



MS Amlin
Underwriting Limited
Syndicate 2001

Annual Report & Financial Statements
31 December 2025





We paired our underwriters with Hollywood stunt doubles to highlight the dynamic skills behind the London Market.
Photo: Political Risk & Credit Underwriter, Louise Scott (right), and her stunt double, Helen Bailey.
Cover image: Reinsurance underwriter, Mike Speed (left), and his double Adrian McGaw.

Contents

Directors and administration	03
Message from outgoing Chief Executive Officer	04
Chief Executive Officer Foreword	08
Report of the directors of the managing agent	10
Statement of responsibilities of the directors of the managing agent	14
Independent auditor's report to the member of Syndicate 2001	16

Financial statements

• Statement of profit or loss and other comprehensive income	20
• Statement of financial position	21
• Statement of cash flows	22
• Statement of changes in members' balance	23
• Notes to the financial statements	24



Simon Morgan, Head of Property (left), and his stunt double Jake Shallcross

Directors and administration

Managing agent

MS Amlin Underwriting Limited

Directors of the managing agent

M T Burke

J Burrows

C Dart

V Desai

A J Downes

K Ema

Y Hataya

J Hine

S J L Jeffreys

S Shimada

H S Trilovszky

Active underwriter

M T Burke

Managing agent's secretary

J Simek

Managing agent's registered office

The Leadenhall Building
122 Leadenhall Street
London EC3V 4AG

Managing agent's registered number

02323018

Statutory auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Report details

Item	Description
Syndicate number	2001
Managing agent name	MS Amlin Underwriting Limited
End of period covered by report	31/12/2025
End date of prior period	31/12/2024
Presentational currency	GBP
Functional currency	USD



Message from Andrew Carrier

Outgoing Chief Executive Officer

The tension between change and continuity

The Change

Twelve months ago, I wrote about the principle of change and how quickly change can feel not just evolutionary, but revolutionary. 2025 has demonstrated how that notion is still very much part of our world. 2025 has seen radical intervention at a macro as well as a micro level, with economic levers being pulled that impact our daily lives, as well as challenging what were established pillars of trade and the conventional ways of working.

Yet despite the increased uncertainty and unpredictability of current times, I really want to focus on the idea of continuity. Somewhat paradoxically perhaps, this will be my last time committing my opinion on the year to these reports, now that I have stepped down as CEO as of 31 December 2025; but more of that later.

Much of our portfolio is orientated around our US customers, and it was the US that set the tone for the year, particularly with the terrible events of the wildfires in Los Angeles that occurred in January. While the event itself was not surprising, given the tinder-dry conditions that we have known about for some time, the extent to which losses were polarised towards a relatively small cohort of customers was unusual.

The fires were a perfect metaphor for the tension between cause and effect, event and claim, change and continuity. Paying claims is why companies like ours are here, to support customers when needed.

Which leads me neatly into the first and most important of our four stakeholder groups, customers.

Our Customers

Our approach to customers, by aligning our Underwriting and Claims teams continues to pay off. We support them whether they are reinsurance cedants with highly complex needs or small businesses operating in exposed parts of the world. The principle we adopt and the support we provide is the same regardless. The way we support customers saw us nominated and, in some cases, win a number of awards this year. This included being finalists at the British Insurance Awards for the Major Loss Award, and winners of the Lloyd's Market Association 'Claims Service in Action' award and Insurance ERM Carrier of the Year, to name just a few.

The idea of readiness and supporting our customers was key to our thinking when we launched our new Portfolio Solutions division early in the year. We wanted to bring together parts of our business where the specialist nature of our products was as much the form of distribution as it was the products themselves. Portfolio Solutions cover a variety of established and emerging aspects to our business, that really embodies the way we want to do business in the future.

The new Portfolio Solutions team acts as a focal point for the execution of opportunities with other parts of the broader MS&AD Group network, through which a series of risk sharing initiatives are being explored. It also manages and advances existing opportunities including MS Amlin's share of a number of high-profile London market facilities and a series of algorithmic 'fast follow' relationships. We also expanded our footprint both in Australia and New Zealand with a new branch office, and in Dubai expanding our Crisis Management capability.

The principle of partnership reflects our recognition of the ever-changing needs our customers have of us. The ongoing evolution of the alignment between supply and demand, and where and how we meet the needs of each customer in our increasingly volatile world is paramount.

Message from Andrew Carrier (continued)

Our Shareholder

We are fortunate to have a shareholder that has proven it takes a long term view.

At a Financial Times event last year I spoke of a growing tension between customer expectation particularly for catastrophe exposed customers seeking lower rates to control their cost base, set against a longer-term trend of an increase in major event severity and frequency. This short-term dip relative to expectation of major storms eases profitability concerns in the short term but is counter to our understanding of the bigger picture and the elevated threat over the longer time horizon.

I mention this because this is important context to the pressure on rates right now, a pressure I do not predict will abate for some time. I believe our market will continue its journey into the lower reaches of the cycle for some time to come, until capacity exits and/or an event significant enough to break the pattern occurs.

However, despite my forecasting, I do not believe any of this is cause for doom mongering or hand wringing. In fact, far from it. Our results once again demonstrate what a strong and stable syndicate we are, with a commendable set of numbers to highlight our considered approach to financial planning, business planning and portfolio management, with £2.1 billion of Gross written premium and a profit for the year figure of £355 million.

Our net claims ratio of 50.0% (2024: 54.9%) visibly illustrates the fact we can comfortably absorb major events as significant as the LA wildfires, so early in the year and we still produce such strong results due to our discipline and the resilience of our balance sheet; simultaneously supporting our customers. Finally, our current year Attritional Loss Ratio of 42.5% (2024: 43.3%) highlights the health and quality of our core business, which gives us added confidence for the years ahead.

Our People

Our commitment to our people and their future is something I feel very strongly about. As our market continues to evolve and soften, building strength, commitment and resilience is what will continue to secure our prosperity.

We continued to invest in our people and culture with internal initiatives driven by our most talented, as well as giving everyone with line management responsibilities further opportunities to develop their interpersonal skills and behaviours.

We announced our involvement as founding partners of the Inclusive Futures Coalition in 2024 to support the efforts of Lloyd's and the wider market in attracting and retaining more ethnically diverse talent. The coalition taps into a societal issue that is close to my heart – representation – and the wider role diversity can play in a modern organisation that appreciates its value. We also achieved a fantastic milestone in 2025 with the appointment of twenty new graduates and apprentices - each with markedly differing stories of their journey to our organisation.

In the most positive ways, MS Amlin is not the syndicate I joined in 2020 and I want us to be a business that reflects and represents the world we live in and the communities we are here to support.

The challenge of making our business and our wider sector an attractive one to new talent of all ages was a driver behind a brand new marketing campaign we launched this year. Using a seemingly unrelated industry - film and TV stunt performers - to highlight the importance of understanding risk. We produced an exciting range of films with a variety of jaw dropping stunts with the performers doubling as genuine MS Amlin underwriters.

£2.1bn
Gross written premium

£355m
Profit

42.5%
Attritional Loss Ratio

Message from Andrew Carrier (continued)



Mastery of Modern Risk
campaign photos

Our Communities

The combination of geopolitical tensions, economic shocks, and environmental pressures continues to shape our operating landscape, perhaps more quickly than it has ever done. Climate change is driving more frequent and severe weather events, while biodiversity loss, energy security pressures, an increasing strain on global health systems and geopolitical instability are fuelling inequality, amplifying resource competition and increasing social fragility. These interconnected forces impact our customers and wider communities in which we are invested, making them increasingly relevant to our business.

Our partnerships with NGOs, multilateral lenders, development banks, public agencies, humanitarian actors and academia are vital to developing innovative, inclusive insurance models that strengthen resilience and accessibility. Inside our business we mobilised what we've called 'ESG Re', a scalable and multi-disciplinary team that enables us to focus our efforts on providing commercially viable solutions for climate adaptation and disaster risk reduction. This work is focused primarily on emerging markets and developing economies, where the insurance protection gap is fundamentally shaped by large uninsured populations, limited financial inclusion and high vulnerability to climate, health and income shocks. Closing this gap therefore has a material societal impact, protecting livelihoods, supporting financial inclusion, strengthening community resilience, stabilising incomes, supporting faster disaster recovery and reducing poverty traps.

Our work in this space represents a significant opportunity for MS Amlin – one that aligns long-term growth with social value. We're alive to the fact we cannot find meaningful solutions on our own. As part of the MS&AD group, we are working together to find viable ways to balance the various needs of our stakeholders. That's why our approach is consciously and deliberately aligned with our head office on this vital subject. Together we have laid strong foundations for the future.



Message from Andrew Carrier (continued)

The continuity

As noted earlier, this is the last time I will comment on a set of accounts for MS Amlin, as I have stepped down as CEO and passed the baton to Christiern Dart, who joined as CEO from 1 January 2026. Christiern takes up the position in a syndicate that is in a well-established pattern and rhythm of delivery. Our people are professional, capable, and focussed upon adding value and protecting our customers. The fact is the syndicate and the CEO are very different things and a change in executive leader does not change our focus and activity. What you have come to expect from MS Amlin is something you should expect to see from us in future as we continue to deliver.

I wish to extend my gratitude to many for their support and commitment over the past three years. First to our shareholder Mitsui Sumitomo (MSI), and our ultimate parent company the MS&AD Group. MSI has been phenomenally supportive of both me and my Executive team but also of our business. They have given MS Amlin the space to grow and to realise the ambitions they held when they announced the deal to purchase Amlin in 2015. I want to thank our brokers and partners for their enduring cooperation, and for the way they continue to engage with us in a tactical and strategic way to make us a better, bigger and a more capable syndicate to better support our mutual customers. I will leave the organisation as one with a restored reputation of being able to deliver consistent positive results, and this is in no small part down to the team ethic we have worked hard to build over the last five years.

Finally, I want to thank my colleagues. It is an ever-enduring cliché to describe the people you work with as an organisation's most valuable asset, yet like many common phrases they contain a fundamental truth at their core and this one is no different. To newly joined colleagues - welcome. You have joined a syndicate that is finding its energy, momentum and drive in a way it has not for many years. To those who have been with us for some time and have seen us through more challenging times - thank you. I admire your commitment and belief in what and who we can be. Together you will be Christiern's greatest source of optimism and strength.

From January 2026 I take up a new role within MSI, and I look forward to watching the syndicate assume its position as a leading operation with self-belief and confidence for the future. Despite the challenges ahead, the future is full of possibilities, and I am excited by them and by what MS Amlin will achieve for the benefit of all its stakeholders.

Andrew Carrier

Outgoing Chief Executive Officer MS Amlin:
2022-2025





Message from Christiern Dart

Chief Executive Officer

Accepting the offer to become Chief Executive Officer at MS Amlin was not a difficult one. MS Amlin has a long-established brand and heritage in the London Market making my role as CEO one of the most prestigious jobs in the market.

MS Amlin is a business with a remarkable history and pedigree and it is definitely a business with huge, untapped value and potential, particularly when I look across the wider MSI network. Unlocking that value and potential is why I decided to join the business, and when I look around at the Syndicate I now lead, I am greatly motivated by the challenge of taking a high performing organisation and making it truly great.

As Andrew rightly notes, unpredictability and volatility is increasing, seemingly exponentially and coupled with the downturn in our rating environment makes unlocking increased value and potential a greater challenge. The raw materials, talent and tools I have at my disposal are in great shape, and I would like to congratulate Andrew, the Executive team and wider business on everything that has been achieved over the last few years. I have assumed the reins of a business where the fundamentals are not in question and the balance sheet and capital position is strong. Yet delivering consistent profits, finding incremental profitable growth and being agile enough to exploit opportunities as they appear, however fleetingly, is my focus and it is what will shape my first year.

I am a pragmatist, and I believe there is almost always opportunity to be secured in the face of change, and change is in plentiful supply. Yet be under no doubt, stability remains paramount and we will pursue our strategy calmly and in a sensible and disciplined manner.

Taking advantage of opportunity requires confidence, commitment and resilience. These are the qualities I know we have at MS Amlin, and I plan to build a greater intensity into them over the coming years, so that we step forward with energy and excitement.

I look forward to writing more comprehensively on the year we've had, in twelve months' time, and to setting out a more detailed picture of the years that lie ahead for MS Amlin.

Christiern Dart

Chief Executive Officer MS Amlin



The MS Amlin Peace of Mind Garden
at the RHS Chelsea Flower Show

Report of the directors of the managing agent

The directors of MS Amlin Underwriting Limited (the 'managing agent' or 'MS Amlin' or 'the Board') present their managing agent's report for Syndicate 2001 (the 'Syndicate') for the year ended 31 December 2025.

The annual report is prepared using the annual basis of accounting as required by Statutory Instrument No. 1950 of 2008, the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ('the 2008 Regulations') and in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102: the Financial Reporting standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and Financial Reporting Standard 103: Insurance Contracts ('FRS 103').

Business review and principal activities

The Syndicate is, through MS Amlin Corporate Member Limited (the 'Corporate Member'), a wholly aligned Syndicate of Mitsui Sumitomo Insurance Company, Limited ('MSI'). The ultimate parent company is MS&AD Insurance Group Holdings, Inc. ('MS&AD'). The principal activity of Syndicate 2001 is the transaction of specialty insurance and reinsurance business in the United Kingdom and through the Lloyd's Brussels platform, through the Society of Lloyd's and its component parts.

For its customers, the Syndicate offers a broad spectrum of insurance and reinsurance products, blending market knowledge, experience and expertise, with a practical desire to deliver solutions to support them.

We provide traditional reinsurance services alongside access to capital markets: Aviation Reinsurance, Casualty Reinsurance, International Property Reinsurance, Marine & Energy Reinsurance, Speciality Reinsurance and US Property Reinsurance.

We offer a broad range of insurance products that can support customers across a wide variety of trades and industries: Casualty, Crisis Management, Marine, Natural Resources and Property.

The Syndicate will continue to transact predominantly the current classes of specialty insurance and reinsurance business as listed above.

The total premium income capacity, net of brokerage, of the Syndicate for each of the years of account open during 2025 was as follows:

	£m
2023 year of account	1,600
2024 year of account	2,000
2025 year of account	2,000

The total premium income capacity of the Syndicate in 2026 is £2,000 million

Significant developments

The profit for the financial year increased by 67.6% to £355 million (2024: £212 million). Total comprehensive income was £304 million (2024: £221 million) after accounting for a £51 million currency translation loss through other comprehensive income, as a result of translation from functional (USD) to reporting (GBP) currency (2024: £9 million profit).

Profit on the technical account was £317 million (2024: £211 million), which includes an underwriting profit excluding investment return transferred from the non-technical account of £259 million (2024: £172 million). The combined operating ratio was 85.4% (2024: 88.9%). This improvement in profitability reflects the combination of profitable growth; an improved attritional loss ratio (across all accident years) through better risk selection and portfolio management; cost control actions; and improved net investment returns. The profit for the year is after absorbing the California Wildfire loss, which occurred in January 2025, and also the impact of 2025 court settlements and market judgements in respect of aviation losses, sustained as a result of the Ukraine war in 2022.

Gross written premiums increased to £2,128 million (2024: £1,769 million). 2024 includes the one-off negative impact of a change in binder estimates (£173 million). Before this impact, underlying year on year growth in gross written premiums was 9.6%, driven by new business growth, partly offset by rate reductions. Net earned premiums increased to £1,768 million (2024: £1,551 million). Excluding the one-off positive impact of the change in binder estimates in 2024 (£58 million), underlying year on year growth in net earned premiums was 18.5%, which follows the increase in gross premiums, but also reflects our strategy to retain more net risk, and more favourable pricing on the purchase of our 2025 reinsurance programme.

