

Utmost Life and Pensions Limited

SOLVENCY AND FINANCIAL CONDITION REPORT 2025



utmostTM
LIFE AND PENSIONS

Registered in England No: 10559664

Walton Street, Aylesbury,
Buckinghamshire, HP21 7QW

www.utmost.co.uk

SOLVENCY AND FINANCIAL CONDITION REPORT 2025

Contents

EXECUTIVE SUMMARY 3

STATEMENT OF DIRECTORS' RESPONSIBILITIES 11

AUDIT REPORT 12

SOLVENCY AND FINANCIAL CONDITION REPORT 2025 17

A. Business and Performance 17

B. System of Governance 22

C. Risk Profile 36

D. Valuation for Solvency Purposes 48

E. Capital Management 61

Appendix A: Valuation Basis 65

Appendix B: Quantitative Reporting Templates 67

GLOSSARY OF TERMS 78

SOLVENCY AND FINANCIAL CONDITION REPORT 2025

EXECUTIVE SUMMARY

INTRODUCTION

This report is the Solvency and Financial Condition Report ("SFCR") of Utmost Life and Pensions Limited ("ULP", "the Company") for the reporting period ended 31 December 2025 ("the Report"). The Report has been prepared in accordance with the Prudential Regulatory Authority ('PRA') Solvency UK ("SUK") Regulations.

The SFCR provides details of the Company's business and its performance, system of governance, risk profile, and valuation for solvency purposes and capital management for the financial year ended 31 December 2025.

With roots going back over 250 years, ULP was built through the purchase of books of insurance policies from other insurance companies. We pride ourselves on providing excellent customer service and now provide a safe home for customers with policies originally taken out with over 50 different insurance companies.

In 2024, we entered the bulk purchase annuities market, helping pension schemes to de-risk and providing long-term security for pension scheme members.

Through our trusted sector expertise, secure financial foundations and commitment to customer focus, we are here to help every policyholder achieve future peace of mind with their life and pension policies. As at 31 December 2025, we looked after the policies of over 260,000 customers and have £5.6bn of assets under management.

The principal activity of the Company is the provision of life and pensions policies, obtained through a strategy of writing Bulk Purchase Annuity ("BPA") business and acquiring and consolidating businesses in the United Kingdom.

The business has delivered a strong performance in 2025, focusing on our BPA growth whilst also continuing to focus on our existing customers, consistently meeting service levels and quality measures.

BUSINESS AND PERFORMANCE

Key highlights

2025 has been a pivotal year, successfully establishing our credentials in the BPA market.

Our success in the BPA market in 2025 is demonstrated by:

- Helping nine pension schemes to de-risk through the purchase of pension buy-in policies, generating £274.5m of new BPA business.
- Entering a longevity reinsurance arrangement which results in a reduction of the longevity risk related to BPA business of 90%.
- Making our first investments into private corporate loans as part of our long-term investment strategy for the BPA business.
- Working closely with our strategic partner, Mantle, to enable our first conversions from buy-in, where policyholders are administered by the scheme trustees, to buy-out, where policyholders become individual pensioners administered by ULP. Our first two scheme buy-outs were successfully completed in Q1 2026.

At the same time, we have maintained our focus on our existing customers who remain the core of what we do on a day-to-day basis. Highlights in respect of the back book include:

- Delivered for our customers, consistently meeting demanding service standards and continuing to deliver against the Consumer Duty regulations.
- Provided strong positive investment returns for customers on our core unit-linked funds. The Multi-Asset Moderate fund returned 14.6% (2024: 10.2%) in the year and the Multi-Asset Cautious fund returned 9.9% (2024: 5.9%).
- Supported existing customers with our Drawdown and Pensions Consolidation offerings.
- Continued to develop and deliver on our sustainability strategy, working with our strategic investment managers to manage our investment portfolio in line with our Responsible Investment policy and targets, including our 2050 net zero target for shareholder assets.
- Maintained a robust solvency capital position in excess of our capital requirements, ending the year with a solvency coverage ratio of 169% (2024: 191% - unaudited).

On 19 December 2025, JAB Insurance Holdings L.P. ("JAB Insurance") made a binding offer to purchase Utmost Life and Pensions Holdings Limited and its subsidiaries, which includes ULP. Subject to regulatory approval, this will result in a change to the ultimate owner to JAB Holding Company SARL ("JAB Holdings"), a company registered in Luxembourg.

The acquisition by JAB Insurance is the beginning of an exciting new chapter for ULP. As part of the Utmost Group, we have built a competitive and successful business that is establishing itself in the attractive BPA sector.

JAB Insurance shares our vision for the future. With their support and resources, we will be well-positioned to further accelerate growth and to deliver an even stronger proposition to our customers.

The change to ultimate owner is expected to complete by mid-2026 and does not impact the strategic intent or day-to-day operations of the Company.

Overall, the company remains strong and resilient and the platform that we have built in 2025, along with the support of our proposed new shareholders, JAB Insurance, provides us with all that is required to deliver on our strategic plan to build scale in the attractive BPA market, targeting a 5% share of new BPA business by 2029, whilst ensuring that we continue to meet the high expectations of our existing customers.

Review of the Business

Throughout 2025, we have actively executed our strategy, primarily through a combination of continuing to deliver for our existing customers and through delivering our BPA proposition.

Our entry into the BPA market

The UK's BPA market has grown substantially over recent years, driven by improved funding levels for defined benefit pension schemes. Transaction volumes are expected to remain high as defined benefit pension schemes seek to de-risk their liabilities, with market commentators suggesting premiums for the BPA market of £40bn to £50bn per annum for the next ten years.

Now that schemes are better funded, there has been a shift in the market from the historical norm of purchasing partial scheme coverage through pensioner buy-ins to full scheme solutions focussed on moving quickly from buy-in to buy-out. The market is also seeing an increased volume of transactions rather than relying on a small number of big deals.

In 2023, recognising the scale of the opportunity, the Board of ULP took the decision to enter the BPA market, leveraging our existing experience of writing annuity business. Within a year, we had written our first BPA transactions.

We have designed our operating model around smaller schemes and the move to full buy-out. Our partnership with Mantle Services has given us access to the Mantle software platform, which enables us to use one system for pricing, administration and valuation. This facilitates a seamless transition from pricing to buy-in to buy-out and helps ensure that it is economic for us to help smaller pension schemes to de-risk.

ULP's ability to move swiftly from buy-in to buy-out is a clear differentiator compared to some of our longer-established competitors. And that, combined with our in-house customer services proposition is helping us to win business in a competitive marketplace.

In 2025, we have worked with a range of Employee Benefit Consultants (EBCs) to help them support their pension scheme clients to de-risk, initially through the purchase of a buy-in policy and then transitioning to full buy-out.

Our in-house customer service team already has experience of administering annuities and deferred annuities and so it has been relatively straightforward for them to take on the administration of BPAs even before our BPA business has reached the scale of other insurers.

During 2025, we have maintained a disciplined approach to pricing new business and have completed nine transactions (2024: two transactions), generating £274.5m of new business premiums (2024: £37.7m).

In parallel with development of the proposition, ULP has continued to enhance its risk management and investment capabilities commensurate with managing a larger annuity portfolio. ULP's approach to managing the BPA liabilities is to hedge the risks associated with interest rates, inflation and currency through asset liability matching and use of derivatives. Assets backing the liabilities are primarily invested in high quality corporate bonds, government bonds and cash. During 2025, ULP has also been developing its capability to cautiously invest in illiquid assets, resulting in £19.5m of private placements at the end of the year (2024: nil).

ULP has entered unfunded collateralised longevity swaps to hedge our longevity risk whilst minimising counterparty risk. These longevity swaps require ULP to pay fixed reinsurance premiums over time while receiving reinsurance amounts based on actual claim experience. As at the end of 2025, this resulted in a reduction of the longevity risk related to BPA business of 90%. ULP has no plans to use funded reinsurance for BPAs.

Our Customers

Providing good customer outcomes is at the forefront of our business model. We provide a safe home for customers and policies due to our strong capital position and efficient operational management. We help customers achieve future peace of mind, retaining customers and supporting their needs, now and in the future.

We take our Consumer Duty responsibilities seriously, aiming to provide the support that customers need, when they need it; working hard to ensure communications are understandable; and ensuring our products and services meet customers' needs and offer fair value.

Customer service teams

We are proud of our reputation for excellent customer service which we deliver in house.

Our helpful and accessible contact centre and customer teams continued to provide a consistently high quality of service throughout the year, meeting 97% of target service levels (2024: 100%). Our teams strive to provide timely and clear information that customers can understand, helping them make good financial decisions.

We also pride ourselves on our low level of complaints, with only 1.9 complaints per 1,000 policyholder transactions (2024: 1.8 complaints per 1,000 transactions).

MyUtmost, our online portal continues to provide a useful platform for former Equitable customers, allowing customers the flexibility to self-serve and deal with their finances at a time that suits them.

Mantle provides the system for servicing our BPA business. Mantle is an established and well-regarded platform to look after our annuity customers following scheme buy-out. We have worked hard with the Mantle team during 2025 to ensure the software supports our processes, ensuring an efficient take-on of schemes with processes to transition schemes through buy-in and buy-out.

Products and services

Although ULP is generally closed for new retail business, we consider it important to offer products and services that are appropriate for our existing customers whilst also making sure that existing products and services continue to provide fair value. We do this as part of our ongoing consumer duty reviews.

Our Flexible Drawdown product enables existing customers greater flexibility in when and how they draw on their pension savings. Enabling consolidation of other pension pots into their existing policies also provides customers with an alternative option to assist with their retirement planning. For those customers wanting to take advantage of a drawdown policy, this option allows them to consolidate pensions beforehand.

These products help support the needs of our existing customers, helping them to support their financial needs now and in the future.

During 2025, we have seen over 750 existing customers setting up drawdown policies and consolidating their funds with us. New business in the financial statements includes drawdown products and annuities sold to existing customers on the vesting of their pension savings contracts (including contracts with guaranteed annuity options) as well as the BPA business.

BPA services and transition team

Our BPA transition team, built from a combination of long-serving experienced internal resources and highly talented new staff, is fundamental in providing the necessary support for our BPA proposition. The team works directly with pension scheme trustees, EBCs and scheme administrators to ensure a smooth journey from executing each transaction, managing data integration/transformation, performing shadow administration during the buy-in phase, and ultimately delivering the scheme to buy-out.

The team met 100% of service targets for transition activity during 2025 (2024: 100%) and has successfully implemented the first transitions from buy-in to buy-out in the first quarter of 2026.

In the first quarter of 2026, we also issued buy-out policies to members of the Reliance Pension Scheme which is an important step in the wind up of the scheme.

Investment Performance

2025 was another good year for investment performance of our unit-linked funds, driven by strong equity returns across most markets. These returns were primarily as a result of global easing of monetary policy, robust corporate earnings, and continued optimism around artificial intelligence.

Bond market performance was weaker than equities. Although developed market central banks started to reduce interest rates, resilient growth and some inflationary pressures meant markets pared back their view on how quickly rates will be reduced with rising yields leading to lower returns on global investment grade bonds over the year.

To provide context to our investment performance for our unit-linked customers, we find it helpful to look at various total return market indices. For instance, in 2025 the overall UK government bond market increased in value by 5.0% (measured by the FTSE Gilts index) and sterling corporate bonds increased by 6.9% (measured by the Markit iBoxx index). However, US large company equity increased in value by 9.8% in GBP terms (measured by the S&P 500) and the FTSE All Share (measuring UK equity performance) increased by 24.0% in 2025.

Our unit-linked funds comprise different proportions of equity, bonds and cash, most of our funds being managed by JP Morgan Asset Management ("JPMAM").

In line with the underlying markets, the core JPMAM Multi-Asset funds (which include a mixture of bonds and equity) saw strong positive returns for customers during 2025. The Multi-Asset Moderate Fund returned 14.6% (2024: 10.2%) in the year and the Multi-Asset Cautious fund returned 9.9% (2024: 5.9%). These returns are net of charges and compare favourably with similar funds as measured by the Association of British Insurers ("ABI"), with both funds performing above average for their peer group in 2025 and in the top quartile over a three-year period.

Many former Equitable Life customers continue to be invested in our 'Investing By Age' Strategy. The 'Investing By Age' Strategy means that customers are invested in the JPMAM Multi-Asset Funds or the Money Market Fund depending on their age. All these customers have seen positive returns in 2025.

Some other customers are invested in a range of unit-linked funds provided by Aberdeen. The largest of these is the Managed Fund, which returned 16.9% (2024: 9.1%) after charges in 2025, within the top quartile for the ABI peer group.

The non-linked portfolios of ULP are primarily long-term investments on a 'buy and hold' strategy, seeking to provide a high degree of cashflow matching to the underlying liabilities. This includes our annuity portfolio where assets are currently invested with Schroders Investment Management Limited ("Schroders") and Goldman Sachs Asset Management ("GSAM").

Our investment team, working with our strategic third parties, have invested the £274.5m of BPA new business premiums in our annuity portfolio, aligned with our investment strategy which seeks to closely match the expected customer payments over time, reducing unwanted risks. This allows us to provide security for our customer's pensions.

Our annuity asset portfolio is focused on highly rated assets with an average rating of A. The portfolio comprises:

- Cash and government bonds – These assets provide a high degree of liquidity in the portfolio to meet collateral commitments and facilitate cash payments to customers. They also help to match some of our very long dated cashflows.
- Corporate bonds – The portfolio contains a well-diversified range of rated corporate bonds
- Private placements - These assets include high quality private bonds secured against property, mortgages and other secured lending. We introduced £19.5m of these assets during Q4 2025 as part of our strategy to increase returns without compromising on credit risk.

We continue to work with both GSAM and Schroders to provide suitable assets to match against our non-linked liabilities.

Sustainability Strategy

ULP is committed to making a positive difference, building a brighter future for our customers and better serving all stakeholders. This means we have a responsibility to consider the environmental, social and economic impacts of the actions we take now on our stakeholders – both present and future.

Our Sustainability Strategy is defined across four pillars, which are underpinned by policies and targets, recognising that sustainable business encompasses a range of topics. The four pillars are:

- Stakeholder Outcomes
- People Development
- Environmental Impact
- Responsible Investments

Stakeholder Outcomes:

We aim to make a positive difference to all our stakeholders. Aligned to our strategic pillar of creating an enduring business, it is crucial that we maintain strong, long-term relations with our external stakeholders and communities.

- Improving client outcomes is a core pillar of our strategy and our sustainability objectives. We continue to reinforce a customer-led focus and prioritisation on service quality in both our culture and ways of working. We seek to communicate transparently with our customers, providing good customer service and our proposition is continually assessed to ensure suitable outcomes.
- We strive to contribute to all the communities in which we operate through local volunteering and fundraising projects, as we recognise the importance of doing so and the value that it adds.
- This year, our people, supported by ULP matched funding, have raised £19,100 for charities, as well as generous donations of goods such as foodbank items, Easter eggs and selection boxes for Young Carers Bucks. Teams and individuals also use paid volunteering days to support local schools, community programmes and charities.

People Development:

Our people play a pivotal role in achieving our purpose, so are at the heart of our business. In 2025, we have continued to ensure that we have the necessary skills to operate and develop our business.

- We have welcomed 35 people to ULP this year, from diverse backgrounds and with a broad range of skills and talents capable of supporting success with new BPA business as well as our closed books of business.
- There have been 5 internal promotions as our growth strategy creates opportunities for career progression and continuous learning. 20 people are currently being supported in their studies towards professional qualifications.
- Our 2025 employee engagement survey received a 92% response rate with an average positive score of 91% (2024: 91% response rate, 91% positive score). We remain fully committed to diversity and equality, and are dedicated to empowering people to develop both professionally and personally.
- We believe in open and fair communication with people and, during the year, delivered this through a combination of briefings, training and education sessions, regular team meetings and regular performance management discussions.

Environmental impact:

ULP has a responsibility to continue to reduce its environmental impact and to protect the environment. We take this responsibility seriously.

The emissions from our investment portfolio are the largest drivers of our overall carbon footprint. We continue to implement steps to reduce these by working with our strategic investment managers in line with our Responsible Investments policy and our new Stewardship and Sustainability Framework. These documents cover all areas of the investment pipeline from the selection of managers to the monitoring of assets in order to achieve our targets.

Responsible Investment:

We recognise the importance of our role as a long-term allocator of capital. We consider all three pillars of Environmental, Social and Governance ("ESG") in our decision making, alongside traditional frameworks to ensure a complete and full financial analysis. This will also enable us to make an orderly transition and alignment of our shareholder investment portfolios with the aims of the Paris Agreement, the international treaty on climate change.

- ULP has committed to reducing the carbon emissions in its shareholder investment portfolio, including assets in the annuity portfolio backing the BPA business. With UGP, we have set a target to halve the carbon emissions in our shareholder investment portfolio by 2030, and to be net zero in our shareholder investment portfolio by 2050, in line with the ABI Climate Change Roadmap.
- We have committed to reducing the carbon emissions on our non-linked book to zero by 2050, with an interim target of a 50% reduction by 2030. So far, we remain on track to hit these milestones. Progress on carbon emissions can be found in the taskforce on climate related disclosures report on the ULP website, utmost.co.uk.
- The pathway to Net Zero is supported by the Group Responsible Investment policy and the Stewardship and Sustainability Framework which sets out our approach to responsible investment across the investment lifecycle. Incorporating guidance from the UN Principles from Responsible Investment (UNPRI), the policy demands high sustainability standards of our investment managers and outlines expectations on the integration and ongoing management in our portfolios, with respect to responsible investment. In 2025, we have focused on building a sustainable portfolio as we establish our presence in the BPA market.

We support multiple initiatives that align with our principles; by signing up for the following we demonstrate our philosophy and ethos towards ESG.

- United Nation Principles of Responsible Investing, UNPRI;
 - Provides us a resource to obtain up-to-date research and join a global network of other committed firms to tackle responsible investing.
 - Showcases our commitment to accountability and transparency. We are committed to reporting activities annually, providing all stakeholders with a clear insight into our responsible investment practices.
 - We track our progress by disclosing information on how sustainability-related factors are considered in our investment decisions, alongside our engagement efforts.
- Taskforce on Climate Related Financial Disclosures, TCFD;
 - We produce yearly TCFD reports, available to customers and other stakeholders through our website, to ensure customers know what they are investing in and to demonstrate our progress towards our net-zero targets.
- We are also in the process of signing up to the Accounting for Sustainability (A4S) Charter;
 - This will allow us to engage with the industry and keep up to date on the latest developments surrounding sustainable investments.

Statutory Profit and Loss

The Profit and Loss account shows a pre-tax profit of £11.9m in 2025 compared to £34.2m in 2024.

Key drivers for the change in result are:

- Change to the valuation interest rate assumption in 2024, resulting in a one-off profit of £11.6m in 2024 and a reduction in ongoing profit from 2025 onwards.
- New BPA business together with the impact of entering into a new longevity swap during 2025, resulted in a UK GAAP profit of £1.3m (2024: loss of £0.1m). New business profits are lower than will ultimately be achieved both as a result of the short-term impact of being over-weight gilts and the levels of prudence on initial recognition of BPA business under UK GAAP which are expected to unwind and give rise to profits in future years.
- Changes to future assumptions in relation to longevity, mortality and expenses resulted in a reduction in 2025 profit of £4.6m (2024: contribution to profit of £0.2m).

Capital position

For the purposes of determining its Regulatory Capital, the Company uses the Solvency UK Standard Formula without adjustment. The Company maintained capital sufficient to meet its Solvency Capital Requirement ("SCR") throughout the period. The total available Own Funds for the year end 31 December 2025 were £239.2m (2024: £225.4m). The Company had an SCR of £141.8m at year end 2025 (2024: £117.8m), with a Solvency Coverage Ratio of 169% (2024: 191% unaudited). (See section D and E).

The Company has a Matching Adjustment ("MA") portfolio that backs some of the immediate and deferred annuity business, including the BPA business. The MA enables the Company to benefit from a higher discount rate which reduces the value of the liabilities.

The Company does not apply the transitional risk-free interest rate term structure or the Transitional Measure on Technical Provisions ("TMTP").

The following table sets out the capital requirements allowing for the eligibility restrictions.

SUK Pillar 1 Solvency (£m)	31 December 2025	31 December 2024 (Unaudited)
Own Funds (unrestricted)	239.2	225.4
Restriction on Own Funds	(0.0)	(0.0)
Own Funds	239.2	225.4
Solvency Capital Requirements	141.8	117.8
Excess Available Capital (after capital support)	97.4	107.6
Solvency Capital Ratio	169%	191%
Minimum Capital Requirement ("MCR")	45.2	39.1
Unused Future Discretionary Benefits ("FDBs")	46.4	45.0

Risk and governance framework

The Company operates within a dynamic business environment, influenced by a range of factors, including economic, political and industry-wide, competitive, demographic, health/lifestyle, legal and regulatory factors. As a result of operating within this environment, the Company is exposed to risks. Part of the Company's success is dependent on managing these risks appropriately.

The Company's Enterprise Risk Management ("ERM") Framework provides the framework for the management of these risks and supports attainment of the Company's strategic objectives. The ERM Framework is designed to support the identification of all material risks, including medium-term and long-term risks. The ERM Framework sets out the Company's overall strategy towards and appetite for risk, the risk governance and management processes, and the Company's approach to risk classification, monitoring and analysis.

As part of ERM Framework, where appropriate risks are quantified and subject to stress test and scenario analysis. Non-quantifiable risks are fully covered within the framework and are monitored and managed through the Company's risk reporting and risk governance structures.

