impact on the reconciliation reserve has been estimated using the 2024 Solvency II balance sheet of the legacy entity MSIG Insurance Europe AG, and is reflected in the table below.

	€'000
Reconciliation reserve at 31 December 2024	**735,366**
Movements in Solvency II balance sheet	
Increase in financial assets	259,717
Net increase in insurance, reinsurance and non-insurance receivables as well as payables	18,137
Increase in other assets	(3,262)
Increase in net technical provisions	(203,788)
Increase in other liabilities	15,641
Increase in reconciliation reserve because of merger	53,846
	140,291
Reconciliation reserve at 31 December 2025	**875,657**

The movements in the Solvency II balance sheet include impact of changes to the BEGAAP net assets, and the movements in the Solvency II valuation adjustments.

The business growth experienced by the Company over the reporting period leads, on the one hand, to additional premium receivables and an increase in financial assets. On the other hand, business growth also results in higher technical provisions as well as insurance, reinsurance and other receivables. In addition, the incorporation of the portfolio related to the former MSIG Insurance Europe AG entity, following the merger, also results in a higher reconciliation reserve.

The increase in technical provisions is further described in section D.2 of this report.

Other available own funds

Other available own funds consists solely of the ordinary share capital and has increase during the report year following the contribution in kind by the parent company, as disclosed above and presented in the below table.

	€'000
Ordinary share capital at 31 December 2024	**140,000**
Capital increase by contribution in kind	205,000
Ordinary share capital at 31 December 2025	**345,000**

No other material valuation changes to the available own funds items.

Own funds to cover Solvency Capital Requirement and Minimum Capital Requirement

The eligible amounts by tier to cover the Solvency Capital Requirement (‘SCR’) and the Minimum Capital Requirement (‘MCR’) are shown in the table below:

	2025				2024			
	Total	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Eligible own funds covering SCR	1,220,657	1,220,657	-	-	878,021	875,366	2,655	-
Eligible own funds covering MCR	1,220,657	1,220,657	-	-	878,021	875,366	2,655	-
SCR	742,346				538,496			
MCR	323,647				219,094			
Solvency ratio	164.4%				163.1%			
MCR ratio	377.2%				400.8%			

As at 31 December 2025 MSIG Europe's Solvency Ratio was 164.4% (2024: 163.1%). This increase is driven by the growth in own funds, partially offset by a higher SCR. Both components are also influenced by the merger, as described in section A.1. For further details on own funds movements, please refer to the explanations above, while SCR variances are outlined in section E.2.

There is no restriction to Tier 1 capital. Furthermore, Tier 3 capital, representing the net deferred tax assets on the Solvency II balance sheet, is nihil as at 31 December 2025 due to tax liabilities being higher as the corresponding assets. Therefore, the 15% limit imposed by Article 82 of Delegated Regulation (EU) 2015/35 is respected.

The amount of eligible own funds to cover the MCR should exclude Tier 3 capital as ineligible. However, as Tier 3 own funds is valued at zero at 31 December 2025, no specific restatement is required. There are no restrictions to Tier 1 and 2 capital in respect of MCR coverage.

The SCR is calculated using the standard formula as prescribed in the Solvency II Directive and other Delegated Regulations. The calculation is explained in section E.2 of this report.

Analysis of significant changes to Solvency II Ratio during the period

	€'000	Solvency II Ratio
Total available own funds over SCR at 1 January 2025	**339,525**	**163.1%**
Change in BEGAAP net assets	239,296	44.4%
Change in Solvency II valuation adjustments	105,995	19.7%
Change in subordinated liabilities value	(2,655)	0.1%
Change in SCR	(203,850)	(62.8%)
Available own funds over SCR at 31 December 2025	**478,311**	**164.4%**

The change in BEGAAP net assets reflects the Company's BEGAAP profit after tax of €34.4 million. In addition, all components noted above are influenced by the incorporation of the former MSIG Insurance Europe AG into the Company following the merger.

