



utmost™  
A wealth of difference



utmost™

# 2025 OVERVIEW

## ABOUT US

### 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 are a leading global provider of insurance-based wealth solutions

## FINANCIAL HIGHLIGHTS

### AUA

£116.3bn

### GROSS FLOWS

£9.7bn

### OPERATING PROFIT

£224m

### OPERATING CASH GENERATION

£177m

### OPERATING PROFIT MARGIN

46%

### CLIENT RETENTION

93%

# 6

CEO  
REVIEW

# 18

BUSINESS  
MODEL

# 22

CFO  
REVIEW

# 71

DIRECTORS'  
REPORT

## CONTENTS

---

### OVERVIEW

Our Footprint	4
Chief Executive Officer's Review	6
Our Market	10

---

### STRATEGIC REPORT

Implementing our purpose-driven approach	14
Strategic Pillars	16
Business Model	18
Delivering on our KPIs	20
Chief Financial Officer's Review	22
Sustainability	28
Non-Financial and Sustainability Information Statement	44
Stakeholder Engagement	45
Risk Management	48

---

### GOVERNANCE

Chairman's Introduction to Governance	63
Board Biographies	64
Corporate Governance Report	66
Directors' Report	71

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### FINANCIAL STATEMENTS

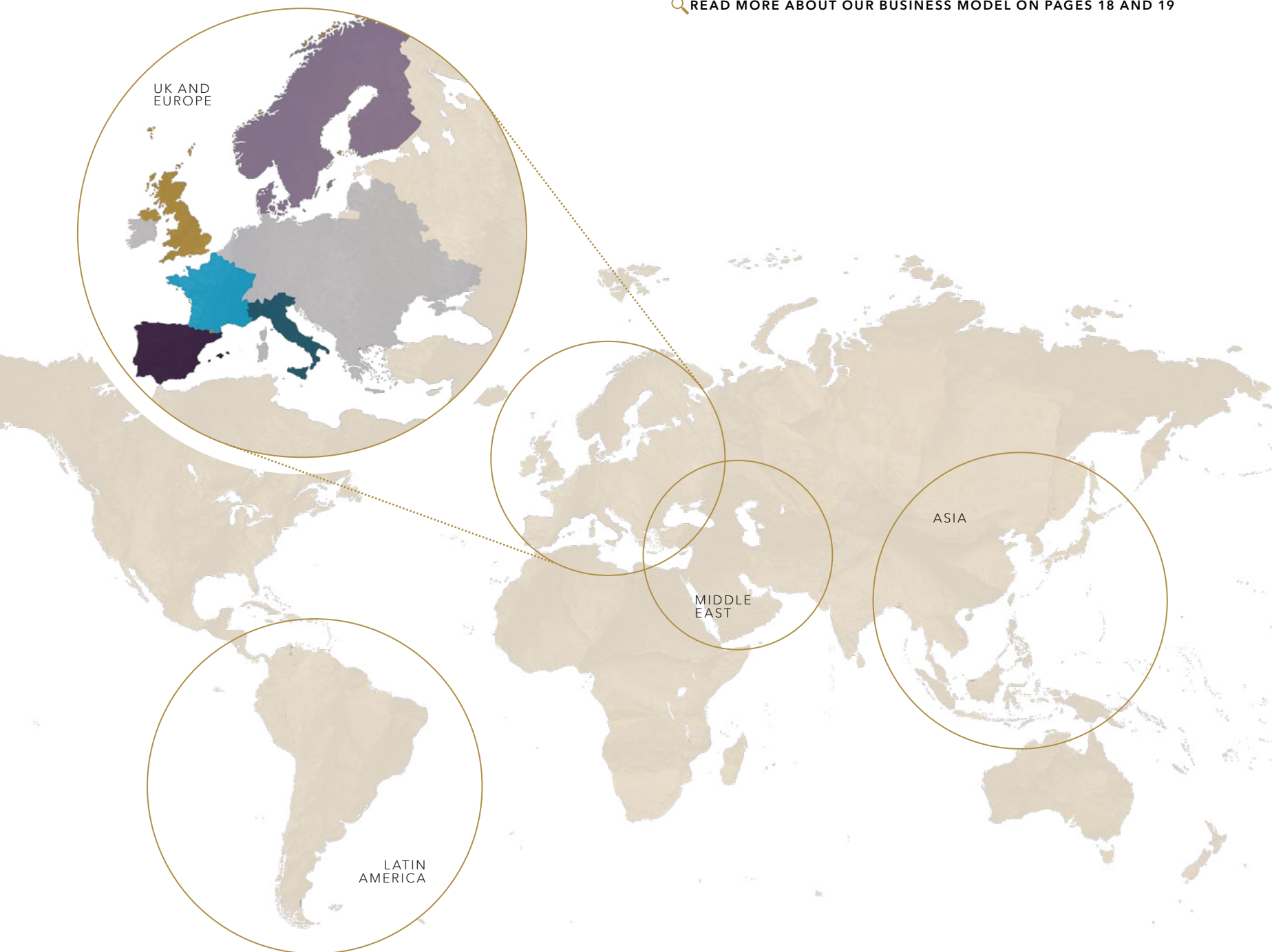
Independent Auditor's Report	76
Consolidated Statement of Comprehensive Income	82
Consolidated Statement of Financial Position	83
Consolidated Statement of Changes in Equity	84
Consolidated Statement of Cash Flows	85
Notes to the Consolidated Financial Statements	86
Company Financial Statements	150
Notes to the Company Financial Statements	153
Alternative Performance Measures	156
Glossary	158
Company Information	160
Forward-Looking Statements	161

# OUR FOOTPRINT

Utmost is a leading global provider of insurance-based wealth solutions. We provide trusted, unit-linked offerings designed to help clients manage and preserve their wealth globally.

Our solutions provide a tax-efficient and transparent savings option to affluent, high-net worth (“HNW”) and ultra-high-net worth (“UHNW”) clients to help preserve their wealth and safeguard it for future generations.

[READ MORE ABOUT OUR BUSINESS MODEL ON PAGES 18 AND 19](#)



## WHERE WE OPERATE

### UK

A large, mature wealth market, characterised by sustained demand for tax-efficient long-term planning solutions

36%  
UTMOST AUA

### FRANCE

A sizeable and well-established wealth market where insurance-based solutions are deeply embedded in long-term savings considerations

8%  
UTMOST AUA

### ITALY

A large and attractive wealth market with strong demand from HNW clients

15%  
UTMOST AUA

### IBERIA

A growing wealth market where cross-border planning needs are increasing adoption of insurance-based solutions

7%  
UTMOST AUA

### NORDICS

A sophisticated wealth market with increased interest in flexible solutions

10%  
UTMOST AUA

### OTHER EUROPE

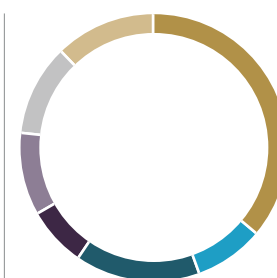
A market characterised by a steady demand from internationally mobile HNW clients

