

Many hats. One company.



Welcome to our 2025 Annual report

As a leading global specialist insurer, we are passionate about bringing an innovative and progressive approach to helping our clients mitigate the risks of the world.

Contents

1	Highlights
2	Strategic report of the managing agent
4	Managing agent's report
11	Statement of managing agent's responsibilities
12	Independent auditor's report to the members of Syndicate 5623
15	Statement of comprehensive income
16	Balance sheet
17	Statement of changes in members' balances
18	Statement of cash flows
19	Notes to the syndicate annual accounts
42	2023 underwriting year accounts for Syndicate 5623
43	Managing agent's report
44	Statement of managing agent's responsibilities
45	Independent auditor's report to the members of Syndicate 5623 – 2023 closed year of account
48	Profit or loss account
49	Statement of changes in members' balances
50	Balance sheet
51	Statement of cash flows
52	Notes to the syndicate 2023 underwriting year accounts
57	Six-year summary of closed year results at 31 December 2025
58	Managing agent's corporate information

Highlights

Syndicate capacity

£419.3m

(2024: £396.6m)

Profit for the financial year

\$69.3m

(2024: \$61.6m)

Combined ratio

91.8%

(2024: 90.6%)

Gross premiums written

\$526.9m

(2024: \$491.8m)

Rate (decrease)/increase on renewals

(4.8)%

(2024: 0.9%)

Cash and investments

\$761.4m

(2024: \$498.6m)

Net premiums written

\$489.3m

(2024: \$458.2m)

Claims ratio

53.4%

(2024: 54.3%)

Investment return

4.8%

(2024: 7.2%)

Earned premiums, net of reinsurance

\$467.0m

(2024: \$426.9m)

Expense ratio

38.4%

(2024: 36.3%)

Strategic report of the managing agent

Overview

Syndicate 5623 (the 'syndicate') writes portfolio underwriting business at Lloyd's and operates a follow-only portfolio. The syndicate began writing business directly at Lloyd's from the start of 2023.

The capacities of the syndicates managed by Beazley Furlonge Limited ('BFL') are as follows:

	2025 Year of Account £ m	2024 Year of Account £ m
623	861.0	887.2
2623	2,357.1	2,299.6
3622	35.5	37.0
3623	432.0	1,325.6
4321	—	—
5623	419.3	396.6
6107	43.9	57.8
Total	4,148.8	5,003.8

The result for the syndicate for the year ended 31 December 2025 is a profit of \$69.3m (2024: \$61.6m). Gross premiums written increased to \$526.9m (2024: \$491.8m).

Year of account results

The 2023 year of account ('YoA') has closed with a return on capacity of 18.6%. The 2024 YoA is currently forecasting a return on capacity of 7.5%. The 2024 YoA has experienced more claim events compared to 2023 YoA. Its Property Risks portfolio experienced climate related loss events such as Hurricanes Milton and Helene, and the Californian wildfires. The 2025 YoA is also forecasting a positive return on capacity but it is still in the early stages of development.

Rating environment

The premium rates charged for renewal business on existing lines decreased by 4.8% during 2025 (2024: 0.9% increase).

The syndicates' gross written premiums for 2025 are \$526.9m (2024: \$491.8m). This reflects a 7.1% increase, driven primarily by organic growth with the syndicate being able to capitalise on business opportunities within the year, offset partially by the 4.8% rate reduction mentioned above. Net earned premiums for 2025 are \$467.0m (2024: \$426.9m).

Combined ratio

The combined ratio is a measure of operating performance and represents the ratio of the syndicate's total costs (excluding foreign exchange movements) to total net earned premium. The syndicate's combined ratio for 2025 was 91.8% (2024: 90.6%). The increase in the expense ratio is partially offset by the decreasing claims ratio.

Claims

The claims ratio is a measure of the syndicate's claims experience and represents the ratio of its net insurance claims to net earned premium. The 2025 claims ratio for Syndicate 5623 decreased to 53.4% (2024: 54.3%).

Net operating expenses

Net operating expenses, including business acquisition costs and administrative expenses were \$179.4m (2024: \$154.9m). The breakdown of these costs is shown below:

	2025 \$m	2024 \$m
Brokerage costs	123.3	102.6
Other acquisition costs	6.2	4.2
Total acquisition costs	129.5	106.8
Administration and other expenses	34.9	31.5
Profit commissions payable to managing agent	15.0	16.6
Net operating expenses*	179.4	154.9

* A further breakdown of net operating expenses can be seen in note 4.

Brokerage costs as a percentage of net earned premium are approximately 26.4% (2024: 24.0%). Brokerage costs are deferred and expensed over the life of the associated premiums in accordance with accounting guidelines. Other acquisition costs comprise of costs that have been identified as being directly related to underwriting activity (e.g. underwriters' salaries and Lloyd's box rental). These costs are also deferred in line with premium earning patterns. Administrative expenses comprise primarily IT costs, facilities costs, Lloyd's central costs and other support costs.

Net operating expenses continued

The expense ratio is a measure of net operating expenses to net earned premium. The expense ratio for 2025 is 38.4% (2024: 36.3%). The increase is primarily driven by increased brokerage rates on the syndicates portfolio.

Investment performance

The syndicate's investments generated a return of \$30.0m, or 4.8% in 2025 (2024: a return of \$21.4m, or 7.2%). Financial assets grew to \$761.4m as at 31 December 2025 (31 December 2024: \$498.6m). The investment return in the syndicate remained strong due to the performance of financial markets during 2025. In 2024, the 2022 YoA operated on a funds withheld basis, with an investment income allocated from the host syndicate (Syndicate 3623). In 2025 no such arrangements are present, with investment returns now representing investment income, in relation to the cash investments on the syndicate's balance sheet.

Reinsurance

In 2024, the amount spent on outward reinsurance was \$37.6m (2024: \$33.6m). As a percentage of gross premiums written this was 7.1% (2024: 6.8%).

Outlook

Despite experiencing several loss events, the 2024 underwriting year is expected to deliver a 7.5% return on capacity. The syndicate remains well-positioned to achieve a positive return again in 2025. Looking ahead to 2026, the syndicate will aim to build on previous successes.

C C J Wong
Director

19 February 2026

Managing agent's report

The managing agent presents its report for the year ended 31 December 2025.

This 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 and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and Financial Reporting Standard 103: Insurance Contracts.

Principal activity

Syndicate 5623 writes portfolio underwriting business at Lloyd's and operates a follow-only portfolio. The syndicate was granted full syndicate status by Lloyd's from 1 January 2023 and began writing business directly from that date. Previously the syndicate had been a special purpose reinsurance vehicle for Syndicate 3623 on the 2022 year of account and prior.

Business review

A review of the syndicate's activities and future outlook is included in the strategic report.

Risk governance and reporting

BFL's Board of Directors (the 'Board') has the responsibility for defining and monitoring the risk appetite within which BFL and the syndicates operate (collectively, 'Beazley'), with key individuals and committees accountable for day-to-day management of risks and controls. Regular reporting from the Risk Function to Board and Risk Committee meetings and senior management committees ensures that risks are monitored and managed as they arise. Beazley Group is structured across three platforms, one of which is the London Wholesale platform governed by BFL on behalf of the syndicates. This platform-focused structure strengthens leadership accountability, enhances platform-level and legal entity governance, and further reinforces the effectiveness of the overall risk management framework.

Climate-related risks and opportunities

Climate-related risks, opportunities, and other sustainability related matters were regular agenda items throughout 2025 led by Beazley plc's Board and supported by the boards of BFL and the Group's other regulated subsidiaries. The Group's sustainability strategy, sets out the goals and targets across a wider range of sustainability issues, including climate change. Beazley plc's consolidated Annual report and accounts includes the Group's disclosures for the Task Force on Climate-Related Financial Disclosures ('TCFD') Recommendations. The 2025 Beazley plc Annual report and accounts is expected to be published on the Group's website in March 2026.

Although not specifically listed in the risk categories detailed further in this report, the Board of BFL deems climate risk to be inherently embedded within all risks managed across the syndicate.

Risk management

The Board maintains a sound understanding of all drivers of risk and, supported by the Risk Function, provides effective challenge to management in overseeing risks across Beazley. The Board and the Risk Committee continue to ensure that the risk management framework remains aligned to Beazley's evolving risk profile, supports robust oversight and challenge, and embeds a strong risk culture across the business.

The Board remains attentive to emerging risks and developments in the regulatory and legal landscape. The Risk Function continues to engage in key strategic projects, providing proportionate and effective second-line challenge to support the ongoing evolution of the risk management framework.

The effectiveness of risk management across the business is underpinned by continued collaboration between the Beazley's assurance functions, in particular Compliance, Risk Function and, Control and Compliance Assurance Team (CCAT), to deliver a coherent second line oversight function.

Throughout the year, Beazley strengthened its risk leadership team and further matured its risk culture across the Group. Investment in both the first and second lines of defence has progressed through the phased delivery of modernisation and transformation programmes, to enhance oversight, agility and overall risk management capability.

Risk management oversight and framework

The Board has ultimate responsibility for risk management and delegates direct oversight of the risk management framework to its Risk Committee. The Board delegates executive oversight of the Risk Function and framework to the BFL Management Committee, which fulfils this responsibility in conjunction with the Group Risk and Regulatory Committee.

The risk management framework sets out the approach to identifying, assessing, managing, monitoring, and reporting principal risks. This framework underpins the delivery of the Group's strategic priorities and supports informed decision making at all levels.

Beazley operates a governance structure founded on the 'three lines of defence' model, with the Risk Function forming part of the second line of defence. Ongoing communication and collaboration across the three lines of defence ensures that Beazley identifies and manages risks effectively.

The Board approves Beazley's risk appetite statements annually and receives regular updates throughout the year on performance against these appetites, including impact on the risk profile of the business.

A comprehensive suite of reports from the Risk Function supports senior management and the Board in fulfilling their oversight responsibilities. These reports include updates on risk culture, risk appetite, risk profiles, stress and scenario testing (including reverse stress testing) and analysis, emerging and heightened risks, and the Own Risk and Solvency Assessment (ORSA). In addition, the Risk Function provides reporting to the Remuneration Committee to ensure alignment between risk considerations and remuneration practices.

An annual risk management plan is developed, with reference to Beazley's business strategy, external market and regulatory developments, as well as the Beazley's risk profile. In addition, the Risk Function integrates insights from internal audit findings and other assurance activities into its risk assessment and planning processes to ensure a comprehensive and forward-looking approach.

The approach to identifying, managing and mitigating emerging risks includes inputs from across the business, analysis of lessons learned following incidents and industry thought leadership. The approach considers the potential materiality and likelihood of impacts, which helps prioritise emerging risks that Beazley monitors or undertakes focused work on. Key emerging risks in 2025 included: Artificial Intelligence (AI); Geopolitical and conflict escalation; Supply chain complexity; and Political and social unrest/instability

Principal risks

Beazley operates in a dynamic environment where risk exposures evolve in response to changes in market conditions, regulatory developments, and strategic priorities. Identifying and managing these risks is fundamental to safeguarding Beazley's financial strength and delivering sustainable value to stakeholders.

Principal risks are subject to regular review through Beazley's risk and control assessment process. The overall risk profile is continuously monitored with emphasis on operational and regulatory risks, to ensure that our control environment and risk management capabilities evolve in line with business change and developments in the external environment.

The table below summarises the principal risks faced by Beazley, together with the governance, oversight and control measures in place to mitigate these exposures, and the associated outlook.

Legend for principal risks table below

Risk outlook

△ Increasing

◇ Stable

▽ Decreasing

Managing agent's report continued

Principal risks and summary descriptions	Mitigation and monitoring
<p>Insurance</p> <p>Risk of loss arising from uncertainties and deviations in the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes key underwriting risk drivers such as market cycle, catastrophe, reinsurance reserves and climate.</p> <ul style="list-style-type: none"> • Market cycle: potential systematic mispricing of medium- or long-tailed business that does not support revenue to invest and cover future claims; • Catastrophe: one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. systemic cyber-event, global pandemic, losses linked to an economic crisis, an act of terrorism or an act of war and/or a political event) impacting a number of policies, and therefore giving rise to multiple losses; • Reinsurance arrangements: reinsurance may not be available or purchases do not support the business underwritten (e.g. mismatch); • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses; • Climate risk: impact of climate change on underwriting and reserving assumptions, including the risk arising from the physical effects of climate change, the transition to a low-carbon economy and associated litigation risks. 	<p>Insurance risk, arising in the syndicates, is principally managed by Beazley through pricing tools, analysis of macro trends and claim frequency/severity, which ensures exposure is well diversified and not overly concentrated in any one area, or line of business.</p> <p>Our strategic approach to exposure management and a comprehensive internal and external reinsurance programme help to reduce volatility of profits in addition to managing net exposure through the transfer of risk.</p> <p>Our prudent and comprehensive approach to reserving ensures adequate provisions are made for the payment of all valid claims. High calibre claims and underwriting professionals deliver expert service and claims handling to insureds, ensuring good customer outcomes.</p> <p>Beazley carries out periodic analysis to identify significant areas of concentration risk across its business and monitors solvency regularly to ensure adequate capitalisation.</p> <p>Beazley continuously monitors key trends and incidents, particularly for evolving perils such as cyber, to ensure our view of risk is up-to-date.</p> <p>Beazley makes extensive use of modelling, including catastrophe modelling, the use of our Solvency II model and stress and scenario testing to ensure insurance risk is within approved risk appetite.</p> <p>Beazley integrates management of climate risk into its business processes for physical and litigation risk, through climate-adjusted pricing, capital modelling and climate conditioned views of risk for its most sensitive perils and supporting underwriting using targeted tools and dashboards and scenario analysis. The approaches continue to develop, given the evolving nature of climate risk.</p> <p>Investment in underwriting, reinsurance, and exposure management systems and processes continue to strengthen our risk management capabilities in an increasingly complex landscape shaped by advances in artificial intelligence, rising geopolitical tensions, and climate-related natural hazards.</p> <p>Outlook: While we continue to assess Beazley's insurance risk outlook as stable, supported by active management of market cycles across all lines of business, we recognise that the cycle of rate increases have likely peaked and in the absence of a market turning event, we anticipate further soft market pressures in the near term, making effective risk management increasingly critical.</p>
<p>Credit</p> <p>Exposure to credit risk largely emanates from the use of reinsurers, brokers, and coverholders.</p> <p>Credit risk is the risk of loss resulting from default in obligations due or changes in the credit standing of either issuers of securities, counterparties or any debtors which Beazley is exposed to.</p>	<p>Beazley maintains long-term partnerships with strategic reinsurance partners to support it throughout the insurance cycle and during potential catastrophic claim events. Beazley uses a range of traditional and alternative reinsurance mechanisms to diversify reinsurance credit risk. All reinsurers must meet stringent internal approval criteria, overseen by the Reinsurance Security Committee.</p> <p>Beazley operates established broker relationships and mitigates credit risk via the monitoring of broker concentrations, payment performance oversight and broker onboarding review criteria.</p> <p>Coverholder monitoring and onboarding utilises a risk-based approach, using financial stability information, overseen by the Delegated Authority Oversight Committee.</p> <p>Investment credit risks are managed with a well-diversified portfolio, with investment parameters by type, duration and credit quality, monitored by the Investment Committee.</p> <p>Outlook: The credit risk outlook remains stable, as Beazley manages reinsurance, broker, coverholder and investment credit risks, maintaining low levels of aged and/or bad debt.</p>

Principal risks and summary descriptions**Mitigation and monitoring****Market**

The risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Investment assets may be impacted by adverse movements in financial markets, interest rates, exchange rates, or external market forces.

