

Bermuda Life Insurance Company Limited

Financial Condition Report

For the financial year ended 31 March 2025

Table of Contents

Executive Summary and Declaration	1
1. Business and Performance	3
A. Group overview	3
B. Insurance business written	4
C. Investment performance	4
D. Material Income and Expense	5
E. Other Material Information	6
2. Governance Structure	6
A. Board and Senior Executives.....	7
B. Fitness and proprietary requirements	12
C. Risk management and solvency self-assessment	16
D. Internal controls.....	18
E. Internal audit.....	19
F. Actuarial function	20
G. Outsourcing	20
H. Other material information	21
3. Risk Profile	22
A-B. Material risks to which the insurance company is exposed during the reporting period and how they are mitigated	22
C. Material risk concentrations	23
D. Investment in assets in accordance with the prudent person principles of the Insurance Code of Conduct	23
E. Stress testing and sensitivity analysis.....	24
F. Any other material information	24
4. Solvency Valuation	24
A. Valuation bases, assumptions and methods used for each asset class.....	24
B. Valuation bases, assumptions and methods used for technical provisions and best estimate	25
C. Recoverables from reinsurance contracts	26
D. Valuation bases, assumptions and methods used for other liabilities	27
E. Any other material information	27
5. Capital Management.....	27
A-B. Eligible capital and regulatory capital requirements.....	27
C. Approved internal capital model used to derive the ECR	29
6. Subsequent Events	29
A. Change in the Parent's name	29
B. Corporate restructuring: amalgamation and name change	29
C. Dividends	30

Executive Summary and Declaration

Bermuda Life Insurance Company Limited (BLIC or the Company) is presenting a Financial Condition Report ("FCR"), based on its financial position as at 31 March 2025.

The Company is a subsidiary of Argus Group Holdings Limited (the Argus Group). On 6 January 2025, following the completion of the amalgamation between the Argus Group and Eleos Health Ltd., a subsidiary of BF&M Limited, the Argus Group was delisted from the Bermuda Stock Exchange.

This standalone FCR has been prepared for the year ended 31 March 2025 to support the transition from separate to consolidated regulatory reporting for the newly amalgamated entities. In prior years, BLIC was included in the consolidated FCR submitted by the Argus Group. BF&M Limited, which has a financial year-end of 31 December, submitted its most recent FCR for the year ended 31 December 2024, prior to the effective date of the amalgamation.

This Financial Condition Report (FCR) is produced in accordance with the Insurance Rules 2015 (the Rules) under the Bermuda Insurance Act 1978 (the "Act") in regard to undertakings carrying on Insurance and Reinsurance business in Bermuda.

The Company delivered strong financial and operational performance for the year, reporting net income of \$24.6 million. Insurance revenues grew across all lines of business, driven primarily by increased health insurance premiums. Despite rising health claims and utilization, our insurance and pension businesses remain resilient.

As of 31 March 2025, the Company maintained a robust capital position, with total available capital of \$111.0 million against a minimum requirement of \$31.7 million.

The Company remains committed to operational excellence, disciplined underwriting, and prudent risk management. The amalgamation with BF&M Limited marks a pivotal milestone, enhancing capabilities and positioning the Company for long-term, sustainable growth.

Effective 14 May 2025, the parent company, previously known as BF&M Limited, changed its legal name to Allshores Limited, reflecting the ongoing integration and rebranding initiatives under the Allshores Group (the Group).

Subsequently, effective 1 July 2025, BLIC and a wholly owned subsidiary of Allshores Limited, BF&M Life Insurance Company Limited, were amalgamated under the laws of Bermuda. The continuing entity was renamed Allshores Life and Benefits Insurance Company (Bermuda) Limited.

These changes form part of a broader strategy to align and integrate the Allshores Group's structure, following the earlier amalgamation of BF&M Limited and the Argus Group. While the legal name has changed, operations continue uninterrupted. Broader rebranding initiatives are planned and will be communicated in due course.

To remain agile and responsive in a dynamic environment, the Group continues to enhance operational processes, develop internal talent, and strategically recruit external expertise. This ongoing commitment ensures the Group remains well-positioned to adapt, grow, and meet the evolving needs of its stakeholders.

Declaration on the Financial Condition Report

To the best of our knowledge and belief, the Financial Condition Report fairly represents the financial condition of Bermuda Life Insurance Company Limited in all material respects as at 31 March 2025.



Abigail Clifford
President and Chief Executive Officer



Peter Dunkerley
Chief Financial Officer

1. Business and Performance

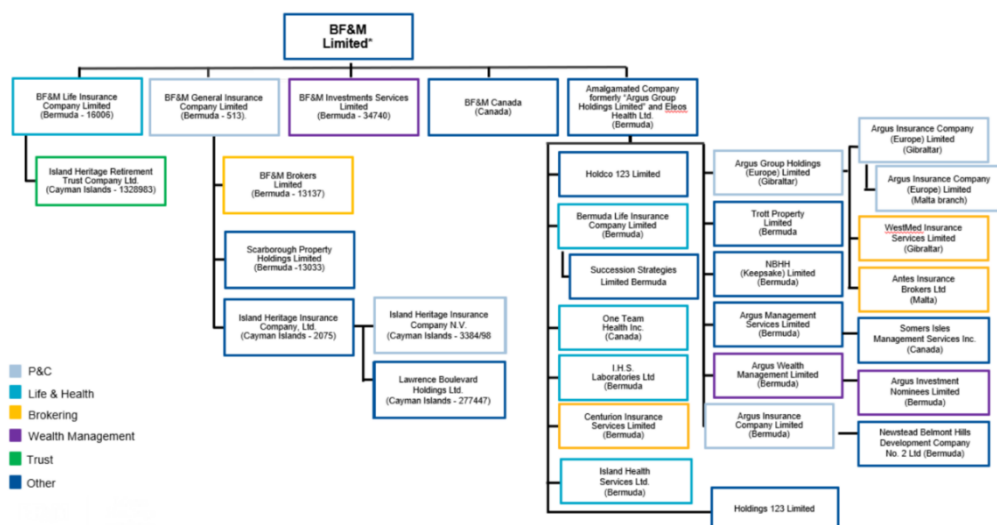
A. Group overview

The Company was incorporated on June 3, 1957 and has its registered office at The Argus Building, 14 Wesley Street, Hamilton, HM 11, Bermuda. BLIC was a wholly-owned subsidiary of Argus Group Holdings Limited (the Argus Group). On 6 January 2025, the Argus Group completed its amalgamation with Eleos Health Limited, a subsidiary of BF&M Limited (the "Parent"), a publicly listed company in Bermuda.

The Company operates in Bermuda, underwriting life and health insurance. The Group also provides investment, savings and retirement products. The Company holds a Class 3B Long Term Class D insurance license.

The Company has a wholly owned dormant subsidiary, namely Succession Strategies (Bermuda) Limited. All subsidiaries are included in the Group's consolidated financial statements.

