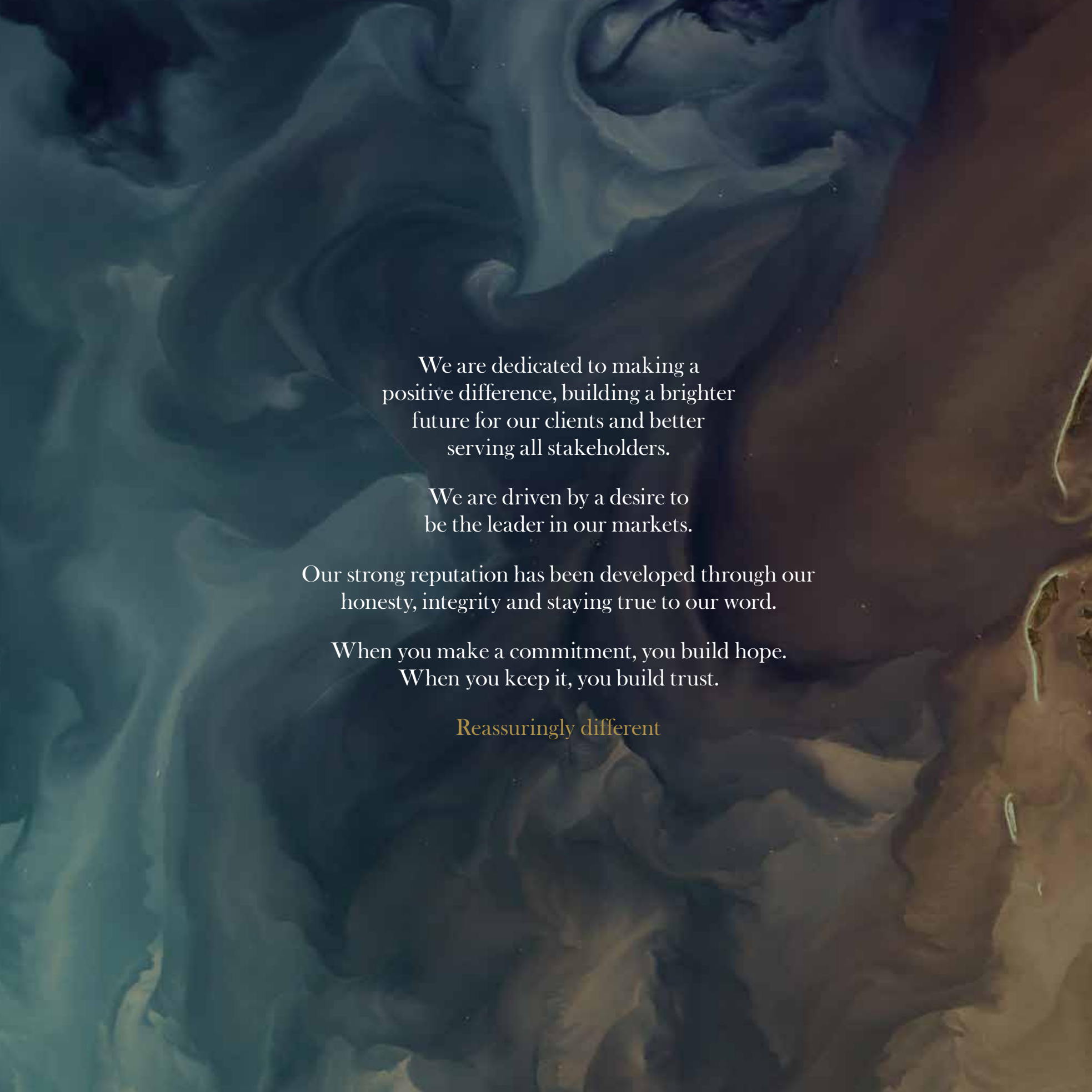




REASSURINGLY DIFFERENT

Annual Report 2024

utmost[™]
G R O U P



We are dedicated to making a
positive difference, building a brighter
future for our clients and better
serving all stakeholders.

We are driven by a desire to
be the leader in our markets.

Our strong reputation has been developed through our
honesty, integrity and staying true to our word.

When you make a commitment, you build hope.
When you keep it, you build trust.

Reassuringly different

2024 OVERVIEW

OUR PURPOSE

We are dedicated to making a positive difference, building a brighter future for our clients and better serving all stakeholders

WHAT WE DO

We provide insurance and savings solutions to help grow and protect our clients' financial futures

FINANCIAL HIGHLIGHTS

UWS ASSETS UNDER ADMINISTRATION ("AUA")

£103.5bn

(2023: £54.6bn)¹

GROSS FLOWS²

£6.8bn

(FY 2023: £6.4bn)

NET SOLVENCY II ECONOMIC VALUE

£2,392m

(2023: £1,686m)

OPERATING PROFIT

£190m

(2023: £212m)

Utmost Group uses Alternative Performance Measures ("APMs") as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used to provide an accurate and helpful reflection of business performance. For further information, please see pages 158 and 159.

This document contains, and Utmost Group may make other statements (verbal or otherwise) containing, forward-looking statements, other information relating to future financial conditions or the performance, results and/or strategy of the Utmost Group. For further information, please see page 163.

References to IFRS figures used throughout the Strategic Report reflect the basis of preparation set out on page 90, note 2.1.

1. The Group revised the calculation of its AUA KPI in 2024. For further details on this change, please see page 158

2. Gross flows are on a proforma basis including Lombard International 2024 gross flows

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WHAT WE DO AND WHERE WE OPERATE

WHAT WE DO

Utmost Group is a leading global provider of insurance and savings solutions that help grow and protect our clients’ financial futures.

[Q READ MORE ABOUT OUR BUSINESS MODEL ON PAGES 20 AND 21](#)

This is delivered through our two core businesses: Utmost International and Utmost Life and Pensions.

UTMOST INTERNATIONAL

Utmost International is a leading wealth platform, offering unit-linked wealth solutions via our global network of intermediaries.

Operating under Utmost Wealth Solutions (“UWS”), our solutions provide a tax-efficient and transparent savings option to affluent, high-net worth (“HNW”) and ultra-high-net worth (“UHNW”) clients. With operations in the UK, Europe, the Middle East, Asia and Latin America, UWS helps to preserve our clients’ wealth and safeguard it for future generations.

Utmost Corporate Solutions (“UCS”) is a small part of Utmost International. It is a provider of life, income protection and critical illness cover to multinational corporations with employees in multiple jurisdictions.

UTMOST LIFE AND PENSIONS

Utmost Life and Pensions (“ULP”) is a UK-focused insurer providing long-term security to policyholders through the management of established life and pension books of business.

ULP has recently entered the BPA (“Bulk Purchase Annuity”) market, targeting smaller pension schemes.

Our trusted sector expertise, secure financial foundations, and commitment to excellence ensures good customer outcomes for all our policyholders.

[Q READ MORE ABOUT UTMOST LIFE AND PENSIONS’ BUSINESS MODEL ON PAGES 26 TO 29](#)

[Q READ MORE ABOUT UTMOST INTERNATIONAL’S BUSINESS MODEL ON PAGES 22 TO 25](#)

WHERE WE OPERATE

UK
INTERNATIONAL

ULP

£2.1bn
GROSS FLOWS¹

2
BPA TRANSACTIONS
COMPLETED IN 2024



1. Gross flows are proforma with Lombard International as at 31 December 2024

FRANCE
INTERNATIONAL

£1.0bn
GROSS FLOWS¹

ITALY
INTERNATIONAL

£1.1bn
GROSS FLOWS¹

SPAIN & PORTUGAL
INTERNATIONAL

£0.9bn
GROSS FLOWS¹

NORDICS
INTERNATIONAL

£0.5bn
GROSS FLOWS¹

OTHER EUROPE
INTERNATIONAL

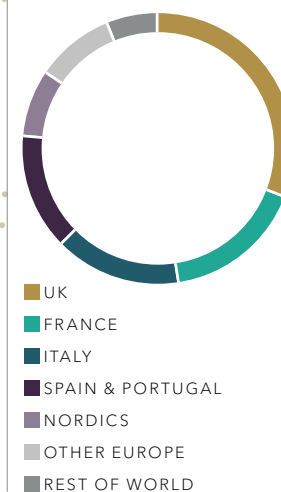
£0.6bn
GROSS FLOWS¹

REST OF WORLD
INTERNATIONAL

£0.4bn
GROSS FLOWS¹



GEOGRAPHIC SPLIT OF 2024
PROFORMA GROSS FLOWS



IMPLEMENTING OUR PURPOSE-DRIVEN APPROACH

○ PURPOSE

Represents our commitment as a business and underpins our strategy, culture and business model

🔍 [READ MORE FROM OUR CEO ON PAGES 12 TO 15](#)

● STRATEGY

Delivered through our business model and aims to achieve positive stakeholder outcomes

🔍 [READ MORE ABOUT OUR STRATEGY ON PAGES 16 TO 17](#)

● OPERATING FRAMEWORK

Our governance, risk management and sustainability frameworks guide how we operate

🔍 [READ MORE ON OUR RISK MANAGEMENT ON PAGES 54 TO 63](#)

🔍 [READ MORE ABOUT SUSTAINABILITY STRATEGY ON PAGES 38 TO 49](#)

● STAKEHOLDERS

Groups that we engage with and serve

🔍 [READ MORE ABOUT OUR STAKEHOLDER ENGAGEMENT ON PAGES 51 TO 53](#)

PURPOSE

We are dedicated to making a positive difference, building a brighter future for our clients, and better serving all stakeholders



PROVIDING
GOOD CLIENT
OUTCOMES



DELIVERING
GROWTH



OPERATING
EFFICIENTLY



CREATING
AN ENDURING
BUSINESS

**RISK
MANAGEMENT**
READ MORE ON PAGES 54 TO 63

SUSTAINABILITY
READ MORE ON PAGES 38 TO 49

GOVERNANCE
READ MORE ON PAGES 66 TO 74

CLIENTS

Committed to delivering good client outcomes and building a brighter future for all customers

READ MORE ON PAGE 52

INVESTORS

Delivering strong, stable returns to our investors

READ MORE ON PAGE 52

EMPLOYEES

Work to ensure that all of our employees are fulfilled, motivated and set up to succeed

READ MORE ON PAGE 52

REGULATORS

Work collaboratively to ensure we adhere to the financial services regulations in the markets we operate

READ MORE ON PAGE 53

COMMUNITY AND ENVIRONMENT

Recognising the importance of leaving a positive legacy on the communities and environments in which we operate

READ MORE ON PAGE 53

SUPPLIERS

Building strong working relationships with our key suppliers

READ MORE ON PAGE 53

DELIVERING ON OUR KPIS

We monitor a range of financial and non-financial metrics to measure the Group’s performance against our strategic priorities and our purpose. These KPIs support the business in assessing how we generate value for our key stakeholders.

Utmost Group delivered strong results for 2024, in another year characterised by macroeconomic challenges and geopolitical volatility. In the year, the Group completed its acquisition of Lombard International and entered the Bulk Purchase Annuity market, reflecting the implementation of key strategic priorities. We have continued to focus on value and operational efficiency, whilst ensuring we maintain strong economic value and capital position.

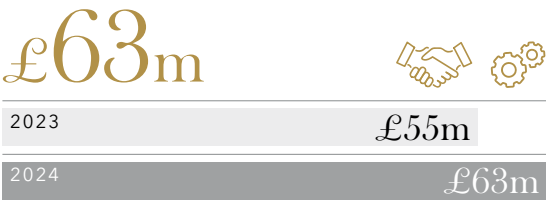
In 2024 we revised and amended a number of our KPIs. This was to ensure that they better reflected the current evolution of our operating model and provided a more consistent tool for us to monitor business performance. These new KPIs are more wealth-centric and consistent with our wealth industry peers. Further details on these revisions can be found in the APM section of the Annual Report on pages 158 and 159.

READ MORE ABOUT OUR FINANCIAL PERFORMANCE IN OUR CHIEF FINANCIAL OFFICER’S REVIEW ON PAGES 30 TO 37

VALUE OF NEW BUSINESS

VNB is a measure of the profitability of new business written after allowing for the cost of administering it. It is calculated as the present value of future income arising from new business written in the year, less costs associated with writing the business, calculated on a Solvency II basis.

COMMENTARY
The increase in VNB reflects the improvement in VNB margin (defined as VNB divided by APE) from 15.9% in FY23 to 16.9% in FY24 and an increase in the volume of business written.



UWS ASSETS UNDER ADMINISTRATION

UWS AUA is a measure of the assets held by Utmost Group on behalf of its UWS policyholders.

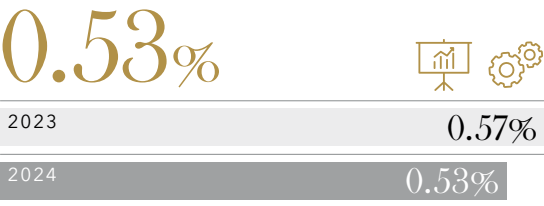
COMMENTARY
AUA increased in the period due to the acquisition of Lombard International and positive market movements offset by net outflows from gross inflows of £3.9bn and outflows of £(4.3)bn.



REVENUE MARGIN

Revenue margin is calculated as UWS revenue for the year divided by average UWS AUA for the year. It provides a measure of the revenue generated from assets administered by the Group on behalf of UWS clients.

COMMENTARY
Revenue margin remains consistent with 2023 and reflects the stable nature of revenue from the UWS business.



GROSS AND NET FLOWS

Gross flows represent the total new UWS assets under administration accepted in the period.

Net flows represent the gross flows less the amount of AUA withdrawn by clients during the same period.

COMMENTARY
UWS achieved strong inflows of £3.9bn in 2024, reporting an improving quarterly trend during the year and leading to an 8% increase on 2023. On a proforma basis, UWS gross inflows were £6.8bn and UWS outflows were £7.5bn to give UWS proforma net flows of £(0.7)bn (compared to £(0.9)bn proforma net flows in 2023).



IFRS OPERATING PROFIT

Measures the profit emerging from the key operations of the business. It is a measure of IFRS earnings before interest, taxation, depreciation and amortisation ("EBITDA"). Operating Profit excludes any non-recurring item. A reconciliation of operating profit to IFRS profit before interest and tax is provided in the APMs section of this report.

COMMENTARY
The decrease in Operating Profit compared to FY23 is driven by foreign exchange gains in FY23 that have not reoccurred, offset by higher returns on shareholder assets.



LINK TO STRATEGIC PILLARS



Providing Good Client Outcomes



Delivering Growth



Operating Efficiently



Creating an Enduring Business

OPERATING PROFIT MARGIN

Operating profit margin is calculated as UWS operating profit divided by UWS total revenue. It provides a measure of the profitability of the business written by UWS.

COMMENTARY

Operating profit margin remains strong highlighting the profitability of the UWS business.

48%



2023

53%

2024

48%

SOLVENCY II ECONOMIC VALUE

The Group view of the aggregate value of the business. It is calculated by adding the Solvency II Economic Value ("SII EV") of its insurance companies and the IFRS net asset value of its non-insurance companies.

COMMENTARY

SII EV increase was driven by the acquisition of Lombard International, the value of new business written, operational improvements and positive market movements.

£2,392m



2023

£1,686m

2024

£2,392m

OPERATING CASH GENERATION

Operating cash generation is calculated as operating profit less the coupons on the Tier 2 loan notes and the Restricted Tier 1 loan notes.

COMMENTARY

Operating cash generation remains strong and the decrease from 2023 is driven by the lower operating profit in the period.

£156m



2023

£178m

2024

£156m

SOLVENCY COVERAGE RATIO

Calculated as Group Own Funds as a percentage of Group Solvency Capital Requirement ("SCR") (on a standard formula basis).

COMMENTARY

The decrease in Solvency Coverage Ratio is driven by the acquisition of Lombard International in the year. The Solvency Coverage Ratio remains well in excess of the Group's capital policy.

175%



2023

208%

2024

175%

PROFIT AFTER TAX

Profit after tax generated by the Group as included within the Consolidated Statement of Comprehensive Income.

COMMENTARY

The profit after tax is driven by the gain on bargain purchase of £509m arising on the acquisition of Lombard International

£564m



2023

£54m

2024

£564m

CLIENT RETENTION

A measure of the clients who held an Utmost policy at the start of the year and still held that policy at the end of the year.

COMMENTARY

High retention rates are a reflection of good client servicing and the delivery of appropriate solutions. UWS high retention rates are driven by a strong proposition and good client service as well as the inherent product features, where some benefits may be lost or tax payments crystallised upon early surrender.

91%



2023

92%

2024

91%

STRAT REPOR

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CHIEF EXECUTIVE OFFICER'S REVIEW

PAUL THOMPSON
GROUP CHIEF EXECUTIVE OFFICER



“

At Utmost, we have always prided ourselves on our level of ambition, and 2024 was no exception.

”

Our people are at the heart of our achievements, and our success is a testament to their hard work. Their dedication and commitment in 2024 enabled the Group to successfully complete our acquisition of Lombard International and to formally enter the UK Bulk Purchase Annuity ("BPA") market. It is with pride that I reflect on the year's accomplishments, and on the strength and evolution of our organisation over the past 11 years.

BUILDING AN ENDURING BUSINESS

2024 was a milestone year for the Group, during which we delivered significant strategic initiatives in both our International and UK businesses.

At Utmost, we have always prided ourselves on our level of ambition, and 2024 was no exception. The acquisition of Lombard International and our entry into the UK's BPA market significantly enhances the Group's scale, footprint and access to new markets. It has provided the business with a strong pipeline of opportunities with which to deliver long-term resilient growth. I have always been proud of our approach at Utmost – to make clear, high-conviction decisions that reinforce our strategic direction and ambition. The past year was a testament to that as we further strengthened our market-leading proposition.

Utmost Life and Pensions entered the BPA market with the successful completion of two external pension scheme transactions in the latter part of 2024. This was achieved following a year of preparation – building pricing, operations and servicing capability – delivered through the establishment of a new team of 20 experts, exclusively focused on BPA, and recruitment of a new CEO, Andrew Stoker, who brings a wealth of industry knowledge. Our attractive BPA proposition presents an exciting new business opportunity for Utmost Life and Pensions. By providing a strong and credible offering to a historically underserved segment of the BPA market, we believe that within five years we can achieve over a 5% share of the annual market volume, which is estimated to be £40bn to £60bn per annum¹.

In December 2024, we completed our acquisition of Lombard International. Lombard International is a company that we have competed with and respected for many years. The acquisition fortifies our European position, strengthens our product offering and deepens our engagement across client segments. The acquisition has added £45bn in AUA, taking Utmost International's Assets under Administration to over

£100bn. We now have significant scale which cements our market-leading position in the international wealth management sector. This, combined with our broad global distribution network and deep technical expertise, will provide Utmost with an even stronger platform with which to realise our significant organic growth ambitions.

We are progressing in our Lombard integration programme. Our priority is, and will always remain, our clients and we are committed to ensuring that client servicing remains a focus throughout this process. Our team has extensive integration experience and, while I acknowledge that there is much work to be done, I remain confident in our Group's ability to deliver.

Early in 2024 we announced that Fitch Ratings had upgraded the Group's Insurer Financial Strength ("IFS") Ratings to 'A+' from 'A'. Simultaneously, Fitch upgraded the Group's Long-Term Issuer Default Rating ("IDR") to 'A' from 'A-'. Both ratings have stable outlooks. The upgrade reflects the Group's strong financial strength and improved business risk profile following the completion of the Quilter International integration, which we completed at the end of 2023. Following our completion of the Lombard acquisition, Fitch Ratings awarded Lombard International Assurance an 'A+' IFS rating, in line with our other rated insurance entities. This reflects the view that Lombard International is integral to the Group and will strengthen the Group's wealth solutions offering.

THE EVOLUTION OF UTMOST

The successful acquisitions of Quilter International and Lombard International have resulted in the Group undergoing a material transition over the last five years. As an organisation we have evolved from a relatively small UK-focused insurance consolidator to a large global wealth business with over £100bn of predominantly unit-linked AUA. To reflect the evolution of our operating model and more appropriately monitor business performance, we have revised our Group Key Performance Indicators ("KPIs"). We have adopted KPIs that are more wealth-centric and consistent with industry peers, such as gross flows and revenue margin. The transition to these new KPIs reflects both the historic evolution in scale and composition of the Group, plus our future strategic focus.

Our 2024 results reflected our strong year, with our wealth solutions business surpassing over £100bn in Assets under Administration and recording £6.8bn in proforma inflows. This was achieved through our acquisition of Lombard International, solid performance in Utmost Wealth Solutions and strong market growth. The second half of the year brought greater client focus

on wealth planning and investment particularly in the UK, following the changes introduced during the Autumn Budget. We are confident that this trend will continue into 2025 as clients show renewed demand for advice and long-term financial planning solutions.

Our business model is designed to protect our clients' financial futures, and we want to be a partner to our clients both now and in the future. We are well positioned to benefit from the global demographic trends which are accelerating a greater individual need for savings and retirement planning. As these trends become more prevalent and governments globally are increasingly reviewing their taxation and pension landscapes, we are confident that we have the foundations in place to deliver long-term growth.

OUR PEOPLE & OUR COMMUNITIES

Our people are the foundation of our success, and we are committed to providing a workplace where they thrive. We continue to empower all our people to be ambitious, dynamic and entrepreneurial to help us to build a company that leaves an enduring legacy.

Employee engagement remains high on our agenda, and testament to this was our groupwide engagement survey result. Our combined participation rate rose to an impressive 88%, with a year-on-year improvement in positive scores. Following the results, each entity has developed action plans to address the specific concerns raised by their people and to ensure that Utmost responds appropriately to our employees' needs.

In 2024, we launched our inaugural mentoring scheme. This scheme was targeted at high-performing employees across the Group who were partnered with mentors from other business entities and teams. This has helped to forge connections across the Group and helped individuals on their professional development journey. Feedback from the participants was very encouraging and demonstrated the wealth of talent and skills that we have across the organisation. Given the success of the initiative, our HR teams have commenced work on the second cohort due to launch in 2025.

Utmost Group has grown to over 2,000 employees largely based across the UK and Europe. With the addition of Lombard International, we now have a deep European base with a long-standing history and culture built over the past 30 years. The focus over the coming months is to ensure our new colleagues feel welcomed and part of Utmost. Past experience has highlighted the importance of promoting Utmost's culture and values across our new Luxembourg entity, while also being cognisant of ways to interweave the history and attributes of Lombard into the cultural fabric of Utmost.

1. https://insights.lcp.com/rs/032-PAO-331/images/LCP-Pension-risk-transfer-report-2024.pdf?utm_campaign=PRT_2024&utm_medium=bitly&utm_source=website (Accessed 31 March 2025)

We are mindful that cultural integration takes time but I am confident that our new colleagues, who bring with them a wealth of knowledge to Utmost, will be welcomed warmly.

Outside of Lombard International, we welcomed new leadership to the Group with both Utmost International Isle of Man and Utmost International Ireland gaining new CEOs – Karl Moore and Henry O'Sullivan respectively. They have both been in role since April 2024 and have already made positive strides in their jurisdictions. In late 2024 we welcomed Andrew Stoker as CEO of our UK business, following the retirement of Stephen Shone. Andrew has extensive financial services experience, having recently been CFO at Rothesay, and will be invaluable in continuing to strengthen our offering and further penetrating the large and attractive BPA market for Utmost Life and Pensions.

OUR CLIENTS: FOCUS ON THE BASICS

We have a clear strategic intent – to build an enduring business that serves our clients both now and in the future. We know that customers have high expectations, and so we remain focused on our core strengths: delivering excellent customer service and providing tailored local expertise reflecting regional nuances.

Throughout 2024, we continued to prioritise improving our customer servicing. Our new Customer and Partner Excellence team has been working closely with our global network of intermediaries to better understand their needs and ensure that across Utmost those needs are met. We want to ensure that we build long-term partnerships with our clients and their advisers. This means it is crucial that our digital solutions and processes are sufficiently agile to adapt to the changing consumer expectations. We have laid the foundations for the enhancement and development of our digital strategy with the long-term aim of ensuring efficiency and ease with which to conduct business. High-quality service remains a key focus for the Group, and we will continue to invest in tools and solutions to ensure that the evolving needs of our clients are met.

With the addition of Lombard International, we have strengthened our Sales and Technical teams and through them we have further embedded our deep-rooted local expertise across all of our markets. The depth of technical knowledge ensures that we are a strong partner to our third-party intermediaries. We are committed to providing them with market-leading tools and technical insights to ensure that they are suitably equipped to engage with their clients. In 2024, we launched Navigator – a quarterly briefing that distils the latest developments in tax, regulatory and legal landscapes across the international wealth and life assurance markets. The briefing demonstrates our technical expertise, and it is pleasing to read the positive feedback received from partners across jurisdictions.

In our new BPA business, we have made significant investments in personnel to build a team of senior and experienced individuals who have a deep-rooted understanding of the market. This has enabled us to establish strong relationships with the employee benefit consultants and trustees, and to demonstrate the strength of our offering. We know that customer service is paramount for both the trustees and the members. We have therefore leveraged the existing capabilities of our experienced customer service team, who have on average 26 years of experience, to service our new BPA customers. This wealth and depth of knowledge ensures we deliver excellent customer service to our existing and new members.

FUTURE-LOOKING FOCUS

The acquisition of Lombard and our entry into the BPA market has firmly established our market-leading footprint, but we remain ambitious. We want to capitalise on our position and continue to pursue further growth in both of our core businesses. In our International business, we will look to extend our footprint in our growing markets of Asia, Latin America and the Middle East. Our UK business has demonstrated the value it can add in the competitive BPA sector, and in 2025 we will look to secure further transactions with a focus on the smaller end of the BPA market.

We are confident that while the macroeconomic horizons continue to be uncertain, we remain well placed to manage and navigate these challenges. Our products offer transparent and compliant wealth management solutions for our clients, and we are committed to supporting our customers in safeguarding their wealth. We want to successfully support our clients today, and for the generations to come.

At Utmost, we have built a business that started as an industry disruptor to one that is a recognised, market-leading player. This ambitious attitude has not been tempered and we will continue to push the boundaries of what we can achieve.



Paul Thompson
Group Chief Executive Officer

“
At Utmost, we have built a business that started as an industry disruptor to one that is a recognised, market-leading player. This ambitious attitude has not been tempered and we will continue to push the boundaries of what we can achieve.
”

OUR VALUES

Our values guide our decision-making, build trust with our customers and are the foundation for our long-term success.

INSPIRING

We provide a clear vision and direction for the Group. We have the confidence and experience to try new ideas in order to enact meaningful change where required.

MOTIVATED

Our positive attitude and energetic approach serve us in realising our potential. We are ambitious thinkers and strive to be the leader in our chosen markets.

PERSONABLE

We care deeply about making a difference to our stakeholders. Our approach is one of empathy and respect and we bring a personal touch to the innovative solutions we deliver.

ADAPTABLE

We use our experience to adapt to any changes in circumstances or requirements. We are mindful of broader industry trends in our decision-making.

COLLABORATIVE

We work productively with our stakeholders to ensure our choices make a positive difference. Our approach encourages communication, teamwork and mutual respect.

TRUSTWORTHY

Our honesty, reliability and professionalism have helped us achieve high standing amongst our partners and industry peers. We stay true to our word, true to our stakeholders' interests and are here for the long haul.

IMPACT

STRATEGIC PILLARS

PROVIDING
GOOD CLIENT
OUTCOMES



1

OPERATING
EFFICIENTLY



3

DELIVERING
GROWTH



2

CREATING
AN ENDURING
BUSINESS



4

PROVIDING GOOD CLIENT OUTCOMES



STRATEGIC OBJECTIVES

- Working in partnership with our intermediaries to address client needs
- Extending our proposition offering to provide well-designed and efficient solutions
- Delivering high-quality, consistent and reliable client service

LINKED KPI:

- AUA
- Gross and Net Flows
- VNB
- Client Retention

PROGRESS DURING 2024

- Lombard International acquisition expanded our European footprint, providing more options for clients
- Appointment of a Head of Customer and Partner Excellence, underscoring our commitment to hold good customer outcomes at the core of Utmost
- Ongoing investment in our online digital capabilities to enhance customer experiences and reduce strain on customer service teams

FORWARD-LOOKING FOCUS

- Integrate and embed Lombard International, ensuring that all customers and partners continue to experience high levels of service in the period of transition
- Expand functionality of our Online Service Centres
- Assess opportunities in new and existing markets and respond to changing client demands. Ensure that our product portfolio reflects the needs of our client base

DELIVERING GROWTH



STRATEGIC OBJECTIVES

- Addressing demand drivers and operating in growth segments
- Utilise our competitive advantages to attract and retain customers
- Pursue inorganic growth opportunities, upholding a strict value-accretive deal criteria

LINKED KPI:

- AUA
- Gross and Net Flows
- Revenue Margin
- Operating Profit
- Operating Profit Margin

PROGRESS DURING 2024

- Completed our acquisition of Lombard International, establishing Utmost as a leading provider of insurance and savings solutions
- Fitch Ratings upgraded the Group's IFS rating to 'A+' and its IDR to 'A'
- Formally entered the BPA market, completing two deals, and offering smaller schemes greater choice

FORWARD-LOOKING FOCUS

- Successfully integrate and embed Lombard International into our International business
- Complete further buy outs in the BPA market to further establish our presence in the market
- Expand reach and product offerings in high-potential markets

OPERATING EFFICIENTLY



STRATEGIC OBJECTIVES

- Integration and optimisation of acquired businesses
- Streamlining operational processes and systems
- Invest in technology to enhance digital capabilities

LINKED KPI:

- VNB
- Revenue Margin
- Operating Profit
- Operating Profit Margin
- SII Economic Value

PROGRESS DURING 2024

- Progressed the alignment and simplification of our International business' operational processes to reduce touchpoints and enhance customer experience
- Continued investment in internal solutions to ensure our employees have the tools and resources to effectively serve our customers
- Investment in new systems and technology partnerships to support our entry into the BPA market

FORWARD-LOOKING FOCUS

- Integration of Lombard International, with a priority on activities that support internal collaboration across the combined Group
- Continue to progress with the simplification and alignment of our standards and processes across our International business

CREATING AN ENDURING BUSINESS



STRATEGIC OBJECTIVES

- Maintaining financial and operational resilience
- Creating a rewarding environment for our people to maximise their potential
- Contribute to a lasting positive impact on the environment and broader community

LINKED KPI:

- Client Retention
- SII Economic Value
- Solvency Coverage Ratio
- Operating Cash Generation

PROGRESS DURING 2024

- £120,000 raised for charity across Utmost
- Increase in the combined participation rate from 82% to 88% in our groupwide engagement survey, with an overall improvement in positive scores
- Launch of pilot mentoring scheme targeting high-potential mentees and mentors across the Group
- Continued reduction in our operational emissions, with the adoption of renewable energy solutions in our Isle of Man office

FORWARD-LOOKING FOCUS

- Retain and attract key talent. Enhance productivity through structured mentoring and leadership development programmes
- Continue to reduce our operational emissions
- Progress against our net zero target in our shareholder assets
- Retain our strong capital position and deliver returns for our shareholders

PROGRESSING OUR STRATEGY

CASE STUDY

LOMBARD INTERNATIONAL ACQUISITION



In December 2024, Utmost Group completed its acquisition of Lombard International Assurance Holdings S.a.r.l. The acquisition places Utmost International as one of the largest providers of insurance-based wealth solutions globally.

Q YOU CAN READ MORE ABOUT OUR ACQUISITION OF LOMBARD INTERNATIONAL IN THE CEO REVIEW ON PAGES 12 TO 15 AND THE BUSINESS MODEL ON PAGES 22 TO 25

Providing Good Client Outcomes

Through the strength of the combined company, we remain assured of our ability to deliver good client outcomes to our customers globally. It will give our clients and their advisers access to a deeper pool of technical experts with wider European exposure, in particular across the French market.

To ensure we continue to address the evolving needs of our clients, we will maintain and extend the existing Lombard distribution models of direct and intermediated sales across the entire International business.

Delivering Growth

Lombard International has enabled the Group to exceed over £100bn in Assets under Administration, by adding £45bn in largely European-based AUA. This has increased our access to Continental Europe and will enable us to widen our client base to capture previously untapped market segments.

Operating Efficiently

One of our core competencies is our ability to integrate acquired business. Drawing on this experience, we have decided not to embark on a lengthy migration programme. We are instead focused on aligning our systems and processes to ensure seamless servicing for all our clients. Our focus remains on customer experience and customer service, with investment in existing infrastructure to deliver efficient operations.

CASE STUDY

ENTRY INTO THE BULK PURCHASE ANNUITY MARKET



Our Utmost Life and Pensions business entered the bulk purchase annuity market in 2024, with the successful transaction of two external pension schemes in Q4 2024.

Q YOU CAN READ MORE ABOUT OUR ENTRY INTO THE BPA SECTOR IN THE CEO REVIEW ON PAGES 12 TO 15 AND THE BUSINESS MODEL ON PAGES 26 TO 29

Providing Good Client Outcomes

Our UK business has built on its existing annuity business to establish a strong and credible offering to address the significant demand for pension risk transfer in the UK. Our client service team, with 26 years average tenure, have extensive sector expertise which we are leveraging to ensure that our new members receive informed customer service.

Our entry to the market follows a year of preparation, where the new team of 20 experts built out pricing, operations and servicing capability. The team is supported through partnerships with Schroders and Mantle Services. These strengthened capabilities enable Utmost Life and Pensions to provide an efficient onboarding process, in-house client administration, market-leading asset management, and seamless migration from buy-in to buy-out.

Delivering Growth

Utmost Life and Pensions has established a strong pipeline for 2025 and is confident it can deliver on its growth ambitions which incorporate a target market share of over 5% within five years.

The demand for BPAs has increased in recent years, driven by improved funding levels largely as a result of yield rises, refinement of the regulatory rules with Solvency UK, and attractive pricing. It is projected that the market will realise £400bn to £600bn in volumes over the next decade. This has created an active market, with providers competing to offer compelling offerings to pension schemes.

£400bn to 600bn

ESTIMATED BPA VOLUMES OVER THE NEXT DECADE

BUSINESS MODEL

Utmost Group is a leading global provider of insurance and savings solutions to help grow and protect our clients' financial futures. We are driven by our purpose to make a positive difference, build a bright future for our clients, and better serve all stakeholders.

Our business model is based on our strengths and expertise and delivers robust returns to our stakeholders.



Offering unit-linked wealth solutions' products to clients, via a global network of intermediaries

[READ MORE ON PAGES 22 TO 25](#)

OUR STRENGTHS

- Entrepreneurial Acumen
- Proposition Agility
- Acquisition and Integration Expertise
- Financial Resilience

OUR PEOPLE

We have an experienced, founder-led management team. Our employees are central to the success of the Group. We embolden them to be ambitious, entrepreneurial and dynamic.

OUR STRATEGY

- Providing Good Client Outcomes
- Delivering Growth
- Operating Efficiently
- Creating an Enduring Business

OUR VALUES

- I Inspiring
- M Motivated
- P Personable
- A Adaptable
- C Collaborative
- T Trustworthy

OUR CUSTOMER JOURNEY

ATTRACT AND ENGAGE

We attract and engage clients across our global footprint.

In Utmost International we work with our established network of distribution partners to deliver leading propositions to customers.

Utmost Life and Pensions is building its presence in the BPA market and has developed an attractive proposition for trustees and members.



SERVE AND RETAIN

We are committed to providing good outcomes and building enduring relationships with our clients.

Across Utmost we continue to enhance our propositions and service levels to help our clients meet their financial needs and deliver good client outcomes.



A specialist UK pensions provider, focusing on providing security for pension schemes and their members

[READ MORE ON PAGES 26 TO 29](#)

DELIVER VALUE

We are structured to deliver value to all our stakeholders.

We generate revenue through fees and charges and returns on our investments. This revenue is reinvested in our business to support future growth, ensure strong operational delivery, and maintain financial resilience.

By reinvesting into our business, we are ensuring that we continue to meet our clients' needs, deliver value to all our stakeholders, and create an enduring business.



THE STAKEHOLDERS WE SERVE

CLIENTS

91%

UWS client retention

[Q READ MORE ON PAGE 52](#)

INVESTORS

£2,392m

Solvency II Economic Value

[Q READ MORE ON PAGE 52](#)

EMPLOYEES

86%

Average positive score in our groupwide employee engagement survey

[Q READ MORE ON PAGE 52](#)

REGULATORS AND RATING AGENCIES

'A+' with a Stable Outlook

Insurer Financial Strength Rating

[Q READ MORE ON PAGE 53](#)

COMMUNITY & ENVIRONMENT

£120k

Raised for charities across Utmost Group

[Q READ MORE ON PAGE 53](#)

SUPPLIERS

1

Unified process in place for third-party onboarding and supplier risk management.

[Q READ MORE ON PAGE 53](#)

UTMOST INTERNATIONAL

STRUCTURAL DEMAND DRIVERS

GLOBAL WEALTH

- Rising wealth and increasing financial awareness driving demand for investment solutions
- Significant client focus on wealth transfer and succession planning

TAX LANDSCAPE

- An increasingly complex environment, with growing scrutiny and demands for transparency across the globe
- Importance of expertise, in both product and service, to ensure clients' finances are compliant and efficient



MARKET ENVIRONMENT

CUSTOMER BEHAVIOUR

The quality and appropriateness of client engagement continues to be key to building long-term brand loyalty. This, combined with the constant evolution of clients' needs and expectations, means it is crucial that we navigate these changes to remain competitive and provide a high-quality client service.

At Utmost, we are prioritising providing our customers with a multi-engagement approach. We continue to invest in digital solutions to accelerate standard client interactions and cases. For tailored and more complex requests, we understand the importance of human interaction and expertise. We will therefore continue to prioritise investment into our high-performing client service team to deliver a value-add and high-quality service experience for customers.

COMPETITIVE LANDSCAPE

With the acquisition of Lombard International, Utmost has firmly established itself as one of the leading providers of insurance-based wealth management solutions. Advisers and clients identify capital strength and organisational scale, alongside proposition and service quality, when differentiating solutions providers. With the acquisition of Lombard International, Utmost has strengthened its position in the market and ensures we are well placed for long-term success.

As we look ahead, we continue to see opportunities in increasing awareness and understanding of our offering with both our clients and partners. Our ambition is to expand our target market whilst also growing our market share. To achieve this, we continue to work with our advisers and third-party intermediaries by educating and supporting them on the benefits of our products as a long-term and efficient wealth-planning solution.

MARKET OPPORTUNITY

The long-term demand drivers continue to remain favourable and underpin a strong mid-and long-term growth outlook for the HNW and UHNW savings market.

In 2024, Utmost undertook a market study with support from NMG Consulting, a global financial services advisory business. The work revealed both the size of our addressable market and reinforced the attractive mid-term growth outlook of the sector in which we operate.

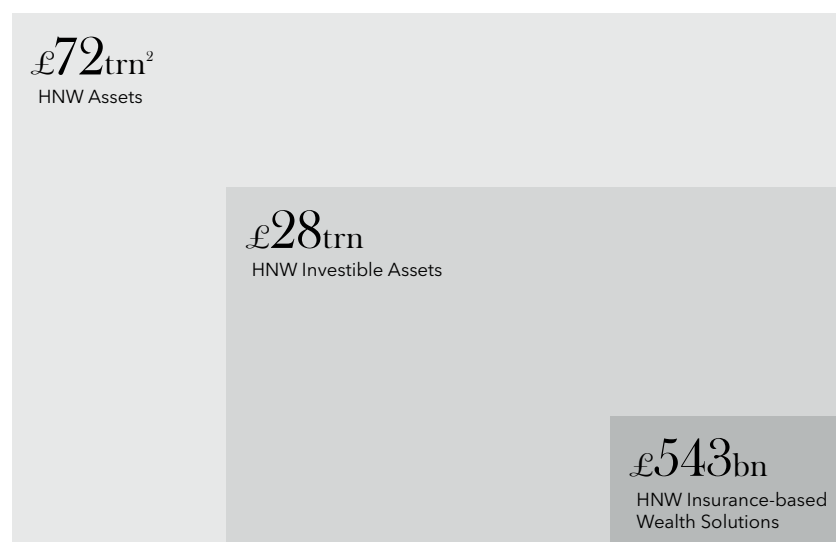
£28trn of HNW Investible Assets¹

One third of assets held by HNW individuals globally are currently categorised as investible assets. These assets typically address a client's long-term savings and investment needs. The holding structure adopted for these assets, however, is often not the most efficient.

HNW insurance-based wealth solutions – to which just over 2% of the £28trn (£543bn) are allocated – offer asset protection, portability and succession planning. These global tax compliant solutions can support a client's long-term financial planning goals.

By increasing client awareness and understanding of our product offering, supported by our direct and intermediated distribution partners, we have an opportunity to significantly increase the size of the market that Utmost operates in. For example, an additional 1ppt penetration of investible assets into HNW insurance-based wealth solutions would result in this market growing by 50% or ~£240bn of additional assets. Utmost is committed to raising awareness and understanding around the benefits of these solutions. As a leader in the insurance-based wealth solutions market Utmost invests in promoting the industry and is well positioned to benefit from the sizeable and growing market opportunity.

FIGURE 1: BREAKDOWN OF HNW ASSET ALLOCATION



Over £90bn of New Business Flows

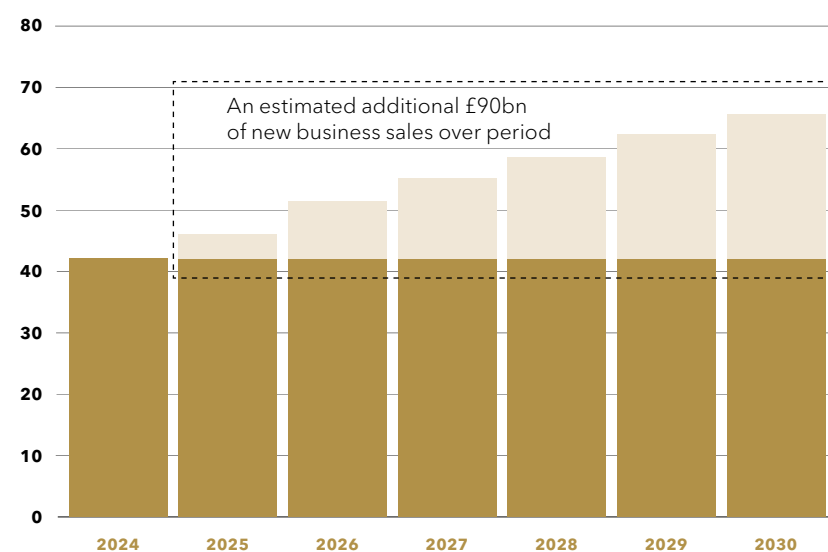
Utmost is the leader in the insurance-based wealth solutions market with an over 15% global market share. NMG forecasts that new business sales in this sector will reach £67bn by 2030, an increase from 2024 of over 60%³. This projected level of new business volume is anticipated to deliver an estimated additional £90bn of new business sales cumulatively over the period. This projection presents a clear and substantial growth pipeline for Utmost – one that, given our position in the industry, we have an opportunity to capitalise on.

In addition to the organic growth potential that the industry is forecast to benefit from, we see opportunities to grow Utmost's market share beyond the current levels. Through strategic identification and strong executional delivery of new geographies and client segments, Utmost can benefit from its strong market standing and further build its future market share.

In our Utmost International business, we have the ambition to grow our share in our current market as well as capture opportunities to expand the size of our market, through increased awareness and understanding into adjacent wealth sectors.

1. Total HNW Investible Wealth sourced from Barclays "Private Bank and Wealth Management: Business Deep Dive 2024" (<https://home.barclays/content/dam/home-barclays/documents/investor-relations/IRNewsPresentations/2024News/20241210-Barclays-Private-Bank-and-Wealth-Management-deep-dive.pdf>) and Deloitte Private's "The Family Office Insight Series – Global Edition: Defining the Family Office Landscape 2024" (<https://www.deloitte.com/content/dam/assets-zone/uk/en/docs/services/deloitte-private/2024/uk-defining-family-office-landscape-report.pdf>). Reports accessed on 25 March 2025
2. HNW Assets sourced from "Capgemini Research Institute: World Report Series 2024 (Wealth Management)". Report accessed on 25 March 2025. Numbers converted to GBP on 2023 year average basis
3. New business flows/sales reflect the first-year premium value of single premium, regular premium and multi-pay sales

FIGURE 2: PROJECTED CUMULATIVE NEW BUSINESS FLOWS ACROSS MARKET (IN £bn)



UTMOST INTERNATIONAL

WHAT WE DO

BUSINESS MODEL

Utmmost International is a leading wealth platform, offering unit-linked wealth solutions via our global network of intermediaries.

Our products provide a tax-efficient and transparent savings option to our affluent, HNW and UHNW clients.

Utmmost International operates in the UK, Continental Europe, the Middle East, Asia and Latin America.



HOW WE DO IT

ATTRACT AND ENGAGE

DEEP, LONG-SERVING RELATIONSHIPS WITH INTERMEDIARIES, COUPLED WITH TECHNICAL EXPERTISE AND GLOBAL FOOTPRINT



Utmost International has an established network of distribution partners, Independent Financial Advisers (“IFAs”), and private banks which utilise our solutions as a core pillar of their customer service offering.

Our broad range of product offerings, alongside our capabilities to tailor for individual needs, enable us to adapt our propositions to serve a breadth of client requirements.

Our strong technical team has the experience and expertise to curate solutions, based on unit-linked fundamentals, to ensure the best quality outcome for our clients.

We have operations in the UK, Continental Europe, Middle East, Asia and Latin America, supported by established relationships with over 1,000 intermediaries, enabling us to attract and engage clients around the world.

SERVE AND RETAIN

TAX-EFFICIENT SOLUTIONS, BASED ON SIMPLE, GLOBALLY RECOGNISED INSURANCE FUNDAMENTALS



Using insurance-based unit-linked products, Utmost International delivers tax-efficient solutions that ensure flexibility, control and simplicity for the client.

Clients have access to a breadth of investment options across both guided and open architecture infrastructure, delivered via direct and intermediated distribution channels.

Our client service teams are the interface between Utmost and our end clients, and we remain committed to equipping them with the necessary tools and skills to solve our evolving client needs. We are investing in digital tools that deliver greater self-service functionality, empowering our clients and enabling our client service teams to focus on servicing the more complicated client needs.

DELIVER VALUE

STRONG STAKEHOLDER FOCUS, WITH OUTCOME-DRIVEN DECISION-MAKING



We are committed to building an enduring business, with a strong focus on helping our clients preserve their wealth and safeguard it for future generations.

To do this, we charge fees to our clients as a percentage of policyholder AUA. Our fees are a combination of annual management charges based on policyholder AUA, fixed or inflation-linked fees, and initial fees at the outset of the policy.

UTMOST LIFE & PENSIONS

STRUCTURAL DEMAND DRIVERS

DEMOGRAPHIC CHANGE

- Aging UK population causing significant implications to individuals' wealth accumulation and decumulation planning
- Growing personal responsibility for retirement savings is driving demand for more flexible retirement model

RISK TRANSFER

- Increasing corporate specialisation and desire to transfer risk to insurers with industry expertise and appropriate business models
- Growing BPA market driven by pension trustees' desire to derisk and corporates wanting to move liabilities off their balance sheet



MARKET ENVIRONMENT

CUSTOMER BEHAVIOUR

The traditional ways of work and retirement are evolving, driven by market and macroeconomic trends. Aging populations, increased responsibility on the individual for retirement saving, and pressure on public finances has contributed to further pressure on customers to understand their long-term financial position.

Financial service providers, including Utmost, have a responsibility to help customers understand how they can appropriately manage their savings, ensuring they remain on track to meet their retirement goals. We are committed to providing clear and transparent access to relevant information to help customers make informed decisions.

COMPETITIVE LANDSCAPE

The rapid growth of the UK's BPA market continues, driven by the ongoing trends of rising interest rates combined with the desire from schemes to derisk. This has led to a rise in new entrants to the market, including Utmost Life and Pensions, that are looking to establish themselves in the market.

The incumbent market has previously focused on the larger end of the £400bn to £600bn market and has established strong credentials to write these complex deals. This has created an opportunity gap for the newcomers to differentiate themselves and serve the historically underserved smaller end of the BPA market.

MARKET OPPORTUNITY

Our UK business entered the BPA market in 2024 through the successful completion of two external pension scheme transactions.

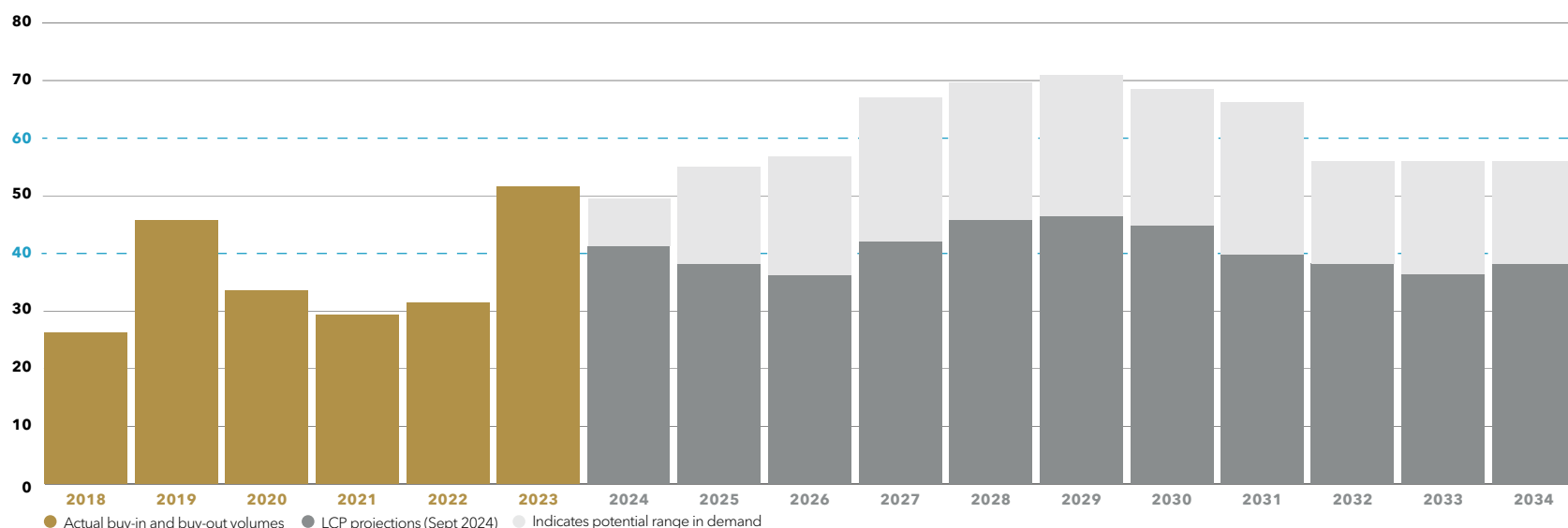
The demand for BPAs has increased in recent years, driven by improved funding levels largely as a result of yield rises, refinement of the regulatory rules with Solvency UK, and attractive pricing. This has created a competitive market, with providers adapting to the changing dynamics. This will in turn generate better results for pension scheme members.

Market predictions from LCP are indicating that the total number of transactions are to exceed 300 in 2025 with volumes topping £50bn. This maintains the growth trend established over the past few years, with LCP estimating that around £45bn of liabilities were transferred from 280 pension schemes in 2024¹.

The rise in new entrants is helping to widen the addressable market as a number of the newcomers are targeting the historically overlooked smaller BPA schemes. Success at this end of the market demands a streamlined, lean and efficient processing approach.

Accordingly newcomers and incumbents alike are investing in operational efficiencies to enable a competitive market offering. With an estimated 4,000 UK defined benefit pension schemes with assets of less than £100m, there is a significant untapped opportunity². It is at this smaller end of the BPA market that Utmost is targeting, with ambitions to secure a 5% share of the annual BPA market volumes within five years.

PROJECTED BUY-IN AND BUY-OUT VOLUMES OVER THE NEXT DECADE (IN £bn)



WHAT IS A BULK PURCHASE ANNUITY?

The Bulk Purchase Annuity market facilitates the derisking of UK pension schemes' longevity and investment risks to regulated insurers. BPAs can take the form of:

- **Buy-in:** an insurer such as Utmost insures the pension scheme's liabilities, providing payments to the scheme which continues to administer the scheme, including making the payments to their members. Each scheme has a single Group policy with Utmost.
- **Buy-out:** the pension scheme liability is transferred fully to the insurer which is then responsible for the administration. Each pension scheme member has an individual policy with Utmost.

Although price remains a leading factor in a scheme's decision of insurance provider, non-pricing factors are increasingly becoming key differentiators as pension schemes look to secure members' long-term benefits.

