



Prismic Life Reinsurance, Ltd.
Financial Condition Report
For the year ended 31 December 2025

Contents

1. INTRODUCTION	3
2. BUSINESS AND PERFORMANCE	3
3. GOVERNANCE STRUCTURE	9
4. RISK PROFILE.....	28
5. SOLVENCY	31
6. CAPITAL MANAGEMENT	33
7. SUBSEQUENT EVENTS.....	35
8. DECLARATION.....	36

Prismic Life Reinsurance, Ltd.
Financial Condition Report
For the year ended December 31, 2025

1. INTRODUCTION

Purpose

This report relates to the financial condition of Prismic Life Reinsurance, Ltd. (“the Company” or “Prismic Life Re”) for the year ended December 31, 2025.

The Financial Condition Report is intended to provide additional quantitative and qualitative information to the public in relation to the insurer’s business model, whereby the public may make an informed assessment on whether the business is run in a prudent manner. This Financial Condition Report (“FCR”) is prepared in compliance with the Bermuda Insurance (Public Disclosure) Rules 2015, following the structure and guidelines contained therein.

The amounts shown in this report are shown in thousands of United States Dollars (USD) if not otherwise stated.

Company Overview

Prismic Life Re was incorporated on February 9, 2023, and licensed as a Class E insurer by the Bermuda Monetary Authority on September 1, 2023. The Company commenced underwriting activities on September 1, 2023. The company reinsures a fixed quota share of Structured Settlement Annuities (“SSA”), which consist of life contingent and non-life contingent obligations, with a US based life insurance company (“the cedant”). During the current year, the Company reinsured a fixed quota share of USD-denominated, long-duration Japanese whole life liabilities on a modified coinsurance basis from a Bermuda-based affiliate reinsurer (the “retrocedant”), and also reinsured a block of Multi-Year Guaranteed Annuity (“MYGA”) liabilities from another U.S.-based affiliate (the “cedant”).

2. BUSINESS AND PERFORMANCE

a. Name of Insurer

Prismic Life Reinsurance Ltd.
141 Front Street, Seon Place 2nd floor
Hamilton, Pembroke HM19 Bermuda

b. Supervisors

Insurance Supervisor
The Bermuda Monetary Authority (BMA)
BMA House, 43 Victoria Street
Hamilton, Bermuda

c. Approved Auditor

PricewaterhouseCoopers Bermuda Ltd.
Washington House, 4th Floor
16 Church Street
Hamilton HM11, Bermuda

d. Approved Actuary

Robert Humphreys
PricewaterhouseCoopers Bermuda Ltd.
Washington House, 4th Floor
16 Church Street
Hamilton HM11, Bermuda

e. Approved Insurance Manager

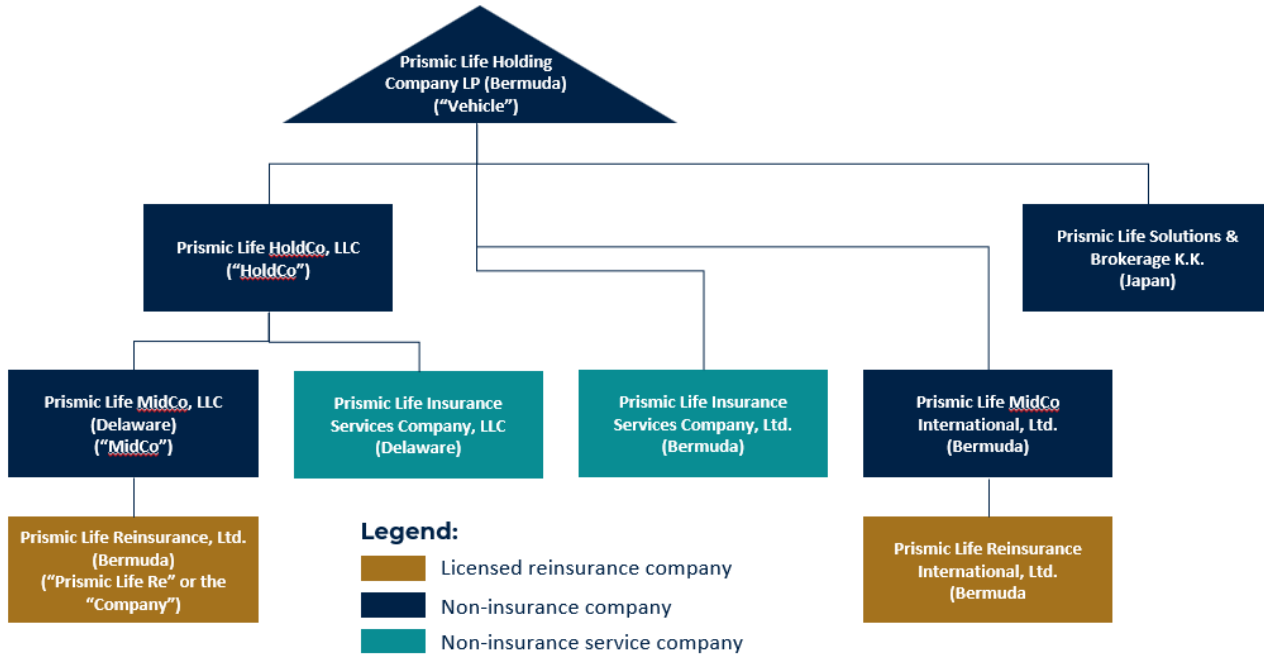
Marsh Management Services (Bermuda) Ltd. is responsible for the insurance management services of the Company and is located at Power House, 7 Par-la-ville Road, Hamilton, Bermuda.

f. Ownership Details

Prismic Life Re was incorporated as a Bermuda exempted company on 9 February 2023, with Prismic Life MidCo, LLC (MidCo) as its sole, direct shareholder. All of the equity interests of MidCo are owned by Prismic Life HoldCo, LLC (HoldCo), which, in turn, is wholly owned by Prismic Life Holding Company, LP, a Bermuda limited partnership (the “Vehicle”), which is privately owned by institutional investors.

g. Group Structure

An organization chart of the Company provided below (hereinafter collectively referred to as the “Group”). Unless otherwise indicated, each entity listed below is owned 100% directly or indirectly by Prismic Life Holding Company, LP.



h. Insurance Business Written by Business Segment and by Geographical Region

The Company is a reinsurer that supports asset-intensive life and annuity liabilities.

In September 2023, the Company executed a quota share reinsurance agreement (that combines Coinsurance with funds withheld (90%) and Coinsurance (10%)) covering \$9.6 billion of in force structured settlement annuities with a US life insurance company (“Cedant”).

In March 2025, the Company executed a quota share reinsurance agreement on a modified coinsurance basis with a Bermuda-based affiliate reinsurer, covering \$1.4 billion of USD-denominated, long-duration Japanese whole life liabilities.

In October 2025, the Company executed a quota share reinsurance agreement (that combines Coinsurance with funds withheld (85%) and coinsurance (15%)) covering \$320 million of in-force MYGA contracts with a U.S.-based life insurance company.