The organization structure post amalgamation as at 31 March 2025 is shown below:



Group supervisor

The supervisor of the Group is:

Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton Bermuda
Tel: +1 441 295 5278

Name and contact details of the Group's auditor

KPMG Audit Limited
Crown House
4 Par-La-Ville Rd,
Hamilton
HM 08
Bermuda.
Tel: +1 441 294 2659

B. Insurance business written

The lines of business include health, life and disability insurance, in addition to offering pension and annuity products. The Group is the market leader in employee benefits, providing innovative and progressive products, tools and services. We adopt an integrated, people-centric approach across our full range of services that support being proactive about maintaining both physical and financial wellness for an enriched and fulfilling retirement. Health insurance revenue increased during the year mainly from annual inflationary rate increases and an increase in the insured population

Insurance revenue per line of business for the year ended 31 March 2025 are as follows:

\$'000	2025 Insurance Revenue	2024 Insurance Revenue	2025 Insurance Service Result	2024 Insurance Service Result
Life	9,875	9,651	5,766	5,241
Health	124,898	107,706	12,490	12,074
Annuities	10,691	10,300	710	1,695
Total	145,464	127,657	18,966	19,010

All revenues are written in Bermuda

C. Investment performance

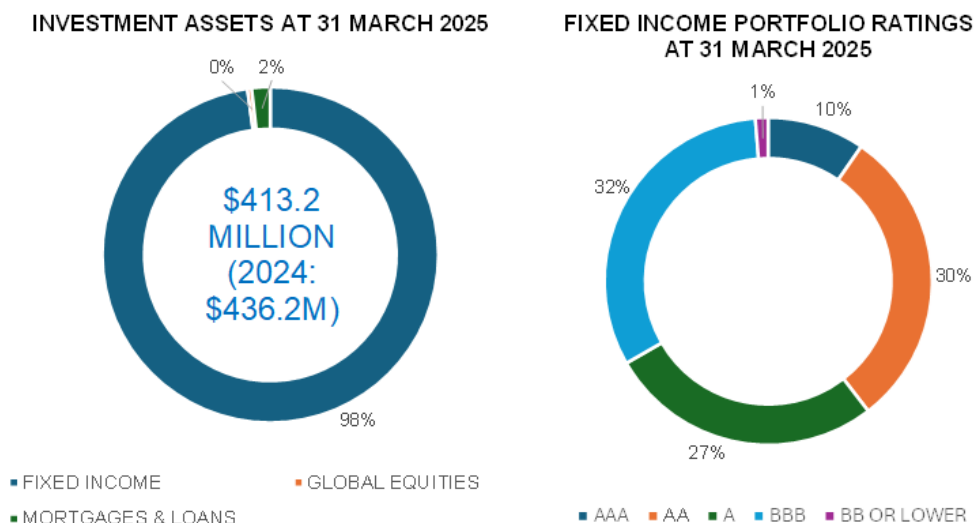
The Company remains firmly committed to the careful and diligent custodianship of policyholders' and shareholders' assets. This principle is at the core of our investment philosophy. Our investment portfolio is structured to ensure sufficient liquidity to meet obligations to policyholders while simultaneously enhancing shareholder value through long-term, risk-adjusted returns. Our overarching objective is to maximise returns without exposing the portfolio to inappropriate levels of risk.

The reporting year was marked by a complex and evolving market environment. Global economic uncertainty was driven in part by escalating U.S. trade tensions and the ongoing complexities of central bank monetary policies. This contributed to heightened volatility in the fixed income market, most notably reflected in a sharp rise in long-term Treasury yields and a decline in short-term yields.

Despite the macroeconomic challenges, the BLIC investment portfolio demonstrated resilience. A strategy anchored in prudent asset allocation and a long-term investment horizon enabled the portfolio to weather market headwinds and continue generating consistent income. Against this backdrop, BLIC's investment portfolio generated a total income of \$13.3 million for the year – \$12.2 million of income reported through

the income statement and \$1.1 million of unrealised gains reported as other comprehensive income on the balance sheet.

Overall performance was in line with expectations and reflective of BLIC's disciplined investment approach. BLIC maintains a high-quality, diversified fixed-income portfolio. As of the reporting date, 99% of these fixed-income holdings are investment grade. The high credit quality positioning continues to support BLIC's objectives of income stability and capital preservation, even amid uncertain economic conditions.



The table to the left provides a breakdown of the BLIC's investment portfolio by asset class.

\$'000	Asset Balance 2025	Net Investment Income 2025	Weighted Percentage 2025
Fixed income	404,173	9,987	2.4%
Equities	1,693	35	0.0%
Mortgages & Loans	7,376	(282)	-0.1%
Other*	-	2,460	0.0%
Total	413,242	12,199	2.3%

*Rental income, bank interest and other

D. Material Income and Expense

The Company's main revenue sources are insurance revenue and fee income where margins remain under pressure from competitors and from clients who are looking to drive ever greater value from their service providers. Fee income increased by \$1.5 million, mainly driven by pension administration fees.

The Company's major expense arises from insurance service expenses. We use a combined operating ratio to track the overall performance of our underwriting operations, which compares insurance revenues and management fees to insurance service expenses, commission expense, reinsurance costs, and operating expenses. For the year ended March 31, 2025, the combined operating ratio was 96.7%.

The Company remains committed to careful and judicious management of operating expenditure: investing where it matters most – in people and innovation – whilst taking meaningful steps to eliminate low value activities and expenses to reduce the ongoing cost of doing business.

Other material income and expenses for the years ended March 31, 2025 and 2024 are as follows:

\$'000	2025	2024
Fee income	16,058	14,524
Insurance services expenses	(128,790)	(107,400)
Operating expenses, amortization, and depreciation	(16,796)	(17,320)
Total	(129,528)	(110,196)

E. Other Material Information

Financial Strength and Credit Rating

AM Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing policy and contract obligations. AM Best's ratings are derived from an evaluation of a company's balance sheet strength, operating performance and business profile.

In May 2025, AM Best has affirmed the Financial Strength Rating ("FSR") of A- (Excellent) and the Long-Term Issuer Credit Ratings ("ICR") of "a-" (Excellent) for Bermuda Life Insurance Company Limited.

2. Governance Structure

The Group has established a robust governance structure, which forms an integral part of the Group's comprehensive risk management framework and is designed to effectively mitigate reasonably foreseeable material risks. It has been created proportionately, to reflect the nature, scale and complexity of the Group's operations. The Board has ultimate responsibility for maintaining the quality of governance.

The Group has an established risk management function with Terms of Reference for the Board of Directors of the Group ("the Board"), its committees and associated Executive Management Committees. This is supplemented with an organisational structure which contains documented delegated authorities and responsibilities. This facilitates the flow of decision making through the Board, the Executive Committee and Senior Management.

Each principal subsidiary has a separate Board of Directors responsible for the governance of the individual entity. Further details to explain the Group's approach to governance is provided in the following sections for the Group as well as for the Company.

A. Board and Senior Executives

I. Board and Senior Executive team

The ultimate responsibility for sound and prudent management of the Group rests with the Board, which meets at least four times a year. All meetings of the Board follow a formal agenda and the proceedings are minuted.

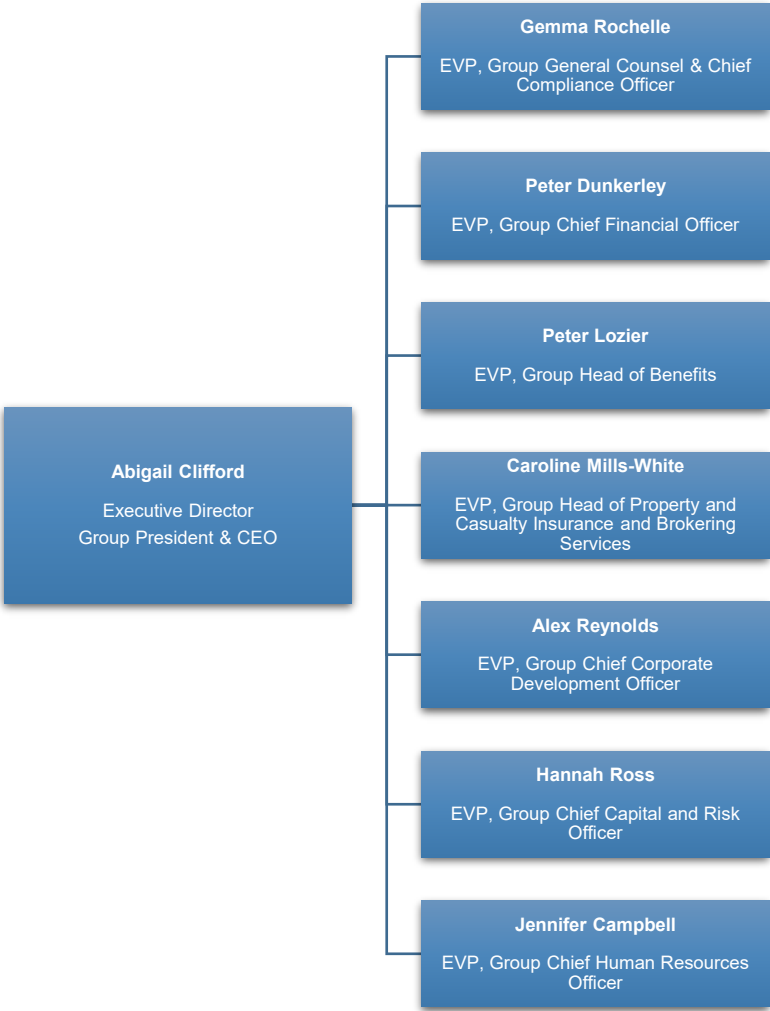
Bermuda Life Insurance Company Limited has five Directors, of which three are Non-Executive Directors.