The net claims ratio was 50.0% (2024: 54.9%). The Syndicate was exposed to 4 major catastrophe events in 2025, including the California Wildfire loss and the earthquake in Myanmar. In 2024, the Syndicate was exposed to 4 major catastrophe events, including two Atlantic hurricanes and the Baltimore Bridge loss. Overall, catastrophes generated losses to the Syndicate of £98 million net of reinstatement premiums (2024: £91 million net of reinstatement premiums), or 5.9 points on the net loss ratio (2024: 6.2 points).

During 2025, prior period reserves, excluding increases to Ukraine war losses, reduced by £83 million (2024: reduced by £17 million, excluding Ukraine war losses), representing a reduction of 4.7% to the net claims ratio (2024: reduction of 1.1% to the net claims ratio).

The net expense ratio of 35.3% (2024: 34.0%) increased due to a higher acquisition cost ratio partly offset by a lower administration cost ratio, with the latter supported by disciplined cost management relative to net earned premium growth.

Report of the directors of the managing agent

(continued)

Underwriting performance by division

	Insurance		Reinsurance		Total	
	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m
Gross written premiums	1,366	1,101	762	668	2,128	1,769
Net written premiums	1,277	981	607	504	1,884	1,485
Net earned premiums	1,230	1,088	538	463	1,768	1,551
Net claims ratio	50.5%	54.9%	49.0%	55.1%	50.0%	54.9%
Net expense ratio	38.0%	36.9%	29.2%	27.2%	35.3%	34.0%
Net combined ratio	88.5%	91.8%	78.1%	82.3%	85.4%	88.9%

2024 figures have been re-presented to allocate £5 million of net written premium, £5 million of net earned premium, and £22 million of net claims from discontinued business into Insurance and Reinsurance divisions. The impact on the 2024 ratios re-presented above is to increase the Insurance division net claims ratio by 2.1 percentage points to 54.9% and combined ratio by 2.3 percentage points to 91.8%, and the Reinsurance division net claims ratio and combined ratio by 0.4 percentage points to 55.1% and 82.3% respectively.

Divisional analysis

During 2025, the Syndicate operations were managed across two divisions, Insurance and Reinsurance, managed by a single underwriting management team led by the active underwriter. This section analyses the underwriting performance of these two divisions. This presentation and the comparatives for 2024 are shown on a consistent basis and are based on the managing agent's view of how the Syndicate is managed. This differs from the analysis by Lloyd's class disclosed in note 4.

Insurance

Insurance generated £1,366 million of gross written premium (2024: £1,101 million). 2024 includes the one-off negative impact of the change in binder estimates (£172 million). Taking this into account, underlying year on year growth in gross written premiums was 7.3%, driven by new business growth, partly offset by rate reductions. Net earned premiums increased to £1,230 million (2024: £1,088 million). Excluding the one-off positive impact of the change in binder estimates in 2024 (£58 million), underlying year on year growth in net earned premiums was 19.4%, which follows the increase in gross premiums, but is also driven by the decision to retain more net risk, and favourable pricing on renewal of our reinsurance programme.

The net claims ratio has decreased by 4.4 percentage points in comparison with the prior year, to 50.5%. This result includes the impact of lower overall catastrophe losses compared to 2024, coupled with positive

improvements in the attritional loss ratio performance, and an increase in prior period best estimate reserve releases. In addition to this, the net claims ratio also includes the impact of court settlements in respect of market aviation losses sustained as a result of the war in Ukraine.

The net expense ratio has increased by 1.1 percentage points to 38.0%, driven by higher acquisition costs, partly offset by improvement in the administration cost ratio.

Reinsurance

Reinsurance generated £762 million of gross written premium (2024: £668 million), an increase of £94 million on the prior year (14.0%). This increase reflects growth through new business opportunities, partly offset by rate reductions. Net earned premiums increased by 16.2% year on year, following the increased gross written premiums, plus increased net retention and favourable outwards reinsurance pricing.

The net claims ratio of 49.0% decreased by 6.1 percentage points compared with 2024. This improvement is driven by improved attritional loss performance and an increase in prior period best estimate reserve releases. The net claims ratio also includes the impact of court settlements in respect of market aviation losses sustained as a result of the war in Ukraine.

The net expense ratio has increased by 1.9 percentage points versus prior year driven by higher acquisition costs partly offset by improvement in the administration cost ratio.

Investment performance

The Syndicate investment result was a gain of £74 million in the year (2024: gain of £41 million), equating to a yield (net of all associated costs) on average total invested assets of 3.7% (2024: 2.3%).

The managing agent's investment objective is to increase shareholder value in a way that balances risk. At the same time, it seeks to align with wider Group strategies including those relating to sustainability. Investments are managed on a multi-asset, multi-

Report of the directors of the managing agent

(continued)

manager basis. For the Syndicate, investments are predominantly invested in bond and money market funds, with a modest allocation to alternative assets (property and private equity funds, and a global credit hedge fund) through the Funds in Syndicate ('FIS') portfolio. During the prior year there was investment in global equity funds through the FIS portfolio, but as part of the release of surplus capital during 2024, this allocation was reduced to nil.

Asset liability management is a core element of investment management, as the managing agent seeks to align assets with insurance liabilities by currency and by duration. Where mismatches occur, either assets are restructured or appropriate derivatives are used to address the mismatch. Tactical and operational management of investments is outsourced to a sister company, MS Amlin Investment Management Limited, governed through an investment management agreement incorporating an investment mandate. Further details on investments can be found in note 10.

Liquidity

For 2025, the Syndicate is reporting strong positive flows reflecting the continued improvement in underwriting result. The Syndicate has at the date of this report, access to a Cash-based revolving credit facility of £160 million (2024: £160 million) to supplement any urgent liquidity needs. Further details on the Syndicate's liquidity facilities can be found in note 9.

Principal risks

The principal financial risks to the Syndicate are insurance risk, market risk (including financial investment risk and foreign exchange risk), interest rate risk and credit risk. Detailed explanations of these risks are provided in notes 10, 11 & 14 to these financial statements.

The Syndicate is also exposed to strategic risk (including Environmental, Social and Governance risk) and operational risk through the execution of its strategic aims and its participation in the Lloyd's market, as well as other more general operational risks associated with the management of a Syndicate. Lloyd's is a mutual society, and the Syndicate is dependent on Lloyd's licence and ratings to operate.

The managing agent does not believe there are any other principal risks or uncertainties not included in the notes mentioned above connected with the Syndicate.

Credit rating

Syndicate 2001 trades through the Lloyd's worldwide licences and ratings. It also benefits from the Lloyd's brand. Lloyd's Syndicate 2001 has an AA- (Very Strong) (2024: AA- (Very Strong)) rating from Standard & Poor's, and an A+ (Superior) (2024: A+ (Superior)) rating from AM Best.

Sustainability

Our Sustainability strategy sets out our commitment to generating long-term enterprise value by embedding sustainability into core underwriting, investment and operational decisions. Central to this approach is the deployment of commercially-grounded underwriting and financing capacity to build climate and socio-economic resilience, particularly in emerging markets and vulnerable communities, while creating profitable, scalable solutions that close protection gaps and strengthen global stability. Underwriting is our most powerful lever for impact, enabling us to mobilise adaptation finance, integrate ESG factors across decision-making, and develop products that reduce risk and enhance continuity for businesses and communities.

We operate in a world shaped by interconnected systemic risks including climate change, biodiversity loss, global health pressures, geopolitical instability and socio-economic inequality. These dynamics are reshaping insurance markets and creating both material risks and new commercial opportunities for innovation in resilience finance. Our philosophy is to create shared value for customers, communities, employees and shareholders by ensuring that financial performance and societal benefit reinforce one another. Sustainability is embedded within our enterprise risk management, governance and reporting processes, ensuring transparency, accountability and continuous improvement as global standards and risks evolve.

Senior appointments

Throughout 2025, MS Amlin continued to benefit from the strength of its Executive and Non-Executive leadership teams, which saw a small number of orderly and well-planned changes.

In March 2025, following nine years of service, Phil Calnan retired from his roles as Senior Independent Non-Executive Director and chair of the Audit and Remuneration Committees. The Board thanks Phil for his significant contribution and dedicated service and wishes him well for the future. Following a thorough handover, Andrew Downes assumed the roles of both chair of the Audit Committee and the Remuneration Committee in April 2025.

Following the planned retirements of Masayuki Kawase and Masato Tomihari from the Board in March 2025, Shintaro Shimada and Keisuke Ema were appointed to the Board in May and June 2025 respectively, following receipt of all required regulatory approvals.

In July 2025, Andrew Carrier announced his intention to retire from his role as Chief Executive Officer and Director of MS Amlin at the end of the year. Following a detailed and rigorous search process, Christiern Dart was appointed as his successor and joined MS Amlin in December 2025, formally assuming the roles of Chief Executive Officer and Director on 1 January 2026.

Report of the directors of the managing agent

(continued)

Directors of the managing agent

The current directors of the managing agent are shown on page 3. During the year and up to the date of signing, the following changes to the Board of Directors of the managing agent have occurred:

Name	Date of appointment	Date of resignation
P J Calnan		31 March 2025
A J Carrier		31 December 2025
C R J Dart	1 January 2026	
K Ema	27 June 2025	
M Kawase		31 March 2025
S Shimada	29 May 2025	
M Tomihari		31 March 2025

Going concern

The Syndicate has financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced team. The directors of the managing agent believe that the Syndicate is well positioned to manage its business risks successfully in the current economic environment. The directors of the managing agent have continued to review the business plans, liquidity and operational resilience of the Syndicate.

The 2026 year of account of Syndicate 2001 has opened and the directors of the managing agent have concluded that the Syndicate has sufficient resources to, and a reasonable expectation that it will, open a 2027 year of account. The Syndicate has sufficient capital for each year of account in its Funds at Lloyd's ('FAL') and there is also surplus capital available in the Corporate Member. There is therefore no intention to cease underwriting or cease the operations of the Syndicate.

Accordingly, the directors of the managing agent continue to adopt the going concern basis in preparing the annual report and financial statements.

Independent auditor

Pursuant to Section 14 (2) of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to the auditor

Each director of the managing agent who held office at the date of the approval of this report confirms that:

- so far as the directors of the managing agent are aware, there is no relevant audit information of which the Syndicate's auditor is unaware; and
- the directors of the managing agent have taken all the steps that they ought to have taken as a director of the managing agent in order to make themselves aware of any relevant audit information and to establish that the Syndicate's auditor is aware of that information.

On behalf of the Board

C R J Dart
Chief Executive Officer
18 February 2026

Statement of responsibilities of the directors of the managing agent

The directors of the managing agent are responsible for preparing the Syndicate financial statements in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 ('FRS 102'). FRS 102 requires the application of Financial Reporting Standard 103 ('FRS 103') in relation to insurance contracts and the Lloyd's Syndicate Accounts Instructions Version 3.1, as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 13 February 2026, as issued by the Council of Lloyd's.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires the directors of the managing agent to prepare their Syndicate's financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the directors of the managing agent must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing these financial statements, the directors of the managing agent are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Use the going concern basis of accounting unless they either intend to cease trading or have no realistic alternative but to do so; and
- Prepare and review the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd's, including designing, implementing and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd's, whether due to fraud or error.

The directors of the managing agent are responsible for keeping adequate accounting records that are sufficient to show and explain the Syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the Syndicate and enable them to ensure that the financial statements comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Syndicate and to prevent and detect fraud and other irregularities.

The directors of the managing agent are responsible for the maintenance and integrity of the Syndicate and financial information included on the Syndicate's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Head of US Casualty Reinsurance Rhian Pinder (right) and her stunt double, Belinda McGinley



Independent auditor's report to the members of Syndicate 2001

Opinion

We have audited the Syndicate annual accounts of Syndicate 2001 ("the Syndicate") for the year ended 31 December 2025 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in members' balance and related notes, including the accounting policies in note 3.

In our opinion the Syndicate annual accounts:

- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and Sections 1 and 5 of the Syndicate Accounts Instructions Version 3.1, as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 13 February 2026, issued by the Council of Lloyd's ("the Syndicate Accounts Instructions").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law, and, under the terms of our engagement letter dated 31 July 2025, the Syndicate Account Instructions. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors of the Managing Agent ("the Directors") have prepared the Syndicate annual accounts on the going concern basis as they do not intend to cease underwriting or to cease its operations, and as they have concluded that the Syndicate's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Syndicate annual accounts ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Syndicate's business model and analysed how those risks might affect the Syndicate's financial resources or ability to continue operations over the going concern period, including inspecting correspondence with the Council of Lloyd's to assess whether there were any known impediments to establishing a further year of account.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Syndicate annual accounts is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Syndicate's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Syndicate will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures at the Syndicate and Managing Agent included:

Enquiring of directors, the Audit Committee, internal audit, legal, compliance and risk and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;

- Reading board and audit committee minutes;
- Considering remuneration incentive schemes and performance targets for management and directors; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates and judgements such as the valuation of technical provisions.

We did not identify any additional fraud risks.

Independent auditor's report to the members of Syndicate 2001 (continued)

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management and those who do not typically post journals, unusual combinations posted to the gross written premium account and late adjustments posted to technical provisions; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Syndicate Annual Report and Accounts from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Syndicate and Managing Agent regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Syndicate Annual Report and Accounts varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the Syndicate Annual Report and Accounts including financial reporting legislation (including related Lloyd's legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Syndicate Annual Report and Accounts items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Annual Return, for instance through the imposition of fines or litigation or the loss of the Syndicate's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity, conduct and financial crime, health and safety, data protection laws, anti-bribery, employment law, money laundering, foreign corrupt practices, contract legislation, competition legislation, and misrepresentation recognising the financial and regulated nature of the Syndicate's activities. Auditing standards limit the

required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Syndicate Annual Report and Accounts, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Syndicate Annual Report and Accounts, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information - Report of the Directors of the managing agent

The Directors are responsible for the Report of the Directors of the Managing Agent. Our opinion on the Syndicate Annual Report and Accounts does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate Annual Report and Accounts audit work, the information therein is materially misstated or inconsistent with the Syndicate Annual Report and Accounts or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Directors of the Managing Agent;
- in our opinion the information given in the Report of the Directors of the Managing Agent is consistent with the Syndicate Annual Report and Accounts; and
- in our opinion the Report of the Directors of the Managing Agent has been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

Independent auditor's report to the members of Syndicate 2001 (continued)

Matters on which we are required to report by exception

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate Annual Report and Accounts are not in agreement with the accounting records; or
- certain disclosures of Managing Agent's emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of the Directors of the Managing Agent

As explained more fully in their statement set out on page 14, the Directors of the Managing Agent are responsible for: the preparation of the Syndicate Annual Report and Accounts in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions, and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate Annual Report and Accounts that are free from material misstatement, whether due to fraud or error; assessing the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Syndicate Annual Report and Accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate Annual Report and Accounts.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Directors of the Managing Agent are required, under the Syndicate Accounts Instructions, to include

these financial statements within a document to which XBRL tagging has been applied. This auditor's report provides no assurance over whether the XBRL tagged document has been prepared in accordance with those requirements.