In addition, the Company continues to look for further opportunities in the future to reinsure additional

life and annuity business from the cedant and its affiliates.

i. Performance of Investments & Material Income & Expenses for the Reporting Period

Prismic Life Re has implemented a “prudent person” principle in the management of its investment portfolios. The Company, during the year, has added \$320 million worth of investments as part of a reinsurance arrangement of which 85% is held in funds withheld by the cedant and 15% is with the Company. The Company also acquired \$1.4 billion on a modified coinsurance basis. The company continues to manage the acquired Investments worth \$9.6 billion that was acquired as part of the initial reinsurance agreement, of which 90% of total investments are withheld by the Cedant and 10% is with the Company. The Company strives to maintain a well-diversified investment portfolio. The Company’s investment philosophy aligns with that of any reasonable individual investor with objectives of capital preservation and return on investment and being mindful of the risk management and capital frameworks within which it operates. The Company uses Interest Rate Derivatives as part of its hedging strategy to manage interest rate risk. The Company uses Foreign Exchange (“FX”) Derivatives to manage FX risk for non-USD denominated assets.

The company has elected under section 953 (d) to be treated as U.S. taxpayer on its worldwide income.

The tables below summarize investment performance and material income, and expenses incurred for the reporting period:

Net Investment Income

	In ‘000s	
	2025	2024
Fixed maturity securities	\$ 155,446	\$ 141,792
Cash and cash equivalents	1,708	8,025
Funds withheld	518,276	487,746
Gross investment income	\$ 675,430	\$ 637,563
Less: Investment expenses	(35,440)	(31,836)
Net investment income	\$ 639,990	\$ 605,727

Investment Gains

In '000s

	2025		2024	
Realized gains (losses) on funds withheld	\$	(11,637)	\$	(742,297)
Realized gains (losses) on fixed maturities, trading		11,215		28,593
Unrealized gains (losses) on fixed maturities, trading		(7,296)		(23,323)
Investment gains (losses)	\$	(7,718)	\$	(737,027)

The Company's main source of revenue is income from investments and its primary expenses arise from benefits paid included in Changes in fair value of reinsurance balances. The statement of operations is shown below:

In '000s

	2025		2024	
Revenue				
Net investment income	\$	639,990	\$	605,727
Investment gains (losses)		(7,718)		(737,027)
Total revenue (loss)	\$	632,272	\$	(131,300)
Benefits, losses and expenses:				
Changes in fair value of reinsurance balances		462,666		(401,220)
Changes in fair value of modified coinsurance		(18,091)		-
General and administrative expenses		19,440		22,127
Total benefits, losses and expenses	\$	464,015	\$	(379,093)
Net income before income taxes	\$	168,257	\$	247,793
Income tax expense		36,041		51,757
Net income	\$	132,216	\$	196,036
Other comprehensive income (loss)				
Change in reinsurance liabilities due to change in own credit risk		70,268		(237,830)
Change in reinsurance liabilities due to change in own credit risk – modified coinsurance		(10,750)		-
Less: Income tax benefit related to other comprehensive loss		(12,499)		49,944
Total other comprehensive income (loss)	\$	47,019	\$	(187,886)
Total comprehensive income	\$	179,235	\$	8,150

j. Any Other Material Information

Not applicable.

3. **GOVERNANCE STRUCTURE**

a. **Board and Senior Executive**

i. **The Board of Directors**

The Board of Directors of Prismic Life Re is constructed in accordance with the Insurance Code of Conduct issued by the BMA and takes into account fit and proper standards. The Board provides prudent oversight of the business and affairs of Prismic Life Re, as well as the activities of Prismic Life Re's executive management team, including executive compensation matters, and its outsourced activities. The Board has established a number of committees to help exercise its responsibilities, discussed below in ii.

As of December 31, 2025, the Board consists of 9 members including 2 independent non-executive directors (INEDs) and the Group Executive Chair & CEO of the general partner of the Vehicle. The Board's duties include, but are not limited to:

- Approving overall corporate strategy and overseeing its effective implementation by the management;
- Approving the Company's risk strategy and providing suitable prudent oversight of the Company's risk management and internal control framework, including those activities that are outsourced;
- Reviewing and approving significant policies and procedures, promoting effective corporate governance across the organization, including those for cyber security, risk management, ESG, internal controls (including internal controls over financial reporting), internal audit, compliance and actuarial functions; and
- Ensuring the Company remains compliant with regulatory requirements and the business is effectively directed and managed and conducted with integrity and due care.

ii. **Board Committees**

The Board has established a Finance & Risk Committee, Audit & Compliance Committee and Investment Committee which have been delegated with various responsibilities as detailed in their charters. Key responsibilities are summarized below.

Finance & Risk Committee – responsible for all finance and risk management oversight, including reviewing and approving reinsurance transactions, approving management recommendations for the allocation of capital, recommending to the full

Board decisions regarding shareholder distributions, overseeing the risk and capital management functions, operational matters and reinsurance claims related matters.

Audit & Compliance Committee – responsible for the oversight of both internal audit and the independent auditor, as well as the review and approval of financial statements, the oversight of internal controls, and compliance with legal and regulatory requirements.

Investment Committee – responsible for the oversight of investment activities, including adopting an ALM strategy and investment guidelines, the appointment and removal of asset managers and reviewing and approving material provisions of investment management agreements.

Prismic Life Re has established various internal Management Committees comprised of senior leadership to review and approve policies, financial results, risk reporting, actuarial assumptions, and new transaction pricing prior to bringing them to the applicable Board Committee and the Board.

iii. **Remuneration Policy**

The Company's remuneration program is designed to:

- i) Attract and retain talented, high-performing, and experienced executive officers, whose knowledge, skills and performance are critical to the Company's success
- ii) Motivate executive officers to achieve the Company's business objectives
- iii) Align interests of the executive officers with those of the Company's stakeholders
- iv) Align with the objectives, strategies, identified risk appetite and long-term interests
- v) Discourage excessive or inappropriate risk taking

iv. **Pension or Early Retirement Schemes for Members, Board and Senior Executives**

In 2024, the Company implemented pension/retirement savings plans administered by third parties. Under these plans, the applicable Group company provides contributions up to a predetermined amount. Company and employee contributions are invested in investment portfolios as selected by the employee. The Company does not have an early retirement scheme, nor does it provide pension benefits to its directors.

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

No material transactions were executed during the year ending December 31, 2025, with Board members, Senior Executives, or other individuals who exert significant influence over the Company besides the initial capitalization which took place at inception.

b. Fitness and Proprietary Requirements

i. Fit and Proper Process in assessing the Board and Senior Executive

The Company maintains a rigorous hiring and vetting process including recruitment and interviewing requirements, to confirm fitness and propriety for the relevant role. The Company’s Board is appointed by the limited partners of the Vehicle based on the individual’s experience and expertise. The Company’s Board has been constructed following the vetting process in accordance with the Insurance Code of Conduct issued by the BMA and considering fit and proper standards.