Directors' Name	Position
Abigail Clifford	Executive Director Group President & CEO
David A. Brown	Non-Executive Director
Peter James Dunkerley	Executive Director
Everard Barclay Simmons	Non-Executive Director
Constantinos Miranthis	Non-Executive Director

The following table lists the names and positions of the senior executive team of the Company.

Officers' Name	Position
Constantinos Miranthis	Chairman
Peter B. Lozier	EVP, Group Head of Benefits
Thomas Healy	Global Director of Finance
Gemma Rochelle	EVP, Group General Counsel and Chief Compliance Officer
Sasha Castle-Siddiq	Legal Counsel & Company Secretary

The organisation chart below shows the structure of the Group Executive Committee as at 31 March 2025.



Decision making and segregation of responsibilities

Abigail Clifford participates as a Director on each subsidiary Board. This helps to ensure that significant issues and events noted at the subsidiary level are escalated and communicated to Group Management on a timely basis.

L. Anthony Joaquin, the Chairman of the Board is responsible for ensuring that the Board and Management interact effectively. The Chairman and CEO meet regularly to provide updates and information.

Role of the Board

The Group Board provides oversight over all of its subsidiaries to ensure that the risk management, compliance and internal control framework is embedded across the Group and that business is conducted

in a way that protects the Group's brand and its capital adequacy and requires compliance with all relevant laws and regulations. The Board is accountable for the long-term success of the Group by setting the strategic objectives and monitoring performance against those objectives. In addition, the Board is responsible for setting appropriate strategies and policies, and for providing authority over the Group's risk management and internal controls framework.

Members of the Group Board also sit across all subsidiary boards. This provides the ability to escalate reporting up to the full board as needed. Issues relating to subsidiary companies that are impactful for the Group are typically escalated for review by the full Group Board.

In order to facilitate the Board's role, Committees have been established to:

- Oversee key operational areas including underwriting and investments;
- Review and approve significant policies and procedures; and
- Review compliance with all relevant laws, regulations, code of conduct, industry standards and guidance notes.

In addition, the Executive Committee supports the Board by:

- Managing and executing the day-to-day operations, subject to the mandate established by the Board of Directors and laws and regulations in Bermuda and other relevant jurisdictions;
- Developing and implementing an appropriate control environment including those around reporting systems;
- Providing recommendations on strategic plans, objectives, key policies, and procedures to the Board of Directors for evaluation and authorisation;
- Ensuring that the Board of Directors has accurate and timely information, allowing the Board of Directors to conduct robust discussions on operational performance, strategy, major policies, and to appraise the performance of Management.

Committee structure

Key committees are in place to support the Board of Directors in discharging its responsibilities. Each committee has its own Terms of Reference, which clearly sets out the objectives, authority, composition, organisation, roles and responsibilities of that committee.

There is directorship presence from the Group within each of these committees to facilitate effective communication and consistency. Each of the following key committees are established at the Group level and oversee activities for the Company. Group committees provide oversight over subsidiaries and support the subsidiaries' Boards in carrying out their duties.

These committees include:

Group Audit, Compliance and Corporate Risk Management Committee **("Audit Committee")**

The Audit committee reports to the Board on, among other things, the robustness of the financial reporting process, the effectiveness of the internal control structure and management of enterprise risks. In addition, it oversees the selection, oversight and remuneration of internal and external auditors and adherence by the BF&M Group to all applicable laws and regulations (including BSX listing regulations). This committee receives reports from the Group Risk Management function as well as from the Internal Audit and Legal,

Compliance functions. The Audit Committee has the opportunity to hold in-camera sessions with members of the Executive and Internal and External Audit following each meeting.

The Audit Committee meets not less than four times a year and consists of at least four external independent directors. It is required to report to the Board on its activities and make recommendations on its findings.

Group Finance Committee
(“Finance Committee”)

The Finance Committee reports to the Board on the financial performance and alignment of strategic planning and objectives of the Company, as well as ensuring adherence by the BF&M Group to the Investment Guidelines. The Finance Committee assesses the adequacy of the strategic planning process, approves the budget, reviews, considers and approves compensation policies and sets financial performance targets. In addition, this committee is charged with ensuring the Board is aware of matters which may significantly impact the financial condition or affairs of the BF&M Group or its subsidiaries.

The Finance Committee meets not less than four times a year and consists of at least four financially literate independent directors. It is required to report to the Board on its activities and make recommendations on its findings.

The Finance Committee is supported by an internal Group Investment Committee, which is led by the CFO and is comprised of members of senior management. This committee has overall responsibility for the operation and administration of investments by the Group. The Group Investment Committee reports on a quarterly basis to the Finance Committee to ensure that the Finance Committee is aware of matters which may significantly impact the financial condition or affairs of the BF&M Group.

The Group Investment Committee terms of reference ensure that there is an appropriate level of Board contribution to, and oversight of, key decisions, and that the day-to-day business is managed effectively. The Group Investment Committee consists of a clearly defined schedule of matters reserved for the Finance Committee and matters that the Group Investment Committee is able to manage. The types of matters reserved for the Finance Committee and/or the Board include, amongst other things, approval of investment policies, investment guidelines, matters relating to the group's strategic plan, material transactions and oversight of systems of internal control and corporate governance policies.

Group People & Corporate Governance Committee

(“People Committee”)

The People Committee reports to the Board on the effectiveness of the corporate governance system, executive compensation and succession matters. This committee oversees all compensation and benefits matters related to the CEO and the CEO's designated senior leadership team, the Company's compensation philosophy, practices and benefits program, leadership development and succession plans for the CEO and the company executive officers, the Human Resources strategy and the Company' DEI efforts. The Committee is also responsible for overseeing the governance policies related to the Board, reviewing the Board structure and composition and Board culture and effectiveness and ensures that the Group adheres to its Bye-Laws.

The People & Governance Committee may hold in-camera sessions with members of the Executive Team following each meeting.

The People Committee meets not less than four times a year and consists of at least four external independent directors. It is required to report to the Board on its activities and make recommendations on its findings.

Succession planning

Succession planning is part of the strategy of Group Human Resources and a comprehensive succession review is conducted annually by the CEO reporting to the Group People Committee. The Succession Planning policy outlines the framework for identifying, developing and selecting successors for the CEO and the executive team as well planning in the event of unplanned vacancy in the CEO position. Succession planning may be reviewed by the Board more frequently than annually as deemed appropriate

Directors are elected as a Class I, Class II or Class III directors and hold office for a two or three-year term, renewable to a maximum of 9 or less directors. The division of directors into three classes ensures smooth succession planning by staggering the expiration of term limits.

II. A description of remuneration policy and practices and performance- based criteria governing the parent Board, Senior Executives and employees

The CEO, Executive Committee and senior management manage employee compensation at the operational level.