11%  
UTMOST AUA

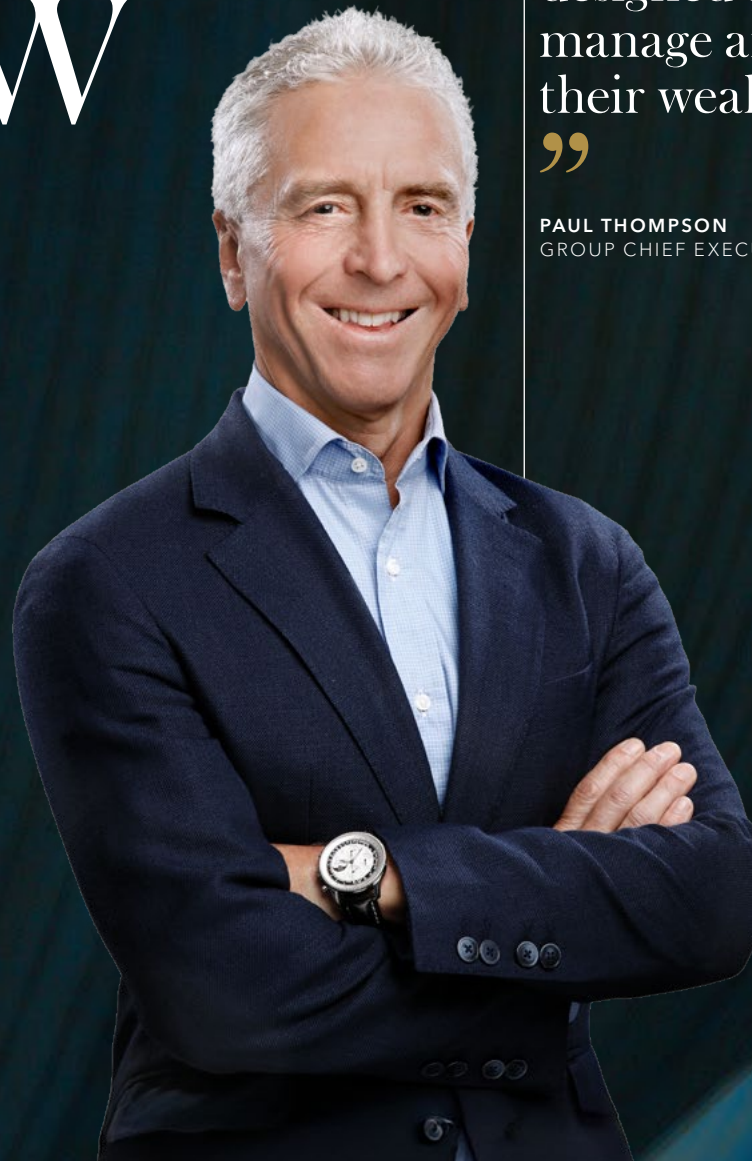
### REST OF WORLD

A high-potential growth market with large number of internationally mobile HNW clients

13%  
UTMOST AUA



# CHIEF EXECUTIVE OFFICER'S REVIEW



“  
Our message to the market is clear: we are a leading global provider of insurance-based wealth solutions that provides trusted, unit-linked offerings designed to help clients manage and preserve their wealth globally.  
”

PAUL THOMPSON  
GROUP CHIEF EXECUTIVE OFFICER

**In 2025, Utmost delivered a standout year of performance and execution. We achieved record inflows, completed the full integration and rebrand of Lombard International, and announced the sale of Utmost Life and Pensions (“ULP”)<sup>1</sup>. Together, these actions sharpened our strategic focus, strengthened our operating platform, and position the Group strongly to deliver scalable growth as a leading global provider of insurance-based wealth solutions.**

#### **STRATEGIC PROGRESS: DELIVERING ON OUR COMMITMENTS**

##### **Record-breaking sales year**

2025 was a record-breaking year for Utmost, with our teams delivering £9.7bn of inflows, an increase of 43% on last year. The momentum we saw in the first half of the year was sustained into the second half, with the periods recording £5.3bn and £4.4bn of inflows respectively.

Performance across our markets was driven by Utmost’s strengthened franchise following the successful integration and rebrand of Lombard International and our ability to serve the rising demand for long-term wealth solutions globally. Our diversified global footprint supports resilience across market cycles and enables us to tailor our proposition to local client needs, adviser models and regulatory environments. This was reflected in our results with six of our seven sales regions delivering double-digit growth in the year.

The UK was a standout market in 2025 delivering +100% growth in gross flows year-on-year. The pervasive uncertainty from rumours on fiscal and tax policy ahead of the Autumn Budget reinforced demand for advice-led, long-term wealth solutions. As a result, we saw clients and advisers accelerate planning activity as they looked to mitigate against the impact of potential changes. Utmost’s long-term, multi-generational specialist solutions are well aligned to those needs, supporting the strong growth experienced in the UK throughout 2025.

##### **Integration of our Luxembourg business**

This was the first full year with our new Luxembourg business, with the integration and rebrand completing in Q4 2025. We continue to align systems and processes, which we expect to deliver further operational and financial benefits over time. The acquisition has strengthened Utmost’s platform by broadening our geographic reach, enhancing technical expertise and extending our product suite for clients and partners.

1. The sale of ULP to JAB Insurance is subject to regulatory approval and is expected to complete mid-2026

##### **Evolving Utmost into a global wealth provider**

At the end of 2025, we announced the sale of Utmost Life and Pensions to JAB Insurance, subject to regulatory approval. The business entered the bulk purchase annuity (“BPA”) market in late 2024, leveraging its deep expertise in closed book insurance management to build a competitive BPA franchise. ULP has completed 11 full buy-ins totalling £311m. As ULP joins JAB Insurance, I want to take this opportunity to thank the team for their efforts in building a competitive BPA business and wish them luck under their new ownership.

The sale of ULP is a defining step in Utmost’s evolution into a specialist, global wealth solutions provider. Our strategy has long been centred on capturing growth driven by demographic shifts, increasing cross border mobility and sustained demand for tax efficient, transparent and multi-jurisdictional savings products. By exiting the BPA market, we are able to sharpen our organisational focus and redeploy our capital and operational capacity on the opportunities where Utmost has a clear competitive advantage.

Following this divestment and to help strengthen the coherence of our Group identity, we have undertaken a brand refresh and are aligning our various entities under the single Utmost name. In parallel, we have unified our values across the organisation to WEALTH, reinforcing a consistent culture and a clear, shared set of expectations.

Together, these steps sharpen our positioning and simplify our story. Our message to the market is clear: we are a leading global provider of insurance-based wealth solutions that provides trusted, unit-linked offerings designed to help clients manage and preserve their wealth globally.

##### **SALE OF UTMOST LIFE AND PENSIONS**

In December 2025, we announced the sale of Utmost Life and Pensions, our UK-focused life and pensions business which entered the BPA market in late 2024, to JAB Insurance. The sale, which is subject to regulatory approval, encompasses the entire ULP business, representing more than £5bn in assets and 175 employees.

The proceeds from the sale will be used to repay the outstanding bank debt issued to finance the acquisition of Lombard International. The remaining funds will be used for general corporate purposes, enabling Utmost to deliver even greater value for its clients, shareholders, employees and wider stakeholders. The sale is expected to complete by mid-2026.

##### **ADVANCING OUR DIGITAL STRATEGIES**

We have a clear strategic intent – to build an enduring business that serves our clients both now and in the future. Utmost’s growth has been largely driven by acquisitions, resulting in a complicated legacy technology stack. Our digital strategy has long been rooted in improving client and adviser experience, strengthening operational resilience and supporting scalable growth. A core part of this is addressing these legacy systems and aligning our processes and systems across the organisation.

In 2025 we made progress with this ambition. Our IT teams completed major updates to our core systems, enhancing our efficiency as well as data migrations which have improved our document and data management processes. This ensures we deliver a more seamless and more efficient service to our clients.

We implemented a new contact system, Talkdesk, which simplifies how clients and advisers contact us. We now have a single contact number covering our Ireland, Isle of Man and Guernsey entities, reducing friction and improving accessibility.

We also recognise the significant power of AI to better serve our clients, drive efficiencies and extend the productivity of our teams. It will redefine how we serve our clients and advisers, as well as how we operate our back-end processes. Given this, we continue to grow our AI capabilities to ensure we leverage this technology appropriately and effectively. This includes:

- Agentic Voice Agents: deploying AI voice agents onto our Talkdesk contact platform to speed up call resolution.
- Intelligent Document Processing: using machine learning to automate data extraction from customer documents.
- Translations: leveraging cognitive AI to translate documentation used in our international markets.
- Identity Verification: with AI-powered, secure client due diligence using biometrics for a simplified user experience.
- Anti Money Laundering (“AML”): using AI to simplify and automate the AML process for Utmost and its clients.