Non-pricing factors include:

MEMBER
SERVICE

ESG
CONSIDERATION

WEB
FUNCTIONALITY

FINANCIAL STRENGTH
AND STABILITY

BUY-IN TO BUY-OUT
CAPABILITY

1. Source: https://insights.lcp.com/rs/032-PAO-331/images/LCP-predictions-for-the-PRT-market-January-2025.pdf?utm_campaign=PRT_predictions_2025 (Accessed 31 March 2025)
2. Source: WTW Derisking Report 2025 (Accessed 31 March 2025)

UTMOST LIFE & PENSIONS

WHAT WE DO

BUSINESS MODEL

ULP is a UK-focused insurer providing long-term security to policyholders through the management of established life and pension books of businesses.

ULP has recently entered the BPA market, targeting smaller pension schemes.

It writes no external, individual new business.



HOW WE DO IT

ATTRACT AND ENGAGE

SECTOR EXPERIENCE, STRONG CAPITAL POSITION AND A TRACK RECORD OF SUCCESSFUL BUSINESS CONSOLIDATION



As a new entrant into the BPA sector, ULP has spent 2024 building pricing, operations and servicing capability to ensure its attractiveness to pension scheme trustees and their advisers.

The business has built a new team of 20 experts, exclusively focused on BPA, who, led by a new CEO, bring a wealth of industry knowledge and networks.

Through our long-term and fully integrated partnership with Mantle and engagement with Schroders, we can provide an efficient onboarding process, in-house client administration, market-leading asset management, and seamless migration from buy-in to buy-out. We have also invested in our broader offering, including web functionality and member service to ensure we remain competitive and attractive.

SERVE AND RETAIN

COMMITMENT TO CUSTOMER FOCUS AND EFFICIENT OPERATIONAL MANAGEMENT



Our client service team, with 26 years average tenure, has extensive sector expertise. The team successfully utilises its strong industry understanding and awareness of customer needs to deliver reliable and consistent operational delivery. Our new BPA offering is leveraging this expertise to ensure that our new members receive the same excellent customer service.

We have continued to invest in our digital capabilities to reflect the changing needs of customers. This includes investment in our servicing capabilities to ensure that all customers have easy access to the information that they need.

In addition to the effective management of in-force policies, we support customers wanting to consolidate their pension pots. This enables policyholders simplified long-term administration and better retirement planning.

DELIVER VALUE

STRONG STAKEHOLDER FOCUS, WITH EFFICIENCY-LED DECISION-MAKING



ULP's strength lies in its ability to derive operational efficiency from our acquired businesses. We are leveraging this strength to excel in the BPA sector.

Through our experienced teams, we are able to achieve economies of scale, pool risk and maintain capital strength.

CHIEF FINANCIAL OFFICER'S REVIEW

IAN MAIDENS
GROUP CHIEF FINANCIAL OFFICER



“

Utmost Group delivered strong results for 2024, in another year characterised by macroeconomic challenges and geopolitical volatility.

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Utmost Group delivered strong results for 2024, in another year characterised by macroeconomic challenges and geopolitical volatility.

Following a challenging 2023, when the impact of high inflation continued to be felt across most of the developed world, 2024 saw a continued emphasis on monetary policy looking to contain rising prices and wage growth.

High central bank rates remained a headwind to consumer demand in many of our key markets, particularly in the first half of 2024. Sentiment improved in the second half of the year, reflecting the commencement of reductions in central bank rates, with new business volumes written by Utmost Wealth Solutions increasing quarter-by-quarter through the year.

Utmost Group completed the acquisition of Lombard International Assurance Holdings S.a.r.l. ("LIAH") and its operating subsidiaries (together "Lombard") on 30 December 2024, substantially increasing Utmost International's Assets under Administration.

Given the date the acquisition completed, the Consolidated Statement of Comprehensive Income for FY 2024 on page 86 of these Financial Statements includes no contribution from the acquired Lombard business. However, the Consolidated Statement of Financial Position as at 31 December 2024 on page 87 does fully reflect the acquisition of Lombard.

In this CFO Review certain proforma information for FY 2024 is included as if the Lombard business had been owned by Utmost Group for the full year. This is only included where it is believed to provide a better guide to the Group's ongoing performance.

The financial performance of the Group is assessed using a variety of financial measures (see pages 8 and 9). Our core financial KPIs and client retention are discussed in detail below. The majority of these KPIs are considered alternative performance measures ("APMs") and are reconciled back to audited IFRS information on pages 158 and 159 of this Annual Report. The figures in this section subject to statutory audit are IFRS Profit after Tax, IFRS equity and IFRS expenses.

UTMOST WEALTH SOLUTIONS ASSETS UNDER ADMINISTRATION AND GROSS AND NET FLOWS

UWS, Assets under Administration were £103.5bn at YE 2024, an increase of £48.9bn from the YE 2023 UWS' Assets under Administration of £54.6bn. The bulk of the movement in the UWS's AUA in 2024 was driven by the acquisition of Lombard International. Lesser impacts were higher market values for equity type assets, offset to some extent by slightly negative net flows.

On a proforma basis, UWS gross inflows were £6.8bn and UWS outflows were £7.5bn to give UWS net flows of £(0.7)bn (compared to £(0.9)bn proforma net flows in 2023) as shown in Figure 1. Gross inflows increased in 2024 compared to 2023 which reflects the increase in new business written in 2024. Proforma outflows increased from £7.3bn in 2023 to £7.5bn in 2024 reflecting both increased underlying AUA and the surrender of some large cases. Overall outflows remained broadly in line with YE 2023 persistency assumptions.

The majority of the UWS YE 2024 AUA is held in respect of UK- and Continental Europe-based clients. The remainder of the UWS AUA is held in respect of clients based in our international markets, which we expect to continue to grow in line with the organic growth of the business. Following completion of the Lombard acquisition, the enlarged UWS will continue to invest in new product development for those regions, as well as entering new markets.

Our UWS platform offers clients and advisers access to a full range of asset classes, investment managers and investment solutions, enabling them to tailor their investments to meet their risk and return appetites. Clients or their advisers can select from a broad selection of funds on our Open Architecture range, or from a more selective Guided Architecture range, whose constituent funds are selected by Utmost Portfolio Management ("UPM"), the Group's fund management subsidiary.

Whilst the vast majority of the Group's assets are backing unit-linked policies within our UWS business, there are a small proportion of other assets backing unit-linked business in ULP, pension and savings products within the UCS business and non-linked business within ULP and Utmost Worldwide ("UW") in Guernsey.

The performance of the ULP fund range was strong with longer-term performance demonstrating good investment outcomes for clients, 97.4% of AUA in the top three quartiles over three years. ULP consistently monitors asset performance, including that of the unit-linked funds, particularly in relation to the Managed Funds operated by J.P. Morgan Asset Management ("JPMAM"), which form the majority of the unit-linked AUA.

FIGURE 1: AUA ANALYSIS SHOWING UWS NET FLOWS (IN £bn)

	Opening AUA 1 Jan	Inflow	Outflow	Net Flow	Market	Closing AUA 31 Dec
2024						
Utmost	54.6	3.9	(4.3)	(0.4)	4.3	58.5
Lombard	42.9	2.9	(3.2)	(0.3)	2.5	45.0
Proforma UWS	97.5	6.8	(7.5)	(0.7)	6.8	103.5

FIGURE 2: KEY PERFORMANCE INDICATORS

	2024 total	2023 total
UWS AUA (£bn)	103.5	54.6
UGP Operating Profit (£m)	190	212
UWS Gross Flows (£bn)	3.9	3.6
UWS Net Flows (£bn)	(0.4)	(0.6)
UWS Client Retention	91%	92%
UWS Revenue Margin	0.53%	0.57%
UWS Operating Profit Margin	48%	53%
UGP SII EV (£m)	2,392	1,686
UGP Value of New Business (£m)	63	55
UGP Solvency Coverage Ratio	175%	208%
UGP Operating Cash Generation (£m)	156	178
UGP Profit after Tax (£m)	564	54

UTMOST WEALTH SOLUTIONS CLIENT RETENTION

The Group uses client retention as a non-financial KPI to measure client experience. High retention rates are driven by a strong proposition and good client service, as well as the inherent product features, where some benefits may be lost, or tax payments crystallised upon early surrender. Given the relative size of the Group’s business segments, the KPI is now measured solely looking at UWS client retention. UWS’ client retention was 91% in 2024, slightly lower than the 92% achieved in 2023.

UTMOST WEALTH SOLUTIONS REVENUE MARGIN

UWS Revenue Margin as an APM is calculated as the total insurance and unit-linked revenue on UWS business divided by the average UWS AUA for the year. The vast majority of UWS revenue in 2024 is the £289m of fees and charges on UWS unit-linked business, with a smaller contribution of £11m from UWS insurance revenue, giving total UWS revenue of £300m. It should be noted that the calculation of UWS revenue excludes the investment return earned on shareholder net worth assets and the shareholders’ share of the interest earned on transaction account assets.

Average UWS AUA was £56.5bn in 2024, giving a UWS Revenue Margin for the year of 0.53%, this compares to 0.57% in 2023. A proforma figure including the Lombard business is not available, but it should be noted that given the nature of the Lombard portfolio, which is weighted more to UHNW business with lower fees than those typically seen in the existing Utmost portfolio, it is expected that the proforma outcome will be significantly lower than the figures quoted above.

UTMOST GROUP PLC OPERATING PROFIT

Operating Profit, as an APM, for 2024 was £190m. This compares to an Operating Profit of £212m for 2023. The principal reason for the reduction in Operating Profit compared to 2023 is that certain foreign exchange gains included in Operating Profit in 2023 did not reoccur in 2024. UWS fees and charges were slightly reduced in 2024 at £289m compared to £294m in 2023. ULP fees and charges were unchanged on the previous year at £26m in 2024 and 2023.

UTMOST WEALTH SOLUTIONS OPERATING PROFIT MARGIN

UWS Operating Profit Margin as an APM is calculated by dividing UWS operating profit by a measure of UWS revenue that includes the UWS net financial result and the investment return earned on UWS shareholder net worth assets and the shareholders’ share of the interest earned on UWS transaction account assets. For 2024 UWS operating profit was £175m and this is divided by total UWS revenue of £362m to give a UWS Operating Profit Margin of 48% in 2024. The equivalent figure for 2023 was 53%. A proforma figure including the Lombard business is not available.

UTMOST GROUP PLC VALUE OF NEW BUSINESS

VNB, as an APM, is a measure of the profitability of new business written after allowing for the cost of administering it. VNB is calculated on an economic basis, consistent with the Solvency II balance sheet and adjusted to include value that would otherwise be excluded by the application of contract boundaries. In 2024, the Group’s VNB was £63m, a 15% increase compared to the 2023 VNB of £55m. The increase in VNB reflects a strong increase in new business written in H2 2024 compared to H1 2024 and an improvement in VNB margin over the year.

The solutions provided by UWS and UCS tailor to the bespoke and often complex requirements of our client base. As a result, our business continues to maintain healthy margins in spite of the proliferation of purely online propositions. An increasingly complex pensions, savings and taxation landscape means our clients demand tailored solutions and advice. As such, while technology-driven solutions offer opportunities to ease client interactions and deliver operational and administrative efficiency, a purely technology-driven solution cannot meet all our clients’ financial needs.

The ULP contribution to VNB includes the value of Pensions Drawdown business written and a contribution from the two Bulk Purchase Annuity transactions that ULP completed in the final quarter of 2024.

SOLVENCY II ECONOMIC VALUE

SII EV, as an APM, is the Group’s preferred measure of the economic value of the business.

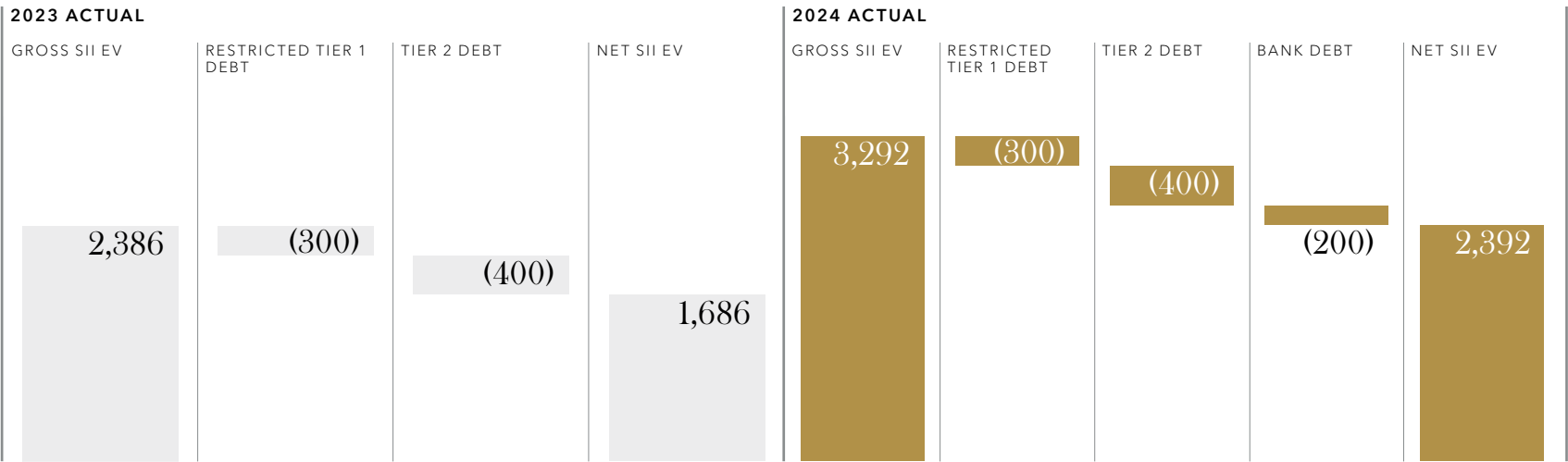
For the operating life companies, SII EV is largely derived from components of the Solvency II balance sheet and the calculation methodology results in an outcome which is broadly equivalent to an old style market consistent embedded value before allowance for the cost of non-hedgeable risks.

For all other entities, the SII EV is the IFRS NAV.

The Group SII EV (net of debt) increased from £1,686m at 31 December 2023 to £2,392m at 31 December 2024, as shown in Figure 3 below. The most significant influences on this increase in net SII EV were:

- i. Completion of the acquisition of Lombard on 30 December 2024 with the SII EV of the acquired business being £894m on 31 December 2024;
- ii. The consideration paid for Lombard of £262.7m, of which £200m was financed by a new £200m bank senior debt facility at Utmost Group plc level;

FIGURE 3: UTMOST GROUP SOLVENCY II ECONOMIC VALUE (IN £m)



- iii. VNB of £63m;
- iv. the payment of £34m of coupons on the Group's Tier 2 and Restricted Tier 1 ("RT1") notes; and
- v. other underlying operational and market impacts of £46m.

The underlying operational and market impacts of £46m reflect the better performance of investment markets in 2024, offset by the impact of a number of methodology and assumption changes within Utmost's existing operating businesses. These assumption changes reflect, in part, an expectation that the volume of new business written in Utmost's Irish and Isle of Man businesses will be lower than would otherwise have been the case in the light of the acquisition of Lombard. The Group's economic debt ratio at YE 2024 was 27.3% (YE 2023: 29.3%) which is within our 20% to 30% Gross SII EV target range.

IFRS PROFIT AFTER TAX

The Group's IFRS Profit after Tax ("IFRS PAT") for 2024 was £564m, compared to £54m in 2023, as reported in the financial statements.

IFRS PAT includes one-off items such as acquisition and integration expenses and gains arising on bargain purchase when an acquisition completes, as well as the amortisation of acquired value of in-force business ("AVIF") over time. The 2024 IFRS PAT reflects the amortisation of £105m of AVIF compared to £123m in FY 2023. The amortisation schedule in relation to AVIF tends to be front-end loaded so that, in the absence of further acquisitions, the charge in relation to AVIF amortisation would be expected to continue to reduce period-on-period, bringing the IFRS PAT closer to Operating Profit all other things being equal.

The main reason for the substantial increase in IFRS PAT in 2024 is the £509m gain on bargain purchase in relation to the acquisition of Lombard in 2024. There was no gain on bargain purchase in the 2023 financial statements. Without the 2024 gain on bargain purchase, the 2024 IFRS PAT figure would have been broadly the same as that achieved in 2023.

The gain on bargain purchase reflects the difference between the fair value of an acquired business immediately after completion of the acquisition and the consideration paid. This is shown in detail in Note 4 of the Financial Statements.

The acquisition of Lombard increased the Group's AVIF by approximately £673m at 31 December 2024, as a result the amortisation of AVIF in 2025 is expected to be materially larger than in 2024.

Due to the impact of one-offs in the calculation of IFRS PAT, the directors consider Operating Profit to be the key performance indicator of the Group's profitability for internal purposes, and review IFRS PAT as a further financial metric of profitability.

IFRS EQUITY

The IFRS equity of the Group increased from £1,090m at 31 December 2023 to £1,632m at 31 December 2024. These figures are both net of the Company's Tier 2 notes but are not net of the RT1 notes, as the latter are treated as equity for IFRS purposes. IFRS equity is also calculated net of the Contractual Service Margin ("CSM") on Insurance business under IFRS 17.

The £542m increase in IFRS equity during 2024 primarily reflects the IFRS Profit after Tax of £564m for the year (of which the Lombard gain on bargain purchase of £509m is by far the largest constituent), offset by the £14m coupon paid on the RT1 notes and a negative £12m impact from foreign currency translation movement during the year.

Positive experience, along with resulting methodology and assumption changes, have increased the net CSM. New business CSM is expected to be volatile as UWS products, typically classified as investment contracts under IFRS 9, are classified as insurance contracts under IFRS 17 when certain riders or benefits are added. As the CSM only includes insurance contracts the Group's preferred new business metric is VNB.

The Group's net (of reinsurance and tax) CSM increased by £33m from £72m at FY 2023 to £105m at FY 2024. Whilst the acquisition of Lombard increased the FY 2024 net (of reinsurance and tax) CSM by approximately £11m, it remains the case that approximately 10% of the Group's business is classified as "Insurance Business" under IFRS accounting standards. It is only this small minority of the Group's business that is therefore subject to IFRS 17. As a result, the Group's Net (of reinsurance and tax) CSM is relatively small compared to the overall size of the Group's IFRS liabilities.

Fitch Ratings ("Fitch") uses "Adjusted Shareholders' Equity" for the purpose of calculating the Fitch financial leverage ratio. The adjustments add back both the Group's Net CSM and the Fund for Future Appropriations ("FFA") in the ULP business as shown in the table below.

	FY 2024 £m	FY 2023 £m
Reported IFRS Equity	1,632	1,090
Group Net CSM	105	72
ULP FFA	62	63
Adjusted Shareholders' Equity	1,799	1,225

The Fitch financial leverage ratio increased slightly to 25.0% at 31 December 2024 from 24.6% at 31 December 2023, remaining well within the range appropriate for the ratings currently assigned to the Group by Fitch.

EXPENSES

On an actual basis, as included in the consolidated financial statements, administrative expenses (including commission expenses) were £7m higher at £216m in 2024 compared to £209m in 2023, with a breakdown in the table below.

This increase reflects inflationary pressures and expenses related to the acquisition of Lombard offset by the delivery of further synergies related to the integration of the Group's existing businesses.

	2024 £m	2023 £m
Operating expenses	189.8	179.2
Depreciation/Amortisation	5.0	5.9
Development expenses	21.6	24.0
Total Utmost Group	216.4	209.1

The total cost base of the acquired Lombard business was approximately £73m in 2024 and the 2024 cost base across Utmost International on a proforma basis was £239m. Cost control remains a key pillar of our Target Operating Model and will continue to create operational savings and drive synergies throughout the business in the coming years.

UTMOST GROUP PLC OPERATING CASH GENERATION

Group Operating Cash Generation in 2024 was £156m, compared to £178m in 2023. Operating Cash Generation is calculated as Operating Profit less the cost of interest payments on the Tier 2 and Restricted Tier 1 debt instruments. The latter were unchanged over the year. The change in Operating Cash Generation therefore simply reflects the reduction in Group Operating Profit compared to 2023.

OPERATING BUSINESS CAPITAL GENERATION

Significant operating capital is generated from the in-force book over the plan horizon and beyond.

Figure 4 shows capital emergence anticipated from the in-force book, defined as any capital in excess of the capital requirements for each life company. This analysis is based on the 2025 Business Plan using economic assumptions at 30 June 2024 with no allowance for the actual performance of investment markets over the second half of 2024. In practice the actual gross SII EV at 31 December 2024 was £3,292m, only around £30m higher than projected in the plan so the analysis is representative of the actual YE 2024 position. The analysis, which includes the acquired Lombard business, is completed at an entity level to demonstrate capital available to the Group, excludes the impacts of new business and does not include approximately £355m of existing capital in excess of capital policies at YE 2024.

Total capital emergence over the projected life of the in-force business, including this £355m, is estimated as £4,671m. The increased value reflects a simple cash flow, rather than discounted approach, and the inclusion of real-world investment returns. In practice, the operating life companies paid aggregate dividends and interest of £214m to Group holding companies during 2024.

The aggregate cash expected to emerge from the in-force business of £4,671m is expected to be utilised as shown in the table below:

Interest on debt capital instruments and bank debt ¹	£198m	Assumes RT1 repaid at first call date
Repay debt capital instruments and bank debt	£900m	
GHO expenses ²	£277m	
Available for dividend or reinvestment	£3,296m	To finance new business, finance new acquisitions, or paid to shareholders as dividends
Total	£4,671m	

Figure 5 below shows the capital impact of writing UWS new business during 2024, this analysis is not on a proforma basis and therefore excludes new business written by Lombard International. The Group invested £19m of capital to support the writing of approximately £3.9bn of UWS new business liabilities in 2024.

These figures demonstrate Utmost Group's capital light approach to product design. The new business written in 2024 adds an additional £136m of capital emergence,

FIGURE 4: IN-FORCE EMERGENCE OF SURPLUS CAPITAL (IN £m)

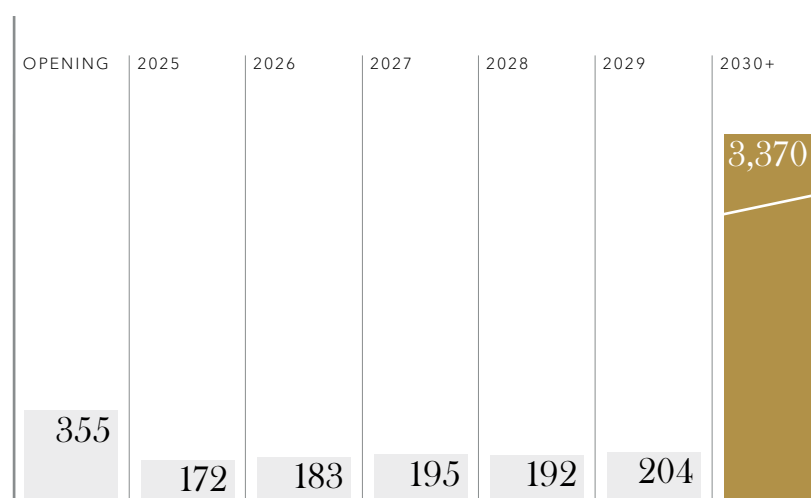
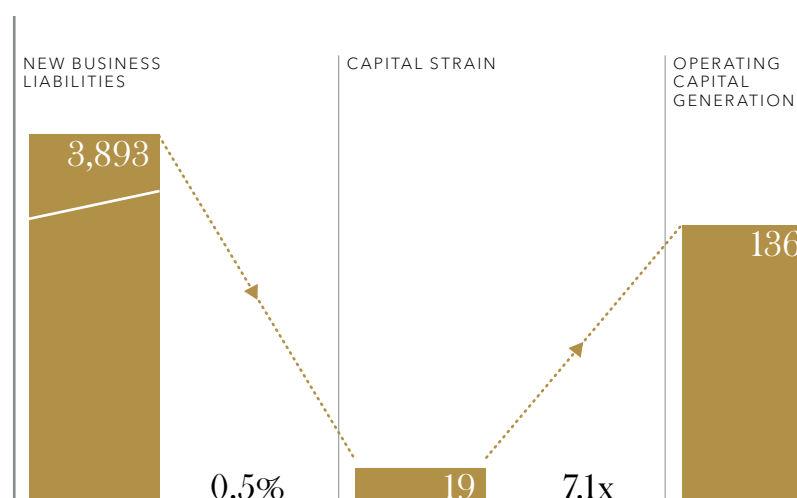


FIGURE 5: CAPITAL IMPACT OF WRITING NEW BUSINESS (IN £m)



further enhancing the Group's anticipated capital generation over and above what is shown in Figure 4. This additional return of £136m compares to the VNB written in 2024 of £63m (the difference reflecting the lack of discounting, the inclusion of real-world investment returns and the return of capital invested).

This analysis shows that the in-force business can comfortably support investment in new business at both the current and expected volumes and that the new business written will make a substantial contribution to surplus capital generation.

OPERATING COMPANY LIQUIDITY

Utmost Group's liquidity management processes and policies are designed to ensure that both policyholder liabilities and non-policyholder liabilities can be paid on a timely basis.

Due to the nature of unit-linked products, under which claims on policies are only paid once assets have been realised from the underlying unit-linked funds, policyholder-related liquidity requirements are relatively low.

The main liquidity requirements in our operating companies relate to expenses and policyholder claims on non-linked business. The Group does not have any material requirements in respect of collateral requirements held against derivative contracts. Each of the Group's life companies maintains a liquidity buffer of at least 10% over their expected outflows over a one-year period at all times.

The Utmost Group requires each of our operating companies to assess liquidity on a 3, 6 and 12-month basis. All cash inflows and outflows in each period are

assessed under a central and stressed scenario. The stress considers a 10% fall in inflows, 10% increase in outflows and a 5% loss on non-cash assets. Hard and soft limits are set under base and stress to ensure the Group has adequate liquidity at all times.

HOLDING COMPANY CASH

Cash is held at the holding company level to cover Group Head Office ("GHO") costs and one year's interest costs on the Group's debt capital instruments and the new £200m senior bank facility, in each case net of expected tax relief. Excess cash not required for these purposes is available to be reinvested in the business, to fund future acquisitions, or to be paid as a dividend to the Group's immediate shareholder, UHGL.

Cash held at holding companies at 31 December 2024 was £150m compared to £35m at 31 December 2023. An analysis of the change in cash held at holding companies over the period is shown in Figure 6 below. £214m of dividends were received from operating companies during the period. Approximately £65m of these proceeds were utilised to part fund the acquisition of Lombard, with further amounts covering GHO expenses and the coupon payments on the Tier 2 and RT1 loan notes. No dividend was paid to UHGL during 2024. However £62m of the £150m of cash held at holding company level on 31 December 2024 was subsequently paid up to UHGL as a dividend in January 2025.

CAPITAL STRENGTH AND SOLVENCY POSITION

The Group applies a disciplined approach to capital management. The Group aims to maintain a strong capital position and has prudent capital policies in place. Each of its life companies is subject to local solvency regulation.

The UK business and the Group are subject to the requirements of PRA Solvency II. Utmost PanEurope ("UPE") and Lombard International Assurance SA are subject to the requirements of EIOPA Solvency II. The solvency regime introduced by the Isle of Man on 1 July 2018 is broadly similar to the PRA Solvency II regime and, in addition to complying with the Isle of Man solvency regime, the Isle of Man business also calculates its solvency coverage in accordance with PRA Solvency II requirements. The Group has agreed with the Guernsey Financial Services Commission ("GFSC") that the capital position of Utmost Worldwide Limited and Lombard International PCC Limited should be calculated in accordance with the PRA Solvency II requirements. There are additional local solvency requirements imposed on branches.

The nature of the business written by the Group is such that it is appropriate for all its life company subsidiaries to determine their Solvency II balance sheets using the "Standard Formula" approach. The Group does not currently utilise an internal model.

The Group's life companies seek to maintain a strong solvency position and have each adopted capital policies to ensure that this is the case. The capital policies for the various life companies within the Group are summarised in Figure 7 together with their actual Solvency Coverage Ratios as at end 2023. The Solvency Coverage Ratio of each entity at 31 December 2024 was in excess of its target capital level, as shown in Figure 7.

UW and Utmost International Isle of Man ("UIIOM") are also required to ensure that they meet the regulatory capital standards in respect of each of their branches.

FIGURE 6: FY 2024 HOLDING COMPANY CASH DEVELOPMENT (IN £m)

YE 2023	OPERATING COMPANY DIVIDENDS	GHO EXPENSES	LOMBARD INT. ACQ.*	INTEREST PAID	INTEREST ON HOLDCO CASH AND TAX RELIEF	YE 2024
	214	(13)	(65)		13	150
				(34)		
						35

* Lombard International Acquisition

FIGURE 7: ENTITY SOLVENCY AND CAPITAL POLICIES

ENTITY	Solvency Coverage Ratio 31 December 2024	At all times	Immediately Post dividend
Utmost International Isle of Man Limited	208%	125%	150%
Utmost PanEurope dac (inc. shareholder funded WTA ³)	154%	135%	150%
Utmost PanEurope dac (exc. shareholder funded WTA ³)	116%	100%	110%
Lombard International Assurance SA (inc. shareholder funded WTA ³)	136%	135%	150%
Lombard International Assurance SA (exc. shareholder funded WTA ³)	134%	100%	110%
Utmost Worldwide Limited	170%	135%	150%
Lombard International PCC Limited	170%	135%	150%
Utmost Life and Pensions Limited	193%	135%	150%
Utmost Group plc	175%	135%	150%

FIGURE 8: GROUP SOLVENCY II CAPITAL

	2024 £m	2023 £m
Own Funds	2,666	2,110
Solvency Capital Requirement	1,525	1,016
Solvency Coverage Ratio	175%	208%

Following the implementation of a new capital regime in Hong Kong during 2024, the solvency of Hong Kong branches is now measured only on the branch business. Prior to this change, UW and UIIOM had to satisfy Hong Kong capital standards on a whole company basis.

Utmost Group is subject to full Group-level solvency regulation by the PRA. OCM Utmost Holdings Ltd (“OUHL”), the ultimate parent company of the Group is subject to group regulation by the PRA on an “Other Methods” basis. In addition, in the absence of an agreement between the UK and the EU on equivalence, the Central Bank of Ireland (“CBI”) undertakes group regulation on an “Other Methods” basis of Utmost Topco Limited (“Topco”) and its subsidiaries. Topco is the immediate subsidiary of OUHL. The Group Solvency Coverage Ratio is calculated as Group Own Funds as a percentage of Group Solvency Capital Requirement (“SCR”) (on a standard formula basis). There are no material differences between the “Other Methods” reporting to the PRA and the CBI and the full Group reporting undertaken by UGP.

Utmost Group’s approach to managing capital at Group level mirrors the approach at life company level, i.e. to maintain a Group Solvency Coverage Ratio of at least 135% at all times, and a Group Solvency Coverage Ratio of at least 150% immediately after payment of a dividend.

The Group had Own Funds of £2,666m and a Group Solvency Coverage Ratio of 175% at YE 2024 as shown in Figure 8. It should be noted that the calculation of Group Solvency for reporting to the PRA is calculated on the basis that the PRA calculation of the Risk Margin applies in all group entities.

The mix of our fee base, between fixed and AMC-based charges, and the equity symmetric adjustment contributed to the stability in the Solvency Coverage Ratio during the course of 2024 prior to the acquisition of Lombard.

In practice local solvency regulations apply in Ireland, Luxembourg and the Isle of Man and it is these that govern dividend capacity from the local entities up to group holding companies. The solvency position of UPE, Lombard International SA and UIIOM shown in Figure 7 are therefore calculated on the local solvency basis, not on the PRA basis.

SENSITIVITY ANALYSIS

The Group has an extremely resilient solvency position due to the active management of key risks. Solvency Coverage ratios of each of our operating life companies, and of the Group itself, were very stable throughout 2024.

A large downward equity event, as experienced in 2022, reduces Own Funds but has a positive impact on solvency. The positive solvency impact is driven by three key areas: a high NAV to Value of In-Force (“VIF”) business ratio of shareholder assets, reduced SCR impact from the equity symmetric adjustment, and the mixture of fixed and AMC-based charges.

The primary risk that impacts the Group’s solvency and Own Funds adversely is expenses (including the impact of inflation on expense levels). Cost control remains a key pillar of our Target Operating Model.

The Group also has exposure to lapse risk as most policyholders can switch their funds to another provider. Higher lapses reduce the Own Funds but increase the Solvency Coverage Ratio as capital held against the switched funds is released. Similarly, lower lapses

increase the Own Funds but reduce the Solvency Coverage Ratio. In practice, lapse rates on the Group’s savings products have historically been low, particularly in the Utmost International businesses reflecting the long-term inheritance planning purpose for which many of the products are purchased.

The solvency sensitivities shown in Figures 10 and 11 take account of restrictions (if any) in the ability to count the RT1 loan notes or the Tier 2 loan notes as capital at Group level in the sensitivity concerned.

Policyholder funds are invested across the globe in various currencies, with expenses primarily in pounds sterling and euros. An appreciation of pounds sterling reduces the VIF in alternative currencies, partially offset by a reduction in euro expenses, thereby reducing Own Funds. Capital held in association with the alternative currencies reduces in line with the reduction in VIF whilst the pounds sterling impacts remain unchanged.

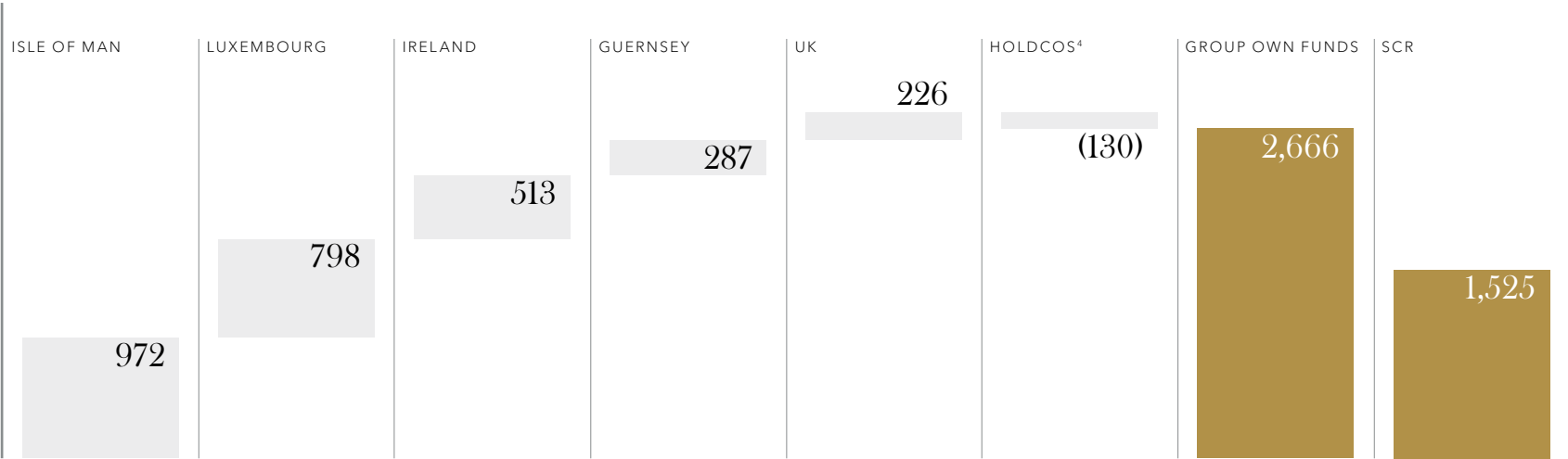
BORROWINGS

The Group has two external instruments in place: a £400m 4.0% Tier 2 loan note issued in September 2021 and a £300m 6.125% RT1 loan note issued in January 2022. Both instruments are listed on the Global Exchange Market (“GEM”) in Ireland.

In addition, the Group put in place a new £200m bank senior debt facility in December 2024 to part finance the acquisition of Lombard. This facility will be paid down over the four-year period to December 2028, with the first £50m repayment being made in December 2025, followed by repayments of £25m every six months.

The Group maintains a prudent capital structure and aims to target a leverage ratio between 20% to 30% of SII EV, gross of debt. As at 31 December 2024, the leverage ratio on this measure was 27.3% (YE 2023: 29.3%).

FIGURE 9: UTMOST GROUP SOLVENCY POSITION – 2024 ACTUAL (IN £m)



CREDIT RATING

Following completion of the Fitch Ratings annual ratings review in June 2023, all of the Group's ratings were adjusted from a Stable Outlook to a Positive Outlook. Fitch noted that this improvement in Outlook reflected the Group's "improving business risk profile, supported by meaningful progress in integrating the Quilter International business and Fitch Ratings' view of substantially reduced integration and execution risks".

In March 2024, Fitch Ratings made certain changes to its insurance ratings criteria. In particular, it reduced the Solvency II hybrid notching from the IDR anchor for RT1 instruments. As a result of this change on 7 March 2024 the rating of the Group's RT1 debt instrument changed from "BB+ (Positive Outlook)" to "BBB- (Positive Outlook)".

In June 2024, Fitch Ratings upgraded the Insurer Financial Strength ratings of UIIOM, UW and UPE to 'A+' and Utmost Group plc's Issuer Default Rating to 'A', in each case the Outlook is Stable. Fitch noted that "the upgrades reflect our view that Utmost Group's company profile has improved, following the completion of the Quilter International integration, which we believe has improved the group's business risk profile by reducing integration and execution risks. The upgrades also take into account the group's improved operating scale over the past few years, strong operating profitability and capitalisation."

As a result of the upgrade referred to above, and the changes to Fitch ratings methodology in relation to RT1 instruments, Utmost Group plc's Tier 2 and RT1 loan notes are now both rated 'BBB'.

Following the announcement of the proposed acquisition of Lombard, Fitch affirmed Utmost Group's existing ratings. On 8 January 2025, following the completion of Utmost Group's acquisition of Lombard, Fitch Ratings confirmed that Lombard International Assurance S.A. had been assigned an Insurer Financial Strength rating of 'A+' with a Stable Outlook, in line with the Group's other rated insurance entities.

POST-BALANCE SHEET EVENTS

Utmost Group plc paid a £62m dividend to UHGL on 30 January 2025.

SUMMARY

The Group continued to make strong progress in 2024. Our balance sheet is strong and resilient, enabling us to provide a high level of security to our clients. Our strong financial position enabled the Group to invest in the continued development of our business through organic growth and to fund the acquisition of Lombard without raising new equity investment from shareholders. The strength of the Group is evidenced through the consistency of its financial strength and operating performance through the uncertain environment over the year.



Ian Maidens
Group Chief Financial Officer

“The Group continued to make strong progress in 2024. Our balance sheet is strong and resilient, enabling us to provide a high level of security to our clients.”

”

1. Net of 25% tax relief
2. Group Head Office ("GHO") expenses approximated as 30 times long-run expense estimates, net of 25% tax relief
3. Withholding Tax Asset as detailed further in note 16 of the consolidated financial statements in the UGP 2023 Annual Report
4. The HoldCos Own Funds balance includes the elimination of a £20m intragroup Tier 2 loan

FIGURE 10: OWN FUNDS SENSITIVITIES
31 DECEMBER 2024

OWN FUNDS: BASE POSITION £2,666m

£(11)m (0)%	INTEREST RATES +100BPS
£2m (0)%	INTEREST RATES (100)BPS
£(286)m (11)%	GBP APPRECIATION +20%
£(483)m (18)%	EQUITY & PROPERTY (40)%
£(752)m (28)%	MASS LAPSE OF 40%
£(134)m (5)%	EXPENSES +10%
£(92)m (3)%	CREDIT SPREADS +200BPS
£(58)m (2)%	INFLATION +100BPS

FIGURE 11: SOLVENCY COVERAGE RATIO SENSITIVITIES
31 DECEMBER 2024

SOLVENCY COVERAGE RATIO: BASE POSITION 175%

2%	INTEREST RATES +100BPS
(3)%	INTEREST RATES (100)BPS
0%	GBP APPRECIATION +20%
11%	EQUITY & PROPERTY (40)%
(4)%	MASS LAPSE OF 40%
(7)%	EXPENSES +10%
(1)%	CREDIT SPREADS +200BPS
(8)%	INFLATION +100BPS

SUSTAINABILITY



At Utmost, our focus is to build an enduring business that will help us to deliver value to our clients, both now and in the future. Our purpose-led approach is deeply embedded and is focused on the long term and we understand the importance of looking beyond short-term horizons. We are committed to playing our role in efforts to embed responsible practices across the value chain. By doing this, we are able to ensure that our activities are considerate of our clients and stakeholders, both now and in the future.

For our approach to sustainability to be truly effective, it is important that all employees, regardless of level, are attentive to the role they play in its achievement. We all have a responsibility to consider our impact on the broader social, environmental, and economic landscape and at Utmost this extends from our Board to our new graduates. The actions we take as a collective help to drive forward our broader purpose to make a positive difference, building a brighter future for our clients and better serving all stakeholders.

It has become increasingly clear that we need to be flexible in our approach to sustainability. As science and industry perspectives develop, we know that we must be adaptable to ensure that we continue to follow best-practice guidelines. We remain committed to being transparent as to our progress with all our stakeholders as we move forward in our sustainability journey.

We structure our Sustainability Strategy across four pillars: Stakeholder Outcomes, Environmental Impact, People Development and Responsible Investments. These pillars drive our commitments which address and serve each of our key stakeholder groups. This is supported by our strong governance framework which embeds robust oversight and processes, enabling us to deliver long-term value creation for our shareholders and maintain consistent financial performance. This reinforces us as a long-term and resilient partner to all our stakeholders.

Q FURTHER DETAILS ON OUR CORPORATE GOVERNANCE FRAMEWORK CAN BE FOUND ON PAGES 70 TO 74

Our 2024 Sustainability Report demonstrates the Group's commitment to building an enduring business and to embedding responsible business considerations across Utmost. I am proud of our accomplishments this year.

OUR SUSTAINABILITY STRATEGY REPORT

Sets out our four sustainability pillars and details our progress against our commitments.

Q SEE PAGE 39

OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

Drafted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and Climate-related Financial Disclosures ("CFD"), articulates our assessment of climate-related risks and opportunities across the pillars of governance, strategy, risk management, and metrics and targets.

Q SEE PAGE 43

“Our purpose-led approach is deeply embedded and is focused on the long term and we understand the importance of looking beyond short-term horizons. We are committed to playing our role in efforts to embed responsible practices across the value chain.”

OUR SUSTAINABILITY STRATEGY REPORT

At Utmost, we are dedicated to making a positive difference, building a brighter future for our clients and better serving all stakeholders. This means we have a responsibility to consider the environmental, social and economic impacts on our stakeholders of the actions we take – both present and future.

STAKEHOLDER OUTCOMES 	ENVIRONMENTAL IMPACT 	PEOPLE DEVELOPMENT 	RESPONSIBLE INVESTMENTS 
<p>OUR COMMITMENTS:</p> <p>CONTINUE TO ENHANCE OUR PROPOSITIONS AND SERVICE QUALITY TO IMPROVE CLIENT OUTCOMES</p>	<p>OUR COMMITMENTS:</p> <p>MINIMISE THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS AND SUPPLY CHAINS</p>	<p>OUR COMMITMENTS:</p> <p>CREATE AN ENVIRONMENT WHERE OUR PEOPLE CAN ACHIEVE THEIR ASPIRATIONS AND REACH THEIR FULL POTENTIAL</p>	<p>OUR COMMITMENTS:</p> <p>FULFIL OUR DUTIES AS A SIGNATORY TO THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT ("UN PRI") AND MEMBER OF THE INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE ("IIGCC")</p>
<p>EMPHASIS ON ECONOMIC VALUE CREATION AND ENDURING FINANCIAL DELIVERY</p>	<p>REGULAR AND TRANSPARENT REPORTING ON OUR SUSTAINABILITY ACTIVITIES</p>	<p>INCREASE DIVERSE REPRESENTATION AND STRENGTHEN OUR LEADERSHIP FOCUS ON DIVERSITY, EQUITY AND INCLUSION</p>	<p>NET ZERO 2050 TARGET FOR OUR SHAREHOLDER INVESTMENT PORTFOLIO AS MEASURED BY CARBON INTENSITY</p>
<p>BE AN ACTIVE PARTICIPANT IN OUR LOCAL COMMUNITIES</p>	<p>EMBED CLIMATE RISK CONSIDERATIONS IN BUSINESS-AS-USUAL PROCESSES</p>	<p>ENRICH EMPLOYEE ENGAGEMENT AND LEARNING TO DEVELOP OUR TALENT</p>	<p>INTERIM TARGET TO HALVE THE CARBON INTENSITY OF THE SHAREHOLDER INVESTMENT PORTFOLIO BY 2030</p>

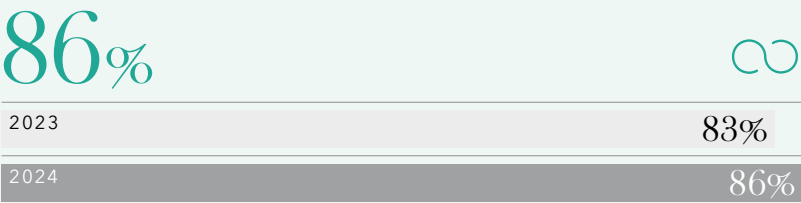
OUR SUSTAINABILITY KPIS

EMPLOYEE
ENGAGEMENT

Average positive score from our annual groupwide employee engagement survey.

COMMENTARY

Our average positive score is up from 83% in 2023, reflecting the hard work across Utmost to embed a positive and collaborative work environment.

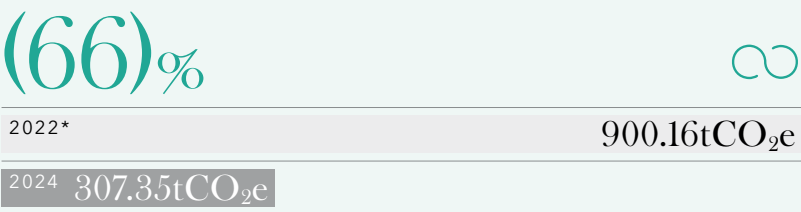


SCOPE 1 AND 2
EMISSIONS

Percentage reduction in our Scope 1 and 2 emissions from 2022.

COMMENTARY

The reduction in our Scope 1 and 2 emissions from our baseline year is driven primarily through the adoption of renewable energy sources in our Isle of Man office.



* 2022 is our baseline year for our operational carbon emissions

STAKEHOLDER
OUTCOMES



KEY HIGHLIGHTS:

- Continued investment in operational processes to reduce touchpoints and enhance customer experience
- Over £120,000 raised for employee-nominated charities

Utmost Group aims to make a positive difference for 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.

Our clients are at the core of Utmost and they are one of our key stakeholder groups. We continue to reinforce a client-led focus and a prioritisation of service quality in both our culture and ways of working. With the completion of our acquisition of Lombard International, our focus is on ensuring that we continue to offer our combined client base excellent customer service.

We are passionate about contributing to local causes to ensure that our communities thrive and prosper. In 2024, we raised over £120,000 for employee-nominated charities across our entities. A standout initiative from the year was the £15,000 raised through the sale of old laptops to colleagues, which coincided with routine laptop upgrades in our Isle of Man business. This had the dual benefit of extending the life of the technology, saving it from landfill, and raising money for local Manx charity, Hospice Isle of Man. We continue to promote activities that realise meaningful impact and change in our local communities, with all employees offered a paid volunteering day to help make a positive difference.

ENVIRONMENTAL IMPACT

KEY HIGHLIGHTS:

- Reduction in our operational Scope 1 and 2 emissions by 66%
- Over 75% of our employees work in offices with renewable energy

At Utmost we have a responsibility to continue to limit our environmental impact and to protect the environment; we take this responsibility seriously.

We continue to make active efforts to reduce our operational Scope 1 and 2 emissions. In 2024 our Isle of Man office was an early adopter to the island's new green energy tariff. This has resulted in a reduction in Scope 1 and 2 operational emissions by 66% against our baseline year of 2022. This has also meant that over 75% of our employees working in an office where we have adopted a renewable energy solution. This is a major milestone for the Group and reflects our ongoing commitment to reducing our operational footprint.

We remain committed to reducing it in our other offices. Our remaining employees, however, work largely in leased offices where we are not the majority tenant. We will continue to engage with our landlords to encourage a move to more energy-efficient solutions to further reduce our operational carbon footprint. We will work closely with our new Lombard employees to ensure they adopt sustainable practices in their offices and support our ongoing reduction in our operational emissions.

The emissions from our investment portfolio are the largest drivers of the Group's overall carbon footprint. Our steps to reduce these can be found in the Responsible Investment pillar on page 42 and in our Pathway to Net Zero which can be found in our 2023 Annual Report. We remain committed to updating our Pathway to Net Zero every three years, in line with industry guidance.

Full details on our operational emissions on a tCO₂e basis can be found in our Streamlined Energy and Carbon Reporting ("SECR") below.

Details on our overall approach adopted by the Group to identify, assess, manage, monitor and report risks associated with climate change as it impacts our investments, and our operations can be found in our Climate-Related Financial Disclosures on pages 43 to 49.

STREAMLINED ENERGY AND CARBON REPORTING

The Group's greenhouse gas ("GHG") emissions have been assessed following Greenhouse Gas Corporate Accounting and Reporting Standard and Value Chain (Scope 3) Standard and have used the 2024 conversion factors published by Department for Environment, Food and Rural Affairs ("Defra") and the Department for Business, Energy & Industrial Strategy. The company has dual-assessed both its location and market-based Scope 2 emissions from electricity usage and reported its market-based emissions. The operational control approach has been used.

The table below summarises the GHG emissions for reporting year: 1 January 2024 to 31 December 2024. 2022 acts as the baseline for the Group and the 2022 numbers have been provided to act as a comparator.

2024 saw a reduction in Scope 1 and 2 emissions. This was driven by the adoption in April 2024 of renewable energy in our largest office - King Edward Bay House in the Isle of Man. In our Aylesbury office, we transitioned to more energy efficient hardware, as well as continuing to encourage behavioural changes to reduce energy consumption. Scope 3 emissions have increased compared to 2022, largely as a result of an increase in business travel. Compared to 2023, Scope 3 emissions have reduced marginally.

Lombard International has not been included in the below data.

UTMOST GROUP MARKET-BASED EMISSIONS^{1,2}

ACTIVITY	2024		2022	
	UK Operations	Global	UK Operations	Global
Total Energy Consumed (kWh)	177,898	2,685,575	774,852	3,862,278
Total CO ₂ e emissions (in tonnes)	6.26	1,093.29	192.28	1,394.04
Scope 1	4.12	83.26	90.83	233.54
Scope 2	0.35	224.09	100.02	666.62
Scope 3 ³	1.79	785.94	1.43	463.88
Intensity Ratio: tCO ₂ e per employee	0.03	0.69	0.89	0.93
Intensity Ratio: tCO ₂ e per revenue	0.01	1.86	0.34	2.45

1. The location-based approach reflects the average emissions intensity from electricity coming from the national grid supply. A market-based approach reflects emissions from electricity that companies have purposefully chosen. This method utilises supplier-specific factors as a preference, with residual factors being used where supplier-specific factors are not available. The market-based approach reflects Utmost's decision to utilise renewable energy sources where possible
2. Please note that certain estimates and assumptions are used in the production of this data. This data is provided on a best efforts and indicative basis
3. The Scope 3 for UK Operations only captures business travel

PEOPLE
DEVELOPMENT



KEY HIGHLIGHTS:

- Successful launch of our inaugural mentoring scheme targeting high-potential individuals
- Ongoing commitment to internal development, with the introduction of leadership programmes

We pride ourselves on being an employer that celebrates difference and authenticity, and we are committed to fostering a culture in which all have an equal opportunity to succeed.

In 2024, we have invested in professional development opportunities for our employees to ensure that they are equipped to excel and thrive at work. We launched UManage – a dedicated training programme for our leadership. The programme focused on a range of skills and included modules on fostering an inclusive work environment, foundations of leadership, and mental health and menopause awareness training. In 2025, we are planning on rolling out leadership training to more geographies and employees.

This year we launched a pilot mentoring scheme to employees across the Utmost Group. The pilot, targeted at high-potential mentees and mentors, helped to foster a more collaborative work environment and provided a forum for skill development outside of the participant’s immediate team. It will in turn help us to establish a strong pipeline of future leadership talent and reinforces our commitment to internal mobility opportunities.