Board remuneration

All non-executive directors receive an annual retainer which is paid on a quarterly basis.

Board performance assessment

Annually, Board members are required to complete an evaluation. This comprises a self-evaluation on individual performance and an assessment of the overall Board's performance. Results are compiled and distributed to the Chairman and CEO for review and follow-up discussion.

The self-evaluation assessment reviews commitment, independence, knowledge and skills and relationship and communications. The Board assessment reviews governance, composition, performance, information and several open-ended succession and strategy questions.

Remuneration Policy Statement

The Group's compensation strategy is designed to motivate and reward actions and behaviours of employees to ensure that the long-term priorities of BF&M are achieved. The objectives of the compensation programme include the ability to attract and retain a talented team of individuals, to align pay with individual contributions and the Group's performance, and to ensure alignment and consistency with the Group's rewards philosophy across the organisation.

Compensation includes both fixed and variable components. Base salaries are maintained at competitive levels with the local marketplace and are reviewed annually to ensure alignment with market movements, job scope, responsibilities, roles, experience, skills and knowledge. The variable annual cash bonus is a discretionary, variable performance-based programme designed to tie Group financial performance and individual and team performance. Additionally, the Group's long-term deferred compensation programme is designed to align the interests of our senior leadership to that of our key stakeholders. The target equity award is based on level within the organisation and the size of the equity award is based on actual financial results. Comprehensive compensation reviews are conducted by the Human Resources function annually.

The People Committee approves all compensation-related financial targets for the year ahead in the prior performance year. Bonus and equity payouts are based on actual Group performance results approved by the People Committee which are based on the audited financial results. Additionally, general review of the Group's approach to compensation and specific ad-hoc compensation reports are provided periodically as requested.

III. A description of the supplementary pension or early retirement schemes for members of the insurance group, the Board and Senior Executives

The Finance Committee reviews and approves changes to the administration of the Defined Benefit and Defined Contribution pension schemes.

The Group has established defined contribution pension plans for eligible qualifying employees. Contributions by the Group to these defined contribution plans are subject to certain vesting requirements and are generally a set percentage of an employee's annual income and matched against employee contributions.

The Group continues to sponsor a defined benefit pension plan for eligible employees in Bermuda. This plan has been closed to new entrants for many years, i.e., employees hired after 1999. The defined benefit plan is administered by separate Funds. Responsibility for governance of the plan including investment and contributions lays jointly with the Group and the Trustees of the pension fund.

Under the plan, the pension amount at retirement is based on an employee's final average earnings. The scheme is generally funded through payments determined by periodic actuarial calculations.

IV. Any material transactions with shareholder controllers, persons who exercise significant influence, the parent Board or Senior Executives

Material related party transactions are as follows:

- Operating expenses include the Group's allocation of overhead expenses of \$11.1 million (2024 - \$12.4 million).
- Netted in Operating expenses is the management fee of \$1.0m (2024 - \$1.0 million) which was charged to recover the allocated costs of administering the insurance policies of an affiliate.
- Due from (to) parent includes surplus cash deposits with the parent. These deposits are payable on demand and bear no interest.
- Key management personnel have been identified as the external Board of Directors of the Group. Fees paid to directors for the reporting period totaled \$0.01 million (2024 - \$0.02 million).

B. Fitness and proprietary requirements

I. A description of the fit and proper process in assessing the parent Board and Senior Executives

Fit and proper requirements are assessed based on the following definitions:

Fit: Professional qualifications, knowledge and experience are adequate to enable sound and prudent management of the Company's activities. An assessment of whether an individual is 'Fit' shall involve an evaluation of the person's professional qualifications, knowledge and experience to ensure they are

appropriate to the role. It shall also demonstrate whether the person has exercised due skill, care, diligence, integrity and compliance with relevant standards that apply to the area or sector in which the individual has worked.

Proper: a person is of good repute and integrity. An assessment of whether a person is 'Proper' shall include an evaluation of a person's honesty, reputation, and financial soundness. This will include, if relevant, criminal convictions or disciplinary offences.

The Chairman of the Board is responsible for reviewing with the Board of Directors on an annual basis the appropriate skills and characteristics required of Directors in the context of the current make-up of the Board. This assessment includes issues of diversity, age and skills all in the context of the perceived needs of the Board at that point in time. The Board undertakes an independent skills gap assessment every three years and the results are reviewed by the Board.

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

Summary of the Board nomination process

The nomination and selection process of new directors is outlined in the Group People Committee Terms of Reference. The People Committee is responsible for establishing the selection criteria to reflect the needs and experiences required for the business and organisation. This skills matrix forms the basis to assess and document the qualifications, knowledge, skill and experience required for Board membership.

In addition to a comprehensive review of qualifications, experience, capability, availability to serve, competencies and skills, a complete due diligence exercise is conducted with a review of any conflicts of interest. Selected nominees for Board approval are then presented for shareholder approval at the Annual General Meeting.

Executive Committee selection process

The Group CEO is responsible for hiring the Executive Committee members. This process follows a disciplined assessment and interviewing process and may involve guidance and input from a third-party recruitment agency. Candidates are fully vetted and may include interviews with other Executive Committee members and potentially members of the Group Board of Directors to ensure culture and organisational alignment. All candidates complete a comprehensive background and reference check.

Non-Executive Committee selection process

Management is expected to identify and select the best candidate within their teams to ensure there is appropriate talent, expertise and skills in their areas of responsibility. Human Resources provide management support through a comprehensive selection and hiring process which includes background and reference checks.

Directors and key Senior Managers along with their relevant experience, qualifications and skills are set out below:

Executive Committee

Abigail Clifford

Group President and Chief Executive Officer

Abigail Clifford has over 15 years of experience in the financial services sector including the international reinsurance industry with expertise in the areas of organisational and talent development. Ms. Clifford

joined BF&M in 2013 and prior to her current role she held the position of Group President & Chief Operating Officer. In September 2022 she succeeded to the position of Group President & Chief Executive Officer. Prior to joining BF&M, Ms. Clifford worked at PartnerRe as the Group Chief Human Resources Officer.

Ms. Clifford holds a Master of Science in Organisational Development from Johns Hopkins University and a Bachelor of Arts in Psychology from Washington College. Additionally, she holds professional certifications in both coaching and human resources.

Peter Dunkerley

Executive Vice President, Group Chief Financial Officer

Mr. Dunkerley joined the Argus Group in 2012 and was appointed as Chief Financial Officer in 2015. As Group CFO Mr. Dunkerley is responsible for Finance & Accounting, Investments, Audit, Information Technology, and Customer Experience for the group. Prior to joining Argus, Mr. Dunkerley was a Director in the Insurance practice of PricewaterhouseCoopers in Bermuda. He holds a bachelor's degree in Aeronautical Engineering from Loughborough University in England and is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of CPA Bermuda.

Gemma Rochelle

EVP, Group General Counsel & Chief Compliance Officer

Ms. Rochelle is an attorney with over 15 years of experience in the financial services sector. In 2019, she joined BF&M where she leads the Group Legal and Compliance function. Prior to joining BF&M, she worked for Mayer Brown, a leading global law firm, representing financial institutions on disputes involving structured finance, derivatives and commercial insurance. Gemma advised on large-scale regulatory investigations and guided c-suite executives through parliamentary committee appearances.

Ms. Rochelle is a member of the Bermuda Bar Association, earning her Law LLB at the University of Leeds. She also has obtained distinction in Legal Practice Course and certificates in operational risk management and advanced regulatory compliance.

Caroline Mills-White

Executive Vice President, Group Head of P&C Insurance and Broking Services

Caroline Mills-White joined the BF&M Group in November 2020 and leads the Property and Casualty division across the group. Her focus is on P&C strategy, driving revenue growth and client retention.