 **READ MORE ABOUT HOW WE ARE DELIVERING OUR STRATEGY ON PAGES 16 AND 17.**

These current and future AI-led enhancements will unlock benefits for our organisation, and we will leverage AI to support our teams by giving them better tools, sharper insight and more time to focus on the customer. We however remain focused on a people-led approach to business. Our success is built on the strength of personalised advice. The relationships and understanding that our team have cultivated with our clients, partners and wider stakeholders will remain core to our offering. We know the power of face-to-face advice and will continue to be market champions of it.

#### MARKET ENVIRONMENT AND FUTURE-LOOKING TRENDS

The uncertainty from the wider macroeconomic environment lessened slightly in 2025, with moderate growth and easing of inflation. However, policy divergence, regulatory change and ongoing geopolitical and trade tensions continued to shape client behaviour.

We are able to capitalise on these dynamics. Through our market-leading position as a specialist provider of wealth solutions to HNW and UHNW individuals, we are able to meet the growing demand for compliant solutions that can navigate evolving regulatory requirements. As wealth continues to globalise, we expect our clients will continue to seek stability, clarity and the ability to manage their affairs across multiple jurisdictions. This is an area in which Utmost is well positioned.

We are committed to being a partner to our clients for current and future generations. This means we must remain agile and respond to emerging trends to ensure that we continue to serve our policyholders effectively.

As we look ahead, there are clear long-term demand drivers underpinning the HNW and UHNW savings market. These drivers, supported strong structural tailwinds, are contributing to a resilient growth outlook across the mid-and long-term horizons. From our market research conducted with NMG, a global financial services advisory business, an estimated €83 trillion of intergenerational wealth transfer is expected to take place over the next 20 to 25 years. This, alongside a growing global HNW population, is helping to drive an additional £92 billion of new business flows into our sector over the next five years. These dynamics are driving sustained demand for flexible, transparent and multi-jurisdictional solutions and we are well positioned to capture a meaningful share of this opportunity.<sup>2</sup>

We are also attuned to the changing investment universe. Clients are increasingly demanding access to alternative assets and we are committed to responding to this need through appropriate product design and partnerships with distributors.

#### OUR PEOPLE AND CULTURE

As always, our people remain at the heart of everything we do at Utmost. This year, we welcomed our new Luxembourg colleagues to the organisation and navigated a significant period of change as we aligned the structures of our two companies. I was proud of all our colleagues for their resilience, dedication and positivity at this time. Our record sales and sustained market position is a testament to their drive and hard work.

We continue to invest in our learning and development programmes across the organisation to ensure that all of our employees are equipped with the tools and resources to excel in their careers.

Our employee engagement scores are a testament to that with 85% positive scores in our annual groupwide engagement survey. This is the first year that our Luxembourg colleagues participated and it was encouraging to see similarly strong engagement scores. Our leadership teams in our jurisdictions are now working to address the feedback and ensure that we continue to be a workplace where our people thrive.

We also continue to pursue our charity and volunteering efforts. This year, we raised over £92,000. It is always inspiring to see the endeavours of our employees, and we will continue to support their charitable giving efforts going forward.

As we enter 2026, we remain focused on fostering an inclusive, supportive and high-performing workplace. Our people are our greatest strength, and we want to ensure that they all have an opportunity to grow and thrive.

#### FUTURE FOCUS

Looking ahead, our focus is on accelerating our leading position as a global provider of insurance-based wealth solutions. Our priorities are to deepen and broaden our distribution partnerships, grow our position in our markets, and to continue investing in operational excellence, digital capability and a consistently high-quality client and adviser experience.

2026 marks 10 years of the Utmost brand and as we turn our focus to the next decade, we do so with a more focused strategy, a simplified profile and a strengthened platform. We look ahead with confidence, ambition, and the discipline to convert the growing momentum in the wealth market into sustainable long-term value for shareholders.



**PAUL THOMPSON**  
GROUP CHIEF EXECUTIVE OFFICER

“  
We look ahead with confidence, ambition, and the discipline to convert the growing momentum in the wealth market into sustainable long-term value for shareholders.  
”

1. Capgemini World Report Series 2025, Wealth Managements & UBS Global Wealth Report 2025

2. NMG forecast from their 2025 Market Report. Metric based on GWP HNW and international wealth planning contestable market (insurance solutions issued by carriers domiciled in an international financial centre to customers residing outside these centres).

## OUR VALUES

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

# WEALTH

### WISE

We're deeply insightful and technically intelligent, know what's important to clients and advisers and are always ready to share wisdom and back our good judgement.

### EXCEPTIONAL

We're talented specialists whose intention is to surprise and delight the people we engage with by going beyond their expectations. We're always ready to lead where others follow.

### ASPIRING

We're ambitious thinkers, hungry to succeed for our clients and move forward with purpose. We want our actions to fire up imaginations and encourage everyone to realise their potential.

### LIVELY

We're spirited go-getters, working together to challenge convention, ignite new ideas and bring an infectious positive attitude to everything we do.

### TRUSTWORTHY

Our honesty, reliability and total professionalism have helped us achieve high standing amongst our partners and industry peers. We're always true to our word, true to our clients' interests and there for the long haul.

### HUMAN

We're real people who genuinely love what we do. We understand the realities of the market and clients we serve and bring an authentic personal touch to the solutions we deliver.

# OUR MARKET

## STRUCTURAL DEMAND DRIVERS

### GLOBAL WEALTH

- Rising wealth, coupled with an increased exposure to multiple jurisdictions, driving demand for compliant 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 OPPORTUNITY

- The long-term demand drivers underpinning the HNW and UHNW insurance-based wealth solutions market remain compelling, supporting a strong growth outlook across the mid-and long-term horizons.
- In 2025, Utmost partnered with NMG Consulting, a global financial services advisory business, to conduct a second and expanded (U)HNW study of our addressable market. The findings reaffirm the scale of the total market opportunity and the structural tailwinds driving demand for insurance-based wealth solutions among (U)HNW individuals globally.
- The study also highlighted the strong growth that was experienced industry-wide across both 2024 and 2025. Since 2023 total market sales<sup>4</sup> have increased from £36.2bn to £52.2bn, a compound annual growth rate (“CAGR”) of >20%, as rising awareness and demand have driven increased adoption of insurance-based wealth solutions.

**MARKET OPPORTUNITIES** CONTINUED

**Market opportunity with**

**£72trn**

**of HNW assets<sup>1,2</sup>**

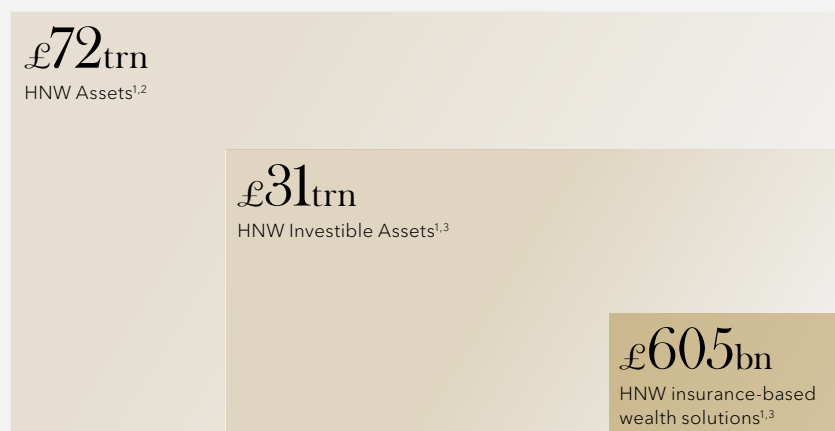
HNW individuals globally hold significant wealth, £72trn of assets including both business ownership/interests and existing investible assets – such as equities, fixed income, real estate, cash. The holding structure adopted for this extensive pool of assets, which are often directed towards a client’s long-term savings and investment goals, is often not the most efficient.