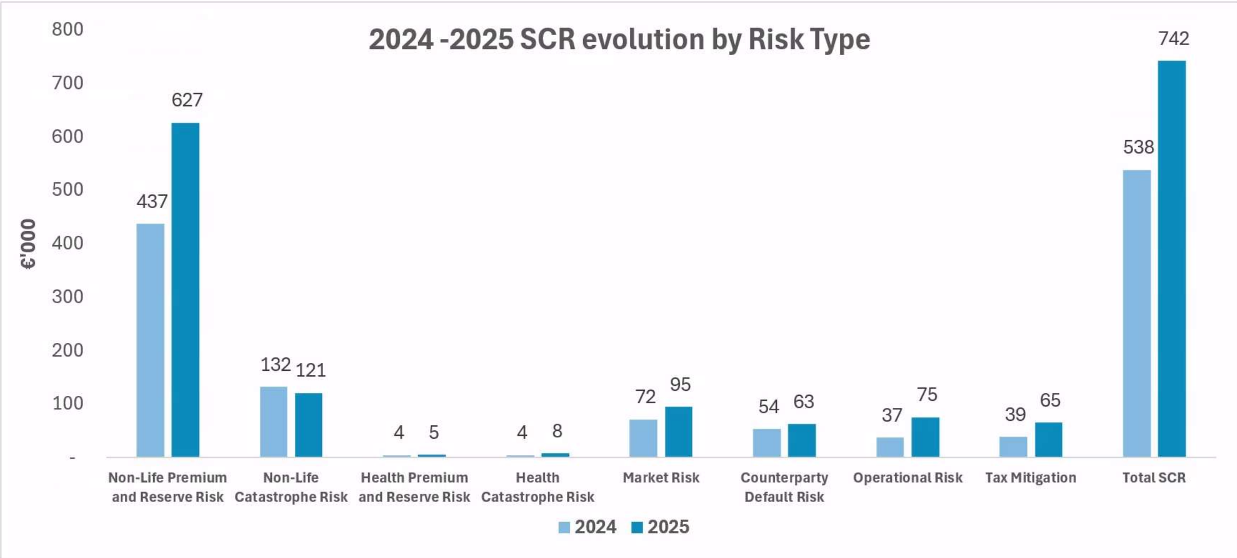
The changes in Solvency II valuation adjustments reflect those movements in sections D.1 to D.3 of this report. The change in SCR and MCR is explained in section E.2 of this report.

E.2 Minimum Capital Requirement and Solvency Capital Requirement

E.2.1 Solvency Capital Requirement ('SCR')

MSIG Europe SE uses the Standard Formula to calculate the SCR. As at 31 December 2025, the total SCR amounted to €742.3 million, representing an increase of €203.9 million compared with 31 December 2024 (€538.5 million). This increase was primarily driven by the merger, as referenced under section A.1.

The chart below illustrates the movement in individual SCR components over the period.



The sum of the standalone risk categories exceeds the total SCR due to diversification benefits available to the Company. These arise from the geographic, product and capital diversification applied by MSIG Europe SE in its risk management framework, reflecting the fact that not all risks are expected to crystalise simultaneously.

The main components driving the total SCR of MSIG Europe SE are:

1. **Non-life premium and reserve risk** (€627.0 million compared with €437.4 million in 2024), of which the standalone reserve SCR amounts to €401.4m. The increase is primarily attributable to the merger between the former entities MS AISE and MSIG EU.

2. **Market risk** (€94.6 million compared with €71.6 million in 2024). This comprises several sub-risks, the largest of which is spread risk (€57.0 million). The magnitude of each sub-risk is dependent on the investment strategy adopted. The increase reflects the impact of the merger.

3. **Non-life catastrophe risk** (€121.1 million compared with €132.4 million in 2024). This risk is mitigated through reinsurance programmes, which reduces the associated capital charge.

4. **Operational risk** (€75.5 million compared with €37.4 million in 2024). Further information on operational risk is provided in section C.5 of this report. The increase reflects the impact of the merger.

5. **Counterparty default risk** (€62.9 million compared with €53.5 million in 2024). This represents the risk of third-party default on contractual obligations, including reinsurers, derivative counterparties and banking institutions. The increase reflects the impact of the merger.

6. **Diversification credit** (€99.8 million compared with €77.1 million in 2024). This represents the capital relief arising from diversification between the different SCR risk modules and is dependent on the relative size and contribution of each module.