Employee engagement remains high on our agenda, and testament to this was our groupwide engagement survey results. Our combined participation rate rose to an impressive 88%, with a year-on-year improvement in positive scores. At Utmost, we encourage all our employees to be ambitious, dynamic and entrepreneurial and this mindset is reflected in the survey results, with 90% of staff stating that they were encouraged to come forward with ideas and suggestions. It is also testament to our leaders across the Group who have created an environment where 86% of our employees see themselves continuing to work at Utmost both now and in the future.



OUR VALUES

- I Inspiring
- M Motivated
- P Personable
- A Adaptable
- C Collaborative
- T Trustworthy

RESPONSIBLE
INVESTMENTS




KEY HIGHLIGHTS:

- Submitted our first public UN PRI report, achieving year-on-year improvement in scores
- Continued engagement with our external managers to ensure the integration of our responsible investment approach in their practices

As a long-term allocator of capital, we understand the importance of a rounded and informed analysis of investments. 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 year, we completed our first public reporting to the UN PRI. Our scores reflected year-on-year progress in our Responsible Investment practices and was a testament to the hard work of our investment teams to implement best practice. We continue to engage with our external investment managers to ensure that our responsible investment expectations are reflected in their approach. This has involved due diligence questionnaires to formalise our responsible investment expectations and targeted engagement with our ten most significant external investment management relationships by AUA. This will have the benefit of reinforcing our responsible investment approach and contributing to the collective momentum towards net zero ambitions.

 **FURTHER DETAILS ON OUR RESPONSIBLE INVESTMENT APPROACH CAN BE FOUND IN OUR RESPONSIBLE INVESTMENT POLICY ON OUR WEBSITE**

Last year we published our inaugural Pathway to Net Zero, which sets out our approach to and progress on our commitment to be net zero in our shareholder investment portfolio by 2050. In line with industry guidance, we committed to updating our Pathway at least every three years. Where there are material changes, we will update the Pathway accordingly. Our Pathway to Net Zero can be found in our 2023 Annual Report.

OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

Our climate-related financial disclosures have been drafted in accordance with the recommendations of the TCFD and the Company Act's CFD. The disclosure provides an overview of how climate-related considerations are examined and embedded across Utmost Group.

1. GOVERNANCE

Our governance structure ensures that we achieve our purpose to make a positive difference, building a brighter future for our clients and better serving all stakeholders. It is this purpose that informs our strategy and underpins our decision-making process, ensuring that we deliver good outcomes for all our clients.

Our governance framework clearly defines the roles and responsibilities for effective oversight and management of climate-related risks and opportunities at the Board and senior management levels.

Strong governance frameworks are in place across Utmost to reinforce the effective management of climate-related risks and opportunities.

Board Oversight of Climate-Related Risks and Opportunities

The Utmost Group plc Board oversees the delivery of the Group's sustainability strategy, which includes our approach and management of climate-related risks and opportunities. Our Group CEO, Paul Thompson, is the Executive Board Director with overall responsibility for the Sustainability Strategy.

Senior management inform the Board and the Group Audit, Risk and Compliance Committee ("ARCC") of any changes in climate-related risks and opportunities as these impact the Group. This is largely delivered through quarterly reporting through the Group Risk Report and Climate Disclosure Dashboard. The Board approved updates to a number of policies in the year which addressed sustainability-related topics, including climate. These included: Responsible Investment Policy, Investment and Market Risk Policy, Whistleblowing Policy, and our Modern Slavery Statement.

Annual stress and scenario testing is carried out across the Group, which provides quantitative and qualitative information on the Group's exposures to climate-related risks. Further details on the stress and scenario testing can be found on page 48.

Management Oversight of Climate-Related Risks and Opportunities

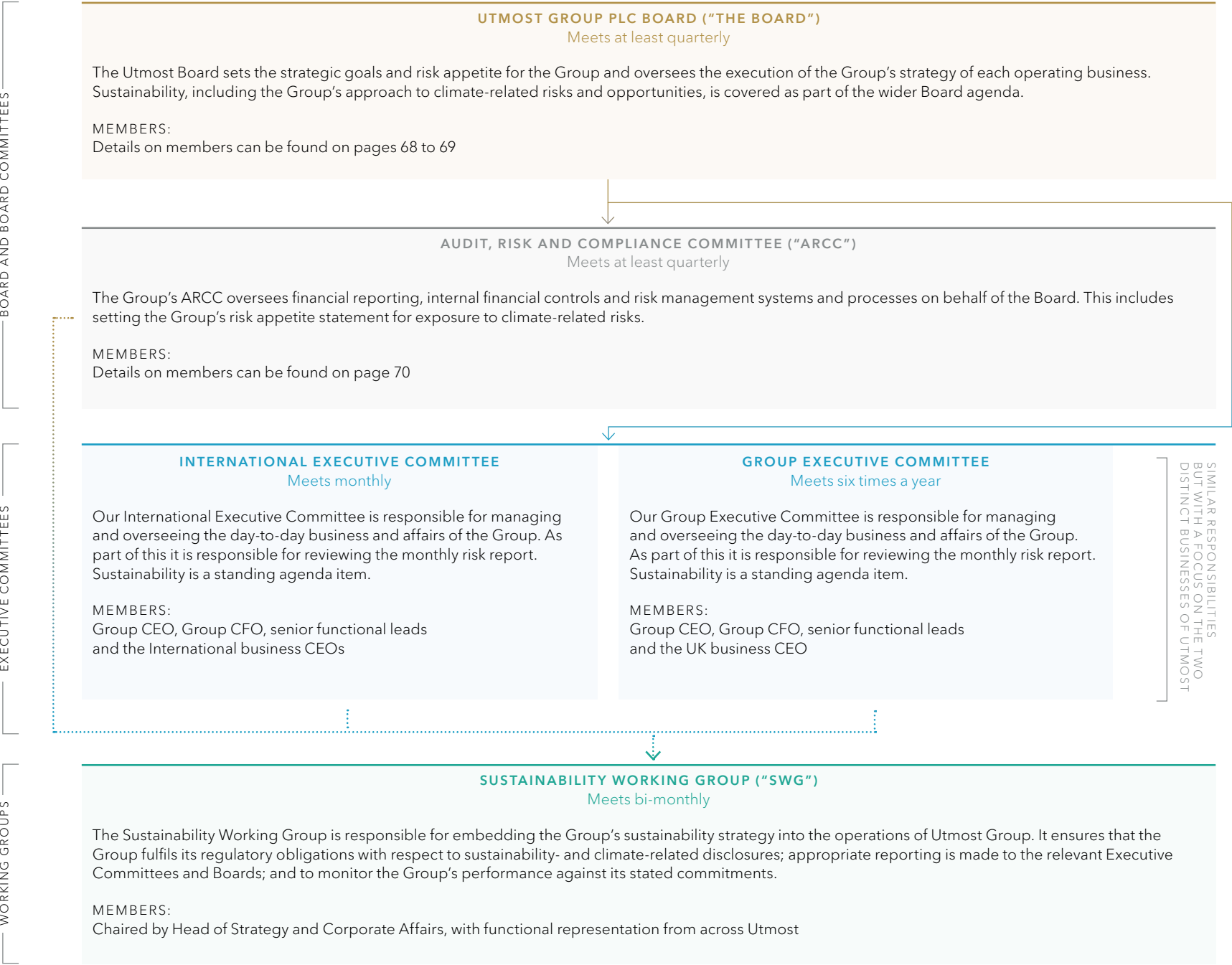
Our Sustainability Working Group ("SWG") is responsible for the implementation of the Group's sustainability strategy, and for ensuring that we meet our obligations and commitments. The SWG is chaired by the Head of Strategy and Corporate Affairs and the Group CEO is Executive Sponsor. The Head of Strategy and Corporate Affairs is responsible for providing updates to the relevant Boards and Committees as to our sustainability progress.

The SWG membership is comprised of representatives from each entity as well as functional leads. Their role is to ensure that sustainability and the consideration of climate-related issues is discussed and embedded into their respective entities.

Each Group Executive Committee ("ExCo") and International ExCo member is responsible for ensuring that consideration of climate-related issues is embedded appropriately within their function. The operating entity CEOs, as a part of their role as Executive Committee members, must ensure that their business is addressing climate-related issues, as appropriate for their size, risk exposure and local regulatory regime. The operating entity CEOs work closely with their representatives on the SWG to achieve this.

The Group Head of Risk and Compliance, who sits on both the Group and International Executive Committees, has overall responsibility for the identification, assessment, management and reporting of climate-related risks and opportunities that could impact Utmost. Identified risks and opportunities are discussed at the SWG, Group ExCo and International ExCo and relevant information is reported to the Group ARCC as part of the quarterly Risk Management Report and the annual Own Risk and Solvency Assessment Report ("ORSA").

SUSTAINABILITY GOVERNANCE
STRUCTURE



Our five operating entities have their own local governance structure and boards. The members of the International Executive Committee, Group Executive Committee, and Sustainability Working Group are charged with reporting on a regular basis to their subsidiary board and Executive Committee. They are responsible for ensuring that sustainability and the consideration of climate-related issues are embedded into their business.

The Governance section on page 70 gives further details on the frequency of the UGP Board and ARCC meetings.

2. STRATEGY

Guided by our purpose, it is imperative that we consider the impact of our actions both now and in the future. This outlook guides our strategic initiatives and business planning. As a business, we are committed to applying sustainability-informed investment and operational decision-making across Utmost.

The Group has assessed that it is not materially exposed to climate-related issues, given the predominance of unit-linked products and limited exposure to insurance/investment risks. The Group believes its revenue streams and expenses are fairly resilient to the impact of climate-related risks. Its assets and liabilities are well matched, supporting a robust financial position. The Group's shareholder investment portfolio is invested in high-quality government and corporate bonds. The Group has carried out climate-related scenarios to assess its risk exposure. It is considered that the Group is currently well positioned to withstand the risks presented by climate-related issues. This is reviewed on a regular basis. These scenarios are described in detail in the Risk Management section of the TCFD on page 48.

Internally we monitor climate-related risks and opportunities that could impact the Group over the short, medium and long term.

In accordance with the TCFD guidelines, Utmost Group is exposed to both transition risks and physical risks.

- **Transition Risks:** related to the transition to a lower-carbon economy. This could entail extensive policy, legal, technology, market and reputation changes to ensure sufficient adaptation and mitigation attempts.
- **Physical Risks:** related to the physical impacts of climate change. The risks can either be acute (event-driven risks) or chronic (longer-term shifts in climate patterns).

We also consider liability risks which are the risks arising from parties who have suffered loss or damage from physical or transition risk factors seeking to recover losses from those they hold responsible.

Alongside the risks that emerge due to decarbonisation efforts, climate change mitigation and adaptation could also result in opportunities for Utmost.

In reviewing TCFD recommendations, the most pertinent for Utmost are:

- **Resource Efficiency:** reducing operating costs through efficiency gains
- **Energy Source:** moving energy generation to lower emission alternatives
- **Resilience:** development of adaptive capacity to better to respond to the physical and transition risks

These risks and opportunities and the potential impacts are summarised in the table below.

We have considered them over the following time horizons:

- **Short term:** 0 to 5 years
- **Medium term:** 5 to 10 years
- **Long term:** 10+ years

It should be noted that the table is non-exhaustive and there remains uncertainty if or when these risks will crystallise. We continue to review and assess our risk exposure and make adjustments where necessary to ensure that we have the appropriate safeguards in place.

Each entity and function are tasked with considering climate-related issues as a part of their business management processes.



CLIMATE-RELATED RISKS

We have considered a number of risk scenarios and their potential impact on the group. Their inclusion here does not reflect their materiality to the Group.

TRANSITION RISKS	RISKS	POTENTIAL FINANCIAL IMPACTS	TIMEFRAME
POLICY AND LEGAL	<ul style="list-style-type: none"> – Enhanced emissions-reporting obligations – Exposure to litigation – Regulation of existing products and services 	<ul style="list-style-type: none"> – Increased operating costs through higher compliance and governance costs, or through unplanned remedial action – Increased costs and/or reduced demand for products and services – Fines as a result of regulatory action 	Short/Medium
TECHNOLOGY	<ul style="list-style-type: none"> – Cost of transition to new technology – Unsuccessful investments in new technology – Data limitations hinder ability to understand exposure 	<ul style="list-style-type: none"> – Early retirement of existing technology estate – Potential poor performance of investments in new technology – Costs to adopt/deploy new practices and processes – Potential for unknown exposure to climate-related risks due to data limitations 	Medium
MARKET	<ul style="list-style-type: none"> – Changing customer behaviour – Uncertainty in market signals – Loss of market share as products don't meet clients needs 	<ul style="list-style-type: none"> – Reduced demand in products due to shift in customer preferences or amount of investable wealth – Repricing of assets impacting profits (e.g., fossil fuel reserves, land valuations, securities valuations) 	Medium
REPUTATION	<ul style="list-style-type: none"> – Increased stakeholder concern or negative stakeholder feedback – Brand perception 	<ul style="list-style-type: none"> – Reduced revenue from decreased demand for products – Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) – Reduction in capital availability – Refusal from suppliers/third parties to engage with the Group 	Short/Medium
PHYSICAL RISKS	RISKS	POTENTIAL FINANCIAL IMPACTS	TIMEFRAME
ACUTE	<ul style="list-style-type: none"> – Increased severity of extreme weather events 	<ul style="list-style-type: none"> – Reduced revenue and high costs from negative impacts on workforce (e.g. health, safety, absenteeism) – Reduced revenue due to investment return impact – Impact suppliers/third parties which could lead to increased operational expenses 	Short
CHRONIC	<ul style="list-style-type: none"> – Extreme variability in weather patterns – Rising mean temperatures – Rising sea levels 	<ul style="list-style-type: none"> – Demographic assumption changes impacting profitability – Negative effect on asset prices impacting profitability – Operational disruption increases expenses 	Long

CLIMATE-RELATED OPPORTUNITIES

	OPPORTUNITIES	POTENTIAL FINANCIAL IMPACTS
RESOURCE EFFICIENCY	<ul style="list-style-type: none"> – Use of more efficient technology – Use of recycling – Move to more efficient buildings 	<ul style="list-style-type: none"> – Reduced operating costs (e.g., through efficiency gains and cost reductions) – Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
ENERGY SOURCE	<ul style="list-style-type: none"> – Use of lower-emission sources of energy – Use of new technologies 	<ul style="list-style-type: none"> – Reduced exposure to future fossil fuel price increases – Returns on investment in low emission technology – Increased capital availability (e.g., as more investors favour lower-emissions producers) – Reputational benefits resulting in increased demand for goods/services
RESILIENCE	<ul style="list-style-type: none"> – Adoption of energy-efficiency measures 	<ul style="list-style-type: none"> – Increased market valuation through resilience planning (e.g., infrastructure, land, buildings) – Increased reliability of supply chain and ability to operate under various conditions

BUSINESS PLANNING AND CLIMATE-RELATED CONSIDERATIONS

	CONSIDERATION
PRODUCTS AND SERVICES	Our proposition team includes an assessment of sustainability-related considerations as part of their development process
SUPPLY CHAIN	Integrate sustainability and ESG questions into our due diligence questionnaires with key suppliers
ACQUISITIONS/ DIVESTMENTS	Climate-related issues are considered as a part of acquisition due diligence across investment portfolios and business lines
ACCESS TO CAPITAL	The Group considers expectations of equity and debt investors with respect to sustainability. Any perception that the Group is not addressing climate-related issues may impair the Group's access to capital, credit rating and cost of borrowing. The Group therefore aims to communicate clearly and transparently with stakeholders so that our approach to sustainability climate-related topics is understood. The Group continually monitors climate-related issues including regulatory requirements and policyholder preferences. As science and industry perspectives develop, we know that we must be adaptable to ensure that we continue to follow best-practice guidelines and ensure that the Group remains an attractive investment opportunity

3. RISK MANAGEMENT

The Group considers climate-related risks to be a cross-cutting rather than a standalone risk type, given the Group's business and expected exposure.

The Group's Climate Risk Framework sets out the overall approach for managing the risks associated with climate that the Group and its operating entities are exposed to as a result of pursuing our strategic and business objectives. It is used to identify, assess, manage, monitor and report climate-related risks and ensures that climate-related factors are considered when assessing the overall risks to the organisation.

This approach is in line with our existing Enterprise Risk Management ("ERM") Framework, and we consider this approach to be appropriate given the expected materiality of climate-related risks on the Group. Our ERM framework embeds a strong and effective risk management across the operating businesses, and details how we identify and manage the material risks, including operational climate-related risks to which we are exposed. It is used to make informed business decisions by ensuring that risks are understood and managed effectively, whilst ensuring good stakeholder and client outcomes. Further details on our ERM Framework can be found on pages 54 and 57.

To provide a clear categorisation of the risks associated with climate change, the Group uses the climate-related risk taxonomy developed initially by the Financial Stability Board and adopted by many regulators to provide a clear categorisation of the risks associated with climate change. This taxonomy considers Physical risks, Transition risks and Liability risks.

The Group performs stress and scenario testing to help assess the potential impact of a range of plausible climate change pathways on the Group's strategic objectives. The process helps to identify areas where additional controls or mitigants could be put in place.

This is embedded through the Group and entity ORSA processes and includes qualitative and quantitative assessment of climate-related risks on the Group's operational capabilities as well as its financial resources. In line with the Group ERM framework, the Group expects each operating business to put in place and maintain controls and other risk mitigants to manage the risks associated with climate change.

The Group's assessment is that there is currently limited exposure to climate risk given the resilience of our operations, our predominance of unit-linked policies and limited insurance and/or investment risk.

All staff are expected to consider and identify potential climate risks as part of their business-as-usual activities and decision-making processes. Business entities must identify any significant environmental impacts produced by their operations and put processes in place to prevent, reduce and mitigate them.

Senior management and Board roles and responsibilities for climate-related risk management can be found on page 44.

Stress and Scenario Testing

A top-down assessment of the potential impact of climate change across the Group's strategic objectives has been carried out based on the three pathway scenarios set out by the PRA in its 2019 Life Insurance Stress Test ("LIST") exercise:

- **Scenario 1:** A sudden transition ensuing from rapid global action with temperature increase being kept below 2C.
- **Scenario 2:** A long-term orderly transition scenario broadly in line with the Paris Agreement and temperature increase below 2C.
- **Scenario 3:** failed future improvements in climate policy with temperature increase reaching in excess of 4C.

This scenario testing is supported by a stress test which assesses the potential financial impacts of climate change on the Group based on the late action scenario included in the Bank of England's 2021 Climate Biennial Exploratory Scenario ("CBES").

Under this scenario, the transition to a net zero emissions economy is assumed to be delayed until 2031, at which point there is a sudden increase in the intensity of climate policy. In the UK, greenhouse gas emissions are successfully reduced to net zero around 2050, but the transition required to achieve that is more abrupt and therefore disorderly.

The Group has translated this into a market scenario which is applied annually under which equity markets are assumed to fall by 15% while inflation and spreads increase significantly (by 200 basis points (bps) and 175bps respectively). Interest rates are assumed to rise by 150bps in response to inflationary pressures.

While the scenario is expected to result in an initial large drop in SII EV, consistent with the impact on the Own Funds, this is projected to recover over time. The impact on the Group's financial position is currently considered manageable, both in terms of the Solvency Coverage Ratio and dividend paying capacity. There is a risk that policyholder exposures to climate risks eventually feeds back into the Group through increased lapse rates.

4. METRICS AND TARGETS

The Group's Risk Appetite Statement sets out the Group's capacity for risk in the pursuit of our strategic objectives. These risk statements address the Group's risk appetite and covers certain sustainability-related risks. These risks are monitored on an ongoing basis.

The metrics are regularly reported to the appropriate Board risk committees as part of ongoing risk reporting. Key risks are also reported monthly at the International Executive Committee meetings and bimonthly at the Group Executive Committee meetings. Further details of which can be found on page 44.

Utmost Group produces an internal Climate Disclosure Dashboard (Dashboard), which provides climate-related data to the Board to track the Group's climate-related exposures within the shareholder investment portfolio. The Dashboard contains metrics on Transition Risk (Exposure to Carbon-Related Assets), Physical Risks (Physical Risk Heatmap Scores) and Portfolio Decarbonisation (Carbon Intensity). The Group uses data sourced from S&P Trucost and Sustainalytics to track the climate-related exposures of its investments. Across our shareholder investments and Guided Architecture fund ranges, our ESG Risk Ratings continue to trend lower, reflecting the Group's work to reduce our impact. In 2024, we have been working closely with our data providers and our liquidity fund providers to reduce data gaps. This work is ongoing.

The Group is committed to transitioning its shareholder investment portfolio to net zero greenhouse gas emissions by 2050, with an interim target to halve emissions by 50% by 2030. Our Pathway to Net Zero can be found in our 2023 Annual Report. In 2024, our shareholder investment emissions continue to reduce reflecting the active efforts of our investment teams.

The Group's Remuneration Policy embeds consideration of sustainability into the Group's approach to remuneration. Certain identified roles have specific objectives linked to the individual's contribution towards the successful implementation of the Group's sustainability strategy including climate-related issues.

The Group reports its operational carbon emissions in its SECR. The measurement incorporates Scope 1, Scope 2 and select Scope 3 emissions. The Group's SECR can be found on page 41.

The strategic risk metrics detailed below are used internally to monitor our performance. We are currently within our risk tolerance for the listed metrics.

Strategic risk metrics	Metric	Frequency	Reporting Level	Green	Amber	Red
Climate Change Transition Risk: Exposure to Carbon-Related Assets	Percentage of Carbon-Related Assets in the Shareholder Investment Portfolio	Quarterly	Group	≤20%	>20% to ≤30%	>30%
Climate Change Physical Risk: Physical Risk Exposure of Shareholder Assets	Sensitivity Weight Adjusted Composite of Shareholder Investment Portfolio	Quarterly	Group	≤40	>40 to ≤50	>50
Shareholder Assets Carbon Emissions Intensity Ratio	Total carbon emissions in our Shareholder Assets across the Group ¹	Quarterly	Group	≤75%	>75% to ≤100%	>100%
ESG and Stewardship: Shareholder Funds Sustainalytics ESG Risk Rating Score	Sustainalytics ESG Risk Rating	Quarterly	Operating Business	≤20	>20 to ≤30	>30
ESG and Stewardship: Guided Architecture Group Average Sustainalytics ESG Risk Rating Score	Sustainalytics ESG Risk Rating	Quarterly	Operating Business	≤30	>30 to ≤40	>40

1. Against an industry corporate bond index

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Section 414CA of the Companies Act 2006 requires the Company to include within its Strategic Report a non-financial and sustainability information statement setting out such information as is required by Section 414CB of the Companies Act 2006.

The table below and the information it refers to is intended to help stakeholders understand Utmost Group's position on key non-financial and sustainability matters.

REPORTING REQUIREMENTS	FURTHER INFORMATION
Anti-Corruption and Anti-Bribery	Page 76
Business Model	Pages 20 to 29
Climate-Related Matters including Climate Risk	Pages 43 to 49
Employees	Page 42 and 52
Environment Matters	Pages 38 to 49
Non-Financial KPIs	Pages 9 and 40
Principal Risks	Pages 59 to 63
Respect for Human Rights	Page 76
Social Matters	Page 60 to 63 and 74 and 76

STAKEHOLDER ENGAGEMENT

Aligned with our purpose, we are committed to creating value and delivering positive outcomes to better serve all stakeholders. Our key stakeholders are identified as our: clients, investors, employees, regulators, community and environment and suppliers.

We work hard to ensure that those groups are considered in strategy and decision-making processes at the Board and Executive Committees.

SECTION 172(1) STATEMENT

We report here on how our directors have performed their duty under section 172(1) of the Companies Act 2006 (s.172). The Board has direct engagement principally with our employees, shareholders, debt investors and regulators, and is also kept fully apprised of the material issues of other stakeholders through reports from the executive directors, senior management and external advisers.

Through this stakeholder engagement, the Board can understand the impact of its decisions on key stakeholders and ensure it keeps abreast of developments that need to be factored into strategy discussions and decision-making.

The directors consider, both individually and collectively, that they have acted in the way they consider in good faith, would be most likely to promote

the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in s.172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the year being:

- A the likely consequences of any decision in the long term
- B the interests of the Company's employees
- C the need to foster the Company's business relationships with suppliers, customers and others
- D the impact of the Company's operations on the community and the environment
- E the desirability of the Company in maintaining a reputation for high standards of business conduct
- F the need to act fairly as between members of the Company

This statement draws upon information contained in other sections of the Strategic Report as indicated above and overleaf.

RELATIONSHIP WITH STAKEHOLDERS

The Board recognises the importance of effective engagement with our key stakeholders in the success of the Group. Our key stakeholders are identified on the following pages with an explanation of why they are important to our business, what is important to them, and how the Board has responded to any issues raised.



CLIENTS

WHY ARE THEY IMPORTANT?

Our purpose is to build a brighter future for our clients and support them in creating strong financial futures. Clients are therefore at the heart of our decision-making processes. There are two key client stakeholder groups:

- **ULP Customers** who are approaching, at, or in retirement and saving for their future
- **Utmost International Clients** who are affluent, HNW and UHNW individuals looking to protect and pass on their wealth

WHAT IS IMPORTANT TO OUR CLIENTS?

Outstanding service, use of a reputable provider, financial stability, strength of proposition, technical expertise, and value for money.

HOW WE ENGAGE

We engage directly with clients through our corporate communications, information fact sheets, website and customer service teams. In the Utmost International business, our primary engagement is through advisers who support clients in finding the best solutions to manage their wealth. Advisers include private banks, independent financial advisers and wealth managers for whom excellent service is key to a seamless experience and good outcomes for clients. We also engage with research companies which collect thoughts and opinions of individuals, helping the Board to understand how the Group is delivering its services and meeting the needs of our target clients.

In the Utmost Life and Pensions business, our engagement with policyholders is through the Annual Statements. We continue to enhance our engagement to ensure that all communications are understandable and that customers have the support they need, when they need it.

No specific client issues have been raised during the year that required the Board’s attention. The Board will be closely monitoring the integration of Lombard International to ensure that there is no adverse impact to clients and partners.

INVESTORS

WHY ARE THEY IMPORTANT?

Our investors have invested capital to finance the business and enable us to work towards our mission to build a brighter future for our clients. There are two categories of investors:

- Equity Investors: Funds managed by Oaktree and shares held by Paul Thompson and Ian Maidens, the founders of the business (“Founders”)
- Debt Investors

WHAT IS IMPORTANT TO OUR INVESTORS?

Financial stability, economic value, consistency of returns and robust risk management processes to protect their assets.

HOW WE ENGAGE

The Founders and Oaktree representatives hold director positions. Management meets regularly with Oaktree in addition to formal Board meetings.

Biannual results presentations are held for debt investors.

Should debt investors request direct engagement, Board members will consider the request and attend meetings if appropriate and in compliance with the relevant legislation.

EMPLOYEES

WHY ARE THEY IMPORTANT?

Our employees deliver outstanding service to clients and ensure that the business operates effectively.

WHAT IS IMPORTANT TO OUR EMPLOYEES?

To feel understood and valued, to have the ability to develop, to be enabled to propose and deliver positive changes within their work, to be part of a growing business with ambitious plans for the future.

HOW WE ENGAGE

Our line managers engage directly with staff day to day and our leaders are regularly involved in open forum communication events. We share information using various channels such as Group and local intranets as well as social media platforms. We gather feedback using a range of techniques such as structured employee surveys and engagement with employee representatives, as well as more formal information channels through line management and HR.

WHAT ISSUES HAVE BEEN RAISED DURING THE YEAR AND HOW HAVE WE RESPONDED?

A Group-wide Employee Engagement Survey was undertaken in Q3 2024. The purpose of this was to build on the feedback from the previous years, whilst also continuing the active dialogue between employees and management. Employee engagement was very good with an 88% completion rate (2023: 82%) and an overall positive score of 86% (2023: 83%). There were some notable areas of increased scores such as employee understanding of the Group strategy and employee understanding of the Group’s sustainability strategy. Significant efforts have been made to communicate both to the business, so it was positive to receive this employee feedback. These communications initiatives will continue in 2025.

Employees also requested that appropriate and effective training is given to new joiners and established staff. This will be reviewed in 2025.

REGULATORS

WHY ARE THEY IMPORTANT?

The Group is supervised by the PRA and the insurance entities are regulated by the FCA, PRA, Isle of Man Financial Services Authority ("IoM FSA"), CBI, GFSC, CAA and other local regulators in branch locations. Maintaining good relationships with our regulators is essential to the success of the business.

WHAT IS IMPORTANT TO THE REGULATORS?

Excellent client outcomes, robust risk management systems and internal controls, financial stability.

HOW WE ENGAGE

The Group and its subsidiaries proactively participate in periodic meetings and interactions with its regulators as appropriate to fully understand regulatory views and feedback. This includes participation in thematic reviews conducted by the local regulators supervising each area of the business. The PRA conducts periodic reviews, the outcome of which are periodic summary meetings. The Board reviews the feedback as appropriate, and no material issues have been raised during the year.

The businesses operate a horizon scanning process to ensure that upcoming regulatory change, consultations, guidance and 'hot topics' are known and understood, enabling any resulting internal actions to be taken.

COMMUNITY AND ENVIRONMENT

WHY ARE THEY IMPORTANT?

Utmost Group is passionate about having a positive impact not only on the lives of our employees, but also on the communities in which we operate. Our focus on community extends to our environment. In order to secure the financial futures of both present and future generations, the Group must ensure its values and culture align with protecting our environment.

WHAT IS IMPORTANT TO THE COMMUNITY AND ENVIRONMENT?

Support of local initiatives such as charitable and sporting activity. Reduction in the Group's environmental impact and taking action to work towards mitigating the effect of climate change.

HOW WE ENGAGE

Initiatives are undertaken in each business to ensure localised support. These include fundraising events for employee-selected charities, donation matching schemes and the availability of volunteering leave to help local organisations. The Group continues to be committed to reducing its environmental impact and continues to seek ways to work more efficiently to achieve this.

 **FURTHER INFORMATION IS SET OUT IN THE SUSTAINABILITY REPORT ON PAGE 38 TO 49**

SUPPLIERS

WHY ARE THEY IMPORTANT?

Utmost depends on our suppliers to help us deliver our proposition to our policyholders and help ensure the delivery of good outcomes. We want to match their innovative capabilities with our policyholders' requirements.

WHAT IS IMPORTANT TO OUR SUPPLIERS?

Utmost Group cares about what we do, but also how we do it. The Group aims to be a good partner to our suppliers, and expects their behaviour to reflect the standards we hold for ourselves.

HOW WE ENGAGE

The Group works with suppliers across its value chain including distribution partners, asset managers and technology providers. The Group's values emphasise collaboration and trust and the Group aims to reflect these in all its business dealings. The Group expects its suppliers to reflect our values in the manner in which we partner together and the manner in which our policyholders are serviced.

RISK MANAGEMENT

The Utmost Group Enterprise Risk Management (“ERM”) Framework embeds strong and effective risk management across the business ensuring that our customers’ interests are central to our operations. The Framework is used to make informed business decisions by ensuring that risks are understood and managed effectively bringing positive outcomes for our customers and shareholders.

ERM FRAMEWORK

The Group ERM Framework is dynamic, evolving to reflect changes in the business, risk environment and emerging best practice. As the Group has grown and matured, so has the ERM framework to meet the needs of the business. The Group operates a central, Group-wide ERM Framework including policies, risk appetites, governance and reporting. This is underpinned by a strong risk and compliance culture. This is embedded in local operating businesses and complemented by local Risk Management Frameworks, policies and procedures which are overseen by the respective subsidiary boards and committees. Across the Group a Risk Management system is used to record, manage and report on issues, risks and events. This system is also used to support Internal Audit and Compliance functions. The risk universe or “Taxonomy” is used across these modules to provide aggregation and analysis of risks across the Group.

The ERM Framework assists the Group in achieving its strategic objectives by supporting the operating businesses with improved client and shareholder outcomes. This is achieved through the identification and management of an acceptable level of risk (“risk appetite”) and by ensuring that the Utmost Group is appropriately rewarded for the risks it takes. To ensure that all risks are managed effectively, the Utmost Group is committed to:

- embedding a risk-aware culture
- maintaining a strong system of internal controls
- enhancing and protecting client and shareholder value by continuous and proactive risk management
- maintaining an efficient capital structure
- ensuring that risk management is embedded into day to day management and decision-making processes.

At the end of 2024 the Utmost Group acquired Lombard International Assurance Holdings S.a.r.l. (“Lombard”). Lombard will be adopting the Utmost Group ERM framework and the integration of this is already well underway. Lombard operates a strong risk framework

and follows a similar model to the Utmost Group, making the integration more straightforward. In addition the risks facing the Lombard business are very similar to those facing the Utmost Group.

RISK CULTURE

The Utmost Group promotes a positive and open risk management culture where colleagues are encouraged to speak up. The risk culture is embedded through the following:

- the Group Head of Risk and Compliance and local Chief Risk Officers (“CRO”) of all operating businesses are members of senior management and in the execution of their roles, integrate risk management thinking into the decision-making process
- the Group and operating business strategic planning process and Own Risk and Solvency Assessment (“ORSA”) process must be aligned to include a risk-based, forward-looking view in the development of the strategic plan
- the Risk function in each operating business is involved in material initiatives which may impact on the risk profile of that operating business or the Utmost Group as a whole. The role of each Risk function is to integrate the risk management assessment methodologies into the decision-making process by supporting the business in identifying, assessing and managing the risks associated with these initiatives
- each Risk function works closely with the business units within its own operating business, providing both effective challenge and advisory services.

RISK UNIVERSE

The main risks that the Group is exposed to are identified and categorised in a Group Risk Universe Map or “Taxonomy”, which forms the basis upon which the Group ERM Framework operates. This provides a common language to enable:

- the Board to articulate its risk strategy for types of risk that the Group is exposed to through the operating businesses’ activities

- alignment of identified assurance actions (risk, compliance and internal audit) to a risk category, which will help when evaluating aggregate risk exposure for different categories of risks across the Group
- consistency across the operating businesses when embedding risk appetites, setting limits and reporting risk exposures
- combining risk exposures across the operating businesses against the predefined categories at a Group level, as and when required.

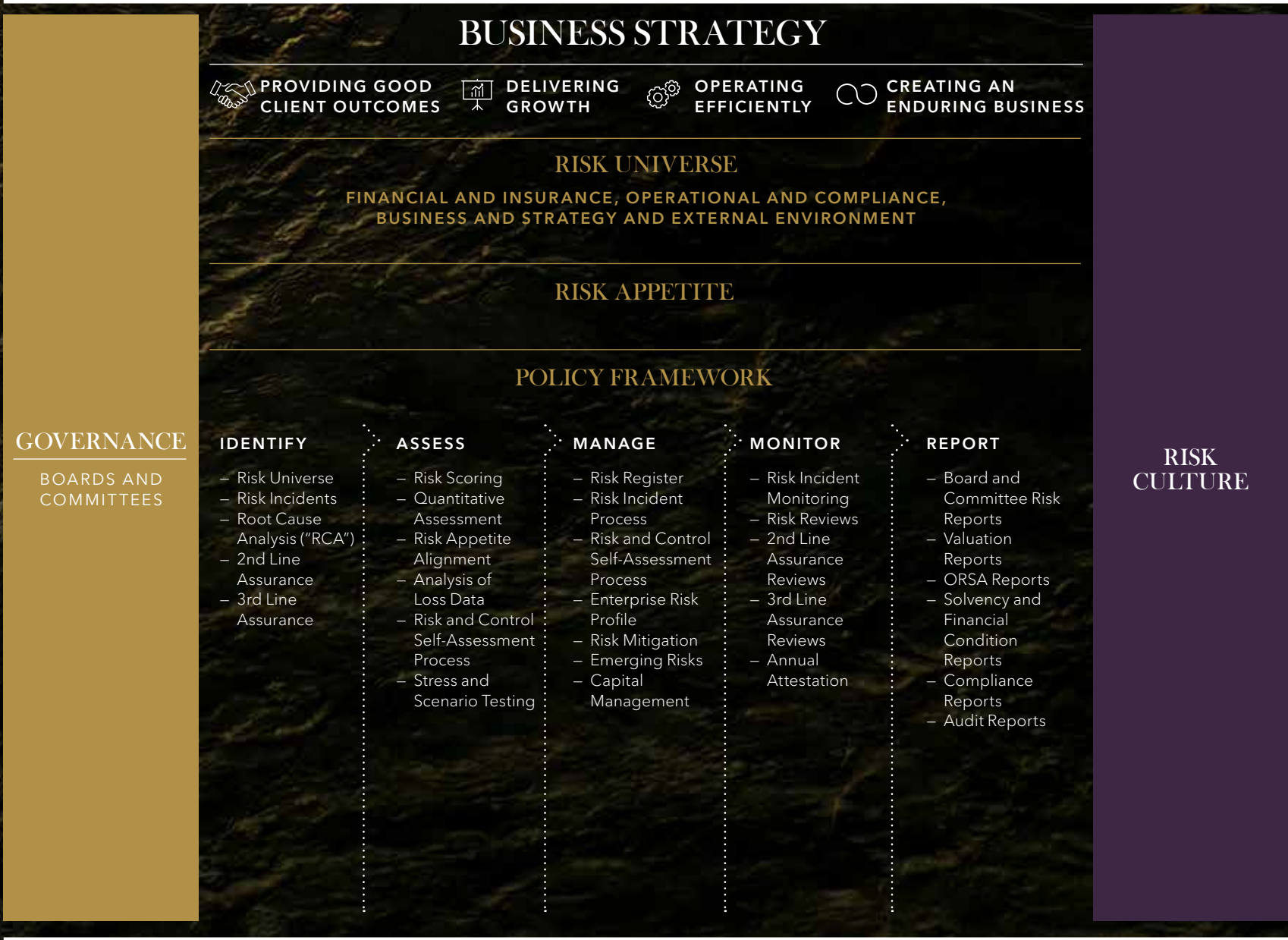
RISK APPETITE

Risk appetite is the level of risk that the Utmost Group is willing to accept in pursuit of its strategic objectives. Risk preferences are outlined and documented within the risk appetite statement. The subsidiary boards tailor their own risk appetite statements within the boundaries of the risk appetite set by the Board. The operating subsidiaries develop metrics to translate the risk appetite into quantitative and measurable risk limits and indicators. These are embedded into the operating processes to ensure proper monitoring and steering of business activities.

The Utmost Group embeds its risk appetite into key decision-making processes by defining consistent risk metrics (including limits and key risk indicators) to ensure that its risk profile is managed within the stated appetite, triggering consideration of appropriate actions when the metrics reach or exceed defined criteria.

Work has been carried out to develop the risk appetite metrics further, to increase coverage and provide, where possible, more early warning indicators. In addition, a number of risk appetite thresholds have been tightened, reflecting the maturing control environment and closer management of risk across the Group.

THE GROUP'S ENTERPRISE RISK MANAGEMENT FRAMEWORK



THE GROUP RISK UNIVERSE MAP

EXTERNAL ENVIRONMENT

GEOPOLITICAL AND MACROECONOMIC RISKS	SOCIAL AND ENVIRONMENTAL RISKS
TECHNOLOGICAL RISKS	REGULATORY/LEGISLATIVE RISKS

FINANCIAL AND INSURANCE

CREDIT RISK	LIQUIDITY RISK	CAPITAL RISK
INSURANCE RISK	INVESTMENT AND MARKET RISK	

GROUP RISK UNIVERSE MAP

DISTRIBUTION	ACQUISITION
BRAND	

FINANCIAL CRIME	CLIENTS, PRODUCTS AND BUSINESS PRACTICES	BUSINESS AND SYSTEMS DISRUPTION
GOVERNANCE	EMPLOYMENT PRACTICES	DAMAGE TO PHYSICAL ASSETS
EXECUTION DELIVERY AND PROCESS MANAGEMENT		

BUSINESS AND STRATEGY

OPERATIONAL AND COMPLIANCE

RISK GOVERNANCE

The Utmost Group Board has ultimate responsibility for risk management, overseeing the effectiveness of the ERM Framework and is supported by the Utmost Group's Audit, Risk and Compliance Committee ("ARCC"). The Group Board is responsible for:

- establishing its strategy towards risk taking
- overseeing the communication and monitoring of adherence to the approved appetite for risks
- overseeing the overall system of internal control in the operating businesses

The Group Head of Risk and Compliance is responsible for developing and maintaining the overarching Group Risk Management Framework. Each local entity, supported by a local CRO, is responsible for complementing the framework with appropriate local policies and procedures as required. In addition, the Utmost Group has established a series of board committees in each of its businesses with specific delegated authority ensuring that risk management is owned and embedded at the local level. Further detail on the governance structure and activities of the Committees is set out in the Governance Report from page 72 onwards.

Risk-taking activities in the operating businesses are governed by the three lines of defence model which is widely used within the financial services industry. This model separates ownership and management of risk from oversight and independent assurance as shown below.

The Group Internal Audit function supports the Utmost Group Board and ARCC by providing independent, objective assurance on the effectiveness of governance, risk management and internal controls across the Group. The Group Internal Audit function establishes an annual risk-based audit plan to ensure adequate assurance is provided against key risks and associated controls, regulatory priorities and strategic objectives. Control environment assessments and audit results are periodically reported to the Board and ARCC for consideration. The Group Head of Internal Audit reports to the Chair of the ARCC which ensures independence and is supported by local Heads of Internal Audit in each local entity and operating businesses.

EMERGING RISKS

The Group remains vigilant to new and emerging risks which could crystallise across different time horizons and have an impact on our strategy and business operations. Both current and emerging risks are regularly discussed at Executive and Board level Committees and appropriate mitigation strategies put in place.

RISK MANAGEMENT PROCESSES

The Group evaluates its principal and emerging risks and decides how best to manage them to keep within the approved risk appetite. The operating businesses regularly review their risks and produce reports for their subsidiary board committees to provide assurance that material risks are being appropriately mitigated.

Appropriate controls are established and maintained to mitigate risks to within risk appetite. This includes holding capital against risks that are quantifiable and where capital is considered an appropriate mitigant. Stress and scenario tests are used extensively in each business to support the assessment of risk and provide

analysis of their financial and/or operational impact. Independent reviews conducted by the operating business risk functions provide further assurance to management and the subsidiary boards that individual risk exposures and changes to our risk profile are being effectively managed.

Staff receive regular training on key regulatory and risk matters and a new suite of tailored training is being rolled out in 2025.

OWN RISK AND SOLVENCY ASSESSMENT

The Group ORSA is a key process for providing the Board and other key stakeholders with a comprehensive understanding of the Group's risk profile and expected capital needs over its business planning period. The analysis, findings and recommendations from the Group ORSA are a key part of the Board's strategic decision-making process as are the way in which these decisions are implemented by relevant members of the senior management team.

The Group's strategic objectives, business plan and target risk profile are key inputs into the scope and focus of the Group ORSA. The Group ORSA includes an annual cycle of stress and scenario testing. This is designed to provide insight into the sensitivity of the business plan to key assumptions and allow analysis of the plan under potential adverse scenarios together with the management actions available to the Group to achieve its strategic objectives. The Board, together with senior management, play a significant role in determining the set of scenarios which will be included in the Group ORSA, the assumptions for each of these scenarios and the criteria against which the results will be assessed.

THREE LINES OF DEFENCE

1

FIRST LINE OF DEFENCE

OWN AND MANAGE THE RISKS

The first line of defence is operational management which performs day to day operational activities and self-assessment of their risks and associated controls.

2

SECOND LINE OF DEFENCE

OVERSEE AND PROVIDE SPECIALIST SUPPORT

The second line of defence is primarily the Risk and Compliance functions, which monitor compliance with the Risk Management Framework and perform independent oversight of operational management and risk-taking activities.

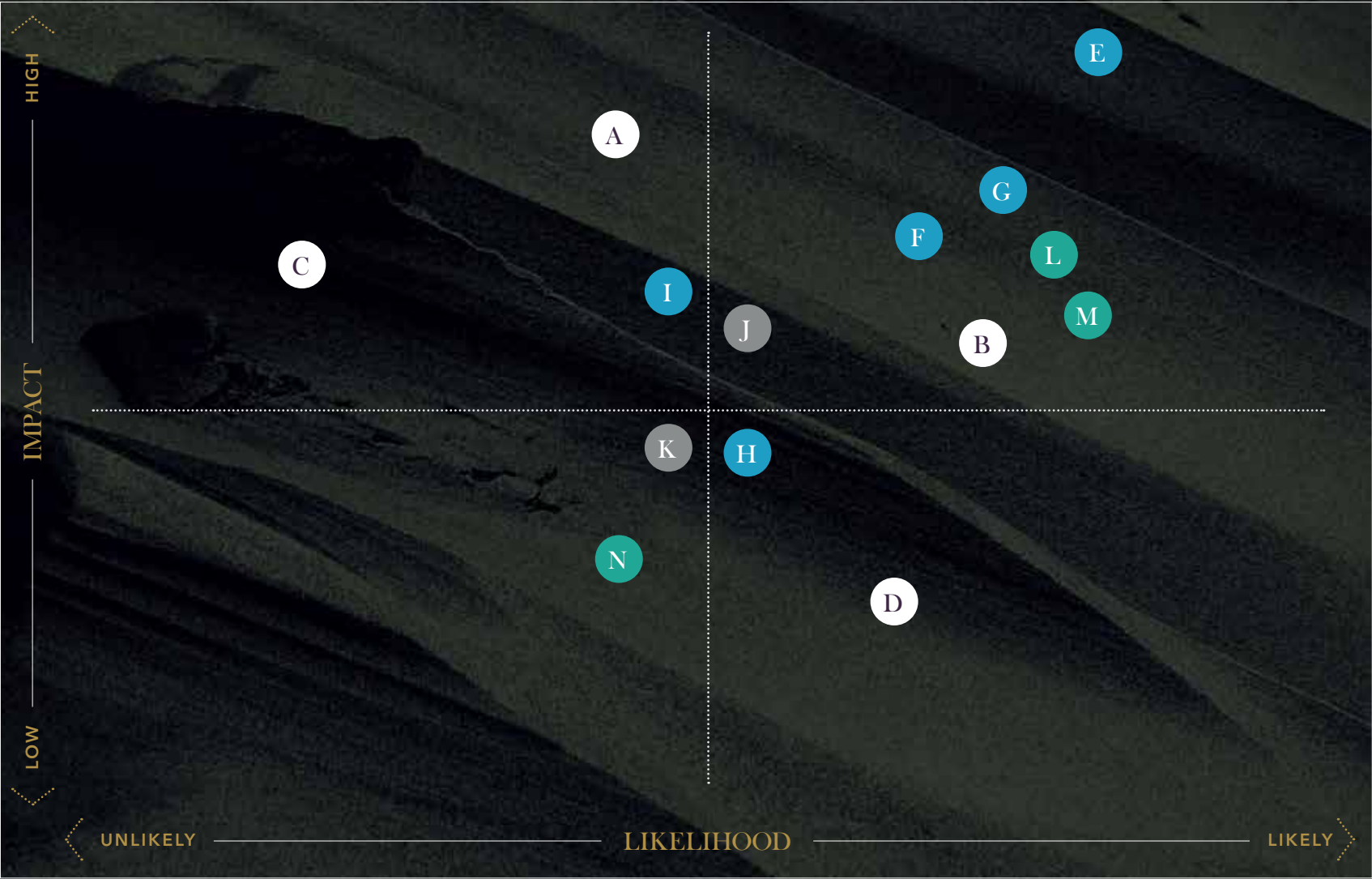
3

THIRD LINE OF DEFENCE

INDEPENDENT PROCESS ASSURANCE

The third line of defence is Group Internal Audit, which provides independent review and assurance on the design and operating effectiveness of the internal control framework established and maintained by operational management and the control functions (first and second line).

PRINCIPAL RISK MAP



- FINANCIAL AND INSURANCE**
- A Insurance Risk
 - B Market and Investment Risk
 - C Capital and Liquidity Risk
 - D Credit and Counterparty Risk

- OPERATIONAL AND COMPLIANCE**
- E Business and System Disruption (including Cyber)
 - F Execution, Delivery and Process Management
 - G Clients, Products and Business Practices (including Legal, Tax and Outsourcing)
 - H People and Employment Practices
 - I Fraud and Financial Crime

- BUSINESS AND STRATEGY**
- J Distribution Risk
 - K Acquisition and Integration Risk




- EXTERNAL ENVIRONMENT**
- L Regulatory and Legislative Risk
 - M Technological and Digitalisation Risk
 - N Social and Environmental Risk

PRINCIPAL RISKS

STRATEGIC PILLARS

-  Providing Good Client Outcomes
-  Operating Efficiently
-  Delivering Growth
-  Creating an Enduring Business

RISK TRENDS

-  Stable
-  Increasing net risk
-  Reducing net risk

FINANCIAL AND INSURANCE

RISK

INSURANCE RISK

The Group is exposed to insurance risks when its operating businesses have unfavourable experience, including policy lapses and client retention, client mortality, morbidity, longevity and business expenses.

Link to strategy:



MITIGANT

The Group’s operating businesses closely monitor lapse/client retention, mortality, morbidity, longevity and expense experience, to identify any outcomes that are materially different from the assumptions made and factor them into the Group’s overall reserving assumptions accordingly.

The operating businesses transfer a proportion of their insurance risks to third-party reinsurers, in line with the risk appetite, which subsequently exposes them to counterparty risk. This residual counterparty risk is managed through due diligence and ongoing monitoring of their reinsurance partners. Notable exposures exist to Scottish Widows and Generali.

RISK TREND 2024



Insurance risk is inherent to the nature of the business and remains stable.

MARKET AND INVESTMENT RISK

The Group is exposed to market risk through shareholder investments and annual management charges (“AMCs”) on policyholder investments.

The key market risks impacting the Group are equity, currency, credit, inflation and interest rate risks.

Link to strategy:



The Group is exposed to the risk of adverse market movements, which can impact the value of the Group’s policyholder assets and shareholder assets and the fees earned by the Group. The shareholder investment portfolio predominantly comprises of high-quality, liquid, fixed income holdings.

The Group has an indirect exposure to market risk from AMCs which are based on the underlying portfolio valuation of the policyholders’ assets. Certain of the Group’s fees are inflation linked which partially mitigates the impact of inflation.

Our products charge a mixture of per policy fees, also referred to as fixed fees, and AMCs. This diversification reduces the Group’s exposure to market risk.



Markets have fluctuated throughout the year. However the business has remained resilient and stable in its exposure.

CAPITAL AND LIQUIDITY RISK

Capital risk which is the risk that the Group is not able to maintain sufficient levels of solvency to achieve its strategy, run its business and withstand risk events in accordance with the prevailing regulations.

Liquidity risk is the risk of not holding enough sufficiently liquid assets so that liabilities can be met as they arise. This risk arises mainly from claims as a result of policyholder contracts and from servicing debt requirements.

Link to strategy:





The Utmost Group accepts that it is exposed to capital and liquidity risk through the nature of its business and the external environment in which it operates. The Group manages its solvency position through maintaining a balanced and diversified business portfolio, maintaining a capital buffer and active management of its financial position. Sufficient liquidity is maintained at all times so that UGP and its operating businesses can meet their respective obligations as they become due. This is achieved by maintaining sufficient cash to pay liabilities. In addition, the majority of the Group’s insurance liabilities are through unit linked contracts which carry low liquidity risk. The Utmost Group’s Credit and Liquidity policy sets out the liquidity risk limits and the Group forecasts its cash and liquidity position to ensure that it can service its debt requirements and meet expenses due.







The Group has continued to enjoy a strong capital and liquidity position throughout the year and this was recognised by a Fitch Ratings upgrade in the year. The same financial disciplines are now being applied to Lombard post-acquisition and this is supported by Fitch Ratings confirming that Lombard International Assurance S.A. is also assessed as ‘A+’ with a stable outlook.