The four principal risks to the business are detailed in the table below.

Market risk	Primarily in the form of equity, interest rate and currency risks. Looking forwards, the significance of inflation risk will grow as Bulk Purchase Annuity exposure grows.
Underwriting risk	Primarily in the form of persistency, expense and longevity risks and the take-up of guaranteed options.
Credit risk	Primarily from spread and default risk on bonds and other credit-related assets, and counterparty default risk on risk mitigating contracts e.g. reinsurance.
Operational risk	The Company has identified seven operational risk categories: Financial Crime, Employment Practices, Damage to Physical Assets, Business and system disruption, Client/ Products/ Business practices, Execution/ Delivery/ Process management and Governance risk.

The Company's System of Governance and risk profile are set out in sections B and C of this report.

Geo-political risks

In 2026, geo-political risks are expected to remain high, reflecting the ongoing military conflict between the US and Iran, the potential for wider regional escalation in the Middle East, the continuing Russia-Ukraine war and volatile US foreign policy.

Geo-political risks can have significant impacts on the global economy, particularly through the impact of material fluctuations in commodity prices and disruption to supply chains, barriers to free trade, and monetary policy.

Given our exposure to equity markets for our future income on unitised business, any fall in the value of equity markets from geo-political events will reduce the value of current and projected annual management charges (AMCs). Although we have seen recent volatility in markets as a result of the conflict in Iran and the impacts this is having on oil prices, this has not had a material adverse impact on the business, and we have seen strong growth in unit-linked funds during 2025 and in the early part of 2026. We continue to monitor and manage our exposure to these risks to ensure we remain resilient, through a combination of holding appropriate levels of capital for equity risk exposure and keeping our risk appetite for market risk exposures under regular review.

Geo-political risks can also lead to other market movements, including changes in interest rates and inflation. The Company monitors the impact of changes and remains well insulated to these risks through the close matching of assets and liabilities.

BPA Risks

Having entered the BPA market in 2024, the Company's risk profile will continue to evolve.

The investment strategy associated with BPA business will lead to increased exposure to credit risk assets. Taking on more annuity business will also increase the longevity component of underwriting risk. As BPA business increases, expense risk as

a proportion of total risk is expected to reduce with expenses spread across a larger number of policies. The assessment of the risks associated with the BPA business is now embedded within the ERM Framework summarised above.

Looking ahead

The business has delivered a strong performance in 2025, focusing on our BPA growth whilst also continuing to focus on our existing customers, consistently meeting service levels and quality measures.

As we look ahead through 2026 and beyond, we will continue to build on the successes of 2025 so that we can deliver on our growth ambitions in the BPA market, to target market share of 5% within five years.

Crucially, at the same time, we will uphold our focus on security and high-quality operations for our existing customers, maintaining a strong balance sheet and delivering increased value to shareholders.

The Directors are truly excited by the opportunities for 2026 and the momentum that will be created by the support from our new owners. Our staff remain steadfastly dedicated to delivering our goals, and our performance in 2025 was a testament to their commitment and enthusiasm. We are confident that in 2026 we will help more pension schemes to de-risk whilst maintaining our existing ethos and strong focus on all our customers.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Statement

Approval by the Board of Directors of the Solvency and Financial Condition Report for the period ending 31 December 2025.

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency UK Regulations.

We are satisfied that:

1. throughout the financial year in question, the Company has complied in all material respects with the requirements of the PRA Rules and the Solvency UK Regulations as applicable; and
2. it is reasonable to believe, at the date of the publication of the SFCR, the Company has continued so to comply, and will continue so to comply in future.

On behalf of the Board of Utmost Life and Pensions Limited.

By order of the Board



Andrew Stoker
Chief Executive Officer
9 April 2026

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF UTMOST LIFE AND PENSIONS LIMITED (ULP) ('THE COMPANY') PURSUANT TO RULE 4.1 (2) OF THE EXTERNAL AUDIT CHAPTER OF THE PRA RULEBOOK APPLICABLE TO SOLVENCY II FIRMS

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by Utmost Life and Pensions Limited as at 31 December 2025

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of Utmost Life and Pensions Limited ('the Company') as at 31 December 2025 ('**the Narrative Disclosures subject to audit**') and
- Company templates IR.02.01.02, IR12.01.02, IR.22.01.21, IR.23.01.01, IR.25.04.01, IR.28.01.01, ('**the Templates subject to audit**').

The Narrative Disclosures subject to audit and the Company Templates subject to audit are collectively referred to as the '**relevant elements of the Solvency and Financial Condition Report**'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The 'Business and performance', 'System of governance' and 'Risk profile' elements of the Solvency and Financial Condition Report;
- Company templates IR.05.02.01, IR.05.03.02 and,
- the written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report ('**the Statement of Directors' Responsibilities**').

To the extent the information subject to audit in the relevant elements of the Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800 and ISA (UK) 805. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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 – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the PRA. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Conclusions Relating to Going Concern

In auditing the Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate.

Our audit procedures to evaluate the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtain the Directors' going concern assessment, including the business plan, covering 12 months from the date of signing the SFCR audit opinion;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the company's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their business plan by reviewing supporting and contradictory evidence in relation to these key assumptions;
- Considering the directors' assessment of the liquidity position and regulatory solvency coverage in the forward-looking scenarios considered, which have been derived from the company's Own Risk and Solvency Assessment;
- Assessing the directors' consideration of stress and scenario testing by challenging the appropriateness of the selected variable and the sensitivity of the stress scenarios; and
- Evaluating the appropriateness of the directors' disclosures in the Solvency and Financial Condition Report on going concern.

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 Company's ability to continue as a going concern for a period of at least twelve months from when the Solvency and Financial Condition Report is authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in 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 there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

The Directors are also responsible for:

- such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error;
- overseeing the Company's financial reporting process; and
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report 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 it 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 aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and the insurance sector in which it operates, we considered that non-compliance with the following laws and regulations have a material impact on the relevant elements of the Solvency and Financial Condition Report: permissions and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities including; The PRA, the FRC and the FCA;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct impact on the preparation of relevant elements of the Solvency and Financial Condition Report such as: The Companies Act 2006, breaches of the regulations set out by the PRA or the FCA.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the relevant elements of the Solvency and Financial Condition Report (including the risk of override of controls) and determined that the principal risks were related to [posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to: Expense assumptions and Annuitant Mortality assumptions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Critically assessing accounting estimates for evidence of management bias, particularly in relation to expense assumptions and annuitant mortality assumptions
- Identifying and testing journal entries, in particular any journal entries posted which meet our high-risk criteria;
- Designing audit procedures to incorporate unpredictability around nature, timing or extent of our testing.
- Considering significant transactions outside the normal course of business. Our approach included attendance at all Audit Committee meetings as well as reviewing other relevant committee meeting minutes and correspondence with regulators.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements – Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Use of the Audit Report

This report, including the opinion, has been prepared for the Directors of the Company to enable them to comply with their obligations under External Audit Rule 2.1 of the Solvency II Firms Sector of the PRA Rulebook.

Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the Solvency and Financial Condition Report and for no other purpose. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors and the PRA for our audit work, for this report, or for the opinions we have formed.

Lionel Cazali

[Lionel Cazali \(Apr 9, 2026 15:19:18 GMT+1\)](#)

Lionel Cazali
Forvis Mazars LLP
Chartered Accountants
30 Old Bailey
EC4M 7AU

9 April 2026

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

The relevant elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

Company templates:

The following elements of company template IR.02.01.02

Row R0565 – Transitional measures on technical provisions – life

The following elements of company template IR.12.01.02

Rows R0140 to R0180 – Amount of transitional measure on technical provisions

The following elements of company template IR.22.01.21

Column C0030 – Impact of transitional measure on technical provisions

Elements of the Narrative Disclosures subject to audit identified as 'unaudited'

SOLVENCY AND FINANCIAL CONDITION REPORT 2025

A. BUSINESS AND PERFORMANCE (UNAUDITED)

A.1 Business

The Company is part of the Utmost Group Plc, a specialist insurance group founded in 2013, with the aim of acquiring and managing insurance and savings business across the UK and Europe, and which has over £100 billion of assets under administration and 465,000 customers.

The principal activity of the Company is the provision of life and pensions policies, obtained through a strategy of writing Bulk Purchase Annuity ("BPA") business and acquiring and consolidating businesses in the United Kingdom.

The Company was formed on 12 January 2017 and acquired the business of Reliance Mutual Insurance Society on 1 April 2018, and the vast majority of the remaining business of the Equitable Life Assurance Society on 1 January 2020. In the second half of 2024, ULP successfully entered the Bulk Purchase Annuity market, and by the end of 2025 has executed buy-in transactions with eleven pension schemes. ULP's ultimate parent company that is registered in the UK is Utmost Group Plc ("UGP"). The ultimate parent undertaking of the Company is OCM Utmost Holdings Limited, a company incorporated in the Cayman Islands.

A.1.1 Legal form

The Company is a limited liability company incorporated in January 2017 and domiciled in England and Wales (Registration No.10559664), and its registered office address is Walton Street, Aylesbury, Bucks, HP21 7QW. The Company is authorised by the Prudential Regulation Authority ("PRA") and regulated by both the Financial Conduct Authority ("FCA") and PRA.

A.1.2 Supervisory authorities and external Auditors

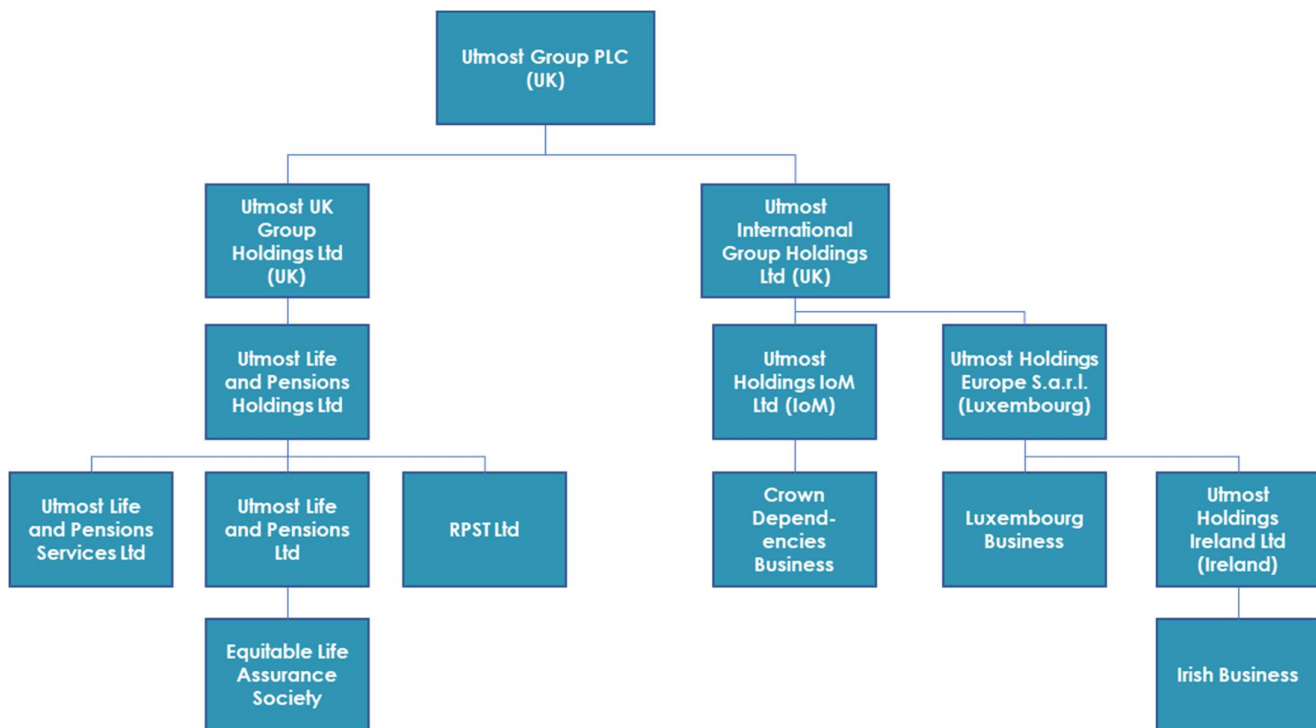
Supervisory Authority	External Auditors of the Annual Report and Accounts
Prudential Regulation Authority Bank of England 20 Moorgate London EC2R 6DA	Forvis Mazars LLP 30 Old Bailey London EC4M 7AU
Financial Conduct Authority 12 Endeavour Square London E20 1JN	

Forvis Mazars LLP were appointed as the Company's auditor with effect from the financial year ending 31 December 2024, replacing the previous auditors, PricewaterhouseCoopers LLP (PwC).

A.1.3 Group structure

The Company is a wholly owned subsidiary of Utmost Life and Pension Holdings Limited ("ULPH"), whose other subsidiaries include Utmost Life and Pensions Services Limited ("ULPS"). ULPS employs all staff for the ULPH group of companies. All our business and corporate teams operate from Aylesbury.

The structure overleaf sets out the principal companies with a material relationship with the Company. The Company is the parent of Equitable Life Assurance Society ("ELAS"), which retained residual Irish and German business following the transfer in January 2020, and remains an authorised insurer in its own right.



On 19 December 2025, JAB Insurance Holdings L.P. made a binding offer to purchase Utmost Life and Pensions Holdings Limited and its subsidiaries, which includes ULP. Subject to regulatory approval, this will result in a change to the ultimate owner to JAB Holding Company SARL ("JAB Holdings"), a company registered in Luxembourg.

A.1.4 Lines of business

The vast majority of the Company's in-force business was written in the UK.

The Company is sub-divided into a number of distinct sub-funds, which are the Non-Profit Fund ("NPF"), which includes shareholder funds and the unit-linked business, and four separate With-Profits Sub-Funds ("the WPSFs") – WPSF1, 2, 4 and 6 – which are primarily with-profits business. The NPF contains our Matching Adjustment portfolio consisting of immediate annuities and deferred annuities, including BPA business.

New business written by the Company comprises BPA business, annuities sold to existing policyholders on the vesting of their pension savings contracts (including contracts with Guaranteed Annuity Options ("GAOs")), and existing policyholders opting for the Flexible Drawdown Product or to consolidate their pensions with the Company.

The table below summarises the Company's material lines of business as at 31 December 2025.

Line of Business	Contract Type	Product(s)	% of Technical Provisions
Unit-Linked and Index-Linked Insurance	Unit-Linked	Life and Pensions Savings	82.2%
Other Life Insurance	Non-Linked	Immediate Annuities, including BPA business	10.2%
Other Life Insurance	Non-Linked	Deferred Annuities, including BPA business	3.6%
Insurance With-Profit Participation	Conventional With-Profits	Term protection, Endowment Assurances, Whole of life protection	1.7%
Other Life Insurance	Non-Linked	Funeral Plan	0.7%
Insurance With-Profit Participation	Conventional With-Profits	With Profit Annuities	0.7%
Other Life Insurance	Non-Linked	Term protection, Endowment Assurances, Whole of life protection	0.5%
Insurance With-Profit Participation	Conventional With-Profits	Deferred Annuities	0.2%
Insurance With-Profit Participation	Unitised With-Profits	Life and Pensions Savings	0.1%

The Company also has small amounts of in-force unitised with-profits business, unit-linked annuities and health insurance business. These are all insignificant amounts at Company level, and are included in similar categories in the table above.

A.1.5 Significant Events

A.1.5.1 Company Strategy Update

During 2025, the main strategic focus has been on our entry into the BPA market and the actions required to compete in that market. This includes starting to develop a Partial Internal Model to reflect the changing risks of the business, entering into a longevity reinsurance agreement and submitting a new Matching Adjustment Application. The Board also made decisions to expand the asset classes we invest in, as well as the relevant approvals and delegations to enter specific BPA transactions.

As previously stated, JAB Insurance Holdings L.P. ("JAB Insurance") made a binding offer to purchase Utmost Life and Pensions Holdings Limited and its subsidiaries, which includes ULP. The change to ultimate owner is expected to complete by mid-2026 and does not impact the strategic intent or day-to-day operations of the Company.

Financial decisions were made throughout the year taking consideration of consequences for stakeholders and customers.

A more detailed account of our financial performance is included in the report summary, within the 'Statutory Profit and Loss, 'Business and Performance' and 'Capital position' section.

A.1.6 Business and Performance

The Company prepares its Annual Report and Financial Statements on a UK Generally Accepted Accounting Principles ("GAAP") statutory basis in accordance with FRS 102 and FRS 103. These are due to be approved by the Board on the 16 April 2026. For the purposes of this document, financial performance is presented on a Solvency UK basis; the changes for which are detailed and explained within this report.

The most significant differences between the Solvency UK reporting and UK GAAP statutory basis are as follows:

- Actuarial liabilities are calculated on a best estimate basis for Solvency UK and a prudent basis for UK GAAP; and
- Intangible assets including negative goodwill and the present value of acquired in-force business have no value for Solvency UK reporting.

The Company's Solvency Coverage Ratio at 31 December 2025 was 169% (2024: 191% - unaudited), which was significantly above the Board's stated risk appetite. The risk appetite requires at least 135% Solvency Coverage Ratio at all times and at least 150% Solvency Coverage Ratio immediately after the payment of a dividend or loan interest, and after executing a BPA deal, once the premium has been received and invested.

The table below analyses the Solvency Coverage of the Company.

Solvency UK Pillar 1 Solvency (£m)	31 December 2025	31 December 2024 (Unaudited)
Own Funds (unrestricted)	239.2	225.4
Restriction on Own Funds	0.0	0.0
Own Funds	239.2	225.4
Solvency Capital Requirements	141.8	117.8
Sub-fund capital support	0.0	0.0
Excess Available Capital (after capital support)	97.4	107.6
Solvency Capital Ratio	169%	191%
Minimum Capital Requirement ("MCR")	45.2	39.1
Unused Future Discretionary Benefits ("FDBs")	46.4	45.0

A.2 Underwriting Performance

Due to the nature of the Company's unit-linked, annuities and with-profits business, an analysis of underwriting performance does not provide meaningful information without netting off the investment performance and, for this reason, it is not the way in which the Company manages the business. Financial performance focuses on the movement in the Company's economic value and solvency coverage ratio.

The Company wrote £274.5m of new business premiums on the new BPA products in 2025 (2024: £37.7m). In addition, the Company wrote £73.1m (2024: £76.2m) of new business premiums in respect of annuities sold to existing policyholders on the vesting of their pension savings contracts, including contracts with GAOs and the Flexible Drawdown Product.

A.3 Investment Performance

Investment return comprises investment income, including realised investment gains and losses and movements in unrealised gains and losses on investments designated as fair value through profit or loss.

Interest income is recognised as it accrues, taking into account the effective yield on investments.

Investment expenses are recognised on an accruals basis where information exists. The total investment management fees incurred were £3.8m (2024: £3.4m).

Dividends received are included as investment income on the date when the right to receive them has been established.

Unrealised gains and losses on investments represent the difference between the valuation at the date of the Statement of Financial Position and their purchase price or, if they have been previously valued, their valuation at the date of the last Statement of Financial Position. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

The Company's asset portfolio is invested to generate competitive investment returns whilst remaining within the Company's appetite for market and credit risk. As at 31 December 2025, the matching adjustment fund had not been invested according to our long-term strategic asset allocation and was overweight gilts.

An analysis of the investment return by asset class is presented in the table below.

Year ended 31 December 2025:

	Debt Securities	Equity securities	Other Financial Investments	Total
	£m	£m	£m	£m
Dividends	-	3.6	109.2	112.8
Interest	29.2	-	(3.3)	25.9
Net realised (losses) / gains	(23.9)	2.5	119.8	98.4
Net unrealised gains	36.8	2.3	386.6	425.7
	42.1	8.4	612.3	662.8

Year ended 31 December 2024 (Unaudited):

	Debt Securities	Equity securities	Other Financial Investments	Total
	£m	£m	£m	£m
Dividends	-	2.6	116.6	119.2
Interest	22.0	-	4.6	26.6
Net realised (losses) / gains	(2.1)	1.0	76.3	75.2
Net unrealised (losses)/ gains	(19.2)	1.6	237.2	219.6
	0.7	5.2	434.7	440.6

The realised gains and unrealised losses are in respect of the portfolio of corporate and government bonds and Open Ended Investment Company ("OEIC") investments. At 31 December 2025, the Company had no material securitised investments.

A.4 Performance of Other Activities

There is no performance of other activities not already covered elsewhere in this report.

A.5 Any Other Information

There are no other material activities not covered elsewhere in this report.

B. SYSTEM OF GOVERNANCE (UNAUDITED)

B.1 General Information on the System of Governance

The Board meets a minimum of four times a year. Other meetings are convened as required. The minimum quorum necessary for meetings is two members for the ULP Board. At the end of 2025 the Board comprised the Chair (an Independent Non-Executive member), four other Independent Non-Executive members, two Group Non-Executive Directors and one Executive Director.