Beazley operates a conservative investment strategy to ensure adequate funds available to pay claims. We employ robust policies and tools to manage market risk, ensuring alignment with regulatory requirements and industry best practices.

Interest rate and foreign exchange risks are managed using natural hedges and financial instruments, minimizing potential volatility. The Investment Committee regularly reviews market risk exposures to ensure that our risk management capabilities remain agile and effective in responding to evolving market dynamics.

Beazley continues to develop its understanding of how climate change impacts our investment portfolio to help inform alignment with our sustainability goals and create long-term value.

Outlook:

We maintain a stable market risk outlook for 2026, underpinned by active investment portfolio management and a robust internal control framework.

**Group**

The contagion risk that an action or inaction of one part of the Beazley Group adversely affect another part or parts of the syndicate. This also includes a changes in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the brand.

In 2025, Beazley further developed its Risk Culture Framework, to align with industry best practice. The framework is underpinned by six guiding principles: Leadership and Tone from the Top; Risk Governance and Accountability; Risk Awareness; Communication and Transparency; Risk and Reward; and Innovation and Adaptiveness.

A strong risk culture is the cornerstone of a mature risk function. It enables informed and responsible decision-making, fosters transparency, and promotes vigilance across both existing and emerging risks, ensuring Beazley remains resilient and forward-looking in an evolving risk and regulatory landscape. In 2025, advancing our risk culture maturity was a key management priority. A series of organisation-wide initiatives were launched to strengthen communication and engagement, with the aim of cultivating a consistent and robust risk culture. These efforts focused on building a shared understanding of risk, encouraging proactive management, and reinforcing a supportive 'speak up' environment.

Beazley operates shared services, systems, processes and controls across different legal entities and jurisdictions. As such, the impact of an issue or incident in one area of the business can have implications across the Group (i.e. contagion risk). To mitigate this risk we continue focus on group-wide strategic initiatives, which include continued enhancement of our internal control environment and optimization of key business and IT processes through deployment of technology solutions.

The BFL Management Committee and the Board oversee Group risk, with regular monitoring conducted by the Risk Function and overseen by the Risk Committee.

Outlook:

Our Group risk outlook remains stable, with the BFL Management Committee continuously evolving our risk culture through ongoing monitoring and annual assessments, designed to drive enhancements.

Managing agent's report continued

Principal risks and summary descriptions	Mitigation and monitoring
<p> Liquidity Investments and/or other assets are not available or adequate in order to settle financial obligations when they fall due.</p>	<p>By actively managing its liquidity needs, Beazley maximizes flexibility in handling its financial assets and investment strategy. This proactive approach ensures that clients and creditors are financially protected. Beazley regularly evaluates the liquidity position of the syndicates, under the oversight of the Risk Committee.</p> <p>Liquidity stress testing is performed to assess the largest cash flow demands from the ten most severe Realistic Disaster Scenarios (RDSs) across a 1-day and 12-month time horizon.</p> <p>Liquidity is monitored quarterly to ensure an adequate liquidity surplus is maintained, such that liquidity exceeds internal requirements, even under stressed scenarios.</p> <p>Outlook: The liquidity risk outlook remains stable, with sufficient available liquidity to meet expected cashflow requirements, including under stressed scenarios, while maintaining adequate levels of liquidity and capital buffers.</p>
<p> Regulatory and legal The risk of non-compliance with regulatory and legal requirements and supervisory expectations or failing to operate in line with the relevant regulatory framework in the territories where Beazley operates. This may lead to financial loss (fines, penalties), sanctions, reputational damage, loss of confidence from regulators, regulatory intervention, inability to underwrite or pay claims.</p>	<p>Beazley's compliance framework supports adherence to rules, laws and regulatory expectations including through horizon scanning, advice and training. The work of the compliance function is overseen by the Risk and Regulatory Committee.</p> <p>In 2025, we implemented a global horizon scanning tool to support the increasing size and complexity of our multi-jurisdictional business. This tool aids in identifying, assessing and implementing new and emerging legal and regulatory policy in a way that is both accessible and immediate across all areas of our business and locations that we underwrite. Additionally, it helps to increase awareness of the regulatory environment for a wider audience, strengthens our adherence to requirements and provides additional clarity over the expectations of our regulators.</p> <p>We enhanced our regulatory engagement protocols by developing a new framework, establishing oversight and strengthening our reporting mechanisms for sharing key information with our regulators. To ensure effective embedding of the new protocols and further strengthen our culture of transparency and openness, we provided firm-wide training to ensure that expectations are understood.</p> <p>Delivering good customer outcomes remains central to our business. The second line functions contribute to the work of the Conduct Review Group, which provides oversight of conduct risk throughout the product lifecycle, ensuring we are able to consistently meet regulatory expectations for the treatment of our policyholders and retail customers.</p> <p>Beazley maintains a very low appetite for regulatory and legal risk. As we consolidate the regulatory engagement achieved in 2025 and navigate an increasingly complex environment, maintaining strong and open relationships with our regulators remains paramount.</p> <p>Outlook: The outlook for this risk has moved from increased to stable as a result of the positive action taken above. We also continue to enhance our key systems and internal control frameworks as well as adapting our compliance framework to adhere to our regulatory and compliance landscape. We expect the risk outlook to improve as changes become well embedded.</p>

Principal risks and summary descriptions	Mitigation and monitoring
--	---------------------------

Operational
 The risk of failure of people, processes and systems or the impact of an external event on Beazley operations

Primary risk drivers include technology, information management, project and change transformation, third-party management and the process and people related infrastructure supporting core business activities; Underwriting and Claims management

Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable KRIs. Our ongoing control enhancement and underwriting transformation programmes are designed to ensure that Beazley is fully equipped to meet current and future operational challenges, strengthening our resilience and supporting sustainable growth.

In 2025, we further advanced our investment in technology and process re-engineering to strengthen our operational capabilities and add resilience to internal processes and associated controls. Our business continuity, disaster recovery and incident response plans ensure the stability of our processes and systems, enabling our team to consistently deliver optimal outcomes for our clients.

As the external environment grows more complex, technology and cyber resilience remain top priorities. We have advanced our cyber maturity journey, collaborating with external agencies, and maintaining robust controls over information security, data and operational resilience. Regular reviews of our incident response plans and ongoing investment in cyber security training for all employees ensure we remain vigilant and prepared.

While maintaining a low appetite for operational risk, we observed an increase in reported risk incidents during 2025, albeit of lower materiality, reflecting both the growing complexity of our operational environment and our enhanced risk awareness and reporting culture. Our Risk Function works closely with first line teams to ensure that controls and processes evolve in line with emerging risks and business change.

Outlook:
 This risk has moved from an increased to stable outlook in 2026, reflecting a reduction in the severity of operational risk incidents. This is supported by the continued benefits of our investment in modernising controls, systems and processes. As our transformation programmes and modernisation initiatives progress, we expect these efforts to further enhance our operational resilience in the years ahead.

Strategic
 The risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, financial loss and/or reputational damage.

Pervasive risks impacting multiple areas of Beazley (e.g., reputation, and sustainability) occurring through real or perceived action, or inaction, by a regulatory body, market and/or third-party provider.

A negative change to Beazley’s reputation would have a detrimental impact to BFL and the syndicates performance and public perception.

Beazley consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognise, understand, discuss, and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation.

More widely over the past 18 months, Beazley has made enhancements to its corporate governance arrangements to align to a three-platform model. It aims to ensure that the legal entities benefit from increased transparency, and clarity around decision-making powers & autonomy, which aims to de-risk the organisation. The three platform model has been implemented and will continue to be embedded throughout 2026.

Beazley creates an environment that attracts, retains and develops high performing talent with diverse perspectives, encouraging exploration, creation, and innovation. By investing in understanding the complexities of the risks our clients face and deploying our expertise where it adds value, we thrive. The BFL Management Committee and the Board oversee these risks, in collaboration with the Group Executive Committee.

Our commitment is to create a sustainable business for our people, partners, and planet through responsible business goals. This focuses on understanding and reducing our carbon footprint, contributing positively to our social environment, and upholding strong governance practices. Sustainability principles are embedded into business planning with a documented transition plan and reputational risk is mitigated through transparent climate-related decision-making across underwriting, investments and operations. While market developments are considered, each is evaluated individually to balance potential opportunities and risks.

Outlook:
 As we build on our past achievements, our outlook for strategic risk in 2026 remains stable, underpinned by our commitment to disciplined growth, innovation and sustainability.

Managing agent's report continued

Directors

A list of Directors of the managing agent who held office during the year can be found on page 58 of this syndicate annual report.

Syndicate annual general meeting

In accordance with the Syndicate Meetings (Amendment No. 1) Byelaw (No. 18 of 2000) the managing agent does not propose to hold a syndicate annual meeting this year. Members may object to this proposal within 21 days of this notice. Any objections must be made in writing to the managing agent.

Disclosure of information to the auditor

The Directors of the managing agent who held office at the date of approval of this managing agent's report confirm that, so far as they are each aware, there is no relevant audit information of which the syndicate's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director 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 C J Wong
Director

19 February 2026

Statement of managing agent's responsibilities

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires the Directors of the managing agent to prepare their syndicate annual accounts for each financial year. Under that law they have elected to prepare the annual accounts 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 annual accounts unless they are satisfied that they give a true and fair view of the state of affairs of the syndicate and of the statement of comprehensive income 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 annual accounts;
- assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so.

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 company 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.

The Directors of the managing agent are required to comply with the requirements of Section 1 of the Lloyd's Syndicate Accounts Instructions version 3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's (the 'Syndicate Accounts Instructions').

The Directors of the managing agent are responsible for the preparation and review of 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.

We confirm that to the best of our knowledge the syndicate accounts, including the iXBRL tagging applied to these accounts, comply with the requirements of the Lloyd's Syndicate Accounts Instructions version 3.1 as modified by the Frequently Asked Questions version 1.1 issued by Lloyd's.

On behalf of the Board

C C J Wong

Director

19 February 2026

Independent auditor's report to the members of Syndicate 5623

Opinion

We have audited the syndicate annual accounts of syndicate 5623 ('the syndicate') for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes In Members' Balances, the Statement of Cash Flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law including The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS 103 'Insurance Contracts' ('United Kingdom Generally Accepted Accounting Practice'), and Section 1 of the Lloyd's Syndicate Accounts Instructions V3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's ('the Syndicate Accounts Instructions').

In our opinion, the syndicate annual accounts:

- give a true and fair view 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Syndicate Accounts Instructions, and other applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the syndicate annual accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the syndicate annual accounts, we have concluded that the managing agent's use of the going concern basis of accounting in the preparation of the syndicate annual accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the syndicate's ability to continue as a going concern for a period of 12 months from when the syndicate annual accounts are authorised for issue. from when the syndicate annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors of the managing agent with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the syndicate's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report and accounts other than the syndicate annual accounts and our auditor's report thereon. The directors of the managing agent are responsible for the other information contained within the annual report and accounts.

Our opinion on the syndicate annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate annual accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the syndicate annual accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the managing agent's report for the financial year in which the syndicate annual accounts are prepared is consistent with the syndicate annual accounts; and
- the managing agent's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we have not identified material misstatements in the managing agent's report.

We have nothing to report in respect of the following matters where The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires us to report to you, if in our opinion:

- the managing agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate annual accounts are not in agreement with the accounting records; or
- certain disclosures of the managing agents' emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 11, the directors of the managing agent are responsible for the preparation of the syndicate annual accounts and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of the syndicate annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate annual accounts, the directors of the managing agent are responsible for assessing the syndicate's ability to continue in operation, disclosing, as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the directors of the managing agent either intends to cease to operate the syndicate, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the syndicate annual accounts

Our objectives are to obtain reasonable assurance about whether the syndicate annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these syndicate annual accounts.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UK United Kingdom Generally Accepted Accounting Practice), and requirements referred to by Lloyd's in the Syndicate Accounts instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate annual accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and Risk Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.