PRINCIPAL RISKS continued

RISK	MITIGANT	RISK TREND 2024
<p>CREDIT AND COUNTERPARTY RISK</p> <p>The Group is exposed to credit and counterparty risk through investments of its own financial assets and through its banking and reinsurance counterparties.</p> <p>Link to strategy:</p> 	<p>The Utmost Group has an appetite for credit risk as part of normal business operations and its shareholder investment strategy. However, it does not have an appetite for large credit risk losses and aims to manage this risk by: implementing counterparty risk limits; investing in counterparties with low risk of default; and, adopting a risk-based and diversified investment strategy, focused on high-quality, low-duration investments with concentration limits in place to manage geographical, asset type and counterparty exposures.</p> <p>In 2024 ULP entered the BPA market, having appointed new leadership, built a team of over 20 people and provided a scalable framework. In Q4 2024 ULP successfully transacted with two external pensions schemes. This market brings exposure to credit risk on the assets backing the annuity business. These backing portfolios will be of mixed duration.</p>	 <p>As the Group enters the BPA market, credit risk will increase however at this time it remains a small portion of the overall business. Other aspects of the business have remained stable in the year.</p>

OPERATIONAL AND COMPLIANCE

RISK	MITIGANT	RISK TREND 2024
<p>BUSINESS AND SYSTEM DISRUPTION (INCLUDING CYBER)</p> <p>These risks can arise from disruption of business or system failures. Of particular note are cyber-crime risks which is an area of growing concern across the industry, particularly for companies that hold personal client information. Cyber-criminals are becoming ever more sophisticated and intrusive, with ransomware incidents becoming widely publicised. A prolonged cyber incident could lead to financial losses, regulatory intervention and/or damage to the Group's reputation and brand.</p> <p>Link to strategy:</p> 	<p>A robust control environment minimises the likelihood of business resilience risks and effective business continuity planning minimises the impact in the event a risk does crystallise.</p> <p>The Group operates a centralised cyber security model overseen by a Group Chief Information Security Officer who reports into the Group Chief Operating Officer. This ensures that a consistent approach is applied across the Group to mitigate security and cyber risk based on the National Institute of Standards and Technology ("NIST") standards. Cyber-security remains a strong focus for the Group with new enhanced controls, standards, training, monitoring and reporting having been put in place in 2024 with further developments planned for 2025.</p>	 <p>The Group continues to assess cyber risk, as it's top risk given the growing sophistication of attacks. Although the external threat increase, internal controls are continuing to be strengthened giving a stable risk profile. Controls have been strengthened to meet regulatory requirements of Digital Operational Resilience Act ("DORA").</p>
<p>EXECUTION, DELIVERY AND PROCESS MANAGEMENT</p> <p>These risks arise from inadequate design, management or execution of processes.</p> <p>Link to strategy:</p> 	<p>These risks are inherent to the activities of the business and are mitigated through a robust internal controls' framework. Enhanced training of new staff, simplification of processes and technological enhancements all help to mitigate these risks.</p>	 <p>Overall risk incidents have remained stable in the year although management remains focused on strengthening controls to reduce avoidable incidents.</p>

RISK

CLIENTS, PRODUCTS AND BUSINESS PRACTICES (INCLUDING LEGAL, TAX AND OUTSOURCING)

These risks arise from unintentional or negligent failures to meet a professional obligation such as legal, taxation, outsourcing and third-party management risk. In addition there has been a rise of commercially funded and motivated group litigation actions, creating risks of unrecoverable legal costs and business opportunity risk.

Link to strategy:



MITIGANT

The Group employs suitably trained personnel in the required specialisms, and complements this when needed with external consultancy or legal counsel.

Third party management and outsourcing risk remains a strong focus of the Group with continued strengthened of controls including due diligence, contractual clauses and ongoing monitoring. In addition, the exposure to material outsourcers is limited by the fact that client service teams are sourced in-house.

The Group is impacted by the tax laws both of the countries in which it has operations and of the countries into which it sells its products. Tax authorities may introduce changes to the rules governing how insurance products are taxed in the hands of policyholders. These changes may adversely impact future levels of demand for the Group's products. Any tax changes would likely apply on a forward-looking basis, rather than retrospectively to the back-book.

The Group always aims to maintain a transparent, collaborative and constructive approach with tax authorities in every jurisdiction in which it operates.

RISK TREND 2024



Overall risk level remains stable although increased focus has been given to tax risk due to increased complexity in the tax environment in which the Group operates. For example, the new Pillar 2 GloBE regime brings in a minimum 15% tax rate and recent changes in Italy to payment of stamp duty applicable to the Italian products.

PEOPLE AND EMPLOYMENT PRACTICES

Employees are core to the success of the business and the Group is exposed to operational risk if it fails to retain or attract a diverse and engaged workforce with the skills needed to deliver its strategy.

Link to strategy:



To ensure that the Utmost Group remains an attractive place to work and that it can attract skilled individuals to support its operations, the Group provides a comprehensive remuneration and benefits package. This ensures appropriate support and recognition is provided to all employees. The remuneration and benefits packages are regularly monitored against local job markets and employee working practices. A comprehensive programme for training and developing staff is in place across the business to ensure employees retain necessary skills and to help individuals progress within the organisation.

Flexible working requirements are considered taking account of personal as well as business needs and locational factors in which the relevant business operates.



An employee survey was carried out across the Group and showed strong scores for employee engagement across the business. Staff turnover has reduced in many areas as a result of teams stabilizing after previous acquisitions.

FRAUD AND FINANCIAL CRIME

These are risks that the Group are exposed to as a result of financial crime, such as money laundering, terrorist financing, breach of international sanctions and fraud.

Link to strategy:







The Utmost Group has a robust framework of policies, procedures and preventative and detective controls in place to minimise the risk of fraud and financial crime in its operations. Work has been underway to align and enhance the control framework across the Group and to take advantage of new technologies that can deliver a more robust control environment.









There has been an increase in the sophistication of external fraud attempts with criminals taking advantage of more advanced technology capabilities. In addition with increased geopolitical tensions and accompanying sanctions regimes, there is increased complexity. The Group has responded by strengthening internal controls and procedures.

PRINCIPAL RISKS continued

BUSINESS AND STRATEGY

RISK	MITIGANT	RISK TREND 2024
<p>DISTRIBUTION RISK</p> <p>The Group is exposed to distribution risk mainly from new business through both UWS and UCS. This includes exposure to risks associated with money laundering and mis-selling. The growth anticipated in the Group's Business Plan may not materialise if inflows are lower than expected, if our propositions do not meet the requirements of our clients, or if it is not possible to write business on acceptable terms.</p> <p>Link to strategy:</p> 	<p>Strong compliance controls and regular reporting are in place to ensure compliance with the prevailing regulations. This includes a robust framework for identifying and mitigating potential money laundering. The Group distributes its products via third-party intermediaries who are authorised and regulated within the relevant jurisdictions.</p> <p>UWS is supported by a large number of distribution partners across geographies and client segments which direct business to them. The UWS proposition team tailors the features and design of the products to meet the needs of its clients. They actively identify areas for future growth aligned to the strategic goal of delivering good client outcomes. Feedback is sought from partners on the proposition to ensure it remains relevant, competitively priced and delivers good value. Lombard also operate a Direct Distribution model in some markets bringing different risks and opportunities.</p> <p>UCS works with brokers in each of their markets and maintains panel positions. UCS is the strategic partner of Generali Employee Benefits ("GEB") for Ireland, PanEurope and Global solutions. Its products are unique in the market. UCS works closely with the brokers and with GEB on product development and to ensure our offering remains compelling and relevant.</p> <p>ULP runs a closed book of business with pension drawdown available to existing customers only. In addition ULP has entered the BPA market, and writes immediate and deferred annuities as a 'buy-in' or 'buy-out' transaction with defined benefit pension schemes. ULP is not exposed to distribution risk in relation to this activity as it is not providing advice to the defined benefit pension schemes.</p>	<p></p> <p>Distribution risk has remained stable, operating with an experienced sales team and supporting control functions.</p>
<p>ACQUISITION AND INTEGRATION RISK</p> <p>The Group is exposed to the risk of failing to drive value and benefits through acquisitions.</p> <p>Integration is core to Utmost's strategy as it enables us to reduce expenses, secure financial and operational efficiencies and deliver synergies in our servicing functions. The Group is exposed to the risk of failing to deliver value through integration activities.</p> <p>Link to strategy:</p> 	<p>The Utmost team has a proven in-house capability to deliver the integration of acquired businesses and portfolio transfers. Clear criteria are applied to potential acquisition targets to gain an understanding of the potential benefits and risks. The Group's operating businesses continually review operational capacity to deliver integration activities.</p> <p>The agreed criteria are designed to deliver synergies within the operating businesses and align their operational model to the strategic road map. Due diligence is carried out prior to acquisitions to ensure an understanding of the operational architecture and risks. This ensures that acquired businesses contribute to the delivery of our strategic goals, including good client outcomes and optimised and efficient operations following the integration of the acquired business. Financial risks are assessed, and potential benefits are quantified. Integration projects ensure controls are in place from day one and periodic reviews are carried out providing senior management with early visibility of any issues or amendments required to budgets or timescales. Following the acquisition of Quilter International in late 2021, further integration work was carried out. The Transitional Services Agreement with Quilter plc was terminated in late 2023.</p>	<p></p> <p>The recent acquisition of Lombard International provides increased breadth and depth across a number of markets. The business comes with its own systems and support therefore reducing the complexity of the integration compared to Quilter International but integration risk remains.</p>

EXTERNAL ENVIRONMENT

RISK	MITIGANT	RISK TREND 2024
<p>REGULATORY AND LEGISLATIVE RISK</p> <p>The potential for non-compliance with new or existing regulatory or legislative change impacting our operational, financial or solvency position.</p> <p>Link to strategy:</p> 	<p>The Utmost Group is subject to Group Supervision by the PRA. The operating businesses come under the jurisdiction of various financial services regulators, such as the PRA, the FCA, the IoM FSA, the CBI, the GFSC, the Commission de Surveillance du Secteur Financier ("CSSF"), the Hong Kong Insurance Authority, the Monetary Authority of Singapore, the Institute for the Supervision of Insurance ("IVASS") and the Dubai Financial Services Authority.</p> <p>The Group's operating businesses undertake proactive horizon scanning to understand potential changes to the regulatory and legislative landscape. Substantial changes are managed with the support of robust project governance frameworks. The Group aims to maintain transparent and collaborative relationships with its regulators and engage with relevant trade bodies and forums as required.</p>	<p></p> <p>The Group continues to operate in a highly regulated and complex environment with new regulatory developments such as DORA, the AI act and UK post-Brexit changes. The Group is however experienced at managing these requirements.</p>
<p>TECHNOLOGICAL AND DIGITALISATION RISK</p> <p>The Group may not realise its objectives if it does not keep pace with industry technology and innovation and an increased desire from clients for digital and online solutions.</p> <p>Link to strategy:</p> 	<p>Clients increasingly expect personalised service with the availability of online servicing alongside in-person support. Digitalisation is a key focus for the Utmost Group and management continues to invest in our online service centres as a part of our overall Digital Strategy to aid client access and create an efficient user experience. The Utmost Group has put digitalisation at the core of its operational agenda and has for example brought in new digital tooling as part of the client on-boarding process in a number of jurisdictions.</p>	<p></p> <p>The speed of new technological developments in particular the increased use of AI brings both new opportunities and challenges. High levels of investment are required to realise the benefits of new technologies.</p>
<p>SOCIAL AND ENVIRONMENTAL RISK</p> <p>The Group may be exposed to loss of business and or damage to its reputation if it does not behave in an ethical manner or sufficiently address corporate, social and environmental concerns when pursuing its business strategies.</p> <p>Link to strategy:</p> 	<p>The Utmost Group is committed to making a positive difference and to secure our customers' financial future through the delivery of solutions which result in greater prosperity for present and future generations. Our responsibility to our customers combines with a sense of responsibility in all our corporate actions to the environment, our employees and wider society in which we operate, in order to maximise the positive impact we can create. This ethos is underpinned by a robust controls framework such as a Climate Risk Framework, regular monitoring of key metrics and annual stress and scenario testing of the potential impact of climate change on the Group's financial position and operational capabilities.</p> <p>The Group continues to enhance and monitor its sustainability strategy, which sets out our commitment to making a positive difference through our business activities. The strategy is set out alongside four pillars, which are underpinned by policies and targets, recognising that a responsible business encompasses a range of topics.</p> <p>Further detail on the sustainability strategy is set out on pages 39 to 42.</p>	<p></p> <p>The Group continues to enhance its sustainability strategy whilst monitoring changing regulatory and social requirements.</p>



GOVER REPORT

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CHAIRMAN'S INTRODUCTION TO GOVERNANCE

JAMES FRASER
CHAIRMAN



“
Utmost’s Board remains committed
to high standards of governance.
”

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year-ended 31 December 2024. The following pages give an overview of our governance arrangements, the operation of the Board and how our responsibilities have been discharged during the year.

GOVERNANCE AND RISK MANAGEMENT

The Board is responsible for setting the Group's strategy, purpose, business model and culture. Utmost Group strongly believes in the importance of high standards of good governance and the directors understand the key role they play in helping to facilitate this. It is essential that this tone is set from the top and communicated to the business. The Board is committed to maintaining a robust and effective governance, control and Risk Management Framework.

BOARD EFFECTIVENESS REVIEW

The Board has undertaken a review of its performance for 2024. This review was facilitated by a third party through a confidential questionnaire. This year the questionnaire included a review of the Board's strategic oversight of the Lombard International acquisition. The results were very positive and were discussed in detail at a Board meeting. Several recommendations have been agreed and the closure of these will be monitored by the Board.

STAKEHOLDERS

The role of the Board is to support the business to achieve its aims for its stakeholders. The Utmost Board is aware that the Group's stakeholders are key to its ongoing success. We consider the interests of a wide range of stakeholders and have identified our key stakeholder groups. A description of each and the Company's engagement activities with those groups is set out in our s.172(1) Statement, which can be found on page 51. It is also vital that the Board pays due regard to the interests of our stakeholders in the decision-making process. We explain how we have done so in the context of some key decisions throughout the year on page 71.



James Fraser
Chairman

24 APRIL 2025

BOARD OF DIRECTORS

BIOGRAPHIES

The Board biographies provide an overview of each director's education, previous experience and the skills that they bring to the Board. Collectively the diversity of skills, knowledge and experience of our Board members ensure that we can continue to deliver against our strategic objectives.

During the year James Fraser and Gavin Palmer were reappointed as non-executive directors for another three year term. The Board assessed that both directors continue to be independent, continue to devote the necessary time to their appointment and that they continue to maintain a high standard of performance.



JAMES FRASER
CHAIRMAN

Appointed October 2021

EXPERIENCE

James is also a non-executive director and Chairman of the Audit and Risk Committees of Atomos, a Wealth Management Business and a Trustee of Argyll & the Isles Coast & Countryside Trust, and the Barrahormid Trust.

He was a partner and head of Financial Services at Permira Advisers, a leading private equity firm. He served as a non-executive director on a number of Permira's portfolio companies including Tilney Group (now Evelyn Partners), where he was also Chairman of the Risk and Audit Committee, and Just Group plc, now a FTSE 250 insurance group.

Previously he was a Partner and Co-Head of Financial Services at L.E.K. Consulting, a global strategy consulting firm.

EDUCATION

- BSc (Hons), Computational Science from the University of St Andrews
- MBA from INSEAD

SKILLS

- Financial Services
- Regulatory
- Mergers and Acquisitions



PAUL THOMPSON
UTMOST GROUP CHIEF
EXECUTIVE OFFICER

Appointed October 2019

EXPERIENCE

Paul is the Chief Executive Officer of Utmost Group plc and co-founded the Group in 2013. Since then the Utmost Group has grown to become a successful provider of insurance and savings solutions in the UK and International insurance markets.

Paul was an investment banker specialising in financial institutions before joining Britannic Group as Group Finance Director in 2002. Following his appointment as Group CEO at Britannic Group he repositioned the Group as a life assurance consolidator before merging with Resolution plc, becoming Group CEO of the merged group until its acquisition in 2008.

Paul subsequently worked as Head of Financial Services at Pamplona Capital Management, a private equity fund.

EDUCATION

- MA from the University of Cambridge

SKILLS

- Financial Services
- Mergers and Acquisitions



IAN MAIDENS
UTMOST GROUP CHIEF
FINANCIAL OFFICER

Appointed October 2019

EXPERIENCE

Ian is the Chief Financial Officer of Utmost Group plc and co-founded the Group in 2013. Since then the Utmost Group has grown to become a successful provider of insurance and savings solutions in the UK and International insurance markets.

Ian was a director of Resolution plc where he held the position of Group Chief Actuary and Head of Corporate Development. Following the acquisition of Resolution plc, Ian was a Founding Partner of Resolution Limited. Ian was instrumental to the success of the UK Life business, which created the Friends Life Group, acquired by Aviva in 2015. Prior to this, Ian worked as a Principal at Tillinghast/Towers Perrin, a specialist actuarial consultancy. Initially he trained as a life actuary at National Provident Institution

EDUCATION

- BSc in Mathematics from the University of Southampton
- Fellow of the Institute of Actuaries

SKILLS

- Actuarial
- Risk Management
- Financial Services
- Regulatory
- Mergers and Acquisitions



CHRIS BOEHRINGER
NON-EXECUTIVE DIRECTOR
AND OAKTREE REPRESENTATIVE

Appointed October 2020

EXPERIENCE

Chris is a Managing Director and Head of Europe Opportunities Funds at Oaktree Capital Management, based in London.

Prior to joining Oaktree in 2006, Chris worked at Goldman Sachs in London, and was Co-Founder and Director of FITravel Corporation, an internet-based distribution system for travel products. Chris held previous roles at Warburg Dillon Read/SG Warburg in London, Hong Kong and New York, and at LTU GmbH & Co. in Duesseldorf. Chris is a CFA Charterholder.

EDUCATION

- BA in Economics from Harvard University
- MBA from INSEAD

SKILLS

- Mergers and Acquisitions
- Financial Services



GAVIN PALMER
INDEPENDENT NON-EXECUTIVE
DIRECTOR AND CHAIRMAN OF
THE ARCC

Appointed July 2021

EXPERIENCE

Gavin was an Actuarial Partner at KPMG with extensive experience advising UK and European insurance companies.

Previously, Gavin worked as a Principal at Tillinghast/Towers Perrin, a specialist actuarial consultancy, where he was Chief Executive Officer and Chairman of Towers Perrin Capital Markets. Initially he trained as a life actuary at London and Manchester Assurance.

EDUCATION

- MA in Mathematics from the University of Oxford
- Fellow of the Institute of Actuaries

SKILLS

- Actuarial
- Risk Management
- Financial Services
- Regulatory



KATHERINE (KATY) RALPH
NON-EXECUTIVE DIRECTOR
AND OAKTREE REPRESENTATIVE

Appointed February 2021

EXPERIENCE

Katy is a Managing Director in the Opportunities Funds team at Oaktree Capital Management in London, where she provides transactional and restructuring advice. She also serves on a number of other Oaktree portfolio company boards across a number of sectors and jurisdictions.

Prior to this, Katy spent over nine years at Linklaters LLP in the Restructuring and Insolvency team in London where she specialised in cross-border restructurings and insolvency.

EDUCATION

- BA (Hons) in History and an MA from the University of Cambridge
- LLM in Banking, Corporate and Finance Law from Fordham University
- Qualified to practice law in both England & Wales and New York State

SKILLS

- Legal
- Corporate Restructuring and Insolvency
- Regulatory
- Financial Services

CORPORATE GOVERNANCE REPORT

The Group’s governance arrangements have been embedded in the business and remain appropriate to support the long-term growth prospects of the business.

OUR BUSINESSES

Utmost International primarily provides insurance-based wealth solutions to clients to help safeguard their wealth for future generations. Utmost International’s operating subsidiaries include UPE incorporated in Ireland, UIIOM, incorporated in the Isle of Man and UW Limited, incorporated in Guernsey. On 30 December 2024 the Group acquired Lombard International Assurance Holdings S.a.r.l., incorporated in Luxembourg.

Utmost Life and Pensions is a UK life and pensions company which purchases long-established businesses and books of business from major insurance groups, providing a safe home for our clients’ existing policies and helping them to plan and save for the long term. The main operating subsidiary is ULP, although some policies are held with Equitable Life, a subsidiary of ULP.

The results of Utmost International and Utmost Life and Pensions are consolidated into Utmost Group plc.


GOVERNANCE STRUCTURE OF THE GROUP

The Board sets the strategic goals and risk appetite for the Utmost Group. It ensures that each of the operating businesses has adequate resources to ensure delivery of the strategy, reviews the operating and financial performance of the Group, and oversees the execution of the strategy of each operating business. The Board aims to maintain a high standard of corporate governance across the Group and upholds a sound structure for setting its strategy and objectives.

The Audit, Risk and Compliance Committee (“ARCC”) has met five times throughout 2024. The Committee is chaired by an independent non-executive director and oversees financial reporting, internal financial controls and risk management systems and processes on behalf of the Board. The Group Internal Audit function is also overseen by the committee, as well as the Group’s relationship with external auditors.

STAKEHOLDER CONSIDERATION IN STRATEGIC DECISION-MAKING

As mentioned in the s.172 Statement in the Strategic Report on page 51, the Board recognises the importance of effective engagement with our key stakeholders in the success of the Group. The table opposite demonstrates how the directors have taken into consideration the Company’s business relationships with key stakeholders in strategic decisions made during the year.

 **FURTHER DETAILS ON OUR STAKEHOLDER ENGAGEMENT CAN BE FOUND ON PAGE 51**

BOARD ATTENDANCE TABLE

DATE	IAN MAIDENS	PAUL THOMPSON	CHRIS BOEHRINGER	KATHERINE RALPH	JAMES FRASER	GAVIN PALMER
06/03/2024	✓	✓	✓	✓	✓	✓
19/04/2024	✓		✓		✓	✓
08/05/2024	✓	✓	✓		✓	✓
26/06/2024	✓	✓		✓	✓	✓
02/07/2024	✓	✓	✓	✓	✓	✓
10/09/2024	✓		✓	✓	✓	✓
10/12/2024	✓	✓	✓	✓	✓	✓

MATTERS CONSIDERED

LOMBARD INTERNATIONAL ACQUISITION

OBJECTIVE

The objective of the acquisition was to add scale to our international operations through an acquisition to expand the proposition, improve client outcomes for a larger number of savers, and increase economic value for the Group.

REVISION OF KEY PERFORMANCE INDICATORS

OBJECTIVE

Due to the evolution of the size and composition of Utmost Group it was decided to perform a strategic and financial KPI benchmarking exercise with our peer set to identify if the financial KPIs used in our Annual Report and internal MI remained appropriate.

WHAT WE DID

The Board reviewed the background and rationale for the acquisition, financing aspects, the proposed approach to completion, separation and delivery of synergies, risk matters and due diligence. The impact of the acquisition on the Group's current and potential clients and partners was of particular importance in deliberations. As a key pillar of the Group's strategy, the Board was focused on the Group's continuing ability to maintain good outcomes for clients and excellent service for partners, both existing and newly acquired.

The Board recognised that successful regulatory engagement was key to the process and the Group underwent early consultation with all its regulators in connection with the acquisition. As a result of this, the Group received all the required regulatory approvals.

WHAT WE DID

A benchmarking exercise was completed with support from a 3rd party that showed that Utmost Group's current KPI metrics are closely aligned to insurance reporting metrics and that there is a need to add or revise KPIs to increase comparability with wealth and platform businesses.

The Board reviewed and challenged the proposed new KPIs requesting amendments prior to approval.

BENEFITS

The acquisition brings together two large-scale insurance-based wealth solutions businesses, strengthening Utmost's position in key European markets and providing a strong platform to serve its clients' long-term financial needs.

By incorporating Lombard International into Utmost, we have expanded our client base, enhanced our technical expertise, and broadened our portfolio of products.

BENEFITS

The revised KPIs will allow business performance to be monitored more appropriately. It will also allow investors to better understand the business and compare performance with our peers.

S.172 FACTORS/ KEY STAKEHOLDERS

Clients
Investors
Employees
Regulators

S.172 FACTORS/ KEY STAKEHOLDERS

Clients
Investors

A YEAR IN REVIEW

The Board held five scheduled meetings during the year, plus two meetings to consider specific projects and transactions. In addition to consideration of the significant strategic decisions set out in detail on page 71, the Board's agenda for the year included:

- Regular updates from the CEO on business performance
- Updates from the Chairman of the ARCC
- An update on the Group's financial performance
- Consideration of strategic matters including:
 - The Group's Business Plan
 - Organic growth opportunities
 - The acquisition pipeline
- Discussion of key initiatives such as development of the Sustainability Strategy and monitoring progress made against the targets set out therein
- Discussion of entering the Bulk Purchase Annuity market
- Consideration of key financial and actuarial matters including:
 - ORSA
 - ORSA Sensitivities and Scenarios
 - The appropriateness of the use of the Standard Formula for the Group
- Approval of the financial and regulatory reporting required of the Group including:
 - Annual Report
 - Solvency and Financial Conditions Report
 - Quantitative Reporting Templates

GROUP BOARD AND COMMITTEE STRUCTURE

The day to day activities of the Utmost Group are controlled by the Board, which comprises a non-executive Chairman who was independent upon appointment, an independent non-executive director, two shareholder-nominated non-executive directors to represent Oaktree, and the two Founders. The Board has certain Matters Reserved to it in accordance with the Shareholder Agreement between Oaktree, the Founders and the principal holding companies including the Company. A summary of these matters is provided below:

KEY MATTERS RESERVED FOR THE BOARD

Examples of matters for which consent of the Board is required include:

- The adoption, amendment or alteration of an annual budget or business plan or the performing of any action inconsistent with the approved annual business plans or budgets;
- Acquisitions, disposals, reorganisations and capital commitments outside of the ordinary course of business or the relevant business plan;
- Financial and capital commitments outside of the relevant business plan;
- Amendments to the constitutional documents of each subsidiary company, including variation of the rights attaching to shares and increasing, reducing or making any other alteration to the share capital of any Utmost company;

- The appointment, removal or variation to the terms of appointment for directors of any regulated undertaking;
- The declaration of dividends outside of the relevant business plan; and
- Any material changes in nature or scope of any Utmost company's business.

GROUP AUDIT, RISK AND COMPLIANCE COMMITTEE

The Board is supported by the ARCC which is responsible for: making recommendations to the Board on the appointment of auditors and the audit fee; ensuring that the financial performance, of the Company is properly monitored and reported on; and reviewing the Company's financial statements and any formal statements on financial performance, as well as reports from the Company's auditors on those financial statements. In addition, the ARCC reviews the Company's internal control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems. The ARCC meets at least four times a year.

BOARDS AND COMMITTEES OF OPERATING BUSINESSES

The operating companies within the Group are governed by their constitutional documents, local law and regulation, and the Shareholder Agreement. As such, each operating business has its own governance structures, all of which are broadly aligned across the Utmost Group. Boards of each of the regulated operating companies ("subsidiary boards") have mandates and duties which are drafted to align with the requirements of the Shareholder Agreement and local law and regulation. A summary of these matters is provided on page 74.

The subsidiary boards are comprised of an independent Chairman and a majority of non-executive directors, including the Founders. They are, representatives of the Utmost Group and in accordance with the relevant Corporate Governance guidelines, not considered independent. The executive directors are generally the CEO and CFO of each business. Non-executive directors of each subsidiary board work collectively to fully understand the business and market conditions and provide constructive challenge to executive management. The subsidiary boards each have a committee structure, which are broadly aligned across the Group.

Each of the subsidiary boards delegates certain responsibilities to their board committees. All subsidiary boards have constituted the following committees:

- Audit Committee
- Risk and Compliance Committee
- Investment Committee
- Remuneration Committee

The board of ULP has also formed a Nominations Committee and a With-Profits Committee to assist it in carrying out its duties. UPE and UIIOM also delegate certain administrative responsibilities to a Banking Committee. Further details of each committee's responsibilities are provided on page 74.

STRATEGY AND PERFORMANCE

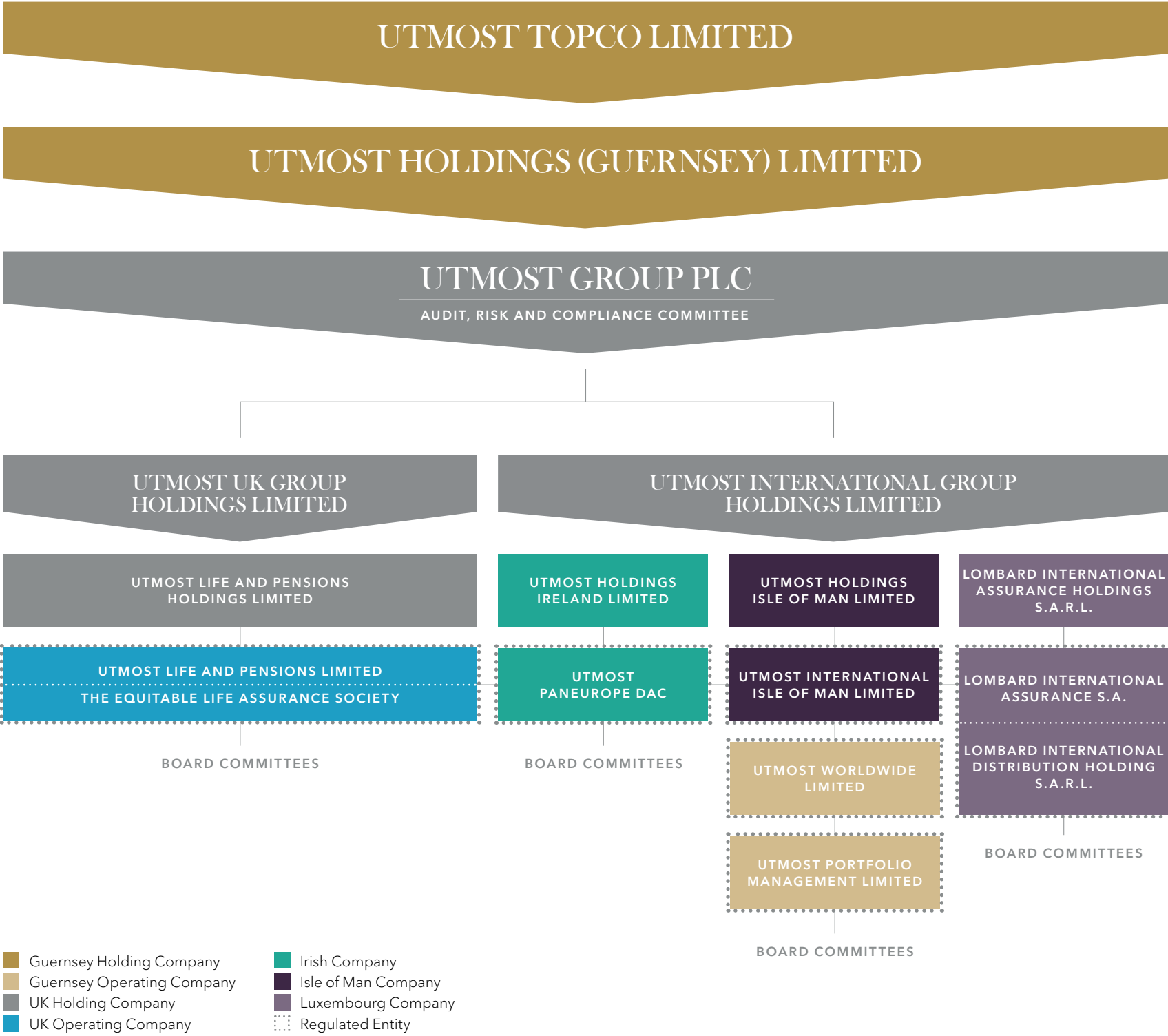
The subsidiary boards each develop their business plans to enable the achievement of the strategic pillars of the Utmost Group, whilst ensuring that the entities operate within each of their risk appetites and frameworks. The subsidiary boards also monitor business performance and the ability of each business to execute the agreed strategies. Whilst the independent Chairman of each business provides leadership of each subsidiary board, day to day management is delegated to the Chief Executive of each business, who puts in place their own executive management structure and arrangements.

Each of the subsidiary boards delegates certain responsibilities to their board committees. Both the subsidiary boards and the committees have a rolling annual schedule of decisions and items for discussion, reflecting the annual calendar and corporate activity at the business level. The terms of reference of each of the board committees across the operating businesses within the Utmost Group are also aligned. A summary of the key terms of reference of board committees is provided overleaf.

The Company is indirectly owned by Utmost Topco Limited ("Topco"), a Guernsey incorporated company. Topco is 84.9% owned by OUHL, a company under the control of Oaktree, which is the ultimate controller of the Group. The remaining 15.1% of Topco is held by Paul Thompson and Ian Maidens, the Founders of the business. OUHL is owned by several funds managed by subsidiaries of Oaktree, whose principal business is to make investments. For further information on the economic and beneficial ownership of the Utmost Group, please refer to the Directors' Report on pages 75 to 77.

Alignment of the activities and processes of the subsidiary boards and governance arrangements across the Group is ongoing. The Group Risk Appetite continues to be reviewed and strengthened as part of the continued enhancements of the Group Risk Management and Policy Framework.

OWNERSHIP AND GOVERNANCE STRUCTURE



SUBSIDIARY GOVERNANCE**Mandate of the boards of the operating businesses**

The duties of the boards of the operating businesses include:

- Developing the high-level strategy for their respective businesses;
- Periodically reviewing the business plans and performance, ensuring that their regulatory responsibilities are discharged efficiently;
- Ensuring that the principles of Treating Customers Fairly and Consumer Duty are embedded into the culture of each business where relevant;
- Ensuring that each business meets the interests of policyholders, customers and shareholders;
- Approving the risk appetite of each business, monitoring the risk governance framework and ensuring that risk management systems and controls are fit for purpose; and
- Determining the appropriate investment parameters for each business.

Purpose of the subsidiary board committees in the operating businesses**AUDIT COMMITTEE**

Each subsidiary board has delegated certain responsibilities to its Audit Committee. These include:

- Ensuring that there is a framework for accountability;
- Examining and reviewing all systems and methods of financial control;
- Ensuring that each company is complying with its Articles of Association;
- Ensuring compliance with all applicable legal and regulatory requirements; and
- Overseeing all matters relating to the relationship between the business, its subsidiaries, and the External Auditors.

RISK AND COMPLIANCE COMMITTEE

Each subsidiary board has established a Risk and Compliance Committee to assist with oversight of the risk management and compliance culture within the businesses and ensuring compliance with all legal, regulatory and administrative arrangements. Its responsibilities include:

- Identifying and managing key risks, ensuring that the risk appetite is appropriate and adhered to;
- Reviewing and monitoring the regulatory capital position and adherence to regulatory requirements;
 - Monitoring the risk, control and compliance exposure of the business;
- Reviewing and monitoring the risk management and compliance policies and recommending them to the subsidiary boards for adoption; and
- Ensuring the effectiveness of the ORSA.

INVESTMENT COMMITTEE

The Investment Committees are established to identify, monitor and control the investment activities of each business, ensuring that investment performance is reported to the relevant boards of directors as required. A key responsibility of the Investment Committees is to recommend the overall strategic investment policy for the business to which it relates, and ensure that procedures and controls are in place in respect of matters including:

- The overall asset allocation and balance of the shareholder and internal funds;
- Determination of sector, currency, geographical, fund manager or specific stock risk;
- The selection and choice of the internal funds and internal fund managers;
- Funds' liquidity; and
- Operational issues concerning the management and administration of the assets of the entity to which the Committee relates.

REMUNERATION COMMITTEE

The duties of the Remuneration Committees of each business include:

- Setting the Remuneration Policy and overseeing any major changes in employee benefits structures throughout each business;
- Recommendation and monitoring of the level and structure of remuneration for directors and senior management, having regard to pay and employment conditions across the operating jurisdiction or company;
- Within the agreed Policy, recommending the design of and targets for performance-related pay schemes operated by each business to their respective boards, and approving the total annual payments made under such schemes;
- Reviewing any contractual terms on termination and ensuring that any payments made are within the terms of the Remuneration Policy; and
- Review of the overall remuneration budget and structure for each business, and provide accompanying recommendations to their respective boards where required.

NOMINATIONS COMMITTEE

The Nominations Committee ensures that ULP has a rigorous and transparent procedure in place to manage the appointment of new directors to the board of ULP, and to ensure that the ULP board and its committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their responsibilities effectively, including succession planning.

WITH-PROFITS COMMITTEE

The With-Profits Committee ("WPC") has been constituted by the board of ULP to act in an advisory capacity to inform decision-making by the board in relation to the management of the ULP With-Profits Sub-Funds ("WPSFs"). The WPC advises the ULP board on the way in which each of the WPSFs is managed. This includes 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 Customer Duty and Treating Customers Fairly principles.

BANKING COMMITTEE

The Banking Committees established by UPE and UIIOM ensures that regular administrative matters can be dealt with by the directors without recourse to the Board.

COMPLIANCE WITH LAW AND REGULATION

The Company and its regulated operating subsidiaries comply with local laws and regulations and report to the Regulators as required by Codes and Requirements including:

- The FCA Handbook and the PRA Rulebook;
- The IoM FSA's Corporate Governance Code for Commercial Insurers;
- The CBI Corporate Governance Requirements for Insurance Undertakings;
- The GFSC's Finance Sector Code of Corporate Governance; and
- The Luxembourg Commissariat aux Assurances' ("CAA") Circular Letter for Insurance (since 30 December 2024).

CONFLICTS OF INTERESTS

Each of the regulated operating companies has established procedures in place, dictated by the constitutional documents of each entity, to comply with English, Isle of Man, Irish, Guernsey and Luxembourg law as applicable. The articles allow for interested directors to vote provided they have made the required disclosure to the companies. Directors are permitted to recuse themselves from decisions when they are concerned about a conflict or potential conflict of interest, even though the legal framework allows them to vote on a topic.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report together with the audited consolidated and Company financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

Utmost Group plc (the "Company") is a public limited company incorporated in England and Wales (registered no. 12268786) under the Companies Act 2006. The Company was incorporated on 17 October 2019. The principal activity of the Company is to act as a holding company for the life assurance businesses operated by its principal subsidiaries, ULP (registered in England and Wales), UPE (registered in Ireland), UIIOM (registered in the Isle of Man), and UW (registered in Guernsey). Since 30 December 2024 this also includes Lombard International Assurance Holdings S.A.

The Company and its subsidiaries as detailed in note 4 of the consolidated financial statements are together referred to as "Utmost Group".

DIRECTORS AND SECRETARY

The directors and secretaries who held office during the year and to date are set out below:

- Paul Thompson
- Ian Maidens
- Chris Boehringer
- Katherine Ralph
- Gavin Palmer
- James Fraser
- Alice Rivers (Secretary) (Appointed 2nd February 2024, Resigned 7 February 2025)
- Larysa Dlaboha (Secretary) (Resigned 2nd February 2024, Appointed 7 February 2025)

Two directors, Paul Thompson and Ian Maidens, have an equity interest in Topco. Details of these interests are disclosed in note 34 of the consolidated financial statements. The Company Secretaries had no beneficial interests in the shares of any Group company.

RESULTS AND DIVIDEND

The result for the year is shown in the Consolidated Statement of Comprehensive Income on page 86.

No dividends were paid during the year.

OWNERSHIP

The sole shareholder of the Company is Utmost Holdings (Guernsey) Limited ("UHGL"), registered in Guernsey. The ultimate parent company into which the Company's results are consolidated is Topco (illustrated in the structure chart on page 73). Topco is part-owned 15.1% by the Founders and 84.9% by OUHL an investment vehicle owned by funds managed by subsidiaries of Oaktree. Oaktree is a leading global investment manager specialising in alternative investments with \$205bn in assets under management as of 31 December 2024. Oaktree is regulated by the US Securities and Exchange Commission ("SEC") and its UK entity, Oaktree Capital Management (UK) LLP, is authorised and regulated by the FCA.

The economic beneficiary owners of the Utmost Group are the Founders and the limited partners in the Oaktree Funds, none of whom play any part in the management of those Funds. The management of the Funds is delegated to the General Partners of the Funds, controlled by Oaktree. Oaktree therefore has significant indirect control of the investments in the Oaktree Funds, and is deemed the ultimate significant controller of the Company. Brookfield Asset Management ("Brookfield") owns a majority interest of approximately 73% of Oaktree's business on an economic basis, and an approximate 22% voting interest. Brookfield is an alternative asset manager and Brookfield and Oaktree together have over \$1tn in assets under management. Brookfield is regulated by the US SEC in the United States, and the Canadian Securities Administrators ("CSA") in Canada.

While partnering to leverage one another's strengths, Oaktree operates as an independent business within the Brookfield family, with its own product offerings and investment, marketing and support teams. Following completion of the acquisition in 2019, three of the 14 directors of the Board of Oaktree are Brookfield representatives. The day to day activities of the Utmost Group are controlled by the Board, comprised of the Founders, representatives of Oaktree and independent directors.

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP have been appointed as auditors to the Company and have expressed their willingness to continue as auditors.

GOING CONCERN

At the time of preparing and approving the financial statements, the directors have a reasonable expectation that the Company and Group have sufficient resources to continue in operational existence for the foreseeable future. The Company and Group therefore continue to adopt the going concern basis in preparing its individual and consolidated financial statements.

In making the going concern assessment for the foreseeable future the directors considered various assessments and stresses applied to those positions to understand potential impacts of market downturns. These stresses do not give rise to any material uncertainties over the ability of the Group to continue as a going concern. Based upon the available information, the directors consider that the Group has the plans and resources to manage its business risks successfully and that it remains financially strong.

The directors have assessed the principal risks and uncertainties discussed in the Strategic Report, and have taken into consideration the guidance provided by the Financial Reporting Council ("FRC") on 'Going Concern and Liquidity Risk' published in April 2016. The directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of, but not limited to, 12 months from the date of approval of the financial statements. Therefore, they have considered it appropriate to continue to adopt the going concern basis of accounting when preparing the financial statements.

QUALIFYING INDEMNITY PROVISION

During the year, the Company has purchased and maintained liability insurance for its directors and officers as permitted by the Companies Act 2006.

EVENTS DURING THE YEAR

As referenced in the Strategic Report Utmost Group completed the acquisition of Lombard International Assurance Holdings S.a.r.l. ("LIAH") and its operating subsidiaries (together "Lombard") on 30 December 2024.

EVENTS SUBSEQUENT TO YEAR END CORPORATE RESTRUCTURE

Following the acquisition of Lombard there was a corporate restructure to move Utmost subsidiary companies from a Guernsey based holding company to the Isle of Man. This has been reflected in the Group structure chart on page 73.

DIVIDEND**Interim Dividend**

An interim dividend of £62.0m was declared on 21 January 2025 and paid on 30 January 2025 to the Company's immediate parent, UHGL.

POLITICAL DONATIONS

No political donations or contributions were made or expenditure incurred by the Company or its subsidiaries during the year (2023: nil) and there is no intention to make or incur any in the current year.

EQUAL OPPORTUNITIES AND HEALTH & SAFETY

We are committed to a policy of equal opportunity in employment and will continue to select, recruit, train and promote the best candidates based on suitability for the role. We treat all employees and applicants fairly regardless of race, age, gender, marital status, ethnic origin, religious beliefs, sexual orientation or disability. We ensure that suitable policies are in place across the businesses to ensure that no employee suffers harassment or intimidation. We place a great deal of importance on the health, safety and welfare of our people. Relevant policies, standards and procedures are reviewed on a regular basis to ensure that hazards or risks are removed or reduced to minimise or, where possible, exclude the possibility of accident or injury to employees or visitors. All employees are made aware of these policies and are aware that they have a duty to exercise responsibility and do everything possible to prevent injury to themselves and others.

ANTI-BRIBERY AND ANTI-CORRUPTION

Utmost Group has a zero tolerance approach to acts of bribery and corruption. Across the Group, we are committed to acting professionally, fairly and with integrity in all business dealings and relationships in the countries we operate.

The Group has in place an Anti-Bribery and Corruption policy and a Whistleblowing policy. These policies are designed to ensure that all employees, directors and third parties operating on behalf of the Group are aware of their obligations as a representative of Utmost. These policies are updated annually. There were no instances of money laundering or bribery or corruption in 2024.

Internal control measures include: the maintenance of a gifts and hospitality register; a prevention on donations to political parties or candidates; regular training; and detailed record and accurate record keeping.

HUMAN RIGHTS AND MODERN SLAVERY ACT

Human rights are the basic rights and freedoms that belong to every person in the world. At Utmost Group, we are committed to respecting human rights, and that the Group is free from all discrimination and harassment.

Our internal policies governing the prevention of modern slavery from taking place in our business dealings are kept under review on an annual basis. We take active steps to monitor our supply chain to satisfy ourselves that our suppliers are not engaging in any form of modern slavery or human trafficking. As a part of our sourcing and procurement policies, we identify suppliers that support the delivery of core services and review their adherence to the Modern Slavery Act on an annual basis. To date, no matters of concern have arisen.

Our Modern Slavery Statement details the policies that we have in place and the ongoing actions that are being taken across the Group to continue to support the combating of modern slavery and human trafficking in supply chains.

Our Modern Slavery Statement is available on the Group website: <https://www.utmostgroup.com/modern-slavery-act-statement>.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and the Parent Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss of the Group and the Parent Company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that, so far as each is aware, there is no relevant audit information of which the Group's and the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's and the Company's auditor is aware of that information.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted and included in the Strategic Report on pages 12 to 63.

- Likely future developments in the business of the Company and its subsidiaries;
- Details of post-balance sheet events; and
- Principal risks, risk management and the use of financial instruments.

The Strategic Report comprising pages 12 to 63 of this Annual Report and Accounts, the Governance Report comprising pages 70 to 74, and the Directors' Report comprising pages 75 to 77 were approved by the Board and signed by order of the Board by:



Ian Maidens
Group Chief Financial Officer
24 APRIL 2025

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UTMOST GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Utmost Group plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's and company's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2024, which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2024; the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

Overview

AUDIT SCOPE

- Our audit scope has been determined to provide coverage of all material financial statement line items.

KEY AUDIT MATTERS

- Valuation of insurance contract liabilities - Longevity Assumptions (group)
- Valuation of insurance contract liabilities - Expense Assumptions (group)
- Valuation of insurance contract liabilities - Persistency Assumptions (group)
- Accounting for the acquisition of Lombard International Assurance Holdings S.a.r.l. (group)
- Valuation of certain level 3 assets acquired during the year (group)
- Recoverability of the Company's investments in related undertakings (company)

MATERIALITY

- Overall group materiality: £15,500,000 (2023: £10,900,000) based on 1% of Total Equity.
- Overall company materiality: £15,900,000 (2023: £15,700,000) based on 1% of Total Equity.
- Performance materiality: £11,625,000 (2023: £8,175,000) (group) and £11,900,000 (2023: £8,175,000) (company).
- Specific overall group materiality of assets held to cover linked liabilities, investment contract liabilities and associated income statement line items: £1,028,900,000 (2023: £596,400,000) based on 1% (2023:1%) of the Financial assets at fair value held to cover linked liabilities.
- Specific performance group materiality of assets held to cover linked liabilities, investment contract liabilities and associated income statement line items: £771,675,000 (2023: £447,300,000)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Accounting for the acquisition of Lombard International Assurance Holdings S.a.r.l. and Valuation of certain Level 3 assets acquired during the year are new key audit matters this year. Judgements over the implementation of IFRS 17, which was a key audit matter last year, is no longer included because of the completion of the implementation of IFRS 17 in the previous year. Otherwise, the key audit matters below are consistent with last year.

KEY AUDIT MATTER**VALUATION OF INSURANCE CONTRACT LIABILITIES - LONGEVITY ASSUMPTIONS (GROUP)**

Refer to Note 21 Insurance contract liabilities and Note 29 Risk management in the Consolidated Financial Statements.

Longevity assumptions are an area of significant management judgement, due to the inherent uncertainty involved. Whilst Utmost Group plc manages the extent of its exposure to longevity risk through reinsurance, we consider these assumptions underpinning gross insurance contract liabilities to be a key audit matter given the Group's exposure to annuity business in the UK.

The longevity assumption has two main components:

Base mortality assumption

This part of the assumption is mainly driven by internal experience analyses, but judgement is also required. For example, in determining the most appropriate granularity at which to carry out the analysis; the time window used for historical experience, or whether data should be excluded from the analysis; and in selecting an appropriate industry mortality table to which management overlays the results of the experience analysis.

Rate of mortality improvements

This part of the assumption covers how mortality rates are expected to change in future. This is an area where past recent data is less relevant and relies more heavily on judgements being applied.

A margin for prudence is allowed for in the assumptions used in the valuation of the insurance contract liabilities.

VALUATION OF INSURANCE CONTRACT LIABILITIES - EXPENSE ASSUMPTIONS (GROUP)

Refer to Note 21 Insurance contract liabilities and Note 29 Risk management in the Consolidated Financial Statements.

Future maintenance expenses and expense inflation assumptions are used in the measurement of the insurance contract liabilities.

In the UK business the methodology to allow for expenses includes an allowance for the diseconomies of scale as the business volumes reduce. These assumptions require significant judgement including the level of future expenses as well as the allocation between maintenance/acquisition, the allocation between products, the future policy levels and the margin for prudence.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We performed the following procedures to test the longevity assumptions (including base mortality assumptions and future mortality improvements):

- Validated the appropriateness of the methodology used to perform the annual experience studies. This involved the assessment of key judgements with reference to relevant rules, actuarial guidance and by applying our industry knowledge and experience;
- Where relied on we have tested the controls in place around the performance of annuitant mortality experience analysis studies, approval of the proposed assumptions and implementation within actuarial models;
- Validated the appropriateness of areas of expert judgments used in the development of the mortality improvement assumptions, including the parameterisation and selection of the version of the CMI model including the choice of the smoothing parameter, initial rate, long term rate and tapering;
- Validated the appropriateness of expert judgements on the use of internal data and parameterisation of the CMI model data for COVID years; and

- Compared aspects of the calibration of the CMI model for future annuitant mortality improvements selected by management against those used by peers using our annual actuarial assumptions benchmarking survey of the market.

Based on the procedures performed and the evidence obtained, we consider the longevity assumptions to be appropriate.

We performed the following procedures over maintenance expenses:

- Understood and tested the governance process in place to determine the maintenance expense, expense inflation assumptions and for the UK business the allowance for diseconomies of scale;
- Tested the methodology used by management to derive the assumptions with reference to relevant rules and actuarial guidance and by applying our industry knowledge and experience;
- Where maintenance expenses are based on budgeted levels of expenses we challenged the 2025 budgeted expenses by assessing the accuracy of the 2024 budgeting process;
- Where maintenance expenses are based on historical costs we have checked that these reconcile to the total expenses;
- Assessed the classification of expenses between ongoing and one-off costs and the classification between fixed or variable to supporting evidence;
- Tested that the assumptions appropriately reflect the expected future expenses for maintaining policies in-force at the balance sheet date;
- Assessed the method used to set expense inflation assumptions, checked the alignment with market inflation curves and tested the calculation of the assumptions; and
- Reviewed and challenged significant judgements and assumptions used, particularly relating to the allowance in the UK for spreading of fixed costs over the reducing portfolio of business as it runs-off.

Based on the procedures performed and evidence obtained, we consider the expense assumptions to be appropriate.

KEY AUDIT MATTER

VALUATION OF INSURANCE CONTRACT LIABILITIES - PERSISTENCY ASSUMPTIONS (GROUP)

Refer to Note 21 Insurance contract liabilities and Note 29 Risk management in the Consolidated Financial Statements.

Persistency assumptions are a significant risk due to the need for management judgement and the inherent uncertainty involved. These assumptions impact the measurement of non-unit liabilities.

Persistency assumptions are set by performing an analysis of experience often including actual versus expected analysis on previous valuation assumptions. Assumptions are then set for each product type and other significant explanatory variables (such as age).

ACCOUNTING FOR THE ACQUISITION OF LOMBARD INTERNATIONAL ASSURANCE HOLDINGS S.A.R.L. (GROUP)

Refer to Note 4 Subsidiaries and Note 11 Acquired value of in-force business in the Consolidated Financial Statements.

On 30 December 2024 the Group purchased 100% of the voting equity interests in Lombard International Assurance Holdings S.a.r.l. (LIAH) and its subsidiaries for a consideration of £263.7m.

The Group has accounted for the acquisition of a business in accordance with IFRS 3 (Business Combinations). As a result, all assets and liabilities have been measured at fair value at the date of acquisition.

As part of the fair value of assets acquired, management have recognised an acquired value of in-force (AVIF) asset as specified by IAS 38 Intangible Assets (in accordance with IFRS 3) of £672.6m. Following the fair value calculation, a gain on bargain purchase of £509.1m has been recognised as income in the Statement of Comprehensive Income.

There is judgement required when considering the fair value of net assets and liabilities acquired, in particular the valuation of the acquired present value of in-force business on the investment contracts, which is the focus of this key audit matter.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We performed the following procedures over persistency assumptions:

- Validated the appropriateness of the methodology used to perform the annual experience studies. This involved the assessment of key judgements with reference to relevant rules, actuarial guidance and by applying our industry knowledge and experience;
- Where relied on we have tested the controls in place around the performance of persistency experience analysis studies, approval of the proposed assumptions and implementation within actuarial models;
- Challenged judgements applied by management in the selection of data, including choice of data period, data grouping, exclusion of exceptional experience, and choice of metric (e.g. policy count, funds under management etc); and
- Reviewed the results of the experience analyses and conclusions; including understanding the rationale for changes from the prior year.