- Individuals must be in full compliance with all Bermuda requirements to serve as directors.
- Standards specifically focus on the prior conduct and degree of skill and competence of persons seeking approval to manage or advise regulated entities.
- There is regular performance monitoring of the Board and Senior executives.

In accordance with the Code of Conduct, the Board must do an assessment of itself and the Officers every three years. This will next take place in 2026.

ii. Board and Senior Executives Professional Qualifications, Skills and Expertise

The members of the Board of Directors and the Senior Executives of Prismic Life Re are listed below along with their credentials:

Board Member
Nandini Mongia , Executive Director, Board Chairperson
Nandini Mongia serves as an executive director of the Company and Chairperson of the

Company's Board. Ms. Mongia also serves as the Group Executive Chair & CEO of the general partner of the Vehicle. Prior to these roles, she served as a Non-Executive Director of the Company and the President of Prudential Financial Inc's Open-Architecture Solutions, responsible for leading the creation of an open-architecture platform, managing the supply and demand of asset and liability origination, and overseeing Prudential Financial's reinsurance entities and third-party strategic relationships.

Previously, Ms. Mongia was senior vice president and treasurer at Prudential Financial, responsible for Prudential's capital, liquidity, borrowing, banking and cash management. She was also integrally involved in the company's strategic transformation, helping enable its growth agenda through innovative initiatives.

Ms. Mongia joined Prudential in 2017 as chief financial officer of Prudential Retirement, where she led all financial functions across Prudential Retirement and its Full Service and Institutional & Pension Solutions businesses. She has more than 15 years of experience providing strategic advisory and investment banking services to insurance industry clients in the United States.

Prior to joining Prudential, she worked in investment banking at Deutsche Bank, Credit Suisse and Lehman Brothers, in business planning at Goldman Sachs and as a strategy management consultant at Gemini Consulting.

Ms. Mongia has been recognized by *Treasury Today* as a Highly Commended Winner of Woman of the Year and by *NJBIZ* as among the Leaders in Finance. She is a frequent guest speaker at conferences on topics ranging from how Treasury can improve company outcomes to the importance of the talent agenda, and how inclusion and diversity can be a strategic differentiator.

Ms. Mongia earned a bachelor's degree in commerce from the University of Delhi and an MBA from the University of Michigan.

Paul Puleo, Non-Executive Director

Paul Puleo serves as a non-executive director of the Company. He is Head of Business Development, for Prudential Financial Inc., responsible for strategic business and relationship development across the enterprise with a focus on developing organic and inorganic growth

opportunities for the Prudential Businesses. He works closely with Prudential's Global Leadership Team and Business Unit Leaders to generate and evaluate opportunities and cultivate external strategic relationships.

Prior to joining Prudential in January 2023, Mr. Puleo spent 30 years as an Investment Banker focusing on the Insurance and Financial Institution sectors. Most recently he was Chairman of Insurance Investment Banking at Deutsche Bank. He has held various divisional leadership roles across The Bank including Corporate Finance/M&A, Debt Capital Markets, Trading and Structuring.

Mr. Puleo graduated from The Wharton School at the University of Pennsylvania with a BSE in Actuarial Science and Accounting and qualified as a Fellow of the Society of Actuaries and as a Certified Public Accountant.

Michael Thompson, Non-Executive Director

Michael Thompson serves as a non-executive director of the Company. Mr. Thompson is Head of the Capital Solutions business in Europe, having joined Warburg Pincus in 2019. Prior to joining Warburg Pincus, he was a Managing Director at Och-Ziff Capital (now Sculptor) in the Private Investments group where he spent over 14 years investing across the capital structure in opportunistic credit and equity investments across private and public markets incorporating distressed, control, minority and convertible transactions. Previously, Michael worked in Leveraged Finance and Mergers & Acquisitions roles at Merrill Lynch in London. He is a Director of Prismic, Delticus and Somers Re.

Mr. Thompson holds a BA in Economics from the University of Manchester and an MA in Corporate Strategy and Governance from the Nottingham University Business School.

Sushanth Reddy, Non-Executive Director

Sushanth Reddy serves as a non-executive director of the Company. Mr. Reddy works in the private equity industry with a focus on financial services and other related sectors. Previously, Mr. Reddy worked in the investment banking divisions of UBS and Deutsche Bank in New York. Mr. Reddy has a Bachelor of Arts degree in engineering from Georgia Institute of Technology and a Master of Science degree in Finance from Massachusetts Institute of Technology.

Yasir Badri, Non-Executive Director

Yasir Badri serves as a non-executive director of the Company. Mr. Badri is the Head of Financial Services (Direct Investments) for a major investment company, where he manages a diverse portfolio of assets and investments worth more than \$276 billion and is responsible for executing their global private equity investment strategy and activities in the financial services space.

Prior to this role, he worked in the corporate Mergers and Acquisitions team, responsible for providing transaction execution support to multiple investment units. Before that, he worked in the financial risk management department within the company's corporate finance and treasury function.

Mr. Badri holds a Bachelor's Degree in Science of Finance from the American University of Sharjah (AUS). He is also a certified Chartered Financial Analyst (CFA) since 2013.

Gordon Sweely, Non-Executive Director

Gordon Sweely serves as a non-executive director of the Company. He also serves as a Senior Managing Director and Global Head of Securitized Products for a leading provider of investment and financial services in Asia, Europe and the US, responsible for all structured lending and non-agency origination activity within Securitized Products Americas, including Mortgage Structured Lending, Infrastructure and Power Finance, Insurance Solutions and Collateralized Loan Obligation (CLO) activity, and all structured lending activity within Structured Credit Americas. Additionally, he oversees the Non-Agency RMBS, Whole Loan and esoteric product trading businesses.

Previously Mr. Sweely was Head of Securitized Products, Americas. Mr. Sweely also spent 18 years at Lehman Brothers as Head of ABS Trading, Principal Finance and Co-Head of ABS CDOs, with an expanded focus on distressed and non-investment grade assets on a whole loan and securitized basis.

Mr. Sweely received a B.A. in Economics from Hobart College and an M.B.A. from New York University.

Stephen Roder, Non-Executive Director

Stephen Roder serves as a non-executive director. From 2018 to 2023 he represented an investor on the board of Resolution Life. From 2012 to 2018 he served in Toronto, Canada as the Group CFO of Manulife Financial. From 2010 to 2012 he co-founded Peak Reinsurance, a property and casualty insurer based in Hong Kong. From 2007 to 2010 he served in Hong Kong as Group CFO of AIA. Prior to this he was a financial services partner in KPMG where he served in London, Tokyo and Hong Kong, finally as Asia Pacific Chair of financial services. He is based in Hong Kong.