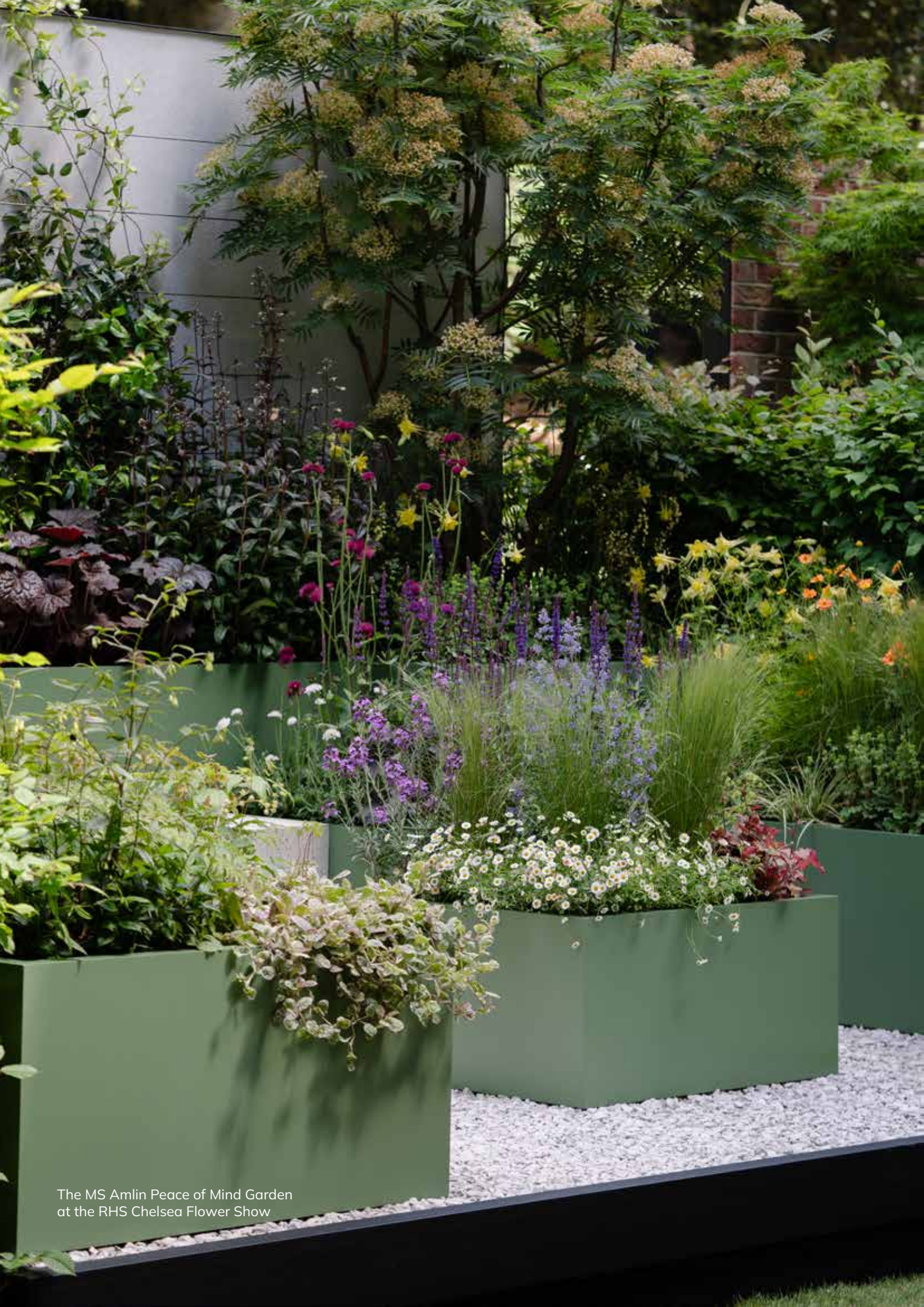
The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Syndicate's members, as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the terms of our engagement letter by the Managing Agent. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report and the further matters we are required to state to them in accordance with the terms agreed with the Managing Agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate and the Syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

William Greenfield (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square,
London, E14 5GL

18 February 2026



The MS Amlin Peace of Mind Garden
at the RHS Chelsea Flower Show

Statement of profit or loss and other comprehensive income for the year ended 31 December 2025

		2025 £'000	2024 £'000
Technical account – general business	Note		
Gross written premiums	4	2,128,422	1,769,448
Outward reinsurance premiums		(244,847)	(284,245)
Net written premiums		1,883,575	1,485,203
Change in the provision for unearned premiums	11(c)		
Gross amount		(128,845)	63,130
Reinsurers' share		13,147	2,524
Change in the net provision for unearned premiums		(115,698)	65,654
Earned premiums, net of reinsurance		1,767,877	1,550,857
Allocated investment return transferred from the non-technical account	8	58,023	38,466
Claims paid	11(a)		
Gross amount		(952,479)	(669,770)
Reinsurers' share		325,917	292,389
Net claims paid		(626,562)	(377,381)
Change in the provision for claims	11(a)		
Gross amount		(59,891)	(395,339)
Reinsurers' share		(198,074)	(79,200)
Change in the net provision for claims		(257,965)	(474,539)
Claims incurred, net of reinsurance		(884,527)	(851,920)
Net operating expenses	5	(624,537)	(526,646)
Balance on the technical account for general business – transferred to non-technical account		316,836	210,757
Non-technical account – general business	Note		
Balance on the general business technical account	8	316,836	210,757
Investment income	8	47,313	27,926
Realised gains on investments	8	30,764	89,515
Unrealised gains / (losses) on investments	8	3,929	(67,865)
Investment expenses and charges		(8,488)	(8,793)
Investment return		73,518	40,783
Allocated investment return transferred to technical account		(58,023)	(38,466)
Foreign exchange gains/ (losses)		23,135	(931)
Profit for the financial year		355,466	212,143
Other comprehensive income	Note		
Items that may be reclassified subsequently to profit or loss			
Currency translation gains/(losses)		(51,442)	8,647
Total comprehensive income		304,024	220,790

All operations of the Syndicate relate to continuing operations.

The accompanying notes and information on pages 24 to 55 form part of these financial statements.

Statement of financial position

at 31 December 2025

	Note	2025 £'000	2024 £'000
Financial investments	10(b)	2,187,378	1,798,388
Deposits with ceding undertakings		1,564	1,680
Investments		2,188,942	1,800,068
Provision for unearned premiums	11(c)	27,845	22,953
Claims outstanding	11(a)	334,849	570,888
Reinsurers' share of technical provisions		362,694	593,841
Debtors arising out of direct insurance operations	11(e)	522,917	477,071
Debtors arising out of reinsurance operations	11(e)	587,054	526,834
Other debtors	10(c)	207,380	216,470
Debtors		1,317,351	1,220,375
Cash at bank and in hand	10(a)	95,399	92,239
Other		-	-
Other assets		95,399	92,239
Deferred acquisition costs	11(d)	221,829	189,916
Other prepayments and accrued income		26,740	30,715
Prepayments and accrued income		248,569	220,631
Total assets		4,212,955	3,927,154
Members' balance		914,879	610,155
Total capital and reserves		914,879	610,155
Provision for unearned premiums	11(c)	987,264	918,006
Claims outstanding	11(a)	2,058,001	2,109,835
Technical provisions		3,045,265	3,027,841
Creditors arising out of direct insurance operations	11(e)	133,658	158,342
Creditors arising out of reinsurance operations	11(e)	71,638	56,132
Other creditors	10(d)	46,145	73,625
Creditors		251,441	288,099
Accruals and deferred income		1,370	1,059
Total liabilities		3,298,076	3,316,999
Total liabilities, capital and reserves		4,212,955	3,927,154

The accompanying notes and information on pages 24 to 55 form part of these financial statements.

The financial statements on pages 20 to 23 were approved by the Board of Directors of MS Amlin Underwriting Limited and were signed on its behalf by

J Burrows
Chief Financial Officer
18 February 2026

Statement of cash flows

for the year ended 31 December 2025

	Note	2025 £'000	Restated 2024 £'000
Cash flows from operating activities			
Profit for the financial year		355,466	212,143
Increase in gross technical provisions		163,744	329,971
Decrease in reinsurers' share technical provisions		197,395	76,430
(Increase) in debtors		(154,097)	(85,878)
Increase in creditors		381	80,546
(Decrease)/increase in other assets/liabilities		(60,015)	69,275
Investment return		(73,514)	(40,784)
Foreign exchange (gains)/ losses		(7,919)	17,432
Net cash inflow from operating activities		421,441	659,135
Cash flows from investing activities			
Purchase of equity and debt instruments		(1,779,846)	(2,078,685)
Sale of equity and debt instruments		1,365,080	1,574,132
Purchase of derivatives		(112,712)	(63,286)
Sale of derivatives		100,011	68,130
Investment income received		22,082	15,660
Other		(8,486)	(8,793)
Net cash outflow from investing activities		(413,871)	(492,842)
Cash flows from financing activities			
Distribution of profit		(34,088)	(13,395)
Funds in Syndicate retained/ (released)		34,788	(210,301)
Net cash inflow / (outflow) from financing activities		700	(223,696)
Net increase (decrease) in cash and cash equivalents		8,270	(57,403)
Cash and cash equivalents at the beginning of the year		92,239	150,261
Effect of exchange rate on cash and cash equivalents		(5,110)	(619)
Cash and cash equivalents at the end of the year	10(a)	95,399	92,239

The accompanying notes and information on pages 24 to 55 form part of these financial statements.

The classification of cash flows relating to investing activities has been restated for 2024 to reallocate between investment income, purchases and sales of equity and debt instruments. More details are shown in Note 18.

Statement of changes in member's balance

for the year ended 31 December 2025

	2025 £'000	2024 £'000
Member's balance brought forward at 1 January	610,155	613,061
Total comprehensive income for the year	304,024	220,790
Payments of profit to member's personal reserve funds	(34,088)	(13,395)
Net movement on Funds in Syndicate	34,788	(210,301)
Member's balance carried forward at 31 December	914,879	610,155

Members participate in Syndicates by reference to years of account. Assets and liabilities are assessed with reference to policies incepting in that year of account in respect of their membership of a particular year.

The accompanying notes and information on pages 24 to 55 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2025

1. Basis of preparation

Syndicate 2001 (the 'Syndicate') comprises of one member of the Society of Lloyd's that underwrites insurance business in the London Market. The address of the Syndicate's managing agent is the Leadenhall Building, 122 Leadenhall Street, London EC3V 4AG.

The financial statements have been prepared using the annual basis of accounting in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 ('FRS 102'). FRS 102 requires the application of Financial Reporting Standard 103 ('FRS 103') in relation to insurance contracts and the Lloyd's Syndicate Accounts Instructions Version 3.1, as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 13 February 2026, as issued by the Council of Lloyd's. These requirements have been consistently applied to all years presented.

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss that are measured at fair value.

Except otherwise stated, all figures in these financial statements are presented in thousands of British pounds sterling (sterling) shown as £k rounded to the nearest £1,000. Narratives remain presented in millions.

Going concern

The Syndicate has financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced team. The directors of the managing agent believe that the Syndicate is well positioned to manage its business risks successfully in the current economic environment. The directors of the managing agent have continued to review the business plans, liquidity and operational resilience of the Syndicate.

The 2026 year of account of Syndicate 2001 has opened and the directors of the managing agent have concluded that the Syndicate has sufficient resources to, and a reasonable expectation that it will, open a 2027 year of account. The Syndicate has sufficient capital for each year of account in its Funds at Lloyd's ('FAL') and there is also surplus capital available in the Corporate Member. There is, therefore no intention to cease underwriting or cease the operations of the Syndicate.

Accordingly, the directors of the managing agent continue to adopt the going concern basis in preparing the annual report and financial statements.

Adoption of new and revised standards

(a) Amendments to published standards that came into effect from 1 January 2025 but do not have a material effect on the Syndicate's financial statements are:

- FRS 102 – Section 7 Statement of cash flows - Supplier finance arrangements.

There were no new standards effective from 1 January 2025.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 and FRS 103 requires the use of certain critical accounting estimates. It also requires the directors of the managing agent to exercise its judgement in the process of applying the Syndicate's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities. Although these estimates are based on managing agent's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2.1 Estimation of technical provisions for claims outstanding

The most significant estimate made in the financial statements relates to unpaid claims reserves. The methods, assumptions and estimates used by the Syndicate to estimate are described in note 11(i).

Unpaid claims reserves are estimated on an undiscounted basis. Provisions are subject to a detailed quarterly review where forecast unpaid claims reserves and existing amounts provided are reviewed and reassessed. Any changes to the amounts held are adjusted through the Statement of profit or loss.

Unpaid claims reserves are also subjected to insurance risk and analysis on the sensitivities and further details are in note 11(f).

Notes to the financial statements

for the year ended 31 December 2025

3. Significant accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior years in relation to items that are considered material in relation to the Syndicate's financial statements.

Product classification

Insurance contracts are defined as those containing significant insurance risk if, and only if, an insured event could cause an insurer to make significant additional payments in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract.

Contracts entered into by the Syndicate with reinsurers under which the Syndicate is compensated for losses on contracts issued by the Syndicate and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Insurance contracts underwritten by the Syndicate under which the contract holder is another insurer (inwards reinsurance) are included within insurance contracts. Based on the current assessment, all of the products underwritten by the Syndicate are insurance contracts within the scope of FRS 103.

Gross written premiums

Gross written premiums comprise premium on insurance contracts incepting during the financial year together with adjustments to premium written in prior periods.

Gross written premiums reflect direct and inwards reinsurance business written during the period, gross of commission payable to intermediaries, and exclude any taxes or duties based on premiums. The proportion of gross written premium, gross of commission payable, attributable to periods after the reporting date is deferred as a provision for unearned premium. The change in this provision is taken to the statement of profit or loss in order that earned premium is recognised over the period of the risk.

Premium is recognised as earned over the policy contract period. The earned element is calculated separately for each contract on a basis where the premium is apportioned over the period of risk.

Acquisition costs

Acquisition costs comprise brokerage incurred on insurance contracts written during the financial year. They are deferred on inception to be expensed on the same basis as the earned proportions of the premiums they relate to. Acquisition costs also include profit commissions.

Outward reinsurance premiums

Outward reinsurance premiums comprise premiums on reinsurance arrangements bought which incept during the financial year, together with adjustments to premium ceded in prior periods. Premiums on reinsurance assumed are recognised in the technical account along the same basis as direct business, taking into account the product classification. The proportion of outward reinsurance premiums attributable to periods after the reporting date is deferred as reinsurers' share of unearned premium. Outward reinsurance premiums is earned over the policy contract period in accordance with the terms of the reinsurance contract.

Claims outstanding

Claims paid are defined as those claims transactions settled up to the balance sheet date including the internal and external claims settlement expenses allocated to those transactions.

Claims reserves are estimated on an undiscounted basis. Unpaid insurance claims reserves are subject to a detailed quarterly review where forecast unpaid claims reserves and existing amounts provided are reviewed and reassessed. Unpaid insurance claims reserves are determined by the directors of the managing agent based on experience of claims settled and on statistical models which require certain assumptions to be made regarding incidence, timing and number of claims, and any specific factors such as adverse weather conditions. Also included in the estimation of unpaid claims reserves are factors such as the potential for judicial or legislative inflation. Any changes to the amounts held are adjusted through the statement of profit or loss. Unpaid claims reserves are established above an actuarial best estimate as an additional degree of caution. Internal costs incurred to manage and settle claims (unallocated loss adjustment expenses) are apportioned to incurred claims.

The unpaid claims reserves also include, if necessary, a reserve for unexpired risks where, at the reporting date, the estimated costs of future claims and related deferred acquisition costs are expected to exceed the unearned premiums provision across all years of account ("YOA").

Some insurance contracts permit the Syndicate to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Syndicate may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries and subrogation reimbursements are included as allowances in the measurement of the technical provisions for unpaid claims, and recognised in insurance and reinsurance receivables when the liability is settled.

Notes to the financial statements

for the year ended 31 December 2025

3. Significant accounting policies (continued)

Reinsurance recoveries

The Syndicate has reinsurance treaties and other reinsurance contracts that transfer significant insurance risk. The benefits to which the Syndicate is entitled under its reinsurance contracts held are recognised as reinsurers' share of claims outstanding.