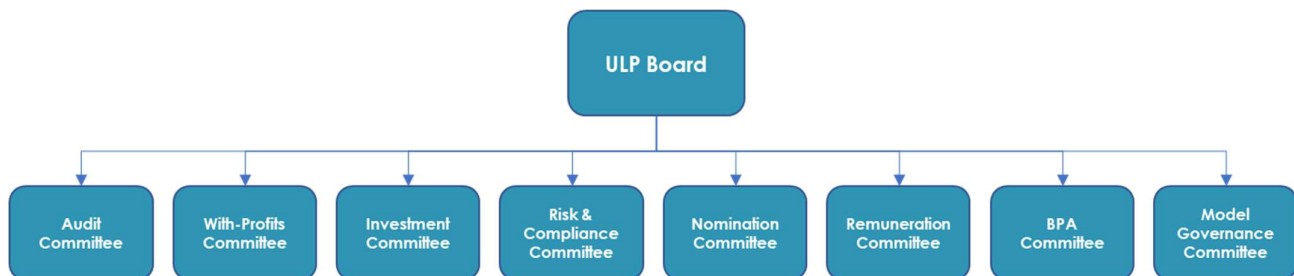
Directors	Name
Chairman	Michael J Merrick
Executive Directors	Andrew M Stoker, Chief Executive Officer Robert A Kerry, Chief Actuary (resigned 31 May 2025)
Independent Non-Executive Directors	David M Baker Duncan A Finch Feilim Mackle Jeremy M Nurse
Group Non-Executive Directors	A Paul Thompson Ian G Maidens

The Board's role is to:

- Have collective responsibility for the long-term sustainable success of the business;
- Provide entrepreneurial leadership for the overall running of the business;
- Ensure that the Company complies with all rules, regulations, laws, codes of practice, guidelines, principles and generally accepted standards of performance and probity;
- Ensure that the assets of the Company are safeguarded;
- Discuss all relevant issues, constructively challenge the views of management, make timely and informed decisions, exercise adequate control over, and monitoring of, the affairs of the Company;
- Establish the Company's purpose, strategy and values, and satisfy itself that these and its culture are aligned;
- Maintain a high standard of corporate governance proportionate to the size of the Company; and
- Delegate the effective day-to-day management of the Company to executive management.

The Board has authority to delegate certain responsibilities to Board sub-committees and executives and senior managers within the Company. However, the Board always remains accountable and cannot delegate this ultimate accountability.

The Company's Fit and Proper Policy also governs the delegations, to ensure that individuals and committees have relevant qualifications, experience and knowledge to complete the task. The structure of the delegated responsibilities to all Board Committees is shown below.



Audit Committee

The Audit Committee is a Committee of the Company's Board and has been delegated responsibility for monitoring the integrity of the Company's Financial Statements and the adequacy and effectiveness of internal controls. This includes responsibility for the review of disclosures to the Supervisory Authority, including the SFCR, in addition to its UK GAAP statutory financial reporting and accounts disclosures.

The Members of the Committee are appointed by the Board, and the Committee will be composed of at least three members at all times, and must be composed only of Non-Executive Directors. At least one member of the Committee must have competence in accounting and/or auditing, and the remaining members should at a minimum have experience of dealing with financial and accounting matters.

The Committee Chair is appointed by the Board, and must be an Independent Non-Executive Director ("INED"). In the absence of the Chair and/or an appointed deputy, the remaining INED members present shall elect one of themselves to chair the meeting.

The Company's Chief Executive Officer, Chief Financial Officer and Chief Actuary are invited to attend meetings of the Committee. In addition to appointed members, the Chair may invite other persons to attend all or part of any meeting. Furthermore, the Internal and External Audit functions have direct access to the Committee as appropriate.

The Committee meets at least four times a year, normally quarterly, and at such other times as the Chair considers necessary or appropriate to discuss any significant or critical aspects concerning the Company's financial control affairs and/or related matters.

Risk and Compliance Committee

The Risk and Compliance Committee is a Committee of the Company's Board and has been delegated responsibility for assisting the Board in its oversight of the risk management and compliance culture and ensuring compliance of the undertaking with all legal and administrative requirements. It also has delegated authority for:

- Overseeing the regulatory capital position;
- Advising the Board on the Company's risk appetite and risk, control and compliance exposure;
- Setting and monitoring the Company's risk management and compliance policies; and
- Ensuring the effectiveness of its Own Risk Solvency Assessment ("ORSA")

The Committee also aligns with the Remuneration Committee to embed a risk-based company-wide Remuneration Policy for the Company.

The members of the Committee are appointed by the Board. The Committee will be composed of at least three members at all times.

The Committee Chair is appointed by the Board, and must be an Independent Non-Executive Director. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of each meeting is an Independent non-executive Director.

The Company's Chief Executive Officer, the Chief Risk Officer, the Chief Financial Officer and the Chief Actuary are invited to attend meetings of the Committee. In addition to appointed members, the Chair may invite other persons to attend all or part of any meeting.

Furthermore, the Chief Risk Officer has direct access to the Committee as appropriate.

The Committee meets at least four times a year, normally quarterly and at such other times as the Chair considers necessary or appropriate to discuss any significant or critical aspects concerning the Company's risk and compliance affairs and/or related matters.

Nomination Committee

The Nomination Committee is a Committee of the Company's Board and has been delegated responsibility for ensuring that the Board has a formal, rigorous and transparent procedure in place to manage the appointment of new Directors to the Board, and to ensure that the Board and its Committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their respective duties and responsibilities effectively, including succession planning.

The members of the Committee are appointed by the Board. The Committee will be composed of at least three members at all times.

Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the HR Director and external advisers, may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

The Board has appointed the Committee Chair, who is the Chair of the Board. The Chair of the Board will not chair the Committee when it is dealing with the matter of succession to their role and the Chair will appoint a deputy for this purpose.

The Committee meets at least twice a year, and at such other times as the Chair considers necessary or appropriate.

Remuneration Committee

The Remuneration Committee is a Committee of the Company's Board and has been delegated responsibility for overseeing adherence to the Group Remuneration Policy. The Board itself determines the remuneration of the Non-Executive Directors within the limits set in the Board's Terms of Reference and those matters reserved for Group Company Boards.

No Director is involved in any decisions as to their own remuneration.

The members of the Committee are appointed by the Board following consultation with the Committee Chair. The Committee will be composed of at least three members at all times.

The Chair is appointed by the Board, and must be an Independent non-executive Director. In the absence of the Chair and/or an appointed deputy, the remaining members present elect one of themselves to chair the meeting. The Chair of each meeting must be an Independent Non-Executive Director. The Chair of the Board must not be Chair of the Committee.

In addition to appointed members, the Chair may invite other persons to attend all or part of any meeting.

The Committee meets at least half-yearly and at such other times as the Chair considers necessary or appropriate to discuss any significant or critical aspects concerning the Company's remuneration affairs and/or related matters.

BPA Committee

The BPA Committee is a committee of the Company's Board and has been delegated responsibility for approving the submission of indicative and/or transactable pricing in relation to bulk purchase annuity business. Thus, ensuring that the financial impacts of any single bulk purchase annuity transaction are fully understood and consistent with ULP's New Business Pricing Policy, and ensuring that the risks associated with any single bulk purchase annuity transaction are fully understood and managed under ULP's risk management framework.

The Members of the Committee are appointed by the Board following consultation with the Chair, and the Committee will be composed of at least four members at all times. The Chair is appointed by the Board, and is an Independent Non-Executive Director.

Currently, the Committee meets as frequently as required to support ULP in the execution of its BPA business strategy.

With-Profits Committee

The With-Profits Committee is a Committee of the Company's Board and has delegated responsibility to act in an advisory capacity to inform decision making by the Board in relation to the management of the Company's With-Profit Sub-Funds ("WPSFs"), including adherence to the Principles and Practices of Financial Management ("PPFM") and the future distribution of surplus in the WPSFs, paying close regard to policyholders' reasonable expectations and in keeping with Treating Customers Fairly principles. The Committee considers relevant matters affecting policyholders generally and matters which affect sub-groups of policyholders rather than individual cases.

The Committee Chair and other members of the Committee are appointed by the Board in consultation. The majority of the members of the Committee are independent of the Company and its group of companies.

The With-Profits Committee consists of no more than six members, and the Chair of the Committee and the majority of members are not Directors of Utmost Life and Pensions Limited. At least one member of the With-Profits Committee has recent and relevant financial experience and, preferably, holds a professional qualification from the professional actuarial body.

The Chair of the Board is not a member of the With-Profits Committee, although he is a regular attendee.

Only members of the With-Profits Committee have the right to attend With-Profits Committee meetings. However, other Directors and other individuals (including representatives of external advisers) may be invited to attend all or part of any meeting as and when appropriate in the opinion of the With-Profits Committee's Chair or the majority of its members.

The Committee meets at least four times a year at appropriate intervals in the financial reporting and with-profits cycle, and otherwise as required.

Investment Committee

The Investment Committee is a Committee of the Company's Board and has been delegated responsibility for recommending the overall strategic investment policy for the Board's consideration, and oversight and control of the Company's investment activities.

The Investment Committee seeks to ensure that investment activities carried out are consistent with the Investment Policy as adopted by the Board, and Investment Guidelines issued pursuant to seeking the achievement of the objectives of the Investment Policy as issued from time to time. It exercises control over the execution of the Board's strategic decisions and the sound and efficient management of investment-related matters.

The members of the Committee are appointed by the Board. The Committee is composed of at least three members at all times.

The Chair is appointed by the Board, and must be an Independent Non-Executive Director. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of each meeting must be an INED.

The Company's Chief Financial Officer, Chief Actuary, Chief Risk Officer, and the Chief Investment Officer are invited to attend meetings of the Committee. In addition to appointed members, the Chair may invite other persons to attend all or part of any meeting.

Furthermore, the Chief Financial Officer, the Chief Risk Officer and Chief Investment Officer have direct access to the Committee as appropriate.

The Committee meets at least quarterly and at such other times as the Chair considers necessary or appropriate to discuss any significant or critical aspects concerning the Company's investment affairs and/or related matters.

Model Governance Committee

The Model Governance Committee is a committee of the Company's Board and has been delegated responsibility for assisting the Board in its oversight and ownership of an Internal Model developed, maintained, and used for Solvency UK purposes. The Committee is authorised by the ULP Board to provide oversight of the governance, development, oversight and operation of the Internal Model, including approval of Internal Model key design decisions and methodologies.

The Members of the Committee are appointed by the Board following consultation. The Committee is composed of at least three members at all times, with two of these to be Independent Non-Executive Directors. Executive Board members may be appointed to the Committee.

The Committee meets as frequently as required to support ULP in the development of the Internal Model.

Executive Sub-Committees

In addition to the above Board Committees, a range of Executive sub-committees are in place to support the Chief Executive Officer in their decision making. These committees have no delegated authority, as outlined below, but make recommendations to the Chief Executive Officer.

During the reporting period, the executive committees that were in place are shown overleaf.



Executive Committee

The Executive Committee ("ExCo") assists the Chief Executive Officer in managing the business, executing the business plan, monitoring deliverables and managing the associated risks. This includes liaising with the other executive sub-committees and responding to their recommendations.

Through 2025, the Committee comprised the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Actuary, the Chief Investment Officer, the Customer Services Director, the IT Director, the HR Director, the Head of Change and Company Secretary, the Head of BPA Development and the Head of Pricing. The Head of Internal Audit also has a standing invitation to attend meetings. The Company Secretary and HR Director act as Secretary to the Committee. The Committee aims to meet weekly, and a minimum of three members of the Committee are required to attend in order for business to be conducted.

Asset and Liability Committee

The Asset and Liability Committee ("ALCo") is chaired by the Chief Investment Officer, and contributes to and oversees the Company's investment activities, seeking to ensure they meet objectives set by the Board in relation to the Company's various liabilities, customer requirements, business plans, budget, capital requirements and risk framework. These investment activities include outsourced investment management and internal responsibilities as well as outsourced investment operations.

The Committee's oversight activities include oversight of investment managers and unit-linked fund performance, adherence to guidelines and regulatory requirements, and delivery of strategic investment objectives.

The Committee agrees actions to improve delivery and performance as appropriate. The Committee's remit includes ULP and its subsidiaries including ELAS.

Fair Customer Outcomes Governance Group

The Fair Customer Outcomes Group ("FCOG") is chaired by the Customer Services Director. Its role is to govern delivery of fair customer outcomes in line with the business strategy and regulatory expectations for Utmost Life and Pensions and its life insurance subsidiaries. The aim is to achieve fair outcomes for all policyholders, having regard to their characteristics and needs.

Data Governance Committee

This Committee is chaired by the Company Secretary and Head of Change, and assists the Company in meeting its legislative and regulatory data requirements, and its responsibilities include monitoring compliance with the organisation's data policies and procedures, and ensuring ULP is compliant with General Data Protection Regulation (GDPR), and other relevant data legislation and regulation.

Operations Security and Cyber Group

This group, chaired by the IT Director during 2025, exists to ensure that IT security and cyber risk actions are occurring to schedule; assess changing security needs, and to ensure that adequate business continuity management capability exists and is tested successfully in accordance with the agreed test plan, to minimise disruption and losses (including fines and sanctions) arising from incidents.

Technical Review Committee

This Committee exists to debate, challenge, approve and, where necessary, make recommendations to the Chief Executive Officer and Audit Committee on key model calculation methodologies, technical assumptions and limitations for finance and actuarial models. This committee is chaired by the Chief Actuary.

Regulatory and Industry Development Committee

The Regulatory and Industry Development Committee ("RIDCo") is chaired by the Head of Compliance, and is an important element of the Company's systems and controls, and is responsible for ensuring that regulatory or industry-wide changes relevant to the Company are identified in order to enable the business to respond appropriately.

Operational Risk Governance Group

The Operational Risk Governance Group ("ORGG") is chaired by the Customer Services Director and maintains oversight of operational risk through the collective lens of operational resilience, business continuity and operational risks and risk events. Its main duties include monitoring the risk management framework to ensure that operational resilience is suitably embedded, ensuring owners of important business services and third-party relationships clearly understand their role and responsibilities in meeting regulatory requirements, and ensuring the business adheres to a range of operational risk related policies and frameworks.

BPA Triage and Pricing Committees

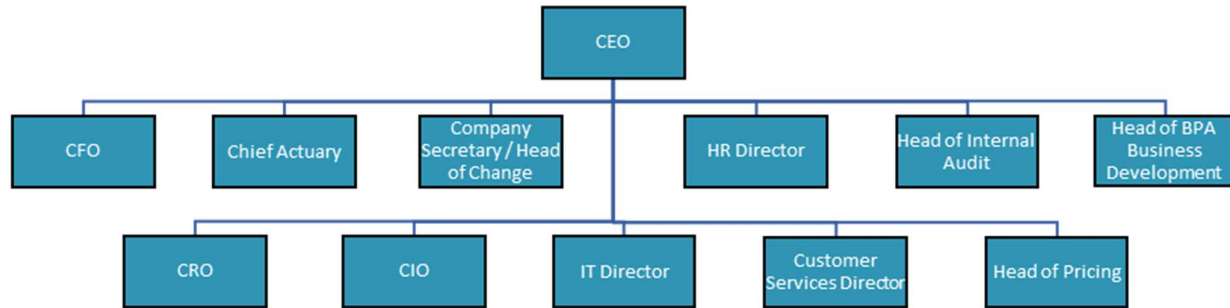
The Triage Committee is chaired by the Head of BPA Development and has responsibility to review new buy-in and buyout opportunities within the BPA market, and recommend which will be taken forward to the indicative and/or transactable pricing stages.

The Pricing Committee is chaired by the Head of Pricing and provides executive oversight of the following areas:

- i. approving the submission of indicative and/or transactable pricing in relation to bulk purchase annuity business;
- ii. ensuring that financial impacts of any single bulk purchase annuity transaction are fully understood and consistent with ULP's New Business Pricing Policy;
- iii. ensuring that the risks associated with any single bulk purchase annuity transaction are fully understood and managed under ULP's risk management framework; and
- iv. approving the executable terms and conditions of ULP bulk purchase annuity contracts.

Individual Responsibilities

The structure of the delegated responsibilities to individuals over the reporting period is given overleaf.



Executive responsibilities are delegated to the Chief Executive Officer, with ultimate responsibility either retained or delegated to senior management and possibly further cascaded to individuals.

Senior managers have the authority to delegate their responsibilities to fit and proper staff, the approval and assessment of whom is defined in the Fit and Proper Policy.

Integration of all governance

The Company's Management Responsibilities Map covers all these functions, with named individuals with the regulatory Senior Managers and Certification Regime ("SM&CR") functions as part of their responsibilities.

Risk management is the responsibility of all functional managers, with the Risk function providing oversight and reporting to the Risk and Compliance Committee. The Chief Risk Officer (a member of ExCo) regularly reviews the Company's risks with the senior team, and at every Board meeting. The Chief Risk Officer has a direct reporting line to the Risk and Compliance Committee which provides oversight of the Company's risk management.

The Compliance function performs its role in a similar way, with the Head of Compliance reporting to the Chief Risk Officer.

The Chief Actuary is a member of the ExCo, and has a direct reporting line to the Audit Committee and the main Board.

Remuneration Policy and Practices

Remuneration of the Company's Directors and employees is overseen by the Remuneration Committee, as outlined above. The Committee aims to ensure that the Company's various remuneration structures encourage and support alignment between business decisions, individual behaviour, business performance and the Company's values, risk appetite and Capital Management Strategy.

The remuneration of the Chairman, the Chief Executive Officer, Executive Directors and senior managers is set by the Remuneration Committee in accordance with the Group Remuneration Policy. The primary objective of the Remuneration Policy is to ensure that each Executive Director / senior manager is provided with appropriate incentives to encourage exceptional performance and are rewarded for their individual contributions to the long-term success of the Company.

The principles underpinning the remuneration of the Company's Executive Directors/senior managers are as follows:

- Remuneration in general should reflect individual performance and support the delivery of benefits and services to the Company and all its stakeholders;
- Remuneration should enable the Company to attract, retain and motivate Executive Directors of the quality required to run the Company effectively; and
- Reviews of base salary will give due regard to information disclosed by comparable companies to bear a reasonable relationship to the scale of the role as well as to other factors. A performance-related incentive scheme is in place for Executive Directors and senior managers.

The Remuneration Committee takes care to ensure that any such bonus payments are appropriate and that the objectives upon which performance-related payments are assessed are closely aligned to the interests of the Company's customers and take into account the Company's current strategic position.

B.1.1 Assessment of Governance

Key elements of the Company's System of Governance and the risk management system (including ORSA), the Internal Control System, and the Internal Audit function are subject to ongoing oversight and review by senior management and the Board to ensure that they remain effective and fit for purpose.

As at 31 December 2025, the Board was of the view that the System of Governance is at an appropriate level and was in line with requirements. The Board delegates authority to the Chief Executive Officer to facilitate the day-to-day management of the Company, subject to the limits and terms set out in a delegated authority schedule. The Board may still determine any matter it wishes within its constitutional and statutory powers.

B.2 Fit and Proper Requirements

The Company has a Fit and Proper Policy in place that sets out the way in which the Company complies with the PRA's and the FCA's Fit and Proper requirements, with particular emphasis on the SM&CR.

As a result, the Company will ensure that its Senior Management Function Holders ("SMFH"), Notified Non-Executive Directors ("NNEs"), Key Function Holders ("KFHs"), and Certification Function Holders ("CFHs"):

- are, and remain, competent, fit and proper to discharge their responsibilities;
- are aware of their obligations under the Regulators' relevant conduct rules and standards; and
- are aware of the expectation to avoid, to the extent possible, activities that could create conflicts of interest or the appearance of conflicts of interest (via the Company's Conflicts of Interest Policy).

In addition, the Company ensures that all of its SMFHs are aware of their obligations under the Duty of Responsibility and has established, and maintains, appropriate mechanisms and systems to manage these arrangements.

The Company ensures that all prospective SMFHs are fit and proper to undertake the responsibilities being allocated to them.

Whilst not expected individually, the Board must collectively possess appropriate qualifications, experience and knowledge about:

- insurance and financial markets, including the wider business, economic and market environment in which the Company operates and an awareness of the level of knowledge and needs of its policyholders;
- the business strategy and business model, in detail;
- the System of Governance within the business, including the awareness and understanding of the risks the Company is facing and its capability of managing them; together with an ability to assess the effectiveness of the Company's arrangements to deliver effective governance, oversight and controls within the business and, if necessary, to oversee changes in these areas;
- financial and actuarial analysis in order to interpret the Company's financial and actuarial information, identify key issues, put in place appropriate controls and take necessary measures based on this information; and
- the regulatory framework and requirements, including the capacity to adapt to changes to the regulatory framework, without delay.

Such assessment is made at the most senior level, when considering the appointment of a director, to ensure that appropriate diversity is evident. This takes place prior to the due diligence process and prior to the submission of the application form for regulatory approval for a prospective SMFH or notification form for an NNE.

The Company maintains a central register of SMFHs, KFHs and CFHs in its Management Responsibilities Map. This records the names and positions of those SMFHs who run the Company as and when appointed. The map is reviewed quarterly.

Once the Company has decided at the most senior level that it wishes to appoint an SMFH, the HR department carries out the necessary due diligence checks in respect of the individual to be appointed. It establishes information relating to any criminal, disciplinary, enforcement or administrative offences currently being tried or having been tried in the past relating to both the financial services industry and outside of the industry.

Whilst having previous infringements may not necessarily result in the person being assessed as not fit for the role being considered, HR ensures that their judgement is based on the widest information available concerning such offences. HR coordinates the documentation of the assessments of competence, fitness and propriety before an application is submitted for approval to the regulatory authorities.

All regulatory applications are submitted by the Compliance team to the Regulators for approval, once the due diligence process has been completed.

For employed staff, the Company has in place a performance management process to manage performance and to ensure continued suitability for each role. In addition, an annual assessment of fitness and propriety is undertaken for all SMFHs, NNEDs, KFHS and CFHS. An annual evaluation of the effectiveness of the Board is also undertaken.