Michelle Seymour Smith, Independent Non-Executive Director

Michelle Seymour-Smith is an independent, non-executive member of the board of directors and Chair of the Audit & Compliance Committee. With over 25 years of experience in the insurance and reinsurance industry, Ms. Seymour-Smith's career has been defined by her ability to shape strategic vision and to build and lead the teams, processes, and systems necessary to successfully realize those objectives. She served as the Chief Transformation Officer of Arch Capital Group Ltd until 2019 where she spearheaded a global initiative to grow business and improve operational efficiency. Prior to that, she was the Chief Financial Officer and Chief Operating Officer of Arch Reinsurance Ltd, building and overseeing the financial operations of the insurance, reinsurance and mortgage divisions and their international subsidiary reinsurance divisions. Before joining Arch Reinsurance Ltd in 2004, Ms. Seymour-Smith held positions at XL Capital Ltd, Zurich Insurance Global Energy and Arthur Andersen. She brings this expertise to her role as a Non-Executive Director for a portfolio of publicly listed and privately held organizations and philanthropic foundations.

Ms. Seymour-Smith has been named as one of 100 Influential Women in Insurance and Reinsurance by Intelligent Insurer and selected as a Leadership Fellow of the International Women's Forum in 2017.

Aditya Dutt, Independent Non-Executive Director

Aditya Dutt serves as an independent, non-executive director of the Company. Mr. Dutt is the President of an insurance-linked securities fund based in Bermuda. Previously, Mr. Dutt served

as a Senior Vice President of RenaissanceRe Holdings Ltd. and served on its management team until 2010. At RenaissanceRe, Mr. Dutt managed the company's ILS business and its portfolio of strategic investments, in addition to leading its corporate development and M&A efforts. Prior to joining RenaissanceRe, Mr. Dutt was an investment banker at Morgan Stanley and Salomon Brothers, focusing on financial institutions. He currently also serves on the Board of Directors of Essent Group Ltd. and Aeolus Capital Management Ltd.

Mr. Dutt earned a Bachelor of Arts in Mathematics from Dartmouth College.

Senior Executive

Steve Hales, Interim Chief Executive Officer

Steve Hales is the Company's Interim Chief Executive Officer. Mr. Hales also serves as the Interim Chief Executive Officer of Prismic Life Reinsurance, Ltd. Previously, Mr. Hales was CEO of Resolution Re, a Bermudian asset intensive reinsurer. During his 5 years there, he built out its business and operations from early start-up phase to fully fledged international reinsurer, with significant assets under management in several markets and currencies. Prior to that, Mr. Hales was Head of Global Life at Assicurazioni Generali based in Trieste, Italy, where he was also responsible for the Group level data science and IoT initiatives. From 1997 to 2012, Mr. Hales lived in Madrid, Spain, having transferred from Tillinghast London as a senior actuarial consultant. In 2005, Mr. Hales joined AXA, initially as Head of Life Insurance for AXA Spain, and subsequently as Head of Life & Health for Southern Europe, MENA and Latin America. Mr. Hales is a Fellow of the Institute of Actuaries (FIA) and has a BA in Philosophy, Politics and Economics from Oxford University.

*resigned effective February 2025

Michael Bohm, Chief Financial Officer

Mr. Bohm serves as the Company's Chief Financial Officer. Prior to this role, he was the lead for Prudential Financial, Inc. on the successful sale of a partial block of Prudential Financial's variable annuities to Fortitude Reinsurance. Until the end of 2020, Mr. Bohm led the U.S.-based finance team in Prudential Financial's International business and was the CFO of Prudential Financial's divested business in Korea. Prior to that, he was a VP within the Regulatory

Coordination Office. In this role, he was responsible for leading the Deterministic Projection Capabilities (DPC) Program. DPC was tasked with developing an end-to-end process that delivers a consistent and reliable projection of Prudential Financial's key metrics over time, under multiple stress scenarios. Mr. Bohm also served as CFO of Prudential Holdings of Japan, Inc., which is the holding company supporting Prudential Financial Inc's insurance businesses in Japan.

Mr. Bohm holds a bachelor's degree in accounting from Montclair State University.

*resigned effective January 2026

Mike White, Chief Executive Officer

Mike White serves as the Chief Executive Officer of Prismic Life Re (Bermuda). As a UK-qualified actuary, he brings more than 25 years of industry experience, with the past 16 years focused specifically on Bermuda's life insurance and reinsurance sector. Before joining Prismic, Mike was the CEO of InEvo Re, a life reinsurance startup backed by Macquarie. Prior to InEvo Re, Mike held the roles of Chief Financial Officer and Chief Actuary at Resolution Re. At Resolution Re, Mike was a pivotal member of the leadership team that grew the company from startup status to managing over \$30 billion in assets. Mike played an active role in Bermuda's insurance industry as Chair of BILTIR's Risk and Capital Committee from 2021 to 2023. During his tenure, he was instrumental in shaping the industry's response to regulatory changes introduced by the Bermuda Monetary Authority (BMA). Prior to relocating to Bermuda, Mike was the Head of Market Risk for Sun Life Financial. Mike White holds a Bachelor of Arts Honours degree in Mathematics from Oxford University.

Chunhong Gao, Chief Actuary and Interim Chief Financial Officer

Previously, Ms. Gao was the Chief Actuary and Approved Actuary of Global Atlantic Financial Company Bermuda Limited leading the Bermuda actuarial team. Ms. Gao joined Global Atlantic's Boston office in 2014 with increasing responsibilities and transferred to its Bermuda office in 2022. Prior to joining Global Atlantic, Ms. Gao worked at John Hancock Financial, the U.S. operation of Manulife Financial Company for 5 years, leading the USGAAP Valuation for Variable Annuities and Pricing of Long-Term Care products. Prior to joining John Hancock, Ms. Gao worked for 9 years at Sun Life (U.S.) where Ms. Gao gained hands on experience in ALM and Risk management (including hedging of Variable Annuities and Fixed Indexed Annuities),

valuation, financial reporting, and inforce management. Ms. Gao earned a master's degree in actuarial science from Boston University and a bachelor's degree in mathematics from Fudan University in Shanghai, China. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Eoin Elliffe, Chief Investment Officer

Eoin J. Elliffe, PhD, is the Chief Investment Officer, responsible for overseeing the firm's global investment strategy across public and private markets. He brings over two decades of leadership experience in asset management, insurance, and risk oversight. Prior to joining the firm, Mr. Elliffe was Managing Director and Chief Risk Officer for PGIM Multi-Asset Solutions, where he was predominantly focused on Prismic portfolios. In this role, he worked closely with the Bermuda Monetary Authority (BMA) on capital management, investment approvals, hedging and risk oversight across their multi-asset portfolios. Previously, he served as Chief Risk Officer at Midwest Holding, a private equity-backed insurance and reinsurance platform, where he was responsible for investment risk management, product development and pricing, and asset-liability management (ALM) & hedging strategies. Earlier in his career, Mr. Elliffe held senior roles including Head of ALM and Hedging at Transamerica Corporation, Head of Equity and Fixed Income Risk Management at Lincoln Financial Group, and portfolio management positions at Man Group and RBC Insurance/Reinsurance. Mr. Elliffe holds a Ph.D. in Astrophysics from the University of Glasgow, a B.Sc. in Physics from Dublin City University, and an MBA in Finance and Management from the Wharton School of the University of Pennsylvania.