These assets consist of short-term balances due from reinsurers, as well as longer-term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured technical provisions for claims outstanding and in accordance with the terms of each reinsurance contract.

Where there is objective evidence that a reinsurance asset is impaired, the Syndicate reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of profit or loss.

Financial assets and liabilities

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the statement of profit or loss and other comprehensive income. Financial assets and liabilities are classified on their initial recognition. The initial classification of a financial instrument shall take into account contractual terms including those relating to future variations.

Once the classification of a financial instrument is determined at initial recognition, re-assessment is only required subsequently when there has been a modification of contractual terms that is relevant to an assessment of the classification.

The Syndicate's financial assets are classified at fair value through profit and loss ('FVPL'). This classification requires all fair value changes to be recognised immediately within the investment return line in the Statement of profit or loss. The Syndicate has availed itself of the option in FRS 102 to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement to its financial assets and financial liabilities.

Assets at FVPL comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Within the FVPL category, holdings in collective investment schemes, fixed income securities, equity securities, property funds and certain derivatives are classified as 'trading' as the Syndicate buys with the intention to resell. All other assets at FVPL are designated as such on initial recognition as they are managed, and their performance is evaluated, on a FVPL basis.

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Syndicate's contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

Purchases and sales of investments are recognised on the trade date, which is the date the Syndicate commits to purchase or sell the assets. These are initially recognised at fair value and are subsequently re-measured at fair value based on quoted bid prices. Transaction costs are recognised directly in the Statement of profit or loss when incurred. Changes in the fair value of investments are included in the Statement of profit or loss in the year in which they arise. The uncertainty around valuation is discussed further in note 10(e).

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Syndicate currently has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

Derivative financial instruments primarily include currency swaps, currency and interest rate futures, currency options and other financial instruments that derive their value mainly from underlying interest rates or foreign exchange rates. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured to their fair value at the end of each reporting period. Derivative fair values are determined from quoted prices in active markets where available or, where these are not available, by using valuation techniques such as discounted cash flow models or option pricing models. Gains and losses arising from changes in the fair value of derivative instruments are recognised as they arise in the statement of profit or loss.

Investment return

The investment return comprises investment income, investment gains and losses, investment expenses and charges.

Realised gains or losses are calculated as the difference between the net sales proceeds and their purchase price in the financial year or their valuation at the commencement of the year. Unrealised gains and losses are calculated as the difference between the valuation of investments at the balance sheet date and their purchase price in the financial year and their valuation at the commencement of the year.

Notes to the financial statements

for the year ended 31 December 2025

3. Significant accounting policies (continued)

Investment return (continued)

All of the investment return arising in the year is reported initially in the non-technical account. A transfer is then made from the non-technical account to the technical account to reallocate investment return relating to underwriting business.

Tax

No provision has been made in respect of UK income tax on trading income. It is the responsibility of the Corporate Member to settle tax liabilities arising from Syndicate operations. Overseas taxation comprises US Federal Income tax, Canadian Federal Income tax, Singaporean Corporate Income tax and UAE Federal tax. The amounts charged to the member in the USA, Canada and Singapore are collected centrally through Lloyd's Members' Services Unit as part of the member's distribution process, whereas amounts due to the UAE Federal tax authority are processed internally. The ultimate tax liability is the responsibility of the Corporate Member.

Foreign currencies

The financial statements are presented in pounds sterling (GBP), however from 1 January 2024, the Syndicate's functional currency changed to US dollars (USD).

Transactions in foreign currencies are translated into US dollars at the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange as at the balance sheet date (underwriting-related balances, such as Reinsurers' share of technical provisions and Technical provisions, are considered to be monetary balances). Exchange differences are recognised within the 'non-technical account'.

The presentational currency of the Syndicate is pounds sterling therefore the results and financial position are translated from US dollars into pounds sterling in the Syndicate's financial statements, in line with Group policy, as follows:

- assets and liabilities for the balance sheet presented are translated at the closing exchange rate at the date of the balance sheet;
- income and expenses for the profit and loss account are translated at the exchange rates prevailing at the date of each transaction, or a practical approximation to these rates;
- translation differences resulted from the above are taken to the Member's balance and included in other comprehensive income.

Other creditors

Other creditors are initially recognised at fair value and subsequently measured at amortised cost. They 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 year end, but for which payment has not yet been made.

Insurance debtors and creditors

Insurance debtors and creditors are primarily non-derivative financial assets and liabilities with fixed or determinable payments and not quoted on an active market. These include amounts due to and from agents, brokers and insurance contract holders.

Debtors are initially recognised when due at transaction price, and where applicable are subsequently measured at amortised cost. The recoverability of these assets is assessed at each balance date and appropriate provision made to ensure that the balances properly reflect the amounts that will ultimately be received, taking into account counterparty credit risk and the contractual terms of the contract.

Where a receivable is impaired, the Syndicate reduces the carrying amount of the insurance receivable accordingly and recognises the impairment loss in the statement of profit or loss. Creditors are initially recognised at transaction price, and where applicable are subsequently measured at amortised cost.

Cash at bank and in hand

Cash at bank and in hand include cash in hand, unrestricted balances held with banks, and other highly liquid financial assets with original maturities of less than three months, which are subject to insignificant credit risk, and are used by the Syndicate for the management of its short-term commitments.

Cash at bank and in hand are measured at face value in the statement of financial position.

Amounts owed to credit institutions, are measured at amortised cost and repayable on demand.

Notes to the financial statements

for the year ended 31 December 2025

4. Analysis of underwriting result

An analysis of the underwriting result before investment return is presented in the table below:

	Gross written premiums £'000	Gross earned premiums £'000	Gross claims incurred £'000	Net operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
2025						
Direct insurance						
Accident and health	51,427	49,195	(24,012)	(20,692)	(175)	4,316
Motor (third party liability)	10,005	5,898	923	(3,954)	(3,335)	(468)
Motor (other classes)	79,669	91,363	(51,772)	(38,837)	(1,209)	(455)
Marine, aviation and transport	208,084	194,677	(138,859)	(62,143)	3,253	(3,072)
Fire and other damage to property	541,260	499,290	(169,716)	(172,430)	(26,433)	130,711
Third party liability	250,900	211,583	(109,345)	(85,889)	436	16,785
Miscellaneous	88,718	66,777	(56,503)	(21,469)	(979)	(12,174)
Total direct insurance	1,230,063	1,118,783	(549,284)	(405,414)	(28,442)	135,641
Reinsurance acceptances	898,359	880,794	(463,086)	(219,123)	(75,415)	123,170
Total	2,128,422	1,999,577	(1,012,370)	(624,537)	(103,857)	258,813

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

	Gross written premiums £'000	Gross earned premiums £'000	Gross claims incurred £'000	Net operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
2025						
Additional analysis						
<i>Fire and damage to property includes:</i>						
- Specialities	40,741	35,599	(14,242)	(11,220)	(794)	9,343
- Energy	69,925	76,004	(42,282)	(17,458)	(3,034)	13,230
<i>Third party liability includes:</i>						
- Energy	1,041	899	(612)	(94)	(1)	192

	Gross written premiums £'000	Gross earned premiums £'000	Gross claims incurred £'000	Net operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
2024						
Direct insurance						
Accident and health	34,704	42,751	(23,863)	(17,031)	1,374	3,231
Motor (third party liability)	13,190	14,982	(8,867)	(5,571)	383	927
Motor (other classes)	56,247	82,270	(53,301)	(28,554)	658	1,073
Marine, aviation and transport	175,263	192,863	(131,871)	(58,623)	16,200	18,569
Fire and other damage to property	422,702	445,452	(270,522)	(140,477)	13,596	48,049
Third party liability	117,923	147,593	(82,994)	(53,656)	7,261	18,204
Miscellaneous	76,158	63,370	(39,193)	(21,215)	9,048	12,010
Total direct insurance	896,187	989,281	(610,611)	(325,127)	48,520	102,063
Reinsurance acceptances	873,261	843,297	(454,498)	(201,519)	(117,052)	70,228
Total	1,769,448	1,832,578	(1,065,109)	(526,646)	(68,532)	172,291

Notes to the financial statements

for the year ended 31 December 2025

4. Analysis of underwriting result (continued)

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2024	Gross written premiums £'000	Gross earned premiums £'000	Gross claims incurred £'000	Net operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
Additional analysis						
<i>Fire and damage to property includes:</i>						
- Specialities	30,858	33,299	(4,179)	(11,738)	(2,406)	14,976
- Energy	26,816	24,464	(11,667)	(6,268)	118	6,647
<i>Third party liability includes:</i>						
- Energy	1,943	1,958	(113)	(179)	(148)	1,518

All premiums are concluded in the UK. The reinsurance balance is gross of commission and profit participation earned by the Syndicate as detailed in note 5. The analysis included in the tables within note 4 above is as per Lloyd's requirements and is different to how the Syndicate is managed by the managing agent.

A net charge of £103.9 million was recognised in profit or loss during the year on buying reinsurance (2024: charge of £68.5 million).

The gross premiums written for direct insurance by location (where the contracts were concluded) is presented in the table below:

	2025 £'000	2024 £'000
United Kingdom	244,849	164,591
European Union Member States	81,876	9,659
US	516,300	452,506
Rest of the world	387,038	269,431
Total	1,230,063	896,187

Notes to the financial statements

for the year ended 31 December 2025

5. Net operating expenses

	Note	2025 £'000	2024 £'000
Acquisition costs		486,974	332,226
Change in deferred acquisition costs	11(d)	(42,877)	27,308
Administrative expenses		159,287	145,367
Members' standard personal expenses		28,701	29,849
Reinsurance commission and profit participation		(7,548)	(8,104)
Net operating expenses		624,537	526,646

Total commissions for direct insurance business for the year are shown in the table below:

	2025 £'000	2024 £'000
Total commission for direct insurance business	341,175	240,488

Administrative expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration		
– fees payable to the Syndicate's auditor for the audit of these financial statements	1,239	1,334
– fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	335	156

For the audit of MS Amlin Underwriting Limited's financial statements, the auditor's remuneration was £55k (2024: £53k).

6. Staff numbers and costs

All staff are employed by MS Amlin Corporate Services Limited ('MS ACS'). The following amounts were recharged to the Syndicate in respect of salary costs:

	2025 £'000	2024 £'000
Wages and salaries	50,624	46,135
Social security costs	7,181	6,091
Other pension costs	5,857	5,329
Total	63,662	57,555

Pension costs reflect contributions paid to the MS Amlin defined contribution scheme.

The average number of persons employed by MS ACS but working for the Syndicate during the year, analysed by category, was as follows:

	2025	2024
Administration and finance	194	172
Underwriting	240	224
Claims	50	57
Investments	2	-
Total	486	453

Notes to the financial statements

for the year ended 31 December 2025

7. Directors' emoluments

Certain directors of the managing agent are also directors or employees of other companies within the MSI Group. As such a proportion of the total emoluments have been allocated to the Syndicate. However, this is not necessarily a reflection of the amount, if any, charged to the Syndicate by the company employing the director. Only amounts in respect of qualifying services are disclosed in the table below:

	2025 £'000	Restated 2024 £'000
Directors' emoluments	6,666	5,420

Payments were made to two directors of the managing agent (2024: three) in respect of defined contribution pension schemes. No payments were made in respect of defined benefit pension schemes in the current or prior year. During the year, four directors of the managing agent were members of long-term incentive schemes (2024: six).

The total above includes payment of deferred awards due to former directors of the managing agent.

The 2024 comparative of £5.4 million has been restated from £4.3 million to include two directors not previously included.

The active underwriter (2024: one) during the year received the following proportionate remuneration charged as a Syndicate expense for the period they were appointed:

	2025 £'000	2024 £'000
Emoluments	1,157	755

8. Investment return

	2025 £'000	2024 £'000
Interest and similar income		
<i>From financial assets designated at fair value through profit or loss</i>		
Interest income	42,162	20,908
Dividend income	-	2,004
Interest on cash at bank	5,151	5,014
Other income from investments		
<i>From financial assets designated at fair value through profit or loss</i>		
Gains on the realisation of investments	72,101	112,698
Losses on the realisation of investments	(41,337)	(23,183)
Unrealised gains on investments	236,635	33,414
Unrealised losses on investments	(232,706)	(101,279)
Investment management expenses	(8,488)	(8,793)
Total investment return	73,518	40,783
Transferred to the technical account from the non-technical account	58,023	38,466
Investment return on Funds in Syndicate	15,495	2,317

The above figures include investment profit of £15.5 million (2024: profit of £2.3 million) on cash, bonds and property investments deposited by the Corporate Member into the Funds in Syndicate balance.

An investment return of £58.0 million (2024: £38.5 million) was allocated to the technical account from the non-technical accounts. This is made up of the Syndicate's underwriting assets. Investment return on the Syndicate's capital assets remains in the non-technical account.

Notes to the financial statements

for the year ended 31 December 2025

9. Foreign exchange risk

a) Revaluation

The Syndicate's functional currency is US dollars. The Syndicate holds asset and liability balances in major base currencies of pounds sterling, euro, US dollar and Canadian dollar and additional currencies of Japanese yen and Australian dollar. The Syndicate aims as far as possible to match the value of the assets held in these currencies with the equivalent liabilities to minimise foreign exchange exposure.

Foreign exchange exposure arises when business is written in non-functional currencies. These transactions are translated into the functional currency US dollars, at the prevailing spot rate once the premiums are received. Consequently, there is exposure to currency movements between the exposure being written and the premiums being received. Payments in non-base currencies are converted back into the underlying currency at the time a claim is to be settled or an expense is to be paid; therefore, the Syndicate is exposed to exchange rate risk between the claim or expense being made and its subsequent settlement.

The average and closing rates of exchange used by the Syndicate to revalue in pounds sterling and its functional currency US dollars are shown below:

GBP		2025			2024		
Currency	Start of period rate	End of period rate	Average rate	Start of period rate	End of period rate	Average rate	
AUD	2.02	2.01	2.05	1.87	2.02	1.94	
CAD	1.80	1.84	1.84	1.69	1.80	1.75	
EUR	1.21	1.15	1.17	1.15	1.21	1.18	
GBP	1.00	1.00	1.00	1.00	1.00	1.00	
JPY	196.45	210.60	197.20	179.56	196.45	193.48	
USD	1.26	1.35	1.32	1.27	1.26	1.28	

USD		2025			2024		
Currency	Start of period rate	End of period rate	Average rate	Start of period rate	End of period rate	Average rate	
AUD	1.61	1.49	1.55	1.47	1.61	1.58	
CAD	1.43	1.37	1.40	1.32	1.43	1.42	
EUR	0.96	0.85	0.89	0.91	0.96	0.95	
GBP	0.80	0.74	0.76	0.79	0.80	0.79	
JPY	156.42	156.46	149.55	141.04	156.42	153.73	
USD	1.00	1.00	1.00	1.00	1.00	1.00	

The Syndicate will also occasionally transact currencies on a forward basis particularly in relation to asset liability management actions. All forward contracts are carried out with investment grade banks, to limit the counterparty credit risk. The investment managers also hold forward foreign exchange contracts in their portfolios at the year-end in order to hedge non-base currency investments. All forward contracts are marked to market in their valuations.

Notes to the financial statements

for the year ended 31 December 2025

9. Foreign exchange risk (continued)

b) Currency balance sheet

The table below presents the Syndicate's assets and liabilities by major base currency. The amounts are converted to pounds sterling from the functional currency using the exchange rates as disclosed in the table above. The financial investments are presented on a look through basis to the underlying currency and include overseas deposits.