Insurance-based wealth solutions represent <1% of this £72trn pool, with approximately £605bn currently held or invested via to these structures. This is despite the most recent NMG market study underlining the unique benefits of insurance-based wealth solutions and the clear alignment to the current and future needs of (U)HNW clients: facilitating asset protection, cross-border portability and efficient wealth transfer/succession planning, all within a globally tax compliant tax and reporting framework. This makes them strongly positioned for the complex, multi-jurisdictional needs of (U)HNW clients.

The opportunity for growth is significant. A single percentage point increase in the allocation of HNW assets into insurance-based wealth solutions would double this market. Utmost is actively investing in expanding its marketing, technical support and solution development, to drive awareness and adoption of these solutions across our global footprint.

Through our strong market franchise, extensive direct and intermediated distribution networks and our ongoing commitment to market education, Utmost is well placed to capture a meaningful share of the sizeable and growing market opportunity.

**FIGURE 1: BREAKDOWN OF HNW ASSET ALLOCATION**



1. Source: Capgemini HNWI Report 2025, Deloitte Private Family Office Report 2024, Provider Annual Reports, NMG Estimates  
 2. HNW assets as of Dec 23/24 noting year-on-year increase in USD terms though largely offset by FX movement  
 3. HNW Investible Assets & HNW Insurance-Based Wealth Solutions as of Dec 24/25E

Over

**£92bn**

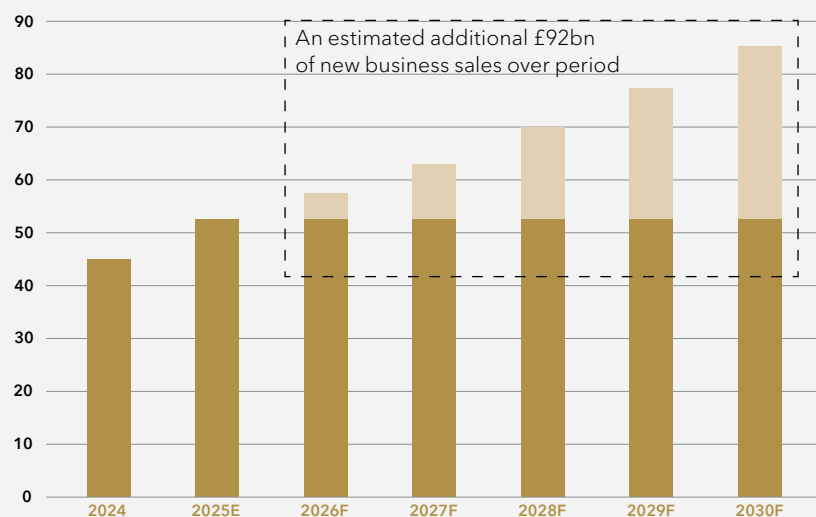
**of new business flows over the next five years<sup>4</sup>**

This structural opportunity sits alongside a growing market. NMG forecasts that new business sales in the insurance-based wealth solutions market will reach £85bn by 2030, an increase of 62% relative to 2025 levels. On a cumulative basis, this equates to approximately £92bn of new business flows entering the market over the five-year period, over and above 2025 levels.

NMG’s analysis shows that Utmost is the largest insurance-based wealth solutions carrier globally, with an 18% total market share (up from 15% in 2024). This leading position provides a strong base to participate in the long-term structural drivers and growth in new business volumes. Beyond organic market growth, we see opportunity to grow Utmost’s share through strategic expansion of distribution and geographical reach, where Utmost’s existing capabilities and distribution relationships are transferable.

Across our market, there is significant opportunity. By deepening adviser engagement and expanding into adjacent wealth sectors where insurance-based solutions remain underrepresented, Utmost has the potential to grow both its share of the market and the market itself.

**FIGURE 2: PROJECTED CUMULATIVE NEW BUSINESS FLOWS ACROSS MARKET (£BN)**



4. NMG HNW & International Life Insurance Model, NMG Estimates. Metric based on GWP HNW and international wealth planning total market (insurance solutions issued by carriers domiciled in an international financial centre to customers residing outside these centres).

# STRATEGIC EFFORT

## IN THIS SECTION

Implementing our purpose-driven approach	14
Strategic Pillars	16
Business Model	18
Delivering on our KPIs	20
Chief Financial Officer's Review	22
Sustainability	28
Non-Financial and Sustainability Information Statement	44
Stakeholder Engagement	45
Risk Management	48

# 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 6 TO 9](#)

## ● 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 48 TO 59](#)

🔍 [READ MORE ABOUT SUSTAINABILITY STRATEGY ON PAGES 28 TO 43](#)

## ● STAKEHOLDERS

Groups that we engage with and serve

🔍 [READ MORE ABOUT OUR STAKEHOLDER ENGAGEMENT 45 TO 47](#)



PROVIDING  
GOOD CLIENT  
OUTCOMES



DELIVERING  
GROWTH



OPERATING  
EFFICIENTLY



AN ENDURING  
BUSINESS

**RISK  
MANAGEMENT**  
READ MORE ON PAGES 48 TO 59

**SUSTAINABILITY**  
READ MORE ON PAGES 28 TO 43

**GOVERNANCE**  
READ MORE ON PAGES 62 TO 70

## CLIENTS

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

**READ MORE ON PAGE 46**

## INVESTORS

Delivering strong, stable returns to our investors

**READ MORE ON PAGE 46**

## EMPLOYEES

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

**READ MORE ON PAGE 46**

## REGULATORS

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

**READ MORE ON PAGE 47**

## COMMUNITY AND ENVIRONMENT

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

**READ MORE ON PAGE 47**

# STRATEGIC PILLARS 2025



PROVIDING  
GOOD  
CLIENT  
OUTCOMES

1



DELIVERING  
GROWTH

2



OPERATING  
EFFICIENTLY

3



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 KPIS

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

### PROGRESS DURING 2025

- Completion of Lombard International integration, offering clients a comprehensive and unified product offering
- Rebrand of our Luxembourg business to Utmost Luxembourg, ensuring a consistent brand identity to market
- Successfully rolled out our new contact system, Talkdesk, which makes it simpler for our customers and advisers to contact us

### FORWARD-LOOKING FOCUS

- Continue to assess opportunities in new and existing markets and respond to changing client demands
- Ensure that our product portfolio continues to reflect the needs of our client base
- Continue to invest in our customer service to ensure that all clients and advisers receive excellent customer service



## DELIVERING GROWTH

### STRATEGIC OBJECTIVES

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

### LINKED KPIS

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

### PROGRESS DURING 2025

- Sale of our BPA business, allowing singular focus on our wealth solutions business
- Grew our AUA to £116.3bn, with six of our seven sales regions achieving double-digit growth in the year
- Delivered £9.7bn of inflows in 2025, an increase of 43% on FY 2024<sup>1</sup>

### FORWARD-LOOKING FOCUS

- Extend our market-leading position, with deeper penetration in our rest of world markets
- Continue to grow inflows across all core markets through both direct and intermediated distribution channels
- 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 KPIS

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

### PROGRESS DURING 2025

- Progressed the alignment and simplification of our wealth solutions business' operational processes to reduce touchpoints and enhance customer experience
- Completed major updates to our core systems, enhancing our efficiency
- Introduced a new internal AI assistant that assists our employees across various workstreams, including document analysis, translation and compliance of contracts

### FORWARD-LOOKING FOCUS

- Continue to progress with the simplification of processes across our wealth solutions business
- Consolidate our Irish, Isle of Man and Guernsey data centres
- Roll out digital communication channels on Talkdesk and enhance integrations with our systems



## 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 KPIS

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

### PROGRESS DURING 2025

- Over £92,000 raised across Utmost for local charities and community groups
- 82% response rate to our annual groupwide engagement survey, with 85% of responses positive
- Piloted standardised management training to ensure all managers are equipped to thrive

### FORWARD-LOOKING FOCUS

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

1. FY 2024 figure comparator is proforma with Utmost Luxembourg

# BUSINESS MODEL

Utmost is a leading global provider of insurance-based wealth solutions. We provide trusted, unit-linked offerings designed to help clients manage and preserve their wealth globally. 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.