Robert Burkhart, Controller & Head of Financial Operations

Robert Burkhart is Prismic's Controller & Head of Financial Operations. Prior to this role, Mr. Burkhart was Controller of Prudential Financial's wholly owned subsidiary Assurance IQ, overseeing the accounting, reporting, and revenue valuation operations of Assurance. Mr. Burkhart joined Prudential Financial, Inc. in 2019 and worked in Financial Reporting and Accounting Operations for Prudential Financial's Retirement segment from 2019 through 2021 where he served as controller of the segment's regulated legal entities. He also co-led the accounting work associated with Prudential's sale of its full-service retirement business. Prior to joining Prudential Financial, Inc., Mr. Burkhart worked as a director at PwC where he served publicly and privately held insurance and financial service companies across the insurance

sector.

Mr. Burkhart holds a bachelor's degree in accounting from Providence College. He is a Certified Public Accountant.

Michael DeWeirdt, Chief Risk Officer

Mr. DeWeirdt serves as the Company's Chief Risk Officer. Prior to this role, he served in various executive roles including Chief Risk Officer, Chief of Investment Strategies, Chief Product Officer, and Head of Annuities at Ohio National Financial Services. Prior to that, he led Milliman's Capital Markets and Hedging Advisory practice, which provided outsourced risk management services to global reinsurers and direct writers. Mr. DeWeirdt also held positions with JP Morgan, where he provided risk management solutions to U.S. insurance companies, and AVM LP/III Funds, a fixed income hedge fund. He began his career at Arthur Andersen where he was an auditor in the Financial Services Division, covering insurance companies and banks.

Mr. DeWeirdt earned his MBA in Finance from the University of Chicago Graduate School of Business and earned a Bachelor of Science in Accounting from the University of Illinois. He is a Financial Risk Manager and a Chartered Financial Analyst.

Christian Ercole, Chief Legal Officer

Mr. Ercole serves as the Company's Chief Legal Officer. Prior to this role, he served as a vice president within Prudential Financial Inc.'s International Reinsurance business, charged with leading transaction-related activities in the longevity risk transfer and funded reinsurance markets, including specific client engagement, pipeline development, and negotiating price and transaction terms. Mr. Ercole joined Prudential Financial, Inc. in 2014 as Vice President & Corporate Counsel supporting the Pension Risk Transfer and Longevity Reinsurance businesses. In this role, Mr. Ercole provided legal support on the negotiation of complex pension and longevity risk transfer transactions, as well as legal support for in-force blocks and new market initiatives. Prior to joining Prudential Financial Inc., Mr. Ercole was in private practice in the corporate and financial services group of Willkie Farr & Gallagher LLP, where he specialized in insurance regulatory and transactional matters.

Mr. Ercole earned a B.S. in business administration from Fordham University and a J.D. from NYU School of Law. He is a member of the New York State Bar Association.

Nigel Nunoo, Interim Chief Actuary

Nigel Nunoo is the Company's Interim Chief Actuary. Prior to this role, Mr. Nunoo spent 22 years at Prudential Financial in a variety of roles spanning actuarial, investments and business development. In his most recent role, he led Prudential International's entry into the African market by partnering with a private equity firm to acquire businesses in that content as part of Prudential's strategy. He was a founding member of Prudential's International Reinsurance business as Vice President and subsequently became head of pricing for the Pension Risk Transfer business. He joined Prudential's Actuarial Leadership Development Program in 2002 and held a variety of roles as part of the program, ultimately graduating into a permanent role as the Regional Actuary for Europe. He is a Fellow of the Society of Actuaries and a CFA charterholder. He graduated with an MBA from Columbia University and a BA in Mathematics and Economics from Wabash College. Prismic is currently and actively searching for a permanent Chief Actuary and will keep the Authority apprised of this progress.

*resigned effective February 2025

Wendy Yu, Head of Pricing, Bermuda

Wendy Yawen Yu is the Company's Head of Pricing, Bermuda. Prior to assuming this role, Ms. Yu was the Chief Pricing Officer (CPO) of Athora Life Re Ltd. In this role, Ms. Yu was responsible for the pricing process and represented Athora on transactions in regulatory interactions. She also led the structuring of reinsurance treaties by addressing accounting and regulatory issues, optimizing risk allocation, and aligning operational expectations. Prior to assuming the CPO role, Ms. Yu was the Chief Actuary of Athora Life Re Ltd. In this role, Ms Yu established a scalable reinsurance platform by developing in-house capabilities and leveraging outsourced and shared services. She also steered the balance sheet by establishing risk appetite and supported capital raise initiatives and rating agency diligence. Prior to joining Athora, Ms. Yu served as VP, Global Acquisitions at RGA where she led due diligence activities related to pricing and product analysis to assess whether target business is compatible with RGA's capabilities and risk philosophies.

Prior to joining RGA, Ms. Yu served as AVP, Investment Strategy at Manulife where she optimized investment returns given asset sourcing opportunities, the underlying product profile

and tax/capital/risk requirements to enhance earnings and product competitiveness. Prior to assuming the Investment Strategy role, Ms. Yu served as AVP, Product Risk Management at Manulife where she developed and enhanced product design/pricing standards and best practices for policyholder contract provisions to encourage alignment with corporate strategy. Ms. Yu holds a B.Math from University of Waterloo. She is a Fellow of the Society of Actuaries and a Member of the America Academy of Actuaries.

Yasin Rouf, Chief Operating Officer*

Mr. Rouf serves as the Company's Chief Operating Officer. Prior to this role, he served as vice president in Prudential Financial Inc.'s corporate treasury department, and was responsible for capital and liquidity management, collateral funding, currency risk hedging and M&A transactions. Prior to this, Mr. Rouf held multiple positions in Prudential Financial, Inc., where his responsibilities ranged from investment valuation and forecasting, financial reporting and setting up new functions and controls. Prior to joining Prudential Financial, Inc., Mr. Rouf served as deputy controller of First American Title Insurance (Canadian operations) where he co-led standing up the finance function, internal controls, budgeting process and financial reporting infrastructure. Prior to that, he served as manager at D&T Toronto where he managed audit and due diligence engagements within the multinational manufacturing sector.

Mr. Rouf holds a B.A. in Accounting from Dhaka University. He is a Fellow of Chartered Accountants in England and Wales and a Chartered Financial Analyst.

*resigned effective February 2025

Jeffrey T. Brea, Vice President of Transactions

Jeffrey Brea is Prismic's Vice President of Transactions. Prior to joining Prismic, Jeffrey served as director for the International Reinsurance business. He worked on leading transactions, relationship management and product development in the international Pension Risk Transfer ("PRT") space, focusing on reinsurance for international PRT providers in both the longevity only and asset-intensive spaces.