7. **Loss absorbing capacity of deferred taxes ('LAC DT')** (€65.2 million compared with €38.9 million in 2024). LAC DT reduces the overall SCR and comprises of two parts. The tax losses carry-back potential which are future losses that can immediately be compensated by corporate income taxes paid on profits made in the current reporting year. Tax carry back facilities exist at the Dutch and French branches. On the other hand, deferred tax liabilities as recognized on the Solvency II balance sheet. No future tax loss compensation or deferred tax assets are taken into consideration by MS AISE as part of the SCR calculation. The increase follows the merger between the two former entities MS AISE and MSIG EU.

No undertaking-specific parameters or matching adjustments are applied in the calculation of the SCR. The duration-based equity risk sub-module is also not used.

The volatility-adjusted EIOPA yield curve, however, is applied in the calculation of the Standard Formula SCR.

E.2.2 SCR movement

Larger movements over the reporting year are explained below.

1. Market risk

Market risk increased by €23.1 million over the reported year. This increase is primarily attributable to the merger, which resulted in higher assets under management and, consequently, a higher market risk exposure. The increase is mainly driven by spread risk, with additional contributing movements from equity risk.

- **Interest rate risk** decreased by €2.7 million, driven by improved assets-liabilities matching under interest rate stress scenarios.
- **Equity risk** increased by €10.3 million, reflecting higher equity exposure during the year.
- **Spread risk** increased by €29.3 million following the merger, reflecting higher assets under management and an increased allocation to corporate and government bonds from European Economic Area.
- **Currency risk** reduced by €4.0 million due to improved matching of assets and liabilities during 2025.
- **Concentration risk** decreased by €1.3 million. The increase in assets under management raised the concentration thresholds, thereby reducing the concentration SCR per exposure.

2. Non-life underwriting risk

Non-life underwriting risk increased by €180.0 million over the year. The majority of this increase arises from non-life premium and reserve risk, partially offset by a reduction in catastrophe risk. The overall movement is primarily driven by the merger of the two former entities MS AISE and MSIG EU.

- **Non-life premium and reserve risk** increased by €189.6 million. This movement reflects higher premium and reserve volumes. Premium volumes increased by €478.2 million (39.6%). Reserve volumes increased by €602.7 million (50.0%).
- **Non-life Catastrophe risk** decreased by €11.3 million over the year. This reduction is driven by an increase in the upper limit of the catastrophe excess-of-loss reinsurance programme, as well as improved reinsurance recoveries modelled within the liability risk scenario.

3. Diversification benefit

The diversification benefit increased by €22.7 million, reflecting the overall increase in total SCR. However, a greater proportion of risk is concentrated within the non-life underwriting risk module, partially limiting the diversification effect.

4. LAC DT

The SCR tax mitigation, referred to as LAC DT, increased during 2025. As noted above, LAC DT comprises two components:

- tax losses caried-back capacity; and
- deferred tax liabilities recognised on the Solvency II balance sheet.

E.2.3 Minimum Capital Requirement (MCR)

The MCR calculation is a linear formula calculated using the net written premiums in the previous 12 months and the net best estimate technical provisions (excluding risk margin). This is subject to a minimum of 25% and maximum of 45% of the SCR. The MCR is subject to an absolute minimum depending on the nature of the undertaking (as defined in Article 129 (1) (d) of the Delegated Regulation (EU) 2009/138).

The total MCR as at 31 December 2025 is €323.6 million, which is 43.6% of the SCR (2024: €219.1 million and 40.7%).

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

MSIG Europe does not use the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Differences between the standard formula and any Internal Model used

MSIG Europe uses only the standard formula in the calculation of the SCR. Therefore, this section is not applicable.

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

As disclosed in section E.1, MSIG Europe holds sufficient capital in excess of the MCR and SCR. This helps to ensure MSIG Europe's eligible own funds exceed SCR and MCR requirements on a continuous basis.

There are currently no foreseeable risks that could result in non-compliance with the SCR and/or MCR requirements.

E.6 Any other information

All material information relating to the Company’s capital management up to 31 December 2025 has been disclosed in sub-sections E.1 to E.5 above.