2025	GBP £'000	USD £'000	EUR £'000	CAD £'000	AUD £'000	JPY £'000	Other £'000	Total £'000
Investments	89,074	1,625,777	130,814	217,046	84,077	4,295	37,859	2,188,942
Reinsurers' share of technical provisions	36,593	293,810	11,671	18,335	2,285	-	-	362,694
Debtors	64,009	1,077,424	39,683	39,347	28,000	(935)	69,823	1,317,351
Other assets	7,682	77,396	9,211	-	1	246	863	95,399
Prepayments and accrued income	7,283	183,491	17,128	13,397	14,588	318	12,364	248,569
Total assets	204,641	3,257,898	208,507	288,125	128,951	3,924	120,909	4,212,955
Technical provisions	(121,677)	(2,342,339)	(158,943)	(141,521)	(134,223)	(4,788)	(141,774)	(3,045,265)
Creditors	(54,818)	(147,723)	(10,711)	(19,159)	(874)	-	(18,156)	(251,441)
Accruals and deferred income	(1,295)	-	-	-	(75)	-	-	(1,370)
Total liabilities	(177,790)	(2,490,062)	(169,654)	(160,680)	(135,172)	(4,788)	(159,930)	(3,298,076)
Total capital and reserves	(26,851)	(767,836)	(38,853)	(127,445)	6,221	864	39,021	(914,879)

2024 (Restated)	GBP £'000	USD £'000	EUR £'000	CAD £'000	AUD £'000	JPY £'000	Other £'000	Total £'000
Investments	88,011	1,359,584	122,464	176,140	11,082	4,520	38,267	1,800,068
Reinsurers' share of technical provisions	50,689	508,409	14,143	20,170	430	-	-	593,841
Debtors	177,182	878,567	49,098	35,333	27,112	(1,051)	54,134	1,220,375
Other assets	7,021	78,803	3,737	-	3	264	2,411	92,239
Prepayments and accrued income	29,170	145,602	14,056	11,250	10,916	257	9,380	220,631
Total assets	352,073	2,970,965	203,498	242,893	49,543	3,990	104,192	3,927,154
Technical provisions	(315,565)	(2,215,661)	(134,659)	(129,962)	(119,104)	(4,522)	(108,368)	(3,027,841)
Creditors	(57,858)	(186,021)	(16,288)	(10,629)	(278)	-	(17,025)	(288,099)
Accruals and deferred income	(234)	(673)	-	-	(152)	-	-	(1,059)
Total liabilities	(373,657)	(2,402,355)	(150,947)	(140,591)	(119,534)	(4,522)	(125,393)	(3,316,999)
Total capital and reserves	21,584	(568,610)	(52,551)	(102,302)	69,991	532	21,201	(610,155)

Deferred acquisition costs of £190 million were previously included in the other assets line in the table above, which has been amended to include deferred acquisition costs in the prepayments and accrued income line. There has been no change to the split by currency of the deferred acquisition costs.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities

a) Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	95,399	92,239
Total cash and cash equivalents	95,399	92,239

Analysis of movement

	At 1 January 2025 £'000	Cash flows £'000	Fair value and exchange movements £'000	At 31 December 2025 £'000
Cash and cash equivalents	92,239	8,270	(5,110)	95,399
Derivative financial liabilities	(9,769)	-	5,173	(4,596)
Total	82,470	8,270	63	90,803

b) Financial investments

	Carrying value		At Cost	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Shares, other variable yield securities and units in unit trusts	1,606,896	1,350,069	1,541,452	1,288,891
Debt securities and other fixed income securities	340,906	247,766	325,664	241,543
Participation in investment pools	171,739	124,371	171,739	124,371
Loans and deposits with credit institutions	-	119	-	119
Derivative assets	934	12,037	-	-
Other investments	66,903	64,026	66,903	64,026
Total financial investments	2,187,378	1,798,388	2,105,758	1,718,950

Shares, other variable yield securities and units in unit trusts includes minority shareholdings held by the Syndicate, unlisted companies, loans made to the Lloyd's Central Fund (fully repaid during the year) and investment in alternative asset classes. The classification of the loans is as per Lloyd's guidance.

Included in the carrying values above, the amount ascribable to listed investments is as follow:

	2025 £'000	2024 £'000
Listed investments	340,192	294,655

The table below presents an analysis of financial investments by their measurement classification.

	2025 £'000	2024 £'000
Financial assets measured at fair value through profit or loss	2,187,378	1,798,388
Total financial investments	2,187,378	1,798,388

Underwriting liabilities are matched by bonds, investment pools and cash. Derivatives are used to mitigate risks from currency and duration fluctuations. Other more volatile assets, including equities, represent capital.

As the Syndicate is fully aligned, the Syndicate partially holds the capital supporting underwriting in Syndicate premium trust funds. These funds are known as Funds in Syndicate ('FIS'). At 31 December 2025, the following amount was held as Funds in Syndicate:

	2025 £'000	2024 £'000
Funds in Syndicate (FIS)	315,463	285,797

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

b) Financial investments (continued)

The table below analyses the derivative assets and liabilities by type:

	2025		Restated 2024	
	Notional amount £'000	Fair value £'000	Notional amount £'000	Fair value £'000
Foreign exchange forward contracts	288,813	(2,044)	226,918	4,926
Interest rate future contracts	473,274	(1,617)	356,647	(2,659)
Total	762,087	(3,661)	583,565	2,267

The reporting of notional amounts for foreign exchange forward contracts in the table above has been adjusted to reflect one leg of the underlying contract, whereas previously reported figures reflected the net of both legs. As a result, the notional amount for the 2024 comparative for foreign exchange forward contracts has been restated to £226.9 million from £16.6 million.

c) Other debtors

	2025 £'000	2024 £'000
Other related party balances (non-Syndicate)	184,498	206,680
Other	22,882	9,790
Total	207,380	216,470

Included in other related party balances (non-Syndicate) in the current and prior year is a loan to MS ACS. This loan of £42.3 million (2024: £56.3 million) is to fund change projects MS ACS is managing on behalf of the Syndicate. The loan is on a recurring 1-year term, repayable after a 12-month notice period and does not charge interest. £15.7 million (2024: £22.3 million) of the loan is expected to be repaid within 12 months, with the remainder beyond 12 months.

All other debtor amounts owed are unsecured, have no fixed date of repayment, are payable on demand, are non-interest bearing and are recoverable within 12 months.

d) Other creditors

	2025 £'000	2024 £'000
Other related party balances (non-Syndicate)	21,808	30,377
Derivative liabilities	4,596	9,769
Other liabilities	19,741	33,497
Total	46,145	73,625

Other related party balances (non-Syndicate) are unsecured, have no fixed date of repayment, are payable on demand and are non-interest bearing. Other creditors are all current, both in the current and prior years.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

e) Fair value hierarchy

The Syndicate classifies its financial instruments held at fair value in its balance sheet using a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:** Financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2:** Financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.
- Level 3:** Financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

Shares and other variable yield securities and units in unit trusts

Minority shareholdings held by the Syndicate in unlisted companies are classified as Level 3.

Variable yield securities are represented by loans to the Lloyd's Central Fund (repaid during the year) and were classified as Level 3.

Units in unit trusts represent investments in open-ended investment unit trusts. The fair value of the investment in unlisted open-ended investments is determined using an unadjusted net asset value, which results in a Level 2 valuation. The unadjusted net asset value is used as the units are redeemable at the reportable net asset value at the measurement date.

Debt and other fixed income securities

The fair value is based upon quotes from pricing services where available. These pricing services derive prices based on an average of quotes provided by brokers. Where multiple quotes are not available, the fair value is based upon evaluated pricing services, which typically use proprietary cash flow models and incorporate observable market inputs, such as credit spreads, benchmark quotes and other trade data. If such services do not provide coverage of the asset, then fair value is determined manually using indicative broker quotes, which are corroborated by recent market transactions in similar or identical assets.

Where there is an active market for these assets and their fair value is the unadjusted quoted market price, these are classified as Level 1. This is typically the case for government bonds. Level 1 also includes bond funds, where fair value is based upon quoted prices. Where the market is inactive or the price is adjusted, but significant market observable inputs have been used by the pricing sources, then these are considered to be Level 2. This is typically the case for government agency debt, corporate debt, mortgage and asset-backed securities and catastrophe bonds.

Participation in investment pools

These are units held in money market funds and the value is based upon unadjusted, quoted and executable prices provided by the fund manager and classified as Level 1.

Investments are also held in alternative asset classes (property and private equity funds as well as a global credit hedge fund). Level 3 investments in alternative asset classes are valued using net asset statements provided by independent third parties.

Derivatives

Listed derivative contracts, such as futures, that are actively traded are valued using quoted prices from the relevant exchange and are classified as Level 1. Over the counter currency forwards 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. These are classified as Level 2.

Other investments

Other investments represent overseas deposits held through Lloyd's. Overseas deposits are lodged as a condition of conducting underwriting business in certain countries and for local regulatory requirements. They are classified as Level 1 and Level 2.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

e) Fair value hierarchy (continued)

Net financial investments by fair value grouping:

	2025				2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets								
Shares, other variable yield securities and units in unit trusts	-	1,441,387	165,509	1,606,896	16	1,110,844	239,209	1,350,069
Debt and other fixed income securities	220,446	120,460	-	340,906	116,104	131,662	-	247,766
Participation in investment pools	171,739	-	-	171,739	124,371	-	-	124,371
Loans and deposits with credit institutions	-	-	-	-	-	119	-	119
Derivative assets	97	837	-	934	-	12,037	-	12,037
Other investments	23,489	43,414	-	66,903	20,051	43,975	-	64,026
Total financial investments	415,771	1,606,098	165,509	2,187,378	260,542	1,298,637	239,209	1,798,388
Liabilities								
Derivative liabilities	(1,715)	(2,881)	-	(4,596)	(2,659)	(7,110)	-	(9,769)
Total	414,056	1,603,217	165,509	2,182,782	257,883	1,291,527	239,209	1,788,619

The table above excludes the Syndicate's holdings of cash and cash equivalents of £95.4 million (2024: £92.2 million). These are measured at amortised cost and are categorised as Level 1. The table above discloses overseas deposits within other investments.

The majority of the Syndicate's investments are valued based on quoted market information or other observable market data. The Syndicate holds 7.6% (2024: 13.4%) of its net financial investments at a fair value based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence.

Transfers between levels of the fair value hierarchy

The managing agent's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the start of the relevant reporting period during which the transfers are deemed to have occurred.

There were no transfers between the levels in the current or prior years.

The following table provides an analysis of investments valued with reference to level 3 inputs.

	2025 £'000	Restated 2024 £'000
At 1 January	239,209	257,574
Purchases	12,879	49,963
Disposals	(88,532)	(62,335)
Fair value losses recognised in profit or loss	16,625	(6,837)
FX through OCI	(14,672)	844
At 31 December	165,509	239,209

The 2024 figures have been restated as a result of errors that arose due to the functional currency change in the prior year to USD that impacted disposals (previously disposals reported as £196.3 million; now restated to £62.3 million) and purchases (previously purchases reported as £185.8 million and now restated to £50.0. million).

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

f) Investment risk

The following section describes the Syndicate's investment risk management from a quantitative and qualitative perspective.

The Syndicate has two main categories of assets:

- Underwriting assets – premium received and held to meet future insurance claims.
- Capital assets – capital required by Lloyd's to support the underwriting business. These represent funds deposited by the Corporate Member as FIS.

Surplus funds/undistributed profits may be held in either category.

Investment governance

The managing agent manages the Syndicate's investments in accordance with the investment governance framework that is set by the Board. The framework is reviewed on a regular basis to ensure that the Board's fiduciary and regulatory responsibilities are being met. Oversight of investments is delegated to the Investment Committee ('IC') and day-to-day management of the investments is delegated to MS Amlin Investment Management Limited ('MS AIML').

The IC comprises the Chief Financial Officer as Chairman, with the Chief Executive Officer and Chief Risk Officer as the other members. The oversight of investments by MS Amlin was enhanced in 2025 with the creation and recruitment of a Head of Investments role, with responsibilities including proposing changes to the investment strategy and the oversight of investment management arrangements. The IC meets at least quarterly and supports the Board in carrying out investment related responsibilities. During the period, MS AIML was responsible for asset allocation and the appointment of external investment managers and custodians, within a mandate recommended by the IC and approved by the Board. The IC is kept updated on relevant issues relating to day-to-day management.

Investment management

Investments are managed on a multi-asset, multi-manager basis. Exposure to the asset classes is achieved using physical holdings of the asset class or derivative instruments and may be managed by MS AIML or by outsourced managers, on a segregated, pooled or commingled basis. Manager selection is based on a range of criteria that leads to the expectation that they will add value to the Syndicate's assets over the medium to long-term. The external managers have discretion to manage the investments on a day-to-day basis within investment mandates and/or prospectuses applicable to their portfolios that ensure that they comply with the investment frameworks. The external managers' performance, compliance and risk are monitored on an on-going basis.

Risk tolerance

Investment risk tolerances are set by the Board following recommendation from the Risk & Solvency Committee ('R&SC') and the IC. The primary tolerance is the Value at Risk ('VaR') metric which is set to be consistent with the risk appetite that maintains the solvency levels in a 1-in-200 year event and considers factors such as the capital capacity and the capital management policy. Tolerances may be lower when capital capacity is constrained and vice versa. Investment risk is monitored by MS AIML using a market-recognised third-party risk model and reported to the IC (with escalations to the R&SC) on a quarterly basis.

Asset allocation

The IC is responsible for recommending the investment mandate for approval by the Board. The mandate includes performance measures, risk tolerances as well as strategic and tactical asset allocation limits. MS AIML have discretion to manage the asset allocation that they judge will provide the appropriate risk/reward balance, whilst respecting the VaR, tolerance and asset class, liquidity and counterparty limits set out in the investment mandate. The expected duration for future cash flows in each currency is calculated by the Actuarial team for policyholder portfolios, the average of these forms the basis of asset liability duration management. The IC reviews/challenges the MS AIML asset allocation and investment risk stance on an at least quarterly basis.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

g) Market risk

This section describes the aspects of market risk that concerns the risks associated with valuation and interest rates.

Valuation risk

The Syndicate's earnings are directly affected by changes in the valuation of the investments held in the portfolios. These valuations vary according to the movements in the underlying markets. The Syndicate's assets are marked to market at bid price. Prices are supplied by the custodians, whose pricing processes are covered by their published annual audits. In accordance with their pricing policies, prices are sourced from market recognised pricing vendor sources. These pricing sources use closing trades, or where more appropriate in illiquid markets, pricing models.

The managing agent operates an established control framework with respect to fair value measurement which ensures the valuation of financial assets and financial liabilities meets the requirements of FRS 102. As part of this process, the managing agent reviews the valuation policies of its custodians along with the evidence provided by the custodians to support fair value measurement. The prices are also reconciled to the fund managers' records to check for reasonableness. Further details of the fair value measurement of financial assets and financial liabilities are included in note 10(e).

Equity risk

The Syndicate is sensitive to equity risk through its investment in a private equity portfolio. Although these investments are not publicly traded, their valuations are influenced by market conditions and comparable equity multiples. The Syndicate's investment in equities is small and the impact of a change in market conditions on this portfolio would have an immaterial impact on the Syndicate's result.

Interest rate risk

Investors' expectations for interest rates will impact bond yields. The value of the Syndicate's bond holdings is therefore subject to fluctuation as bond yields rise and fall. If the yield falls the capital value will rise, and vice versa. Bond price sensitivity to interest rates is most significantly affected by the bond's duration. The greater the duration of a security the greater its price volatility.

The underwriting liabilities are not currently discounted and therefore their value is not impacted by interest rate movements. Cash is raised, or the duration of the portfolio reduced, if it is believed that yields may rise and therefore capital values will fall.