## OUR CUSTOMER JOURNEY

# utmost™

### 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

A leading provider of insurance-based wealth solutions, built on insurance fundamentals and offered via our global network of intermediaries.

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

## ATTRACT AND ENGAGE

We attract and engage clients across our global footprint.

### Our advantage

Established and long-serving relationships with intermediaries, supported by deep technical expertise and a broad distribution network.

### Why clients choose Utmost

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 to ensure the best quality outcome for our clients.



🔍 DELIVERING ON OUR STRATEGY:  
PAGES 16 TO 17

## SERVE AND RETAIN

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

### Our advantage

Tax-efficient solutions, based on simple, globally recognised insurance fundamentals.

### Why clients choose Utmost

Clients have access to a breadth of investment options delivered via direct and intermediated distribution channels.

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.



🔍 DELIVERING ON OUR STRATEGY:  
PAGES 16 TO 17

## MEET CLIENT NEEDS

We understand our clients needs and adapt and evolve our product offering to respond appropriately.

### Our advantage

Equipped to respond to the changing demands of the global HNW and UHNW community.

### Why clients choose Utmost

Our proposition is a trusted by the global HNW and UHNW community. Long-term wealth planning product. It gives clients access to a wide investment universe through a portable, long-term solution built on robust, recognised unit-linked fundamentals.



**DELIVERING ON OUR STRATEGY:**  
PAGES 16 TO 17

## DELIVER VALUE

We create value by generating revenue through fees and charges and reinvesting to support long-term client and business success.

### Our advantage

Strong stakeholder focus, with outcome-driven decision-making.

### Why clients choose Utmost

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 achieve this we reinvest in our business to support future growth, ensure strong operational delivery and maintain financial resilience.



**DELIVERING ON OUR STRATEGY:**  
PAGES 16 TO 17

## STAKEHOLDER IMPACT

Our purpose is centred around serving our stakeholders. This is done through:

- Incorporating the needs of key stakeholders into our decision-making processes
- Understanding and responding to the changing needs of our stakeholders
- Building trusted, long-term relationships through consistent and focused engagement

### Our Core Stakeholders

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CLIENTS

---

INVESTORS

---

EMPLOYEES

---

REGULATORS

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COMMUNITY & ENVIRONMENT

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**READ MORE ABOUT OUR STAKEHOLDERS ON PAGES 45 TO 47**

# 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 delivered strong results for 2025 with record gross and net flows, the completion of the integration of Utmost Luxembourg and the announcement of the proposed sale of Utmost Life and Pensions. We have continued to focus on value and operational efficiency, whilst ensuring we maintain a strong economic value and capital position.

The 2024 outcomes for net flows, gross flows and revenue margin are presented including a full 2024 contribution from Utmost Luxembourg to make comparison with the 2025 outcomes more meaningful.

The operating profit of £176m, operating cash generation of £142m, profit after tax of £556m and value of new business of £59m in 2024 exclude the contribution of ULP. Including ULP in 2024, the operating profit was £190m, the operating cash generation was £156m, the profit after tax was £564m and the value of new business was £63m.

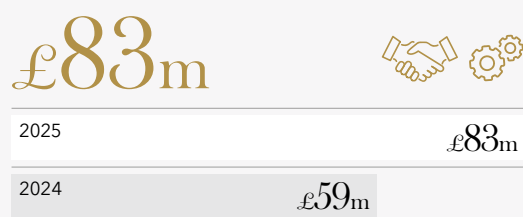
[READ MORE ABOUT OUR FINANCIAL PERFORMANCE IN OUR CHIEF FINANCIAL OFFICER'S REVIEW ON PAGES 22 TO 27](#)

## 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 from FY24 reflected the increased volumes of business written in the period and continued expense discipline across the group.



## UWS ASSETS UNDER ADMINISTRATION

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

### COMMENTARY

AUA increased 12% in the period due to net flows of £2.6bn and positive market movements of £10.2bn.



## 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 record inflows of £9.7bn in 2025, an increase of 43% compared to 2024 on a proforma basis. Net flows were £2.6bn in the period compared to net outflows on a proforma basis of £0.7bn in 2024.

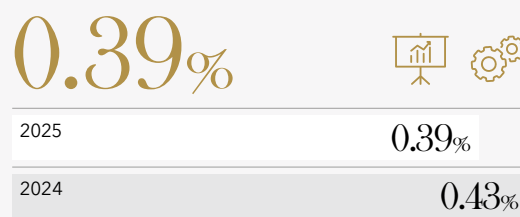


## REVENUE MARGIN

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

The reduction in UWS revenue margin from 2024 proforma to 2025 reflects the run-off of some high margin historic business and the impact of a significant number of very large cases written on more modest margins in the first half of 2025.



## 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 increase in operating profit compared to FY24 was driven by the acquisition of Utmost Luxembourg as well as disciplined cost management across the group.



## 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 remained strong highlighting the profitability of the UWS business.

46%



2025

46%

2024

48%

## 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 and the interest on the external bank debt. The 2024 operating cash generation of £142m is presented excluding the operating profit of ULP. The 2024 operating cash generation including ULP was £156m.

### COMMENTARY

Operating cash generation increased from FY24 as a result of the increase in operating profit offset in part by the interest expense on the external bank debt.

£177m



2025

£177m

2024

£142m

## PROFIT AFTER TAX

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

### COMMENTARY

Profit after tax decreased from FY24 due to a gain on bargain purchase on the acquisition of Utmost Luxembourg of £509m recognised in FY24 as well as a higher acquired value of in-force business ("AVIF") amortisation charge and higher finance costs from the external bank debt both arising from the acquisition of Utmost Luxembourg.

£20m



2025 £20m

2024

£556m

## 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 increased, driven by the value of new business written, operational improvements and positive market movements.

£2,602m



2025

£2,602m

2024

£2,392m

## SOLVENCY COVERAGE RATIO

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

### COMMENTARY

The Solvency Coverage Ratio remains well in excess of the Group's capital policy and includes the impact of the £50m dividend paid in February 2026.

167%



2025

167%

2024

175%

## CLIENT RETENTION

The Group has revised the calculation of the client retention KPI in 2025 to be based upon a measure of client assets retained as opposed to client numbers. The calculation of this revised KPI is set out on page 157 of the annual report.

### 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.

93%



2025

93%

2024

92%

# CHIEF FINANCIAL OFFICER'S REVIEW



“  
Utmost Group delivered strong results for 2025, driven by our strengthened franchise following the inclusion of Utmost Luxembourg as part of the Group.  
”

IAN MAIDENS  
GROUP CHIEF FINANCIAL OFFICER

**Utmost Group delivered strong results for 2025, driven by our strengthened franchise following the inclusion of Utmost Luxembourg as part of the Group. Our business benefitted from growing global client demand for our long-term wealth solutions underpinned by a market environment that experienced, improving investment markets, reductions in central bank rates and continued uncertainty in fiscal and tax policy.**

The results show substantial improvements across our KPIs as we continue to grow the business and build on our resilient fee-based business model. Increases in AUA, operating profit and net flows have been driven by strong business performance across our global footprint, high client retention rates and favourable investment markets.