B.3 Risk Management System including the Own Risk and Solvency Assessment

Whilst recognising that large parts of the Enterprise Risk Management ("ERM") Framework are operated within first line teams, the Risk Management function is responsible for maintaining and overseeing the effectiveness of the overall ERM Framework operating across the Company. The purpose of the framework is to identify and effectively manage the risks of the Company and support the achievement of the Company's corporate objectives.

The following table describes the elements of the Company's ERM Framework.

ERM Framework Overview	
Area	Description
Risk Universe	Identification of all the risks that could affect the Company.
Risk Strategy	Articulates the Company's approach to the taking on and management of risk.
Risk Appetite Statement	The Company's view on the level and type of risk that it is willing to take on in the pursuit of achieving its strategic objective and business plan.
Risk Governance	The method used for directing and controlling the management of risk.
Risk Policies	The Company maintains a suite of policies for the management of risks in its risk universe.
Culture	Determines the values, knowledge, understanding and behaviour within the Company, including with regard to risk taking and its management.
Risk Management Processes	Identify and articulate the key components of the risk management process. Key elements are described in the table below.
Risk Management Information	Informs the Board/senior management's: (i) understanding of the Company; and (ii) decision-making.
Stress Testing Framework	Provides insight into how the Company may be affected by alternative and typically adverse conditions.
Capital Management	Articulates the Company's approach to the management of capital and the responsibilities of the Capital Management function.

The following table summarises the processes used to identify, measure, monitor, manage and report the risks of the Company.

Process	Description
Risk Identification	Key elements of the process include: risk and control self-assessment, Risk Management function analysis, senior management analysis, the emerging risk process, the risk incident process, ORSA analysis, ExCo / Executive Risk Committee review, and Risk and Compliance Committee review.
Risk Measurement	Section C provides details of the risk measures for each material/relevant risk class identified by the Company.

Process	Description
Risk Monitoring	Senior management and Board level review of the risk measures defined for each risk class.
Risk Management	The management and mitigation techniques used for each risk class are performed.
Risk Reporting	Regular review by senior management and the Board of the Company's risk reporting, which includes: reporting on the risk profile, risk metrics, loss data, and Own Risk and Solvency Assessment reports,

Risk management is the responsibility of all functional managers, with the Risk and Compliance function providing oversight. The Risk and Compliance function provides reporting to the Risk and Compliance Committee. The Chief Risk Officer (a member of ExCo), regularly reviews the Company's risks with the senior management team, and at each of the Board's Risk and Compliance Committee meetings, as well as at the Board.

The Company operates the 'three lines of defence' model for risk management and oversight:

- The first line has responsibility for the management of risk across the organisation and is undertaken by functional areas across the business and various management committees;
- The second line is responsible for the provision of oversight of the first line's management of risk, within the Board-approved risk appetite and in line with the ERM Framework. The second line includes the Risk and Compliance function and the Risk and Compliance Committee; and
- The third line is responsible for providing independent assurance on the effectiveness of internal controls and risk management processes across the first and second line, and is performed by Internal Audit, reporting to the Audit Committee.

Consideration of the Company's Risk Appetite Statement is a key component of the Company's decision-making process. The alignment of material decisions is fully considered, relative to the Company's risk appetite. The Company's Risk Appetite Statement includes the approach to be taken if any prospective actions or decisions have the potential to lead to non-alignment with the Company's risk appetite.

B.3.1 Own Risk and Solvency Assessment

The Company's Own Risk and Solvency Assessment ("ORSA") includes ongoing processes and an annual report, and provides the Board and other key stakeholders with a comprehensive understanding of the Company's risk profile and expected capital needs over its business planning period. The analysis, findings and recommendations (i.e. the output) from the ORSA inform the Board's strategic decision-making process and senior management actions identified in the ORSA Report.

The Company's current strategic objectives, business plan and target risk profile are also key inputs into the scope and focus of the ORSA. The Company's Board, together with senior management, play a significant and ongoing role in determining the set of scenarios which will be included in the ORSA, the assumptions for each of these scenarios, and the assessment of the results.

The following table sets out the main components of the Company's ORSA process.

ORSA Process		
Work Stream	Activity	Description
Design	Process & Document Design	Review of existing ORSA process and documentation to ensure the ORSA remains fit for purpose and compliant with current guidelines.
Reporting & Documentation	Regular ORSA Update	A regular update on the risk appetites, risk profile of the Company, and an update on any investigations or actions.
	ORSA Policy	Update of the existing ORSA policy to ensure it reflects the purpose, scope, process and aims of the Company's ORSA.
	Annual ORSA Report	A full reforecast of the solvency position and risk profile of the Company, under base and alternative scenario conditions,

ORSA Process		
Work Stream	Activity	Description
		including an assessment of the risks faced in implementing the strategy and business plan under a variety of scenarios.
	Submission	Submission of the completed ORSA Report to the Prudential Regulatory Authority (PRA)
Standard Formula Testing	Standard Formula Appropriateness Exercise	Analysis of the standard formula SCR relative to the Company's current and emerging risk profile, to assess whether the standard formula remains appropriate.
Scenario Development	Scenario Design & Definition	Development of the alternative scenarios to be assessed within the Company's ORSA framework.
Model Development & Inputs	ORSA Basis	Basis setting exercise to define the parameters and assumptions to use in the ORSA balance sheet projections.
	ORSA Model Development	Further development of the existing ORSA projection models.
	ORSA Data	Exercise to gather, check and validate the data feeding into the Company's ORSA process.
Projections	ORSA Projection Runs	Projection of the Company's balance sheet and risk profile under base and alternative scenarios, before and after management actions.
	ORSA Control & Validation	Control and validation process applied to the ORSA projection runs to minimise the risk of error.
Use	Strategy & Business Plan	Insight from the ORSA informs the Company's strategic direction and business planning.
	Risk Appetite & Limits Review	ORSA forecasts used to assess the Company's alignment with risk appetite and risk limits. The ORSA is also used to review the appropriateness of the current limits.
	Investigation	ORSA analysis used to identify areas for further investigation.
	Decision Making	The ORSA is a key management tool in the decision-making processes of the Company.

All components of the ORSA undergo an initial review by either the Chief Actuary, the Chief Risk Officer, or the Head of Capital and Asset and Liability Management. Depending on the component concerned, the scope of this initial review ensures that the structure, style and content will be understood and correctly interpreted by the Board, the Risk and Compliance Committee, senior management and any other users (for example, department heads and the Regulators).

The output undergoes a thorough review process, which provides the Company's Board, committee members, and senior management the opportunity to interrogate, challenge and provide feedback on the various inputs into and outputs from the ORSA analysis before sign-off.

The ORSA report is produced annually, and is updated during the year in the event of any material change to the Company's risk profile. The Chief Risk Officer has overall responsibility for the ORSA process and the ORSA report. The Actuarial function carries out the calculations.

B.4 Internal Control System

The Company maintains an Internal Control Framework to ensure that internal control practices are established, implemented and maintained in line with the objectives, strategy, risk appetite and long-term interests of the Company as a whole. The framework describes the controls and procedures in place to ensure:

- the effectiveness and efficiency of operations;
- compliance with applicable regulations; and
- availability and reliability of financial and non-financial information.

The framework applies to all activities and processes undertaken by the Company to ensure that it operates an effective internal control system, and sits within the internal controls framework which collates the policies and processes to which this framework applies.

The Company's Board is ultimately responsible for ensuring that there is an effective internal control framework, and for establishing a culture within the Company that emphasises and demonstrates to all levels of personnel the importance of internal controls. Management is responsible for the implementation of the relevant rules and guidance. All employees need to understand their role in the internal control framework and be fully engaged in the process.

The framework forms a part of the Company's System of Governance. It is owned by the Chief Risk Officer ("CRO") and approved by the Board, on recommendation from the Audit Committee. Individual policies within the framework are subject to their own governance requirements, as specified in the individual policies.

The framework is reviewed on an annual basis by the ExCo, or more frequently where necessary, to ensure that it remains up to date and relevant to the processes which it is intended to control. Strategy, organisational structure and risk profile changes may trigger ad hoc reviews of this policy.

The purpose of internal control is to support the Company in the achievement of its objectives. The Company has identified four key components of the internal control framework, as follows:

- Corporate Governance;
- Risk Management;
- Compliance; and
- Information and Communication.

Each of the internal control components is described in more detail in the Internal Controls Framework.

B.5 Internal Audit Function

Internal Audit is an integral part of the Company's system of internal control and provides independent and objective assurance over the design and effectiveness of the controls in place to manage the key risks impacting ULP.

The Internal Audit function is independent of ULP's operational management and is not involved directly in revenue generation or in the management and financial performance of any business line. Internal Auditors have neither direct responsibility for, nor authority over, any of the activities reviewed, nor do their review and their appraisal relieve other persons in the Company of responsibilities assigned to them. Internal Auditors are not responsible for developing, revising or installing systems, policies or procedures, or for appraising an individual's performance in relation to the operations that are being audited.

The Head of Internal Audit for ULP reports to its Audit Committee, while having a dotted reporting line, for administrative purposes, to the Chief Executive Officer. The Head of Internal Audit for ULP also reports to the Utmost Group Head of Internal Audit for internal audit matters. The Internal Audit function is responsible for regularly assessing the adequacy of the system of internal control of the Company, and reporting its findings to the ULP board (via the Audit Committee).

Internal Audit activity is carried out based on the framework of risk-based annual audit plans that are prepared and submitted for review and approval by the ULP Audit Committee. Upon approval, the Head of Internal Audit distributes the plan to senior management and executes the plan during the audit plan period. At the Head of Internal Audit's discretion or at the request of an Audit Committee or member of senior management, other unannounced audits may be completed.

The Utmost Group Internal Audit policy defines the framework for the activities of the wider Utmost Group's Internal Audit function and is approved by the ULP Board (via its Audit Committee), reported on quarterly. The policy and associated methodology are aligned with the Institute of Internal Auditors' Global Internal Audit Standards and the UK Chartered Institute of Internal Auditors' Code of Practice.

The Internal Audit reporting structure and the policy allow ULP's Internal Audit function to be independent of the functions audited and provides it with full, free and unrestricted access to all operations, records, property and personnel. It provides the authority to allocate resources, set frequencies, select subjects, determine scope of work and apply the techniques required to accomplish audit objectives.

During their audit planning process, the Internal Audit team review the entire risk universe and identify the highest risk items that need to be covered by risk-based audits. They also identify processes which, although not necessarily constituting significant risks, still need to be reviewed on a cyclical basis to ensure that the audit process achieves sufficient breadth of coverage. Throughout the audits themselves, the Internal Audit team identifies potential key risks and examines how effectively they are mitigated through assessing the design and operational effectiveness of key internal controls,

information systems, governance, risk management and financial reporting. Where appropriate, the Internal Audit function institutes a program of testing.

B.6 Actuarial Function

The Actuarial function consists of employees of the Company supplemented by external consultants to provide additional resource when needed. The Chief Actuary has overall responsibility for the output from the Actuarial function. The Chief Actuary is a Fellow of the Institute and Faculty of Actuaries and holds a Chief Actuary (Life) Practising Certificate. He is also the approved person for the senior managers function Chief Actuary. The current responsibilities of the Actuarial function include:

Balance Sheet Valuation	Carry out annual and quarterly valuations of the Company's assets and other liabilities, Technical Provisions, and capital requirements consistent with Solvency UK.
Balance Sheet Forecasting	Carry out a forecast of the Company's projected solvency position over its business planning period under central best estimate and alternative scenario assumptions for consideration within the ORSA framework.
Matching Adjustment ("MA")	Recalculate the MA and monitor the Company's compliance with the rules required to continue to use the MA, including completion of the MA attestation.
Solvency Monitoring	Estimate the Solvency UK balance sheet on a monthly basis to monitor the Company's solvency position.
Data Quality	Assess the sufficiency and quality of the data used in the calculation of the Company's technical provisions.
Experience Analysis	Analyse the Company's recent historic demographic experience (for example, mortality and persistency) to inform assumption setting.
Assumption Setting	Recommend the demographic, expense and economic assumptions to be used in the Company's balance sheet valuation, product pricing and forecasting based on internal experience analysis and reference to relevant external market or industry variables.
Model Development	Oversee the development and maintenance of the models required to value the Company's policyholder liabilities under central best estimate assumptions and the Solvency UK Standard Formula stress tests. Responsible for development of the Partial Internal Model. Once developed, responsible for the ongoing maintenance and operation of the Partial Internal Model.
Bonus Setting	Recommend the regular and terminal bonuses to be paid to the Company's with-profits policyholders.
Run-Off Planning	Prepare the recommended run-off plans for the Company's with-profits funds including, for each fund, a description of the governance of the fund, details of how the Company intends to manage the risk profile and funding position, and a projection of the fund's expected financial position.
Reinsurance and Underwriting	Provide an opinion to the Board on the adequacy of the Company's reinsurance arrangements and underwriting policy.
Pricing	Provide an opinion to the Board on the terms on which new business is written, including new BPA business and annuity products sold to existing customers.

B.7 Outsourcing

Outsourcing and Contracts Policy

The Company's Outsourcing and Contracts Policy applies to both existing and proposed outsourcing arrangements, as well as to contracts with third-party suppliers, which are not considered outsourcing by the Company.

The key elements of the policy cover requirements for:

- Decision making;
- Negotiation;
- Outsourcing procedures;
- Re-evaluation;
- Contractual arrangements;
- Transition planning;
- Supplier management and monitoring (see below); and
- Policy breaches.

Supplier management and monitoring

With regard to ongoing management and monitoring of outsourced functions or activities, the following is required:

- The Company must retain the necessary expertise to supervise the supplied functions effectively and to manage the associated risks;
- The owner of each arrangement must retain responsibility for the activity and must ensure that any ongoing risks are properly managed;
- A proportionate supplier management and oversight regime must be defined at the outset;
- The business owner must ensure that the supplier management and oversight regime operate effectively and that any appropriate remedial action is taken;
- The effectiveness of the service or activity provided by the supplier must be reviewed at least annually by the sponsor or business owner. This should include an assessment of the requirement for an appropriate level of fresh due diligence and a review of the suitability of the existing contractual arrangements;
- The decision to continue with the arrangement must be reviewed at least triennially;
- The measures of performance of the supplier should be both qualitative and quantitative; and
- The approved control regime, service reports, meeting minutes and other items relating to the monitoring and execution of each contract must be retained by the authoriser of each arrangement.

Key outsourced functions

The Company has a number of long-term outsourcing contracts with third parties, covering investment management, fund accounting and custody, and IT infrastructure services.

- ULP outsources investment management services to leading asset managers, including Aberdeen, JP Morgan Asset Management ("JPMAM"), Goldman Sachs Asset Management ("GSAM") and Schroders.
- Fund Accounting and Custody Services are provided by HSBC.
- The Company outsources IT infrastructure services to Atos.

During 2025, the Company entered into a new strategic outsourcing arrangement with Goldman Sachs Asset Management, for additional investment management services. This facilitates investment in private placements of corporate loans as part of our long-term investment strategy for the BPA business.

The Company also took out new strategic and material arrangements with Amazon Web Services and Google Cloud Platform to provide hosting services for the Mantle software.

All of the outsourced functions are within the jurisdiction of the UK.

The Company continues to monitor its existing outsource arrangements in line with our Outsourcing and Contracts Policy. This policy applies to outsourcing arrangements and to contracts with third-party suppliers, including requirements for supplier transition, management, governance, monitoring and change / termination.

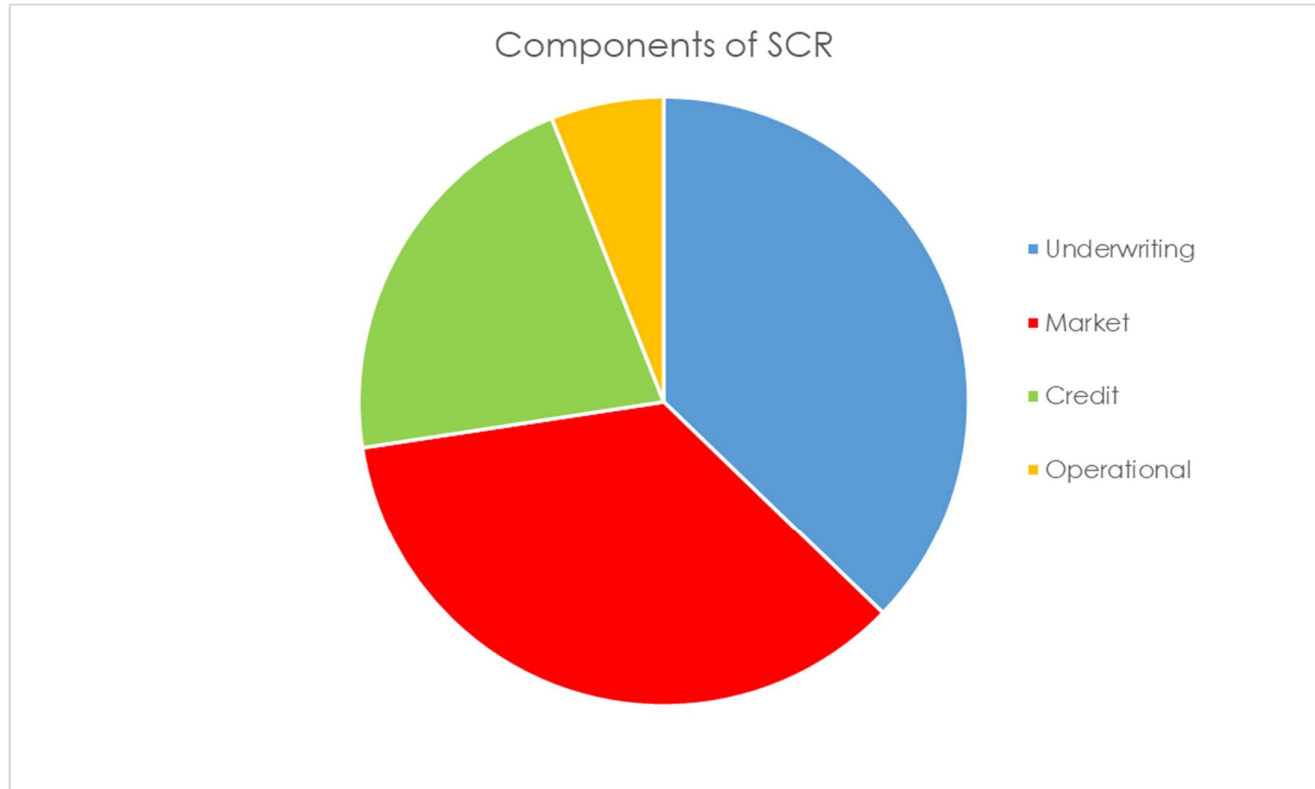
B.8 Any Other Information

None.

C. RISK PROFILE (UNAUDITED)

The Company manages risk and risk exposures through a well-defined Enterprise Risk Management ("ERM") Framework, as described in Section B.

The chart below shows the risk components which make up the Company's pre-diversified SCR (net of reinsurance) as at December 2025.



Underwriting risk is the largest capital item in the current business. The primary source of the current risk exposure relates to unit-linked business. The Company collects Annual Management Charges ("AMCs") as a percentage of unit-linked funds. There is the risk that early terminations by unit holders reduce current and projected income from AMCs. Underwriting risk also includes the Company's exposure to longevity risks in the annuity portfolio, which will increase as it writes new Bulk Purchase Annuity business, and expense risk. The Company has a reinsurance strategy that it operates to reduce its exposure to longevity risk.

The second largest capital item is market risk. The unit-linked funds typically have high equity exposures, making the AMCs dependent on equity markets. This is the primary equity exposure. Similarly, unit-linked policyholders can choose to invest in overseas funds, resulting in fund values and hence the AMCs on these funds being exposed to currency risk.

Credit risk is the next largest, arising from the large portfolio of corporate bonds which match fixed/guaranteed liabilities, primarily annuities, deferred annuities, including bulk annuities. There is also exposure to credit risk in respect of corporate bonds that are held within the unit-linked funds, meaning associated AMC income is exposed to movements in corporate bond prices.

Credit risk also includes counterparty default risk. The largest exposure currently to counterparty default risk is due to a non-collateralised reinsurance treaty with Scottish Widows (ultimate parent Lloyds Banking Group).

In addition, the Company maintains registers of qualitative business risks. Descriptions of the categories of risks to which the Company is exposed are detailed below, together with the measurement, management and mitigation followed.

C.1 Underwriting Risk

C.1.1 Risk exposures

The following table provides a description of the Company's material underwriting risk.

Risk Category	Risk Sub-Category	Description
Persistency	Persistency Risk	The risk that the Company's best estimate assumptions for the long-term level of lapse, surrender, retirement and paid-up rates are different to actual experience.
	Mass Lapse Risk	The risk of an immediate withdrawal of a significant proportion of the Company's in-force business.
	GAO Take-Up Risk	The risk that the Company's best estimate assumptions for the level of Guaranteed Annuity Option (GAO) take-up are too low relative to actual experience.
Expense	Expense Inflation Risk	The risk that the Company's best estimate assumptions for the future rate of expense inflation are too low relative to actual experience.
	Project Cost Risk	The risk of higher-than-expected costs associated with the development and delivery of the Company's projects.
	Claims Management Expense Risk	The risk of higher-than-expected expenses relating to servicing claims on the Company's in-force book.
	Maintenance Expense Risk	The risk of higher-than-expected expenses related to the maintenance of the in-force book, which includes general business overheads but excludes project costs.
Longevity	Base Longevity Risk	The risk that the Company's best estimate assumptions for the level of base mortality are too high relative to actual experience.
	Longevity Improvements Risk	The risk that the Company's best estimate assumptions for future mortality improvements are too low relative to actual experience.