Ms. Mills-White brings over 20 years of industry experience having held progressive positions with brokers and insurers. She was previously employed with Aon for 6 years as Senior Vice President and Business Unit Leader and Marsh Canada for 14 years, beginning as the Assistant Vice President and New Business Development Manager and finally as Senior Vice President of Private Client Services/Small Commercial.

Ms. Mills-White has a Master of Science in Strategy and Leadership from Edinburgh Business School, Herriot-Watt University, as well as designations as a Fellow Chartered Insurance Professional (FCIP) from the Insurance Institute of Canada, and as a Chartered Insurance Professional (CIP).

Jennifer Campbell

Executive Vice President, Group Chief Human Resources Officer

Jennifer Campbell joined the BF&M Group in 2016 and is responsible for Human Resources, Marketing & Communications and Facilities for the Group. Prior to joining BF&M she held various human resources leadership roles across numerous industries. Ms. Campbell holds a Bachelor of Arts (B.A.) for Bates College and a Bachelor of Education from Saint Mary's University.

Alex Reynolds

Executive Vice President, Group Chief Corporate Development Officer

Mr. Reynolds has worked at Argus since the start of 2023, having previously been the Company's financial adviser. He leads Investor Relations & Corporate affairs, the Project Management Office, Shareholder Services and strategic initiatives. He brings over 25 years of experience across various roles in financial services, including investment and relationship banking, corporate broking and mergers and acquisitions. Mr. Reynolds holds a Bachelor of Arts (B.A.) Politics, Philosophy and Economics from the University of Oxford and an MSc in marketing from Cranfield University.

Hannah Ross

Executive Vice President, Chief Capital & Risk Officer

Hannah Ross has been with Argus since 2010, as the Group Chief Capital and Risk Officer, she leads Actuarial, Enterprise Risk Management, Capital Modelling & Management and Reinsurance for the Group. She has over 20 years of experience in the insurance industry having previously held actuarial roles with KPMG and Pension Insurance Corporation in London, UK.

Ms. Ross holds a Bachelor of Arts with Honours in Mathematics and Economics, and is a Fellow Chartered Actuary of the Institute and Faculty of Actuaries UK. She also serves on the board of BILTIR, the Bermuda long-term insurance industry association.

Peter Lozier

Executive Vice President, Group Head of Benefits

Mr. Lozier joined Argus in 2018 as Executive Vice President of Group Insurance and was appointed Chief Executive Officer – Argus Americas in 2020. In his role as Group Head of Benefits he is responsible for Health, Life and Pension for the Group. He has over twenty-five years of experience in senior and executive leadership roles in the healthcare industry and has had a longstanding partnership with the Argus Group for more than 20 years. Prior to that, Mr. Lozier managed the Argus Health overseas network known as the Canadian Medical Network. He has also worked for and supported local health care companies and organisations for most of his professional career, including the Bermuda Hospitals Board, Government Employee Health Insurance, Future Care and Lady Cubitt Compassionate Association.

BLIC – Board of Directors

The Company's Board of Directors is comprised of both Bermudian and non-Bermudian individuals who bring a wealth of local and international business experience. Their reputation and experience reflect the Group's corporate values of integrity and professionalism. The composition reflects a blend of financial, insurance and business knowledge. A list of the parent company Directors is provided below with a brief professional resume on each.

Abigail Clifford – Executive Director, Group President & CEO

(As on page 13)

Peter Dunkerley – Executive Director

(As on page 14)

David Brown – Chairman, Hamilton Insurance Group and Founder & former CEO, Flagstone Reinsurance Holdings

Mr. Brown has almost 40 years' experience in the insurance industry including a number of CEO and Chairman roles. Mr. Brown has also served on the Boards of numerous private and public companies. He is currently the Chairman of Hamilton Insurance Group. Mr. Brown is on the Board of Bermuda Commercial Bank. He recently stepped down after 20 years as Chairman of the Bermuda Stock Exchange, where he remains Deputy Chairman and has also recently joined the Board of one of the main exchanges operated

by Miami Stock Exchange. Mr. Brown is a Fellow of the Institute of Chartered Accountants (UK) and a member of CPA Bermuda.

Costantinos Miranthis – Former President & CEO, PartnerRe

Mr. Miranthis is an insurance and reinsurance industry veteran. He is a former President and CEO of PartnerRe, a leading global reinsurance group with a diverse book of business. Prior to joining PartnerRe, Mr. Miranthis was a principal of Tillinghast-Towers Perrin in London with responsibility for the European non-life actuarial consulting practice. He is currently a non-executive director of the specialty insurance group Hiscox Ltd., and of the life reinsurer Pacific Life Re. Mr. Miranthis has served on a number of industry associations including being a past chair of the Reinsurance Advisory Board of Insurance Europe. Mr. Miranthis holds an MA in Economics from Cambridge University and is a member of the Institute and Faculty of Actuaries.

E Barclay Simmons – Chair & CEO, Rose Investment Ltd.

Mr. Simmons was a member of the Argus Group Holdings Limited Board of Directors for five years, from 2011 to 2015, and rejoined the Board in November 2018. Mr. Simmons qualified as a barrister in England and Wales and was called to the Bermuda Bar in 1998. Before returning to Bermuda in 2006, he completed an MBA at Harvard Business School and worked as an Investment Banker at Goldman Sachs in New York City. He is the Chair of the Bermuda Public Funds Investment Committee and member of the Board of Petershill Partners plc.

The Directors for BF&M Life and BF&M General are as noted in Section 2.A.I above.

C. Risk management and solvency self-assessment

I. Risk management process and procedures

The Company is exposed to a spectrum of risks including insurance, market, credit, liquidity, and operational risks.

The Company's primary objective in undertaking risk management activity is to manage risk exposures in line with risk appetite, minimising its exposure to unexpected financial loss and limiting the potential for deviation from anticipated outcomes. Management recognises the critical importance of having efficient and effective risk management systems in place. In this respect, a framework of limits and qualitative statements, aligned with the Group's risk appetite, is in place for material exposures.

The formal risk management framework is designed to ensure that all significant risks are identified and managed. This framework seeks to manage exposures to risk through control techniques which ensure that the residual risk exposures are within acceptable tolerances agreed by the Board.

As part of the BF&M Group, the Company has a strong Enterprise Risk Management (ERM) framework. Along with the Commercial Insurer's Solvency Self-Assessment ("CISSA"), this risk framework is implemented and integrated into the Company's operations through the systems, processes, procedures and controls developed by BF&M management including:

- The establishment of a Group Risk Management Committee comprising executive management and support functions that meets at least quarterly;
- Board oversight and approval of risk appetite
- Development and regular review of a Board approved capital management policy;
- Quarterly capital adequacy reporting;

- A robust stress testing program;
- Quarterly risk reporting including risk appetite monitoring;
- Operational risk framework and incident management; A comprehensive reinsurance program.

The Group Risk Management Committee (RMC) plays a key role in the risk management process.

The risk identification and assessment process is an integral part of the annual business planning process and key risks are captured in the various business entity plans. Each business and support unit identifies material risks to which it is exposed and designs appropriate mitigation controls based on the severity of each risk. Material risks include underwriting, investment, liquidity, concentration, market, credit, system, operational, strategic, reputational and legal risks. Material risks, together with the risk measurement and mitigation controls are recorded in the risk register. Stress and scenario testing and qualitative assessments are tools used to measure risk. The Audit Committee of the BF&M Board receives an update on the Company's key risks on a quarterly basis.

II. Integration between the risk management and solvency self-assessment systems

The BMA requires commercial insurers and Bermuda groups to perform an assessment of their own risk and solvency requirements for the benefit of policyholders and to enhance its insurer operations in the Bermuda market. For the Company, this is referred to as the Commercial Insurers' Solvency Self-Assessment ("CISSA"). For the Group it is referred to as the Group Solvency Self-Assessment ("GSSA").