Based on the procedures performed and evidence obtained, we consider the persistency assumptions to be appropriate.

We have performed the following audit procedures relating to the acquisition of LIAH:

- Read the Sale and Purchase Agreement (SPA) and other signed contracts to understand the nature of the acquisition transaction and verify that management has captured all key terms;
- Tested the fair value of identifiable assets and liabilities acquired, including intangibles, provisions and contingent liabilities that meet the recognition criteria;
- Assessed the reasonableness of the fair value methodology, including the allowance for risk used by management by reference to market practices for the valuation of investments in insurance companies and recent acquisition activity in the insurance market;
- Reviewed the appropriateness of the fair value methodology used to derive the AVIF and the completeness and appropriateness of the accounting alignment adjustments applied to derive the AVIF;
- Tested the completeness and accuracy of the policyholder data used at the acquisition date to calculate the AVIF;
- Assessed the appropriateness of the assumptions used to calculate the AVIF, with particular focus on the persistency and expense assumptions used;
- Tested the calculation of the opening AVIF balance from the actuarial models;
- Considered the run-off profile proposed by management for future accounting periods giving consideration to past Group methodology applied in prior acquisitions and the nature of business acquired;
- Tested the accuracy and completeness of management's calculation of the Solvency II risk margin, including the supporting non-hedgeable risk capital requirements, the inputs, assumptions, capital projections and aggregation of the combined acquired business; and
- Assessed the adequacy of the presentation and disclosures regarding the acquisition in the financial statements.

Based on the procedures performed and the evidence obtained, we consider the valuation of the acquired assets (including AVIF) and liabilities to be appropriate.

KEY AUDIT MATTER

VALUATION OF CERTAIN LEVEL 3 ASSETS ACQUIRED DURING THE YEAR (GROUP)

Refer to Note 14 Financial Assets at Fair Value held to cover linked liabilities and Note 30 Fair value disclosures in the Consolidated Financial Statements.

During the year, the Group acquired a portfolio of financial assets held to cover linked liabilities. These assets included certain hard to value assets categorised as level 3 under the fair value methodology.

The valuation of these assets within the investment portfolio involves judgement and is an area of inherent risk. This is due to the valuation risk not being uniform for all investment types, the level of complexity involved as well as the significant judgement required in the selecting and applying of key assumptions and unobservable inputs, and the resulting sensitivities on the reported amounts.

The asset classes that we consider for this risk are:

1. Private equity and real estate funds;
2. Financial holding companies; and
3. Private debt instruments.

RECOVERABILITY OF THE COMPANY’S INVESTMENTS IN RELATED UNDERTAKINGS (COMPANY)

Refer to Note 3 in the Financial statements of the company.

In the Company’s statement of financial position, investments in subsidiaries are reported at cost less impairment. As the principal purpose of the parent company is as a holding company, we consider this to be the key audit matter to the parent company accounts.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group comprises of wholly owned subsidiaries, which include regulated insurance entities operating primarily in the United Kingdom, Isle of Man, Guernsey, Ireland and Luxembourg.

Based on the output of our risk assessment, along with our understanding of the Utmost Group structure, we performed full scope audits over the following components: Utmost Life and Pensions Limited, Utmost Worldwide Limited, Utmost Holdings Isle of Man Limited, and Utmost Holdings Ireland Limited. A full scope Audit of the Lombard International Assurance S.A. Statement of Financial Position has also been performed.

We also performed audit procedures over the head office operations and the consolidation process. We completed review procedures over the other components not subject to full scope audits.

As the Group audit team, we determined the level of involvement required at those components to enable us to conclude whether sufficient and appropriate audit evidence had been obtained for the basis for our opinion on the Group consolidated financial statements as a whole. In our role as Group auditors, we exercised oversight of the work performed by reporting component audit teams including performing the following procedures:

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We performed the following audit procedures to test the valuation of the specific hard to value level 3 assets listed on the left:

- Developed an understanding of management’s process to value these assets and assessed the design of the controls employed by management in this process;
- Engaged our valuation experts to assess the reasonableness and appropriateness of the valuation methodology applied by management for each asset class;
- For a sample of assets within each asset class we have tested managements valuation by inspecting supporting documentation or reperforming the valuation performed by, where possible; and
- Tested the disclosures made by management in the financial statements.

Based on the work performed and the evidence obtained, we consider the valuation of hard to value investments to be appropriate.

In respect to the carrying value of investments in undertakings we:

- Verified that the accounting policy is in compliance with the applicable financial reporting framework;
- Obtained management’s assessment of impairment indicators in investments in subsidiaries, assessed key inputs and evaluated whether there are any indications of impairment based on our understanding of the business; and
- Tested the carrying value of investment by comparing it to their recoverable amount.

Based on the work performed and the evidence obtained, we consider the carrying value of investments in undertakings to be appropriate.

- Issuing Group audit instructions outlining areas requiring additional audit focus such as the key audit matters included above;
- Maintaining active dialogue with reporting component audit teams throughout the year;
- Attending certain Audit Committee meetings for in-scope components;
- Reviewing reporting and supporting evidence requested from component teams, including those areas determined to be of heightened audit risk;
- Reviewing the detailed working papers of component teams, where relevant; and
- Performing enhanced oversight procedures of the Lombard International Assurance S.A. component team.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process that has been adopted to assess the extent of the potential impact of climate risk on the financial statements and to support disclosures made. We remained alert when performing our audit procedures for any indicators of the impact of climate risk, including in our testing of going concern. We also considered the consistency of the disclosures in relation to climate change between the Annual Report and the financial statements based on the knowledge obtained from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	FINANCIAL STATEMENTS – GROUP	FINANCIAL STATEMENTS – COMPANY
OVERALL MATERIALITY	£15,500,000 (2023: £10,900,000).	£15,900,000 (2023: £15,700,000).
HOW WE DETERMINED IT	1% of Total Equity	1% of Total Equity
RATIONALE FOR BENCHMARK APPLIED	<p>We believe that Total Equity, which drives the Group’s ability to generate surplus and pay dividends, is the primary measure used by the relevant stakeholders in assessing performance, as well as being a generally accepted materiality benchmark.</p> <p>We have applied a specific materiality to investment contract liabilities and assets held to cover linked liabilities (and the associated income statement line items) for the purpose of identifying and evaluating the effect of misstatements that are likely only to lead to a reclassification between line items within assets and liabilities.</p> <p>Regarding this specific materiality the benchmark is Assets held to cover linked liabilities as this is the primary measure used by the relevant stakeholders as it is a key performance indicator of the business.</p> <p>Materiality has been consistently rounded down to the nearest thousand.</p>	<p>We believe that Total Equity, which drives the Company’s ability to generate surplus and pay dividends, is the primary measure used by the relevant stakeholders in assessing performance, as well as being a generally accepted materiality benchmark.</p> <p>Materiality has been rounded down to the nearest thousand.</p>

For certain balances: assets held to cover linked liabilities, investment contract liabilities and associated income statement line items, our specific overall materiality was £1,028,900,000 (2023: £596,400,000) based on 1% (2023:1%) of the Financial assets at fair value held to cover linked liabilities.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £4,000,000 and £14,700,000 (£31,000,000 and £977,000,000 for unit-linked balances under the specific materiality). Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £11,625,000 (2023: £8,175,000) for the group financial statements and £11,900,000 (2023: £8,175,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

For certain balances: assets held to cover linked liabilities, investment contract liabilities and associated income statement line items, our specific performance materiality was 75% of the specific overall materiality for assets held to cover linked liabilities and technical provision for linked liabilities amounting to £771.7m (2023: £447.3m).

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £775,000 (group audit) (2023: £545,000) and £795,000 (company audit) (2023: £545,000) and specifically £15.5m (group audit) (2023: £12.5m) for Assets held to cover linked liabilities, investment contract liabilities and associated income statement line items as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors’ assessment of the group’s and the company’s ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors’ going concern assessment and challenged the rationale for downside scenarios adopted and material assumptions made using our knowledge of the group’s business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Considering management’s assessment of the regulatory solvency coverage and liquidity position in the forward looking scenarios considered by the Group;
- Assessing the impact of severe, but plausible, downside scenarios;
- Considering information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management’s assessment of going concern; and
- Reviewing certain Board and Committee minutes, and attendance of relevant Audit, Risk and Compliance Committee meetings and reporting component Audit Committee meetings.

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 group’s and the company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group’s and the company’s ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included. Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates and judgemental areas of the financial statements such as those described in the "Key Audit Matters". The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with the Board and management, including consideration of any known or suspected instances of non-compliance with laws and regulation and fraud;

- Reading key correspondence with applicable regulators, including the Prudential Regulation Authority and the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Audit, Risk and Compliance Committee, Board of Directors and attendance of certain Audit Committees of reporting components;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of insurance contract liabilities and the valuation of the Acquired value of in-force business ('AVIF') asset recognised on the acquisition of Lombard International Assurance Holdings S.a.r.l. (see related Key Audit Matters above);
- Identifying and testing journal entries based on risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing the Group's register of litigation and claims in so far as they related to non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

24 APRIL 2025

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Insurance revenue		279,052	253,781
Insurance service expenses		(214,979)	(219,235)
Net expense from reinsurance contracts held		(55,842)	(21,884)
Insurance service result	21	8,231	12,662
Fees and charges receivable on investment business	6	309,640	315,789
Investment return		5,773,348	4,537,991
Finance expenses from insurance contracts issued		(698,693)	(518,856)
Finance income from reinsurance contracts held		32,453	70,437
Movement in investment contract liabilities	20	(5,102,675)	(4,075,594)
Net financial result	7	4,433	13,978
Other income		71,983	59,266
Operating expenses	8	(216,421)	(209,059)
Gain on bargain purchase	4	509,104	–
Amortisation of acquired value of in-force business	11	(105,192)	(122,956)
Reversal of impairment of acquired value of in-force business	11	–	8,421
Profit for the year before interest and tax		581,778	78,101
Finance costs	9	(17,798)	(17,376)
Profit for the year before tax		563,980	60,725
Tax credit/(charge)	10	44	(6,661)
Profit for the year after tax		564,024	54,064
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit and loss			
Change in fair value of financial assets at fair value through OCI		4,812	3,989
Foreign currency translation movements in the year	27	(11,596)	(5,073)
Items that will not be reclassified to profit and loss			
Remeasurement on retirement benefit asset/obligation		(774)	(1,470)
Fair value movements of owner occupied land and buildings		–	269
Shareholder tax on items that will not be reclassified subsequently to profit and loss		(87)	122
Total comprehensive income for the year		556,379	51,901

Income and expenses for the year derive wholly from continuing operations. The notes on pages 90 to 151 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 31 December £'000	2023 31 December £'000
ASSETS			
Acquired value of in-force business	11	1,271,544	709,595
Deferred acquisition costs	12	110,827	101,748
Other intangible assets		10,418	213
Property, plant and equipment	13	36,402	29,128
Insurance contract assets	21	86	125
Reinsurance contract assets	21	877,468	945,450
Withholding tax asset	16	299,803	94,805
Deferred tax asset	24	1,056	2,268
Financial assets at fair value held to cover linked liabilities	14		
– Financial investments		103,197,567	56,777,046
– Cash and cash equivalents		5,190,566	2,865,208
Total financial assets at fair value held to cover linked liabilities		108,388,133	59,642,254
Other investments	15	1,597,582	1,599,767
Other receivables	17	416,202	294,794
Deposits		130,618	26,886
Cash and cash equivalents	18	538,155	469,516
Total assets		113,678,294	63,916,549
Liabilities			
Investment contract liabilities	20	97,012,674	54,116,049
Insurance contract liabilities	21	13,337,256	7,833,335
Reinsurance contract liabilities	21	33,108	30,980
Borrowings	23	598,661	400,710
Deferred tax liabilities	24	201,126	42,166
Deferred front end fees	22	88,581	82,456
Other payables	25	774,418	320,981
Total liabilities		112,045,824	62,826,677
Capital and reserves			
Called up share capital	26	392,500	392,500
Retained earnings		949,721	400,339
Other reserves		3,236	(1,576)
Restricted Tier 1 notes	26	297,600	297,600
Foreign currency translation reserve	27	(10,587)	1,009
Total equity		1,632,470	1,089,872
Total equity and liabilities		113,678,294	63,916,549

The financial statements on pages 86 to 151 were approved and authorised for issue by the Board of directors on 24 April 2025 and signed on its behalf by:



Ian Maidens
Director

The notes on pages 90 to 151 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED	Called up share capital £'000	Retained earnings £'000	Restricted Tier 1 notes £'000	Other reserves* £'000	Foreign currency translation reserve £'000	Total £'000
Balance as at 1 January 2023	392,500	561,680	297,600	(5,834)	6,082	1,252,028
Profit for the year	–	54,064	–	–	–	54,064
Foreign currency translation movements in the year	–	–	–	–	(5,073)	(5,073)
Remeasurement on retirement benefit asset	–	(1,470)	–	–	–	(1,470)
Other comprehensive income	–	122	–	269	–	391
Dividends paid	–	(200,000)	–	–	–	(200,000)
Change in fair value of financial assets at fair value through OCI	–	–	–	3,989	–	3,989
Coupon paid on Restricted Tier 1 notes, net of tax relief	–	(14,057)	–	–	–	(14,057)
Balance as at 1 January 2024	392,500	400,339	297,600	(1,576)	1,009	1,089,872
Profit for the year	–	564,024	–	–	–	564,024
Foreign currency translation movements in the year	–	–	–	–	(11,596)	(11,596)
Remeasurement on retirement benefit asset	–	(774)	–	–	–	(774)
Other comprehensive income	–	(87)	–	–	–	(87)
Dividends paid	–	–	–	–	–	–
Change in fair value of financial assets at fair value through OCI	–	–	–	4,812	–	4,812
Coupon paid on Restricted Tier 1 notes, net of tax relief	–	(13,781)	–	–	–	(13,781)
Balance as at 31 December 2024	392,500	949,721	297,600	3,236	(10,587)	1,632,470

* Other reserves primarily consists of the accumulated movement on financial assets held at fair value through other comprehensive income.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Net cash flows from operating activities	28	136,282	245,354
Cash flows from investing activities			
Acquisition of subsidiaries – net of cash acquired		(224,511)	–
Acquisition of property, plant and equipment	13	(1,784)	(1,147)
Acquisition of intangible assets		(276)	–
Proceeds on disposals of property, plant and equipment		11	–
Net cash flows from investment activities		(226,560)	(1,147)
Cash flows from financing activities			
Increase in borrowings		197,793	–
Repayment of leases		(2,347)	(3,839)
Dividends paid		–	(200,000)
Finance costs paid (including on Restricted Tier 1 Notes)		(34,421)	(35,397)
Net cash flows from financing activities		161,025	(239,236)
Net increase in cash and cash equivalents		70,747	4,971
Cash and cash equivalents at the beginning of the year		469,516	467,274
Exchange differences on cash and cash equivalents		(2,108)	(2,729)
Cash and cash equivalents at the end of the year	18	538,155	469,516

The notes on pages 90 to 151 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

The principal activity of Utmost Group plc (the "Company") is investment holding, and of its subsidiaries (together, the "Group") is the writing of long-term assurance business through the Utmost Wealth Solutions brand, the majority of which are classified as investment contracts because of the absence of significant insurance risk. These contracts are primarily written into the UK, France, Ireland, Italy, Middle East, Asia, Latin America and other European countries. The Group also writes employee benefits insurance business through the Utmost Corporate Solutions brand. Through Utmost Life and Pensions Limited ("ULP"), the Group operates both a closed UK life and pensions business and a nascent BPA business. The Company was incorporated as a company limited by shares in England and Wales and converted to a plc on 19 July 2021. The address of the Company's registered office is 5th Floor Saddlers House, 44 Gutter Lane, London, EC2V 6BR.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and the legal requirements of the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- 1) certain financial assets, financial liabilities (including derivative instruments) and investment property measured at fair value.
- 2) defined benefit pension plans – plan assets measured at fair value.
- 3) insurance and reinsurance contracts measured in accordance with the requirements of IFRS 17 "Insurance Contracts"

The consolidated and company financial statements are presented in Pounds Sterling.

2.1.1 CHANGE IN ACCOUNTING POLICIES AMENDMENTS TO OTHER ACCOUNTING STANDARDS

The Group has adopted the following amendments to accounting standards which became effective for the annual reporting period beginning on 1 January 2024. The amendments do not have a significant impact on the Group's financial statements.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

NEW ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following standards and amendments to existing standards have been issued, are not yet effective for the Group and the Company, and have not been adopted early by the Group and the Company.

IFRS 18: PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18 introduces new requirements in respect of:

- Categories and sub-totals to be used in the Statement of Comprehensive Income
- Disclosures for management defined performance measures ("MPMs"); and
- Aggregation and disaggregation of financial information

IFRS 18 is expected to result in presentational changes to the Group's consolidated Statement of Comprehensive Income and the Company's Statement of Comprehensive Income, and new disclosures of management-defined performance measures will be required in the notes to the financial statements. There are not expected to be any financial impacts as a result of the adoption of IFRS 18.

OTHER AMENDMENTS

The following amendments have been issued and are not yet effective and are not expected to have a material impact on the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments

2.1.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and each of its subsidiaries which are detailed in note 4. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated primary statements.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.1.3 GOING CONCERN

At the time of preparing and approving the financial statements, the directors have a reasonable expectation that the Company and Group have sufficient resources to continue in operational existence for the foreseeable future. The Company and Group therefore continue to adopt the going concern basis in preparing its individual and consolidated financial statements.

In making the going concern assessment for the foreseeable future the directors considered various assessments and stresses are applied to those positions to understand potential impacts of market downturns. These stresses do not give rise to any material uncertainties over the ability of the Company and Group to continue as a going concern. Based upon the available information, the directors consider that the Company and Group have the plans and resources to manage its business risks successfully and that it remains financially strong. The Directors' Report summarises the Group's activities, financial performance and principal risks facing the Group.

The directors have assessed the principal risks and uncertainties discussed in the Strategic Report, in particular in light of the current economic climate, and have taken into consideration the guidance provided by the Financial Reporting Council ("FRC"). The directors are confident that the Company and Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of, but not limited to,

12 months from the date of approval of the financial statements. Therefore, they have considered it appropriate to continue to adopt the going concern basis of accounting when preparing the financial statements.

2.2 Foreign currency translation

2.2.1 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Pounds Sterling which is the Company's presentational and functional currency. In the assessment of the functional currency, management have considered factors including, *inter alia*, the primary economic environment in which the Group operates and the currency of the Group's external equity and debt financing.

2.2.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Comprehensive Income.

Translation differences on monetary financial assets measured at fair value and designated as held at fair value through profit or loss are included in foreign exchange gains and losses in the Statement of Comprehensive Income. Translation differences on non-monetary items, which are designated as fair value, are reported as part of the fair value gain or loss.

On conversion to the presentation currency, assets and liabilities are translated at the closing rate at the year-end date, income and expenditure are converted at the transaction rate, or the average rate if this is an approximation of the transaction rate. All resulting exchange differences are recognised in Other Comprehensive Income.

2.3 Goodwill, Intangible assets and acquired value of in-force policies ('AVIF')

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill is recognised as an intangible asset in the Statement of Financial Position and is held at cost less impairment. Goodwill has an indefinite useful life and is not amortised.

An intangible asset may be acquired in a business combination. If an intangible asset is acquired in a business combination, the cost of the asset is specified by IAS 38 (in accordance with IFRS 3) to be its fair value on the date of acquisition. The fact that a price can be established for an intangible asset which is acquired in a business combination is accepted as evidence that future economic benefits are expected to accrue to the entity.

The present value of future profits on a portfolio of investment contracts, representing the value of in-force policies, acquired directly or through the purchase of a subsidiary, is recognised as an acquired value of in-force business ("AVIF") intangible asset on acquisition. AVIF relating to investment contracts is recognised at its fair value which is set equal to the present value of the best estimate cash flows adjusted to reflect a risk margin which has been calculated using a 3% cost of capital. Key estimates used in the calculation of the best estimate cash flows include persistency and expense assumptions. Persistency assumptions are set with reference to historic data and expense assumptions are set using the run-rate expenses adjusted for foreseeable changes to policy accounts and the expected rate of inflation. AVIF is amortised over

the useful lifetime of the related contracts in the portfolio on a systematic basis. The rate of amortisation is chosen by considering the profile of the value of in-force business acquired and the expected depletion in its value.

AVIF is recognised, amortised and tested for impairment annually by reference to the present value of estimated future profits. Significant estimates include forecast cash flows and discount rates.

2.4 Intangible fixed assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use,
- management intends to complete the software product and use it,
- there is an ability to use the software product,
- it can be demonstrated how the software product will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use the software product are available, and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not subsequently recognised as an asset in a subsequent period.

Capitalised computer software is stated at cost less amortisation and impairment and is amortised over three to five years.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. The costs of property, plant and equipment are depreciated over their expected useful lives on a straight-line basis as follows:

Computer and office equipment	20% - 50%
Fixtures and fittings	20% - 33%
Motor vehicles	15% - 35%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial year in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

The non-owner occupied portion of the Group's property in the Isle of Man is classified as investment property and carried at fair value within "Property, plant and equipment" in the Statement of Financial Position. Changes in fair value are presented in the Statement of Comprehensive Income in "Other income".

2.6 Financial assets and financial liabilities

2.6.1 CLASSIFICATION

The Company and Group have applied IFRS 9 and classify their financial assets in the following categories: measured at fair value through profit and loss, measured at fair value through other comprehensive income and measured at amortised cost. The classification is determined by the Company and Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial liability is any liability that is a contractual obligation to deliver cash or other financial asset to another entity, to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or a contract that will or may be settled in the entity's own equity instruments. Financial liabilities are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. All liabilities, other than those designated at fair value through profit or loss, are subsequently carried at amortised cost. The Group's financial liabilities include amounts due to investment contract holders, payables in respect of investment contract liabilities, borrowings and other payables.

2.6.2 RECOGNITION AND DERECOGNITION

Purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. At initial recognition, financial assets are measured at their fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the purchase of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

2.6.3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

The fair value of quoted investments in an active market is the bid price, for investments in unit trusts and other pooled funds it is the bid price quoted on the last day of the accounting period on which the investments in such funds could be redeemed. If the market for a financial investment is not active, the fair value is determined by using valuation techniques. For these investments, the fair value is established by using quotations from independent third parties, such as brokers or pricing services or by using internally developed pricing models. Priority is given to publicly available prices, where available, but overall the source of pricing and valuation technique is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date. Valuation techniques used include the use of recent arm's length transactions and reference to the current fair value of other instruments that are substantially the same. Financial assets where the fair value is derived using unobservable level 3 inputs are principally valued using valuations obtained from external parties which are reviewed internally to ensure appropriateness. The majority of these investments are in suspended funds or funds in liquidation for which any changes in valuation are derived from the realisation of the underlying assets.

2.6.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

The Group accounts for financial assets at fair value through other comprehensive income if the assets are held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These instruments largely comprise debt instruments and are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in a response to changes in market conditions. They are not debt instruments which are backing policyholder liabilities which would create an accounting mismatch. The valuation policy of financial assets at fair value through other comprehensive income is consistent with that of the valuation of financial assets through profit or loss as detailed in note 2.6.3 above and the Group's accounting policy in respect of the determination of any impairment of these assets is detailed in note 2.8.

2.6.5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT AMORTISED COST

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. A provision for the impairment of loans and receivables is recognised in line with the Expected Credit Loss ("ECL") method as detailed in note 2.8 below.

Financial liabilities, including borrowings from banks, are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. All financial liabilities, other than liabilities under investment contracts which are designated at fair value through profit or loss, are subsequently carried at amortised cost. For financial liabilities measured at amortised cost any difference between initial fair value and redemption value is recognised in the Statement of Comprehensive Income using the effective interest rate method.

2.7 Investment in subsidiary undertakings

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured at cost less impairment. Investments are reviewed annually to assess whether there are indicators of impairment. Where indicators of impairment exist, the carrying value of the investment in the subsidiary is compared against its recoverable amount, which is the higher of the fair value less cost to sell or the value-in-use, with any resulting impairment recorded in the statement of comprehensive income.

Dividend income from subsidiaries is recognised when the right to receive payment is established.

2.8 Impairments

For financial assets, the Group assesses on a forward-looking basis the expected credit losses associated with its debtors, other receivables and solvency portfolio carried at amortised cost as well as the financial assets at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment losses are recognised within the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ECL for debt instruments measured at fair value through other comprehensive income does not reduce the carrying amount of these financial assets in the

Statement of Financial Position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain or loss recognised in OCI is recycled to profit or loss upon de-recognition of the assets.

For non-financial assets, an impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. For the purpose of assessing the impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised in the Statement of Comprehensive Income. An impairment loss is reversed only to the extent that after the reversal, the asset's carrying amount is no greater than the amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Investment return

Investment return comprises interest, dividends and fair value gains and losses on financial assets. All gains and losses arising from changes in the fair value of financial investments held at fair value through profit and loss, realised or unrealised, are recognised within "Investment return" in the Statement of Comprehensive Income in the period in which they arise. Gains and losses arising on assets held at fair value through other comprehensive income are recognised in other comprehensive income in the period in which they arise. Unrealised gains and losses represent the difference between the valuation of the investments and their original cost. Realised gains and losses are calculated as net sales proceeds less purchase costs. Purchase costs are calculated on a weighted average basis. Movements in unrealised gains and losses include the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Interest income generated from financial investments measured at amortised cost or fair value through other comprehensive income, including investment income from bank deposits and fixed or floating interest bearing bonds and stocks, is recognised within "Investment return" in the Statement of Comprehensive Income using the effective interest method.

The Group uses different measurement approaches, depending on the type of contracts, as follows:

SEGMENT	CONTRACTS ISSUED	PRODUCT CLASSIFICATION	MEASUREMENT MODEL (SEE 2.13)
Contracts issued			
UWS	Individual unit-linked contracts with material insurance benefits	Insurance Contracts with Direct Participation Features	VFA
	Non-linked whole of life contracts	Insurance Contracts	GMM
	Individual unit-linked contracts with investments linked to external with-profits funds	Insurance Contracts with Direct Participation Features	VFA
UCS	Life and disability insurance benefits	Insurance Contracts	GMM
ULP	Non-linked term life and health contracts	Insurance Contracts	GMM
	With-profits with insurance element	Insurance Contracts with Direct Participation Features	VFA
ULP	With-profits with no insurance element	Investment contracts with Discretionary Participation Features (DPF)	VFA
Reinsurance contracts held			
UWS	With-profits fund linked reinsurance	Reinsurance contract held	GMM
UCS	Life and disability benefits quota-share reinsurance	Reinsurance contract held	GMM
UCS	Other non-linked	Reinsurance contracts held	GMM

Dividends receivable from investments held within unit-linked funds managed by the Group, are accrued on the ex-dividend date. All other dividends, including distributions from collective investments, are accounted for when the income can be reliably measured. The attributable investment income and net gains or loss on investments due or payable under the modified coinsurance account (see note 2.20) are due or payable simultaneously with the underlying contracts reassured which are recognised at the same point as for the Utmost International Isle of Man Limited contract.

2.10 Other income

Other income consists of interest income on shareholder cash and deposits. Interest income on shareholder cash and deposits is measured at amortised cost using the effective interest method.

2.11 Product classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Insurance risk is significant if there is a scenario that has commercial substance in which, on a present value basis, there is a possibility that the Group could:

- suffer a loss caused by the insured event, and
- pay significant additional amounts beyond what would be paid if the insured event had not occurred.

To have commercial substance, the loss caused by the occurrence of the insured event has to have a discernible effect on the economics of the transaction.

Contracts under which the transfer of insurance risk to the Group from the policyholder is not significant are classified as investment contracts.

Some insurance and investment contracts contain discretionary participation features ("DPF"). This feature entitles the policyholder to additional discretionary benefits as a supplement to guaranteed benefits. Investment contracts with a DPF are recognised, measured and presented as insurance contracts.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.12 Liabilities under investment contracts

Contracts issued by the Group which are unit-linked and do not contain significant insurance risk are classified as investment contracts. Investment contracts primarily consist of unit-linked contracts written by the Group. Unit-linked liabilities are measured at fair value by reference to net asset value of the underlying assets at the Statement of Financial Position date, with the assets and liabilities classified as "Financial assets at fair value held to cover linked liabilities" and "Investment contract liabilities" respectively in the consolidated Statement of Financial Position. The decision by the Group to designate its unit-linked liabilities at fair value through profit or loss reflects the fact that the liabilities are calculated with reference to the fair value of the underlying assets.

Premiums received and withdrawals from investment contracts are accounted for directly in the Statement of Financial Position as adjustments to the investment contract liability when the units are created or redeemed. Investment income and changes in fair value arising from the investment contract assets are included in "Investment return" and "Changes in investment contract liabilities" respectively in the Statement of Comprehensive Income.

Benefits are deducted from Investment Contract Liabilities and transferred to amounts due to investment contract holders on the basis of notifications received, when the benefit falls due for payment or, on the earlier of the date when paid or when the contract ceases to be included within those liabilities.

The Group earns revenue on investment management services provided to holders of investment contracts, as detailed in note 2.17. Revenue is recognised as the services are performed.

2.13 Insurance contract liabilities and investment contracts with DPF

SCOPE

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with DPF. When identifying contracts in the scope of IFRS 17 the Group have assessed:

- the significance of any insurance risk accepted from the policyholder and for reinsurance contracts the insurance risk ceded to a reinsurer;
- whether a number of contracts needs to be treated as a single contract; and
- whether investment components and goods and services are distinct and therefore have to be separated and accounted for under another accounting standard.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without DPF issued by the Group fall under this category.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items and whether a substantial proportion of any change in the amounts expected to be paid to the policyholder vary with the change in fair value of the underlying items.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

MEASUREMENT MODELS

The General Measurement Model ("GMM") is the general accounting approach for the measurement of insurance and reinsurance contracts under IFRS 17. The GMM is formed of the following building blocks each of which are detailed further below:

- Fulfilment Cash Flows ("FCF") comprising:
 - the Present Value of Future Cash Flows ("PVFCF") and
 - the Risk Adjustment ("RA")
- Contractual Service Margin ("CSM")

Insurance contracts with Direct Participation Features, investments contracts with DPF and insurance contracts with DPF (a contract with DPF and the transfer of significant insurance risk to the Group are classified as an insurance contract with DPF) are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, which is based on policy fees and management charges (withdrawn from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less other cash flows that do not vary based on the returns on underlying items. The measurement approach for insurance and investment contracts (excluding reinsurance contracts) with DPF and insurance contracts with Direct Participation Features is referred to as the Variable Fee Approach, ("VFA"). The VFA modifies the GMM to reflect that a significant portion of the consideration an entity receives for the contracts is a variable fee.

LEVEL OF AGGREGATION

Insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Firstly, insurance contracts are grouped into portfolios such that all contracts in the group are managed together and share the same risk characteristics. Portfolios of insurance contracts are then further sub-divided into groups of insurance contracts according to the profitability characteristics of the contracts and the financial year in which they were issued.

The Group judges that division of products into portfolios according to product type, currency and reinsurance arrangements meets the requirements of grouping products that are managed together and give rise to similar risks.

On initial recognition, the Group divides the contracts by profitability characteristics as follows: whether the contracts have no significant possibility of becoming onerous, are onerous and all other contracts. Insurance contracts that have a CSM at initial recognition greater than the risk adjustment are judged to have no significant possibility of becoming onerous. Insurance contracts where at initial recognition the total of the fulfilment cash flows, any allocated acquisition cash flows and any cash flows arising from the contract at that date is a net outflow are recognised as onerous. All other contracts are grouped together. Reinsurance contracts are judged to be distinct and are not grouped together.

CONTRACT BOUNDARIES

The Group uses the concept of contract boundaries to determine the cash flows that should be considered in the measurement of groups of insurance contracts, reinsurance contracts and investment contracts with DPF. This assessment is reviewed for new contracts issued each reporting period. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services.

Cash flows outside the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Group to deliver cash at a present or future date. For reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

INSURANCE ACQUISITION CASH FLOWS

The Group includes the following acquisition cash flows within the contract boundary that arise from selling, underwriting and starting a group of insurance contracts or investment contracts with DPF and that are:

- a. costs directly attributable to individual contracts and groups of contracts; and
- b. costs directly attributable to the portfolio of insurance contracts or investment contracts with DPF to which the group belongs, which are allocated on a systematic and rational basis to measure the group of insurance contracts or investment contracts with DPF.

Insurance acquisition cash flows are initially deferred on the balance sheet and then allocated against groups of insurance contracts to which they are directly attributable. Insurance acquisition cash flows are included within the measurement of the CSM and recognised in the income statement over the period which services are provided to the policyholder. Insurance acquisition cash flow assets are assessed for impairment where there are facts or circumstances that may indicate impairment. The Group uses policyholder data and assumptions to identify these facts or circumstances.

RECOGNITION AND DERECOGNITION

Groups of insurance contracts and investment contracts with DPF issued are initially recognised from the earliest of the following:

- the beginning of the coverage period; or
- the date when the first payment from the policyholder is due or actually received, if there is no due date; or
- where a group of contracts is onerous, from when the group becomes onerous.

Insurance contracts and investment contracts with DPF acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the earlier of:

- beginning of the coverage period of that group; or
- the date the entity recognises an onerous group of underlying insurance contracts if the entity entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups of insurance contracts and measured under IFRS 17. The start and end periods of each insurance group are selected to coincide with the Group's reporting periods. Composition of the insurance groups is not reassessed in subsequent periods.

ACCOUNTING FOR CONTRACT MODIFICATION AND DERECOGNITION

An insurance contract is derecognised when it is:

- extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparty or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract, as set out in the IFRS 17 standard, are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - i. is not in scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts.
- b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa.

When an insurance contract is derecognised from within a group of insurance contracts, the Group adjusts the FCF to eliminate the PVFCF and RA relating to the rights and obligations removed from the group and adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group), depending on the reason for the derecognition.

MEASUREMENT

(1) FULFILMENT CASH FLOWS

The FCF are an explicit, unbiased and probability-weighted estimate (i.e. expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

The estimates of future cash flows:

- a. are based on a probability weighted mean of the full range of possible outcomes;
- b. are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

Where the effect of future variations in experience on future cash flows are symmetric a single best estimate is assumed to represent the full range of possible outcomes. In a small number of cases, where the effect of future experience variances is not symmetric, then the best estimate is adjusted by probability weighting the effect on cash flows of a range of possible outcomes.

Underlying cash flows, where these arise in multiple currencies, are converted into a single functional currency at the appropriate prevailing foreign exchange rates. In order to discount the FCF the Group uses the bottom-up approach to determine in each applicable currency, a discount rate curve by applying a liquidity adjustment, where appropriate, to a risk-free yield. The risk-free yield curve is the published yield curve for the relevant currency.

The assumptions used to calculate the FCF on reinsurance contract assets are generally consistent with those used to calculate the FCF of the Insurance Contracts underlying the Reinsurance Contracts Held. Differences in assumptions relate to items that differ between the underlying Insurance Contracts and reinsurance contract assets, for example reinsurer default risk, reinsurance servicing expenses and liquidity risk. The reinsurance contract assets are modified for the risk of non-performance by the reinsurer. The impact is applied by adjusting the FCF discount rates. This adjustment is not made to reinsurance contracts that are liabilities.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

An investment component is the amount that an insurance contract or investment contract with DPF requires the Group to repay to a policyholder even if an insured event does not occur. The Group has not separated any investment components from insurance contracts or investment contracts with DPF as the investment components are not considered to be distinct from the underlying contracts. Non-distinct investment components include the unit fund on unit-linked products and with-profit funds for with-profit products. Movements in investment components will not be included in insurance revenue or insurance service expenses under IFRS 17.

Risk Adjustment

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates and is included in fulfilment cash flows. The risk adjustment is determined as the difference between the fulfilment cash flows under a single, insurance portfolio specific, stress scenario and the base scenario. The risk adjustment is calculated without consideration for any reinsurance in place and represents the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils insurance contracts.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued.

The Group uses consistent assumptions to measure the estimates of the PVFCF for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts. The risk adjustment for reinsurance is determined in the same way as for insurance business but with the stress scenario being determined from a scenario relevant to the underlying insurance portfolio.

The risk adjustment for reinsurance represents the risk adjustment transferred to the reinsurer and as such will not exceed the risk adjustment on the underlying insurance contract.

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a. the initial recognition of the FCF;
- b. cash flows arising from the contracts in the group at that date; and
- c. the derecognition at the date of initial recognition of:
 - i. any asset for insurance acquisition cash flows; and
 - ii. any other asset or liability previously recognised for cash flows related to the group of contracts.

For a group of insurance contracts or investment contracts with DPF issued where the CSM would be negative, this means the group of insurance contracts or investment contracts with DPF issued is onerous. Groups of onerous contracts are recognised when the group becomes onerous. A loss from onerous insurance contracts or investment contracts with DPF is recognised in the Statement of Comprehensive Income immediately with no CSM recognised on the Statement of Financial Position.

For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired in a portfolio transfer or business combination, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a. the initial recognition of the FCF; and
- b. a proxy for premiums received in the portfolio transfer or business combination.

The premium proxy is either the fair value of assets transferred minus any consideration paid or the fair value of liabilities received in insurance portfolio transfers or business combinations respectively. To the extent that amounts cannot be directly attributed to the acquired contracts the premium proxy is allocated to acquired insurance groups using weightings based on risk.

At initial recognition contracts are assessed as to whether they are onerous, profitable or initially profitable but have the potential to become unprofitable and are allocated to different groups depending upon this assessment. The approach taken is to compare at initial recognition, for each insurance contract, the CSM with the Risk Adjustment. If the CSM is greater than the Risk Adjustment the insurance contract is classified as profitable, if the CSM is nil the contract is classified as onerous. All other contracts are classified as having the potential to become onerous.

SUBSEQUENT MEASUREMENT

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a. the liability for remaining coverage ("LRC"), comprising:
 - i. the FCF related to future service allocated to the group at that date; and
 - ii. the CSM of the group at that date; and
- b. the liability for incurred claims ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a. the remaining coverage, comprising:
 - i. the FCF related to future service allocated to the group at that date;
 - ii. the CSM of the group at that date; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

CHANGES IN FULFILMENT CASH FLOWS

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. changes that relate to current or past service are recognised in profit or loss; and
- b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a., b. and d. are measured using the locked-in discount rates as described in the section on interest accretion on the CSM below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereon;
- changes in the FCF relating to the LIC; and
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts measured under the VFA, where the value of the variable fee is material, the following adjustments relate to future service and thus adjust the CSM:

- changes in the Group's share of the fair value of the underlying items; and
- changes in the FCF that do not vary based on the returns of underlying items:
 - changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments ii.-v. are measured using the current discount rates.

For insurance contracts measured under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- changes in the FCF that do not vary based on the returns of underlying items:
 - changes in the FCF relating to the LIC; and
 - experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

CHANGES TO THE CONTRACTUAL SERVICE MARGIN

For insurance contracts issued, at the end of each annual reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- The effect of any new contracts added to the group.
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- The effect of any currency exchange differences.
- The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

INTEREST ACCRETION ON THE CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates).

RELEASE OF THE CSM TO PROFIT OR LOSS

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

For contracts issued, the Group determines the proportion of coverage provided in the period for the purpose of CSM recognition as follows:

- Coverage units in the period, divided by
- The sum of:
 - coverage units in the period, and
 - end of period coverage units total forecast.
- Where all amounts included in this calculation are undiscounted.

The coverage units used by the Group are as follows:

BUSINESS TYPE	COVERAGE UNITS
Non-linked	Sum at Risk
Life and disability	Earned premiums
Unit-linked business	Higher of Unit reserves and sum assured
Unitised with-profits	Unit Fund
Annuities	Annuities paid in period (for deferred annuities with a death benefit, 20% of initial expected annuity payments are assumed to arise in the deferral period).

ONEROUS CONTRACTS - LOSS COMPONENTS

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on amortising the loss component in line with the amortisation of the CSM (i.e. based on coverage units remaining).

The Group allocates the amortisation of the loss component to insurance revenue with an equivalent offset in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

AMOUNTS RECOGNISED IN COMPREHENSIVE INCOME

INSURANCE REVENUE

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Insurance revenue comprises the following:

Amounts relating to the changes in the LRC:

- a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - amounts related to the loss component;
 - repayments of investment components; and
 - amounts of transaction-based taxes collected in a fiduciary capacity.
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in insurance finance income (expenses);
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss component;
- c. amounts of the CSM recognised in profit or loss for the services provided in the period; and
- d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

INSURANCE SERVICE EXPENSES

Insurance service expenses include the following:

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. changes that relate to past service (i.e. changes in the FCF relating to the LIC);
- d. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components); and
- e. allocation of non-directly attributable expenses.

Expenses that do not relate to contracts in the scope of IFRS 17 will be presented in operating expenses under the relevant accounting standard.

INSURANCE SERVICE RESULT FROM REINSURANCE CONTRACTS HELD NET INCOME (EXPENSES) FROM REINSURANCE CONTRACTS HELD

The Group presents the financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery;
- c. other incurred directly attributable insurance service expenses;
- d. effect of changes in risk of reinsurer non-performance;
- e. changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- f. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

Reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held; and
 - changes that relate to future coverage (which adjust the CSM);
- c. amounts of the CSM recognised in profit or loss for the services received in the period; and
- d. ceded premium experience adjustments relating to past and current service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

INSURANCE FINANCE INCOME OR EXPENSES

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the FCF and the CSM;
- b. the effect of changes in interest rates and other financial assumptions; and
- c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- a. changes in the fair value of underlying items, excluding the shareholders' share of underlying items;
- b. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- c. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For the contracts measured under the GMM and the VFA, the Group includes all insurance finance income or expenses for the period in profit or loss.

TRANSITION

The transition balance sheet was prepared using the Fair Value Approach for all in-scope business as it is impracticable to use the Fully Retrospective Approach because it is not possible to determine a Risk Adjustment at historic reporting dates.

The Group had no basis upon which to determine the Risk Adjustment since it had no policy from which a reliable margin for taking on non-financial risk associated with the contracts in scope of IFRS 17 could be determined at the transition date and there was no explicit historical view of the compensation required for non-financial risk on acquired insurance contracts. Consideration was taken to deriving an approach that used margins from historical acquisitions, however as the majority of the acquired policies have been investment contracts, with significant reinsurance on insurance contracts and investment contracts with DPF, it was not possible to accurately reflect the view of insurance risk at historic reporting dates.

Under the Fair Value Approach, the CSM or loss component at the transition date was calculated as the difference between the fair value of a group of contracts at that date and the FCF at that date. The Group measured the fair value of a group of contracts as the Solvency II best estimate liability of cash flows within the IFRS 17 Contract Boundary, calibrated using a market value adjustment to give a fair value calculated as 90% of:

- Solvency II best estimate experience assumptions plus best estimates for assumptions not required under Solvency II, plus
- a 50% share of the insurance company's Solvency II Risk Margin. The Solvency II Risk Margin is allocated to Groups of Insurance Contracts ("GICs") (the level of aggregation of contracts at which CSMs are determined) based on the relative contribution of those cohorts to the aggregated results.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2.15 Other receivables

Other receivables include debtors arising out of investment contracts as well as investment dealing debtors. Other receivables are accounted for at amortised cost less impairment.

2.16 Deposits

Fixed deposits held with banks with original maturities in excess of three months are included in deposits. These are accounted for at amortised cost less impairment.

2.17 Fees and charges and deferred front end fees

Investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. These fees consist of recurring fees and “front-end” fees (fees that are assessed against the policyholder balance as consideration on origination of the contract). The fees may be for fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder’s balance.

The recurring fees consist of contractual fees and percentage fees related to investment management services and are recognised as revenue over time as performance obligations are satisfied. In most cases this revenue is recognised in the same period in which the fees are charged to the policyholder. Fees that are related to services to be provided in future periods are deferred and recognised when the performance obligations are fulfilled.

Initial and other “front-end” fees are charged on some investment contracts with DPF. Front-end fees that relate to the provision of investment management services are deferred and recognised over the expected term of the policy on a straight-line basis. Commissions receivable arising from with-profit bond investments and commissions from investments in funds are recognised as revenue over time on a straight-line basis as performance obligations are fulfilled. Other inward commissions and rebates are accounted for on a receipts basis, net of any amounts directly attributable to policies, as this is when the income can be measured reliably and it is highly probable that it will not be subject to significant reversal. Surrender fees are recognised as income on surrender of a policy as a reduction to the surrender amount returned to policyholders.

2.18 Renewal commission and adviser fees

Adviser fees and renewal commission charges are charged to the contract holders of investment contracts for services related to administration and investment services. These fees form part of the ongoing fees paid to intermediaries and advisers. The fees charged to the investment contracts and the fees payable to the intermediaries are recognised as revenue and expenses respectively as the services are provided.

2.19 Acquisition costs and deferred acquisition costs on investment contracts

Acquisition costs include commissions, intermediary incentives and incentives payable to the Group’s sales force. Incremental costs that are directly attributable to securing investment contracts, and are expected to be recoverable, are deferred and recognised in the Statement of Financial Position as deferred acquisition costs. Acquisition costs that do not meet the criteria for deferral are expensed as incurred.

Deferred acquisition costs are amortised over the expected remaining duration of the underlying policyholder contract. The amortisation of deferred acquisition costs is charged to the Statement of Comprehensive Income within the “Operating expenses” line.

Reviews to assess the recoverability of deferred acquisition costs on investment contracts are carried out at each period end date to determine whether there is any indication of impairment. If there is any indication of impairment, the asset’s recoverable amount is estimated. Impairment losses are reversed through the Statement of Comprehensive Income if there is a change in the estimates used to

determine the recoverable amount. Such losses are reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of amortisation where applicable, if no impairment loss had been recognised.

2.20 Modified Coinsurance Account

In 2013 the Group entered into an agreement with AXA Hong Kong (AXA China Region Insurance (Bermuda) Limited (“CRIB”). Under this agreement the AXA Hong Kong (ACR) book of business migrated from traditional reinsurance to a modified coinsurance (“ModCo”) arrangement. The main effect of the ModCo arrangement is that the statutory reserve on the ceded business is the obligation of and held by the ceding company (CRIB) rather than the Group and as such the Modco does not result in the transfer of significant insurance risk. The Modco is therefore a financial asset, accounted for under the requirements of IFRS 9, held at FVTPL backing the investment contract liabilities on unit-linked policies written with ACR and ALS.

In the event of the cedant’s insolvency the liability of the Group is limited as the Group has the right to offset any claims arising under the arrangement against the assets held by the ceding company.

The amounts contractually withheld and legally owned by the cedant in the form of assets equal to the reserve are reflected in the Modified Coinsurance Account. Premiums, claims arising and policy charges under this arrangement are included within the “Movement in investment contract liabilities” in the Statement of Comprehensive Income and within the “Financial assets at fair value held to cover linked liabilities” in the Statement of Financial Position. The investment returns attributable to the assets held under the Modified Coinsurance arrangement are included within “Investment return” in the Statement of Comprehensive Income.

2.21 Finance costs

Finance costs on the Group’s external debt facilities and the lease liabilities is recognised in the Statement of Comprehensive Income as it accrues and is calculated by using the effective interest method.

2.22 Other expenses

All other expenses, not arising on contracts in the scope of IFRS 17, including investment management expenses, are accounted for on an accruals basis.

2.23 Pension obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

2.23.1 DEFINED CONTRIBUTION PLANS

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

2.23.2 DEFINED BENEFIT PLANS

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that approximate the terms of the related pension liability. Past-service costs are recognised immediately in income.

2.24 Taxation (current and deferred)

Current tax payable is the expected tax payable on the taxable income for the period adjusted for changes to previous periods and is calculated based on the applicable tax law in the relevant tax jurisdiction. Deferred tax is provided using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities for taxation purposes and their carrying amounts in the financial statements. Current and deferred taxes are determined using tax rates based on legislation enacted or substantively enacted at the year-end date and expected to apply when the related tax asset is realised or the related tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which temporary differences will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are recognised when there are temporary differences between the carrying value of assets and the tax base.

Tax assets and liabilities are only offset when they arise in the same reporting group for tax purposes and where there is both the legal right and intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.25 Provisions and contingent liabilities

Provisions are recognised in respect of present legal or constructive obligations arising from past events where it is probable that outflows of economic resources will be required to settle the obligations and they can be reliably estimated.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of economic resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the lowest net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.26 Leases

Where the Group acts as a lessee it recognises a right of use asset and a corresponding lease liability, representing the obligation to make lease payments at the lease commencement date.

The right of use asset is initially measured at cost which comprises the lease liability, payments made on the lease before the commencement date and any initial direct costs less any lease incentives received. The asset is subsequently measured at cost less depreciation and impairment and is depreciated on a straight-line basis from the commencement date to the earlier of (i) the end of the right of use asset's useful life and (ii) the end of the lease term.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate.

Subsequently, the lease liability is measured at amortised cost, using the effective interest method. The lease liability may be remeasured where there is a change in future lease payments for instance where the Group reassesses whether it will exercise a purchase, extension or termination option. Where this happens, a corresponding adjustment is made to the carrying amount of the right of use asset or an amount is recognised in the Statement of Comprehensive Income if the carrying amount of the right of use asset has been reduced to zero.

The Group presents the right of use assets in property, plant and equipment on the Statement of Financial Position. The corresponding lease liabilities are presented in other payables.

2.27 Share Capital, Share Premium, Restricted Tier 1 notes and dividends

Ordinary share capital is classified as equity. On issuance of new share capital, the excess of consideration received over the face value of the shares is recognised as share premium. Dividends are recognised in equity when they are approved by the Board.

The Restricted Tier 1 notes meet the definition of equity and accordingly are shown as a separate category within equity at the proceeds of issue. The coupons on the Restricted Tier 1 notes are recognised as distributions on the date of payment and are charged directly to the Consolidated Statement of Changes in Equity.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The judgements and estimates involved in the Company's and Group's accounting policies that are considered by the Board to be the most important to the portrayal of its financial condition and that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company and Group could affect its reported results.

3.1 Recoverability of acquired value of in-force business

AVIF on investment contracts is recognised, amortised and tested for impairment by reference to the present value of estimated future profits. Significant estimates include forecast expenses, charges, persistency rates, guarantee costs and discount rates.

3.2 Insurance contract liabilities

The calculation of insurance contract liabilities is a critical estimate, based on the fact that although the process for the establishment of insurance liabilities follows specified rules and guidelines, the reserves that result from the process are the subject of estimations. As a consequence, the eventual value of claims could vary from the amounts provided to cover future claims. The Group seeks to provide appropriate levels of contract liabilities taking known facts and experiences into account but, nevertheless, such liabilities remain uncertain. Principal assumptions used in the calculation of insurance contract liabilities include those in respect of expenses and longevity. The calculation methodology is discussed further in accounting policy 2.13, and sensitivity analysis in respect of the Group's insurance business is provided in note 29.

3.3 Valuation of acquired value of in-force business at acquisition

The valuation of the acquired value of in-force business at acquisition is calculated with reference to the present value of estimated future profits. The calculation of the present value of estimated future profits is based upon various assumptions including forecast expenses, charges, persistency rates and discount rates. Changes in these assumptions can have a material impact on the valuation of the acquired value of in-force business at acquisition.