In December 2025 we announced the sale of Utmost Life and Pensions (“ULP”), this strategic disposal enhances Utmost’s focus as a market-leading wealth solutions business. As a result of the announcement the results of ULP are presented as discontinued operations in the financial statements.

The financial performance of the Group is assessed using a variety of financial measures (see pages 20 and 21 of the Strategic Report). 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 156-157 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 AUA was £116.3bn at YE 2025, an increase of £12.8bn from the YE 2024 of £103.5bn. The increase in AUA was driven by positive net flows and higher market values for equity type assets.

UWS generated £9.7bn of inflows, with £7.1bn of outflows resulting in net flows of £2.6bn for 2025 (compared to £(0.7)bn proforma net flows in 2024) as shown in Figure 1. Inflows increased in 2025 compared to 2024, reflecting strong client demand as six of our seven sales regions delivered double-digit growth in the year, while outflows improved from elevated levels seen in 2024 resulting in increased client retention. Overall outflows remained broadly in line with YE 2024 persistency assumptions.

The majority of the UWS YE 2025 AUA is held in respect of UK and Continental Europe based clients, with the remainder from international market clients. We expect AUA to continue growing across all regions as the business continues to invest in growing distribution and expanding product development globally.

Our UWS platform offers clients and advisers access to a full range of asset classes, enabling them to tailor their investments to meet their risk and return appetites. The majority of our solutions utilise Open Architecture that offers clients or their advisers a broad selection of asset classes including funds, bonds and even access to alternative assets - such as hedge funds, private equity and real estate funds - in some jurisdictions.

Whilst the vast majority of the Group’s assets are backing unit-linked policies within our UWS business, there is 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.

#### UTMOST WEALTH SOLUTIONS CLIENT RETENTION

The Group has revised the calculation of the client retention KPI in 2025 to be based upon a measure of client assets retained as opposed to client numbers. The calculation of this revised KPI is set out on page 157 of the annual report. The Group uses client retention as a measure of 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 measured solely looking at UWS client retention. UWS’ client retention for 2025 was 93%, slightly higher than the 92% achieved in 2024.

#### 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 2025 was £408m of fees and charges on UWS unit-linked business with a smaller contribution of £24m from UWS insurance revenue, giving total UWS revenue of £432m. It should be noted that the calculation of UWS revenue excludes the investment return earned on shareholder net assets and the shareholders’ share of the interest earned on transaction account assets. Average UWS AUA was £109.9bn in 2025, giving a UWS Revenue Margin for the year of 0.39%.

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

	Opening AUA 1 Jan	Inflow	Outflow	Net Flow	Market	Closing AUA 31 Dec
FY 2025	103.5	9.7	(7.1)	2.6	10.2	116.3
Proforma FY 2024	97.5	6.8	(7.5)	(0.7)	6.8	103.5

**FIGURE 2: KEY PERFORMANCE INDICATORS**

	2025 total	2024 total
UWS AUA (£bn)	116.3	103.5
UGP Operating Profit (£m)*	224	176
UWS Gross Flows (£bn)**	9.7	6.8
UWS Net Flows (£bn)**	2.6	(0.7)
UWS Client Retention	93%	92%
UWS Revenue Margin**	0.39%	0.43%
UGP Operating Profit Margin	46%	48%
UGP SII EV (£m)	2,602	2,392
UGP Value of New Business (£m)	83	59
UGP Solvency Coverage Ratio	167%	175%
UGP Operating Cash Generation (£m)*	177	142
UGP Profit after Tax (£m)*	20	556

\* The operating profit of £176m, operating cash generation of £142m, profit after tax of £556m and value of new business of £59m in 2024 exclude the contribution of ULP. Including ULP in 2024, the operating profit was £190m, the operating cash generation was £156m, the profit after tax was £564m and the value of new business was £63m.

\*\* The 2024 outcomes for these KPIs are presented including a full 2024 contribution from Utmost Luxembourg to make comparison with the 2025 outcomes more meaningful.

The Utmost Luxembourg business is weighted more heavily towards UHNW business with lower fees than those typically seen in the rest of Utmost. In order to make the comparison with 2025 more meaningful, the 2024 UWS Revenue Margin of 0.43% shown in Figure 2 has been calculated on a pro-forma basis including a full year contribution from Utmost Luxembourg. The reduction in UWS revenue margin from 2024 pro-forma to 2025 reflects the run-off of some high margin historic business and the impact of a significant number of very large cases written on more modest margins in the first half of 2025.

**OPERATING PROFIT**

Operating profit, as an APM, for 2025 was £224m. This compares to an operating profit of £176m for 2024. The primary driver of the increase in operating profit was the inclusion of Utmost Luxembourg in the 2025 results as well as foreign exchange gains and disciplined cost management across the Group.

**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 assets and the shareholders' share of the interest earned on UWS transaction account assets. For 2025 UWS operating profit was £230m and this is divided by total UWS revenue of £495m to give a UWS operating profit margin of 46%. The equivalent figure for 2024 was 48% which is not on a proforma basis for Utmost Luxembourg.

**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.

In 2025, the Group's VNB was £83m, a 41% increase compared to the 2024 VNB of £59m (in each case excluding VNB generated by the Group's discontinued ULP operations). The increase in VNB reflects the inclusion of Utmost Luxembourg in 2025 and strong organic growth.

ULP VNB was £5m in 2025 (2024: £4m) includes both the contribution from successful Bulk Purchase Annuity transactions over the year and from Pensions Drawdown business.

**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 £2,392m at 31 December 2024 to £2,602m at 31 December 2025, as shown in Figure 3 below. The most significant influences on this increase in net SII EV were:

- i. VNB of £88m (including the £5m contribution from ULP);
- ii. the payment of £34m of coupons on the Group's Tier 2 and Restricted Tier 1 ("RT1") notes and £13m of interest on the bank senior debt facility;
- iii. dividends paid of £100m; and
- iv. other underlying operational and market impacts of £269m.

The underlying operational and market impacts of £269m reflected the better performance of investment markets in 2025, offset by the closure of the Irish domestic UCS business.

The Group's economic debt ratio at YE 2025 was 24.6% (YE 2024: 27.3%) which is within our 20%-30% gross SII EV target range.

**IFRS PROFIT AFTER TAX**

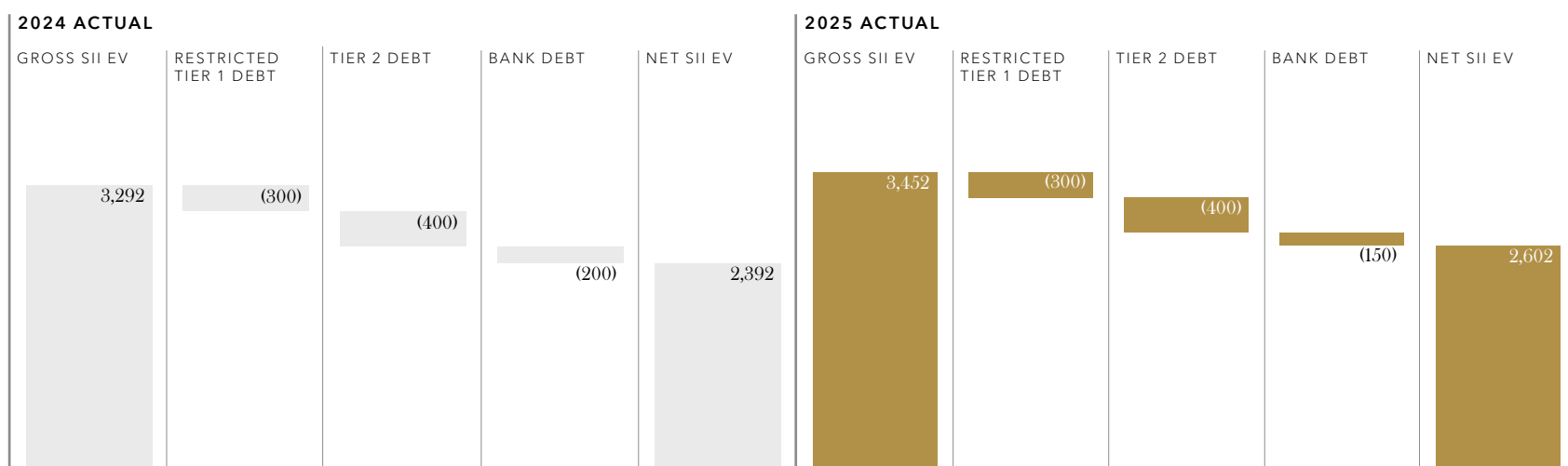
The Group's IFRS profit after tax ("IFRS PAT") for 2025 is £20m, compared to £556m in 2024, as reported in the financial statements. In both cases these figures exclude the profit after tax of the ULP business which is now shown separately as a profit from discontinued operations.