The impact of a 50 basis point movement in interest rates on the Syndicate's result and net assets is show below.

	2025		2024	
	Impact on results before tax £'000	Impact on members' balance £'000	Impact on results before tax £'000	Impact on members' balance £'000
50 basis point increase in interest rates	(30,470)	(30,470)	(17,255)	(17,255)
50 basis point decrease in interest rates	32,613	32,613	19,034	19,034

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

h) Liquidity risk

Liquidity risk is the risk that the Syndicate will encounter difficulty in meeting obligations arising from its insurance contracts and financial liabilities. The Syndicate is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Levels of cash are therefore managed on a daily basis and buffers of liquid assets are also held in excess of the immediate requirements. This approach aims to mitigate the risk of forced asset sales by the Syndicate, which could result in realisations below fair value, particularly during periods of subdued investment market activity. The policy of limiting the extent of duration divergence between the policyholders' assets and the liabilities helps to reduce the risk of a cash flow mismatch.

The following table indicates the contractual timing of cash flows arising from insurance finance liabilities as at 31 December 2025:

	Undiscounted net cash flows				
	0-1 yr £'000	1-3 yrs £'000	3-5 yrs £'000	>5 yrs £'000	Total £'000
Insurance and financial liabilities					
Outstanding claims	787,961	779,011	291,882	199,147	2,058,001
Derivative liabilities	4,596	-	-	-	4,596
Creditors	246,845	-	-	-	246,845
Total	1,039,402	779,011	291,882	199,147	2,309,442

at 31 December 2024:

	Undiscounted net cash flows				
	0-1 yr £'000	1-3 yrs £'000	3-5 yrs £'000	>5 yrs £'000	Total £'000
Insurance and financial liabilities					
Outstanding claims	845,623	810,094	277,875	176,243	2,109,835
Derivative liabilities	9,769	-	-	-	9,769
Creditors	278,330	-	-	-	278,330
Total	1,133,722	810,094	277,875	176,243	2,397,934

Liquidity in the event of a major disaster is tested regularly using internal cash flow forecasts and realistic disaster scenarios. In addition, the policyholders' funds investment mandate requires at least 25% of the funds to be held in bonds and/or cash equivalents, which are highly liquid. If a major insurance event occurs the investment strategy is reviewed to ensure that sufficient liquidity is also available in the corporate funds.

i) Credit risk

Credit risk is the risk that the Syndicate becomes exposed to loss if a specific counterparty fails to perform its contractual obligations in a timely manner impacting the Syndicate's ability to meet its claims as they fall due. Credit risk can also arise from underlying causes that have an impact upon the creditworthiness of all counterparties of a particular description or geographical location. The Syndicate is exposed to credit risk in its investment portfolio, its insurance and reinsurance debtors including reinsurers' share of claims outstanding, its cash at bank and its overseas deposits.

The Syndicate's credit risk is mitigated by the collateral received from counterparties, details of which are given in note 10(j). The Syndicate holds off balance sheet collateral of £487.4 million (2024: £505.6 million) in relation a £112.9 million (2024: £99.4 million) of reinsurers' share of outstanding claims.

The following table analyses the credit rating by investment grade of financial investments, debt securities and derivative financial instruments, reinsurers' share of claims outstanding, amounts due from intermediaries, amounts due from reinsurers in respect of settled claims, cash and cash equivalents, and other debtors and accrued interest.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

i) Credit risk (continued)

31 December 2025	AAA £'000	AA £'000	A £'000	BBB £'000	Other £'000	Not rated £'000	Total £'000
Shares, other variable yield securities and units in unit trusts	-	-	-	-	-	1,606,896	1,606,896
Debt securities and other fixed income securities	93,439	160,535	74,046	3,734	-	9,152	340,906
Participation in investment pools	-	-	-	-	-	171,739	171,739
Loans and deposits with credit institutions	-	-	-	-	-	-	-
Derivative assets	-	-	-	-	-	934	934
Other investments	19,146	7,317	7,238	2,975	6,632	23,595	66,903
Deposits with ceding undertakings	-	-	-	-	-	1,564	1,564
	112,585	167,852	81,284	6,709	6,632	1,813,880	2,188,942
Reinsurers' share of claims outstanding	-	186,927	79,309	-	-	68,613	334,849
Debtors arising out of direct insurance operations	-	-	-	-	-	461,050	461,050
Debtors arising out of reinsurance operations	-	-	-	-	-	390,216	390,216
Cash at bank and in hand	-	-	86,308	-	-	9,091	95,399
Other debtors and accrued interest	-	-	-	-	-	483,794	483,794
Total	112,585	354,779	246,901	6,709	6,632	3,226,644	3,954,250

31 December 2024 (Restated)	AAA £'000	AA £'000	A £'000	BBB £'000	Other £'000	Not rated £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	-	16,632	-	-	-	1,333,437	1,350,069
Debt securities and other fixed income securities	71,481	114,228	53,315	8,742	-	-	247,766
Participation in investment pools	-	-	-	-	-	124,371	124,371
Loans and deposits with credit institutions	-	-	119	-	-	-	119
Derivative assets	-	-	-	-	-	12,037	12,037
Other investments	22,307	4,135	5,745	4,695	6,887	20,257	64,026
Deposits with ceding undertakings	-	-	-	-	-	1,680	1,680
	93,788	134,995	59,179	13,437	6,887	1,491,782	1,800,068
Reinsurers' share of claims outstanding	-	307,675	222,895	-	-	40,318	570,888
Debtors arising out of direct insurance operations	-	-	-	-	-	406,000	406,000
Debtors arising out of reinsurance operations	-	-	-	-	-	371,467	371,467
Cash at bank and in hand	-	-	90,476	-	-	1,763	92,239
Other debtors and accrued interest	-	-	-	-	-	460,054	460,054
Total	93,788	442,670	372,550	13,437	6,887	2,771,384	3,700,716

In the prior year table, past due amounts were included when they were not required. The debtors arising out of direct insurance operations line has been amended to reduce the 'not rated' column by £71 million. In addition the debtors arising out of reinsurance operations line has been amended to reduce the 'AA' column by £69 million, the 'A' column by £60 million and the 'not rated' column by £27 million. The totals for the table have also been updated.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

i) Credit risk (continued)

A significant portion of the Syndicates investments are reported in 'Not rated' due to the nature of the assets being held in UCITS (Undertakings for Collective Investment in Transferable Securities) funds. These investments are highly liquid and can be sold at short notice. Management do not deem the 'Not rated' disclosure of these investments to impact credit risk.

The Syndicate holds substantial collateral, primarily against the 'Not Rated' reinsurance debtor balances (off balance sheet) to recover upon in the event of a default. Some of these balances will have underlying credit ratings.

Financial assets that are past due or impaired

The Syndicate has debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date. The assets of the Syndicate have been analysed below between those that are neither past due nor impaired and those that are past due but not impaired.

	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Impairment Allowance £'000	Total £'000
2025					
Shares, other variable yield securities and units in unit trusts	1,606,896	-	-	-	1,606,896
Debt securities and other fixed income securities	340,906	-	-	-	340,906
Participation in investment pools	171,739	-	-	-	171,739
Loans and deposits with credit institutions	-	-	-	-	-
Derivative assets	934	-	-	-	934
Other investments	66,903	-	-	-	66,903
Deposits with ceding undertakings	1,564	-	-	-	1,564
Reinsurers' share of outstanding claims	334,849	-	-	-	334,849
Debtors arising out of direct insurance operations	461,050	61,867	-	-	522,917
Debtors arising out of reinsurance operations	390,216	200,345	-	(3,507)	587,054
Other debtors and accrued interest	483,794	-	-	-	483,794
Cash at bank and in hand	95,399	-	-	-	95,399
Total	3,954,250	262,212	-	(3,507)	4,212,955

	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Impairment Allowance £'000	Total £'000
2024					
Shares, other variable yield securities and units in unit trusts	1,350,069	-	-	-	1,350,069
Debt securities and other fixed income securities	247,766	-	-	-	247,766
Participation in investment pools	124,371	-	-	-	124,371
Loans and deposits with credit institutions	119	-	-	-	119
Derivative assets	12,037	-	-	-	12,037
Other investments	64,026	-	-	-	64,026
Deposits with ceding undertakings	1,680	-	-	-	1,680
Reinsurers' share of outstanding claims	570,888	-	-	-	570,888
Debtors arising out of direct insurance operations	406,000	71,071	-	-	477,071
Debtors arising out of reinsurance operations	371,467	160,561	-	(5,194)	526,834
Other debtors and accrued interest	460,054	-	-	-	460,054
Cash at bank and in hand	92,239	-	-	-	92,239
Total	3,700,716	231,632	-	(5,194)	3,927,154

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

i) Credit risk (continued)

The table below sets out a reconciliation of changes in impairment allowance during the period for each class of financial asset at the balance sheet date:

	1 Jan £'000	New impairment charges added in year £'000	Changes in impairment charges £'000	Foreign exchange £'000	31 Dec £'000
2025					
Debtors arising out of reinsurance operations	5,194	202	(1,889)	-	3,507
Total	5,194	202	(1,889)	-	3,507

	1 Jan £'000	New impairment charges added in year £'000	Changes in impairment charges £'000	Foreign exchange £'000	31 Dec £'000
2024					
Debtors arising out of reinsurance operations	1,038	2,150	1,800	206	5,194
Total	1,038	2,150	1,800	206	5,194

The table below sets out the age analysis of financial assets that are past due but not impaired at the balance sheet date:

	0-3 months past due £'000	3-6 months past due £'000	6-12 months past due £'000	Greater than 1 year past due £'000	Total £'000
31 December 2025					
Debtors arising out of direct insurance operations	61,867	-	-	-	61,867
Debtors arising out of reinsurance operations	57,019	129,800	9,137	4,389	200,345
Total	118,886	129,800	9,137	4,389	262,212

	0-3 months past due £'000	3-6 months past due £'000	6-12 months past due £'000	Greater than 1 year past due £'000	Total £'000
31 December 2024					
Debtors arising out of direct insurance operations	71,071	-	-	-	71,071
Debtors arising out of reinsurance operations	145,084	6,198	7,105	2,174	160,561
Total	216,155	6,198	7,105	2,174	231,632

Insurance and reinsurance

The table above includes premium receivables, representing amounts due from intermediaries. The quality of these receivables is not graded but based on historical experience there is limited default risk relating to these amounts. Credit risk in respect of premium debt is overseen by the Syndicate's Broker Committee and managed through a number of controls that include broker approval, annual financial review and internal rating of brokers and regular monitoring of premium settlement performance.

Also included are reinsurance receivables, which represent the amounts due at 31 December 2025, as well as amounts expected to be recovered on unpaid outstanding claims (including IBNR) in respect of earned risks. These are stated net of provisions for impairment. The credit risk in respect of reinsurance receivables, including reinsurers' share of outstanding claims, is primarily managed by review and approval of reinsurance security by the Reinsurance Security Committee prior to the purchase of the reinsurance contract. Due diligence processes are completed and guidelines are applied to restrict purchase of reinsurance from high-risk counterparties - based on the Security Committee's view for each reinsurer and public ratings (from Standard & Poor's and A.M. Best). Individual reinsurer and broker account experience is considered as part of this process. Agreements for ceded reinsurances also contain non-avoidance, special termination or similar downgrade clauses to secure the Syndicate's rights in the event of disputes and solvency events.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

i) Credit risk (continued)

Insurance and reinsurance (continued)

The Syndicate holds collateral off balance sheet from certain reinsurers including those that are non-rated as security against potential default. The details of reinsurance collateral held off balance sheet and placed with third party trust funds are provided in note 10(i). Provisions are made against the amounts due from certain reinsurers, depending on the age of the debt and the current rating assigned to the reinsurer. The impact on profit for the financial year of a 1% variation in the reinsurance assets would be £3.3 million (2024: £5.7 million). The details of overdue reinsurance assets and insurance receivables are provided in note 11(e).

Investments

As well as actual failure of a counterparty to perform its contractual obligations, the price of corporate bond holdings will be affected by investors' perception of a borrower's credit worthiness. Credit risk within the investment funds is managed through the credit research carried out by the investment managers. 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. At 31 December 2025, directly held bonds accounted for 16.8% of the portfolio (2024: 13.6%), the residual of the portfolio was held mostly in collective investment schemes. The credit ratings on debt securities are composite ratings based on Standard & Poor's, Moody's and Fitch.

The Syndicate's derivative transactions with respect to over-the-counter options and currency forwards are subject to International Swaps and Derivatives Association master netting agreements. Transactions under such agreements meet the criteria for offsetting in the Syndicate's statement of financial position. The Syndicate also receives and pledges collateral in the form of cash in respect of the derivative transactions. The fair value of the Syndicate's options and currency forwards are not offset by such collateral as they create a right of set-off that is enforceable only following an event of default, insolvency or bankruptcy of the Syndicate or the counterparties.

The Syndicate listed futures are transacted under Global Principal Clearing agreements and are not subject to offsetting in the statement of financial position.

j) Restricted funds held by the Syndicate

At 31 December 2025, the Syndicate holds restricted funds in the form of trust fund investments, letter of credit ('LOC') collateral, initial margin calls on derivative financial instruments and collateral received from reinsurance counterparties.

Trust funds

The Syndicate holds gross assets of £4,213.0 million (2024: £3,927.2 million), offset by gross liabilities of £3,298.1 million (2024: £3,317.0 million), which are held within individual trust funds. The assets cannot be obtained or used until such time as each Syndicate underwriting year is closed and profits are distributed, or an advance profit release is made. The Funds in Syndicate, as set out on page 23 in the Statement of changes in members' balance are funds deposited by the Corporate Member and represent restricted capital for regulatory purposes.

Lloyd's Asia Trust Funds

Included within the assets mentioned above, are assets related to underwriting activities regulated by the Monetary Authority of Singapore. These assets are recognised as financial investments £127.8 million (2024: £87.5 million) and cash at bank £86.1 million (2024: £89.2 million).

Derivative margins and collateral

Derivative instruments traded give rise to collateral being placed with, or received from, external counterparties. At 31 December 2025, included in other receivables and other payables are £6.7 million (2024: £9.1 million) margins and collateral pledged.

Reinsurance collateral received

The Syndicate holds collateral of £487.4 million (2024: £505.6 million) in relation to £112.9 million (2024: £99.4 million) of reinsurers' share of outstanding claims.

Insurance collateral placed

The Syndicate holds £253.5 million (2024: £341.9 million) of collateral in US trust funds to meet US regulatory requirements, of which £253.5 million (2024: £159.5 million) is recognised as an asset to the Syndicate. In the prior year the balance was fulfilled by letters of credit pledged on behalf of the Syndicate – the facility supplying these is described below.

Notes to the financial statements

for the year ended 31 December 2025

10. Financial assets and liabilities (continued)

k) Borrowings

Revolving Credit Facility

On 8 September 2022 the Syndicate, through the Managing Agent, entered into an unsecured £160.0 million multi-currency revolving credit facility with a syndicate of banks. An accordion clause was included, where the facility could be increased to £250.0 million, if required. The interest rate basis is determined by the appropriate rate for each drawdown currency and loan type. This facility had an initial two-year term, with two one-year extension options at the end of the original term.

As at 31 December 2025, no amounts have been drawn on this facility (2024: £nil). During the year, the second one-year extension option was exercised by agreement between the Managing Agent and the banks. No other changes were made to the facility during the year.

Letter of Credit Facility

The Syndicate, through the managing agent, has access to two Letter of Credit ('LOC') facilities detailed below.

1. Lloyd's Australia Trust Fund

On 14 April 2022, the Syndicate, through the Managing Agent, entered into a bilateral facility with a bank, to provide letters of credit that can be issued as collateral for the benefit of the Lloyd's Australia Trust Fund ('LATF'). This is a two-year facility, with two one-year extension options at the end of the original term. An accordion clause is included, where the facility could be increased to AU\$200.0 million, if required.