4 SUBSIDIARIES

The consolidated financial statements include the following subsidiaries as at 31 December 2024 (the subsidiaries as at 31 December 2024 are consistent with those as at 31 December 2023 with the exception of UIG Holdings (No 1) Ltd, Utmost International Holdings Limited, Utmost Partnerships Limited, Reliance Unit Managers Limited, RMIS (RTW) Limited and Reliance Pension Scheme Trustee Limited which were dissolved in 2024 and the Lombard International entities which were acquired on 30 December 2024):

SUBSIDIARY	DATE OF ACQUISITION	REGISTERED ADDRESS/ BUSINESS ADDRESS	NATURE OF BUSINESS	SHARES HELD
Utmost International Group Holdings Limited	15 Jan 16 (incorporation date)	5th Floor Saddlers House 44 Gutter Lane London	Investment holding	100% of issued share capital
Utmost International Distribution Services Limited	27 May 22 (incorporation date)	5th Floor Saddlers House 44 Gutter Lane London	Management and administration services	100% of issued share capital
Utmost Holdings Isle of Man Limited	13 Apr 16 (incorporation date)	King Edward Bay House Onchan, Isle of Man	Investment holding	100% of issued share capital
Utmost Limited	21 Oct 16	King Edward Bay House Onchan, Isle of Man	Writing long-term assurance business	100% of issued share capital
Utmost International Isle of Man Limited	30 Nov 21	King Edward Bay House Onchan, Isle of Man	Writing long-term assurance business	100% of issued share capital
Utmost International Trustee Solutions Limited	30 Nov 21	King Edward Bay House Onchan, Isle of Man	Administration services	100% of issued share capital
Utmost International Business Services Limited	30 Nov 21	King Edward Bay House Onchan, Isle of Man	Administration services	100% of issued share capital
Utmost Services Limited	21 Oct 16	King Edward Bay House Onchan, Isle of Man	Management and administration services	100% of issued share capital
Utmost Trustee Solutions Limited	21 Oct 16	King Edward Bay House Onchan, Isle of Man	Management and administration services	100% of issued share capital
Utmost Administration Limited	21 Oct 16	King Edward Bay House Onchan, Isle of Man	Administration services	100% of issued share capital
Douglas Bay Property Limited	30 Jan 23	King Edward Bay House Onchan, Isle of Man	Property holding	100% of issued share capital
Utmost Holdings Ireland Limited	13 Jun 18	Ashford House Tara Street Dublin 2	Investment holding	100% of issued share capital
Utmost PanEurope DAC	19 Jun 18	Navan Business Park Athlumney, Navan, Co.Meath Ireland	Writing long-term assurance business	100% of issued share capital
Athlumney Kappa (Ireland) DAC	1 Dec 21	Ashford House Tara Street Dublin 2	Dormant company	100% of issued share capital
Utmost Services Ireland Limited	13 Jun 18	Ashford House Tara Street Dublin 2	Management and administration services	100% of issued share capital
Utmost Bermuda Limited	13 Jun 18	Clarendon House 2 Church Street, Hamilton Bermuda	Writing long-term assurance business	100% of issued share capital
Utmost Worldwide Limited	28 Feb 19	Utmost House Hirzel Street St Peter Port Guernsey	Writing long term assurance business	100% of issued share capital
Utmost Switzerland Gmbh	11 Oct 21	Zweigniederlassung Schweiz, Adliswil, Soodmattenstrasse 4, 8134 Adliswil Zurich Switzerland	Service Company	100% of issued share capital
Dynasty ICC Limited	18 Nov 21	Utmost House Hirzel Street St Peter Port Guernsey	Service Company	100% of issued share capital

4 SUBSIDIARIES CONTINUED

SUBSIDIARY	DATE OF ACQUISITION	REGISTERED ADDRESS/ BUSINESS ADDRESS	NATURE OF BUSINESS	SHARES HELD
Utmost Portfolio Management Limited	28 Feb 19	Utmost House Hirzel Street St Peter Port Guernsey	Provision of financial services	100% of issued share capital
Utmost International Middle East Limited	8 Apr 19 (incorporation date)	Level 14, Central Park Offices, Dubai International Financial Centre, UAE	Provision of financial services	100% of issued share capital
Utmost Worldwide Employee Pension Scheme Limited	5 Sep 19	Albert House South Esplanade St Peter Port, Guernsey	Group pension scheme	100% of issued share capital
Lombard International Assurance Holdings S.a.r.l	30 Dec 24	4, rue Lou Hemmer, L-1748 Luxembourg	Investment holding	100% of issued share capital
Lombard International Assurance S.A.	30 Dec 24	4, rue Lou Hemmer, L-1748 Luxembourg	Life insurance	100% of issued share capital
Lombard International Distribution Holding S.a.r.l	30 Dec 24	4, rue Lou Hemmer, L-1748 Luxembourg	Investment holding	100% of issued share capital
Insurance Development Holdings AG	30 Dec 24	Baarerstrasse 21, CH-6300 Zug, Switzerland	Investment holding	100% of issued share capital
LIA Wealth Advisers Limited	30 Dec 24	58 Grosvenor Street, London, W1K 3JB	Provision of financial services	100% of issued share capital
LIA Patrimoine	30 Dec 24	140 rue du Faubourg Saint-Honoré 75008 Paris	Provision of financial services	100% of issued share capital
Lia Patrimonio Iberia SL	30 Dec 24	Calle Serrano No. 82, 1st left. 28006 Madrid	Provision of financial services	100% of issued share capital
Lombard International PCC Limited	30 Dec 24	Po Box 33, Dorey Court, Admiral Park, St Peter Port, GY1 4AT, Guernsey	Life insurance	100% of issued share capital
Utmost UK Group Holdings Limited	22 Jan 18 (incorporation date)	5th Floor Saddlers House, 44 Gutter Lane, London	Investment holding	100% of issued share capital
Utmost Life and Pension Holdings Limited	22 Mar 18	Walton Street, Aylesbury, HP21 7QW	Investment holding	100% of issued share capital
Utmost Life and Pensions Limited	22 Mar 18	Walton Street, Aylesbury, HP21 7QW	Life insurance	100% of issued share capital
Utmost Life and Pensions Services Limited	22 Mar 18	Walton Street, Aylesbury, HP21 7QW	Service Company	100% of issued share capital
The Equitable Life Assurance Society	1 Jan 20	Walton Street, Aylesbury, HP21 7QW	Life insurance	100% of issued share capital

The entities below meet the definition of related undertakings under the Companies Act 2006 but are not consolidated into the results of the Group as the Group interest does not meet the requirements to do so under "IFRS 10 – Consolidated Financial Statements". The share capital of these entities has been acquired, and is held, as linked assets to back unit-linked products under the Utmost Wealth Solutions brand. There are entities which meet the definition of a related undertaking under the Companies Act 2006 for which legal requirements in other jurisdictions prohibit their inclusion in the table below. This does not impact the accounting treatment for these entities which is in compliance with the requirements of UK-adopted International Accounting Standards.

SUBSIDIARY	DATE OF ACQUISITION	REGISTERED ADDRESS/ BUSINESS ADDRESS	NATURE OF BUSINESS	SHARES HELD
Rosco Bahamas Ltd.	30 Nov 21	Amicorp Bahamas Management Limited, Shirley & Charlotte Streets, PO Box N-4865	Private company holding	100% of issued share capital

SUBSIDIARY	DATE OF ACQUISITION	REGISTERED ADDRESS/ BUSINESS ADDRESS	NATURE OF BUSINESS	SHARES HELD
Isidro Mayo Corp.	30 Nov 21	2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickhams Cay II, Road Town, Tortola, VG1110	Private company holding	100% of issued share capital
Libby Ventures Ltd	30 Nov 21	Citco BVI Limited, Flemming House, PO Box 662, Wickhams Cay, Road Town, Tortola, VG1110	Private company holding	100% of issued share capital
Volenda Finance Inc.	30 Nov 21	Level 1, Palm Grove House, Wickham's Cay I, Road Town, Tortola	Private company holding	100% of issued share capital
Pacific Commercial Services Ltd DCAF Ltd	30 Nov 21	MMG Trust (BVI) Corp, Morgan and Morgan Building, Pasea Estate, Road Town, Tortola	Private company holding	100% of issued share capital
Akito Inc.	30 Nov 21	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, VG1110	Private company holding	100% of issued share capital
Avanna Global Corp.	30 Nov 21	Palm Chambers, 197 Main Street, PO Box 3174, Road Town, Tortola, VG1110	Private company holding	100% of issued share capital
Seaview Holdings Investment Limited	30 Nov 21	Trinity Chambers, PO Box 4301, Road Town, Tortola	Private company holding	100% of issued share capital
Bliss Spring Limited Epoch Vision Ventures Limited Grandeur Valley Limited Sitori Trading Limited	30 Nov 21	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110	Private company holding	100% of issued share capital
Neon Bay Ltd	30 Nov 21	Portcullis Trustnet (BVI) Ltd, Portcullis Trustnet Chambers, Vistra Corporate Services Centre, PO Box 3444 Road Town, Tortola	Private company holding	100% of issued share capital
Michael Churm Holdings Limited	30 Nov 21	Amathountos, 29 Myria Court, Flat 11 4532, Lemesos	Private company holding	100% of issued share capital
Reverades Holding Ltd Rubyfield Investments Ltd	30 Nov 21	Suite 3, Global Village, Jivans Complex, Mont Fleuri, Mahe	Private company holding	100% of issued share capital
Blain Investments Limited	30 Nov 21	Trident Trust Company (BVI) Ltd, Trident Chambers, PO Box 146, Road Town, Tortola, BVI	Private company holding	100% of issued share capital
Evansyr Limited	30 Nov 21	Trust Services (Nevis) Ltd, PO Box 853, Suites 5&6 Horsford's Business Centre, Long Point Road, Charlestown, Nevis, West Indies	Private company holding	100% of issued share capital
Global Reliant Group Limited	30 Nov 21	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Grimar 2021 Ltd	30 Nov 21	Suites 5&6, Horsford's Business Centre, Long Point Road, Charlestown, Nevis	Private company holding	100% of issued share capital
South Seas Capital Corp	30 Nov 21	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital

4 SUBSIDIARIES CONTINUED

SUBSIDIARY	DATE OF ACQUISITION	REGISTERED ADDRESS/ BUSINESS ADDRESS	NATURE OF BUSINESS	SHARES HELD
VST International Ltd	30 Nov 21	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Chodo Limited	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Global Sun Investments Limited	31 Dec 22	Trident Chambers, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Highland River Limited	31 Dec 22	Vistra Corporate Services Centre, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Lumos Industrial Company Limited	31 Dec 22	Clarence Thomas Building, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Nextgen Assets Limited	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Planinvest Inversiones Limited	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
Regina Holding Group Inc	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
San Gabriel International Ltd	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
San Saturio Investments Inc	31 Dec 22	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands	Private company holding	100% of issued share capital
B + A Development Ltd	5 Aug 22	Unit 8, 3/F, Qwormar Trading Complex, Blackbourne Road, Port Purcell, Road Town, Tortola, BVI, VG1110	Private company holding	100% of issued share capital
Buffalo Profit International LTD	13 Jan 23	Trident Chambers, PO Box 146, Road Town, Tortola, VG1110, BVI	Private company holding	100% of issued share capital
Castle Field Enterprises Corp	26 Jul 22	Aramo Trust Co. Ltd, PO Box 659, Road Town, Tortola, BVI	Private company holding	100% of issued share capital
Gumavien 82 LTD	12 Jul 23	Palm Grove House, Road Town, Tortola, PO Box 438, BVI	Private company holding	100% of issued share capital
Rusoro Mining Corp	23 Jun 23	Office 301, Indigo Icon Tower, Jumeirah Lakes Towers, Cluster F, Dubai, PO Box 474288 UAE	Private company holding	100% of issued share capital
Super Ever Worldwide Ltd	23 Jun 23	Trident Chambers, PO Box 146, Road Town, Tortola, VG1110, BVI	Private company holding	100% of issued share capital
L Guard Inc	15 Jul 24	Morgan & Morgan Building, Pasea Estate, Road Town, PO Box 958, BVI	Private company holding	100% of issued share capital
Lanai Holdings Ltd	31 July 24	PO Box 853, Suites 5&6 Horsford's Business Centre, Nevis, WI	Private company holding	100% of issued share capital
Talent Starup Capital Ltd	11 Sep 24	PO Box 146, Road Town, Tortola, VG1110, BVI	Private company holding	100% of issued share capital

On 30 December 2024 the Group purchased 100% of the voting equity interests in Lombard International Assurance Holdings S.a.r.l ("LIAH"). LIAH and its subsidiaries constitute a group undertaking long term assurance business. The business was acquired to expand the international reach of the Group, consistent with its growth strategy. This business combination resulted in a bargain purchase because the fair value of the assets acquired, including the value of in-force policies, and liabilities assumed exceeded the total of the fair value of consideration paid. This was driven by the fact that the previous owner of LIAH wished to exit their investment.

Below is an analysis of the fair value net assets of the group that was acquired during the financial year, the consideration paid and the intangible assets arising from this acquisition:

	LIAH Fair value £'000
Assets	
AVIF	672,644
Intangible assets	10,072
Fixed assets	11,149
Financial assets at fair value held to cover linked liabilities	45,112,014
Withholding tax asset	196,983
Deposits and loans	17,268
Other investments	109,603
Reinsurance contract assets	9,058
Cash and cash equivalents	38,228
Other assets	84,987
Total assets	46,262,006
Liabilities	
Investment contract liabilities	39,835,228
Insurance contract liabilities	5,121,635
Reinsurance contract liabilities	5,903
Deferred tax liability	166,956
Other liabilities	360,441
Total liabilities	45,490,163
Fair Value of Net Assets acquired	771,843
Consideration paid	(262,739)
Gain arising on bargain purchase	509,104

There are immaterial contractual cashflows included within the other assets balance in the table above which are not expected to be collected.

If the acquisition had taken place at the beginning of the year, LIAH total revenue is estimated at £139.3m and LIAH profit after tax is estimated at £2.7m. The profit after tax is calculated on estimated profit of the business for the year ended 31 December 2024, excluding pre-acquisition movements in deferred acquisition costs and deferred front-end fees, but including an estimate of what the amortisation of the AVIF intangible over the same period would have been. The pro-forma results are provided for information purposes only and do not necessarily reflect the actual results that would have occurred had the acquisition taken place on 1 January 2024, nor are they necessarily an indication of the future results of the combined group.

5 SEGMENTAL ANALYSIS

The Group defines and presents operating segments in accordance with IFRS 8 Operating Segments which requires operating segments to be identified based on the information provided to the Chief Operating Decision Maker ("CDM"). The profit and loss information provided to the CDM and as presented in this note is on a different basis to that presented in the consolidated Statement of Comprehensive Income. A measure of total assets and liabilities is not regularly reported to the CDM and as such a segmental split of such a measure is not provided in this disclosure note.

IFRS 8 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's CDM to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Based on the above criteria the operating segments of the Group are determined to be:

Utmost Wealth Solutions ("UWS")

A provider of wealth solutions through the sale of unit-linked life assurance products.

5 SEGMENTAL ANALYSIS CONTINUED

Utmost Corporate Solutions ("UCS")

A provider of employee benefits business including life cover, income protection and critical illness cover to corporate clients to protect their employees. UCS specialises in the provision of benefits to multinational corporations with employees in multiple jurisdictions.

Utmost Life and Pensions ("ULP")

A closed UK life and pensions business and a nascent BPA business.

Other Group activities

Centrally held assets and group head office expenses together with financing costs arising on the Tier 2 loan notes are included in "Other reconciling items". The elimination of inter-segment transactions and consolidation adjustments are also included within this line.

The performance of the segments is based upon the non-GAAP measure operating profit. The Group's internal definition of operating profit is considered by management to provide a better view of the Group's underlying quality of earnings compared to the IFRS profit before interest and tax ("PBIT") figure and the definition and a further reconciliation of operating profit is provided in the APMs section of this annual report.

A reconciliation of the segmental operating profit to the Group profit before tax is provided below:

	2024 £'000	2023 £'000
OPERATING PROFIT		
UWS	175,188	188,660
UCS	4,919	5,897
ULP	14,218	28,919
Other reconciling items	(4,020)	(11,830)
Total segmental operating profit	190,305	211,646
Amortisation of AVIF and depreciation	(110,207)	(128,849)
Finance costs	(17,798)	(17,376)
Gain on bargain purchase	509,104	–
Non-recurring items	(7,424)	(4,696)
Profit before tax	563,980	60,725

A breakdown of revenue by segment is provided below:

2024	UWS	UCS	ULP	Other reconciling items	Total
Insurance revenue	10,607	197,487	70,958	–	279,052
Fees and charges receivable	288,827	–	26,442	(5,629)	309,640
Total segmental revenue	299,434	197,487	97,400	(5,629)	588,692
2023	UWS	UCS	ULP	Other reconciling items	Total
Insurance revenue	8,737	165,910	79,134	–	253,781
Fees and charges receivable	294,273	–	26,022	(4,506)	315,789
Total segmental revenue	303,010	165,910	105,156	(4,506)	569,570

Of the revenue from external customers presented in the table above, £97,400k (2023: £105,156k) is attributable to revenue in the United Kingdom and £491,292k (2023: £464,414k) to the rest of the world. No revenue transaction with a single customer external to the Group amounts to greater than 10% of the Group's revenue.

The Group has total non-current assets (other than financial assets, deferred tax assets and reinsurance contract assets) of £52,081k (2023: £58,188k) located in the United Kingdom and £788,603k (2023: £782,496k) located in the rest of the world. The non-current assets arise in the reportable segments detailed above.

6 FEES AND CHARGES RECEIVABLE

	2024 £'000	2023 £'000
Fee income from investment contracts	318,033	322,836
Net movement in deferred front-end fees	(8,393)	(7,047)
Total fee income	309,640	315,789

7 NET FINANCIAL RESULT

2024	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
<i>Net investment income - underlying assets</i>				
Net gains on FVTPL investments	5,280,917	34,377	443,281	5,758,575
Net investment income - underlying assets	5,280,917	34,377	443,281	5,758,575
<i>Net investment income - other investments</i>				
Interest revenue from financial assets not measured at FVTPL	706	1,678	–	2,384
Net gains on FVTPL investments	12,012	3,092	404	15,508
Net gains on investments in debt securities measured at FVOCI	736	957	–	1,693
Net investment income - other investments	13,454	5,727	404	19,585
Movement in investment contract liabilities	(4,702,128)	(54)	(400,493)	(5,102,675)
Movement in investment contract liabilities	(4,702,128)	(54)	(400,493)	(5,102,675)
Total net investment income	592,243	40,050	43,192	675,485
<i>Finance (expenses)/income from insurance contracts held</i>				
Change in fair value of underlying assets of contracts measured under the VFA	(594,140)	(39,049)	(45,898)	(679,087)
Interest accreted	(34)	(15,662)	(30,701)	(46,397)
Effect of changes in interest rates and other financial assumptions	849	4,051	38,435	43,335
Foreign exchange differences	(21,085)	4,541	–	(16,544)
Finance expenses from insurance contracts issued	(614,410)	(46,119)	(38,164)	(698,693)
<i>Finance income/(expenses) from reinsurance contracts held</i>				
Interest accreted	3,253	9,930	8,367	21,550
Effect of changes in interest rates and other financial assumptions	9,545	518	(10,470)	(407)
Foreign exchange differences	11,192	118	–	11,310
Finance income/(expenses) from reinsurance contracts issued	23,990	10,566	(2,103)	32,453
Net insurance finance expenses	(590,420)	(35,553)	(40,267)	(666,240)
Summary of the amounts recognised in profit or loss				
Net investment income - underlying assets	5,280,917	34,377	443,281	5,758,575
Net investment income - other investments	12,622	1,747	404	14,773
Movement in investment contract liabilities	(4,702,128)	(54)	(400,493)	(5,102,675)
Net insurance finance expenses	(590,420)	(35,553)	(40,267)	(666,240)
	991	517	2,925	4,433
Summary of the amounts recognised in OCI				
Net investment income - other investments	832	3,980	–	4,812
Net insurance finance expenses				
<i>Summary of the amounts recognised</i>				
Insurance service result	2,098	2,254	3,879	8,231
Net investment income	592,243	40,050	43,192	675,485
Net insurance finance expenses	(590,420)	(35,553)	(40,267)	(666,240)
Net insurance and investment result	3,921	6,751	6,804	17,476

7 NET FINANCIAL RESULT CONTINUED

2023	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
<i>Net investment income – underlying assets</i>				
Net gains on FVTPL investments	4,023,381	25,658	394,896	4,443,935
Net investment income – underlying assets	4,023,381	25,658	394,896	4,443,935
<i>Net investment income – other investments</i>				
Interest revenue from financial assets not measured at FVTPL	11,065	2,222	–	13,287
Net gains on FVTPL investments	12,602	10,660	57,711	80,973
Net gains on investments in debt securities measured at FVOCI	1,004	2,781	–	3,785
Net investment income – other investments	24,671	15,663	57,711	98,045
Movement in investment contract liabilities	(3,711,899)	(144)	(363,551)	(4,075,594)
Movement in investment contract liabilities	(3,711,899)	(144)	(363,551)	(4,075,594)
Total net investment income	336,153	41,177	89,056	466,386
<i>Finance (expenses)/income from insurance contracts held</i>				
Change in fair value of underlying assets of contracts measured under the VFA	(365,668)	(43,016)	(46,202)	(454,886)
Interest accreted	210	(16,601)	(29,295)	(45,686)
Effect of changes in interest rates and other financial assumptions	282	(11,571)	(25,224)	(36,513)
Foreign exchange differences	(5,021)	23,250	–	18,229
Finance expenses from insurance contracts issued	(370,197)	(47,938)	(100,721)	(518,856)
<i>Finance income/(expenses) from reinsurance contracts held</i>				
Interest accreted	3,224	8,783	8,554	20,561
Effect of changes in interest rates and other financial assumptions	30,621	6,631	12,095	49,347
Foreign exchange differences	2,706	(2,177)	–	529
Finance income from reinsurance contracts issued	36,551	13,237	20,649	70,437
Net insurance finance expenses	(333,646)	(34,701)	(80,072)	(448,419)
Summary of the amounts recognised in profit or loss				
Net investment income – underlying assets	4,023,381	25,658	394,896	4,443,935
Net investment income – other investments	23,485	12,860	57,711	94,056
Movement in investment contract liabilities	(3,711,899)	(144)	(363,551)	(4,075,594)
Net insurance finance expenses	(333,646)	(34,701)	(80,072)	(448,419)
	1,321	3,673	8,984	13,978
Summary of the amounts recognised in OCI				
Net investment income – other investments	1,186	2,803	–	3,989
Net insurance finance expenses				
<i>Summary of the amounts recognised</i>				
Insurance service result	3,753	4,497	4,412	12,662
Net investment income	336,153	41,177	89,056	466,386
Net insurance finance expenses	(333,646)	(34,701)	(80,072)	(448,419)
Net insurance and investment result	6,260	10,973	13,396	30,629

8 EXPENSES

	2024 £'000	2023 £'000
Claims and benefits	187,370	190,703
Staff costs		
Wages and salaries	87,396	80,177
Social insurance costs	8,770	8,320
Pension costs – defined contributions	6,803	6,251
Termination costs	299	364
Other staff costs	2,745	2,571
	106,013	97,683
Depreciation of property, plant and equipment	4,174	5,698
Amortisation of intangible assets – software	144	195
Auditors' fees	5,082	5,884
Auditors' fees for non-audit services	1,002	652
Professional fees	21,936	17,315
Commission expenses	42,933	44,649
Other administrative costs	62,746	65,515
Total expenses	431,400	428,294
Operating expenses	216,421	209,059
Insurance service expenses	214,979	219,235
	431,400	428,294

The average number of employees during the year was 1,517 (2023: 1,472). The auditors' fees for the audit of the annual accounts of the Company are £602k (2023: £590k), the auditors' fees for the audit for the annual accounts of the subsidiaries are £4,480k (2023: £5,294k) and the auditor fees for audit-related assurance services are £1,002k (2023: £746k).

9 FINANCE COSTS

	2024 £'000	2023 £'000
Interest expense	17,410	16,514
Lease liability finance cost (note 25)	388	862
	17,798	17,376

The interest expense arises on financial liabilities measured at amortised cost using the effective interest rate method. The borrowings in place at 31 December 2024 are detailed in note 23. There are no other gains or losses on these liabilities.

10 TAX CHARGE

	2024 £'000	2023 £'000
Current taxation charge	16,131	5,948
Deferred taxation (credit)/charge	(16,175)	713
Taxation (credit)/charge	(44)	6,661

The subsidiary companies as detailed in note 4 pay tax at the standard tax rate of each jurisdiction.

UK taxation

The Group entities pay UK income tax at the standard rate of 25.0% (2023: 23.5%). The Group's UK life assurance entities are not only subject to tax at the UK standard rate on their profits but are also subject to UK tax at the policyholder rate (20%) on investment returns accruing to the benefit of certain policyholders.

Guernsey taxation

The Group entities are subject to tax at 0% (2023: 0%) on profits in Guernsey. Applicable tax rates in other jurisdictions where the Guernsey subsidiaries suffer taxation in branches are Hong Kong 8.25% (2023: 8.25%) on the first HKD 2m of assessable profits and 16.5% (2023: 16.5%) thereafter, 12.5% (2023: 12.5%) in Ireland, Switzerland average of 18.8% (2023: 18.8%) and 17% (2023: 17%) in Singapore.

Isle of Man taxation

The Group entities are subject to tax at 0% (2023: 0%) on profits in the Isle of Man. Applicable tax rates in other jurisdictions where the Isle of Man subsidiaries suffer taxation in branches are Hong Kong 8.25% (2023: 8.25%) on the first HKD 2m of assessable profits and 16.5% (2023: 16.5%) thereafter, 25% in the UK (2023: 23.5%), 12.5% (2023: 12.5%) in Ireland and 17% (2023: 17%) in Singapore.

Ireland taxation

The Irish entities are subject to tax at 12.5% (2023: 12.5%). The applicable tax rate in the other jurisdiction where the Ireland subsidiaries suffer taxation in permanent establishments is Italy 30.8% (2023: 30.8%).

Luxembourg taxation

The Luxembourg entities are subject to tax at 24.94%. Applicable tax rates in the other jurisdictions where Luxembourg subsidiaries suffer taxation in permanent establishments are Italy 30.8%, Belgium 25% and Switzerland 18.8%.

Tax losses for which no deferred tax asset is recognised

The Group has gross tax losses of £53m (2023: £51m) in respect of which no deferred tax asset is recognised, because it is not currently considered probable the losses will be utilised.

The tax charge per the Statement of Comprehensive Income can be reconciled to the taxation on profits at the standard UK income tax rate as follows:

	2024 £'000	2023 £'000
Profit on ordinary activities before taxation	563,980	60,725
Tax charge expected at the UK rate of 25.0% (2023: 23.5%)	140,995	14,270
Adjustment in respect of prior year	3,680	(1,274)
Impact of tax rate changes	—	(96)
Recognition of unrecognised tax losses	(248)	(2,541)
Non-taxable profits	(127,826)	1,977
Non-deductible expenses	1,547	1,084
Tax on profit subject to UK policyholder rate	(1,637)	(267)
Increase in unvalued tax losses	56	2,568
Tax on profits subject to a different rate	(16,484)	(9,381)
Other	(127)	321
Tax (credit)/charge for the year	(44)	6,661

The UK tax authorities published guidance in 2024 confirming the Utmost Group's position that policyholders' investment return from unit linked business should not be considered "revenue" of the insurance company for the purposes of the Pillar 2 GloBE tax scoping test. On this basis the Group did not fall into scope in 2024; however it expects to do so in 2025.

The new tax regime's rules are highly complex, but we anticipate applying a minimum effective tax rate of 15% to all group profits will have a negative economic effect. This is primarily due to the expected increase in tax payable on Utmost International's Isle of Man and Guernsey entities' profits, which are currently taxed at 0%. Based on FY2024 results we would expect to pay additional Domestic Top-Up Tax in the range of £13-17m in Isle of Man and £0.5-2.5m in Guernsey.

The tax impact (if any) in all other jurisdictions that the group operates in, including those we will operate in as a result of the acquisition of European resident entities from Lombard International, is not currently expected to be material for the Utmost Group due to the existing local tax rate already being above or close to 15%, and/or the relatively small size of our local operations.

Utmost Group will apply the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The 2025 Italian Budget which came into effect on 1 January 2025 introduced measures in relation to prepaying stamp duty on Italian policies in respect of (i) stamp duty accrued as at 31 Dec 2024 and (ii) stamp duty accruing for future years. The advance stamp duty payments of accrued stamp duty as at 31 December 2024 are spread over the next 4 years, with 50% payable in 2025, 20% in 2026 & 2027 and 10% in 2028. The total estimated payment resulting from the accrued stamp duty over the next four years is approximately £207m. The Group will create a stamp duty reserve fund for policyholders to fund the stamp duty advance payments.

11 ACQUIRED VALUE OF IN-FORCE BUSINESS

	2024 £'000	2023 £'000
COST		
At 1 January	1,172,081	1,177,114
Additions on acquisition of subsidiary	672,644	–
Foreign exchange movement	(10,899)	(5,033)
At 31 December	1,833,826	1,172,081
Accumulated amortisation		
At 1 January	462,486	350,048
Charge for the year	105,192	122,956
Foreign exchange movement	(5,396)	(2,097)
Reversal of impairment	–	(8,421)
At 31 December	562,282	462,486
Net book value at 31 December	1,271,544	709,595
Current (within 12 months)	140,353	105,646
Non-current (after 12 month)	1,131,191	603,949
	1,271,544	709,595

AVIF is tested for impairment annually by reference to the present value of estimated future profits. The present value of estimated future profits is calculated using significant estimates including forecast expenses, charges, persistency rates, guarantee costs and discount rates.

12 DEFERRED ACQUISITION COSTS

	2024 £'000	2023 £'000
At 1 January	101,748	88,706
Acquisition costs capitalised during the year	22,061	23,815
Acquisition costs amortised during the year	(10,705)	(9,858)
Foreign exchange movement	(2,277)	(915)
At 31 December	110,827	101,748
Current (within 12 months)	4,661	4,188
Non-current (after 12 months)	106,166	97,560
	110,827	101,748

13 PROPERTY, PLANT AND EQUIPMENT

	Right of use asset £'000	Property and office equipment £'000	Investment property	Total £'000
Year ended 31 December 2024				
Opening net book value	10,865	12,563	5,700	29,128
Additions on acquisitions of subsidiaries	10,078	1,071	–	11,149
Additions in the year	679	1,105	–	1,784
Disposals	(52)	–	–	(52)
Depreciation charge	(3,189)	(1,682)	–	(4,871)
Other	(469)	–	–	(469)
Foreign exchange movement	(226)	(41)	–	(267)
Closing net book value	17,686	13,016	5,700	36,402
At 31 December 2024				
Cost	37,282	27,686	5,700	70,668
Accumulated depreciation	(19,596)	(14,670)	–	(34,266)
Net book value	17,686	13,016	5,700	36,402
	Right of use asset £'000	Property and office equipment £'000	Investment property	Total £'000
Year ended 31 December 2023				
Opening net book value	28,231	2,931	–	31,162
Additions on acquisitions of subsidiaries	–	10,800	5,700	16,500
Additions in the year	766	1,147	–	1,913
Disposals	(13,892)	(1,350)	–	(15,242)
Depreciation charge	(4,482)	(1,216)	–	(5,698)
Other	405	269	–	674
Foreign exchange movement	(163)	(18)	–	(181)
Closing net book value	10,865	12,563	5,700	29,128
At 31 December 2023				
Cost	27,739	25,695	5,700	59,134
Accumulated depreciation	(16,874)	(13,132)	–	(30,006)
Net book value	10,865	12,563	5,700	29,128

14 FINANCIAL ASSETS AT FAIR VALUE HELD TO COVER LINKED LIABILITIES

Underlying items

	2024 £'000	2023 £'000
Fixed income securities	12,319,163	3,353,165
Deposits and loans	365,134	336,828
Ordinary shares and funds	89,760,089	52,214,252
Other investments	501,104	637,594
Modified coinsurance account	252,077	235,207
Cash and cash equivalents	5,190,566	2,865,208
	108,388,133	59,642,254

Included in the analysis above are investments of £8,899,381k (2023: £2,450,569k) which are level 3 assets in the Fair Value Hierarchy. The nature of these assets means there may be limited liquidity through suspensions, liquidations or by the nature of assets the underlying fund invests into.

Other investments include structured notes and collateralised securities.

Interest in structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Group considers its investments in collective investment schemes to be investments in unconsolidated structured entities, which are recognised within "Financial assets at fair value held to cover linked liabilities" on the Statement of Financial Position. These investments largely represent assets held to back policyholder linked liabilities, and as such any market movements (recognised within "Investment return" in the Statement of Comprehensive Income) are matched by a change in investment contract liabilities in the Statement of Comprehensive Income.

Modified coinsurance account

The modified coinsurance account is categorised as level 2 in the fair value hierarchy under IFRS 13. The movement and closing balance on the modified coinsurance account at 31 December comprises:

	2024 £'000	2023 £'000
Balance at 1 January	235,207	365,990
Deposits to investment contracts	–	632
Withdrawals from investment contracts	(27,043)	(102,116)
Attributable investment income	1,155	721
Change in investment contract liabilities	43,733	(31,344)
Policy charges	(967)	1,334
Attributable expenses and charges	(8)	(10)
Balance at 31 December	252,077	235,207

15 OTHER INVESTMENTS

	2024 £'000	2023 £'000
Other investments		
Debt securities	796,209	861,297
Ordinary shares and funds – at fair value through profit and loss	244,296	158,838
Other	469	1,638
	1,040,974	1,021,773
Underlying items		
Debt securities	423,798	423,845
Ordinary shares and funds – at fair value through profit and loss	132,030	152,036
Other	780	2,113
	556,608	577,994
Total other investments	1,597,582	1,599,767

Ordinary shares and funds includes the Group's holdings in the Oaktree European Senior Loan Fund, domiciled in Luxembourg. This fund has monthly valuation and liquidity. This investment falls into the level 2 fair value hierarchy. The Group's holdings of £35,101k at 31 December 2024 (2023: £35,266k) are in the GBP share class. Dividends are declared quarterly and reinvested in additional units in the fund. The investment return on the investment is attributable in full to the Group.

16 WITHHOLDING TAX ASSET

	2024 £'000	2023 £'000
Asset		
Balance at 1 January	94,805	108,932
Payable in the year	37,976	15,244
Recovered from policyholders during the year	(19,816)	(11,230)
Offset special credit	(5,475)	(15,864)
Additions on acquisitions of subsidiaries	196,983	–
Foreign exchange movement	(4,670)	(2,277)
Balance at 31 December	299,803	94,805
Liability		
Balance at 1 January	–	–
Payable in the year	37,976	15,244
Paid during the year	–	–
Offset special credit	–	(15,244)
Additions on acquisitions of subsidiaries	123,067	–
Foreign exchange movement	(802)	–
Balance at 31 December	160,241	–
Maturity analysis of tax expected to be recovered		
In one financial year or less	–	–
In more than one financial year, but not more than five financial years	262,629	94,805
In more than five financial years, but not more than twenty financial years	37,174	–
Total	299,803	94,805

The Italian withholding tax asset represents a 'tax prepayment' asset relating to prepaid withholding tax in relation to unit-linked business sold by UPE and LIA to Italian policyholders on a 'Freedom of Services' basis. The amount prepaid to the tax authority is based on a percentage of total mathematical reserves (MR) for the Italian business (currently 0.5%) and is paid each June subject to a cap of a specified percentage (currently 1.5%) of MR in respect of Italian policies. The tax prepayment is recovered over time via several methods, including reclaiming tax directly from policyholders who elect to surrender their policy, or alternatively reducing the amount paid to the Italian tax authority in future periods, using specific rules which allow the prepayment to be reduced based on amounts paid five years beforehand. £66,470k of the net withholding tax position is financed by the policyholder and the £123,067k additions on acquisition of subsidiaries balance above represents amounts payable to the Italian tax authorities in LIA.

17 OTHER RECEIVABLES

	2024 £'000	2023 £'000
Debtors arising out of investment contracts	22,207	12,518
Investment dealing debtors	30,844	41,241
Retirement benefit asset (see note 19)	8,378	9,162
Accrued income and prepayments	102,771	47,599
Policyholder loans	140,600	151,024
Other receivables	111,402	33,250
	416,202	294,794
Current (within 12 months)	407,824	285,632
Non-current (after 12 months)	8,378	9,162
	416,202	294,794

Policyholder loans are amounts taken from an individual policyholder's transaction account and loaned to the same policyholder. Policyholder loans are non-interest bearing and are deemed to be risk free from a shareholder perspective as the policyholder retains all associated risk. The loans are classed as repayable on demand as they have no specified repayment schedule. The impact of credit risk on fair value is not considered to be material as they are backed by the value of other policyholder assets.

18 CASH AND CASH EQUIVALENTS

	2024 £'000	2023 £'000
Deposits with credit institutions	22,196	281,962
Cash at bank	515,959	187,554
	538,155	469,516

19 RETIREMENT BENEFIT SCHEMES

The Group operates two defined benefit pension schemes – the Reliance Pension Scheme (“RPS”) and Utmost Worldwide Employee Pension Scheme (“UWEPS”). Under IAS 19: Employee Benefits and IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the Group only recognises a surplus to the extent that it is able to access the surplus either through an unconditional right of refund or through reduced future contributions relating to ongoing service of active members.

The assets and liabilities of the two defined benefit schemes are as follows:

	AS AT 31 DECEMBER 2024	
	RPS £'000	UWEPS £'000
Present value of funded obligations	(21,262)	(10,141)
Fair value of plan assets	20,129	18,519
Net (liability)/asset recognised in the Statement of Financial Position	(1,133)	8,378

The amounts recognised in the Statement of Comprehensive Income are as follows:

Net interest on defined benefit obligation	67	(412)
Remeasurement recognised	(3,063)	(1,196)
Actual return on fund assets	2,641	–
Pension scheme expenses	334	–
	(21)	(1,608)

	AS AT 31 DECEMBER 2023	
	RPS £'000	UWEPS £'000
Present value of funded obligations	(23,974)	(11,394)
Fair value of plan assets	22,600	20,556
Net (liability)/asset recognised in the Statement of Financial Position	(1,374)	9,162

The amounts recognised in the Statement of Comprehensive Income are as follows:

Net interest on defined benefit obligation	39	(456)
Remeasurement recognised	(721)	(981)
Actual return on fund assets	1,210	398
Change in onerous liability	242	–
	770	(1,039)

19 RETIREMENT BENEFIT SCHEMES CONTINUED

The changes in the retirement benefit obligations of the two defined benefit schemes are as follows:

	FOR THE YEAR ENDED 31 DECEMBER 2024	
	RPS £'000	UWEPS £'000
Change in retirement benefit obligation		
Retirement benefit obligation at 1 January	23,974	11,394
Benefits paid	(742)	(82)
Interest on obligation	1,093	522
Experience losses	34	268
Gains from changes in financial assumptions	(3,093)	(1,864)
Gains from changes in demographic assumptions	(4)	(97)
Retirement benefit obligation at 31 December	21,262	10,141

	FOR THE YEAR ENDED 31 DECEMBER 2023	
	RPS £'000	UWEPS £'000
Change in retirement benefit obligation		
Retirement benefit obligation at 1 January	24,295	10,640
Benefits paid	(779)	(170)
Interest on obligation	1,179	497
Experience (gains)/losses	(604)	200
Losses from changes in financial assumptions	233	404
Gains from changes in demographic assumptions	(350)	(177)
Retirement benefit obligation at 31 December	23,974	11,394

The changes in the fair value of the plan assets of the two defined benefit schemes are as follows:

	FOR THE YEAR ENDED 31 DECEMBER 2024	
	RPS £'000	UWEPS £'000
Change of fair value of plan assets		
Fair value of plan assets at 1 January	22,600	20,556
Interest on assets	1,026	923
Return on assets (not including interest)	(2,641)	(2,878)
Benefits paid	(742)	(82)
Contributions by the Group	220	—
Pension scheme expenses	(334)	—
Closing fair value of plan assets	20,129	18,519

	FOR THE YEAR ENDED 31 DECEMBER 2023	
	RPS £'000	UWEPS £'000
Change of fair value of plan assets		
Fair value of plan assets at 1 January	23,599	20,327
Interest on assets	1,140	953
Return on assets (not including interest)	(1,210)	(554)
Benefits paid	(779)	(170)
Contributions by the Group	92	—
Pension scheme expenses	(242)	—
Closing fair value of plan assets	22,600	20,556

The weighted average durations of the liabilities of RPS and UWEPS were 15 years and 17 years respectively as at 31 December 2024 (16 years and 19 years respectively as at 31 December 2023).

	AS AT 31 DECEMBER 2024	
	RPS %	UWEPS %
Plan asset disaggregation by asset class		
Equities	30.5	–
Bonds	67.5	96.7
Cash	2.0	3.3
	100.0	100.0

98% of plan assets are valued based upon a quoted market price.

	AS AT 31 DECEMBER 2023	
	RPS %	UWEPS %
Plan asset disaggregation by asset class		
Equities	29.1	–
Bonds	69.7	94.7
Cash	1.2	5.3
	100.0	100.0

	AS AT 31 DECEMBER 2024	
	RPS %	UWEPS %
Plan assumptions		
Discount rate	5.7	5.5
Inflation	3.2	3.4
Rate of increase in deferred pensions	2.8	3.3
Rate of increase in pension payments	2.8	3.3

	AS AT 31 DECEMBER 2023	
	RPS %	UWEPS %
Plan assumptions		
Discount rate	4.6	4.5
Inflation	3.0	3.2
Rate of increase in deferred pensions	2.7	3.1
Rate of increase in pension payments	2.7	3.1

Mortality Assumptions

		EXPECTATION OF LIFE FROM RETIREMENT AT AGE 65			
		Male currently aged 65	Male currently aged 45	Female currently aged 65	Female currently aged 45
31 December 2024	RPS	21.6	23.2	23.9	25.3
	UWEPS	22.8	23.7	24.4	25.5
31 December 2023	RPS	21.7	22.9	24.1	25.5
	UWEPS	23.0	23.9	24.7	25.8

Sensitivity Analysis

The following tables illustrate the sensitivity of the Retirement Benefit Obligations of the two schemes at 31 December 2024 to changes in the significant actuarial assumptions. The below sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

19 RETIREMENT BENEFIT SCHEMES CONTINUED

RPS

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2024		
Interest rates – up 50 bps/down 50 bps	(1.3)	1.6
Inflation – up 50 bps/down 50 bps	0.8	(0.8)
Mortality tables – add/subtract 5% to long-term rate of improvement	(0.4)	0.4

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2023		
Interest rates – up 50 bps/down 50 bps	(1.6)	2.0
Inflation – up 50 bps/down 50 bps	1.1	(1.0)
Mortality tables – add/subtract 5% to long-term rate of improvement	(0.5)	0.5

UWEPS

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2024		
Interest rates – up 50 bps/down 50 bps	(0.8)	0.9
Inflation – up 50 bps/down 50 bps	0.7	(0.7)
Mortality tables – add/subtract 5% to long-term rate of improvement	(0.1)	0.1

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2023		
Interest rates – up 50 bps/down 50 bps	(1.0)	1.2
Inflation – up 50 bps/down 50 bps	1.0	(0.9)
Mortality tables – add/subtract 5% to long-term rate of improvement	(0.1)	0.1

Funding Policy

RPS

On 1 April 2018, as part of the business transfer arrangements between RMIS and the Company, ULP became the principal employer to the Reliance Pension Scheme, RMIS's former defined benefit pension scheme. The scheme has been closed to future accrual since June 2010. The latest full valuation of the scheme was carried out as at 31 March 2022 and finalised in January 2023, and this resulted in the scheme showing a small surplus. Consequently, the Recovery Plan that was in place for the Company to pay deficit contributions, and which was due to run until September 2023, was cancelled, with the position to be reassessed following the 31 March 2025 valuation. During the year from 1 January to 31 December 2024 the Company made contributions of £0.2m solely in respect of administration fees, (2023 contributions of £0.1m solely in respect of administration fees). During 2024 the Group entered into negotiations with the Trustee of RPS 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 working towards a full buy-out later in 2025.

UWEPS

Following the cessation of accrual of benefits with effect from 31 December 2010, regular contributions to the Fund are no longer required. However, additional contributions are still made to cover any shortfalls that arise following each valuation. The funding method employed to calculate the value of previously accrued benefits is the Attained Age Method. During the financial year the Trustee agreed the level of contributions payable to the scheme by the Group to meet any shortfall arising following an actuarial valuation, with the proviso that the payment of contributions will be spread over a period of not more than five years from the valuation date.

The Group is exposed to a number of risks relating to the pension schemes, including assumptions not being borne out in practice. These include:

- Asset volatility: There is a risk that a fall in asset values is not matched by a corresponding reduction in the value of the Scheme liability.
- Change in bond yields: A decrease in corporate bond yields will increase the value placed on the Scheme liability, although this will be partially offset by an increase in the value of the Scheme's corporate bond holdings.
- Inflation risk: The Scheme liability is linked to inflation, where higher inflation will lead to a higher value in the liability, which is not offset by a corresponding increase in the assets.
- Life expectancy: An increase in life expectancy will lead to an increase in the Scheme liability.

There are a number of defined contribution schemes across the Group which Group employees are members of.

20 INVESTMENT CONTRACT LIABILITIES

The following table summarises the movement in financial liabilities under investment contracts during the year:

	2024 £'000	2023 £'000
Balance at start of year	54,116,049	51,872,159
Deposits to investment contracts	3,478,151	2,986,609
Withdrawals from investment contracts	(4,591,409)	(4,097,689)
Fees and charges deducted including third-party charges	(379,258)	(367,022)
Commissions and rebates receivable	735	2,967
Change in investment contract liabilities	5,102,675	4,075,594
Other movements	(794)	(4,181)
Additions on acquisitions of subsidiaries	39,835,228	–
Foreign exchange movement	(548,703)	(352,388)
Movement in the year	42,896,625	2,243,890
Closing balance carried forward	97,012,674	54,116,049

21 INSURANCE CONTRACT LIABILITIES

Composition of the balance sheet

£'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total	Current portion	Non-current portion	Total
2024							
Insurance contract assets	58	–	28	86	18	68	86
Insurance contract liabilities	11,217,230	962,949	1,157,077	13,337,256	1,531,642	11,805,614	13,337,256
Reinsurance contract assets	441,656	219,255	216,557	877,468	132,653	744,815	877,468
Reinsurance contract liabilities	7,004	–	26,104	33,108	803	32,305	33,108
2023							
Insurance contract assets	83	–	42	125	20	105	125
Insurance contract liabilities	5,618,248	1,004,220	1,210,867	7,833,335	1,151,433	6,681,902	7,833,335
Reinsurance contract assets	470,661	236,803	237,986	945,450	135,763	809,687	945,450
Reinsurance contract liabilities	1,132	–	29,848	30,980	888	30,092	30,980

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Insurance revenue and insurance service result

INSURANCE REVENUES AND EXPENSES

2024 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
Insurance revenue				
<i>Amounts relating to the changes in the LRC</i>				
– Expected incurred claims and other expenses after loss component allocation	4,961	118,708	62,151	185,820
– Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,342	9,990	1,077	12,409
– CSM recognised in profit or loss for the services provided	3,812	59,952	7,730	71,494
Insurance acquisition cash flows recovery	492	8,837	–	9,329
Total insurance revenue	10,607	197,487	70,958	279,052
Insurance service expenses				
Incurred claims and other directly attributable expenses	(3,987)	(123,104)	(61,933)	(189,024)
Changes that relate to past service – adjustments to the LIC	–	1,294	–	1,294
Losses on onerous contracts and reversal of the losses	(4,081)	(14,474)	696	(17,859)
Insurance acquisition cash flows amortisation	(497)	(8,893)	–	(9,390)
Total insurance service expenses	(8,565)	(145,177)	(61,237)	(214,979)
Net expenses from reinsurance contracts held				
<i>Reinsurance expenses</i>				
<i>Amounts relating to the changes in the remaining coverage</i>				
– Expected claims and other expenses recovery	(26)	(99,330)	(38,535)	(137,891)
– Changes in the risk adjustment recognised for the risk expired	(155)	(7,694)	(681)	(8,530)
– CSM recognised for the services received	259	(44,752)	(4,157)	(48,650)
Reinsurance expenses	78	(151,776)	(43,373)	(195,071)
Effects of changes in the risk of reinsurers non-performance	(29)	59	333	363
Claims recovered	4	93,681	36,749	130,434
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	3	12,860	449	13,312
Changes that relate to past service – adjustments to incurred claims	–	(4,880)	–	(4,880)
Total net expenses from reinsurance contracts held	56	(50,056)	(5,842)	(55,842)
Total insurance service result	2,098	2,254	3,879	8,231

INSURANCE REVENUES AND EXPENSES

2023 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
Insurance revenue				
<i>Amounts relating to the changes in the LRC</i>				
– Expected incurred claims and other expenses after loss component allocation	4,566	117,701	69,828	192,095
– Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,259	9,145	1,378	11,782
– CSM recognised in profit or loss for the services provided	2,599	30,537	7,928	41,064
Insurance acquisition cash flows recovery	313	8,527	–	8,840
Total insurance revenue	8,737	165,910	79,134	253,781
Insurance service expenses				
Incurred claims and other directly attributable expenses	(3,835)	(117,030)	(62,891)	(183,756)
Changes that relate to past service – adjustments to the LIC	–	(10,264)	–	(10,264)
Losses on onerous contracts and reversal of the losses	(281)	(12,986)	(3,049)	(16,316)
Insurance acquisition cash flows amortisation	(320)	(8,579)	–	(8,899)
Total insurance service expenses	(4,436)	(148,859)	(65,940)	(219,235)
Net expenses from reinsurance contracts held				
<i>Reinsurance expenses</i>				
<i>Amounts relating to the changes in the remaining coverage</i>				
– Expected claims and other expenses recovery	(33)	(83,333)	(40,836)	(124,202)
– Changes in the risk adjustment recognised for the risk expired	(172)	(7,331)	(653)	(8,156)
– CSM recognised for the services received	(327)	(23,078)	(4,265)	(27,670)
Reinsurance expenses	(532)	(113,742)	(45,754)	(160,028)
Effects of changes in the risk of reinsurers non-performance	–	(119)	219	100
Claims recovered	(16)	76,055	36,837	112,876
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	–	12,159	(84)	12,075
Changes that relate to past service – adjustments to incurred claims	–	13,093	–	13,093
Total net expenses from reinsurance contracts held	(548)	(12,554)	(8,782)	(21,884)
Total insurance service result	3,753	4,497	4,412	12,662

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Amounts determined by transition method

2024 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
<i>Insurance contracts issued</i>				
Insurance revenue				
New contracts	3,302	188,427	(2,277)	189,452
Contracts measured under the fair value approach at transition	7,305	9,060	73,235	89,600
	10,607	197,487	70,958	279,052
CSM as at 31 December				
New contracts	34,785	17,714	5,613	58,112
Contracts measured under the fair value approach at transition	26,657	9,102	85,018	120,777
	61,442	26,816	90,631	178,889
<i>Reinsurance contracts held</i>				
CSM as at 31 December				
New contracts	127	11,903	–	12,030
Contracts measured under the fair value approach at transition	(3,195)	301	54,298	51,404
	(3,068)	12,204	54,298	63,434
<hr/>				
2023 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	Total
<i>Insurance contracts issued</i>				
Insurance revenue				
New contracts	1,281	133,188	605	135,074
Contracts measured under the fair value approach at transition	7,456	32,722	78,529	118,707
	8,737	165,910	79,134	235,781
CSM as at 31 December				
New contracts	15,800	16,559	3,111	35,470
Contracts measured under the fair value approach at transition	25,388	7,686	90,546	123,620
	41,188	24,245	93,657	159,090
<i>Reinsurance contracts held</i>				
CSM as at 31 December				
New contracts	43	13,989	–	14,032
Contracts measured under the fair value approach at transition	1,641	1,353	58,422	61,416
	1,684	15,342	58,422	75,448

Expected recognition of the contractual service margin

2024 £'000	INSURANCE CONTRACTS HELD			Total CSM for insurance contracts issued	REINSURANCE CONTRACTS HELD			Total CSM for reinsurance contracts held
	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions		Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	
1 year	4,789	15,857	7,524	28,170	(440)	10,039	4,160	13,759
2 years	5,186	2,870	5,858	13,914	271	1,743	2,934	4,948
3 years	4,130	780	5,572	10,482	(350)	178	2,865	2,693
4 years	3,811	576	5,252	9,639	(312)	17	2,789	2,494
5 years	3,528	536	4,954	9,018	(281)	16	2,704	2,439
6-10 years	13,911	2,147	20,607	36,665	(912)	78	12,000	11,166
>10 years	26,087	4,050	40,864	71,001	(1,044)	133	26,846	25,935
Total	61,442	26,816	90,631	178,889	(3,068)	12,204	54,298	63,434

2023 £'000	INSURANCE CONTRACTS HELD			Total CSM for insurance contracts issued	REINSURANCE CONTRACTS HELD			Total CSM for reinsurance contracts held
	Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions		Utmost Wealth Solutions	Utmost Corporate Solutions	Utmost Life and Pensions	
1 year	3,187	12,358	7,568	23,113	90	8,077	4,134	12,301
2 years	3,842	4,697	5,851	14,390	746	3,774	2,909	7,429
3 years	2,802	1,180	5,521	9,503	78	1,007	2,845	3,930
4 years	2,594	524	5,252	8,370	72	456	2,799	3,327
5 years	2,403	482	4,964	7,849	66	455	2,743	3,264
6-10 years	9,498	1,876	20,797	32,171	256	1,429	12,470	14,155
>10 years	16,862	3,128	43,704	63,694	376	144	30,522	31,042
Total	41,188	24,245	93,657	159,090	1,684	15,342	58,422	75,448

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	2024					2023				
	1 year	5 years	10 years	15 years	20 years	1 year	5 years	10 years	15 years	20 years
ANNUITIES										
GBP	5.64%	5.22%	5.26%	5.42%	5.49%	6.08%	4.70%	4.62%	4.74%	4.77%
Other insurance contracts										
GBP	4.46%	4.04%	4.07%	4.23%	4.30%	4.74%	3.36%	3.28%	3.40%	3.43%
EUR	2.24%	2.14%	2.27%	2.33%	2.26%	3.36%	2.32%	2.39%	2.47%	2.41%
USD	4.18%	4.02%	4.07%	4.13%	4.10%	4.76%	3.50%	3.45%	3.49%	3.46%

Utmost Wealth Solutions

£'000	2024	2023
Insurance contract reserves	11,210,140	5,608,943
Claims payable	7,427	9,613
Premium receivable	(337)	(308)
Insurance contract liabilities	11,217,230	5,618,248

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2024				2023			
	LRC		LIC	Total	LRC		LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Opening insurance contract liabilities	5,607,968	975	–	5,608,943	5,098,333	756	–	5,099,089
Opening insurance contract assets	(83)	–	–	(83)	(76)	–	–	(76)
Net balance as at 1 January	5,607,885	975	–	5,608,860	5,098,257	756	–	5,099,013
Insurance revenue	(10,607)	–	–	(10,607)	(8,737)	–	–	(8,737)
Insurance service expenses								
Incurred claims and other directly attributable expenses	–	(539)	4,526	3,987	–	(49)	3,884	3,835
Losses on onerous contracts and reversal of those losses	–	4,081	–	4,081	–	281	–	281
Insurance acquisition cash flows amortisation	497	–	–	497	320	–	–	320
Insurance service expenses	497	3,542	4,526	8,565	320	232	3,884	4,436
Insurance service result	(10,110)	3,542	4,526	(2,042)	(8,417)	232	3,884	(4,301)
Finance expenses/(income) from insurance contracts issued	614,353	57	–	614,410	370,203	(6)	–	370,197
Total amounts recognised in comprehensive income	604,243	3,599	4,526	612,368	361,786	226	3,884	365,896
Investment components	(425,249)	–	425,249	–	(439,414)	–	439,414	–
Acquisition of subsidiary	5,121,635	–	–	5,121,635	–	–	–	–
Effect of movements in exchange rates	(178,931)	(103)	(1)	(179,035)	(70,248)	(7)	(1)	(70,256)
Cash flows								
Premiums received	478,658	–	–	478,658	659,709	–	–	659,709
Claims and other directly attributable expenses paid	–	–	(429,774)	(429,774)	–	–	(443,297)	(443,297)
Insurance acquisition cash flows	(2,630)	–	–	(2,630)	(2,205)	–	–	(2,205)
Total cash flows	476,028	–	(429,774)	46,254	657,504	–	(443,297)	214,207
Net balance as at 31 December	11,205,611	4,471	–	11,210,082	5,607,885	975	–	5,608,860
Closing insurance contract liabilities	11,205,706	4,434	–	11,210,140	5,607,968	975	–	5,608,943
Closing insurance contract assets	(95)	37	–	(58)	(83)	–	–	(83)
Net balance as at 31 December	11,205,611	4,471	–	11,210,082	5,607,885	975	–	5,608,860

Reconciliation of the measurement components of insurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	5,554,436	13,332	41,175	5,608,943	5,061,422	12,893	24,774	5,099,089
Opening insurance contract assets	(96)	–	13	(83)	(80)	–	4	(76)
Net balance as at 1 January	5,554,340	13,332	41,188	5,608,860	5,061,342	12,893	24,778	5,099,013
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	–	–	(3,812)	(3,812)	–	–	(2,599)	(2,599)
Change in the risk adjustment for non-financial risk for the risk expired	–	(1,342)	–	(1,342)	–	(1,259)	–	(1,259)
Experience adjustments	(1,061)	–	–	(1,061)	(1,134)	–	–	(1,134)
	(1,061)	(1,342)	(3,812)	(6,215)	(1,134)	(1,259)	(2,599)	(4,992)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(3,948)	523	3,425	–	(6,930)	333	6,597	–
Changes in estimates that result in onerous contract losses or reversal of losses	3,915	–	–	3,915	544	–	–	544
Contracts initially recognised in the period	(8,398)	1,262	7,394	258	(10,233)	1,162	9,218	147
	(8,431)	1,785	10,819	4,173	(16,619)	1,495	15,815	691
Insurance service result	(9,492)	443	7,007	(2,042)	(17,753)	236	13,216	(4,301)
Finance expenses from insurance contracts issued	610,038	613	3,759	614,410	366,279	394	3,524	370,197
Total amounts recognised in comprehensive income	600,546	1,056	10,766	612,368	348,526	630	16,740	365,896
Acquisition of subsidiary	5,095,468	15,328	10,839	5,121,635	–	–	–	–
Effect of movements in exchange rates	(177,217)	(467)	(1,351)	(179,035)	(69,735)	(191)	(330)	(70,256)
Cash flows								
Premiums received	478,658	–	–	478,658	659,709	–	–	659,709
Claims and other directly attributable expenses paid	(429,774)	–	–	(429,774)	(443,297)	–	–	(443,297)
Insurance acquisition cash flows	(2,630)	–	–	(2,630)	(2,205)	–	–	(2,205)
Total cash flows	46,254	–	–	46,254	214,207	–	–	214,207
Net balance as at 31 December	11,119,391	29,249	61,442	11,210,082	5,554,340	13,332	41,188	5,608,860
Closing insurance contract liabilities	11,119,449	29,249	61,442	11,210,140	5,554,436	13,332	41,175	5,608,943
Closing insurance contract assets	(58)	–	–	(58)	(96)	–	13	(83)
Net balance as at 31 December	11,119,391	29,249	61,442	11,210,082	5,554,340	13,332	41,188	5,608,860

The premium receivables balance forms part of the Liability for Remaining Coverage and the claims payable balance forms part of the Liability for Incurred Claims. Both balances form part of the Present Value of Future Cash Flows.