Both the CISSA and GSSA form an integral part of the risk management process. They are prepared and reviewed annually and provide a comprehensive review of the approach taken to risk management. These assessments facilitate a holistic review of the risk universe, including tolerance and appetite setting, risk identification, measurement, management, mitigation, and reporting. The results of the CISSA and GSSA are reviewed at the Group RMC and communicated to the Board.

The above approaches support the organisational decision-making process and assist in ensuring risk management and solvency self-assessment are integrated, streamlined and cascaded across the Group.

III. Relationship between the solvency self-assessment, solvency needs, and capital and risk management systems

The Company ensures that the risk management framework and solvency self-assessment systems are embedded in the running of its businesses. Business decisions are assessed, taking into consideration the risks and the appetite towards risk.

The Finance Committee of the BF&M Board approves the capital management policy that sets out supplemental internal capital targets to the BMA regulatory requirements. These capital requirements are reported on quarterly at the BF&M Limited Audit Committee meeting.

The capital management policy sets out the approach that the BF&M Group uses to manage balance sheet capital. It addresses the movement of capital around the Group together with the implications for dividend policy. The outputs are used to assist in guiding compliance with regulatory capital requirements, acceptable types of capital, required statutory reporting and governance.

The objectives for the BF&M Group capital management framework are to:

- Maintain regulatory solvency for all regulated entities;
- Maintain rating agency credit ratings aligned with the Group's strategy;
- Support a stable dividend payout strategy and return funds to shareholders as appropriate;
- Retain sufficient capital for growth and investment in the business;
- Maintain as much flexibility as possible in the movement of capital around the Group.

The Audit Committee reviews the available capital against these targets on a quarterly basis.

IV. Solvency self-assessment approval process

The Group Risk Management Committee reviews CISSA and GSSA reports which have been compiled with contributions from the relevant business units and support functions. The conclusions are communicated to the Board of Directors as part of the BSCR review process.

D. Internal controls

I. Internal Control System

A robust internal control system is in place, which is enhanced with additional oversight by the Audit Committee.

The Audit Committee plays a key role in reviewing the effectiveness of the internal control systems by carrying out the following activities:

- Evaluating the manner in which Management ensures and monitors the adequacy of accounting and internal systems, paying particular attention to computer controls and security;
- Assessing Management's response to and implementation of internal control recommendations made by the Group's external and internal auditors.

In addition, the Board Terms of Reference assist in guiding the Boards' role in ensuring that an adequate system of internal control and reporting is maintained. Further, Management is responsible for designing and maintaining appropriate policies, internal controls and procedures to ensure compliance with accounting standards and applicable laws and regulations.

The importance of internal controls is emphasised throughout all processes and the highest levels of integrity are promoted at all levels, from the Board to CEO to Senior Management and staff members as well as external parties such as the Company's key outsourcing relationships.

Control procedures are embedded within business processes and through the application of the operational risk framework. The effectiveness of controls is reviewed at periodic intervals by business risk and operational risk owners.

Through the implementation of policies and procedures, employees across the Group have a clear view on their responsibilities throughout the business processes. A good understanding of roles and of the importance of the controls contributes to the embedding of a risk culture. Management ensures that the appropriate skill sets and competencies are developed through training and other educational initiatives to support this objective.

II. Compliance Function

Responsibility to monitor and evaluate compliance with jurisdictional laws and regulations sits within the legal and compliance function of BF&M. The Board receives quarterly reports on legal and compliance matters impacting the Group from the Chief General Counsel and Chief Compliance Officer. All regulatory submissions to the BMA are managed between the Financial Reporting team and Compliance function. The Chief Compliance Officer has ultimate oversight of all filings and communications with regulators and ensures timely and accurate information is submitted to the BMA, both with respect to the Group as well as each subsidiary.

Designated compliance officers are in place to oversee each key jurisdiction, helping to drive the compliance strategy and monitoring for changes in local law and regulatory requirements.

E. Internal audit

Internal Audit is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of BF&M Limited and its subsidiaries ("Group"). The Internal Audit activity evaluates and contributes to the improvement of the Group's governance, risk management and control processes using a systematic, disciplined and risk-based approach.

The Internal Audit activity is established by the Board of Directors and its responsibilities are defined by the Audit, Compliance and Corporate Risk Management ("Audit") Committee as part of their oversight function outlined in the Terms of Reference.

The Group Internal Audit Charter ("Charter") is a formal document that defines Internal Audit's purpose, authority and responsibility. The Charter establishes the Internal Audit's position within the Group; authorizes access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of the Internal Audit activities.

The purpose of Internal Audit ("Function" or "Department") is to strengthen BF&M Limited's ("Group") ability to create, protect and sustain value by providing the Board and Management with independent, risk-based and objective assurance, advice, insight and foresight. The Function receives its mandate from the Board which specifies the authority, role and responsibilities of the Department and is documented in the Group Internal Audit Charter.

The Function's authority is created by its direct reporting relationship to the Board. The Head of Internal Audit will report functionally to the Board and administratively (e.g. day-to-day operations) to the EVP Group Chief Financial Officer regarding:

- The annual Plan, budget, performance and significant revisions.
- The Function's mandate.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the Function's conformance with The IIA's Global Internal Audit Standards and action plans to address deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues and other areas of focus for the Board.
- Results of assurance and advisory services.
- Resource requirements.

- Management's responses to risk which may be unacceptable or acceptance of a risk that is beyond the Group's risk appetite.

To achieve the degree of independence necessary to effectively carry out the responsibilities of the Internal Audit activity, the Head of Internal Audit will have free and unrestricted access to communicate and interact directly with the Audit Committee, including executive sessions without Management present. The Head of Internal Audit will ensure the Internal Audit activity remains free from all conditions that threaten the ability to carry out responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing or report content. On an annual basis, the Head of Internal Audit will confirm to the Audit Committee the organizational independence of the Internal Audit activity.

F. Actuarial function

The actuarial function is governed by the Terms of Reference for the Actuarial Function.

The actuarial function is responsible for reporting and ensuring the adequacy of technical provisions for the insurance business and reports at least annually to the Board on the nature, reliability and adequacy of the technical provisions. The actuarial function contributes to the effectiveness of the risk management framework, particularly as it relates to policyholder obligations, potential exposures and capital requirements.

Analyses performed by the actuarial function include but are not limited to:

- Own risk and solvency self-assessment at least annually (CISSA)
- Asset liability matching quarterly
- Experience analyses at least annually
- Effectiveness of underwriting processes
- Effectiveness/appropriateness of reinsurance arrangements

The actuarial function reports on its activities via the relevant executive management committees and committees of the Board.

The Company has appointed an internal actuary for the BMA Approved Actuary role. The Approved Actuary provides an opinion on the adequacy of the Company's general insurance (health) and long term insurance business technical provisions.

Fitness and Propriety

The actuarial function is carried out by fit and proper persons. Persons conducting the activities of the function have the relevant experience and qualifications, in addition to complying with the Group's Fit and Proper policy.

G. Outsourcing

I. Outsourcing policy

The Group has developed a Board-approved Group Vendor Management Policy that governs the outsourcing arrangements, ensuring that outsourced functions are conducted in a sound manner, in compliance with applicable laws and regulations and ensuring that the company meets its financial and service obligations to policyholders.

The Policy sets out a robust governance process for selecting a material outsourcing service provider or Third-Party Service Provider (TPSP). Prior to the appointment of a TPSP, due diligence is undertaken to assess the suitability, competency and capability of each TPSP to carry out the outsourced function and the control environment in which it operates. Part of the control environment assessment is to ensure that the TPSP has sufficient data security controls in place to protect the Group's data and that of its policyholders, as well as having the appropriate business continuity and/or contingency plans.

The Policy further sets out a process, roles and responsibilities across the three lines of defence to monitor the performance of vendors on a risk-based approach. Significant issues related to outsourced functions or services are reported to the regional Risk Management Committees and escalated to the Group Risk Management Committee.