As at 31 December 2025, AU\$96.6 million (£48.0 million) (2024: AU\$98.0 million, £48.6 million) of LOCs have been lodged with the trustees of the LATF. During the year, the second one-year extension option was exercised by agreement between the Managing Agent and the bank. No other changes were made to the facility during the year.

2. Situs funds

In the prior year, the Syndicate, through the Managing Agent, had access to a \$320.0 million facility with a Syndicate of banks, to provide letters of credit that can be issued as collateral for the benefit of the US Credit for Reinsurance Trust Fund ('CRTF') and to the US Excess or Surplus Lines Trust Fund ('SLTF'). The CRTF and SLTF are collectively referred to as the Situs funds.

11. Insurance liabilities and assets

a) Net outstanding claims

	2025			2024		
	Gross provisions £'000	Reinsurance assets £'000	Net £'000	Gross provisions £'000	Reinsurance assets £'000	Net £'000
Claims outstanding						
Balance at 1 January	2,109,835	(570,888)	1,538,947	1,713,327	(644,648)	1,068,679
Claims paid during the year	(952,479)	325,917	(626,562)	(669,770)	292,389	(377,381)
Expected cost of current year claims	958,965	(74,872)	884,093	1,079,052	(214,125)	864,927
Changes in estimates of prior year provisions	53,406	(52,971)	435	(13,943)	936	(13,007)
Foreign exchange movements	(111,726)	37,965	(73,761)	1,169	(5,440)	(4,271)
Balance as at 31 December	2,058,001	(334,849)	1,723,152	2,109,835	(570,888)	1,538,947

Further information on the calculation of outstanding claims and the risks associated with them is provided in note 11(i).

The managing agent assesses the Syndicate's reinsurers' share of outstanding claims for impairment on a quarterly basis by reviewing counterparty payment history and credit grades provided by rating agencies. The credit ratings of the Syndicate's reinsurers' share of outstanding claims are shown in note 10(i).

At 31 December 2025 and 2024 the reinsurers' share of outstanding claims was not overdue. The Syndicate holds collateral of £487.4 million (2024: £505.6 million) in relation to £112.9 million (2024: £99.4 million) of reinsurers' share of outstanding claims.

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and assets (continued)

b) Claims development

The tables below illustrate the development of the estimates of cumulative claims for the Syndicate on an underwriting year basis, illustrating how amounts booked have developed from one reporting period to the next. Due to RITC where the 2018 prior claims were ceded out to RiverStone, the claims table below only showing claims after underwriting year 2018. All tables are prepared on an undiscounted basis. To aid comparability, currency amounts have been converted using 2025 year end exchange rates.

Estimate of cumulative gross claims	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	Total £'000
At end of first year	531,308	528,629	467,861	505,545	348,417	494,447	480,223	3,356,430
One year later	1,212,985	814,935	900,626	821,489	636,164	862,988	-	5,249,187
Two years later	1,323,032	874,711	942,448	908,752	679,432	-	-	4,728,375
Three years later	1,235,539	850,910	1,058,035	930,907	-	-	-	4,075,391
Four years later	1,241,066	897,178	1,145,415	-	-	-	-	3,283,659
Five years later	1,224,350	884,667	-	-	-	-	-	2,109,017
Six years later	1,223,403	-	-	-	-	-	-	1,223,403
Estimate of cumulative gross claims reserve	1,223,403	884,667	1,145,415	930,907	679,432	862,988	480,223	6,207,035
Less gross claims paid	(1,073,630)	(745,922)	(937,617)	(661,470)	(371,963)	(294,314)	(64,118)	(4,149,034)
Gross claims reserve	149,773	138,745	207,798	269,437	307,469	568,674	416,105	2,058,001

Estimate of cumulative net claims	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	Total £'000
At end of first year	406,395	352,682	269,476	336,124	320,449	454,463	435,128	2,574,717
One year later	889,971	569,573	518,729	631,609	606,705	807,212	-	4,023,799
Two years later	926,649	624,095	569,377	723,639	655,738	-	-	3,499,498
Three years later	890,629	548,447	555,111	707,215	-	-	-	2,701,402
Four years later	837,652	566,819	628,180	-	-	-	-	2,032,651
Five years later	811,426	555,645	-	-	-	-	-	1,367,071
Six years later	797,180	-	-	-	-	-	-	797,180
Estimate of cumulative net claims reserve	797,180	555,645	628,180	707,215	655,738	807,212	435,128	4,586,298
Less net claims paid	(733,682)	(498,977)	(442,915)	(494,042)	(359,315)	(275,714)	(58,501)	(2,863,146)
Net claims reserve	63,498	56,668	185,265	213,173	296,423	531,498	376,627	1,723,152

Total for all underwriting years	2025 £'000	2024 £'000
Net reserves recognised	1,723,152	1,538,947
Amounts recovered from reinsurers	334,849	570,888
Gross reserves included in balance sheet	2,058,001	2,109,835

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and assets (continued)

c) Net unearned premium

	2025			2024		
	Gross provisions £'000	Reinsurance assets £'000	Net £'000	Gross provisions £'000	Reinsurance assets £'000	Net £'000
Unearned premium						
Balance at 1 January	918,006	(22,953)	895,053	986,573	(22,840)	963,733
Premiums written during the year	2,128,422	(244,847)	1,883,575	1,769,448	(284,245)	1,485,203
Premiums earned during the year	(1,999,577)	231,700	(1,767,877)	(1,832,578)	281,721	(1,550,857)
Foreign exchange movements	(59,587)	8,255	(51,332)	(5,437)	2,411	(3,026)
Balance as at 31 December	987,264	(27,845)	959,419	918,006	(22,953)	895,053

d) Deferred acquisition costs

The reconciliation of opening and closing deferred acquisition costs is as follows:

	2025			2024		
	Gross £'000	Reinsurance £'000	Net £'000	Gross £'000	Reinsurance £'000	Net £'000
Balance at 1 January	189,916	(1,162)	188,754	218,014	(719)	217,295
Incurred deferred acquisition costs	186,123	(1,051)	185,072	156,442	(1,213)	155,229
Amortised deferred acquisition costs	(143,246)	1,238	(142,008)	(183,750)	750	(183,000)
Foreign exchange movements	(10,964)	78	(10,886)	(790)	20	(770)
Balance as at 31 December	221,829	(897)	220,932	189,916	(1,162)	188,754

e) Insurance and reinsurance receivables and payable

Insurance and reinsurance receivables

	2025 £'000	2024 £'000
Due from intermediaries	1,113,478	1,009,098
Less provision for impairment of receivables	(3,507)	(5,193)
Insurance and reinsurance receivables	1,109,971	1,003,905

Receivables arising from reinsurance contracts are comprised principally of amounts recoverable from reinsurers in respect of paid claims and premium receivables on inward reinsurance business, including reinstatement premium.

The managing agent assesses the Syndicate's insurance and reinsurance receivables for impairment on a quarterly basis by reviewing counterparty payment history and for circumstances which may give rise to a dispute or default. At 31 December 2025, insurance and reinsurance receivables at a nominal value of £143.3 million (2024: £15.5 million) were greater than three months overdue and provided for on the basis of credit rating to the value of £3.5 million (2024: £5.2 million).

The carrying amounts disclosed above are reasonably approximate to the fair value at the reporting date.

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and reinsurance assets (continued)

e) Insurance and reinsurance receivables and payable (continued)

Insurance and reinsurance receivables (continued)

	2025 £'000	2024 £'000
Debtors arising out of direct insurance operations		
Due within one year	522,917	477,071
Total	522,917	477,071

	2025 £'000	2024 £'000
Debtors arising out of reinsurance operations		
Due within one year	587,054	526,834
Total	587,054	526,834

	2025 £'000	2024 £'000
Creditors arising out of direct insurance operations		
Due within one year	133,658	158,342
Total	133,658	158,342

	2025 £'000	2024 £'000
Creditors arising out of reinsurance operations		
Due within one year	71,638	56,132
Total	71,638	56,132

Insurance and reinsurance payables are all current, both in the current and prior years. However, the nature of claims negotiations and broker relationships may mean some of these payables result in non-current settlement. The carrying amounts disclosed above are reasonably approximate to the fair value at the reporting date. Insurance payables are comprised principally of premium payable for reinsurance, including reinstatement premium.

f) Insurance risk

The Syndicate underwrites a broad range of insurance and reinsurance risks, across both short- and long-tail exposures, through its Insurance and Reinsurance divisions. Underwriters apply their expertise, supported by exposure data and past claims experience, to estimate likely claims costs and set premiums designed to cover losses, expenses, and deliver profit. However, insurance risk is inherently uncertain, and premiums may prove inadequate due to mispricing or unexpectedly high claims.

To manage this, the Syndicate operates within strict controls aligned to the Board's risk appetite. An annual business plan sets targets for premium income and exposure by class, with performance monitored throughout the year. Exceeding these limits requires senior management approval. Individual policies are capped by per-loss limits, while line guides define maximum liabilities per policy. Catastrophe exposures are mitigated through reinsurance, protecting against loss aggregation from major events.

Business is written through individual risks, reinsurance treaties, or delegated authority facilities, where approved underwriters or coverholders bind risks on the Syndicate's behalf within defined limits. Liabilities are reviewed both individually and at portfolio level. Claims are reserved upon notification, with the Actuarial Function conducting quarterly reviews and incorporating input from underwriting, exposure management, and claims teams. Provisions are also made for incurred but not reported (IBNR) claims, though these carry greater uncertainty. To mitigate this, reserves are held above the actuarial best estimate, as detailed in section i).

Emerging claims trends may lead to pricing adjustments, but competitive pressures can restrict this response. Underwriters may be forced to accept lower margins or decline renewals, while existing policies remain exposed until expiry.

The Syndicate is exposed to major catastrophe events such as windstorms, earthquakes, and terrorist incidents. These exposures are monitored through loss modelling, though actual losses may exceed modelled expectations. Errors in assumptions, data quality, or model design can lead to claims that are materially higher or lower than predicted.

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and assets (continued)

f) Insurance risk (continued)

Sensitivity to Insurance Risk

The ultimate cost of claims may differ significantly from established liabilities. This uncertainty varies by class of business and arises from developments in large-loss or catastrophe reserving, as well as changes in incurred but not reported (IBNR) estimates.

Beyond catastrophe risk, the Syndicate also faces systemic risks. These include the potential impact of excess inflation across multiple classes of business, or legislative changes that could trigger claims from previously unforeseen sources.

The following table presents the profit and loss impact of the sensitivity of the value of unpaid claims reserves disclosed in the accounts to potential movements in the assumptions applied within the technical provisions. Given the nature of the business underwritten by the Syndicate, the approach to calculating the technical provisions for each class can vary and as a result the sensitivity performed is to apply a beneficial and adverse risk margin to the total insurance liability. The amount disclosed in the table represents the profit or loss impact of an increase or decrease in the insurance liability as a result of applying the sensitivity. The amount disclosed for the impact on claims outstanding – net of reinsurance represents the impact on both the profit and loss for the year and member balance.

General insurance business sensitivities as at 31 December 2025	Sensitivity	
	+5.0%	-5.0%
	£'000	£'000
Claims outstanding – gross of reinsurance	(102,900)	102,900
Claims outstanding – net of reinsurance	(86,158)	86,158

General insurance business sensitivities as at 31 December 2024	Sensitivity	
	+5.0%	-5.0%
	£'000	£'000
Claims outstanding – gross of reinsurance	(105,492)	105,492
Claims outstanding – net of reinsurance	(76,947)	76,947

g) Reinsurance and other risk mitigation arrangements

The Syndicate purchases an excess number of loss reinsurances to protect itself from severe frequency or size of losses. The structure of the programme and type of protection bought will vary from year to year depending on the availability and price of cover.

The Syndicate previously purchased proportional reinsurance with MS Reinsurance to supplement line size and to reduce exposure on individual risks. A part of the premiums ceded under such facilities were placed with MS Amlin AG (Bermuda Branch) under whole account quota share renew agreements, covering the net book of the Syndicate (excluding the P&C UK Business). These arrangements were commuted in Q1 2025.

h) Realistic Disaster Scenario (RDS) analysis

The Syndicate has a defined event risk tolerance, which determines the maximum net loss that the Syndicate intends to limit its exposure to major catastrophe event scenarios. The Syndicate also adopts risk tolerance maximum net limits for a number of other non-elemental scenarios including aviation collision, North Sea rig loss, terrorism, cyber and casualty events.

The risk tolerance policy recognises that there may be circumstances in which the net event limit could be exceeded. Such circumstances include changes in rates of exchange, reduced order amount or delay in renewal of reinsurance protection, reinsurance security failure, or regulatory and legal requirements.

Detailed deterministic and probabilistic analyses of catastrophe exposures are carried out every quarter and measured against the event risk tolerances, the business plan, and regulatory guidelines e.g. Lloyd's Franchise Guidelines. The following assumptions and procedures are used in the process:

- The data used reflects the information supplied to the Syndicate by insureds and ceding companies. The data is checked for any limitations e.g. data completeness, data quality, and exposures that could develop during the period e.g. binders. Adjustments are made in accordance with the underwriters that are subsequently reviewed and ratified by the Chief Underwriting Officer.
- Exposures are modelled using a mixture of stochastic models and underwriter input to arrive at damage factors – these

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and reinsurance assets (continued)

f) Insurance risk (continued)

factors are then applied to the assumed aggregate exposure to produce gross loss estimates. The damage factors are reviewed on a continual basis to ensure assumptions remain appropriate.

- Once Gross numbers are established, the in force reinsurance programme is then applied.
- Reinstatement premiums both payable and receivable are included in our loss estimates.

Due to the severe nature of these events, there is no guarantee that the assumptions and techniques deployed in calculating the impact of these events are 100% accurate. We review our assumptions when new information comes to light, e.g. post event analysis, scientific or academic research.

Notwithstanding, there could be a situation where the Syndicate experiences a loss from a severe event that exceeds the loss estimate or tolerance. The likelihood of a very severe catastrophe is considered to be remote e.g. beyond the 1 in 100 probability, however these scenarios are modelled simulated events that have considerable uncertainty associated with them but are captured within the probabilistic modelling numbers.

i) Claims reserving and incurred but not reported ('IBNR')

The Syndicate adopts a rigorous process on a quarterly basis in the calculation of an adequate provision for claims reserves. The overall reserves are set at a level above the mean actuarial 'best estimate' position in accordance with the margin policy. Despite a robust process, there is a risk that, due to unforeseen circumstances, the reserves carried are not sufficient to meet insurance claim liabilities reported in future years on policy periods which have expired.

Process and methodology

The reserving process commences with the proper recording and reporting of claims information which consists of paid and notified or outstanding claims. For the Lloyd's market most claims notifications are received through the Lloyd's market bureau (operated by DxC Technology Company on behalf of Lloyd's), with others received directly. Claims records are maintained for each policy and class. For notified or outstanding claims, a case reserve is established based on the views of underwriting management and claims managers, using external legal or expert advice where appropriate. This reserve is expected to be sufficient to meet the claim payment when it is finally settled. For some classes of business, particularly liability business, settlement may be several years after the initial notification of the claim, as it may be subject to complexities or court action. For claims received from the Lloyd's market bureau, the market reserve is generally set by the lead underwriter, but there are circumstances with larger claims where the Syndicate will post higher reserves than those notified.