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 2025 IFRS PAT reflects the amortisation of £138m of AVIF compared to £105m in FY 2024. The increase in amortisation is a result of the Utmost Luxembourg AVIF.

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 reduce in future years, bringing the IFRS PAT closer to operating profit all other things being equal.

The main reason for the substantial decrease in IFRS PAT in 2025 is that in 2024 there was a £509m gain on bargain purchase in relation to the acquisition of Utmost Luxembourg. There was no gain on bargain purchase in the 2025 financial statements.

**FIGURE 3: UTMOST SOLVENCY II ECONOMIC VALUE (IN £M)**



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 decreased from £1,632m at 31 December 2024 to £1,602m at 31 December 2025. 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 £30m decrease in IFRS equity during 2025 primarily reflects the £100m of dividends paid during the year offset by IFRS profit after tax of £25m (including the contribution from the discontinued ULP operations) and a £58m increase in the foreign currency translation reserve.

Positive experience and new business 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 only 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, excluding CSM in respect of the discontinued ULP operations, increased by £15m from £69m at FY 2024 to £84m at FY 2025. 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 2025 £m	FY 2024 £m
Reported IFRS equity	1,602	1,632
Group net CSM (including in respect of ULP)	121	105
ULP FFA	65	62
Adjusted shareholders' equity	1,788	1,799

The Fitch financial leverage ratio decreased slightly to 23.5% at 31 December 2025 from 25.0% at 31 December 2024, 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 £61m higher at £277m in 2025 compared to £216m in 2024, with a breakdown in the table below.

This increase largely reflects the inclusion of the Utmost Luxembourg expenses in 2025 for the first time. The increase also reflects inflationary pressures and expenses related to the acquisition of what is now Utmost Luxembourg offset by the delivery of further synergies related to the integration of the Group's businesses.

	2025 £m	2024 £m
Operating expenses	246.4	172.8
Depreciation/Amortisation	9.4	3.7
Development expenses	21.4	14.8
TOTAL	277.2	191.3

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.

#### OPERATING CASH GENERATION

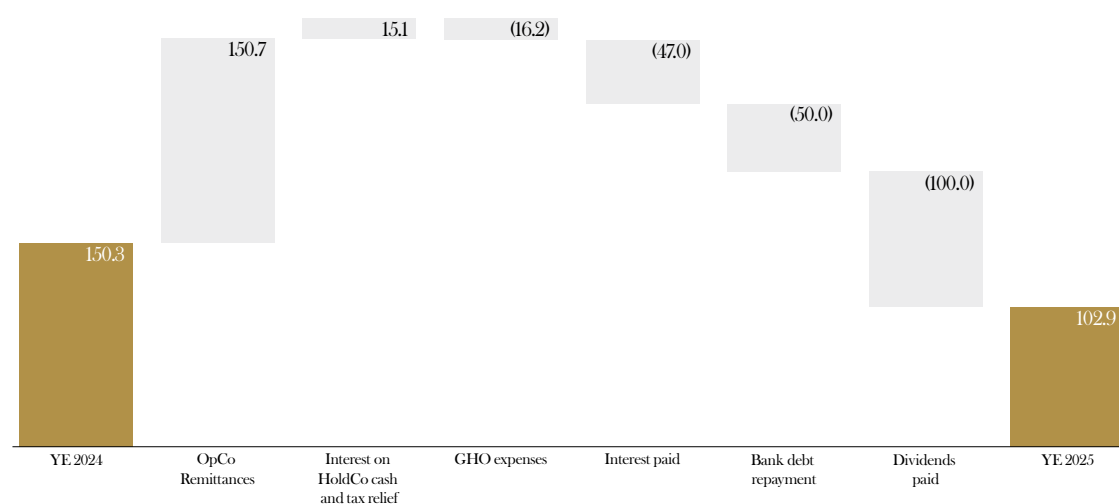
Group operating cash generation in 2025 was £177m, compared to £142m in 2024 (with both figures excluding any contribution from ULP). Operating cash generation is calculated as operating profit less the cost of interest payments on the senior bank facility and both the Tier 2 and RT1 notes. The latter were unchanged over the year. The change in operating cash generation therefore simply reflects the additional cost of interest on the senior bank facility and the increase in Group operating profit compared to 2024.

#### HOLDING COMPANY CASH

Cash is held at the holding company level to cover GHO costs and one year's interest costs on the Group's debt capital instruments and the senior bank facility, in each case net of available 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 2025 was £103m compared to £150m at 31 December 2024. An analysis of the change in cash held at holding companies over the period is shown in Figure 4 below. £151m of cash remittances were received from operating companies during the period. £50m of these proceeds were utilised to reduce the senior bank facility, with further amounts covering GHO expenses and interest. £100m of dividends were paid to UHGL during 2025, and £50m of the £103m of cash held at holding company level on 31 December 2025 was subsequently paid up to UHGL as a dividend in February 2026.

FIGURE 4: FY 2025 HOLDING COMPANY CASH DEVELOPMENT



**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.

ULP and the Group are subject to the requirements of PRA Solvency II. Utmost PanEurope ("UPE") and Utmost Luxembourg S.A. ("ULux") are subject to the requirements of EIOPA Solvency II. The Isle of Man solvency regime 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 UW and Utmost PCC Limited should be calculated in accordance with the PRA Solvency II requirements.

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 to determine its Group Solvency Capital Requirement ("SCR"). The Group does not therefore currently utilise an internal model. The Group Solvency Coverage Ratio is calculated as Group Own Funds as a percentage of Group SCR.

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 5 together with their actual Solvency Coverage Ratios as at YE 2025.

The Solvency Coverage Ratio of each entity at 31 December 2025 was in excess of its target capital level, as shown in Figure 5.

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.

The Utmost Group is subject to full Group-level supervision by the PRA at Utmost Group plc level. OCM Utmost Holdings Ltd ("OUHL"), the ultimate parent company of the Group, is subject to group supervision 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 Luxembourg Commissariat aux Assurances ("CAA") undertakes group supervision on an "Other Methods" basis of Utmost Topco Limited ("Topco") and its subsidiaries. Topco is the immediate subsidiary of OUHL. There are no material differences between the "Other Methods" reporting to the PRA and the CAA and the full Group reporting undertaken by UGP.

Utmost's European holding company, Utmost Holdings Europe S.à r.l. is also subject to full Group-level supervision by the CAA on an EIOPA basis.