Independent auditor's report to the members of Syndicate 5623 continued

- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate annual accounts' items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the PRA and the FCA.
- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- We assessed the susceptibility of the syndicate's annual accounts to material misstatement, including how fraud might occur by considering the controls that the directors of the managing agent have established to address risks identified by them, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk, including:
 - Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries, we assessed if there were any indicators of management bias in the valuation of insurance liabilities and the recognition of estimated premium income.
 - Evaluating the business rationale for significant and/or unusual transactions.
 - Testing the appropriateness of journal entries recorded in the general ledger, particularly in respect of judgemental areas including valuation of insurance liabilities and estimated premium income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Our opinion on the syndicate annual accounts does not cover the iXBRL tagging included within these syndicate annual accounts, and we do not express any form of assurance conclusion thereon.

Use of our report

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. 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 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.

Niamh Byrne (Senior statutory auditor)

**for and on behalf of Ernst & Young LLP, Statutory Auditor
London**

Statement of comprehensive income

for the year ended 31 December 2025

	Notes	2025 \$'000	2024 \$'000
Gross premiums written	3	526,882	491,780
Outward reinsurance premiums		(37,574)	(33,604)
Premiums written, net of reinsurance		489,308	458,176
Change in unearned premium			
Change in the gross provision for unearned premiums	15	(23,391)	(36,699)
Change in the provision for unearned premiums, reinsurers' share	15	1,045	5,381
Net change in the provisions for unearned premiums		(22,346)	(31,318)
Earned premiums, net of reinsurance		466,962	426,858
Allocated investment return transferred from the non-technical account	7	30,048	21,415
Claims paid			
Gross amount	15	(126,750)	(73,495)
Net claims paid		(126,750)	(73,495)
Change in the provision for claims			
Gross amount	15	(123,141)	(156,134)
Reinsurers' share	15	372	(2,003)
Net change in provisions for claims		(122,769)	(158,137)
Claims incurred, net of reinsurance		(249,519)	(231,632)
Net operating expenses	4	(179,353)	(154,923)
Balance on the technical account - general business		68,138	61,718
Investment income	7	20,509	16,935
Realised gain on investments	7	3,682	771
Unrealised gain on investments	7	5,910	3,756
Investment expenses and charges	7	(53)	(47)
Total investment return		30,048	21,415
Allocated investment return transferred to technical account		(30,048)	(21,415)
Loss on foreign exchange		(84)	(127)
Other income		1,251	—
Profit for the financial year		69,305	61,591
Total comprehensive income for the financial year		69,305	61,591

There were no other comprehensive gains or losses in the year.

The notes on pages 19 to 41 form part of these financial statements.

Balance sheet

as at 31 December 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Investments			
Financial investments	9	655,974	439,659
		655,974	439,659
Reinsurers' share of technical provisions			
Provision for unearned premiums	15	12,892	11,847
Claims outstanding	15	10,098	10,006
		22,990	21,853
Debtors			
Debtors arising out of direct insurance operations	11	201,058	168,903
Debtors arising out of reinsurance operations	12	2,909	12,588
Other debtors	13	48,425	122,151
		252,392	303,642
Other assets			
Cash at bank and in hand	19	105,475	58,909
		105,475	58,909
Prepayments and accrued income			
Deferred acquisition costs	14	69,410	58,748
Other prepayments and accrued income		4,891	3,321
		74,301	62,069
Total assets		1,111,132	886,132
Capital and reserves			
Members' balances		113,757	83,517
		113,757	83,517
Liabilities			
Technical Provisions			
Provision for unearned premiums	15	272,068	247,420
Claims outstanding	15	636,505	504,928
		908,573	752,348
Creditors			
Creditors arising out of direct insurance operations	16	2,823	417
Creditors arising out of reinsurance operations	17	12,020	4,328
Other creditors	18	58,065	35,630
		72,908	40,375
Accruals and deferred income		15,894	9,892
Total liabilities		997,375	802,615
Total liabilities, capital and reserves		1,111,132	886,132

The notes on pages 19 to 41 form part of these financial statements.

The syndicate annual accounts on pages 15 to 41 were approved and authorised for issue by the Board of Beazley Furlonge Limited on 19 February 2026 on its behalf by:

C C J Wong
Director

Statement of changes in members' balances

for the year ended 31 December 2025

	2025 \$'000	2024 \$'000
Members' balances brought forward at 1 January	83,517	48,098
Total comprehensive income for the financial year	69,305	61,591
Payments of profit to members' personal reserve funds	(37,707)	(24,965)
Members' agent fees	(1,240)	(1,184)
Other	(118)	(23)
Members' balances carried forward at 31 December	113,757	83,517

The notes on pages 19 to 41 form part of these financial statements.

Members participate in syndicates by reference to year of account ('YoA') and their ultimate result, assets and liabilities are assessed with reference to policies incepting in that YoA in respect of their membership of a particular year.

Statement of cash flows

for the year ended 31 December 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the financial year		69,305	61,591
Adjustments for:			
Increase in gross technical provisions	15	156,225	191,634
(Increase) in reinsurers' share of gross technical provisions	15	(1,137)	(3,421)
Decrease in debtors		51,250	62,475
Increase in creditors		32,533	37,336
Movement in other assets/liabilities		(6,230)	(9,374)
Investment return	7	(30,048)	(21,415)
Foreign exchange		(1,025)	696
Net cash flows from operating activities		270,873	319,522
Cash flows from investing activities			
Purchase of equity and debt securities		(918,370)	(548,361)
Sale of equity and debt securities		692,208	278,750
Investment income received		24,138	17,659
Net cash flows from investing activities		(202,024)	(251,952)
Cash flows from financing activities			
Distribution of profit		(37,707)	(24,965)
Other		(1,358)	(1,207)
Net cash flows from financing activities		(39,065)	(26,172)
Net increase in cash and cash equivalents		29,784	41,398
Cash and cash equivalents at the beginning of the year		84,239	43,537
Foreign exchange on cash and cash equivalents		1,025	(696)
Cash and cash equivalents at the end of the year	19	115,048	84,239

The notes on pages 19 to 41 form part of these financial statements.

Notes to the syndicate annual accounts

1 Accounting policies

Basis of preparation

Syndicate 5623 (the 'syndicate') comprises a group of members of the Society of Lloyd's that underwrites insurance business in the London Market. The managing agent of the syndicate is Beazley Furlonge Limited ('BFL'), whose registered address and principal place of business is 22 Bishopsgate, London, EC2N 4BQ. The ultimate controlling party of BFL is Beazley plc, a company incorporated in England and Wales.

The syndicate annual accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 ('FRS 102'), 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 Frequently Asked Questions Version 1.1 issued by Lloyd's.

The financial statements have been prepared on the historic cost basis except for financial assets at fair value through profit or loss ('FVTPL') which are measured at fair value. All amounts presented are stated in US dollars, being the syndicate's functional currency, and in thousands, unless noted otherwise.

Going concern

The financial statements of the syndicate have been prepared on a going concern basis. The syndicate's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report of the managing agent (refer to pages 2 - 3). In addition, note 2 includes the syndicate's risk management objectives and the managing agent's objectives, policies and processes for managing its capital. The syndicate has sufficient capital for each year of account in its Funds at Lloyd's (FAL). There is no intention to cease underwriting or cease the operations of the syndicate.

In assessing the syndicate's going concern position as at 31 December 2025 the managing agent has considered a number of factors, including the current statement of financial position and the syndicate's strategic and financial plan. The assessment concluded that, for the foreseeable future, the syndicate has sufficient capital and liquidity for the 12 months from the date the financial statements are authorised for issue.

Use of estimates and judgements

The preparation of financial statements requires the use of estimates and judgements that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those on which management's estimates are based. Estimates and assumptions are continually evaluated and are based on historical experience and other factors. For example, estimates which are sensitive to economic, regulatory and geopolitical conditions could be impacted by significant changes in the external environment such as the volatile macroeconomic environment, climate change, international conflicts, and significant changes in legislation. Any revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Specific to climate change, since responses to it are still developing, it is not possible to consider all possible future outcomes when determining asset and liability valuations, and timing of future cash flows, as these are not yet known. Nevertheless, the current management view is that reasonably possible changes arising from climate risks would not have a material impact on asset and liability valuations at the year-end date.

(a) Valuation of insurance contract liabilities

The most critical estimate included within the syndicate's balance sheet is the estimate for insurance losses incurred but not reported ('IBNR'), which is included within total technical provisions and reinsurers' share of technical provisions in the balance sheet and note 15. This estimate is critical as it outlines the current liability for future expenses expected to be incurred in relation to claims. If this estimation was to prove inadequate then an exposure would arise in future years where a liability has not been provided for.

The best estimate of the most likely ultimate outcome is used when calculating notified claims. This estimate is based upon the facts available at the time, in conjunction with the claims manager's view of likely future developments. The total estimate of gross IBNR as at 31 December 2025 included within claims outstanding is \$510,966k (2024: \$388,884k).

Notes to the syndicate annual accounts continued

1 Accounting policies continued

(b) Premium estimates

Premium written is initially based on the estimated premium income ('EPI') of each contract. Judgement is involved in determining the ultimate estimates in order to establish the appropriate premium value and, ultimately, the cash to be received. EPI estimates are updated to reflect changes in an underwriter's expectation through consultation with brokers, coverholders and internal counterparty views, changes in market conditions, historic experience and to reflect actual cash received for a contract.

Due to the nature of Lloyd's business and the settlement patterns of the underlying business it is also not uncommon for some contracts to take a number of years to finalise and settle, and a receivable on the balance sheet remains.

Significant accounting policies

The financial statements have been prepared on an annual basis of accounting, whereby the incurred cost of claims, commissions and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

(a) Premiums written

Gross premiums written comprise premiums on contracts inception during the financial year together with adjustments to premiums written in previous accounting periods and estimates for premiums from contracts entered into during the course of the year. Gross written premiums are stated before the deduction of brokerage, taxes, duties levied on premiums and other deductions.

(b) Unearned premiums

A provision for unearned premiums (gross of reinsurance) represents the part of the gross premiums written that is estimated to be earned in the following financial periods. It is calculated using the daily pro-rata method, under which the premium is apportioned over the period of risk.

(c) Claims provisions and related reinsurance recoveries

Claims represent the cost of claims and claims handling expenses paid during the financial year, together with the movement in provisions for outstanding claims, claims IBNR and future claims handling provisions. The provision for claims outstanding comprises amounts set aside for claims advised and IBNR.

The IBNR amount is based on estimates calculated using widely accepted actuarial techniques (e.g. chain ladder) which are reviewed quarterly by the group actuary and annually by the independent syndicate reporting actuary. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. For more recent underwriting, regard is given to the variations in the business portfolio accepted and the underlying terms and conditions. Thus, the critical assumptions used when estimating claims provisions are that the past experience is a reasonable predictor of likely future claims development and that the rating and other models used to analyse current business are a fair reflection of the likely level of ultimate claims to be incurred.

A provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the managing agent. The managing agent takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

(d) Liability adequacy testing

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the claims liabilities net of deferred acquisition costs and unearned premium reserves. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses as well as investment income from the assets backing such liabilities are used.

Any deficiency is subsequently charged to the statement of comprehensive income by establishing an unexpired risk provision for losses arising from liability adequacy tests

(e) Acquisition costs

Acquisition costs comprise brokerage, premium levies, and staff related costs of the underwriters acquiring the business. The proportion of acquisition costs in respect of unearned premiums is deferred at the balance sheet date and recognised in later periods when the related premiums are earned.

1 Accounting policies continued

(f) Foreign currencies

Foreign currency transactions are translated into the functional currency using average exchange rates applicable to the period in which the transactions take place and where the syndicate considers these to be a reasonable approximation of the transaction rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the period end of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(g) Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and the original cost of the investment. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date, and the valuation at the previous period end or purchase value during the period. Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting underwriting business.

(h) Ceded reinsurance

These are 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 definition of an insurance contract. Insurance contracts entered into by the syndicate under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Any benefits to which the syndicate is entitled under its reinsurance contracts held are recognised as reinsurance assets. These consist of balances due from reinsurers relating to claims and also includes the provision for unearned premiums, reinsurers' share. Balances due relating to the reinsurers' share of claims are based on calculated amounts of outstanding claims recoveries and projections for IBNR, net of estimated irrecoverable amounts having regard to the reinsurance programme in place for the class of business, the claims experience for the period and the current security rating of the reinsurer involved. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance assets are assessed for impairment at each reporting date. If there is objective evidence of impairment, then the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the statement of comprehensive income.

(i) Financial instruments

Recognition and derecognition

Financial instruments are recognised on the balance sheet at such time that the syndicate becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognised when:

- the contractual rights to receive cash flows from the financial assets expire;
- the financial assets have been transferred, together with substantially all the risks and rewards of ownership; or
- despite having retained some, but not substantially all, risks and rewards of ownership, control of the asset is transferred to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party.

Financial liabilities are derecognised if the syndicate's obligations specified in the contract expire, are discharged or cancelled.

Financial assets and liabilities measurement

On acquisition of a financial asset or liability, the asset or liability is measured at the transaction price, except for those financial assets and liabilities at FVTPL, which are initially measured at fair value. The exception to this is when the arrangement constitutes a financing transaction however, the syndicate does not make use of any such arrangements.

Except for derivative financial investments, all financial investments are designated as FVTPL upon initial recognition because they are managed and their performance is evaluated on a fair value basis. Information about these financial instruments is provided internally on a fair value basis to key management. The investment strategy is to invest and evaluate their performance with reference to their fair values.