IBNR

In addition to the paid and outstanding claims, the actuarial reserving team also sets reserves for IBNR claims relating to unknown events which have already occurred. In the process of determining the total provision for claims reserves including IBNR triangulation statistics for each class are produced which show the historical development of premium, as well as paid and incurred losses, for each underwriting year. In all cases, the different potential development of each class of business is fully recognised. The development period varies by class and is also influenced by the level of deductible on each policy written. For casualty business, the policy form will determine whether claims can be made on a claims-made (determined by date of advice) or on a loss-occurring (determined by date of loss) basis. This has a significant impact on the reporting period in which claims can be notified.

To establish a provision for the IBNR component of claims reserves, the actuarial team applies a statistical analysis of the data triangulations, along with their experience and knowledge of the business, to estimate the potential future development of the incurred claims for each class for each underwriting year. This is known as the 'best estimate'. In setting the IBNR provision, estimates are also made for the ultimate premium and ultimate gross claims value for each underwriting year. Allowance is then made for anticipated reinsurance recoveries to reach a net claim position. Reinsurance recoveries are calculated for outstanding and IBNR claims, sometimes through the use of historical recovery rates or statistical projections, and provisions are made as appropriate for bad debt or possible disputes.

The component of ultimate IBNR provisions and reinsurance recoveries that relates to future events is removed in order to reflect generally accepted accounting practice. Early in the process, discussions take place relating to each business unit in which underwriters, claims professionals and actuaries discuss the observed experience in the quarter. The actuarial reserving team then produces initial proposed estimates and shares them with class underwriters for further discussion. At the next round of meetings, management discuss reserving issues with the actuaries and challenge the proposed estimates. At this meeting, management propose the 'margin' for risk to be added to the best estimate. The margin for risk can be used to offset unexpected deterioration in best estimate reserves and is established by reference to diagnostics produced from the internal model and management judgement. The reserves, including the proposed margin, are finally challenged at the audit committee meeting which will recommend approval by the Board.

Notes to the financial statements

for the year ended 31 December 2025

11. Insurance liabilities and reinsurance assets (continued)

i) Claims reserving and incurred but not reported ('IBNR') (continued)

Areas of uncertainty

The reserves established can be more or less than adequate to meet eventual claims arising. The level of uncertainty varies significantly from class to class but can arise from inadequate case reserves for known large losses and catastrophes or from inadequate provision for IBNR claims.

Property catastrophe claims, such as earthquake or hurricane losses, can take several years to settle as adjusters visit damaged property and agree claim valuations. Initial estimates of the ultimate cost of these events involve analysis of the area damaged and the contracts exposed, as well as the use of models to simulate the event against the portfolio of exposure in order to arrive at an estimate of ultimate loss to the Syndicate. The uncertainty over the adequacy of modelling of major losses can last from several months to several years after a catastrophe loss. Account should also be taken of additional factors which may influence the cost of claims such as increased repair cost inflation or a change in law.

Long tail liability classes represent the most difficult classes to project because often claims are notified and settled several years after the expiry of the policy concerned. This is particularly the case for liability business written on a loss occurring basis. The use of historical development data is fundamental to reserving these classes, bolstered with advice of lawyers and third-party claims adjusters on material single claims. Known changes to wordings or the claims environment are also considered, along with any trends that are not captured within the historical loss development.

The allocation of IBNR to the outwards reinsurance programme is an uncertain exercise as there is no direct knowledge of the size or number of future claims notifications, so any projected recoveries may be higher or lower than actual recoveries once the underlying claims become known.

The estimated premium income is set by underwriters on inception of the contract, but actual premium may exceed or fall short of initial estimates. The magnitude of claims arising may therefore differ from initial estimates because of differences between estimated and actual premium.

Russia – Ukraine War

The Syndicate has significant exposures to the Russia-Ukraine conflict across a number of lines of business. Estimates of the loss levels have been based on a combination of exposure analysis, scenario consideration and claims notifications. Whilst overall the range of volatility around these estimates has decreased over the year, key areas of market uncertainty impacting the estimate still include:

- Ongoing litigation of aviation losses, including potential pursuit of operator policies,
- How cedants will present their losses,
- How Reinsurers respond to insured losses,

12. Capital

Capital framework at Lloyd's

The Society of Lloyd's ('Lloyd's') is a regulated undertaking and subject to the supervision of the Prudential Regulation Authority ('PRA') under the Financial Services and Markets Act 2000.

Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with Solvency II, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at syndicate level. Accordingly, the capital requirement in respect of Syndicate 2001 is not disclosed in these financial statements.

Lloyd's capital setting process

In order to meet Lloyd's requirements, each syndicate is required to calculate its Solvency Capital Requirement ('SCR') for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year net loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities ('to ultimate SCR'). Two adjustments are made to the ultimate Syndicate SCR to allow for changes under the Solvency UK and Lloyd's regulatory framework; one is a Risk Margin adjustment to reflect the lower cost of capital rate introduced in 2024 and one is a Contract Boundary adjustment to reflect differences in accounting treatment of reinsurance contracts for written but not incepted business. Each syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon ('one year SCR') for Lloyd's to use in meeting Solvency II requirements. The SCRs of each syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group.

Notes to the financial statements

for the year ended 31 December 2025

12. Capital

Lloyd's capital setting process (continued)

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicate(s) on which it participates but no other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operate on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the syndicate to ultimate SCR. Where a member participates on more than one syndicate, a credit for diversification is provided to reflect the spread of risk, but consistent with determining a SCR which reflects the capital requirement to cover a to ultimate 1 in 200 year net loss for that member. Over and above this, Lloyd's applies capital uplift to the member's capital requirement, known as the Economic Capital Assessment ('ECA').

The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied was 35% (2024: 35%) of the member's to ultimate SCR.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (Funds at Lloyd's, 'FAL'), held within and managed within a syndicate (Funds in Syndicate, 'FIS') or as the member's share of the members' balances on each syndicate on which it participates. These funds are intended to cover circumstances where Syndicate assets prove insufficient to meet participating members' underwriting liabilities.

The level of FAL required to be maintained is determined by Lloyd's based on Prudential Regulatory Authority requirements and resource criteria

Accordingly, all of the assets less liabilities of the Syndicate, as represented in the members' balance reported on the statement of financial position on page 21, represent resources available to meet the members' and Lloyd's capital requirements.

The Syndicate has only one member, MS Amlin Corporate Member Limited, and all of its capital for the 2025 and prior years of account is provided as both FIS and FAL.

13. Distribution

A distribution of £274.3 million to members will be made in relation to the closing year of account (2023) (2024: £34.1 million in relation to the closing year of account (2022)). No year of account remains open after the three-year period.

14. Other risk disclosures

a) Operational risk

Operational risk refers to the potential for loss resulting from inadequate or failed internal processes, personnel, systems, or external events. This encompasses a range of risks, including technology or system failures, cyber threats, human error, process breakdowns, and insufficient oversight of third-party providers.

Effective operational risk management requires the implementation of strong governance frameworks, robust internal controls, diligent oversight of outsourced functions, and comprehensive business continuity and incident response plans. Internal controls play a critical role in mitigating operational risk and are documented and attested within the MS Amlin Governance, Risk, and Compliance Tool.

Oversight of Operational Risk, and all other risk categories, is led by designated Risk Owners. They are supported by second-line review from Risk Management and third-line assurance from Internal Audit. Together with Compliance, these functions maintain an integrated assurance plan to ensure effective and coordinated oversight.

b) Regulatory risk

Regulatory Risk refers to the potential for loss or disruption arising from changes in laws, regulations, or regulatory expectations, or from non-compliance with them. This encompasses both domestic and international regulatory frameworks that govern the operations of MS Amlin and the wider Lloyd's market. MS Amlin's Compliance Team plays a critical role in helping the business meet current and emerging regulatory requirements by actively monitoring regulatory developments and assessing their potential impact on the organisation.

Notes to the financial statements

for the year ended 31 December 2025

14. Other risk disclosures (continued)

c) Reinsurance to Close (RITC)

The Syndicate entered a "Split" Reinsurance to close ('RITC') contract on all classes within its 2018 and prior years of account reserves. The Syndicate paid a RITC premium to another Lloyd's syndicate to assume its ongoing liabilities in both contracts. The nature of this arrangement is that of a reinsurance contract and as such the Syndicate retains liability in the event of any failure of this Lloyd's syndicate and the Lloyd's chain of security. There is no mechanism for the Syndicate to quantify its exposure in this regard and the directors of the managing agent consider that the possibility of having to assume these liabilities is remote.

d) Strategic Risk

Strategic risk refers to the potential for loss or uncertainty arising from the Syndicate's pursuit of its defined strategy. This encompasses risks linked to business model decisions, market positioning, long-term planning, and the ability to adapt to changing regulatory, economic, or competitive landscapes. MS Amlin mitigates strategic risk through a clearly documented strategy and a well-defined risk appetite, both of which are formally approved by the Board.

e) Environmental Social & Governance (ESG) Risk

ESG risk refers to the potential for financial loss, reputational damage, or regulatory repercussions resulting from inadequate management of environmental, social, or governance issues across underwriting, investment practices, or corporate behaviour. Within the context of MS Amlin and its external stakeholder expectations, this risk is dynamic and continuously evolving. It is actively managed through a documented Sustainability Strategy, which undergoes review and oversight by the MS Amlin Sustainability Committee. For further details on our ESG and Sustainability approach, including climate-related risks, please refer to the Managing Agents Report.

15. Commitments

In June 2023 the managing agent, with the agreement of the Corporate Member, entered into a subscription agreement for investment in two private equity funds.

This subscription entails funds of \$55.0 million invested over a period of up to five years. Payments made will be from the Funds in Syndicate balance and be recognised as financial investments on the Statement of financial position.

At 31 December 2025, \$33.8 million (£25.1 million) (2024: \$21.6 million, £17.2 million) was invested.

16. Related parties

Ultimate parent company

The smallest group of undertakings of which the managing agent and corporate member are members, and for which group financial statements are prepared is Mitsui Sumitomo Insurance Company, Limited ('MSI'), a company incorporated in Japan. The ultimate parent company and controlling party is MS & AD Insurance Group Holdings, Inc., a company incorporated in Japan and is the largest group of undertakings in which the managing agent is a member, and for which group financial statements are prepared.

Consolidated financial statements for the smallest and largest group undertakings are available to the public and may be obtained from the Company Secretary at The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG.

The ultimate parent company address is Tokyo Sumitomo Twin Building (West Tower), 27-2, Shinkawa 2 Chome, Chuo-ku, Tokyo, Japan. The address of MSI is 9, Kanda-Surugadai 3 Chome, Chiyoda-ku, Tokyo, Japan.

Mitsui Sumitomo Insurance Company, Limited

MSI provides capital in support of the Syndicate through FAL. The amount provided as at 31 December 2025 was £308.1 million (2024: £405.4 million), made up of Japanese government, corporate & municipal bonds. The net decrease is due to movements occurring through Lloyd's capital requirement processes, alongside market value movements.

Notes to the financial statements

for the year ended 31 December 2025

16. Related parties (continued)

MS Amlin Corporate Member Limited

MS Amlin Corporate Member Limited (the 'Corporate Member') is the sole corporate member to the Syndicate. As per note 12, it provides capital to the Syndicate as FAL and FIS.

The amount provided as FIS as at 31 December 2025 was £315.5 million (2024: £284.3 million), including accrued income. The net increase is due to movements occurring through Lloyd's capital requirement processes, alongside market value movements. The amount provided as FAL as at 31 December 2025 was provided through letters of credit to the value of \$146.3 million (£108.7 million) (2024: \$146.3 million, £116.8 million), sourced from a syndicated £126.5 million letter of credit facility (2024: £126.5 million).

MS Amlin Underwriting Limited

Managing agent's fees of £13.3 million (2024: £16.0 million) were charged to the Syndicate during the year, of which £nil (2024: £nil) was outstanding as at 31 December 2025.

There have been no transactions entered into or carried out during the year by the managing agent on behalf of the Syndicate in which it or any of its executives had directly or indirectly a material interest.

On 1 January 2026, a director of the Syndicate, was appointed a director of Nuclear Risk Insurers Limited to whom the Syndicate provides material capacity.

MS Amlin Corporate Services Limited

MS Amlin Corporate Services Limited ('MS ACS') was paid £164.6 million during the year (2024: £146.5 million) for expenses incurred directly and indirectly on behalf of the Syndicate. This included a management charge of £45.8 million (2024: £43.3 million) for central costs of the MSI Group that are attributable to the Syndicate. These expenses are shown in administrative expenses net of the allocation to claims handling costs. There is no profit element in the amounts paid to MS ACS. At 31 December 2025 the amount receivable from MS ACS is £0.8 million (2024: £5.3 million, payable). These amounts do not include the loan receivable from MS ACS as disclosed in note 10(c).

Leadenhall Capital Partners LLP

The Syndicate wrote £2.1 million (2024: £5.8 million) of gross premium and received £nil (2024: £0.3 million) of commissions through an arrangement with Leadenhall Capital Partners LLP (including its insurance vehicle Horseshoe Re) during 2025. As at 31 December 2025, the Syndicate had £25.4 million (2024: £20.8 million) receivable, all of which is collateralised, and £38.5 million payable to Leadenhall Capital Partners (2024: £40.7 million).

MS Amlin Investment Management Limited

MS Amlin Investment Management Limited manages the majority of investments on behalf of the Syndicate and during 2025 the investment management fee charged by MS AIML was £4.1 million. (2024: £1.8 million).

Service companies and brokers

During the year, the Syndicate had £15.1 million (2024: £19.0 million) net balance receivable from service companies.

No fees are paid by these companies to any of the directors of the managing agent.

Toro Prism Trust

The Syndicate is invested in the Toro Prism Trust (the 'Trust') which is an open-ended investment unit trust authorised by the Central Bank of Ireland as a UCITS regulated by the European Union. The Trust is controlled by the MSI Group. The market value of the investments in the Trust at December 2025 is £1,442.0 million (2024: £1,113.1 million).

17. Events after the reporting period

There have been no significant events between the reporting date and the date these financial statements were authorised.

Notes to the financial statements

for the year ended 31 December 2025

18. Restatement of cash flows

The classification of cash flows relating to investing activities has been restated for 2024 to reallocate between investment income, purchases and sales of equity and debt instruments. The impact of this restatement is set out in the table below:

	Reported 2024 £'000	Prior Year adjustments £'000	Restated 2024 £'000
Cash flows from operating activities			
Profit for the financial year	212,143	-	212,143
Increase in gross technical provisions	329,971	-	329,971
Decrease in reinsurers' share technical provisions	76,430	-	76,430
(Increase) in debtors	(85,878)	-	(85,878)
Increase in creditors	80,546	-	80,546
(Decrease)/increase in other assets/liabilities	69,275	-	69,275
Investment return	(40,784)	-	(40,784)
Foreign exchange (gains)/ losses	17,432	-	17,432
Net cash inflow from operating activities	659,135	-	659,135
Cash flows from investing activities			
Purchase of equity and debt instruments	(2,423,028)	344,343	(2,078,685)
Sale of equity and debt instruments	1,833,030	(258,898)	1,574,132
Purchase of derivatives	(63,286)	-	(63,286)
Sale of derivatives	68,130	-	68,130
Investment income received	101,105	(85,445)	15,660
Other	(8,793)	-	(8,793)
Net cash outflow from investing activities	(492,841)	-	(492,842)
Cash flows from financing activities			
Distribution of profit	(13,395)	-	(13,395)
Funds in Syndicate releases	(210,301)	-	(210,301)
Net cash inflow / (outflow) from financing activities	(223,696)	-	(223,696)
Net decrease in cash and cash equivalents	(57,403)	-	(57,403)
Cash and cash equivalents at the beginning of the year	150,261	-	150,261
Effect of exchange rate on cash and cash equivalents	(619)	-	(619)
Cash and cash equivalents at the end of the year	92,239	-	92,239



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