£'000	PREMIUM RECEIVABLE		CLAIMS PAYABLE	
	2024	2023	2024	2023
Opening balance	308	43	9,613	8,572
Incurred	277	288	373,678	210,738
Received/paid	(297)	(29)	(375,825)	(209,685)
Foreign exchange movement	49	6	(39)	(12)
Closing balance	337	308	7,427	9,613

21 INSURANCE CONTRACT LIABILITIES CONTINUED
Insurance revenue and the CSM by the transition method

£'000	2024			2023		
	Contracts measured under the fair value approach at transition	New contracts	Total	Contracts measured under the fair value approach at transition	New contracts	Total
Insurance revenue	7,305	3,302	10,607	7,456	1,281	8,737
CSM as at 1 January	25,388	15,800	41,188	19,761	5,017	24,778
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(3,038)	(774)	(3,812)	(2,053)	(546)	(2,599)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	2,359	1,066	3,425	4,880	1,717	6,597
Contract initially recognised in the period	–	7,394	7,394	–	9,218	9,218
	(679)	7,686	7,007	2,827	10,389	13,216
Finance expenses from insurance contracts issued	2,726	1,033	3,759	3,081	443	3,524
Total amounts recognised in comprehensive income	2,047	8,719	10,766	5,908	10,832	16,740
Acquisition of subsidiary	–	10,839	10,839	–	–	–
Foreign exchange movement	(778)	(573)	(1,351)	(281)	(49)	(330)
CSM as at 31 December	26,657	34,785	61,442	25,388	15,800	41,188
£'000					2024	2023
Reinsurance contract reserves					441,463	469,354
Reinsurance receivable					193	1,307
Reinsurance contract assets					441,656	470,661

Reinsurance contracts held

£'000	2024			2023		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	469,354	–	469,354	477,886	–	477,886
Opening reinsurance contract liabilities	(1,132)	–	(1,132)	(1,095)	–	(1,095)
Net balance as at 1 January	468,222	–	468,222	476,791	–	476,791
<i>Net income/(expenses) from reinsurance contracts held</i>						
Reinsurance expenses	78	–	78	(532)	–	(532)
Other incurred directly attributable expenses	29	–	29	–	–	–
Claims recovered	–	4	4	(16)	–	(16)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(3)	–	(3)	–	–	–
Net income/(expenses) from reinsurance contracts held	104	4	108	(548)	–	(548)
Finance income from reinsurance contracts held	23,990	–	23,990	36,551	–	36,551
Total amounts recognised in comprehensive income	24,094	4	24,098	36,003	–	36,003
Investment components	(49,250)	49,250	–	(38,688)	38,688	–
Acquisition of subsidiary	3,156	–	3,156	–	–	–
Effect of movements in exchange rates	(11,708)	–	(11,708)	(5,732)	–	(5,732)
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(55)	–	(55)	(152)	–	(152)
Recoveries from reinsurance	–	(49,254)	(49,254)	–	(38,688)	(38,688)
Total cash flows	(55)	(49,254)	(49,309)	(152)	(38,688)	(38,840)
Net balance as at 31 December	434,459	–	434,459	468,222	–	468,222
Closing reinsurance contract assets	441,463	–	441,463	469,354	–	469,354
Closing reinsurance contract liabilities	(7,004)	–	(7,004)	(1,132)	–	(1,132)
Net balance as at 31 December	434,459	–	434,459	468,222	–	468,222

Reconciliation of the measurement components of reinsurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening reinsurance contract assets	466,350	1,468	1,536	469,354	474,123	1,904	1,859	477,886
Opening reinsurance contract liabilities	(1,552)	272	148	(1,132)	(1,095)	—	—	(1,095)
Net balance as at 1 January	464,798	1,740	1,684	468,222	473,028	1,904	1,859	476,791
Changes that relate to current service								
CSM recognised in profit or loss for the services received	—	—	492	492	—	—	(327)	(327)
Change in the risk adjustment for non-financial risk for the risk expired	—	(169)	—	(169)	—	(172)	—	(172)
Experience adjustments	(197)	—	(15)	(212)	(223)	—	174	(49)
	(197)	(169)	477	111	(223)	(172)	(153)	(548)
Changes that relate to future service								
Changes in estimates that adjust the CSM	5,604	(332)	(5,272)	—	(29)	23	6	—
Contracts initially recognised in the period	—	—	—	—	185	(97)	(88)	—
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(3)	—	—	(3)	—	—	—	—
	5,601	(332)	(5,272)	(3)	156	(74)	(82)	—
Net income/(expenses) from reinsurance contracts held	5,404	(501)	(4,795)	108	(67)	(246)	(235)	(548)
Finance income/(expenses) from insurance contracts issued	23,945	113	(68)	23,990	36,440	76	35	36,551
Total amounts recognised in comprehensive income	29,349	(388)	(4,863)	24,098	36,373	(170)	(200)	36,003
Acquisition of subsidiary	786	2,301	69	3,156	—	—	—	—
Foreign exchange movements	(11,703)	(47)	42	(11,708)	(5,763)	6	25	(5,732)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	(55)	—	—	(55)	(152)	—	—	(152)
Recoveries from reinsurance	(49,254)	—	—	(49,254)	(38,688)	—	—	(38,688)
Total cash flows	(49,309)	—	—	(49,309)	(38,840)	—	—	(38,840)
Net balance as at 31 December	433,921	3,606	(3,068)	434,459	464,798	1,740	1,684	468,222
Closing reinsurance contract assets	443,139	2,049	(3,725)	441,463	466,350	1,468	1,536	469,354
Closing reinsurance contract liabilities	(9,218)	1,557	657	(7,004)	(1,552)	272	148	(1,132)
Net balance as at 31 December	433,921	3,606	(3,068)	434,459	464,798	1,740	1,684	468,222

£'000	REINSURANCE RECEIVABLE	
	2024	2023
Opening balance	1,307	319
Incurred	35,480	28,289
Received	(36,490)	(27,294)
Foreign exchange movement	(104)	(7)
Closing balance	193	1,307

Utmost Corporate Solutions

£'000	2024	2023
Insurance contract reserves	979,705	1,018,272
Claims payable	5,615	5,948
Premium receivable	(22,371)	(20,000)
Insurance contract liabilities	962,949	1,004,220

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2024				2023			
	LRC		LIC	Total	LRC		LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Opening insurance contract liabilities	632,927	7,299	377,846	1,018,072	596,096	5,623	351,938	953,657
Opening insurance contract assets	–	–	–	–	–	–	–	–
Net balance as at 1 January	632,927	7,299	377,846	1,018,072	596,096	5,623	351,938	953,657
Insurance revenue	(197,487)	–	–	(197,487)	(165,910)	–	–	(165,910)
Insurance service expenses								
Incurred claims and other directly attributable expenses	–	(14,020)	137,124	123,104	–	(11,245)	128,275	117,030
Changes that relate to past service – adjustments to the LIC	–	–	(1,294)	(1,294)	–	–	10,264	10,264
Losses on onerous contracts and reversal of those losses	–	14,474	–	14,474	–	12,986	–	12,986
Insurance acquisition cash flows amortisation	8,893	–	–	8,893	8,579	–	–	8,579
Insurance service expenses	8,893	454	135,830	145,177	8,579	1,741	138,539	148,859
Insurance service result	(188,594)	454	135,830	(52,310)	(157,330)	1,741	138,539	(17,051)
Finance expenses from insurance contracts issued	38,178	12	7,929	46,119	34,657	31	13,250	47,938
Total amounts recognised in comprehensive income	(150,416)	466	143,759	(6,191)	(122,673)	1,771	151,789	30,887
Investment components	(75,364)	–	75,364	–	(55,240)	–	55,240	–
Effect of movements in exchange rates	(853)	(315)	(12,733)	(13,901)	(290)	(96)	(4,482)	(4,868)
Cash flows								
Premiums received	254,897	–	–	254,897	225,363	–	–	225,363
Claims and other directly attributable expenses paid	–	–	(263,849)	(263,849)	–	–	(176,639)	(176,639)
Insurance acquisition cash flows	(9,323)	–	–	(9,323)	(10,328)	–	–	(10,328)
Total cash flows	245,574	–	(263,849)	(18,275)	215,035	–	(176,639)	38,396
Net balance as at 31 December	651,868	7,450	320,387	979,705	632,927	7,299	377,846	1,018,072
Closing insurance contract liabilities	651,868	7,450	320,387	979,705	632,927	7,299	377,846	1,018,072
Closing insurance contract assets	–	–	–	–	–	–	–	–
Net balance as at 31 December	651,868	7,450	320,387	979,705	632,927	7,299	377,846	1,018,072

Reconciliation of the measurement components of insurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	967,658	26,169	24,245	1,018,072	910,191	24,787	18,679	953,657
Opening insurance contract assets	—	—	—	—	—	—	—	—
Net balance as at 1 January	967,658	26,169	24,245	1,018,072	910,191	24,787	18,679	953,657
Changes that relate to current or past service								
CSM recognised in profit or loss for the services provided	—	—	(59,903)	(59,903)	—	—	(30,537)	(30,537)
Change in the risk adjustment for non-financial risk for the risk expired	—	(9,990)	—	(9,990)	—	(9,145)	—	(9,145)
Experience adjustments	4,403	—	—	4,403	(619)	—	—	(619)
	4,403	(9,990)	(59,903)	(65,490)	(619)	(9,145)	(30,537)	(40,301)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(38,010)	600	37,410	—	(6,962)	88	6,874	—
Changes in estimates that result in onerous contract losses or reversal of losses	4,436	—	—	4,436	4,045	—	—	4,045
Contracts initially recognised in the period	(22,741)	8,945	23,834	10,038	(29,023)	9,497	28,467	8,941
	(56,315)	9,545	61,244	14,474	(31,940)	9,585	35,341	12,986
Changes that relate to past service – adjustments to the LIC	3,987	(5,281)	—	(1,294)	9,895	369	—	10,264
Insurance service result	(47,925)	(5,726)	1,341	(52,310)	(22,664)	809	4,804	(17,051)
Finance expenses from insurance contracts issued	43,455	1,182	1,482	46,119	46,315	866	757	47,938
Total amounts recognised in comprehensive income	(4,470)	(4,544)	2,823	(6,191)	23,651	1,675	5,561	30,887
Effect of movements in exchange rates	(12,856)	(793)	(252)	(13,901)	(4,560)	(293)	5	(4,868)
Cash flows								
Premiums received	254,897	—	—	254,897	225,363	—	—	225,363
Claims and other directly attributable expenses paid	(263,849)	—	—	(263,849)	(176,639)	—	—	(176,639)
Insurance acquisition cash flows	(9,323)	—	—	(9,323)	(10,328)	—	—	(10,328)
Total cash flows	(18,275)	—	—	(18,275)	38,396	—	—	38,396
Net balance as at 31 December	932,057	20,832	26,816	979,705	967,658	26,169	24,245	1,018,072
Closing insurance contract liabilities	932,057	20,832	26,816	979,705	967,658	26,169	24,245	1,018,072
Closing insurance contract assets	—	—	—	—	—	—	—	—
Net balance as at 31 December	932,057	20,832	26,816	979,705	967,658	26,169	24,245	1,018,072

The premium receivables balance forms part of the Liability for Remaining Coverage and the claims payable balance forms part of the Liability for Incurred Claims. Both balances form part of the Present Value of Future Cash Flows.

£'000	PREMIUM RECEIVABLE		CLAIMS PAYABLE	
	2024	2023	2024	2023
Opening balance	20,000	23,240	5,948	3,496
Incurred	713,243	592,148	259,203	173,579
Received/paid	(710,947)	(595,047)	(259,452)	(171,086)
Foreign exchange movement	75	(341)	(84)	(41)
Closing balance	22,371	20,000	5,615	5,948

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Impact of contracts recognised in the year

£'000	2024			2023		
	Non-onerous contracts originated	Onerous contracts originated	Total	Non-onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows						
– Insurance acquisition cash flows	3,405	4,991	8,396	6,922	5,017	11,939
– Claims and other directly attributable expenses	56,820	59,910	116,730	71,954	55,552	127,506
Estimates of the present value of future cash outflows	60,225	64,901	125,126	78,876	60,569	139,445
Estimates of the present value of future cash inflows	(86,907)	(60,960)	(147,867)	(111,774)	(56,694)	(168,468)
Risk adjustment for non-financial risk	2,848	6,097	8,945	4,431	5,066	9,497
CSM	23,834	–	23,834	28,467	–	28,467
Increase in insurance contract liabilities from contracts recognised in the period	–	10,038	10,038	–	8,941	8,941

Insurance revenue and the CSM by the transition method

£'000	2024			2023		
	Contracts measured under the fair value approach at transition	New contracts	Total	Contracts measured under the fair value approach at transition	New contracts	Total
Insurance revenue	9,060	188,427	197,487	32,722	133,188	165,910
CSM as at 1 January	7,686	16,559	24,245	8,740	9,939	18,679
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(1,104)	(58,799)	(59,903)	(5,683)	(24,854)	(30,537)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	2,252	35,158	37,410	4,702	2,172	6,874
Contract initially recognised in the period	–	23,834	23,834	–	28,467	28,467
Finance expenses/(income) from insurance contracts issued	181	1,301	1,482	(87)	844	757
Total amounts recognised in comprehensive income	1,329	1,494	2,823	(1,068)	6,629	5,561
Foreign exchange movement	87	(339)	(252)	14	(9)	5
CSM as at 31 December	9,102	17,714	26,816	7,686	16,559	24,245

£'000	2024	2023
Reinsurance contract reserves	286,120	296,752
Reinsurance payable	20,634	21,386
Reinsurance receivable	(87,499)	(81,335)
Reinsurance contract assets	219,255	236,803

Reinsurance contracts held

£'000	2024			2023		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	37,344	259,408	296,752	35,042	230,762	265,804
Opening reinsurance contract liabilities	–	–	–	–	–	–
Net balance as at 1 January	37,344	259,408	296,752	35,042	230,762	265,804
<i>Net (expenses)/income from reinsurance contracts held</i>						
Reinsurance expenses	(151,776)	–	(151,776)	(113,742)	–	(113,742)
Claims recovered	–	93,681	93,681	–	76,055	76,055
Changes that relate to past service – adjustments to incurred claims	–	(4,880)	(4,880)	–	13,093	13,093
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	12,860	–	12,860	12,159	–	12,159
Effect of changes in the risk of reinsurers non-performance	33	26	59	(4)	(115)	(119)
Net (expenses)/income from reinsurance contracts held	(138,883)	88,827	(50,056)	(101,587)	89,033	(12,554)
Finance income from reinsurance contracts held	4,446	6,120	10,566	2,092	11,145	13,237
Total amounts recognised in comprehensive income	(134,437)	94,947	(39,490)	(99,495)	100,178	683
Foreign exchange movements	(929)	(10,452)	(11,381)	(340)	(3,683)	(4,023)
<i>Cash flows</i>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	124,467	–	124,467	102,137	–	102,137
Recoveries from reinsurance	–	(84,228)	(84,228)	–	(67,849)	(67,849)
Total cash flows	124,467	(84,228)	40,239	102,137	(67,849)	34,288
Net balance as at 31 December	26,445	259,675	286,120	37,344	259,408	296,752
Closing reinsurance contract assets	26,445	259,675	286,120	37,344	259,408	296,752
Closing reinsurance contract liabilities	–	–	–	–	–	–
Net balance as at 31 December	26,445	259,675	286,120	37,344	259,408	296,752

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Reconciliation of the measurement components of reinsurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening reinsurance contract assets	262,785	18,625	15,342	296,752	235,586	18,238	11,980	265,804
Opening reinsurance contract liabilities	–	–	–	–	–	–	–	–
Net balance as at 1 January	262,785	18,625	15,342	296,752	235,586	18,238	11,980	265,804
Changes that relate to current service								
CSM recognised in profit or loss for the services received	–	–	(44,752)	(44,752)	–	–	(23,078)	(23,078)
Change in the risk adjustment for non-financial risk for the risk expired	–	(7,694)	–	(7,694)	–	(7,332)	–	(7,332)
Experience adjustments	(5,649)	–	–	(5,649)	(7,277)	–	–	(7,277)
	(5,649)	(7,694)	(44,752)	(58,095)	(7,277)	(7,332)	(23,078)	(37,687)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(14,821)	(3,761)	18,582	–	(450)	89	361	–
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	–	–	12,860	12,860	–	–	12,159	12,159
Contracts initially recognised in the period	(16,585)	7,090	9,495	–	(20,148)	6,449	13,699	–
	(31,406)	3,329	40,937	12,860	(20,598)	6,538	26,219	12,159
Changes that relate to past service - adjustments to incurred claims	(4,975)	95	–	(4,880)	12,267	826	–	13,093
Effect of changes in the risk of reinsurers non-performance	59	–	–	59	(119)	–	–	(119)
Net (expenses)/income from reinsurance contracts held	(41,971)	(4,270)	(3,815)	(50,056)	(15,727)	32	3,141	(12,554)
Finance income from insurance contracts issued	8,887	827	852	10,566	12,350	596	291	13,237
Total amounts recognised in comprehensive income	(33,084)	(3,443)	(2,963)	(39,489)	(3,377)	628	3,432	683
Foreign exchange movement	(10,598)	(608)	(175)	(11,381)	(3,712)	(241)	(70)	(4,023)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	124,467	–	–	124,467	102,137	–	–	102,137
Recoveries from reinsurance	(84,228)	–	–	(84,228)	(67,849)	–	–	(67,849)
Total cash flows	40,239	–	–	40,239	34,288	–	–	34,288
Net balance as at 31 December	259,432	14,574	12,204	286,120	262,785	18,625	15,342	296,752
Closing reinsurance contract assets	259,342	14,574	12,204	286,120	262,785	18,625	15,342	296,752
Closing reinsurance contract liabilities	–	–	–	–	–	–	–	–
Net balance as at 31 December	259,432	14,574	12,204	286,120	262,785	18,625	15,342	296,752

£'000	REINSURANCE RECEIVABLE		REINSURANCE PAYABLE	
	2024	2023	2024	2023
Opening balance	21,386	19,635	81,335	83,717
Incurred	104,904	83,882	145,143	118,169
Received	(104,843)	(81,973)	(136,810)	(119,158)
Foreign exchange movement	(813)	(158)	(2,169)	(1,393)
Closing balance	20,634	21,386	87,499	81,335

Impact of contracts recognised in the year

£'000	2024			2023		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash inflows	42,635	40,740	83,375	42,527	39,658	82,185
Estimates of the present value of future cash outflows	(63,353)	(36,607)	(99,960)	(66,650)	(35,683)	(102,333)
Risk adjustment for non-financial risk	2,140	4,950	7,090	2,067	4,382	6,449
CSM	18,578	(9,083)	9,495	22,056	(8,357)	13,699

Reinsurance CSM by the transition method

£'000	2024			2023		
	New contracts	Contracts measured under the fair value approach at transition	Total	New contracts	Contracts measured under the fair value approach at transition	Total
CSM as at 1 January	13,989	1,353	15,342	8,769	3,211	11,980
Changes that relate to current service:						
CSM recognised in profit or loss for the services provided	(41,222)	(3,530)	(44,752)	(19,923)	(3,155)	(23,078)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	31,592	(150)	31,442	11,065	1,455	12,520
Contract initially recognised in the period	9,495	–	9,495	13,699	–	13,699
Finance income/(expenses) from reinsurance contracts held	721	132	853	427	(136)	291
Total amounts recognised in comprehensive income	586	(3,548)	(2,962)	5,268	(1,836)	3,432
Foreign exchange movement	(2,672)	2,496	(176)	(48)	(22)	(70)
CSM as at 31 December	11,903	301	12,204	13,989	1,353	15,342

Claims development

£'000	Accident year						Total
	2019	2020	2021	2022	2023	2024	
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	39,026	57,152	66,668	80,657	72,774	77,548	
1 year later	50,228	57,285	79,624	84,606	73,436	–	
2 years later	54,724	58,825	80,900	86,919	–	–	
3 years later	54,999	64,415	74,112	–	–	–	
4 years later	55,488	62,142	–	–	–	–	
5 years later	55,033	–	–	–	–	–	
Cumulative gross claims and other directly attributable expenses paid	(31,642)	(31,534)	(37,004)	(30,744)	(21,815)	(9,759)	
Gross cumulative claims liabilities – accident years from 2019 to 2024	23,391	30,608	37,108	56,175	51,621	67,789	266,692
Gross cumulative claims liabilities – prior accident years							137,872
Effect of discounting							(96,458)
Effect of the risk adjustment margin for non-financial risk							12,281
Gross LIC for the contracts originated							320,387

21 INSURANCE CONTRACT LIABILITIES CONTINUED

£'000	Accident year						Total
	2019	2020	2021	2022	2023	2024	
Estimate of ultimate claim costs (net of reinsurance, undiscounted)							
At end of accident year	10,078	16,235	17,696	20,324	20,554	24,962	
1 year later	10,747	17,121	21,891	20,085	21,329	—	
2 years later	11,306	16,855	20,828	20,279	—	—	
3 years later	10,456	17,421	19,546	—	—	—	
4 years later	10,483	16,705	—	—	—	—	
5 years later	10,455	—	—	—	—	—	
Cumulative net claims and other directly attributable expenses paid	(8,001)	(11,258)	(12,641)	(12,004)	(11,570)	(7,878)	
Net cumulative claims liabilities – accident years from 2019 to 2024	2,455	5,447	6,905	8,275	9,759	17,084	49,925
Net cumulative claims liabilities – prior accident years							28,766
Effect of discounting							(20,508)
Effect of the risk adjustment margin for non-financial risk							2,529
Net LIC for the contracts originated							60,712

Utmost Life and Pensions

£'000	2024	2023
Insurance contract reserves	1,150,797	1,197,825
Claims payable	6,280	13,042
Insurance contract liabilities	1,157,077	1,210,867

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2024 LRC				2023 LRC			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	1,194,009	3,816	—	1,197,825	1,214,192	1,163	—	1,215,355
Opening insurance contract assets	(42)	—	—	(42)	—	—	—	—
Net balance as at 1 January	1,193,967	3,816	—	1,197,783	1,214,192	1,163	—	1,215,355
Insurance revenue	(70,958)	—	—	(70,958)	(79,134)	—	—	(79,134)
Insurance service expenses								
Incurred claims and other directly attributable expenses	—	—	61,933	61,933	—	(393)	63,284	62,891
Losses on onerous contracts and reversal of those losses	—	(696)	—	(696)	—	3,049	—	3,049
Insurance service expenses	—	(696)	61,933	61,237	—	2,656	63,284	65,940
Insurance service result	(70,958)	(696)	61,933	(9,721)	(79,134)	2,656	63,284	(13,194)
Finance expenses/(income) from insurance contracts issued	38,170	(6)	—	38,164	100,724	(3)	—	100,721
Total amounts recognised in comprehensive income	(32,788)	(702)	61,933	28,443	21,590	2,653	63,284	87,527
Investment components	(62,876)	—	62,876	—	(53,852)	—	53,852	—
Cash flows								
Premiums received	49,852	—	—	49,852	12,037	—	—	12,037
Claims and other directly attributable expenses paid	—	—	(124,809)	(124,809)	—	—	(117,136)	(117,136)
Insurance acquisition cash flows	(500)	—	—	(500)	—	—	—	—
Total cash flows	49,352	—	(124,809)	(75,457)	12,037	—	(117,136)	(105,099)
Net balance as at 31 December	1,147,655	3,114	—	1,150,769	1,193,967	3,816	—	1,197,783
Closing insurance contract liabilities	1,147,683	3,114	—	1,150,797	1,194,009	3,816	—	1,197,825
Closing insurance contract assets	(28)	—	—	(28)	(42)	—	—	(42)
Net balance as at 31 December	1,147,655	3,114	—	1,150,769	1,193,967	3,816	—	1,197,783

Reconciliation of the measurement components of insurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	1,090,883	13,292	93,650	1,197,825	1,131,457	13,729	70,169	1,215,355
Opening insurance contract assets	(52)	3	7	(42)	–	–	–	–
Net balance as at 1 January	1,090,831	13,295	93,657	1,197,783	1,131,457	13,729	70,169	1,215,355
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	–	–	(7,730)	(7,730)	–	–	(7,928)	(7,928)
Change in the risk adjustment for non-financial risk for the risk expired	–	(1,077)	–	(1,077)	–	(1,378)	–	(1,378)
Experience adjustments	(667)	–	–	(667)	(6,937)	–	–	(6,937)
	(667)	(1,077)	(7,730)	(9,474)	(6,937)	(1,378)	(7,928)	(16,243)
Changes that relate to future service								
Changes in estimates that adjust the CSM	727	(1,553)	826	–	(29,626)	167	29,459	–
Changes in estimates that result in onerous contract losses or reversal of losses	(247)	–	–	(247)	3,049	–	–	3,049
Contracts initially recognised in the period	(3,628)	905	2,723	–	(630)	36	594	–
	(3,148)	(648)	3,549	(247)	(27,207)	203	30,053	3,049
Insurance service result	(3,815)	(1,725)	(4,181)	(9,721)	(34,144)	(1,175)	22,125	(13,194)
Finance expenses from insurance contracts issued	36,223	786	1,155	38,164	98,617	741	1,363	100,721
Total amounts recognised in comprehensive income	32,408	(939)	(3,026)	28,443	64,473	(434)	23,488	87,527
Cash flows								
Premiums received	49,852	–	–	49,852	12,037	–	–	12,037
Claims and other directly attributable expenses paid	(124,809)	–	–	(124,809)	(117,136)	–	–	(117,136)
Insurance acquisition cash flows	(500)	–	–	(500)	–	–	–	–
Total cash flows	(75,457)	–	–	(75,457)	(105,099)	–	–	(105,099)
Net balance as at 31 December	1,047,782	12,356	90,631	1,150,769	1,090,831	13,295	93,657	1,197,783
Closing insurance contract liabilities	1,047,818	12,354	90,625	1,150,797	1,090,883	13,292	93,650	1,197,825
Closing insurance contract assets	(36)	2	6	(28)	(52)	3	7	(42)
Net balance as at 31 December	1,047,782	12,356	90,631	1,150,769	1,090,831	13,295	93,657	1,197,783

The claims payable balance forms part of the Liability for Incurred Claims and the Present Value of Future Cash Flows.

£'000	CLAIMS PAYABLE	
	2024	2023
Opening balance	13,042	8,098
Claims incurred	116,305	122,080
Claims paid	(123,067)	(117,136)
Closing balance	6,280	13,042

Impact of contracts recognised in the year

£'000	2024			2023		
	Non-onerous contracts originated	Onerous contracts originated	Total	Non-onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows						
– Insurance acquisition cash flows	478	–	478	–	–	–
– Claims and other directly attributable expenses	40,826	–	40,826	2,542	–	2,542
Estimates of the present value of future cash outflows	41,304	–	41,304	2,542	–	2,542
Estimates of the present value of future cash inflows	(44,932)	–	(44,932)	(3,172)	–	(3,172)
Risk adjustment for non-financial risk	905	–	905	36	–	36
CSM	2,723	–	2,723	594	–	594
Increase in insurance contract liabilities from contracts recognised in the period	–	–	–	–	–	–

21 INSURANCE CONTRACT LIABILITIES CONTINUED
Insurance revenue and the CSM by the transition method

£'000	2024			2023		
	Contracts measured under the fair value approach at transition	New contracts	Total	Contracts measured under the fair value approach at transition	New contracts	Total
Insurance revenue	73,235	(2,277)	70,958	78,529	606	79,135
CSM as at 1 January	90,546	3,111	93,657	68,476	1,693	70,169
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(7,449)	(281)	(7,730)	(7,791)	(137)	(7,928)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	1,058	(233)	825	28,606	853	29,459
Contract initially recognised in the period	–	2,723	2,723	–	594	594
Finance expenses from insurance contracts issued	862	294	1,156	1,255	108	1,363
Total amounts recognised in comprehensive income	(5,529)	2,503	(3,026)	22,070	1,418	23,488
CSM as at 31 December	85,017	5,614	90,631	90,546	3,111	93,657

Reinsurance contracts held

£'000	2024			2023		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	237,986	–	237,986	232,685	–	232,685
Opening reinsurance contract liabilities	(29,848)	–	(29,848)	(27,627)	–	(27,627)
Net balance as at 1 January	208,138	–	208,138	205,058	–	205,058
<i>Net (expenses)/income from reinsurance contracts held</i>						
Reinsurance expenses	(43,373)	–	(43,373)	(45,754)	–	(45,754)
Claims recovered	–	36,749	36,749	–	36,837	36,837
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	449	–	449	(84)	–	(84)
Effect of changes in the risk of reinsurers non-performance	333	–	333	219	–	219
Net (expenses)/income from reinsurance contracts held	(42,591)	36,749	(5,842)	(45,619)	36,837	(8,782)
Finance (expenses)/income from reinsurance contracts held	(2,103)	–	(2,103)	20,649	–	20,649
Total amounts recognised in comprehensive income	(44,694)	36,749	(7,945)	(24,970)	36,837	11,867
Investment components	(967)	967	–	(1,325)	1,325	–
<i>Cash flows</i>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	27,976	–	27,976	29,375	–	29,375
Recoveries from reinsurance	–	(37,716)	(37,716)	–	(38,162)	(38,162)
Total cash flows	27,976	(37,716)	(9,740)	29,375	(38,162)	(8,787)
Net balance as at 31 December	190,453	–	190,453	208,138	–	208,138
Closing reinsurance contract assets	216,557	–	216,557	237,986	–	237,986
Closing reinsurance contract liabilities	(26,104)	–	(26,104)	(29,848)	–	(29,848)
Net balance as at 31 December	190,453	–	190,453	208,138	–	208,138

Reconciliation of the measurement components of reinsurance contract balances

£'000	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening reinsurance contract assets	183,888	5,022	49,076	237,986	191,775	4,923	35,987	232,685
Opening reinsurance contract liabilities	(42,871)	3,677	9,346	(29,848)	(37,850)	3,751	6,472	(27,627)
Net balance as at 1 January	141,017	8,699	58,422	208,138	153,925	8,674	42,459	205,058
Changes that relate to current service								
CSM recognised in profit or loss for the services received	–	–	(4,157)	(4,157)	–	–	(4,265)	(4,265)
Change in the risk adjustment for non-financial risk for the risk expired	–	(681)	–	(681)	–	(653)	–	(653)
Experience adjustments	(1,787)	–	–	(1,787)	(3,999)	–	–	(3,999)
	(1,787)	(681)	(4,157)	(6,625)	(3,999)	(653)	(4,265)	(8,917)
Changes that relate to future service								
Changes in estimates that adjust the CSM	2,329	(946)	(1,383)	–	(19,791)	192	19,599	–
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	–	–	449	449	–	–	(84)	(84)
	2,329	(946)	(934)	449	(19,791)	192	19,515	(84)
Changes that relate to past service								
Effect of changes in the risk of reinsurers non-performance	333	–	–	333	219	–	–	219
Net income/(expenses) from reinsurance contracts held	875	(1,627)	(5,091)	(5,843)	(23,571)	(461)	15,250	(8,782)
Finance (expenses)/income from insurance contracts issued	(3,566)	497	967	(2,102)	19,450	486	713	20,649
Total amounts recognised in comprehensive income	(2,691)	(1,130)	(4,124)	(7,945)	(4,121)	25	15,963	11,867
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	27,976	–	–	27,976	29,375	–	–	29,375
Recoveries from reinsurance	(37,716)	–	–	(37,716)	(38,162)	–	–	(38,162)
Total cash flows	(9,740)	–	–	(9,740)	(8,787)	–	–	(8,787)
Net balance as at 31 December	128,586	7,569	54,298	190,453	141,017	8,699	58,422	208,138
Closing reinsurance contract assets	167,052	4,333	45,172	216,557	183,888	5,022	49,076	237,986
Closing reinsurance contract liabilities	(38,466)	3,236	9,126	(26,104)	(42,871)	3,677	9,346	(29,848)
Net balance as at 31 December	128,586	7,569	54,298	190,453	141,017	8,699	58,422	208,138

22 DEFERRED FRONT END FEES

The movement in value over the year is summarised below:

	2024 £'000	2023 £'000
At 1 January	82,456	76,328
Fees received and deferred during the year	20,287	13,971
Recognised in contract fees and other movements during the year	(11,861)	(6,778)
Foreign exchange movements	(2,301)	(1,065)
	88,581	82,456
Current (within 12 months)	4,133	3,610
Non-current (after 12 months)	84,448	78,846
	88,581	82,456

23 BORROWINGS

	2024 £'000	2023 £'000
Tier 2 Loan principal	400,000	400,000
Tier 2 Loan accrued interest	710	710
	400,710	400,710
Bank loan principal	200,000	–
Bank loan accrued interest	159	–
Bank loan arrangement fee unamortised	(2,208)	–
	197,951	–
Payable within one year	50,316	710
Payable after more than one year	548,345	400,000
	598,661	400,710

On 15 September 2021 Utmost Group plc issued £400,000k of Tier 2 loan notes maturing in December 2031, listed on the Global Exchange Market in Ireland. The interest rate on the Tier 2 loan notes is 4% with interest repayments in June and December. The fair value of the Tier 2 loan notes as at 31 December 2024 is £335,452k (2023: £313,556k).

On 3 July 2024 Utmost Group plc entered into a loan facility agreement to borrow £200,000k to facilitate the acquisition of Lombard International Assurance Holdings S.a.r.l which was utilised and drawn down on 27 December 2024. The interest rate on the loan is the Sterling Overnight Index Average plus a margin calculated based upon the Group's Fitch Financial Leverage Ratio. The loan is repayable in stages with termination and the final repayment date being four years from initial utilisation and drawdown.

24 DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax asset of £1,056k (2023: £2,268k) is recognised because it is considered probable from projections that future taxable profits will be available against which this temporary difference can be utilised.

	2024 £'000	2023 £'000
Deferred tax assets	1,056	2,268

The movement between the opening and closing deferred tax asset balance is shown in the table below:

	2024 £'000	2023 £'000
Balance as at 1 January	2,268	1,740
Deferred tax movement for the year	(1,212)	528
Balance as at 31 December	1,056	2,268
	2024 £'000	2023 £'000
Deferred tax liability	201,126	42,166

The deferred tax liability arises on the acquisitions of Lombard International (166,956k), UPE (£16,371k), Utmost Worldwide (£4,216k) and ELAS and RMIS (£13,583k), representing the associated tax impact of recognising the AVIF asset detailed in note 11 and the gain on bargain purchase on the acquisitions of ELAS and RMIS. It is expected that the tax liability will be paid as future profits emerge from the in-force business.

The movement between the opening and closing deferred tax liability balance is shown in the table below:

	2024 £'000	2023 £'000
Balance as at 1 January	42,166	41,500
Additions on acquisitions of subsidiaries	166,956	–
Deferred tax charge for the year	(16,498)	1,102
Other	9,341	–
Foreign exchange movement	(839)	(436)
Balance as at 31 December	201,126	42,166

25 OTHER PAYABLES

	2024 £'000	2023 £'000
Tax payable – policyholders	241,334	2,168
Corporation tax payable	11,531	2,867
Premiums received in advance of policy issue	50,099	49,485
Amounts due to investment contract holders	202,354	155,716
Investment dealing creditors	13,819	12,545
Lease liability	17,915	10,878
Other creditors and accruals	237,366	87,322
	774,418	320,981

All other payables are due for settlement within one year with the exception of the defined benefit obligation (see note 19) included within other creditors and accruals and the lease liability as disclosed below:

	2024 £'000	2023 £'000
Opening amount	10,878	29,110
Additions	515	766
Addition on acquisition of subsidiary	10,078	–
Disposals	–	(16,113)
Interest charge in the year (note 9)	388	862
Lease payments made in the year	(3,755)	(3,839)
Foreign exchange movements	(189)	92
	17,915	10,878
Current (within 12 months)	4,925	3,317
Non-current (after 12 months)	12,990	7,561
	17,915	10,878

26 CALLED UP SHARE CAPITAL PRESENTED AS EQUITY/SHARE PREMIUM

	2024 Number	2023 Number
Allotted, called up and fully paid		
Ordinary shares of £1 each	392,500,000	392,500,000
	£'000	£'000
Ordinary shares of £1 each	392,500	392,500
	392,500	392,500

26 CALLED UP SHARE CAPITAL PRESENTED AS EQUITY/SHARE PREMIUM CONTINUED

The movements in the year were as follows:

	Ordinary No. of shares 2024	Ordinary No. of shares 2023
At beginning of the year	392,500	392,500
Issued during the year	—	—
Redeemed during the year	—	—
At end of financial year	392,500	392,500

Restricted Tier 1 Loan Notes

	2024 £'000	2023 £'000
Restricted Tier 1 notes	297,600	297,600
	297,600	297,600

The Group undertook an issuance of £300m of 6.125% perpetual Restricted Tier 1 ("RT1") notes with a first call date of 15 December 2028 in January 2022. The net proceeds of the RT1 issuance were £296m. The RT1 notes are listed on the Global Exchange Market in Ireland. The notes meet the definition of equity under IFRS as the RT1 notes have no fixed maturity date and interest is payable only at the sole and absolute discretion of the Group. Interest repayments are in June and December and are debited to retained earnings. The interest payments for 2023 (net of tax relief) are £13,781k (2023: £14,057k).

27 FOREIGN CURRENCY TRANSLATION RESERVE

	2024 £'000	2023 £'000
At beginning of the year	1,009	6,082
Foreign currency translation movements in the year	(11,596)	(5,073)
At end of year	(10,587)	1,009

The foreign currency translation reserve ("FCTR") represents the cumulative foreign currency impact arising from the translation of the results and financial position of subsidiaries where the functional currency differs from the Group's presentation currency of Pounds Sterling. The exchange differences referred to result from translating income and expenses at the exchange rates at the dates of transactions and assets and liabilities at the closing rate, and from translating the opening net assets at a closing rate that differs from the previous closing rate.

28 CASH FLOW STATEMENT

	2024 £'000	2023 £'000
Profit before taxation	563,980	60,725
Non-cash movements		
Amortisation of AVIF	105,192	122,956
Gain on bargain purchase	(509,104)	—
Reversal of impairment of AVIF	—	(8,421)
Depreciation of property, plant and equipment	4,871	5,698
Amortisation of intangible assets	144	195
Finance costs	17,798	17,376
Change in working capital		
Movement in investment contract and insurance contract liabilities, net of policyholder claims	4,655,014	3,217,603
Net movement in financial assets	(4,604,839)	(3,139,837)
Change in other working capital items	(91,105)	(30,487)
Tax paid	(5,669)	(454)
Net cash flows from operating activities	136,282	245,354

29 RISK MANAGEMENT

The identification, measurement and management of risk is a priority for the Group. Consequently the Board of directors has established a comprehensive framework covering accountability, oversight, measurement and reporting to ensure maintenance of sound systems of internal control and risk management to ensure the Group operates within its risk appetite. Risk appetite is a measure of the amount and type of risks the Group is willing to accept in pursuit of its objectives. It seeks to encourage a measured and appropriate approach to risk to ensure risks are understood and aligned to the business strategy and objectives.

Governance structure

The Group's governance structure comprises the UGP Board and appropriate subsidiary board and Committee structures in each of the regulated operating companies. The key subsidiary board committees are the Audit Committee, Risk and Compliance Committee, Remuneration Committee, Investment Committee, in Ireland, the UPE Banking Committee and in the UK, ULP also has a Nominations Committee and a With-Profits Committee.

From October 2021, the UGP Audit, Risk and Compliance Committee ("ARCC") is responsible for making recommendations to the UGP Board on the appointment of auditors and the audit fee, ensuring that the financial performance of the Company is properly monitored and reported on and reviewing the Company's financial statements and any formal statements on financial performance as well as reports from the Company's auditors on those financial statements. In addition, the ARCC will review the Company's internal control and risk management systems to assist the UGP Board in fulfilling its responsibilities relating to the effectiveness of those systems. The ARCC will meet at least four times a year, or more frequently if required.

The Utmost Group Board is responsible for identifying and articulating the risk appetite of the Group which is expressed and managed through the Risk Appetite Statement. The Risk Appetite Statement is reviewed annually by the Board and circulated to the subsidiary operating businesses.

SUBSIDIARY BOARD COMMITTEES

The Audit Committees are responsible for reviewing the appropriateness and completeness of the systems of internal control. The Audit Committees also review the annual financial statements, consider the significant financial reporting issues and judgements which they contain and make recommendations to the subsidiary boards concerning their content and approval. The Risk and Compliance Committees are responsible for the review and oversight of the risk and compliance profile of the relevant operating business within the context of the determined risk appetite. The Remuneration Committees are responsible for overseeing the appointment of new directors to the subsidiary boards, and formal, fair and impartial determination of remuneration of executive directors to ensure the long-term success of each operating business within the Group. The Investment Committees are responsible for the overall asset management strategy and policies of each operating business and for identifying, monitoring, reporting, and controlling the risks connected with investment activities and approving changes to specific investments and changes to appetite or tolerances. The UPE Banking Committee is responsible for the opening and closure of all master Custodian and Corporate bank accounts and for the review and approval of appointments to the authorised signatory list and their levels of authorisation.

The ULP With-Profits Committee ("WPC") has delegated responsibility to act in an advisory capacity to inform decision-making by the ULP Board in relation to the management of ULP's With-Profits Sub-Funds ("WPSFs"), including the way in which each of the WPSFs is managed by ULP including adherence to the Principles and Practices of Financial Management ("PPFM") and the future distribution of surplus in the WPSFs. The WPC pays close regard to policyholders' reasonable expectations and ensures that principles of Treating Customers Fairly are followed. The principal risks faced by the Group are financial and insurance risks, operational and compliance risk, risks directly related to execution of business strategy, including the distribution of products and acquisition and integration of other businesses, and strategic and external environment factors. Existing or potential future risk exposures are investigated in a structured way, using internal and external resources and actions to mitigate, contain or remove these risks are taken.

Insurance risk

Insurance risk refers to the risk that the frequency or severity of insured events may be worse than expected and includes expense risk. The Group's contracts include the following sources of insurance risk:

- Expenses – Policies cost more to administer than expected;
- Lapses – An adverse movement in either surrender rates or persistency rates on policies with guaranteed benefits leading to losses. This includes the risk of greater than expected policyholder option exercise rates giving rise to increased claims costs;
- Mortality/longevity – Higher than expected death claims on assurance products and payments for a longer duration for annuity products;
- Claims – Higher than expected claims on short-term insurance contracts; and
- Options and guarantees – Higher than expected take-up rate on options or guarantees that are in the money.

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. The Group estimates an adjustment for non-financial risk separately from all other estimates. The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The provision for adverse deviation method was used to derive the overall risk adjustment for non-financial risk where a simultaneous stress is applied to non-financial risks and the risk adjustment is equal to the resulting change in the present value of future cash flows. The resulting amount of the calculated risk adjustment corresponds to the confidence level of 79% (2023 - 82%).

Illustrative results of sensitivity testing for the Group for certain economic and non-economic assumptions are set out below. For each sensitivity test the impact of a reasonably possible change in a single assumption is shown, with other assumptions left unchanged.

29 RISK MANAGEMENT CONTINUED

EXPENSE RISK

Expense risk is the risk that actual expenses of the Group differ from the levels expected and allowed for within the pricing and reserving process. Expenses are reviewed annually in light of experience and any changes to the market rate of inflation. The following table details the impact to the Group if expenses were to increase by 5%:

	Profit before tax	Equity
2024	(20,647)	(15,898)
2023	(3,849)	(3,396)

The increase in sensitivity to expenses is driven by the impact of the AVIF arising on the acquisition of Lombard International.

LAPSE AND CLAIM RATES

The assumed rates for surrender and voluntary premium discontinuance in the participating business depend primarily on the length of time a policy has been in force. Withdrawal rates used in the valuation of unitised with-profit policies are based on observed experience and adjusted when it is considered that future policyholder behaviour will be influenced by different considerations than in the past. In particular, it is assumed that withdrawal rates for unitised with-profit contracts will be higher on policy anniversaries on which Market Value Adjustments do not apply.

The following table details the impact to the Group if a 20% mass lapse were to occur:

	Profit before tax	Equity
2024	(115,253)	(85,897)
2023	3,395	4,724

The increase in sensitivity to mass lapse is driven by the impact of the AVIF arising on the acquisition of Lombard International.

MORTALITY AND LONGEVITY RATES

Mortality rates are based on published tables, adjusted appropriately to take account of changes in the underlying population mortality since the table was published, group experience and forecast changes in future mortality. Annuitant mortality rates are adjusted to make allowance for future improvements in pensioner longevity.

A 10% reduction in the mortality base tables has been estimated to have the below impacts:

	Profit before tax	Equity
2024	6,367	5,778
2023	5,683	5,109

A 10% increase in mortality has been estimated to have the below impacts:

	Profit before tax	Equity
2024	(7,183)	(6,462)
2023	(6,049)	(5,391)

POLICYHOLDER OPTIONS AND GUARANTEES

Some of the Group's products give potentially valuable guarantees, or give options to change policy benefits which can be exercised at the policyholders' discretion. These products are described below. Most unitised with-profit contracts give a guaranteed minimum payment on death. Some with-profit bonds pay a guaranteed minimum surrender value, expressed as a percentage of the original premium, on a specified anniversary or anniversaries of commencement. Annual bonuses, when added to unitised with-profit contracts, usually increase the guaranteed amount.

OBJECTIVES AND POLICIES FOR MITIGATING INSURANCE RISK

The Group uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing. In addition to these other risks including; mortality, longevity and morbidity risks are in certain circumstances mitigated by the use of reinsurance. The profitability of the run-off of the Group's long-term insurance businesses depends to a significant extent on the values of claims paid in the future relative to the assets accumulated to the date of claim. Typically, over the lifetime of a contract, premiums and investment returns exceed claim costs in the early years and it is necessary to set aside these amounts to meet future obligations. The amount of such future obligations is assessed on actuarial principles by reference to assumptions about the development of financial and insurance risks. It is therefore necessary for the Board to make decisions, based on actuarial advice, which ensure an appropriate accumulation of assets relative to liabilities. These decisions include investment policy, bonus policy and, where discretion exists, the level of payments on early termination.

Prior to or at inception, short-term insurance contracts under which the Group accepts significant risk are subjected to an underwriting process. This aims not only to ensure that business is correctly priced, but also to ensure that risk concentrations are identified and exposure limits are not breached. Where necessary, risk is transferred using reinsurance.

REINSURANCE

The Group is exposed to credit risk as a result of insurance risk transfer contracts with reinsurers. This also gives rise to concentration of risk with individual reinsurers, due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. At both 2024 and 2023 year-end positions, the Group's material reinsurance counterparties have a credit rating of either AA- or A-.

DISCRETIONARY PARTICIPATING BONUS RATE

The regular bonus rates, which primarily relate to unitised with-profits business within UPE, are determined by the UPE board in accordance with established procedures. Final bonuses are declared by these boards with the aim that payments at maturity or on surrender will equal the value of asset shares subject to smoothing. Unitised with-profit deferred annuities participate in profits only up to the date of retirement.