In 2017, Jeffrey was a core member of the team that developed a flow longevity reinsurance solution for the small scheme market in the UK. In 2020, Jeffrey was a core member of the team that developed Prudential's asset-intensive reinsurance solution. Prior to joining Prudential in 2015, Jeffrey was an actuarial pension consultant at various consulting firms including Deloitte

Consulting. During his consulting career he advised union and corporate pension plan sponsors on how to effectively manage the risks associated with their pension plans and worked on audits of pension plans for some of the largest US corporate pension plan sponsors. Jeffrey holds a bachelor's degree in actuarial science from Binghamton University. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Katy Aronova, Head of Pricing, US

Ms. Aronova is the Company's Head of Pricing, US. Prior to this role, she served as vice president and actuary within Prudential Financial Inc.'s Retirement business, where she led pricing, underwriting, onboarding, and process improvements across the U.S. Pension Risk Transfer and Medical Risk Transfer products. Prior to joining Prudential Financial, Inc., Ms. Aronova worked in actuarial consulting for Towers Watson, with a focus on pension plan valuation and plan design for large private companies.

Ms. Aronova holds a B.A. in applied economics and management from Cornell University. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Ronisa de Fontes, Head of Compliance

Mrs. de Fontes is the Company's Head of Compliance She brings more than 20 years of insurance industry experience to her role, having built an extensive and diverse background that includes banking, compliance, data protection, insurance brokerage, healthcare, and casualty underwriting, as well as regulatory and risk management.

Before joining Prismic, Mrs. de Fontes held the position of Director of Compliance and Regulatory Affairs at Athene Life Re Ltd. Her expertise encompasses privacy and records retention initiatives, ensuring regulatory compliance in alignment with the standards established by governing bodies such as the Register of Companies and the Bermuda Monetary Authority. Additionally, she has a strong track record in establishing and maintaining compliance frameworks, policies, and procedures.

Mrs. de Fontes Ronisa holds an MBA in International Business along with an Associate in Risk Management (ARM). She is a certified Chartered Regulatory Analyst (CRA) and Certified Compliance Officer (CCO) and is accredited as a Data Privacy Officer.

Angela Mattia, VP of Governance and Chief of Staff

Angela Mattia is Prismic's Vice President of Governance and Chief of Staff with over 35 years of experience in the retirement industry.

Prior to joining Prismic, Ms. Mattia led the Business Risk and Controls function at Empower, responsible for transitioning key risk data and control processes of the newly acquired full-service retirement business from Prudential Financial, Inc to Empower. Prior to transitioning to Empower, Ms. Mattia held a variety of senior leadership roles within Prudential, most recently establishing and running the first-line business risk function for the Retirement business.

Angela Mattia holds a Bachelor of Arts degree in Economics from Montclair State University.

Devin Mullan, Head of Business Development & Strategy

Devin Mullan is Head of Business Development & Strategy at Prismic. In this role, Mr. Mullan is responsible for developing and implementing reinsurance solutions, overseeing all client interactions from structuring, to pricing, to execution. Mr. Mullan brings to Prismic more than a decade of experience in the Bermuda life & annuity reinsurance market, including structuring & managing reinsurance vehicles, underwriting various risks, and capital management. Most recently before joining Prismic, Mr. Mullan was the Chief Actuary for Athene's Bermuda businesses, responsible for overseeing pricing and balance sheet management. Prior to that role, Mr. Mullan held various leadership positions at Athene, including in Corporate Development, Reinsurance Pricing, and Risk Management.

Mr. Mullan holds a Bachelor of Mathematics from the University of Waterloo, a Bachelor of Business Administration from Wilfrid Laurier University, and is a Fellow of the Society of Actuaries.

c. Risk Management and Solvency Self-Assessment

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

The Company has a clear risk management strategy as described in its Enterprise Risk Management Framework and Risk Appetite Framework to support the implementation of the Company's strategic

objectives. The Board is ultimately accountable to ensure the effective implementation of the risk management framework and delegates the day-to-day and operational management of its key elements, functions, and processes to Management under the oversight of the Finance & Risk Committee. To that end, any changes to the risk management framework and key risk reports are reviewed and approved by the Finance & Risk Committee. The Finance & Risk Committee provides a report to the Board for each of its meetings.

The Company's ERM Framework employs the "three lines of defense" model. This model is widely adopted across the financial services industry and allows for appropriate segregation of risk ownership, oversight and assurance responsibilities. It is setup as follows:

- 1st line of defense – those with direct responsibility for the management, control and reporting of risk
- 2nd line of defense – those with responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management, compliance and internal control framework
- 3rd line of defense –those providing independent assurance and challenge in respect of the effectiveness and integrity of the risk management framework

The risk management framework requires the Company to:

- identify all material risks, both financial and non-financial, including on and off-balance sheet items;
- assess the potential impact of all material risks, including those risks affecting capital requirements and capital management, short-term and long-term liquidity requirements, reinsurance contract obligations, and operational strategies and objectives; and
- develop policies and strategies to identify, measure, respond to, monitor and report all material
- risks effectively and consistent with the Company's risk appetite.

A discussion of material risks can be found later in this document.

ii. Risk Management and Solvency Self-Assessment Systems Implementation

The Company's Enterprise Risk Management Framework is implemented and integrated into its operation through the systems, processes and procedures, and controls developed and applied to

business operations based on the Company's current risk profile. Management Information derived from risk management and internal control activities is used to complete solvency self-assessments of the quantity and quality of capital and liquidity required to support the Company's business goals, given the Company's risk management strategy.

iii. Relationship Between Solvency Self-Assessment, Solvency Needs & Capital, and Risk Management

The Commercial Insurer Solvency Self-Assessment ("CISSA") seeks to identify and measure all material risks, and aids in the decision-making process regarding which risks the Company can eliminate, transfer or retain within its agreed risk appetite and tolerance. The process of evaluating extreme stress events also aids in solidifying contingent capital sources as necessary to ensure that the Company continues to meet its established strategic objectives. The stress testing conducted within the CISSA program provides senior management with critical insights into the Company's key risks and vulnerabilities, enabling proactive contingency planning. The Company has a strong base of available committed capital to support its operations for both existing and future transactions.

iv. Solvency Self-Assessment Approval Process

The CISSA report is prepared in consultation with relevant functions and business units and is under continual reassessment throughout the year. Annually, it is reviewed by the Management Risk Committee. After review, the CISSA will be provided to the Finance & Risk Committee for approval with emphasis upon the Company's capital and liquidity requirements, significant changes during the period, current and emerging risk exposures, and how the exposures are managed and mitigated in the risk management framework.

d. Internal Controls

i. Internal Control System

Management is responsible for establishing a framework for internal controls for financial reporting including those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and Bermuda SFS, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and the respective Board; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition or disposition of the Company's assets that could have a material effect on the financial statements of the Company.

The Board oversees the internal control system and is supported by the Audit & Compliance Committee and secondly by Internal Audit through the performance of a risk-based audit and assessment of the Company's internal control system.