The Group Vendor Management policy includes the following:

- The criteria for determining whether a function or activity is considered as outsourcing;
- The selection process and due diligence process for vendors;
- The definition of risks associated with vendors and the risk assessment methodology;
- The requirements for vendors governed by contracts; and
- Business contingency plans, including existing strategies for outsourced critical or important functions or activities.

II. Description of material intra-group outsourcing

The following key functions, namely, Actuarial, Risk Management, Compliance and Internal Audit are intra-group outsourced. Further, the following key support functions are also outsourced to the Group. These are:

- Information Technology/Cyber
- People
- Investment Management
- Accounting and Finance
- Marketing
- Case and claims management of health insurance

A Service Level Agreement has been executed between BLIC and the Group.

The fit and proper procedures have been applied when assessing persons employed by the group to perform these functions.

H. Other material information

It should be noted that a number of Group-wide policies and procedures outlined herein are in the process of being updated to reflect the broader integration of the Group entities. These updates aim to harmonize standards while accommodating jurisdiction-specific requirements.

3. Risk Profile

The Company is exposed to a range of risks which have the potential to adversely affect its ability to achieve its business objectives.

Set out below we provide an overview of the key risks faced by the Company, together with a description of how each is managed.

A-B. Material risks to which the insurance company is exposed during the reporting period and how they are mitigated

Key risks to the Group include the following:

Underwriting risk

Underwriting risk stems from inaccurate pricing of risks or inappropriate underwriting of risks. Overall, the Company seeks to be conservative in its acceptance of insurance risks by establishing strict underwriting criteria and limits. The underwriting policy for each business unit is clearly documented, setting out risks which are unacceptable and the terms applicable for non-standard risks.

Life and Health insurance

Life insurance risk arises through its exposure to mortality, longevity and morbidity risks and exposure to worse than anticipated operating experience on factors such as persistency levels and management and administration expenses.

Life insurance risk approaches have been designed at a business unit level, with monitoring conducted by the individual business units and overseen by the Board. Mitigation methods include the purchase of reinsurance, an established underwriting process and monitoring of pricing and product design.

Reinsurance and reinsurance credit risk

Reinsurance risk refers to the inability of the insurer to obtain insurance from a reinsurer at the right time at an appropriate cost. Reinsurance credit risk is the risk that the counterparty will develop solvency issues and become a slow payer or default on payment.

Reinsurance risk across the Group is managed with an established renewal process, working closely with selected intermediaries who provide additional guidance and expertise. The extensive use of modeling techniques, with management challenge and oversight, together with regular monitoring of reinsurer credit ratings contribute to the reinsurance risk mitigation approach.

All major reinsurers are rated A- or better with A.M. Best or equivalent.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable or unwilling to meet an obligation, thereby causing a financial loss.

Policies and procedures are in place to manage this risk, including holding a diversified investment portfolio that focuses on asset quality. The portfolio is monitored and reviewed regularly by the Group Investment

Committee and by the Board of Director's Finance, Compensation, and Corporate Governance Committee. Portfolios are subject to stress testing and liquidity analysis.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they become due. In order to manage liquidity risks, Management maintains levels of cash and short-term deposits which are sufficient to fulfill the Group's short-term obligations. The Company also closely manages operating liquidity through cash flow matching of assets and liabilities.

Market risk

Market risk is the risk that the fair value and/or future cash flows of a financial instrument will fluctuate as a result of changes in market factors.

The vast majority of the Group's investments are in quoted bonds and equities. This reflects a conservative and cautious approach taken in order to mitigate market risk.

Operational risk

The Company is exposed to operational risk, which is managed across the Group through the Group's Operational Risk Management Framework and includes the risk of loss, business disruption or uncertainty related to people, processes, assets, products, services and stakeholders. Certain key operational risks (including legal/litigation, privacy and cyber, people and conduct) that senior management has determined to be a sufficiently material/impactful risk, are defined and subject to ongoing management, monitoring and reporting.,

Further details surrounding the corporate governance and risk management framework can be seen in section 2.

C. Material risk concentrations

Material concentration risk may arise, for example, due to a geographic concentration of business, or due to a concentration of risk transfer with a specific reinsurer. Material concentration of risk is mitigated through the strategic diversification of products offered as well as by maintaining strong relationships with its reinsurers.

D. Investment in assets in accordance with the prudent person principles of the Insurance Code of Conduct

The Group's investment strategy is conservative and prudent which ensures that exposure to the cycles of the markets is minimised. The Group's investment strategy follows a prudent person approach, aimed at balancing the objectives of capital preservation and reasonable return on investment, in the context of sound liquidity management and appropriate levels of asset concentrations.

Investment guidelines are in place that require the purchase of only investment-grade assets and minimise undue concentration of assets in any single group, asset class or credit rating. These guidelines specify collateral requirements for mortgages and loans which include the underlying property or other security. Exception reporting at the Group Investment Committee level occurs on a quarterly basis where investment ratings fall below investment grade. This reporting is also made at the Board Finance Committee level.

In order to manage liquidity risks, Management maintains levels of cash and short-term deposits, which are sufficient to fulfill the Group's short-term obligations.

Further details surrounding the investment approach and composition can be found in section 1 G and under the 'credit risk' subheading in section 3 A-B.

E. Stress testing and sensitivity analysis

The objective of stress testing and sensitivity analysis is to assess the capital adequacy of the Company under adverse financial and underwriting conditions. Risk stress tests and sensitivity analysis are run at least annually and help determine the capacity of the Company to absorb such shocks.

For the life insurance business stress testing takes the form of integrated scenarios that stress multiple risk factors simultaneously. The scenarios are chosen based on adverse, plausible events that could impact the business lines written by the Company.

The impacts of the scenarios are projected for several years into the future to understand the impact on earnings and capital. These scenarios assist the Company in understanding the impact of events that could impact the Company business and ensure that the reinsurance program is consistent with the risk appetite.

The Company's approach to stress and scenario testing is supported by robust guidelines. The scenarios used in modeling have been selected for their relevance to the Company, based on historical and prospective events, with relevant assumptions made specific to each scenario. The capital and solvency implications of these scenarios in the context of the CISSA and regulatory requirements are reviewed by the Group Risk Management Committee. The results are incorporated into the capital, solvency and risk management approach and their impact included in the Company's annual BSCR submission. The outputs of the testing exercise are communicated to the Board of Directors and incorporated when developing the Company's strategic objectives and business plans. Based on the latest results, Senior Management believe that the Company has sufficient capital and liquidity to satisfy the contractual obligations of the organisation and all regulatory requirements, upon experiencing any loss within its risk tolerance.

F. Any other material information

There is no other material information to report.

4. Solvency Valuation

A. Valuation bases, assumptions and methods used for each asset class

The Company's financial statements have been compiled on the going concern basis and prepared on the historical cost basis except for the following material items on the Balance Sheets, as required under International Financial Reporting Standards (IFRS):

- Financial assets and financial liabilities at fair value through profit or loss are measured at fair value;
- Financial assets at fair value through other comprehensive income are measured at fair value; and
- Investment properties are measured at fair value.

Investments are valued at carrying value. When available, quoted market prices are used to determine fair value for bonds, equities and derivatives. If quoted market prices are not available, fair value is typically based upon alternative valuation techniques such as matrix pricing, net asset valuation and discounted cash flow modelling. Broker quotes are used only when external public vendor prices are not available.

Fair values for investment properties are assessed annually and reviewed quarterly for material changes. The fair value is assessed using the most recently available reports from qualified external appraisal services.

These financial statements form the basis for the preparation of both the Economic Balance Sheet (EBS) and the Statutory Financial Statements (SFS) as required under Bermuda insurance regulations. The EBS and SFS are used by both the Group and the Bermuda Monetary Authority (BMA) in assessing the minimum solvency and capital requirements. With certain exceptions, assets and liabilities are assessed and included on the EBS at fair value. The valuation of technical provisions is noted below in 4B.