Fair value measurement

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

Notes to the syndicate annual accounts continued

1 Accounting policies continued

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in the statement of comprehensive income depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Upon initial recognition, attributable transaction costs relating to financial instruments at FVTPL are recognised in the statement of comprehensive income when incurred. Financial assets at FVTPL are continuously measured at fair value, and changes therein are recognised in the statement of comprehensive income. Net changes in the fair value of financial assets at FVTPL exclude interest and dividend income, as these items are accounted for separately.

(j) Insurance debtors and creditors

Insurance debtors and creditors include amounts due to and from agents, brokers and insurance contract holders. These are classified as debt instruments as they are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Insurance debtors are measured at amortised cost less any provision for impairments. Insurance creditors are stated at amortised cost. The syndicate does not have any debtors directly with policyholders, all transactions occur via an intermediary. For information on reinsurance debtors and creditors, refer to Section (h) above.

(k) Other debtors

Other debtors principally consist of intercompany debtor balances and sundry debtors and are carried at amortised cost less any impairment losses.

(l) Other creditors

Other creditors principally consist of amounts due to related entities and profit commissions payable. These are stated at amortised cost determined using the effective interest rate method.

(m) Impairment of financial assets

Assessment is made at each reporting date whether there is objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the assets and that event has an impact on the estimated cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that impairment exists, the amount of the loss is measured as the difference between the assets carrying amount and the value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Where a loss is incurred this is recognised in the statement of comprehensive income.

(n) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. The best evidence of fair value of a derivative at initial recognition is the transaction price. Fair values are obtained from quoted market prices in active markets, recent market transactions, and valuation techniques which include discounted cash flow models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivative assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the parties intend to settle on a net basis, or realise the assets and settle the liability simultaneously. Derivative assets are included within Financial investments in the Balance Sheet. Derivative liabilities are included within Other creditors.

1 Accounting policies continued

(o) Cash and cash equivalents

Cash and cash equivalents are comprised of cash at bank and in hand, in addition to deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the acquisition date. Only cash at bank and in hand is presented separately on the face of the balance sheet, while cash equivalents are included within the 'financial investments' line. Cash and cash equivalents are shown in aggregate on the cash flow statement and at note 19. These are carried at amortised cost less impairment losses.

(p) Taxation

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax (20%) deducted from syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax.

No provision has been made for any US federal income tax payable on underwriting results or investment earnings. Any payments on account made by the syndicate during the year have been included in the balance sheet under the heading 'other debtors'. No provision has been made for any other overseas tax payable by members on underwriting results.

(q) Pension costs

Pension contributions relating to staff who act on behalf of the syndicate are charged to the syndicate and included within net operating expenses.

(r) Profit commission

Profit commission is charged by the managing agent at a rate of 20% of the profit on a YoA basis subject to the operating of a two-year deficit clause. This is charged to the syndicate as incurred but does not become payable until after the appropriate YoA closes, normally at 36 months.

2 Risk management

The managing agent has identified the risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The sections below outline the syndicate's risk appetite and explain how the managing agent defines and manages each category of risk. The risk management framework is discussed in the managing agent's report.

2.1 Insurance risk

The syndicate's insurance business assumes the risk of loss from persons or organisations that are directly exposed to an underlying loss. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. The four key components of insurance risk are underwriting, reinsurance, claims management and reserving. Each element is considered below:

(a) Underwriting risk

Underwriting risk comprises four elements that apply to all insurance products offered by the syndicate:

- cycle risk – the risk that business is written without full knowledge as to the (in)adequacy of rates, terms and conditions;
- event risk – the risk that individual risk losses or catastrophes lead to claims that are higher than anticipated in plans and pricing;
- pricing risk – the risk that the level of expected loss is understated in the pricing process; and
- expense risk – the risk that the allowance for expenses and inflation in pricing is inadequate.

The syndicate's underwriting strategy is to seek a diverse and balanced portfolio of risks in order to limit the variability of outcomes. This is achieved by accepting a spread of business over time, segmented between different products, geography and size. The annual business plans for each underwriting team reflect the syndicate's underwriting strategy, and set out the classes of business, the territories and the industry sectors in which business is to be written. These plans are approved by the Board of BFL and monitored by the Underwriting Committee. BFL's underwriters calculate premiums for risks written based on a range of criteria tailored specifically to each individual risk. These factors include but are not limited to the financial exposure, loss history, risk characteristics, limits, deductibles, terms and conditions and acquisition expenses.

Notes to the syndicate annual accounts continued

2 Risk management continued

The managing agent also recognises that insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. To address this, the managing agent sets out the exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes and specific scenarios which may result in large industry losses. This is monitored through regular calculation of Realistic Disaster Scenarios. The aggregate position is monitored at the time of underwriting a risk, and reports are regularly produced to highlight the key aggregations to which the syndicate is exposed.

The managing agent uses a number of modelling tools to monitor its exposures against the agreed risk appetite set and to simulate catastrophe losses. Stress and scenario tests are also run using these models. The range of scenarios considered includes natural catastrophe, cyber, marine, liability, political, terrorism and war events.

One of the largest types of event exposure relates to natural catastrophe events such as windstorm or earthquake. With the increasing risk from climate change impacting the frequency and severity of natural catastrophes, the managing agent continues to monitor its exposure. Where possible the managing agent measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. The key gross exposures are calculated on the basis of extreme events at a range of return periods.

To manage underwriting exposures, the managing agent has developed limits of authority and business plans which are binding upon all staff authorised to underwrite and are specific to underwriters, classes of business and industry.

These authority limits are enforced through a comprehensive sign-off process for underwriting transactions including dual sign-off for all line underwriters and peer review for all risks exceeding individual underwriters authority limits. Exception reports are also run regularly to monitor compliance. All underwriters also have a right to refuse renewal or change the terms and conditions of insurance contracts upon renewal. Rate monitoring details, including limits, deductibles, exposures, terms and conditions and risk characteristics are also captured and the results are combined to monitor the rating environment for each class of business.

Binding authority contracts

A proportion of the syndicate's insurance risks are transacted by third parties under delegated underwriting authorities. Each third party is thoroughly vetted by the managing agent's coverholder approval group before it can bind risks, and is subject to rigorous monitoring to maintain underwriting quality and confirm ongoing compliance with contractual guidelines.

(b) Reinsurance risk

Reinsurance risk to the syndicate arises where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, result in coverage disputes or prove inadequate in terms of the vertical or horizontal limits purchased. Failure of a reinsurer to pay a valid claim is considered a credit risk which is detailed separately below.

The syndicate's reinsurance programmes complement the underwriting team business plans and seek to protect syndicate capital from an adverse volume or volatility of claims on both a per risk and per event basis. In some cases the syndicate deems it more economic to hold capital than purchase reinsurance. These decisions are regularly reviewed as an integral part of the business planning and performance monitoring process. The Reinsurance Security Committee examines and approves all reinsurers to ensure that they possess suitable security. The syndicate's ceded reinsurance team ensures that these guidelines are followed, undertakes the administration of reinsurance contracts, monitors and instigates responses to any erosion of the reinsurance programmes.

(c) Claims management risk

Claims management risk may arise within the syndicate in the event of inaccurate or incomplete claims reporting for facilities underwritten. As a follow syndicate which delegates claims authority to approved brokers, consortia or coverholders, the syndicate relies on accurate claims reporting from third parties.

The managing agent's claims teams are focused on delivering quality, reliability and speed of service to both internal and external clients. Their aim is to adjust and process claims in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory environment, and the business's broader interests. Case reserves are set for all known claims liabilities, including provisions for expenses, as soon as a reliable estimate can be made of the claims liability.

(d) Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs within the syndicate where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurance bad debt in provisions.

2 Risk management continued

To manage reserving and ultimate reserves risk, the managing agent's actuarial team uses a range of recognised techniques to project gross premiums written, monitor claims development patterns and stress test ultimate insurance liability balances. An external independent actuary also performs an annual review to produce a statement of actuarial opinion for the syndicate.

The objective of the syndicate's reserving policy is to produce accurate and reliable estimates that are consistent over time and across classes of business. The estimates of gross premiums written and claims prepared by the actuarial department are used through a formal quarterly peer review process to independently test the integrity of the estimates produced by the underwriting teams for each class of business. These meetings are attended by senior management, senior underwriters, actuarial, claims, and finance representatives.

The syndicate monitors its exposure to insurance risk by location. The geographical breakdown of written premiums is disclosed in note 3.

A set increase or decrease in total claims liabilities would have the following impact on profit and members' balances:

Sensitivity to insurance risk (claims reserves)	Impact on profit and members' balances	
	2025 \$'000	2024 \$'000
Claims outstanding - gross of reinsurance	636,505	504,928
Claims outstanding - net of reinsurance	626,407	494,922
5% increase in gross claims reserve	(31,825)	(25,246)
5% decrease in gross claims reserve	31,825	25,246
5% increase in net claims reserve	(31,320)	(24,746)
5% decrease in net claims reserve	31,320	24,746

2.2 Market risk

Market risk arises where the value of assets and liabilities changes as a result of movements in foreign exchange rates and interest rates.

Foreign exchange risk

The functional and presentational currency of the syndicate is the US dollar. The effect of this on foreign exchange risk is that the syndicate is exposed to fluctuations in exchange rates for non-dollar denominated transactions and net assets.

The syndicate has four main settlement currencies: US dollars, sterling, Canadian dollars and euro. Transactions in all currencies are converted to US dollars on initial recognition and revalued at the reporting date. Remaining foreign exchange risk is actively managed as described below.

The syndicate's assets are broadly matched by currency to the principal underlying settlement currencies of its insurance liabilities. This helps mitigate the risk that future movements in exchange rates would materially impact the syndicate's assets required to cover its insurance liabilities.

The following table summarises the carrying value of total assets and total liabilities categorised by currency:

	UK £ \$'000	US \$ \$'000	EUR € \$'000	CAD \$ \$'000	AUD \$ \$'000	Other \$'000	Total \$'000
31 December 2025							
Investments	58,677	489,399	64,327	30,060	7,822	5,689	655,974
Reinsurers' share of technical provisions	—	22,990	—	—	—	—	22,990
Debtors	18,542	264,293	(18,546)	(11,897)	—	—	252,392
Other assets	4,648	93,860	5,547	1,420	—	—	105,475
Prepayments and accrued income	3,709	67,202	3,296	94	—	—	74,301
Total assets	85,576	937,744	54,624	19,677	7,822	5,689	1,111,132
Technical provisions	(83,817)	(752,003)	(51,395)	(21,358)	—	—	(908,573)
Creditors	(2,784)	(69,962)	(141)	(21)	—	—	(72,908)
Accruals and deferred income	(15,892)	(2)	—	—	—	—	(15,894)
Total liabilities	(102,493)	(821,967)	(51,536)	(21,379)	—	—	(997,375)
Total Capital and Reserves	16,917	(115,777)	(3,088)	1,702	(7,822)	(5,689)	(113,757)

Notes to the syndicate annual accounts continued

2 Risk management continued

31 December 2024	UK £ \$'000	US \$ \$'000	EUR € \$'000	CAD \$ \$'000	AUD \$ \$'000	Other \$'000	Total \$'000
Investments	—	411,811	—	19,551	3,993	4,304	439,659
Reinsurers' share of technical provisions	—	21,853	—	—	—	—	21,853
Debtors	21,955	266,421	16,874	(1,608)	—	—	303,642
Other assets	1,264	55,548	1,771	326	—	—	58,909
Prepayments and accrued income	3,314	57,261	1,482	12	—	—	62,069
Total assets	26,533	812,894	20,127	18,281	3,993	4,304	886,132
Technical provisions	(73,009)	(624,057)	(38,072)	(17,210)	—	—	(752,348)
Creditors	(2,450)	(37,843)	(59)	(23)	—	—	(40,375)
Accruals and deferred income	(9,700)	(192)	—	—	—	—	(9,892)
Total liabilities	(85,159)	(662,092)	(38,131)	(17,233)	—	—	(802,615)
Total Capital and Reserves	58,626	(150,802)	18,004	(1,048)	(3,993)	(4,304)	(83,517)

Sensitivity analysis - foreign exchange risk

In 2025, the managing agent managed the syndicate's foreign exchange risk by periodically assessing its non-dollar exposures and hedging these to a tolerable level while targeting net assets to be entirely US dollar denominated. As part of this hedging strategy, exchange rate derivatives were used to rebalance currency exposure. Details of foreign currency derivative contracts entered into with external parties are disclosed in note 10. On a forward looking basis an assessment is made of expected future exposure development and appropriate currency trades put in place to reduce risk.

Fluctuations in the syndicate's trading currencies against the US dollar would result in a change to profit and members' balances. The table below gives an indication of the impact on profit and members' balances of a percentage change in relative strength of US dollar against the value of sterling, Canadian dollar, Australian dollar, and euro, simultaneously. The analysis is based on the current information available and an assumption that the impact of foreign exchange on non-monetary items will be nil and is presented net of the impact of the exchange rate derivatives referenced above.

Change in exchange rate of sterling, Canadian dollar, Australian dollar and euro relative to US dollar	Impact on profit and members' balances	
	2025 \$'000	2024 \$'000
Dollar weakens 10% against other currencies	(310)	683
Dollar strengthens 10% against other currencies	310	(683)

Interest rate risk

Some of the syndicate's financial instruments, including financial investments and cash and borrowings, are exposed to movements in market interest rates.

The managing agent manages interest rate risk by primarily investing in short duration financial investments and cash. The Investment Committee monitors the duration of these assets on a regular basis.

The following table shows the average duration at the reporting date of the financial instruments that are exposed to movements in market interest rates. Duration is a commonly used measure of volatility and gives a better indication than maturity of the likely sensitivity of the portfolio to changes in interest rates.