The Company's most material underwriting risk exposure in terms of risk capital during the reporting period was persistency risk, in particular the risk that early terminations reduce AMC's remains significant, with mass lapse the most onerous test.

The second largest underwriting risk is expense risk (which arises because the majority of the Company's operational activity is carried out in-house). The Company is exposed to the risk that expenses are higher than allowed for in the best estimate assumptions.

The third largest is longevity risk, which arises primarily on the Company's annuity book (immediate annuities and deferred annuities) through the legacy business and the newer BPA business. The Company uses longevity swaps in the NPF to manage its risk exposure to annuitant liabilities, and has developed a reinsurance strategy for managing increases to longevity risk exposure as it grows its BPA business which results in a reduction of the longevity risk related to BPA business of 90%.

C.1.2 Risk measures

The table below sets out the main tools used by the Company to measure its underwriting risks.

Measurement Tool	Measure
Stress Testing	Impact on the Company's Own Funds of a 99.5th percentile one-year stress in the risk variable(s) corresponding to each underwriting risk (carried out using the Solvency UK regulatory stress calibrations).
Reverse Stress Testing	Severity of conditions, events, and/or the deterioration in experience in respect of risk exposures that would be required to cause the Company's business model to fail.

Measurement Tool	Measure
Scenario Testing	Potential impact on the Company's solvency position and risk profile under alternative scenarios involving short- or long-term changes to one or more of the Company's risk variables.
Sensitivity Testing	Impact on the Company's solvency position of changes in the risk variable(s) corresponding to each risk.
Experience Analysis	Comparison of recent demographic and expense experience with historical internal experience, wider industry experience, and current best estimate assumptions.
Experience Monitoring	Quarterly/monthly review of recent experience.
Budget Analysis	Comparison of recent experience with budgeted or forecast amounts.

The Company uses a combination of its risk management and mitigation approaches to assess its different underwriting risk exposures.

C.1.3 Risk concentrations

The Company does not currently carry out any formal investigation into or analysis of concentrations of underwriting risk, on the basis that these are not considered to be material.

In particular, the current in-force book does not contain any material concentrations of policyholders by location, health, lifestyle or socio-economic group. This position will continue to be monitored as the BPA business grows.

C.1.4 Risk management and mitigation

The table below sets out the specific risk management and risk mitigation approaches the Company uses in respect of its underwriting risk exposures.

Risk Mitigation	Description
Risk Appetite	Statements covering the Company's approach towards risk.
Economic Capital	Economic Capital held on the Company's regulatory balance sheet in respect of each of its material risk exposures (derived using the Solvency UK regulatory stress calibrations).
Reinsurance	Full or partial transfer of underwriting risk to reinsurance counterparties, including the use of longevity-swap arrangements on the Company's annuities.
Assumption Setting	Annual assumption-setting exercise to ensure that the assumptions used for both pricing and to determine the Company's Technical Provisions appropriately reflect the current best estimate of future underwriting experience.
New Business Underwriting	Underwriting to determine the appropriate assumptions to use when pricing new business.
Claims Underwriting	Underwriting to determine the initial or ongoing validity of claims relating to exclusion clauses, non-disclosure, fraud, etc.
Budget Reforecasting	Regular updates to the Company's business plan and expense budget to ensure that forecasts continue to reflect expected experience.
Cost Control	Cost control activity to ensure that expenditure remains within plan.
Risk Monitoring	Ongoing senior management and Board level review of the risk measures discussed in section C.1.2.
Business Retention	The Company has put in place activities to enable it to manage persistency risk including a business retention strategy. This includes the Utmost Drawdown Plan, which was launched in March 2020 and, since 2022, the ability for former Equitable customers to consolidate their pensions with the Company.

The Company uses a combination of its risk management and mitigation approaches to assess its underwriting risk exposures.

The Company entered the BPA market in Q4 2024, which is leading to a change in the risk profile of the Company, primarily with growth in credit risk and longevity risk exposures. From an underwriting risk perspective, the longevity risk is managed through the implementation of the Company's reinsurance strategy.

C.2 Market Risk

C.2.1 Risk exposures

The table below provides a description of the Company's material market risk exposures.

Risk Category	Risk Description
Equity	Risk of adverse changes (i.e. falls) in the level of equity prices, which reduces the value of the Company assets or increases the value of its liabilities.
Currency	Risk of loss or of adverse change in the Company's financial situation (for example, decreasing the value of the Company's assets or increasing the value of its liabilities) resulting, directly or indirectly, from fluctuations in the level and in the volatility of foreign exchange rates.
Interest Rates	Risk of unexpected changes in the level and/or shape of the term structure of UK risk-free interest rates which adversely affects the value of the Company's assets, liabilities, capital requirements and/or cash flows.
Gilt – Swap Spread	Risk that the spreads between gilt rates and swap rates (based on the PRA curve) widen, increasing the level of volatility on the Company's balance sheet. Risk of inconsistent movements in UK gilt yields and swap rates (based on the PRA curve), leading to inconsistent movements in the value of the Company's assets and Technical Provisions.

The largest market risk exposure is equity risk. The Company collects AMCs as a percentage of unit-linked funds. The unit-linked funds typically have a high proportion of equity exposures, making the AMCs dependent on equity markets. Unit-linked policyholders can choose to invest in overseas funds and the values, and hence AMCs on these funds, are also exposed to currency risk.

Despite having a relatively low level of capital impact under the Solvency UK Standard Formula stress tests, interest rate risk is another one of the Company's market-related risks (excluding spread widening and concentration risks [see section C.3.1 below]). The Company's assets and Best Estimate Liabilities ("BEL") are well matched, which means that movements in interest rates have a similar impact on the assets and liabilities and so the net impact on the balance sheet is small. However, the presence of the Risk Margin within the Technical Provisions introduces some further balance sheet sensitivity to changes in interest rates. In addition, movements in interest rates, by increasing or decreasing the value of assets and liabilities, will increase or decrease the size of the balance sheet. This will have a secondary impact on other SCR capital requirements by applying the SCR stresses to a larger or smaller balance sheet.

C.2.2 Risk measures

The table below sets out the main tools used by the Company to measure market risk.

Measurement Tool	Measure
Stress Testing	Impact on the Company's Own Funds of a 99.5th percentile one-year stress in the risk variable(s) corresponding to each market risk (carried out using the Solvency UK Standard Formula calibration).
Reverse Stress Testing	Severity of conditions, events, and/or the/deterioration in experience in respect of a risk exposure that would be required cause the Company's business model to fail.
Scenario Testing	Potential effect on the Company's solvency position and risk profile under alternative scenarios involving short- or long-term changes to one or more of the Company's risk variables.
Sensitivity Testing	Impact on the Company's solvency position of small changes in the risk variable(s) corresponding to each risk.

Measurement Tool	Measure
Portfolio and ALM Reporting	Measures and metrics contained within the Company's asset and investment reports which cover its asset portfolios, asset and liability management ("ALM"), and hedging activity.
Market Monitoring	Monitoring of market performance and risk variables, such as interest rates, equity indices, spreads and volatility indices.

The Company uses a combination of its risk management and mitigation approaches to measure its market risk exposures.

C.2.3 Risk concentrations

The Company's market and credit-related risk concentrations are covered in section C.3.3 below.

C.2.4 Risk management and mitigation

The following table sets out the specific risk management and risk mitigation approaches the Company uses in respect of its market risk exposures.

Risk Mitigation	Description
Risk Appetite	Statements covering the Company's approach towards risk.
Economic Capital	Economic Capital held on the Company's regulatory balance sheet in respect of each of its material risk exposures (derived using the Solvency UK regulatory stress calibrations).
Asset Liability Management	The Company actively pursues an asset liability matching strategy, which includes the use of inflation swaps and other derivatives to mitigate risk. Within the Non-Profit Fund, the Company operates a Matching Adjustment Portfolio that has strict matching requirements.
Investment Guidelines – Limit Structures	The Investment Guidelines for each of the Company's investment portfolios set out limit structures for the assets permitted within each portfolio. Market risk is an important factor in the choice of assets.
Capital Management of WPSFs	The Company aims to have the With Profit sub-Funds standing alone and meeting their own capital requirements (excluding operational risk). As a result, the market risk exposure of the WPSFs is controlled to facilitate this.
Risk Monitoring	Ongoing senior management and Board level review of the risk measures discussed in section C.2.2.

C.2.5 Risk management and mitigation

The Company uses a combination of its risk management and mitigation approaches to assess its market risk exposures.

the Company entered the BPA market in 2024 and is continuing to evolve its risk management and mitigation practices as the risk profile of the Company changes and certain risk exposures grow.

C.3 Credit Risk

C.3.1 Risk exposures

The table below provides a description of the Company's material credit risk exposures.

Risk Category	Risk Description
Credit Spreads	Risk that the value of future cash flows is exposed to fluctuations in spreads on corporate bonds, resulting in changes in the value of corporate bond and other credit-related assets held.
Counterparty Default (Fixed-interest and money market instruments, cash deposits)	Risk of default on interest or capital repayments on debt and other bond instruments, and cash deposits.

Risk Category	Risk Description
Counterparty Downgrade	Risk of negative impacts on the Company's solvency position as a result of asset credit rating downgrades. Increased exposure to credit spreads widening and counterparty default if a downgrade reflects a genuine increase in the riskiness of the counterparty.
Concentration (Fixed-interest and other money market instruments, cash deposits)	Additional risk to the Company stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.
Derivative Counterparty Default	Risk that derivative counterparties default on contracts that are 'in-the-money' causing financial loss to the Company.
Reinsurance Counterparty Default	Risk that one (or more) of the Company's reinsurance counterparties is unable to meet its financial obligations to the Company.

Consistent with the above presentation of the Company's credit risk profile, it should be noted that spread risk, which is assessed within the market risk module of the Standard Formula SCR, is considered by the Company to belong to the credit risk class.

Similarly, concentration risk, which is also assessed within the market risk module of the Standard Formula SCR, primarily relates to the risk of concentrated counterparty exposures on the Company's bond and credit-related holdings and cash deposits. Concentration risk is therefore also considered by the Company to belong to the credit risk class.

Assessed in terms of undiversified risk capital, spread risk is the most material credit risk to which the Company is currently exposed. Spread risks primarily arise due to the significant holdings of corporate bonds which are used to back the Company's large block of annuities and via corporate bond holdings in the unit-linked funds which make the value of AMCs dependent on spread movements.

The Company's balance sheet would also be significantly affected if one or more of its material counterparty exposures were to default. The largest exposure to counterparty default risk is to a non-collateralised reinsurance treaty with Scottish Widows (ultimate parent company Lloyds Banking Group).

C.3.2 Risk measures

The table below sets out the main tools used by the Company to measure credit risks.

Measurement Tool	Measure
Stress Testing	Impact on the Company's Own Funds of a 99.5th percentile one-year stress in the risk variable(s) corresponding to each risk (carried out using the Solvency UK regulatory stress calibrations).
Reverse Stress Testing	Severity of conditions, events and/or the deterioration in experience in respect of risk exposure that would be required to causes the Company's business model to fail.
Scenario Testing	Potential effect on the Company's solvency position and risk profile under alternative scenarios involving short- or long- term changes to one or more of the Company's risk variables, for example, credit spreads and defaults.
Sensitivity Testing	Impact on the Company's solvency position of small changes in the risk variable(s) corresponding to each risk.
Portfolio and ALM Reporting	Measures/metrics contained within the Company's asset and investment reports which cover exposure limits, credit rating information, downgrades, counterparty exposure and other information relevant to credit risk.
Market Monitoring	Credit risk variables including corporate bond spread indices split out by duration and credit rating.

The Company uses a combination of its risk management and mitigation approaches to assess its credit risk exposures.

C.3.3 Risk concentrations

Financial instruments

The Company has substantial holdings in UK government issued assets (i.e. gilts). The Company does not consider that this exposure poses a material concentration of risk.

The Company's direct investment holdings and bank deposits are well diversified, and exposures are monitored to ensure that any significant increases in individual exposures arising from transactions are temporary.

The top five counterparty exposures by value across its non-linked investments as at 31 December 2025 were, by issuer, as follows: London and Quadrant Housing Trust (£18.3m); TotalEnergies SE (£16.4m); French Republic (£16.1m); Peabody Trust (£15.1m), and Groupe BPCE (£13.8m).

Each of these top holdings individually contributes less than 2% to total non-linked investments and, whilst the complete default of any one would have a significant impact on the Company's Own Funds, the issuers are sufficiently highly rated (credit rating stronger than BBB) that the Company does not consider the holdings to be above an acceptable level.

Reinsurance counterparties

The table below shows the 'net exposure' (i.e. the combined value of reinsurance assets and liabilities) in respect of the Company's most material reinsurance arrangements as at 31 December 2025, under both base and longevity stress scenarios.

Reinsurer	Net exposure, £m, 31 December 2025	
	Base *	Longevity Stress (20% stress on mortality rates)
Hannover Re	1.9	2.2
London Life	(2.7)	(1.1)
Pacific Life Re**	(2.3)	15.2
Reinsurance Group of America	(34.5)	(24.9)
Scottish Widows	173.1	186.5
Swiss Re	2.4	2.4
Transatlantic Reinsurance Company	(7.0)	(0.9)

*(reinsurance contract liability), reinsurance contract asset

** mostly relates to historical contracts although this is expected to increase with introduction of new BPA longevity swaps.

The largest counterparty exposure is to a non-collateralised reinsurance treaty with Scottish Widows (ultimate parent Lloyds Banking Group) with a value of £173.1m at 31 December 2025.

The Company does not consider the level of exposure to any of the other reinsurers to be significant or to represent a concentration of risk.

The negative reinsurance values arise because the cost of the reinsurance arrangement exceeds the benefit it provides. In relation to older reinsurance arrangements, the recent slow-down in the rate of longevity improvement has reduced the expected income from the reinsurers ('the floating leg') but the payments made to the reinsurers ('the fixed leg') have not changed because these were fixed when the expected cost of future payments was higher.

C.3.4 Risk management and mitigation

The table overleaf sets out the specific risk management and risk mitigation approaches the Company uses in respect of its credit risk exposures.

Risk Mitigation	Description
Risk Appetite	Statements covering the Company's approach towards risk.
Economic Capital	Economic Capital held on the Company's regulatory balance sheet in respect of each of its material risk exposures (derived using the Solvency UK regulatory stress calibrations).
Investment Guidelines: Limit Structures	The Investment Guidelines for each of the Company's investment portfolios include credit-related exposure limits which constrain the assets permitted within each portfolio.
Asset Optimisation	Optimisation of assets within specific portfolios, including the sale of assets which result in a disproportionate or unwanted level of exposure to credit spread risk or concentration risk relative to the objectives of those portfolios.
Matching Adjustment	Adherence to the requirements necessary to maintain approval to use the MA, which includes close Asset Liability Management.
Collateral Arrangements	Collateral is used to mitigate both reinsurer and derivative counterparty exposure.
Reinsurance Terms	Negotiate other protections in reinsurance treaties which are triggered in the event of deteriorating financial strength of reinsurance counterparties.
Risk Monitoring	Ongoing senior management and Board level review of the risk measures discussed in section C.3.2.

The Company uses a combination of its risk management and mitigation approaches to assess different credit risk exposures. Following entry into the BPA market in 2024, the Company continues to evolve its current approach to managing and mitigating its credit risk exposures as new asset types are included within its investment strategy.

C.4 Liquidity Risk

C.4.1 Risk exposure

Liquidity risk is not one of the Company's primary risk exposures in the short term, noting that:

- The Company's in-payment annuities, which form the bulk of the non-linked contracts in force, may not be surrendered or transferred at the policyholder's option, although deferred annuities may be transferred or be subject to options such as tax-free cash payments at retirement; and
- At present, the majority of contracts are unit-linked, where the liabilities are matched by assets held in linked funds that hold assets are readily tradeable, except for direct properties held in the property funds. In respect of property funds, the Company has the right to defer payment of surrender or transfer values by up to six months.

As the Company grows its BPA business, this risk exposure will become more significant as business is written that includes deferred annuities that have certain member/policyholder options, especially as the Company increases its investment in illiquid assets. Also, as the BPA business grows derivative collateral requirements may increase, and the associated need for liquidity will continue to be appropriately managed.

C.4.2 Risk measures

To monitor and measure its exposure to liquidity risk, the Company measures the level of investment in cash, maturing corporate bonds and short-term gilt holdings with reference to a defined liquidity buffer. The investment management reports from the Company's investment managers also include metrics that allow the Company to monitor adherence to the liquidity-related limits within each portfolio's investment guidelines.

C.4.3 Risk management and mitigation

The Company has an active liquidity risk management process. The table below sets out the specific risk management and risk mitigation approaches the Company uses in respect of its exposure to liquidity risk.

Risk Mitigation	Description
Risk Appetite	Statements covering the Company's approach towards risk.

Risk Mitigation	Description
Close Asset Liability Matching	The Company has a process in place to ensure that its asset holdings are appropriate to the nature, term, currency and liquidity of its liabilities.
Investment Guidelines: Limit Structures	The Investment Guidelines for each portfolio set out limit structures for the assets permitted within the portfolio. Liquidity risk is an important factor in the choice of available assets.
NPF (Non-MA) Cash Buffer	The Non-Profit Fund is required to hold in excess of £10m gilts and/or cash at all times.
Liquidity tests on the MA portfolio	The Company regular performs Liquidity tests required by the regulator, in respect of its MA Portfolio, managing the risk exposure to maintain compliance with requirements.
Collateral Arrangements	Where commercially viable, collateral arrangements allow for a wide range of assets and not just cash and gilts.

As the Company takes on further BPA business, it will cause the level of liquidity risk to increase. The Company will continue to evolve its approach to managing and mitigating its liquidity in line with the level of risk.

C.5 Operational Risk

C.5.1 Risk exposures

The Company has identified seven operational risk categories, as follows: financial crime, employment practices, damage to physical assets, business disruption and system failures, client/products/business practices, execution/delivery/process management and governance. All operational risks identified by the Company are allocated to one of these categories. This includes key risk exposure that would result from operational failures of our third-party service providers, noting that risk owners oversee and manage risks from third-party arrangements.

Included in financial crime is cyber risk, which is the risk of financial loss, disruption or reputational damage due to breaches of or attacks on the Company's information technology ("IT") systems. External cyber-attack threats have continued to increase in 2025. Failure of the Company's IT systems could have a large impact on operations.

Functional areas record material operational risk exposures in their function's risk and control registers, each with an allocated first line risk owner.

C.5.2 Risk measures

The Company monitors and assesses operational risk using the tools in the following table.

Measurement Tool	Measure
Risk and Control Self-Assessment Process	Operational risk exposures are identified and assessed as part of a periodical cycle in place within the Company. This includes: a description of risks, the causes and consequences; a gross risk assessment of impact and likelihood; a list of relevant controls; and a 'net' assessment taking into consideration the effectiveness of the controls in place.
Key Risk Indicators	The Company uses a wide range of KRIs to measure operational performance and areas of operational risk, which include service levels, business/IT incidents, financial crime, third-party performance and staff/resourcing.
Loss Data	The Company collects and reports loss information and data around operational risk events that have crystallised or nearly crystallised (so-called 'near misses').
Scenario Testing	Potential effect on the Company's solvency position and risk profile of alternative scenarios involving risk events or deteriorations in operational performance/controls.

C.5.3 Risk management and mitigation

The table overleaf sets out the specific risk management and risk mitigation approaches the Company uses in respect of its operational risk exposures.

Risk Mitigation	Description
Risk Appetite	Statements covering the Company's approach towards risk.
Individual controls	Individual controls applied to specific operational activities.
Control Processes	Operational control processes in place to manage operational risks.
Control-related Policies	Record of the objectives, process requirements, responsibilities and reporting procedures in respect of the Company's operational controls.
Management and Monitoring	Review of operational risk reporting and management information, including ongoing senior management and Board level review of the risk measures discussed in section C.4.2.
Compliance Monitoring	Compliance reviews of certain operational processes, in line with the second line compliance monitoring plan.
Root Cause Analysis	The Company investigates risk incidents and upheld complaints, to ensure that the root causes have been identified and that mitigating actions are implemented.
Assurance	Reviews of operational areas by Internal Audit.
Economic Capital	Economic Capital held on the Company's regulatory balance sheet in respect of the Company's overall exposure to risk (derived using the Solvency UK regulatory stress calibrations).

The Company uses a combination of its risk management and mitigation approaches to assess the Company's operational risk exposures.

The Company does not anticipate making any material changes to its current approach to managing and mitigating its operational risk exposures.

C.6 Other Material Risks

C.6.1 Benefit inflation

Defined benefit pension benefits are often linked to inflation. They can be CPI or RPI linked and the rates of increase often have a cap and a floor. As the Company writes increasing volumes of BPA business, its exposure to inflation risk will increase. This benefit-related risk is not captured by the Standard Formula which is one of the reasons the Company is developing a Partial Internal Model.

The Company manages this risk by hedging its exposure to inflation using derivatives or inflation-linked assets.

This is independent of expense inflation risk which is captured as part of underwriting risk.