The UW deposit administration contracts contain a guaranteed rate of interest of up to 2.5% that varies by currency and reflects government bond yields, for a duration of maximum three years. The contracts also contain a DPF based on discretionary bonus rates declared by the Group, to the extent they may exceed the guaranteed rate. The Group targets a surplus funding level of between 5% and 10% and has an obligation to eventually pay to contract holders at least 85% of this surplus.

ULP's with-profits provisions exclude future final bonuses because these are not guaranteed. The excess of assets over liabilities in the with-profits funds shall be used to enhance the bonuses in these funds.

Insurance risk by product

Of the insurance business which is not reinsured, the most material blocks of business are the annuities sold by UW and ULP for which specific risks are disclosed and sensitivities provided in the annuity products section below.

The Group also has material protection business for which the principal risks are disclosed below, however, we note that a reasonable change in any of the underlying assumptions used in determining the liability would not lead to a material change in net assets due to significant reinsurance.

As detailed in the insurance contracts accounting policy, the deposit administration business is classified as insurance business as no market value adjustment is applied on the death of a policyholder. Impacts on this product are limited to non-unit reserves which reflect fees less expenses and as such this business is not materially sensitive to changes in underlying assumptions.

The following sections give an assessment of the risks associated with the Group's main life assurance products and the ways in which these risks are managed.

The carrying amount of the Group's insurance contracts are analysed by type of product below:

	2024	2023
Unit-linked	11,124,738	5,560,056
Annuities	545,872	558,605
Retirement and savings	1,090,973	1,099,235
Life and disability	316,904	308,093
Other	20,644	86,840
Total	13,099,131	7,612,829

ANNUITY PRODUCTS

The Group has books of annuity business in UW and ULP for which the principal risk is longevity. Benchmarking is used to maintain provisions in line with up-to-date developments in life expectancy for the types of lives covered. Assets are closely matched to the liabilities to hedge the Group against interest rate risk for this class of business.

WITH-PROFIT BUSINESS (UNITISED)

The Group operates a number of unitised with-profits funds in which the unitised with-profit policyholders benefit from a discretionary annual bonus (guaranteed once added in most cases) and a discretionary final bonus. The investment strategy of each unitised fund differs, but is broadly to invest in a mixture of fixed and variable rate income securities and equities in such proportions as is appropriate to the investment risk exposure of the fund and its capital resources. The bonuses are designed to distribute to policyholders a fair share of the return on the assets in the with-profit funds together with other elements of the experience of the fund. The shareholders are entitled to receive a percentage of the cost of bonuses declared. Unitised with-profit policies purchase notional units in a unitised with-profit fund. Benefit payments for unitised policies are then dependent on unit prices at the time of a claim, although charges may be applied. A unitised with-profit fund price is guaranteed not to fall and increases in line with any discretionary annual bonus payments over the course of one year.

PROTECTION

These contracts are typically secured by the payment of a regular premium payable for a period of years providing benefits payable on certain events occurring within the period. The benefits may be a single lump sum or a series of payments and may be payable on death, serious illness or sickness. The main risk associated with this product is the claims experience and this risk is managed through the initial pricing of the policy (based on actuarial principles), the use of reinsurance, geographical diversity of products written and a clear process for administering claims.

29 RISK MANAGEMENT CONTINUED

Market risk

Market risk is the risk that the value of an investment or portfolio decreases as a result of changes in, inter alia, equity prices, foreign exchange rates, interest rates and/or commodity prices. The extent of the exposure to market risk is managed by the respective investment committees in the subsidiary operating companies and via compliance with the respective investment policies incorporating defined limits and guidelines. Both the operational compliance and the risk appetite are actively managed through the Investment Committees. Concentration risk is one factor considered to ensure there is no loss arising from over-dependence on a single asset class or category of business (see Credit Risk note). In respect of the shareholder-backed fixed interest securities, the principal market risk is from interest rate risk. The sensitivity of these fixed interest securities to movements in interest rates is detailed in the interest rate risk section below.

Unit-linked funds

Assets held on behalf of policyholders are subject to market risk, including price and foreign exchange risk, credit risk, liquidity risk and funding risk. Any change in the value of these assets is offset by a corresponding change in the value of investment contract liabilities. The Group's exposure to market risk on unit-linked funds is limited to the extent that income arising from asset management charges in certain funds, and its ability to collect that income, is based on the cash flows arising and the value of the assets in the fund, and to changes in the value of any units in funds the Group may hold. In many funds the asset management charge is based on the higher of premiums paid or fund value, further limiting this risk.

Equity price risk

The following table details the impact to the Group if a 10% increase in equity prices were to occur:

	Profit before tax	Equity
2024	1,820	1,655
2023	989	901

The following table details the impact to the Group if a 10% decrease in equity prices were to occur:

	Profit before tax	Equity
2024	(68,079)	(52,132)
2023	(2,851)	(2,603)

The increase in sensitivity to equity prices is driven by the impact of the AVIF arising on the acquisition of Lombard International.

Interest rate risk

Interest rate risk is the risk that the Group is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates. The Group manages interest rate risk through the activities of the investment committees in the local businesses through regular assessments and monitoring of the investment portfolios.

The Group is primarily exposed to interest rate risk on the balances that it holds with financial institutions, borrowings from credit institutions as well as through the fixed interest securities held in UW and ULP. Shareholders' funds are invested in either cash or fixed interest deposits to provide a low level of interest rate risk, and in other investments such as those detailed in note 15. A change in interest rates will impact the Group's annual investment income and equity. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of deposits held with credit institutions will fluctuate because of changes in market interest rates.

The following table details the impact to the Group if a 1% increase in interest rates were to occur:

	Profit before tax	Equity
2024	(3,197)	(5,857)
2023	(4,550)	(7,289)

The following table details the impact to the Group if a 1% decrease in interest rates were to occur:

	Profit before tax	Equity
2024	(7,905)	(2,798)
2023	1,917	4,715

The Group also holds assets, on behalf of policyholders, which are exposed to interest rate movements. Any change in the value of these assets is offset by a corresponding change in the value of investment contract liabilities.

For unithold with-profit business, some element of investment mismatching is permitted where it is consistent with the principles of treating customers fairly. In practice, the Group maintains an appropriate mix of fixed and variable rate income securities according to the underlying insurance or investment contracts and reviews this at regular intervals to ensure that overall exposure is kept within the agreed risk profile. This also requires the maturity profile of these assets to be managed in line with the liabilities to policyholders.

The Group is exposed to interest rate risk through the closed annuity book in UW. In respect of this assets are closely matched to the estimated liabilities to immunise the Company against interest rate risk for this book of business.

Currency risk

Currency risk is the risk that the Group is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets and liabilities arising from changes in underlying exchange rates.

The Group operates primarily in Ireland, Luxembourg, the UK, Guernsey and the Isle of Man and is exposed to currency risk between the functional currency of Euro of the Irish business and Luxembourg business and the presentation currency of Pounds Sterling.

The Group is also exposed to currency risk on the foreign currency denominated bank balances, contract fees receivable and other liquid assets that it holds to the extent that they do not match liabilities in those currencies. The impact of currency risk is minimised by frequent repatriation of excess foreign currency funds to Sterling. The Group does not currently hedge foreign currency cash flows.

Certain fees and commissions are earned in currencies other than Sterling, based on the value of financial investments held in those currencies from time to time.

The following table details the impact to the Group if a 20% increase in exchange rates were to occur:

	Profit before tax	Equity
2024	(41,062)	(36,982)
2023	(35,914)	(37,126)

The following table details the impact to the Group if a 20% decrease in exchange rates were to occur:

	Profit before tax	Equity
2024	16,763	20,152
2023	28,152	30,298

The 2023 comparative figures for the exchange rate sensitivities have been restated in order to correct an error in the calculation of the sensitivities.

The Group also holds assets, on behalf of policyholders, which are exposed to currency movements. Any change in the value of these assets is offset by a corresponding change in the value of investment contract liabilities.

Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The Group has established a Credit and Liquidity Policy and has set out its risk appetite to maintain its assets in institutions and instruments with strong credit ratings. Operating businesses have local credit risk policies in place, aligned to the Group risk appetite, and monitor exposure to credit risk on an ongoing basis. Investment guidelines for each subsidiary are subject to approval by the relevant Investment Committee and/or Board, as appropriate.

There are two principal sources of credit risk for the Group:

- Credit risk which results from direct investment activities, including investments in fixed and variable rate income securities, derivatives, collective investment schemes, hedge funds and the placing of cash deposits and credit risk arising through unit-linked funds.
- Credit risk which results indirectly from activities undertaken in the normal course of business. Such activities include premium payments, outsourcing contracts, reinsurance, and the lending of securities.

Credit risk is managed by the monitoring of Group exposures to individual counterparties and by appropriate credit risk diversification. The operating businesses manage the level of credit risk they accept through credit risk tolerances. In certain cases, protection against exposure to particular credit risk types may be achieved through use of derivatives.

CREDIT RISK CONCENTRATIONS

Concentration of credit risk might exist where the Group has significant exposure to an individual counterparty or a group of counterparties with similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions.

The Investment Committee for each operating business is responsible for setting an Investment Policy that formalises risk limits around counterparty exposure and the types of investments that the business can invest in, to prevent undue concentration or credit risk. In the Isle of Man business a minimum of five deposit takers must be used at any one point in time and no single deposit can exceed £10 million. Moreover, the minimum acceptable credit rating for all counterparties as set out in the Investment Policy is Standard & Poor's BBB or Moody's Baa. In Ireland, all bonds must be investment grade, and no more than 5% of each rating can be invested in non-government bonds. All risk limits are monitored through the respective Investment Committees to ensure adherence with those limits. In Guernsey the Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to differently rated debt securities. The Investment Committee carries out monitoring of adherence to the guidelines.

29 RISK MANAGEMENT CONTINUED

In the UK ULP manages credit risk by setting and monitoring appropriate risk appetite limits, monitoring the amount of economic capital it holds, asset optimisation and collateral arrangements. The Group is also exposed to concentration risk with outsourced service providers. This is due to the nature of the outsourced services market. The Group operates a policy to manage outsourcer service counterparty exposures and the impact from default is reviewed regularly by subsidiary executive committees and measured through stress and scenario testing.

The maximum exposure to credit risk before any credit enhancements at 31 December 2024 and 31 December 2023 is the carrying amount of the financial assets detailed in the shareholder-backed assets credit rating table below.

SHAREHOLDER-BACKED ASSETS

The Group's shareholder-backed assets which are exposed to credit risk are set out below along with the credit rating category of the issuer or counterparty:

2024 £'000	AAA	AA	A	BBB	B	Non-Rated	Total
Cash and cash equivalents	10,730	136,059	374,291	9,280	143	7,652	538,155
Deposits	—	47,334	82,016	—	—	268	130,618
Other receivables	10,727	1,910	40,895	27,494	66,972	268,204	416,202
Withholding tax asset	—	—	—	299,803	—	—	299,803
<i>Other investments:</i>							
Debt securities	219,313	561,609	234,977	203,669	—	439	1,220,007
Total	240,770	747,912	732,179	540,246	67,115	276,563	2,604,785

2023 £'000	AAA	AA	A	BBB	B	Non-Rated	Total
Cash and cash equivalents	271,783	26,006	168,156	—	502	3,069	469,516
Deposits	—	—	26,886	—	—	—	26,886
Other receivables	211	2,338	44,545	4,060	617	243,023	294,794
Withholding tax asset	—	—	—	94,805	—	—	94,805
<i>Other investments:</i>							
Debt securities	246,777	567,340	250,628	218,378	—	2,020	1,285,143
Total	518,771	595,684	490,215	317,243	1,119	248,112	2,171,144

Maturity analysis

31 DECEMBER 2024	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Financial investments	109,985,715	433,000	568,097	596,485	108,388,133
Cash and cash equivalents	538,155	538,155	—	—	—
Deposits	130,618	130,618	—	—	—

31 DECEMBER 2024	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Investment contract liabilities	97,012,674	—	—	—	97,012,674
Borrowings	598,347	48,347	150,000	400,000	—

31 DECEMBER 2023	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Financial investments	61,242,021	535,162	479,903	584,702	59,642,254
Cash and cash equivalents	469,516	469,516	—	—	—
Deposits	26,886	26,886	—	—	—

31 DECEMBER 2023	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Investment contract liabilities	54,116,049	—	—	—	54,116,049
Borrowings	400,710	710	—	400,000	—

The above maturity analyses are presented on an undiscounted contractual cash flow basis. Any policy can be surrendered at any time, investment contract liabilities therefore have a minimum maturity of 0-1 years. In practice, this is unlikely to happen given that these products are long-term investment contracts and more specifically, may reflect the settlement terms achieved on the disposal of assets in the terms it offers on the settlement of liabilities backed by those assets.

31 DECEMBER 2024	Total £'000	1 year £'000	2 years £'000	3 years £'000	4 years £'000	5 years £'000	>5 years £'000
Insurance contract liabilities (PVFCF)	13,099,131	1,515,478	962,427	895,693	804,578	746,182	8,174,773
Reinsurance contract liabilities (PVFCF)	280,642	28,325	23,831	21,277	19,533	17,970	169,706
31 DECEMBER 2023	Total £'000	1 year £'000	2 years £'000	3 years £'000	4 years £'000	5 years £'000	>5 years £'000
Insurance contract liabilities (PVFCF)	7,612,829	1,126,023	574,634	569,613	524,160	472,850	4,345,549
Reinsurance contract liabilities (PVFCF)	44,422	1,962	2,435	2,462	2,484	2,495	32,584

The above maturity analyses are presented on a present value cash flow basis.

The majority of the Group's insurance contract liabilities are unit-linked insurance contracts and these contracts may be surrendered or transferred on demand and therefore have a minimum contractual maturity of 0-1 years.

Operational and Compliance risk

Operational risk represents the risk that failed or inadequate processes, people or systems, or exposure to external events, could result in unexpected losses. The risk is associated with human error, systems failure and inadequate controls and procedures.

The Group operates such measures of risk identification, assessment, monitoring and management as are necessary to ensure that operational risk management is consistent with the approach, aims and strategic goals of the Group and is designed to safeguard the Group's assets while allowing the Group to earn a satisfactory return for shareholders and policyholders.

The Group has taken steps to minimise the impact of external physical events which would interrupt normal business, for example an inability to access or trade from the premises. Business recovery plans are in place for workspace recovery and retrieval of data and IT systems. These procedures would enable the Group's operating businesses to move operations to alternative facilities.

CYBER RISK

The Group mitigates cyber risk through ongoing internal reviews of internal systems and access controls and ongoing monitoring of regulatory changes including those related to General Data Protection Regulation.

OUTSOURCING AND THIRD-PARTY SUPPLY CHAIN RISK (INCLUDING CLOUD PROVIDERS)

The Group has implemented an Outsourcing Policy which requires appropriate organisational safeguards to be implemented to monitor the performance of outsourcers and management of risks associated with critical and important outsourced activities. A Group Third-Party Supplier Management (non-outsourcers) policy is being implemented to manage risks associated with key third parties, particularly where the operating businesses are reliant upon Third Parties to deliver or support important business services.

COMPLIANCE RISK

Regulatory compliance risk primarily arises from a failure or inability to comply fully with the laws, regulations, standards or codes applicable to the business activities, and territories, of Group and its subsidiaries. Any non-compliance may result in the Group being subject to regulatory sanctions, material financial loss or reputational damage. Changes in legislation or regulatory interpretation applying to the life assurance industry may adversely affect the Group's capital requirements and, consequently, reported results and financing requirements.

TAXATION RISK

Taxation risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risk effectively could lead to additional tax charges. It could also lead to financial penalties for failure to comply with required tax procedures or other aspects of tax law. The Group is subject to the application and interpretation of tax laws in all countries in which it operates and it has invested into. Providing sufficient cash flows are available tax liabilities arising from unit-linked investments are, in general, met through a reduction in the related liability to policyholders under investment contracts. The Group has internal tax resources and external tax advisers. Notwithstanding the use of both internal and external taxation advice, tax authorities could take a contrasting view on the interpretation of certain aspects of tax law to that of the Group and its advisers. If the costs associated with the resolution of tax matters are greater than anticipated, it could negatively impact the financial position of the Group.

Business and Other risks

ACQUISITION & INTEGRATION RISK

These are the risks that the Group is exposed to through execution of its business strategy, in its chosen markets. The particular business risks faced by the Group at this time surround the dual challenges of managing the existing business whilst seeking to execute transactions to acquire, integrate and manage new acquired life funds. As part of the strategy to grow through acquisition, the Group is exposed to the risk that it does not complete effective due diligence and is then exposed to the financial risks in completing the transaction and managing the business. All acquisitions are subject to detailed due diligence supported by independent professional subject matter experts and are then subject to scrutiny and approved by the Board. In addition, the Group is exposed to the risk of failing to integrate and successfully restructure the businesses it has acquired.

29 RISK MANAGEMENT CONTINUED

Distribution Risk

The Group is also exposed to Distribution risks through its operating businesses selling products across multiple jurisdictions and territories. The Group Distribution policy sets out the minimum requirements expected to ensure compliance with differing regulations and risk appetite, and associated risks are closely monitored by global sales management.

Climate Risk

DEFINITION

The decarbonisation of the global economy as it transitions towards net zero poses a number of risks and opportunities to the Group. The Group is exposed to physical climate impacts, low carbon transition risks and potential opportunities. Climate risk can arise from:

PHYSICAL RISK

Disruptions and damage to operations due to extreme weather events and chronic changes including temperature rises, increased energy consumption and impacts on mortality and morbidity.

TRANSITION RISK

The transition to a net zero economy presents financial risks which can arise from a range of factors, including changes in policy, regulation, technology and customer sentiment. Climate-related metrics are being used to understand, assess and disclose the Group's exposure to these risks and potential impacts on asset valuations.

LIABILITY RISK

Climate-related liability risks may arise directly or indirectly from the actions taken by firms in relation to climate change. These may crystallise where a perceived lack of action or lack of appropriate disclosures result in claims or legal action from external stakeholders. These risks will crystallise in full over a longer-term time horizon. The impacts of these risks are apparent now and becoming more severe with time. The Group treats these risks as cross-cutting risks given they have the potential to manifest through a number of principal risk types within the Group's ERM Framework.

MITIGATION

A Climate Risk Framework has been adopted across the Group to embed climate risk considerations in day-to-day processes.

The Board oversees the delivery of the Group Sustainability Strategy, a key element of which is the management of climate-related risk and opportunities. Paul Thompson, Group CEO, is the Executive Board Director responsible for the implementation and delivery of the Group's Sustainability Strategy.

The Group's approach to climate change is set out in its Corporate Social Responsibility policy where the Group's approach to understanding and assessing the financial impact of environmental risks is detailed.

30 FAIR VALUE DISCLOSURES

Fair value, as defined by IFRS 13 "Fair Value Measurement", is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with IFRS 13, the Group has applied the fair value hierarchy classification to all assets and liabilities measured at fair value. This requires the Group to classify such assets and liabilities according to a hierarchy based on the significance of the inputs used to arrive at the overall fair value of these instruments:

- Level 1: Fair value measurements derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements derived using significant assumptions that are unobservable. Includes valuations for assets that are not based on observable market data (unobservable inputs) or where only stale prices are available.

Level 1 financial instruments are mainly equity securities listed on a recognised stock exchange and collective investment schemes in active markets.

Level 2 financial instruments are mainly listed corporate bonds, medium term notes, collective investment schemes, external life funds and managed portfolios with other than daily dealing frequencies. These have generally been classified as level 2 as the prices provided by the third party sources do not meet the definition of level 1 as they include inputs which are not quoted market prices in active markets.

Level 3 financial instruments include interests in private company shares and other investment funds that are illiquid, have been suspended or are in liquidation.

Investments are transferred from level 1 to level 2 and vice versa when dealing/pricing frequencies change. Transfers into level 3 occur when an equity or collective investment scheme is suspended or enters liquidation, as notified by its fund administrator or investment manager. Transfers out of level 3 occur when such suspension is lifted, as notified by the fund administrator or investment manager.

A proportion of the assets are valued at a fair value derived using unobservable level 3 inputs. The majority of these are valued using valuations obtained from external parties which are reviewed internally to ensure they are appropriate. The Group has limited access to the key assumptions and data underlying these valuations and most of these investments are in hedge funds, collective investment schemes, suspended funds or funds in liquidation. The level 3 assets shown below are primarily unit-linked assets backing policyholder liabilities, and as such there is minimal exposure of the Group to changes in the valuation of these assets. These level 3 assets are valued using the latest available net asset value statement.

31 DECEMBER 2024	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Assets				
- Financial assets held at fair value to cover linked liabilities	108,388,133	68,726,530	30,762,222	8,899,381
- Debt securities - fair value through profit and loss	1,247,377	725,310	516,570	5,497
- Debt securities - fair value through other comprehensive income	137,667	137,667	—	—
- Other assets at fair value	212,538	191,351	15,772	5,415
- Investment property	5,700	—	—	5,700
	109,991,415	69,780,858	31,294,564	8,915,993
Total assets not at fair value	3,686,879			
Total assets per Statement of Financial Position	113,678,294			
Investment contract liabilities	97,012,674	—	88,113,293	8,899,381
31 DECEMBER 2023	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Assets				
- Financial assets held at fair value to cover linked liabilities	59,642,254	44,028,903	13,162,782	2,450,569
- Debt securities - fair value through profit and loss	1,158,637	756,207	402,430	—
- Debt securities - fair value through other comprehensive income	126,198	126,198	—	—
- Other assets at fair value	314,920	169,266	140,253	5,401
- Investment property	5,700	—	—	5,700
	61,247,709	45,080,574	13,705,465	2,461,670
Total assets not at fair value	2,668,840			
Total assets per Statement of Financial Position	63,916,549			
Investment contract liabilities	54,116,049	—	51,665,480	2,450,569

A reconciliation of the opening to closing balances in the level 3 fair value hierarchy is shown in the table below:

	Financial assets held at fair value through profit and loss £'000
Balance at 1 January 2023	2,473,432
Additions	66,861
Transfers into level 3	268,939
Transfers out of level 3	(285,746)
Total gains	179,360
Disposals	(236,026)
Foreign exchange movements	(5,150)
Balance at 31 December 2023	2,461,670
Additions	38,936
Additions on acquisition of subsidiary	6,126,194
Transfers into level 3	66,022
Transfers out of level 3	(14,906)
Total gains	342,079
Disposals	(83,253)
Foreign exchange movements	(20,749)
Balance at 31 December 2024	8,915,993

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting year during which the change occurred. The Group aims to minimise undue exposure to level 3 assets, and regularly reviews the composition of the portfolio including level 3 assets through the Investment Committee. Restrictions and criteria are in place in Ireland, the UK and Guernsey to limit exposure to Level 3 assets, and the Isle of Man has a general policy of no further investment into level 3 assets.

99.8% (2023: 99.5%) of the Group's level 3 financial assets are held to back unit-linked business. As such, movements in the fair value of those assets will typically be offset by corresponding movements in investment contract liabilities with no direct impact to the profit or equity of the Group. The other investments at fair value in level 3 relates to an unlisted equity investment in a private limited company. This investment is valued using the latest available net asset statement and a 10% increase in the net asset value of this investment would increase its fair value by £446k (2023: £540k). A decrease of 10% in the net asset value would have an equal but opposite impact on the fair value.

31 CAPITAL MANAGEMENT

It is the Group's policy to maintain a strong capital base in order to meet its obligations. The Group's capital resources and capital requirements are regularly monitored by the Board. The Group's policy is to at all times hold the higher of:

- the Group's internal assessment of the capital required; and
- the capital requirement of the relevant supervisory body.

The Group's policy is to maintain a Solvency Coverage Ratio (representing the ratio of Own Funds/Solvency Capital Requirement) of at least 135% at all times, and at least 150% immediately after the payment of a dividend. For Utmost International Isle of Man Limited the corresponding ratio is 125% at all times and 150% immediately after the payment of a dividend. The Group monitors capital on a Solvency UK basis, and in accordance with local regulatory requirements. The Group as a whole is subject to full group regulation by the Prudential Regulation Authority.

As at 31 December 2024 the Group's Solvency Coverage Ratio was 175% (2023: 208%).

Entities within the Group which are regulated as at 31 December 2024 are as follows:

- Utmost International Isle of Man Limited, Utmost Trustees Solutions Limited, Utmost Administration Limited, Utmost International Business Services Limited and Utmost International Trust Company Limited are regulated by the Isle of Man Financial Services Authority.
- Utmost PanEurope DAC is regulated by the Central Bank of Ireland.
- Utmost Bermuda Limited is regulated by the Bermuda Monetary Authority.
- Utmost Worldwide Limited, Utmost Portfolio Management Limited and Lombard International PCC Limited are regulated by the Guernsey Financial Services Commission (GSFC).
- Utmost Life and Pensions Limited and the Equitable Life Assurance Society are regulated by the Prudential Regulation Authority and the Financial Conduct Authority.
- Utmost International Distribution Services Limited and LIA Wealth Advisers Limited are regulated by the Financial Conduct Authority.
- Lombard International S.A. is regulated by the Commissariat aux Assurances.

The local branches of Utmost Worldwide Limited and Utmost International Isle of Man Limited are subject to local regulation in the countries in which they operate.

32 IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

The immediate parent company is Utmost Holdings (Guernsey) Limited, a company incorporated in Guernsey.

The ultimate parent company which maintains a majority controlling interest in the Group is recognised by the directors as OCM Utmost Holdings Ltd, a Cayman Island incorporated entity. OCM Utmost Holdings Ltd is an investment vehicle owned by funds which are managed and advised by Oaktree Capital Management L.P., a subsidiary of the ultimate controlling party Oaktree Capital Holdings, LLC.

33 RELATED PARTY TRANSACTIONS

Transactions with key management personnel

The following disclosures are in accordance with the provisions of IAS 24 Related Party Disclosures, in respect of the compensation of Key Management Personnel. Under IAS 24, Key Management Personnel are defined as comprising executive and non-executive directors together with senior executive officers.

	Directors' salaries & short-term benefits £'000	Post employment benefits £'000	Total £'000
2024	2,850	243	3,093
2023	2,742	231	2,973

The highest paid director received £1,478k (2023: £1,431k).

Transactions with related parties

The Group has holdings in the European Senior Loan Fund of a related party Oaktree as detailed in note 15. As detailed in the Corporate Governance Report, the controlling party of the Group is owned by a number of funds managed by Oaktree Capital Holdings, LLC.

34 DIRECTORS' AND SECRETARY'S INTERESTS

At 31 December 2024 and 31 December 2023 the Secretary had no beneficial interests in the shares of any Group company. The directors' interests in the Company's parent company held directly, through personal investment vehicles and Family Trusts are detailed below:

31 DECEMBER 2024	Paul Thompson	Ian Maidens
Utmost Topco Limited – C ordinary shares of £1 each	2,530	2,530
Utmost Topco Limited – D ordinary shares of £1 each	5,000	5,000
Utmost Topco Limited – Non-voting S ordinary shares of £1 each	50	50
Utmost Topco Limited – Non-voting preference shares of £1 each	16,081,049	16,081,049

31 DECEMBER 2023

	Paul Thompson	Ian Maidens
Utmost Topco Limited – C ordinary shares of £1 each	2,530	2,530
Utmost Topco Limited – D ordinary shares of £1 each	5,000	5,000
Utmost Topco Limited – Non-voting S ordinary shares of £1 each	50	50
Utmost Topco Limited – Non-voting preference shares of £1 each	16,081,049	16,081,049

35 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings £'000
2024	
As at 1 January	400,710
Movements:	
Interest accrued	16,160
Interest paid	(16,000)
Borrowings drawn down in the year	200,000
Movement in unamortised arrangement fee	(2,207)
As at 31 December	598,663
2023	
As at 1 January	400,710
Movements:	
Interest accrued	16,000
Interest paid	(16,000)
As at 31 December	400,710

36 CONTINGENT LIABILITIES

The Group is involved in defending two legal cases on which further disclosure is considered appropriate.

The first of these was served in the Isle of Man Court in July 2020 under which a number of claimants are seeking to recover investment losses relating to a limited number of specified funds which they had requested their insurance policies to be linked to. The claims have been jointly issued against another insurer. The claims are broadly based on allegations that: (a) the Group made a series of implied representations about the level of investment risk to which the claimants were exposed; and (b) the Group had a duty of care to perform due diligence in respect of the investments in question. The proceedings concern claims being brought by over 400 individuals and corporate entities. The total value of the claims pursued is understood to be approximately £65m including interest. Four test claims were the subject of a preliminary trial of 8 weeks finishing in May 2024. The remainder of the claims against the Group are stayed pending the outcome of the trial which is awaited. Depending on the outcome of the preliminary trial a further trial hearing could be required before the outcome of the test cases is settled. All legal costs incurred by the Group in order to defend these test claims have been expensed. As the Group believes that the claims are without merit and that it has strong prospects of success in defending them, no provision for the value of the claims has been included in the financial statements. The Group does have the benefit of professional indemnity insurance and continues to keep its insurers up to date with development in the claims.

The second legal case being defended along with another insurer was served in the Isle of Man Courts in May 2023. The claimants are seeking to recover investment losses in respect of insurance policies issued by each defendant. The claims remain at an early stage with initial claims management conferences being held. It is therefore difficult to identify the timeline over which the claims may progress. Under this claim as issued, there are a total of 314 claimants who appear to be claiming £82m against the Group (although the claim form acknowledges that this figure does not take account of the actual retained value of the investments which are linked to the claimants' policies, the value of which will vary). The majority of these claims relate to policies held by professional corporate trustee companies. The costs of this case are being expensed as incurred and no provision for any future spend is included in these financial statements. The Group believes that these claims are without merit and it has strong prospects of success to defend the claims against it and therefore no provision for the value of the claims has been included in the financial statements. The Group does have the benefit of professional indemnity insurance and continues to keep its insurers up to date with developments in the claim.

37 EVENTS AFTER THE YEAR-END DATE

On 21 January 2025 the Company approved a £62m dividend to its immediate parent company Utmost Holdings (Guernsey) Limited.

On 21 January 2025 the Group entered into a £100m Revolving Credit Facility ("RCF"). The interest rate on the RCF is the Sterling Overnight Index Average plus a margin calculated based upon the Group's Fitch Financial Leverage Ratio. There has been no drawdown on the RCF at the date of the signing of these accounts.

COMPANY FINANCIAL STATEMENTS

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Investment income			
Dividends received	4	50,000	225,000
		50,000	225,000
Interest income		2,482	1,270
Expenses			
Administrative expenses		(727)	(1,377)
Interest expense		(16,160)	(16,000)
Profit for the year before tax		35,595	208,893
Tax credit	8	3,430	1,199
Profit for the year after interest and tax		39,025	210,092

Income and expenses for the year derive wholly from continuing operations. The notes on pages 155 to 157 form an integral part of these financial statements.

Where applicable, the accounting policies of the Company are the same as those of the Group on pages 90 to 100.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
ASSETS			
Investment in subsidiaries	3	1,943,625	1,943,625
Cash and cash equivalents		21,125	1,428
Other assets		5,450	2,705
Receivables from subsidiaries	5	200,202	–
Deposits		26,526	26,514
Total assets		2,196,928	1,974,272
Liabilities			
Creditors and other payables		812	1,352
Borrowings	6	197,952	–
Tier 2 loan notes	7	400,710	400,710
Total liabilities		599,474	402,062
Equity			
Called up share capital presented as equity	9	392,500	392,500
Merger relief reserve	9	155,910	155,910
Retained earnings		751,444	726,200
Restricted Tier 1 Notes	9	297,600	297,600
Total equity		1,597,454	1,572,210
Total equity and liabilities		2,196,928	1,974,272

The financial statements on pages 152 to 157 were approved and authorised for issue by the Board of Directors on 24 April 2025 and signed on its behalf by:



Ian Maidens
Director

24 APRIL 2025

The notes on page 155 to 157 form an integral part of these financial statements.

COMPANY FINANCIAL STATEMENTS CONTINUED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Called up share capital presented as equity £'000	Restricted Tier 1 notes £'000	Merger relief reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2023		392,500	297,600	155,910	730,165	1,576,175
Profit for the year after interest and tax		–	–	–	210,092	210,092
Dividends paid		–	–	–	(200,000)	(200,000)
Restricted Tier 1 notes interest net of tax relief	9	–	–	–	(14,057)	(14,057)
Balance as at 31 December 2023		392,500	297,600	155,910	726,200	1,572,210
Profit for the year after interest and tax		–	–	–	39,025	39,025
Dividends paid		–	–	–	–	–
Restricted Tier 1 notes interest net of tax relief	9	–	–	–	(13,781)	(13,781)
Balance as at 31 December 2024		392,500	297,600	155,910	751,444	1,597,454

The notes on pages 155 to 157 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Net cash flows from operating activities	10	53,854	233,429
Cash flows from investing activities			
Intercompany loan		(200,000)	–
Interest income		2,425	1,018
Net cash used in investing activities		(197,575)	1,018
Cash flows from financing activities			
Bank loan		197,793	–
Interest paid		(34,375)	(34,375)
Dividends paid		–	(200,000)
Net cash flows from financing activities		163,418	(234,375)
Net increase in cash and cash equivalents		19,697	72
Cash and cash equivalents at the beginning of the year		1,428	1,356
Cash and cash equivalents at the end of the year		21,125	1,428

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 SIGNIFICANT ACCOUNTING POLICIES

Where applicable, the accounting policies of the Company are the same as those of the Group on pages 90 to 100. The notes identified on pages 155 to 157 are an integral part of these separate financial statements.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates

There are no critical accounting estimates or judgements in the preparation of these financial statements.

3 INVESTMENT IN SUBSIDIARIES

	2024 £'000	2023 £'000
COST		
At 1 January	1,943,625	1,943,625
Acquisitions and capital contributions during the year	—	—
At 31 December	1,943,625	1,943,625

4 DIVIDENDS RECEIVED

During the year the Company received dividends of £50,000k from its subsidiaries (2023: £225,000k).

5 RECEIVABLES FROM SUBSIDIARIES

	2024 £'000	2023 £'000
Other receivables	158	—
Intercompany loan	200,000	—
Intercompany loan accrued interest	44	—
	200,202	—

The receivables from subsidiaries balance includes a new senior loan agreement of £200,000k between the Company and its immediate subsidiary Utmost International Group Holdings Limited entered into on 12 December 2024 and utilised and drawn down on the 30 December 2024. Interest on the loan accrues at a rate of 8% per annum. The loan amount and accrued interest balance are considered recoverable by management on the basis that Utmost International Group Holdings Limited is sufficiently solvent and has projected future cash balances to make all future repayments on the loan.

6 BORROWINGS

	2024 £'000	2023 £'000
Bank loan principal	200,000	—
Bank loan accrued interest	159	—
Bank loan arrangement fee unamortised	(2,207)	—
	197,952	—
Payable within one year	49,606	—
Payable after more than one year	148,346	—
	197,952	—

On 3 July 2024 the Company entered into a loan facility agreement to borrow £200,000k to facilitate the acquisition of Lombard International Assurance Holdings S.a.r.l which was utilised and drawn down on 27 December 2024. The interest rate on the loan is the Sterling Overnight Index Average plus a margin calculated based upon the Group's Fitch Financial Leverage Ratio. The loan is repayable in stages with termination and the final repayment date being four years from initial utilisation and drawdown.

7 TIER 2 LOAN NOTES

	2024 £'000	2023 £'000
Tier 2 loan notes principal	400,000	400,000
Tier 2 loan notes accrued interest	710	710
	400,710	400,710
Payable within one year	710	710
Payable after more than one year	400,000	400,000
	400,710	400,710

On 15 September 2021 Utmost Group plc issued £400,000k of Tier 2 loan notes maturing in December 2031, listed on the Global Exchange Market. The Group used £300,000k of the proceeds of this issuance to repurchase the existing Tier 2 loan notes from its immediate parent company Utmost Holdings (Guernsey) Limited. The interest rate on the Tier 2 loan notes is 4% with interest repayments in June and December. The fair value of the Tier 2 loan notes as at 31 December 2024 is £335,452k (2023: £313,556k).

8 TAXATION

	2024 £'000	2023 £'000
Current tax credit	3,430	1,199

The tax credit per the Statement of Comprehensive Income can be reconciled to the taxation on profits at the standard UK income tax rate as follows:

	2024 £'000	2023 £'000
Profit on ordinary activities before taxation	35,595	208,893
Tax at the UK rate of 25% (2023: 23.5%)	(8,899)	(49,090)
Non-taxable income	12,500	52,875
Unrecognised tax losses	(277)	(2,568)
Prior year adjustment	106	(18)
Tax credit for the financial year	3,430	1,199

9 EQUITY

The share capital of the Company is the same as that of the Group in note 26 in the notes to the consolidated financial statements. The merger relief reserve arose as the difference between the nominal value of shares issued and the fair value acquired from the acquisition of related parties as part of the group reorganisation in 2020.

Restricted Tier 1 Loan Notes

	2024 £'000	2023 £'000
Restricted Tier 1 loan notes	297,600	297,600
	297,600	297,600

In January 2022, UGP undertook an issuance of £300,000k of 6.125% perpetual restricted Tier 1 notes ("RT1") notes with a first call date of 15 December 2028. The net proceeds of the RT1 issuance were £297,600k. The RT1 notes are listed on the Global Exchange Market in Ireland. The notes meet the definition of equity under IFRS as the Restricted Tier 1 notes have no fixed maturity date and interest is payable only at the sole and absolute discretion of UGP. Interest repayments are in June and December and are debited to retained earnings. The interest payments for 2024 (net of tax relief) are £13,781k (2023: £14,057k).

10 CASH FLOW STATEMENT

	2024 £'000	2023 £'000
Profit before taxation	35,595	208,893
Non-cash movements		
Finance costs	16,159	16,000
Interest income	(2,482)	(1,270)
Change in accruals	(697)	539
Change in working capital		
Change in other working capital items	5,279	9,267
Net cash flows generated from operating activities	53,854	233,429

11 RISK MANAGEMENT

Risk management in the context of the Group is considered in the Group consolidated financial statements, note 29. The business of the Company is managing its investments in subsidiaries. Its risks are considered to be the same as those in the operations themselves, and full details of the major risks and the Group's approach to managing these are given in the Group consolidated financial statements. In 2024, the Company held deposits of £26,526k (2023: £26,514). All deposits have a maturity date of six to twelve months. The deposits are held with NatWest, which has a credit rating of A. There are no material assets or liabilities other than investment in subsidiaries and the deposits which require further risk management by the Company specifically.

12 RELATED PARTY TRANSACTIONS

Transactions with key management personnel

The Directors and key management of the Company are considered to be the same as for the Group. Information on both the Company and Group key management compensation can be found in notes 33 and 34 in the notes to the consolidated financial statements.

Transactions with related parties

Transactions between the Company and related parties are detailed in note 33 to the consolidated financial statements.

13 EVENTS AFTER THE YEAR-END DATE

The events after the year-end date of the Company are the same as those of the Group in note 37 in the notes to the consolidated financial statement.

ALTERNATIVE PERFORMANCE MEASURES

Within the annual report various alternative performance measures (“APMs”) are used in order to analyse the performance of the Group over the reporting period. APMs represent performance indicators/metrics which are not directly shown in the financial statements prepared in accordance with the applicable financial reporting framework (UK-adopted International Accounting Standards for the Group for the year ended 31 December 2024), but are derived from the financial statements usually by including or excluding certain items. APMs are considered to provide a more relevant and informative measure for stakeholders in assessing the performance of the Group. The APMs presented in these financial statements may change over time as management deem necessary in order to appropriately monitor and report the Group’s performance.

The following section includes a definition of each APM and additional information to enable the stakeholders to understand how the APM differs from, and where possible reconciles to, information presented in the Financial Statements.

The Group uses the following APMs as KPIs, which have been revised in 2024. The Group has changed the definition of the Assets under Administration (“AUA”) KPI and has included the following additional measures:

- Gross flows
- Net flows
- Revenue margin
- Operating profit margin
- Profit after tax*
- Operating cash generation

These additional KPIs enable the Group to further measure, assess and communicate performance and they more closely align the KPIs of the Group with those of peer companies in the wealth management market. The revised KPIs are now more focused on UWS following the acquisition of Lombard International in the period. The Group no longer considers Annual Premium Equivalent (“APE”) to be a KPI as gross flows and net flows provide more relevant measures of the sales of the Group.

AUA

The Group’s definition of AUA includes assets administered by the Group on behalf of its UWS policyholders. AUA provides a measure of the scale of the Group, and a sense of the Group’s potential earnings capability which are partly calculated as a percentage of the value of assets under administration.

The Group revised the calculation of its AUA KPI in 2024. The previous calculation included assets backing linked liabilities and non-linked insurance liabilities for all operating segments of the Group whereas the revised calculation includes assets backing UWS linked liabilities.

The Group’s AUA at full year 2024 has risen from the full year 2023 figure as a result of positive market movements in the period and the acquisition of Lombard International. The Group’s AUA is attributable to customers of unit-linked products and accordingly the investment gain in the period is matched by an increase in the unit-linked liability.

* Profit after tax is not an APM and accordingly is not detailed further in this section of the Annual Report

OPERATING PROFIT

The Group’s internal definition of operating profit is considered by management to provide a more representative view of the Group’s underlying quality of earnings compared to the IFRS profit before interest and tax (“PBIT”) figure. The items excluded from operating profit, but included in IFRS PBIT, are generally related to merger and acquisition (“M&A”) activity and considered to be more strategic in nature than representing the underlying operating performance of the businesses. These items include the following:

Gains on bargain purchases:

A gain on bargain purchase is recognised when the fair value of the acquired assets and liabilities exceeds the consideration paid in the business combination, representing ‘negative goodwill’ which is credited directly to the Statement of Comprehensive Income. These gains represent one-off benefits to IFRS PBIT, and as such the Group looks to exclude these from operating profit to provide a more representative view of underlying performance.

Amortisation, depreciation and impairments/write-offs:

Operating profit also excludes the amortisation charge and any impairments relating to acquired value of in-force business (“AVIF”), which are not considered part of underlying operating performance, and depreciation of tangible assets.

Expenses incurred relating to M&A activity:

Certain expenses are incurred directly in relation to the acquisition activity, including *inter alia* due diligence fees and associated professional fees, and taxes associated with M&A activity (stamp duty, for example).

Non-recurring items:

Non-recurring items relate to items which are not expected to recur in future periods, and as such are excluded from operating profit to provide a more reflective view of quality of earnings. The non-recurring items in the table below primarily relate to expenses incurred in relation to the acquisition of Lombard International and a loss which arises on an IFRS basis (but not on a Solvency II economic value basis) from the settlement of an insurance contract.

A reconciliation between the Group’s operating profit and IFRS PBIT for 2024 and 2023 is shown below:

	2024 £m	2023 £m
IFRS PBIT	582	78
Gain on bargain purchase	(509)	-
Amortisation of AVIF and depreciation	110	129
Non-recurring items	7	5
Group Operating Profit	190	212

VALUE OF NEW BUSINESS ("VNB")

VNB provides a view of the profitability of new business to the Group. VNB is calculated as the present value of future income streams arising from new business written in the year, after deducting costs associated with writing this new business. Management also monitor the VNB margin (defined as VNB expressed as a percentage of APE) on a monthly basis across each business. VNB is not directly reconcilable to any of the IFRS metrics presented in the financial statements, given it provides a view of the profitability of new business from an actuarial view as opposed to an accounting view.

SOLVENCY II ECONOMIC VALUE ("SII EV")

Whilst AUA provides a view of the scale of the business, SII EV provides an overall view of the underlying value of the Group attributable to shareholders. SII EV is considered by management to better reflect the commercial value of the Group than IFRS equity, as the latter excludes components of value such as the present value of future earnings arising from in-force business. SII EV represents a metric which better aligns with the traditional embedded value reporting which preceded the Solvency II regulations which became effective on 1 January 2016.

The Group's SII EV is calculated by adding the economic value of its insurance companies and its non-insurance companies. The Group's internal metric to calculate the value of its insurance companies is calculated as follows:

Solvency II Own Funds
plus Risk margin
plus Value of in-force business outside contract boundaries
plus Foreseeable dividends
less Transitional measures on technical provisions
less Intra-group balances which qualify as Tier 2 capital in the receiving entity.

The Group calculates the value of its non-insurance companies on an IFRS net asset value basis. Solvency II Own Funds is shown net of external debt. Other components of value are considered based on circumstances to ensure that solvency capital on a regulatory basis is adjusted to a view of economic capital.

The Group's net SII EV as at 31 December 2024 is £2,392m (2023: £1,686m).

CLIENT RETENTION

Client Retention is a measure of the clients who held a UWS Utmost policy at the start of the year, and still held that policy at the end of the year. Client Retention is an indicator that our strategic goals, especially around good client outcomes, are being met. Given the relative size of the Group's business segments, Client Retention is now measured solely looking at UWS.

The KPI is influenced by factors such as the average age and duration of the book, longevity and mortality. It is calculated as: $1 - (\text{All Policy Exits in the Period}) / (\text{Policy Count at the Start of the Period})$.

GROSS FLOWS AND NET FLOWS

Gross flows represent the total new UWS assets under administration accepted in the period. Net flows represent the gross flows less the amount of AUA withdrawn by clients during the same period. Management monitor flows on a monthly basis across each business to align with the strategic pillar of growing the business organically in addition to by acquisition. This metric is not directly reconcilable to the IFRS financial statements as UWS AUA is not separately presented in the financial statements.

REVENUE MARGIN

Revenue margin is calculated as UWS fee income for the year divided by average UWS AUA for the period and provides a measure of the revenue generated from assets administered by the Group on behalf of UWS clients. The calculation of revenue margin is provided in the table below:

	2024 £m	2023 £m
UWS		
Fee income	300	303
Average AUA for the year	56,540	53,250
Revenue margin	0.53%	0.57%

OPERATING PROFIT MARGIN

Operating profit margin is calculated as UWS operating profit divided by UWS total revenue and provides a measure of the profitability of the business written by UWS. The calculation of operating profit margin is shown in the table below:

	2024 £m	2023 £m
UWS		
Fee income	300	303
Net financial result	1	1
Other income	61	53
Total revenue	362	357
Operating profit	175	189
Operating profit margin	48%	53%

OPERATING CASH GENERATION

Operating cash generation is calculated as operating profit less the coupons on the Tier 2 loan notes and on the Restricted Tier 1 loan notes. The calculation of operating cash generation is shown in the table below:

	2024 £m	2023 £m
Operating profit	190	212
Coupon paid on Tier 2 loan notes	(16)	(16)
Coupon paid on Restricted Tier 1 loan notes	(18)	(18)
Operating cash generation	156	178

SOLVENCY COVERAGE RATIO

The Solvency Coverage Ratio is calculated as Group Own Funds as a percentage of Group SCR (on a standard formula basis). The Solvency Coverage Ratio is not reconcilable to the IFRS Financial Statements as it is calculated on a Solvency UK basis and not an IFRS basis.

GLOSSARY

AMCs Annual Management Charges	FFA Fund for Future Appropriation	Oaktree Oaktree Capital Group LLC, deemed the ultimate significant controller of the Utmost Group of Companies, and/or its subsidiaries as they relate to the Utmost Group
APE Annual Premium Equivalent	Fitch Fitch Ratings Agency	ORSA Own Risk and Solvency Assessment
APMs Alternative Performance Measures	Founders Paul Thompson (Group CEO) and Ian Maidens (Group CFO)	Other Methods basis A reporting submission in accordance with specific information requested by a regulator
ARCC Audit, Risk and Compliance Committee	GFSC Guernsey Financial Services Commission	OUHL OCM Utmost Holdings Ltd
AUA Assets under Administration	GHG Greenhouse Gas	Own Funds Own Funds represents the amount of capital available to cover the Solvency Capital Requirement (“SCR”) and Minimum Capital Requirement (“MCR”) under Solvency II
AVIF Acquired Value of In-Force business	Group (the) Utmost Group plc and its direct and indirect subsidiaries as detailed in note 4 to the consolidated financial statements	PRA Prudential Regulation Authority
Board (the) Board of directors of Utmost Group plc	HNW High Net Worth	SECR Streamlined Energy and Carbon Reporting
BPA Bulk Purchase Annuity	HoldCos The indirect holding companies of the Group operating entities	SCR Solvency Capital Requirement
CAA The Luxembourg Commissariat aux Assurances	IDR Issuer Default Rating	SII Solvency II
CFD Climate-related Financial Disclosures	IFS Insurer Financial Strength	SII EV Solvency II Economic Value
Company (the) Utmost Group plc	IoM FSA Isle of Man Financial Services Authority	Standard Formula Solvency II Standard Formula for calculation of the SII Balance Sheet
CSM Contractual Service Margin	IVASS Institute for the Supervision of Insurance	Subsidiary board Board of directors of the operating businesses
CSSF Commission de Surveillance du Secteur Financier	KPIs Key Performance Indicators	SWG Sustainability Working Group
DAC Designated Activity Company (Irish entities)	LIAH Lombard International Assurance Holdings S.a.r.l.	TCFD Task Force on Climate-related Financial Disclosures
DORA Digital Operational Resilience Act	NAV Net Asset Value	
ESG Environmental, Social and Governance	Net Solvency Coverage Ratio Whilst there is no single Group regulator, solvency coverage is calculated and monitored at the Group level as Solvency II Own Funds/Solvency Capital Requirement	
ERM Enterprise Risk Management		
FCA Financial Conduct Authority		

tCO₂e

tCO₂e is a measure of greenhouse gas emissions in tonnes of carbon dioxide equivalent. Carbon Dioxide equivalent is a standard unit for measuring greenhouse gases on the basis of their global warming potential, by converting amounts of other greenhouse gases to the equivalent amount of carbon dioxide with the same global warming potential.

Topco

Utmost Topco Limited

UCS

Utmost Corporate Solutions

UHGL

Utmost Holdings (Guernsey) Limited

UHIL

Utmost Holdings Ireland Limited

UHNW

Ultra-High Net Worth

UIIOM

Utmost International Isle of Man

ULP

Utmost Life and Pensions

UN PRI

UN Principles for Responsible Investment

UPE

Utmost PanEurope dac

Utmost International

Utmost International Group Holdings Limited and its direct and indirect subsidiaries as detailed in note 4 of the consolidated financial statements

Utmost International Ireland

The Group of companies comprising Utmost Holdings Ireland Limited and its subsidiaries, including Utmost PanEurope dac

Utmost International Isle of Man

Utmost Holdings Isle of Man Limited and all its subsidiaries, including Utmost Limited and Utmost Services Limited

Utmost Life and Pensions

Utmost Life and Pensions Holdings Limited and all its subsidiaries, including Utmost Life and Pensions Limited and The Equitable Life Assurance Society

UW

Utmost Worldwide Limited

UWS

Utmost Wealth Solutions

VNB

Value of New Business

VIF

Value of In-Force

COMPANY INFORMATION

DIRECTORS

Paul Thompson
Ian Maidens
Christopher Boehringer
Katherine Ralph
Gavin Palmer
James Fraser

SECRETARY

Larysa Dlaboha (Resigned 2nd February 2024, Appointed 7th February 2025)
Alice Rivers (Appointed 2nd February 2024, Resigned 7th February 2025)

REGISTERED OFFICE

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London
EC2V 6BR

REGISTERED IN ENGLAND & WALES

Company Number
12268786

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

PRINCIPAL BANKERS

The Royal Bank of Scotland International Limited
36 St Andrew Square
Edinburgh
United Kingdom
EH2 2YB

FORWARD-LOOKING STATEMENTS

The words: 'intends', 'aims', 'projects', 'anticipates', 'plans', 'believes', 'expects', 'may', 'should', 'could', 'will', 'seeks', 'targets', 'continues', 'outlook', 'likely', 'goal', 'estimates', 'set to', and words of similar meaning, are forward looking. By their nature, all forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Utmost Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For example, certain insurance risk disclosures are dependent on the Group's choices about assumptions and models, which by their nature are estimates. As such, actual future gains and losses could differ materially from those that we have estimated. Other factors that could cause actual results to differ materially from those identified by forward-looking statements include, but are not limited to, domestic and global economic and business conditions, asset prices, market risks, changes in pricing and reserving assumptions, risks associated with third-party arrangements, government and regulatory policy in our operating jurisdictions, and the political, legal and economic effects of the UK's vote to leave the European Union and the impact of natural and man-made catastrophic events (including the impact of Covid-19).

Utmost Group plc undertakes no obligation to update any of the forward-looking statements contained within this Report or any other forward-looking statements it may publish. Nothing in the 2024 Annual Report and Accounts is or should be construed as a profit forecast or estimate.



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