2 Risk management continued

Duration	<1 yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	>10 yrs	Total
31 December 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Debt securities and other fixed income securities	210,019	167,044	56,779	39,519	28,045	12,763	—	514,169
Participation in investment pools	9,573	—	—	—	—	—	—	9,573
Shares and other variable yield securities and unit trusts*	—	—	—	46,580	—	—	—	46,580
Other investments	—	19,800	—	—	—	—	—	19,800
Cash at bank and in hand	105,475	—	—	—	—	—	—	105,475
Derivative assets	40	—	—	—	—	—	—	40
Total	325,107	186,844	56,779	86,099	28,045	12,763	—	695,637

*Excludes equity instruments

Duration	<1 yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	>10 yrs	Total
31 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Debt securities and other fixed income securities	155,311	81,694	86,565	26,722	10,918	1,254	—	362,464
Participation in investment pools	25,330	—	—	—	—	—	—	25,330
Shares and other variable yield securities and unit trusts*	—	—	—	21,299	—	—	—	21,299
Other investments	11,902	—	—	—	—	—	—	11,902
Cash at bank and in hand	58,909	—	—	—	—	—	—	58,909
Derivative assets	28	—	—	—	—	—	—	28
Total	251,480	81,694	86,565	48,021	10,918	1,254	—	479,932

*Excludes equity instruments

Sensitivity analysis - interest rate risk

The syndicate holds financial assets and liabilities that are exposed to interest rate risk. Changes in interest yields, with all other variables constant, would result in changes in the capital value of debt and derivative financial instruments. This will affect reported profits and members' balances as indicated in the below table.

	Impact on profit for the year ended		Impact on members' balances	
	2025	2024	2025	2024
Shift in yield (basis points)	\$'000	\$'000	\$'000	\$'000
50 basis point increase	(5,039)	(3,275)	(5,039)	(3,275)
50 basis point decrease	5,039	3,275	5,039	3,275

Price risk

Financial assets and derivatives that are recognised on the balance sheet at their fair value are susceptible to losses due to adverse changes in prices. This is referred to as price risk.

Financial assets include fixed and floating rate debt securities and derivative financial assets. The fixed income securities are well diversified across high quality, liquid securities. The price risk associated with these securities is predominantly interest, foreign exchange and credit risk related.

	Impact on profit for the year ended		Impact on members' balances	
	2025	2024	2025	2024
Change in fair value of hedge funds and equity linked funds	\$'000	\$'000	\$'000	\$'000
5% increase in fair value	3,291	932	3,291	932
5% decrease in fair value	(3,291)	(932)	(3,291)	(932)

Notes to the syndicate annual accounts continued

2 Risk management continued

2.3 Credit risk

Credit risk arises from the failure of another party to perform its financial or contractual obligations to the syndicate in a timely manner. The primary sources of credit risk for the syndicate are:

- reinsurers – whereby reinsurers may fail to pay valid claims against a reinsurance contract held by the syndicate;
- brokers and coverholders – whereby counterparties fail to pass on premiums or claims collected or paid;
- investments – whereby issuer default results in the syndicate losing all or part of the value of a financial instrument and derivative financial instrument; and
- cash at bank and in hand.

The syndicate's core business is to accept significant insurance risk and the appetite for other risks is low. This protects the syndicate's capital from erosion so that it can meet its insurance liabilities.

The managing agent limits exposure to a single counterparty or a group of counterparties and analyses the geographical locations of exposures when assessing credit risk.

An approval system also exists for all new brokers, and broker performance is carefully monitored. Regular exception reports highlight trading with non-approved brokers, and the syndicate's credit control function frequently assesses the ageing and collectability of debtor balances. Any large, aged items are prioritised and where collection is outsourced, incentives are in place to support these priorities.

The Investment Committee has established comprehensive guidelines for the syndicate's investment managers regarding the type, duration and quality of investments acceptable to the syndicate. The performance of investment managers is regularly reviewed to confirm adherence to these guidelines.

The managing agent has developed processes to formally examine all reinsurers before entering into new business arrangements. New reinsurers are approved by the Reinsurance Security Committee, which also reviews arrangements with all existing reinsurers at least annually. Vulnerable or slow-paying reinsurers are examined more frequently.

The following tables summarise the syndicate's concentrations of credit risk:

31 December 2025	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	Other \$'000	Not rated \$'000	Total \$'000
Investments							
Shares and other variable yield securities and unit trusts	–	–	–	–	46,580	65,812	112,392
Debt securities and other fixed income securities	212,762	35,995	195,430	67,764	–	2,218	514,169
Participation in investment pools	–	–	9,573	–	–	–	9,573
Derivative assets	–	–	–	–	–	40	40
Other investments	–	–	19,800	–	–	–	19,800
Total Investments	212,762	35,995	224,803	67,764	46,580	68,070	655,974
Reinsurers' share of claims outstanding	33	6,489	3,433	–	–	143	10,098
Debtors arising out of direct insurance operations	–	–	–	–	–	201,058	201,058
Debtors arising out of reinsurance operations	–	–	–	–	–	2,909	2,909
Cash at bank and in hand	205	17,715	87,555	–	–	–	105,475
Other debtors and accrued interest	2,024	39,217	1,859	645	–	9,571	53,316
Total	215,024	99,416	317,650	68,409	46,580	281,751	1,028,830

2 Risk management continued

31 December 2024	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	Other \$'000	Not rated \$'000	Total \$'000
Investments							
Shares and other variable yield securities and unit trusts	–	–	–	–	21,299	18,636	39,935
Debt securities and other fixed income securities	1,705	172,780	135,401	52,578	–	–	362,464
Participation in investment pools	–	–	25,330	–	–	–	25,330
Derivative assets	–	–	–	–	–	28	28
Other investments	–	–	11,902	–	–	–	11,902
Total Investments	1,705	172,780	172,633	52,578	21,299	18,664	439,659
Reinsurers' share of claims outstanding	965	4,281	4,760	–	–	–	10,006
Debtors arising out of direct insurance operations	–	–	–	–	–	168,903	168,903
Debtors arising out of reinsurance operations	–	–	–	–	–	12,588	12,588
Cash at bank and in hand	108	–	58,801	–	–	–	58,909
Other debtors and accrued interest	100,201	1,152	904	350	–	22,865	125,472
Total	102,979	178,213	237,098	52,928	21,299	223,020	815,537

Based on all evidence available, debtors arising out of insurance operations and other debtors have not been impaired and no impairment provision has been recognised in respect of these assets. Financial investments falling within the unrated category comprise hedge funds for which there is no readily available market data to allow classification within the respective tiers. Additionally, some debtors are classified as unrated in accordance with Lloyd's guidelines.

An analysis of the carrying amounts of past due or impaired debtors is presented in the table below:

31 December 2025	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Gross value of impaired assets \$'000	Impairment allowance \$'000	Total \$'000
Investments					
Shares and other variable yield securities and unit trusts	112,392	–	–	–	112,392
Debt securities and other fixed income securities	514,169	–	–	–	514,169
Participation in investment pools	9,573	–	–	–	9,573
Derivative assets	40	–	–	–	40
Other Investments	19,800	–	–	–	19,800
Total investments	655,974	–	–	–	655,974
Reinsurers' share of outstanding claims	10,098	–	–	–	10,098
Debtors arising out of direct insurance operations	201,058	–	–	–	201,058
Debtors arising out reinsurance operations	2,909	–	–	–	2,909
Other debtors and accrued interest	53,316	–	–	–	53,316
Cash at bank and in hand	105,475	–	–	–	105,475
Total	1,028,830	–	–	–	1,028,830

Notes to the syndicate annual accounts continued

2 Risk management continued

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Gross value of impaired assets \$'000	Impairment allowance \$'000	Total \$'000
31 December 2024					
Investments					
Shares and other variable yield securities and unit trusts	39,935	–	–	–	39,935
Debt securities and other fixed income securities	362,464	–	–	–	362,464
Participation in investment pools	25,330	–	–	–	25,330
Derivative assets	28	–	–	–	28
Other Investments	11,902	–	–	–	11,902
Total investments	439,659	–	–	–	439,659
Reinsurers' share of outstanding claims	10,006	–	–	–	10,006
Debtors arising out of direct insurance operations	168,903	–	–	–	168,903
Debtors arising out reinsurance operations	12,588	–	–	–	12,588
Other debtors and accrued interest	125,472	–	–	–	125,472
Cash at bank and in hand	58,909	–	–	–	58,909
Total	815,537	–	–	–	815,537

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

Past due but not impaired assets	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	–	–	–	–	–
Debtors arising out of reinsurance operations	–	–	–	–	–
Total	–	–	–	–	–
Past due but not impaired assets	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	–	–	–	–	–
Debtors arising out of reinsurance operations	–	–	–	–	–
Total	–	–	–	–	–

2.4 Liquidity risk

Liquidity risk arises where cash may not be available to pay obligations when due at a reasonable cost. The syndicate is exposed to daily calls on its available cash resources, principally from claims arising from its insurance business. In the majority of the cases, these claims are settled from the premiums received.

The syndicate's approach is to manage its liquidity position so that it can reasonably survive a significant individual or market loss event. This means that the syndicate maintains sufficient liquid assets, or assets that can be translated into liquid assets at short notice and without any significant capital loss, to meet expected cash flow requirements. These liquid funds are regularly monitored using cash flow forecasting to ensure that surplus funds are invested to achieve a higher rate of return.

The maturity analysis presented in the table below shows the remaining contractual maturities for the syndicate's insurance contracts and financial instrument liabilities. For insurance and reinsurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For financial liabilities, it is the earliest date on which the gross undiscounted cash flows (including contractual interest payments) could be paid assuming conditions are consistent with those at the reporting date.

2 Risk management continued

Undiscounted net cash flows 31 December 2025	No maturity stated \$'000	0-1 yrs \$'000	1-3 yrs \$'000	3-5 yrs \$'000	>5yrs \$'000	Total \$'000
Claims outstanding	–	198,669	258,935	111,624	67,277	636,505
Derivative liabilities	–	–	–	–	–	–
Creditors	25,555	47,353	–	–	–	72,908
Other liabilities	–	15,894	–	–	–	15,894
Total	25,555	261,916	258,935	111,624	67,277	725,307

Undiscounted net cash flows 31 December 2024	No maturity stated \$'000	0-1 yrs \$'000	1-3 yrs \$'000	3-5 yrs \$'000	>5yrs \$'000	Total \$'000
Claims outstanding	–	155,641	204,117	90,929	54,241	504,928
Derivative liabilities	–	1,605	–	–	–	1,605
Creditors	16,600	22,170	–	–	–	38,770
Other Liabilities	–	9,892	–	–	–	9,892
Total	16,600	189,308	204,117	90,929	54,241	555,195

2.5 Capital management

Capital framework at Lloyd's

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

Within this supervisory framework, Lloyd's applies capital requirements at a member level and centrally to ensure that Lloyd's complies with Solvency II, and beyond that to meet its own financial strength, license and ratings objectives. Although, as described below, the Lloyd's capital setting processes use a capital requirement set at a syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at an overall and member level respectively, not at a syndicate level. Accordingly the capital requirement in respect of Syndicate 5623 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 loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR to ultimate). The 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.

A syndicate comprises 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 not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the syndicate SCR to ultimate. 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 an SCR which reflects the capital requirement to cover a 1 in 200 year loss to ultimate for that member. Over and above this, Lloyd's applies a 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, license and ratings objectives. The capital uplift applied for 2025 was 35% (2024: 35%) of the member's SCR to ultimate.

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), held within and managed within a syndicate (funds in syndicate) and/or as the member's share of the solvency II members' balances on each syndicate on which it participates.

Accordingly all of the assets less liabilities of the syndicate, as represented in the members' balances reported on the balance sheet on page 16, represent resources available to meet members' and Lloyd's capital requirements.

Notes to the syndicate annual accounts continued

3 Analysis of underwriting result

Underwriting result is the balance on the technical result - general business, less the allocated investment return transferred from the non-technical account.

2025	Gross premiums written \$'000	Gross premiums earned \$'000	Gross claims incurred \$'000	Gross operating expenses \$'000	Reinsurance balance \$'000	Underwriting result \$'000
Direct insurance						
Marine, aviation and transport	77,641	70,867	(37,083)	(22,837)	(6,292)	4,655
Fire and other damage to property	201,804	193,311	(76,415)	(61,672)	(21,092)	34,132
Third party liability	166,210	163,576	(103,470)	(62,826)	(4,337)	(7,057)
Credit and suretyship	25,072	22,986	(13,005)	(9,994)	(688)	(701)
Total direct insurance	470,727	450,740	(229,973)	(157,329)	(32,409)	31,029
Reinsurance acceptances	56,155	52,751	(19,918)	(22,024)	(3,748)	7,061
Total direct insurance and reinsurance accepted	526,882	503,491	(249,891)	(179,353)	(36,157)	38,090

2024	Gross premiums written \$'000	Gross premiums earned \$'000	Gross claims incurred \$'000	Gross operating expenses \$'000	Reinsurance balance \$'000	Underwriting result \$'000
Direct insurance						
Marine, aviation and transport	65,428	54,674	(32,643)	(18,363)	(4,253)	(585)
Fire and other damage to property	197,099	183,919	(94,646)	(56,234)	(19,927)	13,112
Third party liability	158,376	140,855	(81,791)	(50,102)	(2,917)	6,045
Credit and suretyship	22,992	22,877	(10,765)	(8,765)	(480)	2,867
Total direct insurance	443,895	402,325	(219,845)	(133,464)	(27,577)	21,439
Reinsurance accepted	47,885	52,756	(9,784)	(21,459)	(2,649)	18,864
Total direct insurance and reinsurance accepted	491,780	455,081	(229,629)	(154,923)	(30,226)	40,303

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	470,727	443,895
Total gross premiums written	470,727	443,895

4 Net operating expenses

	2025 \$'000	2024* \$'000
Acquisition costs	139,734	123,584
Change in deferred acquisition costs	(10,287)	(11,878)
Administrative expenses	41,184	36,211
Members' standard personal expenses	8,722	7,006
Net operating expenses	179,353	154,923

*Certain balances which were previously classified within Administrative expenses have now been classified within Member's standard personal expenses. Additionally, amounts previously disclosed in reinsurance commission and profit participation are now included within acquisition costs and change in deferred acquisition costs.