Annex - specific Quantitative Reporting Templates (all amounts expressed in EUR thousands)

Includes the following public QRTs:

- S.01.02.e
- S.02.01.e
- S.04.05.e
- S.05.01.e
- S.17.01.e
- S.19.01.e.UY
- S.22.01.e
- S.23.01.e
- S.25.01.e
- S.28.01.e

General information

Undertaking name	MSIG Europe SE
Undertaking identification code	5493005Q3501B3PX1S31
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	BE
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	Use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
S.05.01.02 - Premiums, claims and expenses by line of business
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.19.01.21 - Non-Life insurance claims
S.22.01.21 - Impact of long term guarantees measures and transitionals
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	24.041
R0050	Pension benefit surplus	3.368
R0060	Property, plant & equipment held for own use	37.855
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	2.975.840
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	17.636
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	2.733.434
R0140	*Government Bonds*	1.131.735
R0150	*Corporate Bonds*	1.601.699
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	224.684
R0190	*Derivatives*	86
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	813.466
R0280	*Non-life and health similar to non-life*	813.466
R0290	*Non-life excluding health*	808.700
R0300	*Health similar to non-life*	4.766
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	302.387
R0370	Reinsurance receivables	520.676
R0380	Receivables (trade, not insurance)	70.940
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	82.566
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	4.831.139

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	2.679.275
R0520	*Technical provisions - non-life (excluding health)*	2.660.182
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	2.498.132
R0550	*Risk margin*	162.050
R0560	*Technical provisions - health (similar to non-life)*	19.093
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	17.839
R0590	*Risk margin*	1.254
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	6.166
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	60.392
R0790	Derivatives	119
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	89.467
R0830	Reinsurance payables	523.289
R0840	Payables (trade, not insurance)	251.773
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	3.610.482
R1000	**Excess of assets over liabilities**	1.220.657

S.04.05.21

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

		Home Country	Top 5 countries (by amount of gross premiums written): non-life				
R0010			NL	GB	FR	DE	ES
		C0010	C0020	C0021	C0022	C0023	C0024
	Premiums written (gross)						
R0020	Gross Written Premium (direct)	313.686	598.638	166.968	461.283	227.193	44.587
R0021	Gross Written Premium (proportional reinsurance)	3.488	9.657	7.992	58.852	54.526	15.115
R0022	Gross Written Premium (non-proportional reinsurance)						
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)	305.612	580.399	161.971	466.050	228.865	43.457
R0031	Gross Earned Premium (proportional reinsurance)	4.156	9.598	7.646	57.028	57.357	15.108
R0032	Gross Earned Premium (non-proportional reinsurance)						
	Claims incurred (gross)						
R0040	Claims incurred (direct)	235.191	321.817	79.983	132.651	111.694	14.316
R0041	Claims incurred (proportional reinsurance)	1.135	1.011	2.495	6.946	24.922	13.998
R0042	Claims incurred (non-proportional reinsurance)						
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	92.987	235.565	74.840	182.307	102.569	16.301
R0051	Gross Expenses Incurred (proportional reinsurance)	747	2.853	2.351	3.409	3.980	2.964
R0052	Gross Expenses Incurred (non-proportional reinsurance)						

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																	
R0110 Gross - Direct Business	6.442	7.240	2.632	191.692	93.360	411.089	692.869	441.978		1.305	138	101.173					1.949.918
R0120 Gross - Proportional reinsurance accepted	0	24	0	0	0	30.965	116.871	33.389		0	0	4.150					185.399
R0130 Gross - Non-proportional reinsurance accepted																	0
R0140 Reinsurers' share	0	205	-170	7.377	344	53.000	393.344	154.273		1	0	79.139					687.514
R0200 Net	6.442	7.059	2.802	184.316	93.015	389.053	416.396	321.095	0	1.304	138	26.184					1.447.803
Premiums earned																	
R0210 Gross - Direct Business	6.437	7.243	2.617	171.221	107.209	389.468	689.962	442.837		1.275	137	100.442					1.918.847
R0220 Gross - Proportional reinsurance accepted	0	24	0	0	0	31.382	117.858	33.527		0	0	4.413					187.205
R0230 Gross - Non-proportional reinsurance accepted																	0
R0240 Reinsurers' share	0	222	-170	6.623	387	52.482	396.711	155.815		1	0	78.364					690.434
R0300 Net	6.437	7.045	2.787	164.597	106.822	368.369	411.110	320.549	0	1.274	137	26.491					1.415.617
Claims incurred																	
R0310 Gross - Direct Business	3.564	1.747	1.785	142.043	67.435	164.597	231.270	303.614		822	177	42.898					959.954
R0320 Gross - Proportional reinsurance accepted	0	4	0	0	0	5.003	33.544	15.792		0	0	471					54.814
R0330 Gross - Non-proportional reinsurance accepted																	0
R0340 Reinsurers' share	0	-21	1.200	2.820	-75	11.216	89.170	72.247		-2	0	33.325					209.881
R0400 Net	3.564	1.772	585	139.223	67.509	158.384	175.645	247.158	0	824	177	10.044					804.886
R0550 **Expenses incurred**	2.694	3.856	1.515	70.875	39.828	169.837	184.177	146.555	0	1.882	51	21.635					642.903
R1210 **Balance - other technical expenses/income**																	
R1300 **Total technical expenses**																	642.903