C.7 Any Other Information

C.7.1 Stress and Scenario Testing Results

Stress testing

The Company stress tests its solvency balance sheet to calculate the SCR; ensuring that it has sufficient capital to withstand an extreme 1-in-200 event measured over a one-year time horizon. Stress testing is performed to establish the sensitivity of the Company's solvency to individual extreme events and quantifies each risk exposure in terms of capital impact, where capital impact is defined as the change in the value of the Company's asset holdings less the change in the value of its best estimate liabilities.

As described earlier, the largest risks that the Company is exposed to are currently equity, lapse, spread, expense, currency, longevity and counterparty default. The 1-in-200 one-year event assumptions and percentage change in Own Funds are set out in the following table.

Sensitivity Testing

Risk	Calibration	% change in own funds
Equity	Instantaneous decrease in equity prices of 39% for Type 1 equities and 49% for Type 2 equities. These stresses are increased or decreased by up to 10% by the addition of a symmetric adjustment. This adjustment is based on the difference between the PRA equity index at the valuation date and its average value over the preceding 3 years.	(31.9%)
Lapse	The more onerous of: i) a permanent 50% increase in lapse rates, ii) a permanent 50% decrease in lapse rates; and iii) a mass lapse of 40%.	(28.7%)
Spread	An instantaneous relative decrease in the value of each bond varying between 0% and -70% (by credit quality and duration).	(19.5%)
Expense	Instantaneous permanent: i) increase of 10% to future expenses; and ii) increase of 1% point to the expense inflation rate.	(7.4%)
Operational	Calculated using factors based on premiums and technical provisions, with a maximum value of 30% of the Basic Solvency Capital Requirement (BSCR).	(6.9%)
Currency	The more onerous of: i) An instantaneous decrease of 25% in the value of the foreign currency against the local currency. ii) An instantaneous increase of 25% in the value of the foreign currency against the local currency.	(5.1%)
Longevity	Instantaneous permanent decrease of 20% in mortality rates	(4.7%)
Interest Rate	The more onerous of: i) a rise in the value of interest rates of between 20% and 70% (exact amount is specified by PRA for each term) ii) a decrease in the value of interest rates of between 20% and 75% (exact amount is specified by PRA for each term)	(3.8%)

The Company also tests the sensitivity of its solvency to adverse experience.

The following table summarises the results of the Company's sensitivity testing in respect of its material quantifiable risks. This testing was carried out as part of the Company's 2025 Sensitivity analysis. The results include the change in Own Funds and the change in the Company's SCR under each sensitivity, and are shown in respect of the balance sheet as at 31 December 2025.

Risk Class	Risk	Calibration	% Change in Own Funds	% Change in SCR
Life Underwriting	Lapse Up	Lapses up 50%	(9.9%)	(13.6%)
	Expenses	Expenses up 10%	(4.4%)	1.4%
Market	Interest rate (Down)	100 basis points ("bps") downward parallel shift to risk-free yield curve.	(0.3%)	6.3%
	Widening spread	Spread widening by 200bps	(2.8%)	(0.9%)
	Inflation	Inflation rates up 1%	(1.8%)	2.0%

Risk Class	Risk	Calibration	% Change in Own Funds	% Change in SCR
Market	Equity and Property	Instantaneous 40% decrease in equity and property prices.	(16.4%)	(22.4%)

C.7.2 Prudent Person Principle: investments

The Board and Investment Committee have delegated authority for investment decision making and management to external investment managers. Each investment manager operates subject to:

- Constraints set out in contractual Investment Management Agreements, which were developed with reference to the requirements of the Prudent Person Principle; and
- The oversight of the Chief Investment Officer, the Company's ALCo and the Investment Committee.

The Company has a number of documents, for example, guidelines, policies, agreements and reports, which collectively support and reinforce compliance with the PRA guidelines in respect of the Prudent Person Principle. The key documents include:

- Investment Policy and Strategy;
- Investment Management Agreements with external investment managers;
- Asset Liability Matching reporting;
- MA portfolio documentation;
- Conflicts of Interest Policy; and
- Portfolio reporting produced for ALCo and the Board based upon information from the Company's external investment managers, fund administrators, and external data providers.

The performance of and risk associated with Company's investments are subject to regular reporting to ALCo, the Investment Committee and investment oversight reviews.

D. VALUATION FOR SOLVENCY PURPOSES

The table below summarises the balance sheet values according to Solvency UK and on the UK GAAP basis used for statutory reporting as at 31 December 2025.

	Statutory Reporting As at 31 December 2025 £m	Elimination of Intangible assets & group transactions £m	Reallocation of assets & liabilities £m	Valuation & Recognition £m	Solvency UK As at 31 December 2025 £m	Solvency UK As at 31 December 2024 (Unaudited) £m
Assets:						
Intangible assets	80.8	(80.8)	-	-	-	-
Negative goodwill	(68.6)	68.6	-	-	-	-
Deferred tax asset	0.1	-	-	-	0.1	-
Investments in group undertakings and participating interests	4.5	1.0	-	-	5.5	5.2
Investments (other than assets held for index-linked and unit-linked contracts)	768.0	-	209.2	-	977.2	687.8
Equities	2.7	-	-	-	2.7	4.1
Bonds	587.7	-	208.7	-	796.4	591.1
Collective investment undertakings	176.0	-	-	-	176.0	81.0
Derivatives	1.6	-	0.5	-	2.1	1.5
Property (other than for own use)	-	-	-	-	-	-
Deposits other than cash equivalents	-	-	-	-	-	10.1
Assets held for index-linked and unit-linked contracts	4,787.4	-	(195.9)	-	4,591.5	4,456.4
Loans and mortgages	1.0	-	-	-	1.0	1.2
Insurance and intermediaries receivable	2.5	-	-	-	2.5	0.4
Reinsurance recoverable	192.2	-	-	(61.2)	131.0	134.6
Reinsurance receivables	1.1	-	-	-	1.1	1.0
Receivables (trade, not insurance)	37.7	-	(10.6)	-	27.1	15.9
Cash	38.4	-	-	-	38.4	63.4
Total Assets	5,845.1	(11.2)	2.7	(61.2)	5,775.4	5,365.9
Liabilities:						
Fund for future appropriations	64.7	-	-	(64.7)	-	-
Technical provisions - total	5,576.3	-	-	(132.4)	5,443.9	5,056.9
Other Provisions	-	-	-	-	0.0	3.1
Pension benefit obligations	1.3	-	-	-	1.3	1.1
Deposits from reinsurers	2.3	-	-	-	2.3	2.6
Deferred tax liabilities	9.6	-	-	30.2	39.8	34.9
Derivatives	-	-	2.8	-	2.8	0.3
Insurance & intermediaries payables	31.9	-	(0.1)	-	31.8	27.5
Reinsurance payables	0.8	-	-	-	0.8	0.7
Payables (trade, not insurance)	13.5	-	-	-	13.5	13.3
Total liabilities	5,700.4	0.0	2.7	(166.9)	5,536.2	5,140.4
Excess of assets over liabilities	144.7	(11.2)	(0.0)	105.7	239.2	225.5

D.1 Assets

D.1.1 Investments, including held for unit-linked contracts

The Company's investments comprise government bonds, corporate bonds (both publicly traded and private placements), collective investment undertakings, derivatives, deposits other than cash equivalents, other investments, and investments held for unit-linked contracts.

a) Active market

Quoted price: Fair values of assets traded on active markets are determined using quoted market prices when available. An instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis between a willing seller and a willing buyer. For financial instruments traded in active markets, quotes received from external pricing services represent consensus prices, i.e. using similar models and inputs resulting in a very limited dispersion.

On a statutory basis, as at 31 December 2025, the following amount of financial assets were valued using this approach £5,006.0m (2024: £4,721.6m).

b) Active versus inactive markets: financial instruments

Equity instruments quoted on exchange traded markets and bonds actively traded on liquid markets are generally considered as being quoted in an active market when:

- Quotes that represent consensus are regularly provided by external pricing services with limited dispersion; and
- Prices are readily available.

Liquidity for debt instruments is assessed using a multi criteria approach, including the number of quotes available, the place of issuance and the evolution of the widening of bid/offer spreads.

A financial instrument is regarded as not quoted in an active market:

- If there is little observation of transaction prices as an inherent characteristic of the instrument;
- When there is a significant decline in the volume and level of trading activity;
- In case of significant illiquidity; or
- If observable prices cannot be considered as representing fair value because of dislocated market conditions.

Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or indicative of a change in the conditions prevailing in certain markets.

On a statutory basis, as at 31 December 2025, the following amount of financial assets were valued using this approach £527.5m (2024: £391.9m).

c) Assets and liabilities not quoted in an active market

The fair values of assets and liabilities that are not traded in an active market are estimated:

- Using external and independent pricing services; or
- Using valuation techniques.

c.i) No active market: use of external pricing services

External pricing services may be fund asset managers in the case of investments in funds. To the extent possible, the Company collects quotes from external pricing providers as inputs to measure fair values. Prices received may form tight clusters or dispersed quotes which may then lead to the use of valuation techniques. The dispersion of quotes received may be an indication of the large range of assumptions used by external pricing providers given the limited number of transactions to be observed or reflect the existence of distress transactions. In addition, given current market conditions since the financial crisis and the inactivity of some markets since then, many financial institutions ceased to be engaged in the origination or trading of structured asset deals and are, as a result, no longer in a position to deliver meaningful quotes for such assets.

On a statutory basis, as at 31 December 2025, the following amount of financial assets were valued using this approach £24.2m (2024: £5.3m).

c.ii) No active market: use of valuation techniques

The objective of valuation techniques is to arrive at the price at which an orderly transaction would take place between market participants (a willing buyer and a willing seller) at the measurement date.

Valuation technique models include:

- Market approach: the consideration of recent prices and other relevant information generated by market transactions involving substantially similar assets or liabilities;
- Income approach: use of discounted cash flow analysis, option pricing models, and other present value techniques to convert future amounts to a single current (i.e. discounted) amount; and
- Cost approach: the consideration of amounts that would currently be required to construct or replace the service capacity of an asset.

Valuation techniques are highly subjective in nature, and significant judgment is involved in establishing fair values. The use of valuation techniques and the related underlying assumptions could produce different estimates of fair value. Valuations are determined using generally accepted models (discounted cash flows, Black & Scholes models, etc.) based on quoted market prices for similar instruments or underlying factors (index, credit spread, etc.) whenever such directly observable data are available and valuations are adjusted for liquidity and credit risk.

On a statutory basis, as at 31 December 2025, one equity investment was valued using this approach, leading to a valuation of £2.7m (2024: £4.1m).

Investments are classified into three tiers of fair value hierarchy based on the characteristics of inputs available in the marketplace. The following valuation hierarchy is used:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All assets are classified as Level 1 or Level 2 assets under the fair value, with the exception of the Level 3 assets detailed below.

Included in Level 3 assets are one equity holding of £2.7m (2024: £4.1m), four corporate bonds valued at £4.7m (2024: £5.3m) and two private placement bonds at £19.5m (2024: £nil). These are classified as Level 3 under the fair value hierarchy, on the basis there are no observable ('publicly available') prices.

The Level 3 equity asset (£2.7m) (2024: £4.1m) represents an equity holding in an investment company which holds a portfolio of onshore UK wind farms and wind finance companies. The investment company values the wind farms at fair value, using discounted cash flow valuation techniques, and the investment in finance entities at fair value, based on the fair value of loan notes and a share of net current assets.

The four bonds are classified as Level 3 because the assets are not actively traded. Fair value is arrived at with reference to a primary pricing vendor, who uses a non-option adjusted spread discounted cash flow model to derive a market value. Secondary and tertiary vendors are used for validation.

Two loans were made via private placement in Q4 2025. Goldman Sachs provide a monthly valuation which is independently validated by JPM valuation services.

Included in Level 2 assets are derivatives (swaptions, swaps and futures) totalling £1.7m (2024: £1.5m), held on the Company's balance sheet to back its GAO and BPA liabilities. These are classed as Level 2 under the fair value hierarchy on the basis that their fair value measurements are derived from inputs other than quoted market prices that are observable. The swaptions are Over the Counter ("OTC") instruments, for which the fair value is provided to the Company by the counterparty.

d) Valuation and recognition of assets

There are no differences between the bases, methods and main assumptions used in the valuation for solvency purposes and those used for valuation in the Financial Statements of the Company except for:

- Goodwill and Intangibles – generally valued at nil for solvency purposes;
- Reinsurance recoveries which are treated as an asset; and
- Holdings in related undertakings – valued at cost less impairment for UK GAAP, valued at fair value for Solvency UK based on excess of assets less liabilities (Solvency UK own funds).

Asset values in the Solvency UK balance sheet are shown including accrued interest thereon, in accordance with PRA guidelines, whereas in the Financial Statements, the accrued interest is shown separately. This is a difference in presentation and not a valuation difference. There have been no changes to the recognition and valuation bases used, or to estimations, during the reporting period.

D.1.2 Credit ratings

Notched credit ratings are used for the calculation of the MA and in the relevant modules of the Standard Formula SCR calculations.

For these purposes, credit ratings are obtained from External Credit Assessment Institutions ("ECAIs" or "rating agencies") nominated by the Company. If more than one rating is available from the nominated rating agencies, the Company uses the middle of three or the lower of two.

The Company's current nominated rating agencies are Standard & Poor's, Moody's, and Fitch. The use of three rating agencies provides good coverage of the Company's corporate bond portfolio and limits the number of unrated bonds. The agency AM Best (which focuses on the insurance industry) is also considered for reinsurance counterparties only.

Any internally rated bonds are assessed by the Board in relation to the appropriateness of the ratings assigned to the bonds, and used in the calculation of the MA only. Any internally rated bonds are treated as unrated in the Standard Formula spread risk modules.

D.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits with banks aggregating £38.4m (2024: £63.4m), where they have maturity dates of three months or less from date of acquisition.

D.1.4 Intangible assets

The Present Value of Acquired In-force Business ("PVIF") and Negative Goodwill balances relate to two acquisitions: Equitable Life Assurance Society ("ELAS") in January 2020 and RMIS (RTW) Limited ("RMIS") in April 2018.

The Directors have assessed the useful life of the PVIF and useful economic value of the negative goodwill arising on these acquisitions as 15 years, based on the period over which the value of the underlying business acquired is expected to exceed the value of the acquired identifiable net assets. The remaining amortisation period for ELAS business at 31 December 2025 is 9 years (2024: 10 years). The remaining amortisation period for the RMIS business is 7.25 years at 31 December 2025 (2024: 8.25 years) for these balances.

Under Solvency UK, only intangible assets related to the business in force, that are separable and for which there is evidence of transactions for the same or similar assets, indicating that they are saleable in the marketplace, are recognised. As a result of Solvency UK principles, goodwill and other intangible assets recognised under UK GAAP have no value in the Solvency UK consolidated balance sheet.

Intangible assets comprising AVIF policies and negative goodwill, both arising from the transfer of acquired business from RMIS and ELAS, are valued at £12.2m (2024: £13.9m) for UK GAAP purposes and nil under Solvency UK.

D.1.5 Reinsurance recoverable and receivables

Reinsurance recoverable related to insurance Technical Provisions are calculated in accordance with Solvency UK valuation principles. The amounts recoverable from reinsurers is based on gross insurance provision, having due regard to collectability. As at 31 December 2025, the value of the Company's reinsurance recoverable based upon UK GAAP was a net receivable of £155.8m, disclosed as an asset of £192.2m (including linked business) and liability of £36.5m in accordance with UK GAAP.

The resulting reinsurance cash flows are adjusted to allow for the risk of a reinsurer default. Standard & Poor's and AM Best are the current nominated rating agencies for this purpose.

Consistent with Solvency UK requirements, the Company treats the value of these reinsurance arrangements as an asset, where the valuation is based on the projected liabilities associated with the reinsurance on a gross of reinsurance basis. On a Solvency UK valuation basis there was an asset value of £131.0m (2024: £134.6m - unaudited), which has been reported in the table shown in section D.1. This comprises a negative asset of £48.1m (2024: £49.3m - unaudited) representing the net position of the longevity swaps (see section D.1.7) offset by a recoverable amount of £179.1m (2024: £183.9m - unaudited) in respect of traditional reinsurance products.

D.1.6 Longevity, Inflation and Cross Currency swaps

The Company holds a number of longevity swaps for its annuity portfolios, where the payments to the reinsurance counterparties are made on the basis agreed at the outset of the reinsurance treaty. In return, payments based on the actual experience of the corresponding annuity portfolios are made by the reinsurers to the Company over the remaining lifetime of the annuities.

The value of these longevity swaps is calculated as the difference between the present value of the variable annuity payments received from the reinsurer and the present value of the fixed annuity payments (agreed at the treaty outset) made to the reinsurer, where discounting is at the basic risk-free interest rate term structure.

Following entry to the BPA market, the Company has extended the use of financial instruments, investing primarily in inflation swaps to help hedge the risks associated with inflation-linked annuity liabilities and currency swaps to hedge currency risk.

Allowance for reinsurer default is made to the cash flows using Solvency UK probability of default for corporate bonds, with an allowance for recovery given default, as prescribed by EIOPA and subsequently adopted by the PRA.

D.1.7 Receivables (trade, not insurance)

Cost is used as an approximation of fair value for current cash settled receivables and payables, having due regard to collectability. The receivables are valued at £37.7m in 2025 (2024: £24.7m) on a UK GAAP basis, which includes debtors and accrued income. Accrued income aggregating £10.6m (2024: £8.8m), which under Solvency UK, is included under the relevant investments category and has been reclassified under government bonds, corporate bonds and deposits (other than cash).

D.1.8 Loans and mortgages

Amortised cost is used as an approximation of fair value for loans for both UK GAAP and Solvency UK, having due regard to collectability. Loans and mortgages had an aggregate value of £1.0m (2024: £1.2m).

D.1.9 Insurance and intermediary receivables

As at 31 December 2025, insurance receivables for premiums and recovery of pension relief at source were valued at £2.5m (2024: £0.4m) for UK GAAP and Solvency UK purposes.

D.1.10 Deferred taxation

Differences arise between Statutory Reporting and Solvency UK deferred tax balances due to differences in underlying valuation principles for assets and liabilities. However, recognition and valuation principles of deferred taxes under both UK GAAP and Solvency UK frameworks are similar.

Deferred tax assets and liabilities emerge from temporary differences with tax values of assets and liabilities, and, when applicable, from tax losses carry forwards.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to offset the temporary differences, taking into account the existence of tax groups and any legal or regulatory requirements on the limits (in terms of amounts or timing) related to the carry forward of unused tax losses or the carry forward of unused tax credits.

As at 31 December 2025, ULP has recognised a net Solvency UK shareholder deferred tax asset of £0.1m, which relates to Basic Life Assurance and General Annuity Business ("BLAGAB") trade losses carried forward. In addition, a net shareholder and policyholder deferred tax liability has been recognised of £39.8m, giving a total Solvency UK deferred tax liability of £39.7m. Projections made for future taxable profits are broadly consistent with assumptions used for other projected cash flows. The recoverability of deferred tax assets recognised in previous periods is reassessed at each closing period.

D.2 Technical Provisions

The technical provisions are shown in the table below.

Technical Provisions at 31 December 2025		
Liabilities	Solvency UK	Statutory Reporting
Technical Provisions – total	5,443.9	5,539.8
Best Estimate Liabilities	5,424.3	n/a
Risk Margin (unaudited)	19.6	n/a
Other Technical Provisions – Reinsurance	0.0	36.5

D.2.1 Material lines of business

Under Solvency UK, Technical Provisions are split between Life With-Profits Participation, Linked Life and Other Life Insurance. Technical Provisions are measured using a twofold 'building block' approach:

- BEL; and
- Risk Margin for non-hedgeable risks, which is added to the BEL.

The valuation of Technical Provisions requires in-depth analysis of the underlying obligations, collection of qualitative and quantitative information, projection tools and models and expert judgement in a number of areas.

The table below shows the segmentation of the Utmost business into lines of business for Solvency UK purposes.

Category	Description
Life With-Profits Participation	All products falling within this category are within one of the WPSFs. Some business within the WPSFs falls within the Other Life Insurance category.
Linked Life	This includes unit-linked business, but excludes index-linked annuities and index-linked funeral plan business, which increase in line with inflation indices.
Other Life Insurance	This includes all other business, including bulk purchase annuities, other annuities and funeral plan business.

The table below sets out the Technical Provisions as at 31 December 2025 for each of the Company's sub-funds.

ULP - Technical Provisions (£m)			
Sub-Fund	BEL	Risk Margin (unaudited)	Technical Provision
Non-Profit Fund Total	5,273.5	19.4	5,292.9
NPF Remaining Part	4,720.6	6.3	4,727.0
MA	552.9	13.1	566.0
WPSF1	19.9	0.0	19.9
WPSF2	8.0	0.0	8.0
WPSF4	50.7	0.0	50.8
WPSF6	72.2	0.1	72.2
Total Company	5,424.3	19.6	5,443.9

A summary by line of business is provided below.

ULP - Technical Provisions at 31 December 2025 (£m)			
Sub-Fund	BEL	Risk Margin (unaudited)	Technical Provision
Life With-Profits Participation	150.8	0.1	151.0
Linked Life	4,476.2	0.6	4,476.8
Other Life Insurance	797.3	18.8	816.1
Total Company	5,424.3	19.6	5,443.9

The Risk Margin (unaudited) is calculated at a sub-fund level and apportioned across product types.