Included within administrative expenses are profit commissions payable to the managing agent of \$14,983k (2024: \$16,586k).

4 Net operating expenses continued

Total commissions for direct insurance business for the year amounted to:

	2025	2024
	\$'000	\$'000
Total commission for direct insurance business	137,806	107,167

Administrative expenses include:

	2025	2024
	\$'000	\$'000
Fees payable to the syndicate's auditor for the audit of these syndicate annual accounts	197	99
Fees payable to the syndicate's auditor and its associates in respect of other services pursuant to legislation to align with Lloyds	235	249
Total	432	348

Fees payable to the syndicate's auditor in relation to other services pursuant to legislation primarily relate to the review and audit of syndicate regulatory returns along with the statement of actuarial opinion.

5 Key management personnel compensation

The Directors of BFL received the following aggregate remuneration charged to Syndicate 5623 and included within net operating expenses:

	2025	2024
	\$'000	\$'000
Directors' emoluments	577	585

The active underwriter received the following aggregate remuneration charged to Syndicate 5623:

	2025	2024
	\$'000	\$'000
Emoluments	1,500	1,182

6 Staff numbers and costs

The syndicate has no employees. All staff are employed by Beazley Management Limited ('BML'), a related company to the managing agent, both of which operate within the Beazley Group. The average number of persons employed by BML analysed by category was as follows:

	Number of employees	
	2025	2024
Administration and finance	838	870
Underwriting	250	239
Claims	94	88
Investments	10	8
Total	1,192	1,205

The following amounts were recharged to the syndicate in respect of payroll costs:

	2025	2024
	\$'000	\$'000
Wages and salaries	5,954	3,785
Social security	2,072	1,379
Other pension costs	1,578	1,137
Other	4,039	3,644
Total	13,643	9,945

Notes to the syndicate annual accounts continued

7 Investment return

	2025 \$'000	2024 \$'000
Interest and similar income		
<i>From financial assets designated at fair value through profit or loss</i>		
Interest and similar income	19,184	15,730
<i>From financial assets classified at amortised cost</i>		
Interest on cash at bank	1,325	1,205
Other income from investments		
<i>From financial assets designated at fair value through profit or loss</i>		
Gains on the realisation of investments	6,084	1,256
Losses on the realisation of investments	(2,402)	(485)
Unrealised gains on investments	10,074	5,285
Unrealised losses on the investments	(4,164)	(1,529)
Investment management expenses	(53)	(47)
Total investment return	30,048	21,415
Transferred to the technical account from the non-technical account	30,048	21,415

8 Distribution and open years of account

A distribution of \$84,881k to members will be proposed in relation to the closing year of account 2023 (2024: distribution of \$37,707k profit for year of account 2022).

9 Financial investments

	Carrying value		Cost	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Shares and other variable yield securities and units in unit trusts	112,392	39,935	106,766	37,820
Debt securities and other fixed income securities	514,169	362,464	508,979	360,160
Participation in investment pools	9,573	25,330	9,573	25,055
Derivative assets	40	28	—	—
Other investments	19,800	11,902	19,800	11,850
Total financial investments	655,974	439,659	645,118	434,885

Included in the carrying values above are listed investments as follows:

	2025 \$'000	2024 \$'000
Listed investments	566,081	386,099

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	655,974	439,659
Total financial investments	655,974	439,659

Overseas deposits are held as a condition of conducting underwriting business in certain countries and are disclosed under Other investments. A breakdown of derivative financial instruments is disclosed in note 10.

9 Financial investments continued

Foreign exchange forward contracts

The syndicate entered into over-the-counter foreign exchange forward agreements in order to economically hedge the foreign currency exposure resulting from transactions and balances held in currencies that are different to the functional currency of the syndicate.

Valuation hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole. If the inputs used to measure the fair value of an asset or a liability could be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Level 1 – Valuations based on quoted prices in active markets for identical instruments. An active market is a market in which transactions for the instrument occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active, or based on pricing models for which significant inputs can be corroborated by observable market data, directly or indirectly (e.g. interest rates, exchange rates). Level 2 inputs include:

- Quoted prices similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads); and
- Market corroborated inputs. Included within level 2 are government bonds and treasury bills.

Level 3 – Valuations based on inputs that are unobservable or for which there is limited market activity against which to measure fair value. The availability of financial data can vary for different financial assets and is affected by a wide variety of factors, including the type of financial instrument, whether it is new and not yet established in the marketplace, and other characteristics specific to each transaction. To the extent that valuation is based on models or inputs that are unobservable in the market, the determination of fair value requires more judgement. Accordingly the degree of judgement exercised by management in determining fair value is greatest for instruments classified in level 3. The syndicate uses prices and inputs that are current as of the measurement date for valuation of these instruments.

Valuation approach

The valuation approach for fair value assets and liabilities classified as level 2 is as follows:

- For the syndicate's level 2 government-issued bonds corporate bonds, prices are derived from Bloomberg. On a monthly basis, these are validated against both internal sources and prices provided by the managing agent's administrator.
- For the syndicate's hedge funds, the pricing and valuation of each fund is undertaken by administrators in accordance with each underlying fund's valuation policy. Individual fund prices are communicated by the administrators to all investors via the monthly investor statements. The fair value of the hedge fund portfolios are calculated by reference to the underlying net asset values of each of the individual funds. The hedge funds are managed by Falcon Money Management Holdings Limited, an associate of the Beazley Group.

Notes to the syndicate annual accounts continued

9 Financial investments continued

The table below shows the fair values of financial instruments at 31 December 2025 and 31 December 2024 including their levels in the fair value hierarchy.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Assets held at amortised cost \$'000	Total \$'000
2025					
Shares and other variable yield securities and units in unit trusts	70,676	41,716	—	—	112,392
Debt securities and other fixed income securities	318,347	195,822	—	—	514,169
Participation in investment pools	9,573	—	—	—	9,573
Derivative assets	40	—	—	—	40
Other investments	19,800	—	—	—	19,800
Total financial investments	418,436	237,538	—	—	655,974
Derivative liabilities	—	—	—	—	—
Total	418,436	237,538	—	—	655,974
2024					
Shares and other variable yield securities and units in unit trusts	39,935	—	—	—	39,935
Debt securities and other fixed income securities	263,396	99,068	—	—	362,464
Participation in investment pools	25,330	—	—	—	25,330
Derivative assets	28	—	—	—	28
Other investments	11,902	—	—	—	11,902
Total financial investments	340,591	99,068	—	—	439,659
Derivative liabilities	(1,605)	—	—	—	(1,605)
Total	338,986	99,068	—	—	438,054

10 Derivative financial instruments

Derivative financial instruments relate to foreign exchange forward contracts. In 2025 and prior, the syndicate entered into over-the-counter and exchange traded derivative contracts. The syndicate had the right and intention to settle each contract on a net basis.

	2025		2024	
	Notional contract amount \$'000	Fair value \$'000	Notional contract amount \$'000	Fair value \$'000
Derivative financial instruments				
Foreign exchange forward contract - assets	4,266	40	82,699	28
Foreign exchange forward contract - liabilities	—	—	69,341	1,605

11 Debtors arising out of direct insurance operations

	2025 \$'000	2024 \$'000
Due within one year	201,058	168,903
Due after one year	—	—
Total	201,058	168,903

12 Debtors arising out of reinsurance operations

	2025 \$'000	2024 \$'000
Due within one year	2,909	12,588
Due after one year	—	—
Total	2,909	12,588

13 Other debtors

	2025 \$'000	2024 \$'000
Inter-syndicate balances		
Amounts due from Syndicate 3623	—	100,189
Total inter-syndicate balances	—	100,189
Other related party balances (non-syndicate)	38,875	17,878
Amounts due from members	—	—
Other	9,550	4,084
Total	48,425	122,151

The balances listed above are due within one year.

14 Deferred acquisition costs

	2025			2024		
	Gross \$'000	Reinsurance \$'000	Net \$'000	Gross* \$'000	Reinsurance \$'000	Net \$'000
Balance at 1 January	58,748	—	58,748	46,888	—	46,888
Incurred deferred acquisition costs	139,734	—	139,734	123,584	—	118,951
Amortised deferred acquisition costs	(129,447)	—	(129,447)	(111,706)	—	(106,805)
Foreign exchange movements	375	—	375	(18)	—	(286)
Balance at 31 December	69,410	—	69,410	58,748	—	58,748

*Amounts in this column were re-presented to match changes made to Note 4. Please see note 4 for further details.

15 Technical Provisions

The table below shows the changes in the insurance contract liabilities and assets from the beginning of the period to the end of the period.

	2025			2024		
	Gross provisions \$'000	Reinsurance assets \$'000	Net \$'000	Gross provisions \$'000	Reinsurance assets \$'000	Net \$'000
Claims outstanding						
Balance at 1 January	504,928	(10,006)	494,922	349,885	(11,966)	337,919
Claims paid during the year	(126,750)	—	(126,750)	(73,495)	—	(73,495)
Expected cost of current year claims	291,396	(6,097)	285,299	276,908	(4,490)	272,418
Change in estimates of prior year provisions	(41,505)	5,725	(35,780)	(47,279)	6,493	(40,786)
Foreign exchange movements	8,436	280	8,716	(1,091)	(43)	(1,134)
Balance at 31 December	636,505	(10,098)	626,407	504,928	(10,006)	494,922
	2025			2024		
	Gross provisions \$'000	Reinsurance assets \$'000	Net \$'000	Gross provisions \$'000	Reinsurance assets \$'000	Net \$'000
Unearned premiums						
Balance at 1 January	247,420	(11,847)	235,573	210,829	(6,466)	204,363
Premium written during the year	526,882	(37,574)	489,308	491,780	(33,604)	458,176
Premiums earned during the year	(503,491)	36,529	(466,962)	(455,081)	28,223	(426,858)
Foreign exchange movements	1,257	—	1,257	(108)	—	(108)
Balance at 31 December	272,068	(12,892)	259,176	247,420	(11,847)	235,573

Notes to the syndicate annual accounts continued

15 Technical Provisions continued

The following tables illustrate the development of the estimates of earned ultimate cumulative claims incurred, including claims notified and IBNR, for each successive underwriting year, illustrating how amounts estimated have changed from the first estimates made. The below tables were previously shown on a fully earned basis. This is the first year presenting these tables on an earned basis. As these tables are on an underwriting year basis, there is an apparent large increase from amounts reported for the end of the underwriting year to one year later as a large proportion of premiums are earned in the year of account's second year of development.

Gross:

	2018	2019	2020	2021	2022	2023	2024	2025	Total
Pure underwriting year	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of gross claims									
at end of underwriting year	1,781	10,721	27,819	55,645	74,074	112,919	157,798	151,602	
one year later	7,171	30,849	63,284	105,414	168,608	201,618	267,581		
two years later	7,519	32,213	55,542	89,914	164,293	204,573			
three years later	7,179	31,269	49,492	81,764	158,987				
four years later	7,683	27,198	48,005	79,404					
five years later	7,412	26,275	42,190						
six years later	8,136	25,767							
seven years later	9,045								
Estimate of gross claims	9,045	25,767	42,190	79,404	158,987	204,573	267,581	151,602	939,149
Provision in respect of prior years									—
Less gross claims paid	(7,213)	(20,054)	(24,837)	(45,728)	(61,826)	(79,089)	(59,545)	(4,352)	(302,644)
Gross claims reserves	1,832	5,713	17,353	33,676	97,161	125,484	208,036	147,250	636,505

Net:

	2018	2019	2020	2021	2022	2023	2024	2025	Total
Pure underwriting year	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of net claims									
at end of underwriting year	1,781	10,721	27,819	55,645	74,074	101,032	149,204	142,598	
one year later	7,171	30,849	63,284	105,414	168,608	200,395	267,226		
two years later	7,519	32,213	55,542	89,914	164,293	203,834			
three years later	7,179	31,269	49,492	81,764	158,987				
four years later	7,683	27,198	48,005	79,404					
five years later	7,412	26,275	42,190						
six years later	8,136	25,767							
seven years later	9,045								
Estimate of net claims reserve	9,045	25,767	42,190	79,404	158,987	203,834	267,226	142,598	929,051
Provision in respect of prior years									—
Less net claims paid	(7,213)	(20,054)	(24,837)	(45,728)	(61,826)	(79,089)	(59,545)	(4,352)	(302,644)
Net claims reserves	1,832	5,713	17,353	33,676	97,161	124,745	207,681	138,246	626,407

16 Creditors arising out of direct insurance operations

	2025	2024
	\$'000	\$'000
Due within one year	2,823	417
Due after one year	—	—
Total	2,823	417

17 Creditors arising out of reinsurance operations

	2025 \$'000	2024 \$'000
Due within one year	12,020	4,328
Due after one year	—	—
Total	12,020	4,328

18 Other creditors

	2025 \$'000	2024 \$'000
Inter-syndicate balances		
Amounts due to Syndicate 623	6,536	4,270
Amounts due to Syndicate 2623	17,891	11,261
Amounts due to Syndicate 4321	1,128	1,068
Total inter-syndicate balances	25,555	16,599
Profit commissions payable	32,430	17,426
Derivative liabilities	—	1,605
Other liabilities	80	—
Total	58,065	35,630

The above other creditors balances are payable within one year, except for profit commission payable which is due in more than one year. Profit commissions of \$21,481k (2024: \$nil) are payable within one year, with the remaining balance payable after one year.