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0	0	0	0	0	0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	-46	-1.660	53	728	-15.052	-19.937	-46.606	-80.593	0	-195	-8	-43.776					-207.092
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	18	-21	-96	-176	-1.684	-7.687	-25.929	-28.724	0	-41	0	-37.703					-102.043
R0150	**Net Best Estimate of Premium Provisions**	-64	-1.638	149	904	-13.368	-12.250	-20.677	-51.869	0	-154	-8	-6.072					-105.048
	Claims provisions																	
R0160	Gross	10.080	4.980	4.431	267.142	66.179	315.038	710.697	1.274.095	0	1.854	36	68.530					2.723.062
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	676	218	3.971	16.986	3.245	52.717	366.799	421.108	0	329	3	49.457					915.510
R0250	**Net Best Estimate of Claims Provisions**	9.404	4.762	460	250.156	62.934	262.321	343.898	852.987	0	1.525	32	19.073					1.807.552
R0260	**Total best estimate - gross**	10.034	3.321	4.484	267.870	51.126	295.101	664.091	1.193.502	0	1.659	28	24.755					2.515.970
R0270	**Total best estimate - net**	9.340	3.124	609	251.060	49.565	250.071	323.221	801.117	0	1.371	24	13.001					1.702.504
R0280	**Risk margin**	896	300	58	24.082	4.754	23.987	31.003	76.843	0	132	2	1.247					163.304
R0320	**Technical provisions - total**	10.930	3.620	4.542	291.952	55.881	319.088	695.094	1.270.345	0	1.791	30	26.002					2.679.275
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	694	197	3.875	16.810	1.561	45.030	340.870	392.384	0	288	4	11.754					813.466
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	10.236	3.424	667	275.142	54.320	274.058	354.224	877.961	0	1.503	27	14.248					1.865.809

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident Year

Gross Claims Paid (non-cumulative)

(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior													0
R0160	-9													0
R0170	-8													0
R0180	-7													0
R0190	-6													0
R0200	-5													0
R0210	-4													0
R0220	-3													0
R0230	-2													0
R0240	-1													0
R0250	0													0
R0260												Total	0	0

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior												0
R0160	-9												
R0170	-8												
R0180	-7												
R0190	-6												
R0200	-5												
R0210	-4												
R0220	-3												
R0230	-2												
R0240	-1												
R0250	0												
R0260												Total	0

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Underwriting Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											35.331	35.331	35.331
R0160	-9	76.581	145.840	90.320	58.250	22.291	15.609	15.457	11.881	6.548	6.526		6.526	449.303
R0170	-8	97.778	166.106	81.180	44.834	28.545	22.786	18.381	30.193	11.988			11.988	501.789
R0180	-7	112.471	207.478	85.869	50.792	29.483	19.532	52.425	7.176				7.176	565.226
R0190	-6	94.989	209.587	126.176	72.535	41.275	53.815	26.173					26.173	624.548
R0200	-5	92.051	196.601	106.672	131.293	70.251	27.343						27.343	624.211
R0210	-4	94.744	237.311	144.005	80.196	47.641							47.641	603.896
R0220	-3	84.278	273.294	193.187	98.761								98.761	649.520
R0230	-2	85.875	290.357	211.384									211.384	587.616
R0240	-1	110.953	311.753										311.753	422.706
R0250	0	127.151											127.151	127.151
R0260												Total	911.225	5.191.297