The Company has established an internal control policy and implemented controls and procedures to comply with the policy.

ii. Compliance Function

The Board provides oversight for Compliance. Day-to-day responsibilities are managed by the Head of Compliance. The compliance function oversees compliance activity and promotes and sustains a corporate culture of compliance and integrity for the Company.

The Head of Compliance administers the compliance program, develops policies and procedures to ensure compliance with all relevant regulatory regimes and applicable laws. As part of building a robust compliance function, the company has established a compliance policy which requires compliance monitoring and testing (including a plan to address any deficiencies or non-compliance that may be identified). The company has established a training platform to ensure employees are up to date with applicable compliance requirements.

e. Internal Audit

The role of the internal audit function is to provide independent assurance that the organization's risk management, governance, and internal control processes are operating effectively. The internal audit function challenges the design and effectiveness of risk management, compliance, control, and governance processes. The Audit & Compliance Committee of Prismic Life Re is responsible for the oversight of the internal audit function. The Audit & Compliance Committee has outsourced this function to an independent third party. The internal auditor is charged with developing audit programs to ensure the Company follows applicable regulatory guidelines, and that appropriate and effective internal controls are in place and function as intended. They report directly to the Audit & Compliance Committee.

f. Actuarial Function

The Chief Actuary and Head of Business Development have primary responsibility for Prismic Life Re's actuarial function encompassing valuation, pricing, experience studies and underwriting of reinsurance transactions. They are supported by 3rd party service providers for actuarial modeling and valuation. Actuarial results are reviewed quarterly by Prismic Life Re's management and the independent Approved Actuary reviews and opines on the appropriateness of the technical provisions held by the Company on an annual basis.

g. Outsourcing

Outsourcing Policy and Key Functions that have been Outsourced

The Company maintains an outsourcing policy that requires vetting and assessment of the outsourced relationships and the due diligence to be undertaken to monitor performance and provide oversight of such arrangements. We believe outsourcing certain functions is advantageous to the Company to ensure that the appropriate skills and expertise are applied to certain activities and to help efficiently manage available resources. While outsourced functions may include support for actuarial and ALM activities, Prismic management has the ultimate ownership, accountability and strategic leadership of actuarial, ALM, risk management, and compliance. Outsourced activities are governed by service level agreements reflecting Prismic's requirements. Outsourced functions include accounting services, internal audit, actuarial modeling, and investment management. The Company has service level agreements in place with its outsourcing partners, and their respective activities are governed by statements of work. Accountability for all activities, including implementation and monitoring, whether outsourced or performed in-house, remains with Management.

The Company's officers are employed by the non-insurance services companies within the Group, and provide management, operational, and general services to the Company pursuant to an intra-Group services agreement.

h. Other Material Information

None.

4. RISK PROFILE

In accordance with the Company's ERM framework, it has identified its material risks, both financial and non-financial, on and off-balance sheet items, and current and contingent exposures. These risks are then assessed periodically to see how they impact capital requirements and capital management, short-term and long-term liquidity requirements, policyholder obligations and operational strategies and objectives. Policies and strategies are developed to manage, mitigate and report all material risks required to meet the Company's goals.

Description of the Company's key exposures and mitigating measures are provided below:

a. Insurance Underwriting Risk

The underwriting of insurance risk is a material risk to the Company. One of the primary policy types underwritten is Structured Settlements. The primary risk of this business is longevity, or the risk of policyholders living significantly longer than has been assumed. Japan whole life and U.S. fixed deferred annuities are other policy types underwritten. The primary risk of these business lines is lapse risk, or the risk that policyholder surrender behavior is different than expected.

Prismic Life Re has processes, procedures and controls in place to mitigate its insurance risk. These include a robust due diligence process for underwriting, pricing documentation, rigorous independent review, a highly specialized and experienced team, and a Finance & Risk Committee and Board review process. Assumptions are reviewed annually and subjected to quarterly stress testing to ensure risk remains within appetite.

b. Interest Rate

Interest rate risk is a significant risk for the Company. It arises due to the long-dated nature of the structured settlement liabilities. A significant proportion of the liability cash flows extend past the investable horizon.

To manage this risk, Prismic employs an active asset liability management strategy which strives to closely match asset and liability dollar durations through a combination of investment securities and interest rate hedging derivatives.

c. Credit

Credit risk emerges from the investment portfolio as Prismic seeks to optimize a risk/return relationship in the assets supporting reserves and capital. Prismic has moderate appetite for credit

risk.

Credit risk is managed through diversification, specific limits, and is coupled with daily monitoring, credit selection standards applied by the asset managers, and quarterly stress testing.

d. Equity and Real Estate Equity

Equity and real estate equity risk emerges from the investment portfolio as Prismic seeks to optimize a risk/return relationship in the assets supporting reserves and capital.

Private equity and real estate exposure is managed by enforcing specific investment portfolio limits and ensuring solvency positions are supported and maintained under stress scenarios.

e. Liquidity

Liquidity needs arising from the insurance liability cash flow requirements, characterized by stable and predictable payments, are supported by cash flows from the invested assets, which by choice do not have significant optionality. The primary source of the variability in liquidity needs emerges from the derivatives hedging interest rate risk, which require settlement or collateral posting if interest rates rise.

Liquidity available for payments, collateral and other demands is carefully monitored through a limit on the minimum proportion of liquid assets, management review of liquidity and collateral reports and quarterly stress testing.

f. Operational Risk

Various aspects of operational risks are considered material risks to the Company. Primary operational risks, such as cybersecurity, controls, model risk and assumptions, legal, compliance and fraud, outsourcing, human resources and business continuation and disaster recovery are mitigated by our internal control system, planned test of such controls, training and monitoring. The outsourcing of certain functions is part of the Company's business model, and strong oversight is maintained over these processes through review of work performed by the services providers, timely feedback, reporting and monitoring of service level agreements and operating guidelines.

The company manages its capital and liquidity profile with the objective of withstanding extreme

stress events without triggering provisions for greater stakeholder engagement from cedants and regulators. Stresses are applied individually and in combination in the areas of interest rates, equity, credit, mortality and expenses to assess liquidity and capitalization. These stresses are applied instantly and over time in a multi-year projection to observe capitalization and liquidity. Risk tolerances and risk limits have been established reflecting targeted minimum capitalization and liquidity in the stresses to ensure that Prismic is able to meet its objectives for capital and liquidity.

Additionally, as a component of its solvency self-assessment, Prismic develops reverse stress scenarios which have the potential to exceed risk limits. This serves as a foundation upon which Prismic builds mitigation strategies.

The results of these stress tests are reported and evaluated as a component of Prismic's Enterprise Risk Management process conducted on a quarterly basis and discussed with the Finance & Risk Committee on a quarterly basis. These same quarterly stresses also populate the COMMERCIAL INSURERS SOLVENCY SELF ASSESSMENT (CISSA) reporting provided to the BMA.