19 Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and in hand*	105,475	58,909
Short term deposits presented within financial investments	9,573	25,330
Total cash and cash equivalents	115,048	84,239

*Included within Cash at bank and in hand are money market funds of \$17,715k (2024: nil).

Short term deposits disclosed in this table are included within financial investments. Included within cash and cash equivalents are the following amounts which are not available for use by the syndicate as they are held for regulatory purposes

	2025 \$'000	2024 \$'000
Short term debt instruments presented within other financial investments	9,573	25,330
Total cash and cash equivalents not available for use by the syndicate	9,573	25,330

20 Analysis of net debt

All amounts in \$'000	At 1 January 2025	Cash flows	Acquired	Fair value and exchange movements	Non-cash changes	At 31 December 2025
Cash and cash equivalents	84,239	29,784	—	1,025	—	115,048
Derivative financial liabilities	(1,605)	1,605	—	—	—	—
Total	82,634	31,389	—	1,025	—	115,048

All amounts in \$'000	At 1 January 2024	Cash flows	Acquired	Fair value and exchange movements	Non-cash changes	At 31 December 2024
Cash and cash equivalents	43,537	41,398	—	(696)	—	84,239
Derivative financial liabilities	—	—	—	(1,605)	—	(1,605)
Total	43,537	41,398	—	(2,301)	—	82,634

Notes to the syndicate annual accounts continued

21 Related parties transactions

For the 2022 YoA and prior the business written by Syndicate 5623 was reinsured from Syndicate 3623, a syndicate which is part of the Beazley Group. The transactions with Syndicate 3623 are set out in the table below. Additionally, during 2025 the syndicate entered into various insurance contracts with companies/syndicates which are part of the Beazley Group. This involved Beazley Group entities ceding Specialty Lines and Cyber Risk classes to the syndicate. The table below shows the premium written, the claims paid, override commission charged, and the amounts due (to)/from these entities:

Year ended 31 December 2025	Gross written premium \$'000	Claims paid \$'000	Overriding commission \$'000	Amounts due (to) / from \$'000
Beazley Insurance dac	6,578	11	1,341	—
Beazley insurance Company Inc	1,008	—	171	—
Beazley Excess and Surplus inc.	1,086	—	185	—
Syndicate 3623	(9,343)	26,553	14	—

Year ended 31 December 2024	Gross written premium \$'000	Claims paid \$'000	Overriding commission \$'000	Amounts due (to) / from \$'000
Syndicate 3623	(842)	38,822	227	100,189

Certain Directors of BFL have shareholdings in Beazley plc which provides capacity for Syndicates 2623, 3622, 3623, 4321, 5623 and 623. Beazley Underwriting Limited provides the underwriting capacity to the syndicate at 18% for the 2023, 20% for 2024 and 25% for 2025 YoA. Profit related remuneration for Beazley Group is charged to the syndicate for the 2023, 2024 & 2025 YoA.

At the balance sheet date, the syndicate has amounts due to the managing agent of \$17,004k (2024: \$9,880k). In addition to this amount, the syndicate also has a profit commission payable to the managing agent which is visible in note 18.

The managing agent recharged expenses and fees of \$20,295k (2024: \$26,631k) to the syndicate during the year. Both Beazley Management Limited and BFL, the managing agent of the syndicate, are ultimately controlled by Beazley plc.

Syndicate 5623 provides cover as a follow participant on an arms-length basis on a number of insurance policies taken out by the Beazley Group. Premiums received in the period were not material.

The intercompany positions with other syndicates managed by BFL at 31 December 2025 are disclosed above in note 13 and note 18.

BFL as the managing agent of the syndicate is responsible for settling intercompany balances with other managed syndicates and net amounts due to/from other related entities.

22 Subsequent events

The 2023 YoA has closed with a profit of \$84,881k. It is the intention that these funds will be distributed to the members reserve funds in May 2026.

23 Foreign exchange rates

The syndicate used the following exchange rates to translate foreign currency assets, liabilities, income and expenses into US dollars, being the syndicate's presentational currency:

	2025			2024		
	Start of period	End of period	Average	Start of period	End of period	Average
Sterling	0.78	0.74	0.76	0.80	0.78	0.78
Euro	0.95	0.85	0.89	0.93	0.95	0.92
US dollar	1.00	1.00	1.00	1.00	1.00	1.00
Canadian dollar	1.41	1.37	1.40	1.36	1.41	1.36
Australian dollar	1.57	1.50	1.55	1.52	1.57	1.51

24 Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's ('FAL'). These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities. The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on Prudential Regulatory Authority requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the managing agent, no amount has been shown in these Financial Statements by way of such capital resources. However, the managing agent is able to make a call on the Member's FAL to meet liquidity requirements or to settle losses.

2023 underwriting year accounts for Syndicate 5623

43	Managing agent's report
44	Statement of managing agent's responsibilities
45	Independent auditor's report to the members of Syndicate 5623 – 2023 closed year of account
48	Profit or loss account
49	Statement of changes in members' balances
50	Balance sheet
51	Cash flow statement
52	Notes to the syndicate underwriting year accounts
57	Six year summary of closed year results at 31 December 2025
58	Managing agent's corporate information

Managing agent's report

The syndicate underwriting year accounts have been prepared under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 (the 'Lloyd's Regulations') and in accordance with the Syndicate Accounting Byelaw (No.9 of 2005), including Financial Reporting Standard 102 (FRS 102) and Insurance Contracts 103 (FRS 103) in accordance with the provisions of Schedule 3 of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

Members participate on a syndicate by reference to a year of account ('YoA') and each syndicate YoA is a separate annual venture. These accounts relate to the 2023 YoA which has been closed by reinsurance to close at 31 December 2025; consequently the balance sheet represents the assets and liabilities of the 2023 YoA and the profit or loss account reflects the transactions for that YoA during the 36 months period until closure. The 2023 closed YoA profit of \$84.9m includes a reinsurance to close profit from the 2022 YoA of \$4.7m (note 6). This profit on the 2023 YoA represents a return on capacity of 18.6% and includes the impact of personal members expenses of \$1.0m. Return on capacity excluding these expenses would be 18.8%.

Principal activity

Syndicate 5623 (the 'syndicate') writes portfolio underwriting business at Lloyd's and operates a follow-only portfolio. The syndicate began writing business directly at Lloyd's from the start of 2023. Please refer to the Managing agent's report in Syndicate 5623 annual accounts for further details around the principal activities of the syndicate.

Directors

A list of Directors of the managing agent who held office during the current year can be found on page 58 of this document.

Disclosure of information to the auditor

The Directors of the managing agent who held office at the date of approval of this managing agent's report confirm that, so far as they are each aware, there is no relevant audit information of which the syndicate's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director 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 C J Wong

Director

19 February 2026

Statement of managing agent's responsibilities

The Directors of the managing agent are responsible for preparing the syndicate underwriting year accounts in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw. They have elected to prepare the accounts in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the Directors of the managing agent must not approve the underwriting year accounts unless they are satisfied that they give a true and fair view of the result of the underwriting year at closure. In preparing these accounts, the Directors of the managing agent are required to:

- select suitable accounting policies and then apply them consistently and where there are items which affect more than one YoA, ensure a treatment which is equitable between the members of the syndicate affected is used;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so. As explained in note 1 the Directors of the managing agent have not prepared the underwriting year accounts on a going concern basis.

The Directors of the managing agent are responsible for keeping adequate and proper 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 underwriting year accounts 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 accounts 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 company and to prevent and detect fraud and other irregularities.

On behalf of the Board

C C J Wong
Director

19 February 2026

Independent auditor's report to the members of Syndicate 5623

2023 closed year of account

Opinion

We have audited the syndicate underwriting year accounts for the 2023 year of account of syndicate 5623 ('the syndicate') for the three years ended 31 December 2025 which comprise the Profit or loss account, the Balance Sheet, the Statement of Changes In Members' Balances, the Statement of Cash Flows and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the syndicate underwriting year accounts:

- give a true and fair view of the profit for the 2023 closed year of account;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the syndicate underwriting year accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate underwriting year accounts in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – closure of the 2023 year of account

We draw attention to the Note 1 which explains that the 2023 year of account of syndicate 5623 has closed and all assets and liabilities transferred to the 2024 year of account by reinsurance to close at 31 December 2025.

As a result, the syndicate underwriting year accounts for the 2023 year of account of syndicate 5623 have been prepared under basis other than going concern.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Underwriting Year report and accounts, other than the syndicate underwriting year accounts and our auditor's report thereon. The managing agent is responsible for the other information contained within the Underwriting Year report and accounts.

Our opinion on the syndicate underwriting year accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate underwriting year accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the syndicate underwriting year accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Syndicate 5623

2023 closed year of account continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) requires us to report to you, if in our opinion:

- the managing agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 44, the managing agent is responsible for the preparation of the syndicate underwriting year accounts in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of the syndicate underwriting year accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate underwriting year accounts, the managing agent is responsible for assessing the syndicate's ability to realise its assets and discharge its liabilities in the normal course of business, disclosing, as applicable, any matters that impact its ability to do so.

Auditor's responsibilities for the audit of the syndicate underwriting year accounts

Our objectives are to obtain reasonable assurance about whether the syndicate underwriting year accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these syndicate underwriting year accounts.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UKGAAP) and requirements referred to by Lloyd's in the Instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate underwriting year accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and Risk Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate underwriting year accounts' items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the FCA and the PRA.
- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- We assessed the susceptibility of the syndicate's underwriting year accounts to material misstatement, including how fraud might occur by considering the controls that the managing agent has established to address risks identified by the managing agent, or that otherwise seek to prevent, deter, or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures] and the impact these have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk including,
 - Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries we assessed if there were any indicators of management bias in the valuation of insurance liabilities and the recognition of estimated premium income.
 - Evaluating the business rationale for significant and/or unusual transactions.
- These procedures included testing manual journals and were designed to provide reasonable assurance that the syndicate underwriting year accounts were free from fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. 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 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.

Niamh Byrne (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Profit or loss account

2023 year of account for the 36 months ended 31 December 2025

	Notes	2023 year of account \$m
Gross premiums written		411.1
Outward reinsurance premiums		(25.0)
Earned premiums, net of reinsurance		386.1
Allocated investment return transferred from the non-technical account		21.3
Reinsurance to close premiums received, net of reinsurance	4	182.8
Investment return and reinsurance adjusted premium		204.1
Reinsurance to close premiums payable, net of reinsurance	5	(270.1)
Gross claims paid		(104.7)
Claims incurred, net of reinsurance		(374.8)
Net operating expenses	7	(134.1)
Balance on the technical account		81.3
Investment income		14.9
Investment expenses and charges	11	(0.1)
Realised gain on investments		1.5
Unrealised gain on investments		5.0
Net investment return		21.3
Allocated investment return transferred to the technical account		(21.3)
Other income		0.4
Profit on foreign exchange		3.2
Profit for the 2023 closed YoA	6	84.9
Syndicate allocated capacity (£ m)		339.8
Profit for the 2023 closed YoA (£ m)		63.1
Return on capacity		18.6%

There are no other comprehensive gains or losses in the accounting period.

Statement of changes in members' balances

for the 36 months ended 31 December 2025

	2023 year of account \$'m
Profit for the 2023 closed YoA	84.9
Amounts due to members' at 31 December 2025	84.9

Members participate in syndicates by reference to YoA and their ultimate result, assets and liabilities are assessed with reference to policies incepting in that YoA in respect of their membership of a particular year.

Balance sheet

closed at 31 December 2025

	Notes	2023 year of account \$m
Assets		
Financial investments	12	279.4
Debtors	13	59.6
Reinsurance recoveries anticipated on gross reinsurance to close premiums payable to close the account		0.7
Cash at bank and in hand		45.0
Prepayments and accrued income		2.9
Total assets		387.6
Members' balances and liabilities		
Members' balances		
Amounts due to members	14	84.9
Liabilities		
Reinsurance to close premium payable to close the account – gross amount	5	273.2
Creditors	15	24.9
Accruals and deferred income		4.6
Total liabilities		387.6

The syndicate underwriting year accounts on pages 48 to 56 were approved by the Board of Directors of Beazley Furlonge Limited on 19 February 2026 and were signed on its behalf by:

C C J Wong

Director

Statement of cash flows

2023 year of account for the 36 months ended 31 December 2025

	2023 year of account \$m
Cash flows from operating activities	
Profit for the 2023 closed YoA	84.9
Increase in gross technical provisions	273.2
Increase in reinsurers' share of gross technical provisions	(0.7)
(Increase) in debtors	(59.6)
Increase in creditors	24.9
Movement in other assets/liabilities	1.7
Investment return	(21.3)
Net cash flows from operating activities	303.1
Cash flows from investing activities	
Purchase of equity and debt securities	(279.4)
Investment income received	21.3
Net cash flows from investing activities	(258.1)
Cash flows from financing activities	
Net cash flows from financing activities	—
Net increase in cash and cash equivalents	45.0
Cash and cash equivalents at the opening of the 2023 YoA	—
Foreign exchange on cash and cash equivalents	—
Cash and cash equivalents at the closing of the 2023 YoA	45.0

Notes to the syndicate underwriting year accounts

closed at 31 December 2025

1 Accounting policies

Basis of preparation

These underwriting accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ('the Regulations') and applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102 (FRS 102) and Insurance Contracts (FRS 103). They have also been prepared in accordance with Lloyd's Syndicate Accounting Byelaw (NO.8 of 2005) and in accordance with the provisions of Schedule 3 of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

Whilst the Directors of the managing agent have a reasonable expectation that the syndicate has adequate resources to continue in operational existence for the foreseeable future, these financial statements represent the participation of members in the 2023 YoA which closed on 31 December 2025. The accumulated profits of the 2023 YoA will be distributed shortly after publication of these accounts. Therefore the 2023 YoA is not continuing to trade and, accordingly, the Directors have not adopted the going concern basis in the preparation of these accounts. The amounts reported would be identical if the accounts had been prepared on a going concern basis as the 2023 YoA will be closed by payment of a reinsurance to close premium, as outlined in note (a) below, which is consistent with the normal course of business for a Lloyd's Syndicate and with the approach the managing agent has applied to earlier underwriting years.