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											149.646	168.223
R0160	-9	345.072	236.073	169.164	129.137	117.618	101.789	89.473	59.985	51.689	43.898		39.509
R0170	-8	476.741	253.906	164.019	136.030	105.722	94.029	94.845	63.213	57.249			50.814
R0180	-7	389.921	227.495	166.926	127.641	113.304	102.336	101.908	88.078				78.257
R0190	-6	490.060	388.493	302.720	258.951	234.013	145.633	119.679					106.493
R0200	-5	443.853	376.446	311.551	215.365	164.563	159.554						139.407
R0210	-4	524.167	479.726	346.449	258.355	207.272							186.234
R0220	-3	700.377	575.153	402.463	299.675								268.931
R0230	-2	712.788	710.551	451.118									410.122
R0240	-1	749.446	678.060										624.548
R0250	0	708.575											650.525
R0260												Total	2.723.062

S.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	Technical provisions	2.679.275	0	0	15.581	0
R0020	Basic own funds	1.220.657	0	0	-10.099	0
R0050	Eligible own funds to meet Solvency Capital Requirement	1.220.657	0	0	-10.099	0
R0090	Solvency Capital Requirement	742.346	0	0	2.163	0
R0100	Eligible own funds to meet Minimum Capital Requirement	1.220.657	0	0	-10.099	0
R0110	Minimum Capital Requirement	323.671	0	0	1.160	0

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	345.000	345.000		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	875.657	875.657			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	1.220.657	1.220.657	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	1.220.657	1.220.657	0	0	0
R0510	Total available own funds to meet the MCR	1.220.657	1.220.657	0	0	
R0540	Total eligible own funds to meet the SCR	1.220.657	1.220.657	0	0	0
R0550	Total eligible own funds to meet the MCR	1.220.657	1.220.657	0	0	
R0580	**SCR**	742.346				
R0600	**MCR**	323.671				
R0620	**Ratio of Eligible own funds to SCR**	164,43%				
R0640	**Ratio of Eligible own funds to MCR**	377,13%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	1.220.657
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	345.000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	875.657
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	354.523
R0790	**Total Expected profits included in future premiums (EPIFP)**	354.523

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	94.627		
R0020	Counterparty default risk	62.915		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	6.584		
R0050	Non-life underwriting risk	667.699		
R0060	Diversification	-99.792		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	732.033		

USP Key

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

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

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	75.479
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-65.166
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	742.346
R0210	Capital add-ons already set	0
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	0
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	0
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	0
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	0
R0220	**Solvency capital requirement**	742.346
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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

		LAC DT
	Calculation of loss absorbing capacity of deferred taxes	C0130
R0640	LAC DT	-65.166
R0650	LAC DT justified by reversion of deferred tax liabilities	-60.392
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	-4.774
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCR_{NL} Result	323.671

		Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	9.340	6.442
R0030	Income protection insurance and proportional reinsurance	3.124	7.059
R0040	Workers' compensation insurance and proportional reinsurance	609	2.802
R0050	Motor vehicle liability insurance and proportional reinsurance	251.060	184.316
R0060	Other motor insurance and proportional reinsurance	49.565	93.015
R0070	Marine, aviation and transport insurance and proportional reinsurance	250.071	389.053
R0080	Fire and other damage to property insurance and proportional reinsurance	323.221	416.396
R0090	General liability insurance and proportional reinsurance	801.117	321.095
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	1.371	1.304
R0120	Assistance and proportional reinsurance	24	138
R0130	Miscellaneous financial loss insurance and proportional reinsurance	13.001	26.184
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCR_{L} Result	0

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

Overall MCR calculation

		C0070
R0300	Linear MCR	323.671
R0310	SCR	742.346
R0320	MCR cap	334.056
R0330	MCR floor	185.587
R0340	Combined MCR	323.671
R0350	Absolute floor of the MCR	4.000
R0400	**Minimum Capital Requirement**	323.671

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