B. Valuation bases, assumptions and methods used for technical provisions and best estimate

Technical Provisions are determined in accordance with accepted actuarial practice and Economic Balance Sheet ("EBS") valuation principles as outlined in the BMA's Guidance Notes for Commercial Insurers and Insurance Groups' Statutory Reporting Regime and Actuary's Opinion on EBS Technical Provisions.

Risk margins have been calculated in accordance with the requirements of Schedule XIV of the Insurance Prudential Standards Rules, which sets out the detailed requirements for the EBS.

Life and Health insurance contracts

The valuation of the net best estimate technical provisions was generally performed using the EBS Standard Approach. In some instances, approximations were used due to the nature of liabilities. Best estimate assumptions were based on company and/ or industry experience. The valuation of best estimate technical provisions and associated reinsurance recoverables were derived using consistent methods and assumptions.

Short-term insurance contracts

The starting point for the technical provisions is the IFRS 17 undiscounted unpaid loss and loss adjustment expenses, gross and net of reinsurance. The technical provisions also reflect future claims events associated with unpaid loss and loss adjustment expenses for unexpired risk associated with business incepting prior to the valuation date and bound but not incepted exposures ("BBNI"). These unpaid loss and loss adjustment expenses were then adjusted for the following:

- Events not in dataset ("ENID")
- Any other expenses incurred during the run-off of the existing policies
- An estimate of uncollectible reinsurance
- Premium receivables for premiums not yet due

All provisions were then discounted to take in to account the time value of money, using the relevant risk-free interest rate term structure provided by the BMA as of March 31, 2025, with an appropriate illiquidity adjustment.

The calculations were performed for earned, unexpired and incepted business, and unexpired and BBNI business separately, both gross and net of reinsurance.

The loss and loss expenses provisions are comprised of cash flows associated with the earned business; the premium provisions are comprised of cash flows associated with the unexpired and BBNI business.

Finally, a risk margin is included to reflect the uncertainty inherent in the underlying cash flows.

Technical provisions

At 31 March 2025, the total Technical Provisions for the Company amounted to \$421 million (2024 - \$384 million), comprised of the following:

<i>BLIC</i>	<i>General Business Insurance</i>	<i>Long-term Business Insurance</i>	<i>Consolidated</i>
2025			\$'000
Premium provisions	(1,016)	Nil	(1,016)
Net loss and loss expense provision	11,875	405,195	417,070
Risk margin	90	5,196	5,286
Total technical provisions	10,948	410,391	421,339

<i>BLIC</i>	<i>General Business Insurance</i>	<i>Long-term Business Insurance</i>	<i>Consolidated</i>
2024			\$'000
Premium provisions	(1,508)	Nil	(1,508)
Net loss and loss expense provision	10,094	371,373	381,467
Risk margin	73	3,942	4,015
Total technical provisions	8,659	375,315	383,974

C. Recoverables from reinsurance contracts

Recoverables from reinsurance contracts are based on principles similar to the gross best estimate and include reinstatement premiums required to be paid to the reinsurer, and expenses in relation to the management and administration of reinsurance claims.

The balance is adjusted for counterparty credit rating based on rating agency and experience default statistics.

D. Valuation bases, assumptions and methods used for other liabilities

All remaining financial liabilities are classified as other financial liabilities which include loans payable, and other liabilities. Under IFRS, such financial liabilities are initially recognised at fair value plus any directly attributable transaction costs. Loans payable are subsequently carried at amortised cost. Any excess between the proceeds (net of transaction cost) and the redemption value is recognised in the consolidated statement of income over the period of the loan using the effective interest rate method.

Similar to the valuation principles for assets noted in 4 A., adjustments are required to the IFRS basis for SFS and EBS regulatory reporting and capital assessment purposes.

Included under other liabilities are accounts payable. Other liabilities are considered short-term payables with no stated interest and the carrying value of these financial liabilities approximates fair value at the reporting date.

E. Any other material information

There is no other material information to report.

5. Capital Management

A-B. Eligible capital and regulatory capital requirements

Capital requirements are reported on a quarterly basis to the Group's Audit Committee.

The Board of Directors reviews the available capital against targets on a quarterly basis, whilst also considering capital fungibility.

Management monitors the adequacy of the capital of the Company from the perspective of the Bermuda Insurance Act and Companies Act as well as the regulatory requirements of the other jurisdictions in which it operates. The Company's practice is to maintain the capitalisation at a level that will exceed the relevant minimum regulatory capital requirements.

The Company's investment policies emphasize the preservation of capital and the maintenance of a diversified investment portfolio, which together serve to minimise the risk that investment activities pose to the Company's capital.

The Company adopts a conservative approach to determining the levels and quality of capital it holds. The Company currently holds all of its capital as "Tier 1" capital (i.e. fully paid shares, contributed surplus and statutory surplus), in accordance with Eligible Capital Rules used to meet the Enhanced Capital Requirements (ECR) and Minimum Solvency Margin (MSM). The Company does not hold any Tier 2 or Tier 3 capital.

Under the laws and regulations of Bermuda, the Company must maintain a minimum amount of statutory capital and surplus based on the Enhanced Capital Requirement. As at 31 March 2025, the Company exceeded the minimum requirement.

Identification of differences in shareholder's equity as stated in the financial statements versus available statutory capital and surplus are outlined below:

<i>\$'000</i>	<i>Equity</i>
Reported under IFRS	101,259
ADJUSTED FOR:	
Prudential filters	(898)
Non admitted prepaids/other assets	(898)
EBS valuation adjustments	(2,421)
Net technical provisions / CSM / Other	11,084
Fair value real estate	1,940
Available statutory capital and surplus	110,965

Regulatory capital

As at 31 March 2025, the MSM and ECR were as follows:

<i>BLIC \$'000</i>	<i>Minimum Margin of Solvency</i>	<i>Enhanced Capital Requirement</i>
Regulatory requirement	26,116	31,679
Eligible capital held:		
Tier 1	110,965	110,965
Tier 2	-	-
Tier 3	-	-
Total	110,965	110,965

As at 31 March 2024, the MSM and ECR were as follows:

<i>BLIC</i> \$'000	<i>Minimum Margin of Solvency</i>	<i>Enhanced Capital Requirement</i>
Regulatory requirement	23,722	25,093
Eligible capital held:		
Tier 1	105,767	105,767
Tier 2	-	-
Tier 3	-	-
Total	105,767	105,767

C. Approved internal capital model used to derive the ECR

The Company does not presently utilize an internally developed capital model and uses the BMA's standard approach to capital computation.

6. Subsequent Events

A. Change in the Parent's name

Effective May 14, 2025, the Parent, previously known as BF&M Limited, changed its name to Allshores Limited. This name change reflects the ongoing integration and rebranding efforts under the Allshores Group. The change has no impact on the ownership structure, operations, or financial reporting of the Group.

B. Corporate restructuring: amalgamation and name change

Effective July 1, 2025, the Company and a wholly-owned subsidiary of Allshores Limited, BF&M General Company Limited, were amalgamated under the laws of Bermuda. The continuing amalgamated company was renamed as Allshores General Insurance Company (Bermuda) Limited.

This amalgamation represents a continued step in the alignment and integration of the Allshores Group structure, following the amalgamation of BF&M Limited and Argus earlier in the year and the subsequent renaming of the parent company to Allshores Limited. While the legal entity name has changed, operations continue uninterrupted, and the Argus brand remains in use in the interim. The Group intends to implement broader rebranding initiatives over time and will communicate these developments in due course.

C. Dividends

On 10 April 2025, the Company declared dividends of \$8.4m payable to the parent, settled through a reduction of the intercompany loan.