The principal accounting policies applied in the preparation of these underwriting accounts are set out below. The policies have been consistently applied to all periods presented, unless otherwise stated. All amounts presented are stated in US dollars, being the syndicate's functional currency, and in millions, unless noted otherwise.

Underwriting transactions

- (a) The underwriting accounts for each YoA are normally kept open for three years before the result on that year is determined. At the end of the three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the YoA to be closed by payment of a reinsurance to close premium to the successor YoA.
- (b) Gross premiums are allocated to YoA on the basis of the inception date of the policy. Commission and brokerage are charged to the YoA to which the relevant policy is allocated. Policies written under binding authorities, lineslips or consortium arrangements are allocated to the YoA into which the arrangement incepts. Additional and return premiums follow the YoA of the original premium. Premiums in respect of reinsurance ceded are attributed to the same year as the original risk being protected. Gross premiums are stated before the deduction of brokerage, taxes and duties levied on them. Estimates are made for pipeline premiums, representing amounts due to the syndicate not yet notified.
- (c) Gross claims paid are allocated to the same YoA as that to which the corresponding premiums are allocated and include internal and external claims settlement expenses. Reinsurance recoveries are allocated to the YoA to which the claim was charged.
- (d) The reinsurance to close premium is determined by reference to outstanding liabilities, including claims incurred but not yet reported, relating to the closed year and to all previous closed years reinsured therein. Although the estimate of net outstanding liabilities is considered to be fair and reasonable, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the premium so determined. The reinsurance to close premium includes a provision for unearned premiums and unexpired risks at the balance sheet date, net of deferred acquisition costs.
- (e) Please refer to note 1 Accounting policies in Syndicate 5623 annual accounts for details around measurement of insurance contracts.

Comparatives

- (f) Comparatives are not provided in these syndicate underwriting year accounts as each syndicate YoA is a separate annual venture.

Investment return

- (g) Investment return comprises investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest. Investment return arising in each calendar year is allocated to years of account in proportion to the average funds available for investment attributable to those years. Investment returns in respect of overseas deposits are allocated to the YoA which funded these deposits.
- (h) The investment return is wholly allocated to the technical account.
- (i) Investments are valued at market value at the balance sheet date. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date, and the valuation at the previous period end or purchase value during the period.

1 Accounting policies continued

Syndicate operating expenses

(j) Acquisition costs comprise brokerage, premium levies, and staff related costs of the underwriters acquiring the business. Costs incurred by the managing agent in respect of the syndicate are charged to the syndicate. Where expenses do not relate to any specific YoA they are apportioned between YoA on a basis which reflects the benefit obtained by each YoA from each type of expense.

(k) Where expenses are incurred jointly by the managing agent and the syndicate, they are apportioned as follows:

- salaries and related costs – according to the staff time spent on dealing with syndicate matters;
- accommodation costs – proportioned based on the overall staff costs allocation above; and
- other costs – as appropriate in each case.

Taxation

(l) Under Schedule 19 of the Finance Act 1993, managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic income tax deducted from syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax. It is the responsibility of members to agree and settle their individual tax liabilities with the Inland Revenue.

(m) No provision has been made for any US federal income tax payable on the underwriting results or investment earnings. Any payments on account made by the syndicate during the year have been included in the balance sheet under the heading 'other debtors'.

(n) No provision has been made for any other overseas tax payable by members on underwriting results. Members resident overseas for tax purposes are responsible for agreeing and settling any tax liabilities with the taxation authorities of their country of residence.

Basis of currency translation

(o) The functional and presentational currency of the syndicate is US dollars. Non-USD denominated items going through the profit or loss account are translated to US dollars at the three years' average rates of exchange. Assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate at that date.

2 Risk management

The 2023 YoA has closed and all assets and liabilities have been transferred to a reinsuring YoA. The risks that it is exposed to in respect of the reported financial position and financial performance are significantly less than those relating to the open YoA's as disclosed in the syndicate annual accounts. Accordingly, these underwriting year accounts do not have associated risk disclosures as required by section 34 of FRS 102. Full disclosures relating to these risks are provided in the syndicate annual accounts.

3 Analysis of underwriting result

An analysis of the underwriting result before investment return is set out below:

	Gross premiums written \$m	Gross premiums earned \$m	Gross claims incurred \$m	Net operating expenses \$m	Reinsurance balance \$m	Underwriting result \$m
Direct Insurance						
Marine, aviation and transport	46.6	46.6	(27.5)	(18.3)	(2.1)	(1.3)
Fire and other damage to property	168.5	168.5	(66.8)	(54.4)	(12.2)	35.1
Third party liability	124.6	124.6	(73.0)	(33.9)	(11.4)	6.3
Miscellaneous	21.9	21.9	(9.2)	(9.3)	(0.7)	2.7
Total Direct Insurance	361.6	361.6	(176.5)	(115.9)	(26.4)	42.8
Reinsurance accepted	49.5	49.5	(13.8)	(18.2)	(0.3)	17.2
Total Direct and Reinsurance accepted	411.1	411.1	(190.3)	(134.1)	(26.7)	60.0

Notes to the syndicate underwriting year accounts

closed at 31 December 2025 continued

4 Reinsurance to close premiums received

	2023 year of account \$m
Gross reinsurance to close premiums received	182.8
Reinsurance to close premiums received, from 2022 and earlier, net of reinsurance	182.8

5 Reinsurance to close premiums payable

	2023 year of account \$m
Gross reinsurance to close premiums through profit and loss	268.5
Reinsurance recoveries anticipated through profit and loss	1.6
Foreign exchange	2.4
Reinsurance to close premiums payable to 2024 net of reinsurance	272.5

	Reported \$m	IBNR \$m	Total \$m
Reinsurance to close premium payable	53.2	220.0	273.2
Reinsurance recoveries anticipated	—	(0.7)	(0.7)
Reinsurance to close premiums payable	53.2	219.3	272.5

6 Analysis of the 2023 YO A result

	2023 year of account \$m
Amount attributable to business allocated to the 2023 YoA	80.2
Surplus on the reinsurance to close for the 2022 YoA	4.7
	84.9

7 Net operating expenses

	2023 year of account \$m
Acquisition costs	96.4
Administrative expenses	37.7
	134.1
Administrative expenses include:	\$m
Audit services	0.1

8 Emoluments of directors

An allocation of remuneration to the 2023 underwriting YoA for the Directors of BFL is based on the amounts paid between 2023 and 2025 as follows:

	2023 year of account \$m
Emoluments and fees	0.5
	0.5

9 Staff costs

	2023 year of account \$m
Wages and salaries	2.5
Social security costs	0.8
Pension costs	0.6
Incentive payments	3.0
	6.9

10 Active underwriter's emoluments

An allocation of the active underwriter's remuneration to the 2023 underwriting YoA is based on the amounts paid between 2023 and 2025 as follows:

	2023 year of account \$m
Emoluments and fees	1.2
	1.2

11 Investment expenses and charges

	2023 year of account \$m
Investment management expenses	(0.1)
	(0.1)

12 Financial Assets

2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Shares and other variable yield securities and units in unit trusts	30.4	17.9	—	48.3
Debt securities and other fixed income securities	137.0	84.2	—	221.2
Participation in investment pools	4.1	—	—	4.1
Other investments	5.8	—	—	5.8
Total financial investments	177.3	102.1	—	279.4
Derivative liabilities	—	—	—	—
Total	177.3	102.1	—	279.4

13 Debtors

	2023 year of account \$m
Debtors arising out of direct insurance operations	23.2
Debtors arising out of reinsurance operations	2.1
Other debtors	34.3
	59.6

Other debtors mostly relates to amounts due from other entities in the Beazley Group. The majority is due from Beazley Management Limited. These balances are due within one year.

Notes to the syndicate underwriting year accounts

closed at 31 December 2025 continued

14 Amounts due to members

	2023 year of account \$m
Profit for the 2023 closed YoA before standard personal expenses	85.9
Members' standard personal expenses	(1.0)
Amounts due to members at 31 December 2025	84.9

15 Creditors

	2023 year of account \$m
Creditors arising out of direct insurance operations	0.5
Creditors arising out of reinsurance operations	2.5
Amounts due to Syndicate 2623	0.2
Amounts due to Syndicate 623	0.1
Other creditors	21.6
	24.9

Other creditors mostly relates to profit commissions payable to the managing agent. These will be settled within one year.

16 Related parties transactions

Please refer to page 40 of the syndicate annual accounts for further details of related party transactions for the 2023 YoA.

Amounts due from other syndicates is disclosed within note 13.

As at the balance sheet date, the 2023 YoA has a receivable from Beazley Management Limited ('BML') of \$33.7m, and this is included in other debtors, disclosed within note 13. BML provides services to the managing agent, and by extension, to the syndicate.

BFL, the managing agent of Syndicate 5623, is a wholly-owned subsidiary of Beazley plc.

BFL as the managing agent of the syndicate is responsible for settling intercompany balances with other managed syndicates and net amounts due to/from other related entities.

Six-year summary of closed year results (unaudited)

at 31 December 2025

	2023	2022	2021	2020	2019	2018
Syndicate allocated capacity – £'m	339.8	204.4	144.2	83.5	63.1	22.5
Syndicate allocated capacity – \$'m	411.2	282.1	178.8	106.1	83.3	29.3
Capacity utilised	71.6%	69.5%	62.7%	78.3%	42.8%	28.3%
Aggregate net premiums – \$'m	294.4	196.1	112.0	83.1	35.7	8.3
Underwriting profit as a percentage of gross premiums	30.6%	24.4%	28.1%	27.3%	8.6%	29.7%
Return on capacity	18.6%	14.5%	13.7%	9.8%	2.1%	3.2%
Results for an illustrative £10,000 share	\$	\$	\$	\$	\$	\$
Gross premiums – \$'000	9.4	9.6	7.8	8.0	5.7	3.7
Net premiums	8.7	9.6	7.8	8.0	5.7	3.7
Reinsurance to close from an earlier account	5.4	4.9	4.1	2.4	0.5	—
Net claims	(3.1)	(3.2)	(2.5)	(2.1)	(1.5)	(1.1)
Reinsurance to close the year of account	(7.9)	(9.0)	(7.0)	(6.8)	(4.2)	(1.5)
Underwriting profit	3.1	2.3	2.4	1.5	0.5	1.1
Profit on foreign exchange	—	(0.1)	0.2	0.1	—	—
Syndicate operating expenses	(0.4)	(0.3)	(0.2)	(0.2)	(0.4)	(0.7)
Balance on technical account	2.7	1.9	2.4	1.4	0.1	0.4
Gross investment return	0.6	0.5	0.1	(0.1)	0.2	0.1
Profit before personal expenses	3.3	2.4	2.5	1.3	0.3	0.5
Illustrative personal expenses	(0.3)	(0.4)	(0.5)	—	—	—
Managing agent's profit commission	(0.6)	(0.2)	(0.3)	(0.2)	—	(0.1)
Profit after illustrative profit commission and personal expenses (\$)	2.4	1.8	1.7	1.1	0.3	0.4
Profit after illustrative profit commission and personal expenses (£)	1.9	1.4	1.4	1.0	0.2	0.3

Notes:

- 1 The illustrative profit commission and personal expenses are estimates of amounts which might be charged on an illustrative share of £10,000. The agency agreements for 1991 and subsequent years of account only provide for the deduction of fees and profit commission on behalf of the managing agent.
- 2 The effect of any minimum charges on personal expenses or deficit clauses on profit commission have been ignored.
- 3 Internal claims settlement expenses have been included in 'net claims'.
- 4 The above figures are stated before members' agents' fees.
- 5 Profit after illustrative profit commission and personal expenses is shown in dollars and converted to sterling at the closing rate.
- 6 Gross and net premium amounts shown above are net of brokerage expenses.
- 7 The summary of closed years results are on a 'pure year' basis.

Managing agent's corporate information

Beazley Furlonge Limited has been the managing agent of Syndicate 5623 throughout the period covered by this report and the registered office is 22 Bishopsgate, London, EC2N 4BQ, United Kingdom.

Directors

R A Stuchbery* - Chair
R S Anarfi - (resigned 28/02/2025)
P J Bantick - (resigned 17/03/2025)
W W E Barkholt* - (appointed 01/01/2025)
R J Clark*
A P Cox - (resigned 18/03/2025)
M E Diacon - (appointed 10/03/2025)
B J Greenwood - (appointed 18/03/2025)
G A Hayes - (appointed 13/03/2025)
A J Reizenstein* - (resigned 30/04/2025)
L Santori*
K J Somasundaram* - (appointed 03/11/2025)
N Wall*
C C J Wong

* Non-Executive Director.

Active underwriter

W J F Roscoe

Company secretary

R Yeoman

Managing agent's registered office

22 Bishopsgate
London
EC2N 4BQ
United Kingdom

Registered number

01893407

Syndicate number

5623

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Banker

Deutsche Bank AG
Winchester House
London
1 Great Winchester Street
EC2N 2DB

Beazley Furlonge Limited

Syndicate 5623 at Lloyd's
22 Bishopsgate
London
EC2N 4BQ

T +44 (0)20 7667 0623

info@beazley.com
www.beazley.com

Syndicate 5623
annual report 2025

investor.relations.beazley.com



beazley