Comparison with Financial Statements

The bases, methods and assumptions used for the Solvency UK regulatory valuation of the Company's Technical Provisions uses BEL with a Risk Margin, whereas valuation for financial reporting under UK GAAP uses a more prudent basis. Other sources of differences between the two bases include differences in the allowance of contract boundaries within the calculation of the BEL and elimination of negative non-unit reserves on a UK GAAP basis.

Whilst there is prudence throughout the UK GAAP statutory basis, explicit margins of prudence exist, which are as follows:

- The expenses for UK GAAP are calculated including an explicit prudence margin of 10% on non-investment related expenses.
- Assurance and annuities in payment mortality assumptions have a margin of 10%. There is further prudence in the long-term improvement rates for annuities in-payment (0.25% increase in the rate of improvement).
- We make no allowance for early retirement and surrenders for some policy groups with no age-related assumptions, but only where it is more prudent to do so. Age-related assumptions are kept at best estimate.
- The assumption for the take-up of GAOs contains additional prudence in that the take-up rate increases linearly to 95% over 20 years.

D.2.2 Valuation methodology

Under Solvency UK, the investment contract benefits and insurance contract liabilities required by UK GAAP are replaced by an assessment of the Technical Provisions, comprising of BEL and the Risk Margin. The table below shows a comparison between the two reporting metrics.

Balance Sheet Components	Technical Provisions Differences at 31 December 2025 (£m)				
	Statutory Accounts FRS102	Reallocation	Recognition of Discretionary Elements	Accounting Policy Differences	Solvency UK Value
Unit-linked technical provisions					
BEL	4,791.9	30.3	-	(346.0)	4,476.2
Risk Margin (unaudited)	-	-	-	0.6	0.6
Life and Health technical provisions					
BEL	747.9	(30.3)	66.5	164.0	948.2
Risk Margin (unaudited)	-	-	-	18.9	18.9
Gross Technical Provisions	5,539.8	-	66.5	(162.4)	5,443.9
Reinsurance					
BEL	(155.8)	-	-	24.8	(131.0)
Net Technical Provisions	5,384.0	-	66.5	(137.6)	5,312.9

The reallocation column shows differences in the categorisation of liabilities between the UK GAAP statutory accounts and Solvency UK. The values shown are based on the basis used for the UK GAAP statutory accounts. The accounting policy differences reflect the differences between the two bases due to moving to the Solvency UK basis and methodology. The reassessment of participations shows the allowance for future discretionary benefits allowed for within the calculation of the BEL.

Level of uncertainty in the technical provisions

The projection of the monthly cash flows used in the assessment of the Technical Provisions and Risk Margin requires management to make assumptions about future demographic and economic experience. The assumptions are based on historical experience, expected future experience, and various other factors that are believed to be reasonable under the circumstances. The assumptions are reviewed on a regular basis. Uncertainty arises from actual future experience being different from that assumed.

For the Company, the key areas of uncertainty relate to the items listed below.

- Life underwriting risk, which includes mortality experience, longevity experience, and policyholder behaviour in respect of lapses and exercising guarantees and options;
- Market conditions, including change in credit spreads, long-term interest rates and equities;
- Future expenses incurred in servicing insurance obligations, including administrative, investment and claims management expenses plus provision for related overheads; and
- Inflation risk from pension obligations connected to bulk purchase annuities.

Provision for future expenses: assumptions

The expenses contain a degree of uncertainty in relation to the future development of the business. The assumptions used to determine the Solvency UK Technical Provisions and SCR have been set based upon the business plan for Utmost, which includes the planned levels of new business, including BPAs.

The Company is required to hold technical provisions that cover all the expenses of the business, and there is an assumed management action that if there was no future new business, ULP would take actions that remove the fixed cost proportion of the new business costs within one year and reduce the scale of the maintenance costs on the BPA business. The technical provisions include an allowance for this £4.9m 'closure' or 'growth' reserve as a management action.

Under the Solvency UK basis, the expenses are assumed to be fully variable from 2029, once the BPA proposition is deemed to be at scale (based on the business plan). Prior to this an additional reserve is held for the maintenance costs that relate to the difference between modelled costs and budgeted costs.

Best estimate liabilities

The BEL corresponds to the probability-weighted average of future cash flows, including policyholders' benefit payments, expenses, taxes, premiums related to existing insurance and reinsurance contracts, taking into account the time value of money (i.e. by discounting these future cash flows to present value). The calculation of the BEL is based upon up-to-date reliable information and realistic assumptions. The cash flow projection model used in the calculation includes all the cash in- and out-flows required to settle the insurance and reinsurance obligations over their lifetime. The BEL is recognised on a gross of reinsurance basis, without deduction of amounts recoverable from reinsurance contracts.

The model discounts these monthly cash flows using the Solvency UK basic risk-free term structure of interest rates applying at the valuation date, prescribed by PRA, to calculate the BEL. For the MA portfolio (described in section D.2.3), the corresponding MA rate of 1.00% is added to the basic risk-free curve at all durations. The MA rate is not applied when discounting the reinsurance cash flows associated with this business.

Appendix A shows the material assumptions used to calculate the BEL for the Company as at 31 December 2025. In particular, it covers the assumptions used for interest rates, inflation, mortality, expenses and option take-up rates.

Expenses

Expenses include administrative, investment management, claims management and acquisition expenses which relate to recognised insurance and reinsurance obligations. The assumptions underlying expense projections are consistent with the Company strategy, taking into account future new business (including BPAs) and any expected change in expenses as considered by management. The cash flow projection model allocates the total annual (business-as-usual) budgeted expenses across the policies to which they relate. Investment management charges are based on the level of assets backing Technical Provisions, and unit costs are based on the business-as-usual budget (net of charges received from the with-profits sub-funds) and the number of policies in force.

In setting the expense assumptions, the Company has used its perspective on the expected future costs. The sensitivity of the Company to changes in expenses can be seen in the section C.6.

Future discretionary benefits ("FDBs")

In line with Solvency UK requirements, the BEL for the Company's with-profits business contains an allowance for FDBs, the payment of bonuses that are expected to be declared in the future. FDBs consists of future reversionary bonuses, terminal bonuses and other non-guaranteed bonuses.

A prospective bonus reserve valuation ("BRV") approach is used for all with-profits sub-funds. An iterative surplus minimisation process is initially carried out, which searches for a terminal bonus rate that, when applied, results in a BRV that matches the (net of current liabilities) asset value for each fund (subject to a tolerance). For these funds, the FDB is calculated to be the value of the assets less the value of the guaranteed liabilities.

Manual reserves

The Company determines the value of certain liabilities (referred to as 'manual reserves') outside of its policy level cash flow projection model. The reserves in respect of each manual reserve are determined as follows:

- The cash flows in respect of the manual reserve are imported into the model so that they can be included in the final BEL calculation as appropriate; or
- An adjustment for the manual reserve is added to the BEL outside of the liability cash flow model.

Allowance for deferred tax asset

The approach is a simplification of the underlying tax calculation because the amount assumes that full tax relief is available on all future expenses.

Risk Margin (unaudited)

The Risk Margin is defined as the cost of non-hedgeable risk, i.e. a margin in addition to the expected present value of liability cash flows required to manage the business on an ongoing basis. It is deemed to be the present value of the cost of future economic capital requirements for non-hedgeable risks. A best estimate assumption is defined as one where there is the same probability that the actual experience develops more or less favourably than the assumption. It is set at a level that is neither deliberately overstated nor deliberately understated.

In line with Solvency UK requirements, the Company calculates the Risk Margin by determining the expected cost of providing capital to cover the non-hedgeable part of its SCR over the remaining lifetime of the in-force business.

The Company assumes that all market risks are hedgeable and therefore excludes them from the SCR used in the Risk Margin calculation. Underwriting, operational and counterparty default risks are considered non-hedgeable.

The Solvency UK requirements define a hierarchy of simplifications which may be used to determine the Risk Margin that remove the need to perform a full projection of the SCR (excluding hedgeable market risk) at each future time period.

Rather than performing a full projection of the SCR at each future time period, the Company uses a simplified approach to determine the Risk Margin for all risks apart from longevity. Under the simplified methodology, each component of the Basic Solvency Capital Rate ("BSCR") (excluding market risk) is projected by assuming that the initial value runs off in line with an appropriate component of the BEL. A tapering parameter allows for a progressively lower weight to be given to each year of projected future capital requirement. For the longevity risk sub-module, instead of using a component of the BEL to estimate future risk capital, a full projection of the longevity risk capital is carried out.

This approach is consistent with Method 1 of the Hierarchy of Simplifications outlined in the Solvency UK Guidelines as they applied at the end of the transition period.

To arrive at the Risk Margin, the projected non-hedgeable SCRs at each future time-step are multiplied by a 4% cost of capital rate and discounted using the Solvency UK basic risk-free term structure of interest rates.

Consistent with Solvency UK rules, the Company's Risk Margin is calculated without taking credit for the effects of the MA portfolios.

D.2.3 Matching Adjustment

The Company has a Matching Adjustment ("MA") portfolio that backs all of the BPA business and some of the existing annuity business. The Company has provided an attestation of its matching adjustment to the PRA as at 31 December 2025.

The following table summarises the Company's MA portfolio as at 31 December 2025.

MA Portfolio Liabilities at 31 December 2025			
Contract Type	Number of contracts	BEL (with MA) £m	BEL (no MA) £m
Annuities (NPF MA)	22,757	552.9	608.5
Total	22,757	552.9	608.5

The liabilities and assets held in the MA portfolio satisfy the specific requirements that must be met in order to qualify as an MA portfolio.

Liability cashflows within a matching adjustment portfolio can take allowance for an illiquidity premium on the PRA risk-free rates, known as the MA rate. A positive MA rate (1.00% at YE25) increases the discount rates applied to the liabilities, thus resulting in a reduction in the provisions held for the portfolio.

No allowance is made for the beneficial impact of the MA rate on either the value of the reinsurance asset or within the Risk Margin calculations.

The table below sets out the MA rate used in the 31 December 2025 valuation in respect of the MA portfolio.

Matching Adjustment Rates		
Component	Description	Value at 31 December 2025
Rate 1	Single annual discount rate that equates the discounted value of the expected liability cash flows to the market value of the assets held to match those cash flows	5.67%
Rate 2	Single annual discount rate that equates the discounted value of the expected liability cash flows to the best-estimate liability calculated using the basic risk-free interest rate term structure with no adjustments	4.28%
Fundamental Spread	A component of credit spreads that reflects the cost of downgrades and a long-term average spread underpin. The credit spread varies by: currency, asset class, credit rating, and duration	0.39%
Matching Adjustment (Rate 1 – Rate 2 – Fundamental Spread)		1.00%

The following table shows the assets held in the MA portfolio as at 31 December 2025.

Asset Type	Value at 31 December 2025 (£m)
	NPF MA
Corporate bonds including private placements	495.9
Government bonds	108.7
Cash, Deposits and Other	19.1
Total	623.7

Losing Matching Adjustment approval is a very remote risk for the business as we have controls in place to ensure ongoing Matching Adjustment compliance and, in the event of non-compliance, the Company has two months to re-establish compliance. However, insurers using the Matching Adjustment are required to disclose the impact on the balance sheet of not applying the Matching Adjustment. The table overleaf shows the impact of not applying the Matching Adjustment as at 31 December 2025.

Balance Sheet Components	Value as at 31 December 2025 (£m)		
	With MA	Without MA	Impact of MA
Assets	5,683.1	5,683.1	0.0
Technical Provisions	(5,443.9)	(5,499.5)	55.6
Own Funds	239.2	183.6	55.6
RFF Restrictions	0.0	0.0	0.0
Eligible Own Funds	239.2	183.6	55.6
Solvency Capital Requirements	141.8	168.1	(26.3)
Solvency Capital Ratio (%)	169%	109%	60%
Minimum Capital Requirement	45.2	46.4	(1.2)

The application of the MA rate results in a reduction in the BEL for the MA portfolio of £55.6m, from £608.5m to £552.9m.

D.2.4 Volatility Adjustment

As at 31 December 2025, the Company did not make use of the Volatility Adjustment for the purpose of determining its Technical Provisions.

D.2.5 Transitional measures

Transitional risk-free interest rate term: structure

As at 31 December 2025, the Company did not apply the transitional risk-free interest rate term structure in the discounting of best estimate cash flows when calculating its Technical Provisions.

TMTPs (also referred to as the Transitional Deduction)

In July 2025, the PRA confirmed their notice of revocation of the Transitional Measure on Technical Provisions ("TMTP") for Utmost Life and Pensions following a request by ULP. This followed a number of years where the ULP had approval to apply a TMTP but the measure was set to zero.

As at 31 December 2025, the Company did not apply the TMTP.

D.3 Other Liabilities

The following section references the 'current liabilities, other than Technical Provisions' included in the table in section D.

D.3.1 Insurance and intermediaries payables

This balance of £31.9m (2024: £27.5m - unaudited) comprises claims outstanding relating to insurance and participating investment contracts. Death claims, maturities, annuity payments due and surrenders are recognised when due or at the earlier of the date when paid or when policy ceases to be included in the Technical Provisions (including for linked contracts).

The Company makes a provision for outstanding claims based on a realistic assessment of the likelihood of payment, which is based on experience and varies in line with the age of the debt.

D.3.2 Payables (trade, not insurance)

These payables of £13.5m (2024: £13.3m) comprise amounts which fall due within 12 months from the balance sheet date and are considered to be held at fair value.

D.3.3 Deposits from reinsurers

These comprise a liability to Hannover Re of £2.3m (2024: £2.6m) under a deposit back arrangement and is valued in accordance with the agreement on a payable basis and considered as a fair approximation of the fair value under Solvency UK. The Company holds an equivalent amount of assets as collateral received, which are included under Government Bonds, Corporate Bonds and Cash.

D.3.4 Pension Scheme benefit obligations

As part of the transfer of business from RMIS on 1 April 2018, the Company entered into a Flexible Apportionment Arrangement, whereby it was admitted as the principal employer to the defined benefit pension scheme ("the Scheme") and all RMIS Scheme liabilities were apportioned to the Company.

The Scheme has been closed to future accrual since June 2010.

The value of the Defined Benefit ("DB") pension scheme is recognised on the liability side of the Solvency UK balance sheet and is calculated as the difference between the market value of assets backing the liabilities of the DB pension liabilities; and the DB pension liabilities calculated under the International Accounting Standard 19 ("IAS 19"), including International Financial Reporting Interpretations Committee 14 ("IFRIC 14").

The valuation allows for the full cost of pensions equalisations (being the financial impact on the Reliance Pension Scheme of benefits being provided on and from 17 May 1990 with the same normal retirement age of 60 for male and female members and on and from 30 March 1995 with the same normal retirement age of 65 for male and female members). The asset valuation is carried out by Schroder's and the value of the DB pension liabilities is calculated by First Actuarial, an employee benefits consultancy.

As at 31 December 2025, the Scheme was in deficit, valued at £1.3m (2024: £1.1m), applicable for both UK GAAP and Solvency UK purposes, as follows:

	Value at 31 December 2025 (£m)
Pension Scheme assets	19.1
Pension Scheme liabilities	(20.4)
Onerous liability (effect of asset ceiling)	Nil
Deficit	(1.3)

During 2024, the Company entered into negotiations with the Trustee of the Scheme with a view to buying out the scheme's remaining liabilities. Following the successful completion of these negotiations, legal agreements were signed in February 2025 which committed both parties to work towards a full buy-out, which completed during the first quarter of 2026.

D.3.5 Reinsurance payables

As at 31 December 2025, the value of the Company's reinsurance payables was £0.8m (2024: £0.7m), for both UK GAAP and Solvency UK reporting.

D.3.6 Provisions other than Technical Provisions

Provisions other than technical provisions are £nil (2024: £3.1m) for both UK GAAP and Solvency UK reporting. In 2024, provisions included an amount for committed project costs of £3.0m and pension mis-selling of £0.1m

D.3.7 Deferred taxation Liability

Differences arise between UK GAAP and Solvency UK deferred tax balances due to differences in underlying valuation principles for assets and liabilities. However, recognition and valuation principles of deferred taxes under both UK GAAP and Solvency UK frameworks are similar.

Deferred tax assets and liabilities emerge from temporary differences with tax values of assets and liabilities, and when applicable, from tax losses carried forwards.

The deferred tax liability is calculated by reference to temporary difference between the values ascribed to assets and liabilities for UK GAAP and the value ascribed to those assets and liabilities under Solvency UK. The deferred tax liabilities under Solvency UK include additional liabilities recognised in respect of positive valuation differences between the Solvency UK balance sheet and the UK GAAP statutory accounts.

Projections made for future taxable profits are broadly consistent with assumptions used for other projected cash flows. The recoverability of deferred tax assets recognised in previous periods is reassessed at each closing period. The deferred tax assets and liabilities are netted off if the counterparty is the same tax authority and there is an ability to settle net.

A deferred tax liability, with a balance at 31 December 2025 of £39.8m (2024: £34.9m - unaudited) has been disclosed separately for Solvency UK reporting.

D.3.8 Derivative Liabilities

As at 31 December 2025, the company had derivative liabilities of £2.8m (2024: £0.3m - unaudited). These are valued on an equivalent basis to derivative assets, as described in section D1.6

D.3.9 Valuation and Recognition of liabilities

The Company has no material liabilities arising as a result of leasing arrangements.

There are also no significant uncertainties regarding the timing or amounts of other liabilities.

There have been no changes made to the recognition and valuations bases, or estimates used, of other liabilities during the reporting period.

There are no differences between the bases, methods and main assumptions used in the valuation for solvency purposes and those used for valuation in the financial statements. Aside from assumptions used for valuation models, as noted above, there are no significant assumptions or uncertainties regarding the valuation of assets.

D.4 Alternative Methods for Valuation

D.4.1 Participation in related undertakings

ULP acquired the business of ELAS on 1 January 2020. The majority of the business of ELAS transferred to ULP under Part VII of the Financial Services and Markets Act 2000 ("FSMA"). A small amount of Euro denominated Irish and German business remains in ELAS, which became a wholly owned subsidiary of ULP on 1 January 2020. The ELAS subsidiary is treated as a strategic participation.

On a UK GAAP basis, the carrying value of ELAS as a subsidiary of ULP is based on its cost less impairment. The value shown in the Solvency UK balance sheet is based on the excess of assets over liabilities (Solvency UK Own Funds).

D.4.2 Loans on policies and outstanding premiums

Loans on policies and outstanding premiums are valued for UK GAAP at amortised cost of £0.4m (2024: £0.5m), and this is not considered to be materially different to their fair value for Solvency UK purposes.

D.5 Any Other Information

There is no other relevant information to add.

E. CAPITAL MANAGEMENT

E.1 Own Funds

Capital is determined and monitored for the Company on the regulatory basis, as stipulated in the PRA Rulebook. This primarily focuses upon the Total Available Own Funds ("TAOF") and the SCR of the Company. A Solvency Monitoring Tool is used to produce an estimation of the balance sheet on a monthly basis and to determine the sensitivity of the roll-forward position to market conditions through the year, ensuring that the capital requirements are adequately met. The Company's capital position is formally reviewed and approved on a quarterly basis by delegated authority from the Board to the management. The Company also forecasts the capital position on a regular basis and takes this into account by considering the capital requirements for potential future new BPA business.

The TAOF for year end 31 December 2025 was £239.2m. The Company had an SCR of £141.8m at year end 2025, with a Solvency Coverage Ratio of 169%. Comparable figures for year end 31 December 2024 were a TOAF of £225.4m, an SCR of £117.8m and a Solvency Coverage Ratio of 191%.

The Capital Management Framework and risk appetite set out the Company's approach for managing Own Funds. The Company aims to maintain an appropriate buffer of capital resources over the regulatory capital requirements. Solvency and liquidity levels are monitored on a regular basis, and are used to inform the dividend capacity and requirements for any future BPA business. There have been no material changes over the reporting period to the management of Own Funds.

The Company is required to hold capital at a level of financial resources that do not fall below a minimum as determined in accordance with the PRA Regulations. For the purposes of determining its regulatory capital, the Company uses the Solvency UK Standard Formula without adjustment. The appropriateness of the Standard Formula approach has been reviewed by the Risk Management and the Actuarial functions and approved by the Board. The capital of the Company comprises ordinary shares and retained earnings.

There were no changes to the capital structure of ULP during 2025.

E.1.1 Description of Own Funds

The Company's Own Funds are allocated to tiers, as set out in the Solvency UK regulations (as restated and applicable to the UK).

Own Funds (£m)	Tier	31 December 2025	31 December 2024 (Unaudited)
Paid in ordinary share capital	1	100.0	100.0
Surplus funds	1	0.1	0.1
Reconciliation reserve	1	139.0	125.3
Net Deferred Tax Asset	3	0.1	0.0
Eligible Own Funds to meet the SCR		239.2	225.4
Eligible Own Funds to meet the MCR		239.2	225.4

The change in surplus funds and reconciliation reserves is set out in more detail in sections E.1.3 and E.1.4.

Ordinary share capital

The Company's issued and fully paid ordinary share capital is treated as Tier 1 unrestricted Own Funds.

With-profits funds - Surplus Funds

The PRA has set out a mandatory calculation of Surplus Funds for UK Solvency UK firms to ensure consistency across the industry¹. For the with-profits funds, Surplus Funds should be calculated as the difference between the assets in a with-profits fund (except those meeting liabilities in respect of non-profit insurance) and the value of with-profit liabilities (including the value of any other liabilities properly attributable to that with-profits fund).