5. SOLVENCY VALUATION

a. Valuation Bases, Assumptions and Methods to Derive the Value of each Asset Class

The Company considers valuation principles outlined by BMA's "Guidance Note for Statutory Reporting Regime" for the reporting period's statutory filing. The economic valuation principles outlined in this document are to measure assets and liabilities on a fair value basis (which is the value that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date). As a starting point, the Company uses US GAAP fair value guidance and hierarchy to establish values of the assets and make applicable adjustments to align with the BMA's statutory financial reporting. The fair value principles used for the assets are as follows:

- i. Funds withheld assets – based on fair value of the assets supporting the funds withheld receivable
- ii. Fixed maturity securities - are valued at quoted market prices. In the absence of an active market, prices are based on observable market inputs including broker quotes or by employing market accepted valuation models
- iii. Non-publicly-traded assets – the fair value of non-publicly-traded assets, which include commercial mortgage loans and private placements are determined using generally accepted valuation methodologies and inputs, and assumptions appropriate to each security. For example, the valuation of commercial mortgage loans is based on discounted cash flow valuation approach, where the cash flows used in the calculation consider the interest rate, credit rating and applicable spread, amortization and prepayment provisions of the loan
- iv. Alternative investments – include investments in partnerships, private equity and funds. As a practical expedient reported NAV is utilized to determine the fair value of the alternative investments. Carrying value represents our pro rata ownership percentage as indicated by NAV in the investment fund statements, which we may adjust if we determine NAV is not calculated consistent with fair value principle.
- v. Derivatives – contracts can be exchange traded or over the counter. The fair values of exchange-traded derivatives are based on quoted market prices. Over-the-counter derivatives are valued using valuation models or third-party broker valuations. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, measures of volatility, optionality and correlation of the inputs. While derivative contracts are executed with highly rated counter parties we consider and incorporate counterparty credit risk in the valuation process through counterparty credit rating and monitoring of overall exposure.

We also consider and reflect our own nonperformance risk in valuing derivatives. Significantly all of our derivatives trade in liquid markets; therefore, we can verify model inputs and model selection does not involve significant management judgment.

- vi. Cash and cash equivalents – carrying value amount for cash equals fair value. We estimate the fair value for cash equivalents based on quoted market prices.

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

The Company has considered the valuation principles outlined in the BMA’s “Guidance Notes for Commercial Insurers and Insurance Groups’ Statutory Reporting Regime” when determining its insurance technical provisions. The Company believes that the techniques it uses in developing the insurance technical provisions are consistent with BMA guidance. The Company’s technical provisions were valued based on cash flows projected according to the assumptions outlined in the BMA’s Scenario Based Approach. This is accomplished by considering projected asset and liability cash flows, the Company’s current asset holdings, the Company’s strategic asset allocation and the projected performance of assets and liabilities under the most unfavorable of the scenarios defined by the BMA to be tested under the Scenario Based Approach. The Company also recorded a risk margin to reflect the level of uncertainty inherent in the underlying cash flows which was calculated using the cost of capital approach and discounted using risk-free rates prescribed by the BMA as of December 31, 2025.

The breakdown of the technical provisions is as follows as of December 31, 2025:

	In ‘000s	
Technical provisions	2025	2024
Best estimate liabilities	\$ 9,907,888	\$ 8,586,438
Risk margin	175,732	213,167
Total technical provisions	\$ 10,083,620	\$ 8,799,605

c. Description of Recoverable from Reinsurance Contracts

The Company does not have any ceded insurance.

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

Not applicable.

e. Any Other Material Information

No additional material information to report.

6. CAPITAL MANAGEMENT

a. Eligible capital

i. Capital Management Policy and Process for Capital Needs, How Capital is Managed and Material Changes During the Reporting Period

Prismic Life Re's primary capital management objectives are to prudently manage its capital resources to meet Bermuda regulatory capital requirements, ensure payment of policyholders, provide long term growth and adequate return to its stakeholders. The Company assesses its capital adequacy and needs in relation to its risk profile, which are assessed against required regulatory levels and internal targets above regulatory minimum on a periodic basis.

The Company was launched on September 1, 2023, when it assumed reinsurance of Structured Settlements obligation as described earlier. The Company, since inception, has received a capital contribution of \$1.25B from its parent Prismic Life MidCo LLC. During the year ended December 31, 2025, the Company returned capital of \$187M and paid a dividend of \$87M to its parent. No additional capital contribution was needed for the new business added through 2025 as the Company maintained capital well above its target level.

ii. Eligible Capital Categorized by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act

As of December 31, 2025, all of the Eligible Capital used by Prismic Life Re to support the ECR and MSM was Tier 1 Capital. Prismic has a Section 28.17 (previously 258F) approval from the BMA which allows it to use alternative assets to back liability cash flows beyond 30 years. This adjustment is limited to a cap of 30% of Tier 1 Capital. Total Tier 1 Capital on an EBS basis was \$1,613M as at December 31, 2025.

iii. Eligible Capital Categorized by Tiers in Accordance with the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act

The Company was in compliance with the MSM and ECR requirements at the end of the reporting period. The capital used to support compliance was all Tier 1.

iv. Confirmation of Eligible Capital That is Subject to Transitional Arrangements

Not applicable

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

Not applicable

vi. Identification of Ancillary Capital Instruments Approved by the Authority

Not applicable

vii. Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus

Not applicable

b. Regulatory capital requirements

i. ECR and MSM Requirements at the End of the Reporting Period

At the end of the reporting period, the Company's regulatory capital requirements were assessed as follows:

	USD (\$ 000s)			
		2025		2024
Minimum Margin of Solvency (MSM)	\$	178,087	\$	158,735
Enhanced Capital Requirement (ECR)	\$	744,807	\$	599,962
ECR Ratio (%) (1)		217%		270%

⁽¹⁾The ECR ratio is based on "2019 & 2024 Year-End Methodology" for required capital and surplus. The Company early adopted 2019 rules with no transition period and adopted 2024 rules under the transitional method. As at 12/31/25, the Company's ECR ratio reflects 28 months of a multi-year transition of its investment portfolio towards its strategic asset allocation.

ii. Identification of Any Non-Compliance with the MSM and the ECR

The Company was compliant with MSM and ECR requirements at the end of the reporting period.

iii. A Description of the Amount and Circumstances Surrounding the Non-Compliance, the Remedial Measures and Their Effectiveness

Not applicable

iv. Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance

Not applicable

7. SUBSEQUENT EVENTS

As of April 21, 2026, the date at which the financial statements were available to be issued and determined there are no other items to be disclosed.

DECLARATION OF FINANCIAL CONDITION

Prepared in accordance with section 5 of the Insurance (Public Disclosure) Rules 2015

For the year ended December 31, 2025

We, the undersigned Chief Executive Officer and Chief Financial Officer of the Company declare that to the best of our knowledge and belief, the Financial Condition Report or the report on a significant event fairly represents the financial condition of the Company in all material aspects.



Michael White

Chief Executive Officer

Date: 4/23/2026



Chunhong Gao

Interim Chief Financial Officer

Date: 4/23/2026