With-profits Surplus Funds satisfy the characteristics of Tier 1 because they will only be distributed to policyholders in the future if it is appropriate to do so and are loss-absorbent because future distributions can be reduced if the amount of accumulated profits reduces due to future losses.

¹<https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2024/ss1315-november-2024-update.pdf>

The PRA has specified that the default basis for the calculation of the value of with-profit liabilities (for the purposes of Surplus Funds) is a retrospective (i.e. asset share) approach. Where a retrospective approach is impracticable or would not lead to a fair value of the liabilities, a prospective approach can be used.

Due to the treatment of future discretionary benefits ("FDB") in the Company's with-profits funds, the PRA calculation of Surplus Funds results in a value of near zero.

E.1.2 Reconciliation reserve

The reconciliation reserve is a balancing item which ensures that the total Own Funds equal the excess of assets which are available to absorb unexpected losses over liabilities. This reserve is used to reflect the restrictions on the availability of Own Funds from ring-fencing (see below). It also includes any 'foreseeable' distributions or charges that would reduce the value of the Own Funds available to absorb losses.

E.1.3 Eligibility restrictions of Own Funds

The Company's WPSFs (WPSF1, 2, 4, and 6) and MA portfolio (NPF1 MA) are all treated as ring-fenced for Pillar 1 valuation purposes. This means that Own Funds are restricted by the amount of any surplus assets in excess of the notional SCR that exists within each of these RFFs. There are currently no ring-fenced fund restrictions for year-end 2025. None of the ring-fenced funds have surplus assets and all are supported by the non-profit fund currently, albeit by only small amounts in the with profit funds.

The value of eligibility restrictions at 31 December 2025 was £nil. Further details on the components of the capital requirements and potential volatility can be found in section E.2.

E.1.4 Reconciliation between UK GAAP equity and Solvency UK Own Funds

The differences between the Company's UK GAAP and Solvency UK valuations are quantified and explained within section D. The following tables summarise those movements and determine the difference in the Company's UK GAAP equity and Solvency UK Own Funds and the sources of those differences.

SUK Pillar 1 Solvency (£ millions)	31 December 2025	31 December 2024 (Unaudited)	Change
UK GAAP Equity	144.7	135.4	9.3
Own Funds	239.2	225.4	13.8

SUK Pillar 1 Solvency (£m)	UK GAAP Statutory	Solvency UK	Change
Valuation of Assets	5,845.1	5,775.4	(69.7)
Valuation of Technical Provisions	(5,539.8)	(5,443.9)	95.9
Funds for future appropriations	(64.7)	-	64.7
Valuation of other liabilities	(95.9)	(92.3)	3.6
Total Own Funds	144.7	239.2	94.5

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR calculation and results

The Company uses the Standard Formula approach to calculate its SCR. The appropriateness of the Standard Formula approach, with respect to the Company's risk profile, has been reviewed by the Risk Management and Actuarial functions and approved by the Board.

The SCR amount for the Company at 31 December 2025 has been calculated to be £141.8m.

SCR Module	SCR (£m)	
	31 December 2025	31 December 2024 (Unaudited)
Life Underwriting	88.5	92.3
Market	127.2	107.9
Counterparty Default	8.6	10.0
Diversification	(44.6)	(45.1)
Basic SCR	179.6	165.2
Operational SCR	16.5	9.2
Loss Absorbing Capacity	(54.3)	(56.6)
Total SCR	141.8	117.8

The loss-absorbing capacity of Technical Provisions of £54.3m (as shown in S.25.01) reflects the Company's loss absorbing capacity of deferred taxes (as the company tax bill can be reduced under stress conditions) and also arises from the Company's WPSFs, reflecting the ability of the Company to apply management actions in these sub-funds under stress conditions. The loss absorbency of deferred taxes is a tax benefit, reflecting the tax relief that would be available if the company made a loss equivalent to the SCR. In the Company, it is primarily composed of the difference between the Solvency UK own funds and the UK GAAP equity of the Company. We can also carry back losses against the previous year's profit, which is part of the tax relief that would be available to the company.

E.2.2 Simplifications used in the calculation of the SCR

For the lapse risk sub-module, the Company applies the Standard Formula stresses to persistency rates, paid-up rates and take-up rates on GAOs. The most onerous stress (out of the permanent increase and decrease to rates, and a mass lapse) is assessed at a mixture of product code level and individual policy level, rather than solely at an individual policy level for non-linked business. The Company does not consider that this simplification results in a material misstatement of the lapse risk capital.

To calculate counterparty default risk capital, the Company uses a simplification to determine the risk-mitigating effect of reinsurance, whereby the effect of removing reinsurance contracts at treaty level is considered rather than counterparty. The resulting risk mitigation effect is spread across the reinsurance counterparties in line with the base value of the reinsurance asset. The Company does not consider that this simplification will have a material impact on the level of counterparty default risk capital held.

The Company does not use Company-specific parameters².

E.2.3 MCR calculation and results

The Company's MCR is calculated in line with the linear formula set out in the Solvency UK Regulations (as restated and applicable to the UK).

The MCR amount for the Company as at 31 December 2025 has been calculated to be £45.2m. The table overleaf sets out the components of the MCR, to which factors are applied in calculating the MCR. Neither the MCR cap nor the MCR floor bite at year end 2025. The amounts include reinsurance recoverable and liabilities.

² [Solvency Capital Requirement - Undertaking Specific Parameters | Prudential Regulation Authority Handbook & Rulebook \(prerulebook.co.uk\)](https://prerulebook.co.uk)

Components	Value (£m)	
	31 December 2025	31 December 2024 (Unaudited)
Technical Provisions (Life, 1)	83.3	88.7
Technical Provisions (Life, 2)	66.3	64.4
Technical Provisions (Life, 3)	4,473.8	4,344.2
Technical Provisions (Life, 4)	669.9	407.5
Capital at Risk	323.8	357.0
SCR	141.8	117.8
MCR	45.2	39.1

E.3 Differences between the Standard Formula and any Internal Model used

An internal model is not currently used by the Company.

E.4 Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

The SCR and the MCR were complied with at all times during the reporting period. There is no expectation of any future non-compliance by the Company.

E.5 Any Other Information

The Company entered 2026 with a strong balance sheet and with a Solvency UK coverage ratio of 169% as outlined in E.1 and continues to maintain a strong position in 2026.

The Company has started the process of developing its own Partial Internal Model for the determination of the solvency capital requirement.

APPENDIX A: VALUATION BASIS

Details of assumptions which are significant for the Company for Solvency UK reporting are provided below.

INTEREST RATE TERM STRUCTURE

The Company uses the unadjusted PRA term structure for the UK for all lines of business. For business which is in its Matching Adjustment MA portfolio, the PRA curve is uplifted by the appropriate MA rate, as shown in section D.2.3.

INFLATION

Inflation is a significant assumption for the Company because it impacts the value of the projected expenses as well as benefits which are linked to inflation, including inflation-linked annuities in-payment, immediate and deferred annuities and funeral plans. For year-end 2025, the company adopted swap-based inflation across the whole of ULP with the exception of Funeral Plan that uses the gilts-linked inflation curve. For the prior year the company used inflation assumptions based on gilts for non-MA and on swaps for MA businesses.

The inflation assumption used by the Company at year end 2025 uses an inflation curve constructed using RPI swap rates sourced from Bloomberg.

No allowance is made to reflect the difference between earnings and price inflation. We assume that RPI is higher than CPI in the future, though the difference changes over time. LPI assumptions are based on both the assumption for the expected RPI rate calculated as above and the maximum amount payable for that particular LPI rate.

MORTALITY

Assurances

Different percentages of standard tables, NLT21-23, ELT16, and TNL16 ranging from 55% to 120% (50% to 123% of tables NLT18-20, ELT16, and TNL16 at year end 2024) are used depending upon the risk group.

Industrial Branch conventional non-profit contracts are adjusted to allow for 'gone-aways'. These arise where the policyholder is no longer aware of the policy's existence (and may have already died) and where it is not possible to trace the policyholder (or next-of-kin). All Industrial Branch conventional contracts where the policyholder is aged over 100 are excluded. Reduction factors are applied to the remaining non-profit contracts.

Annuities

For all non-BPA annuities, the gender-specific PL16 or PA16 tables are used for males and females (no change from year end 2024).

Different percentages of standard tables, PL16 and PA16 ranging from 85% to 260% (88% to 260% at year-end 2024), are used depending upon the risk group.

For BPA annuities the latest version of the Club Vita curves are used (CV 25 version 1). These are based on the gender, postcode and annuity size for each individual annuitant. The rates are derived from data collected from over 230 pension schemes covering over 3m annuitants.

The Company has adopted the CMI 2024 mortality improvement factors published by the Institute of Actuaries in 2025 for the valuation of annuity liabilities at year end 2025.

EXPENSES

The table below shows the unit cost assumptions. These unit costs are weighted depending on individual products, based on the amount of resources required to administer the particular products.

Unit Cost Assumptions £	31 December 2025	31 December 2024
Renewal Expenses – non BPA	57.76	55.98
Renewal Expenses – BPAs	55.53	54.86

The charges to WPSF1, WPSF2, WPSF4 and WPSF6 for expenses are governed by the Scheme of Arrangement, as described in the Company's PPFM.

OPTIONS AND GUARANTEES

In NPF and WPSF6 there are a number of unit-linked and with-profits pension contracts, respectively, where the unit fund may be converted to an annuity on guaranteed terms. The Company uses policyholder fund value dependent take-up rates, which vary between 10% and 50% (2024: 10% and 50%).

LAPSE ASSUMPTIONS

The Company's lapse assumptions are set using historic experience, with the lapse rates rounded to the nearest 0.1%. The assumed annual rates vary by product, ranging from 0% to 7.8% (year end 2024: 0% to 5.3%) for the non-age related lapse rates. In addition, we assume some exits are related to age (particularly for pension policies), and those exit rates can range from 0% to 42% per annum.

APPENDIX B: QUANTITATIVE REPORTING TEMPLATES

The following pages contain QRTs for the Company.

All figures are presented in thousands of pounds with the exception of ratios that are in decimal. Please note that totals may differ from the component parts due to rounding. All items disclosed are consistent with the information provided privately to the Regulators.

The following QRTs are provided:

IR.02.01.02:	Balance sheet information.
IR.05.02.01:	Information on Premiums, claims and expenses by country.
IR.05.03.02:	Information on Life income and expenditure
IR.12.01.02:	Information on life Technical Provisions
IR.22.01.21:	Information on the impact of long-term guarantees measures and transitionals
IR.23.01.01:	Information on Own Funds.
IR.25.04.21:	Information on the SCR, calculated using the Standard Formula.
IR.28.01.01:	Specifying information on the MCR for life insurance.

IR.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	0
R0040	Deferred tax assets	89
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	982,769
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	5,540
R0100	<i>Equities</i>	2,658
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	2,658
R0130	<i>Bonds</i>	796,361
R0140	<i>Government Bonds</i>	240,191
R0150	<i>Corporate Bonds</i>	556,170
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	176,040
R0190	<i>Derivatives</i>	2,170
R0200	<i>Deposits other than cash equivalents</i>	0
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	4,591,474
R0230	Loans and mortgages	1,056
R0240	<i>Loans on policies</i>	250
R0250	<i>Loans and mortgages to individuals</i>	156
R0260	<i>Other loans and mortgages</i>	650
R0270	Reinsurance recoverables from:	130,973
R0280	<i>Non-life and health similar to non-life</i>	0
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	128,649
R0340	<i>Life index-linked and unit-linked</i>	2,324
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,466
R0370	Reinsurance receivables	1,054
R0380	Receivables (trade, not insurance)	27,164
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	38,350
R0420	Any other assets, not elsewhere shown	0
R0500	Total assets	5,775,395

Liabilities		Solvency II value
		C0010
R0505	Technical provisions - total	5,443,903
R0510	<i>Technical provisions - non-life</i>	0
R0515	<i>Technical provisions - life</i>	5,443,903
R0542	Best estimate - total	5,424,349
R0544	<i>Best estimate - non-life</i>	0
R0546	<i>Best estimate - life</i>	5,424,349
R0552	Risk margin - total	19,554
R0554	<i>Risk margin - non-life</i>	0
R0556	<i>Risk margin - life</i>	19,554
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	1,332
R0770	Deposits from reinsurers	2,324
R0780	Deferred tax liabilities	39,811
R0790	Derivatives	2,769
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	31,838
R0830	Reinsurance payables	797
R0840	Payables (trade, not insurance)	13,470
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>	0
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	Total liabilities	5,536,243
R1000	Excess of assets over liabilities	239,152

IR.05.02.01

Premiums, claims and expenses by country: Life obligations

	C0150	C0160	C0170	C0180	C0190	C0200	C0210
	Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
		DE	IE	GG	JE		
R1400	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written							
R1410 Gross	361,935	0	0	119	20		362,074
R1420 Reinsurers' share	17,298	0	0	6	0		17,304
R1500 Net	344,637	0	0	113	20		344,770
Premiums earned							
R1510 Gross	361,967	0	0	119	20		362,106
R1520 Reinsurers' share	17,298	0	0	6	0		17,304
R1600 Net	344,669	0	0	113	20		344,802
Claims incurred							
R1610 Gross	590,744	0	0	3,724	3		594,471
R1620 Reinsurers' share	27,825	0	0	193	0		28,019
R1700 Net	562,919	0	0	3,531	3		566,453
R1900 Net expenses incurred	28,810	0	0	292	0		29,102

IR.05.03.02

Life income and expenditure

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	
Premiums written								
R0010	Gross direct business	731	81,736	278,783	0	824	0	362,074
R0020	Gross reinsurance accepted	0	0	0	0	32	0	32
R0030	Gross	731	81,736	278,783	0	855	0	362,106
R0040	Reinsurers' share	1,265	615	14,944	0	479	0	17,304
R0050	Net	-534	81,121	263,838	0	376	0	344,802
Claims incurred								
R0110	Gross direct business	14,147	523,489	47,195	0	9,641	0	594,471
R0120	Gross reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross	14,147	523,489	47,195	0	9,641	0	594,471
R0140	Reinsurers' share	227	2,320	21,898	0	3,574	0	28,019
R0150	Net	13,920	521,169	25,296	0	6,067	0	566,453
Expenses incurred								
R0160	Gross direct business	964	15,032	2,684	0	10,523	0	29,202
R0170	Gross reinsurance accepted	0	0	0	0	0	0	0
R0180	Gross	964	15,032	2,684	0	10,523	0	29,202
R0190	Reinsurers' share	3	85	0	0	12	0	100
R0200	Net	961	14,947	2,684	0	10,511	0	29,102
R0300	Other expenses							300
Transfers and dividends								
R0440	Dividends paid							0

IR.12.01.02
Life technical provisions

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Best estimate							
R0025 Gross Best Estimate (direct business)	145,057	4,476,171	734,997		67,962		5,424,187
R0026 Gross Best Estimate (reinsurance accepted)	0	0	0		162		162
R0030 Gross Best Estimate	145,057	4,476,171	734,997	0	68,124	0	5,424,349
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-4,615	2,324	125,872		7,392		130,973
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re	149,671	4,473,847	609,125	0	60,732	0	5,293,376
R0100 Risk margin	120	645	18,020		769		19,554
Amount of the transitional on Technical Provisions							
R0140 TMTP - risk margin							0
R0150 TMTP - best estimate dynamic component							0
R0160 TMTP - best estimate non-dynamic component							0
R0170 TMTP - amortisation adjustment							0
R0180 Transitional Measure on Technical Provisions	0	0	0	0	0	0	0
R0200 Technical provisions - total	145,176	4,476,816	753,017	0	68,893	0	5,443,903

IR.22.01.21

Impact of long term guarantees measures and transitionals

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero	
	C0010	C0030	C0050	C0070	C0090	
R0010	Technical provisions	5,443,903	0	0	0	55,601
R0020	Basic own funds	239,152	0	0	0	-55,601
R0050	Eligible own funds to meet Solvency Capital Requirement	239,152	0	0	0	-55,690
R0090	Solvency Capital Requirement	141,788	0	0	0	26,289
R0100	Eligible own funds to meet Minimum Capital Requirement	239,063	0	0	0	-55,601
R0110	Minimum Capital Requirement	45,244	0	0	0	1,168

IR.23.01.01
Own Funds

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above

R0220 Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

R0290 Total basic own funds

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees
R0350	Letters of credit and guarantees other
R0360	Supplementary members calls
R0370	Supplementary members calls - other
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580 SCR

R0600 MCR

R0620 Ratio of Eligible own funds to SCR

R0640 Ratio of Eligible own funds to MCR

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0725	Deductions for participations in financial and credit institutions
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
100,000	100,000		0	
0	0		0	
0	0		0	
0		0	0	0
117	117			
0		0	0	0
0		0	0	0
138,946	138,946			
0		0	0	0
89				89
0	0	0	0	0
0				
239,152	239,063	0	0	89

0			0	
0			0	
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0

239,152	239,063	0	0	89
239,063	239,063	0	0	
239,152	239,063	0	0	89
239,063	239,063	0	0	

141,788
45,244
168.67%
528.39%

C0060
239,152
0
0
0
100,206
0
138,946

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
Market risk		
R0070	Interest rate risk	3,233
R0080	Equity risk	65,468
R0090	Property risk	164
R0100	Spread risk	39,754
R0110	Concentration risk	1,441
R0120	Currency risk	11,627
R0125	Other market risk	0
R0130	Diversification within market risk	-13,801
R0140	Total Market risk	107,885
Counterparty default risk		
R0150	Type 1 exposures	8,227
R0160	Type 2 exposures	335
R0165	Other counterparty risk	0
R0170	Diversification within counterparty default risk	-80
R0180	Total Counterparty default risk	8,481
Life underwriting risk		
R0190	Mortality risk	3,132
R0200	Longevity risk	9,486
R0210	Disability-Morbidity risk	1,499
R0220	Life-expense risk	17,617
R0230	Revision risk	0
R0240	Lapse risk	68,236
R0250	Life catastrophe risk	447
R0255	Other life underwriting risk	0
R0260	Diversification within life underwriting risk	-14,057
R0270	Total Life underwriting risk	86,360

Health underwriting risk		
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	Total Health underwriting risk	0
Non-life underwriting risk		
R0330	Non-life premium and reserve risk (ex catastrophe risk)	
R0340	Non-life catastrophe risk	
R0350	Lapse risk	
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	
R0370	Non-life underwriting risk	0
R0400	Intangible asset risk	
Operational and other risks		
R0422	Operational risk	15,837
R0424	Other risks	
R0430	Total Operational and other risks	15,837
R0432	Total before all diversification	246,501
R0434	Total before diversification between risk modules	218,564
R0436	Diversification between risk modules	-45,719
R0438	Total after diversification	172,845
R0440	Loss absorbing capacity of technical provisions	679
R0450	Loss absorbing capacity of deferred tax	-34,286
R0455	Other adjustments	2,550
R0460	Solvency capital requirement including undisclosed capital add-on	141,788
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	Solvency capital requirement including capital add-on	141,788
R0490	Biting interest rate scenario	increase
R0495	Biting life lapse scenario	mass

GLOSSARY OF TERMS

AFR	Available Financial Resources
ALCo	Asset and Liability Committee
ALM	Asset and Liability Management
AMC	Annual Management Charge
AVIF	Acquired Value In-Force
BEL	Best Estimate Liability
BPA	Bulk Purchase Annuity
Bps	Basis Points
BRV	Bonus Reserve Value
BSCR	Basic Solvency Capital Requirement
CF	Certification Function
DB	Defined Benefit
ECAI	External Credit Assessment Institution
EIOPA	European Insurance and Occupational Pensions Authority
EOF	Eligible Own Funds
EPIFP	Expected Profit in Future Premium
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EU	European Union
ExCo	Executive Committee
FCA	Financial Conduct Authority
FCOG	Fair Customer Outcomes Governance Committee
FDB	Future Discretionary Benefits
FRS	Financial Reporting Standard under UK GAAP
FVPC	Fair Value Pricing Committee
GAAP	Generally Accepted Accounting Principles
GAO	Guaranteed Annuity Option
GDPR	General Data Protection Regulation
GSAM	Goldman Sachs Asset Management
HRG	Homogeneous Risk Group
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
JPMAM	JP Morgan Asset Management
KF	Key Function
KFP	Key Function Person
KRI	Key Risk Indicator
MA	Matching Adjustment
MCR	Minimum Capital Requirement
NNED	Notified Non-Executive Director
NPF	Non-Profit Fund
OEIC	Open-Ended investment Company
ORSA	Own Risk and Solvency Assessment
OTC	Over the Counter

PPFM	Principles and Practices of Financial Management
PRA	Prudential Regulation Authority
QRT	Quantitative Reporting Template
RFF	Ring Fenced Fund
RIDCo	Regulatory and Industry Development Committee
RMIS	RMIS (RTW) Limited – formerly Reliance Mutual Life Insurance Society Limited
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SM&CR	Senior Managers and Certification Regime
SMC	Senior Management Committee
SMF	Senior Management Function
SUK	Solvency UK
TMP	Transitional Measure on Technical Provisions
TP	Technical Provisions
UGP	Utmost Group Plc
ULP	Utmost Life and Pensions Limited("the Company")
ULPH	Utmost Life and Pensions Holdings Limited
UNPRI	UN's Principles of Responsible Investment initiative
ULPS	Utmost Life and Pensions Services Limited
WPSF1	With Profits Sub-Fund 1
WPSF2	With Profits Sub-Fund 2
WPSF4	With Profits Sub-Fund 4
WPSF6	With Profits Sub-Fund 6