Utmost'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 £2,887m and a Group solvency coverage ratio of 167% at YE 2025 as shown in Figure 6. 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. Group Own Funds are after allowance for a £50m foreseeable dividend which was subsequently paid in February 2026 as noted in the Holding Company Cash section above. Without allowance for the £50m foreseeable dividend, the YE 2025 Group Solvency Coverage Ratio would have been 170%.

The solvency coverage ratio reduced over 2025 in part due to the increase in the equity symmetric adjustment as equity markets performed more strongly than in recent years. The equity symmetric adjustment increases the equity capital requirements based on the current market level in comparison to the average.

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, ULux and UIIOM shown in Figure 5 are therefore calculated on the local solvency basis, not on the PRA basis.

A €25 foreseeable dividend is included in the UPE solvency position at YE 2025.

**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 2025.

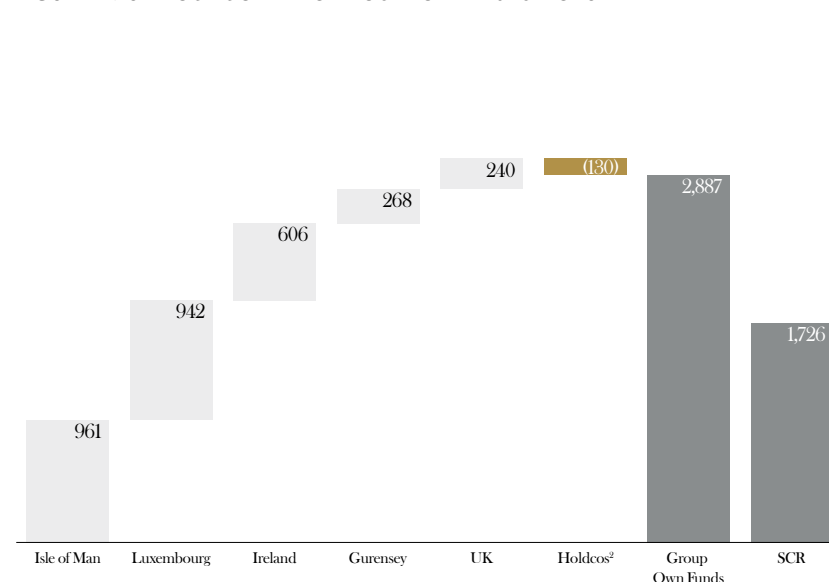
**FIGURE 5: ENTITY SOLVENCY AND CAPITAL POLICIES**

ENTITY	Solvency Coverage Ratio 31 December 2025	At all times	Immediately Post dividend
Utmost International Isle of Man Limited	200%	125%	150%
Utmost PanEurope dac (inc. shareholder funded WTA <sup>1</sup> )	152%	135%	150%
Utmost PanEurope dac (exc. shareholder funded WTA <sup>1</sup> )	127%	100%	110%
Utmost Luxembourg S.A. (inc. shareholder funded WTA <sup>1</sup> )	141%	135%	150%
Utmost Luxembourg S.A. (exc. shareholder funded WTA <sup>1</sup> )	141%	100%	110%
Utmost Worldwide Limited	152%	135%	150%
Utmost PCC Limited	170%	135%	150%
Utmost Life and Pensions Limited	168%	135%	150%
Utmost Group plc	167%	135%	150%

**FIGURE 6: GROUP SOLVENCY II CAPITAL**

	2025 £m	2024 £m
Own funds	2,887	2,666
Solvency capital requirement	1,726	1,525
Solvency coverage ratio	167%	175%

**FIGURE 7: UTMOST SOLVENCY POSITION – 2025 ACTUAL**



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: the life company NAV (or shareholder assets) being unaffected by the downward equity event, a reduced SCR arising from the resulting reduction in the equity symmetric adjustment and the mixture of fixed and AMC-based charges within the Group's unit-linked business.

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 UWS unit-linked business which forms the vast majority of the Group's in force business have historically been low, reflecting the long-term inheritance planning purpose for which many of the products are purchased.

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.

The solvency sensitivities shown in Figures 8 and 9 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.

#### BORROWINGS

The Group has two external debt 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 International. £50m of this facility was repaid during December 2025 such that the outstanding balance under the facility was £150m at YE 2025. Future repayments are £25m every six months from June 2026 until December 2028. However, it is anticipated that the remaining balance outstanding under the facility will in practice be repaid utilising part of the consideration received by the Group in respect of the sale of ULP.

The Group maintains a prudent capital structure and aims to target a leverage ratio between 20%-30% of SII EV, gross of debt. As at 31 December 2025, the leverage ratio on this measure was 24.6% (YE 2024: 27.3%).

#### CREDIT RATING

Fitch Ratings affirmed Utmost's rated core insurance subsidiaries' Insurer Financial Strength Ratings at "A+" and Utmost's long-term Issuer Default Rating at "A". The outlooks were stable as at the annual review in October 2025.

#### POST-BALANCE SHEET EVENTS

Utmost Group plc paid a £50m dividend to UHGL on 16 February 2026.

#### SUMMARY

The Group continued to make strong progress in 2025. 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 organic growth of our business through the expansion of our distribution footprint, enhancements in client offerings and improvements in operational efficiency and technology infrastructure. The sale of Utmost Life and Pensions will enable increased strategic focus on our market-leading wealth solutions business and allow us to accelerate the repayment of the remaining balance under our senior debt facility. The strength of the Group is evidenced through the consistency of its financial strength, improved performance and growing scale of the business.



Ian Maidens  
Group Chief Financial Officer

1. Withholding tax asset as detailed further in note 16 of the consolidated financial statements in the UGP 2025 Annual Report
2. The HoldCos own funds balance includes the elimination of a £20m intragroup Tier 2 loan

**FIGURE 8: OWN FUNDS SENSITIVITIES**  
31 DECEMBER 2025

OWN FUNDS: BASE POSITION £2,887m	
2025 data	
£(11)m (0)%	INTEREST RATES +100BPS
£(13)m (0)%	INTEREST RATES (100)BPS
£(416)m (14)%	GBP APPRECIATION +20%
£(483)m (17)%	EQUITY & PROPERTY (40)%
£(803)m (28)%	MASS LAPSE OF 40%
£(133)m (5)%	EXPENSES +10%
£(75)m (3)%	CREDIT SPREADS +200BPS
£(51)m (2)%	INFLATION +100BPS

**FIGURE 9: SOLVENCY COVERAGE RATIO SENSITIVITIES**  
31 DECEMBER 2025

SOLVENCY COVERAGE RATIO: BASE POSITION 167%	
2025 data	
2%	INTEREST RATES +100BPS
(3)%	INTEREST RATES (100)BPS
2%	GBP APPRECIATION +20%
14%	EQUITY & PROPERTY (40)%
12%	MASS LAPSE OF 40%
(5)%	EXPENSES +10%
1%	CREDIT SPREADS +200BPS
(4)%	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 across Utmost and it is woven into our decision-making and processes across the organisation. This ensures that as we continue to grow, our stakeholders remain at the centre of our operations.

Sustainability is an ever-changing field and we are aware that we are just one small part of the broader sustainability conversation. We are committed to collaborating with our peers across our industry to ensure that we share learnings and understand best practice. We will stay attuned as to how science, technology and industry perspectives develop and morph and we will adapt our approach accordingly. We will continue to be transparent as to our progress with all our stakeholders as we move forward in our sustainability journey.

In assessing how sustainability impacts Utmost, we prioritise topics which we consider to have the most impact on Utmost and our wider stakeholders.

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 66 TO 70**

Our 2025 sustainability report demonstrates our purpose-led approach and how at Utmost we want to be partners with our clients for the long-term.



“  
Our purpose-led approach is deeply embedded across Utmost and it is woven into our decision-making and processes across the organisation.  
”

**PAUL THOMPSON**  
GROUP CHIEF EXECUTIVE OFFICER

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## OUR SUSTAINABILITY STRATEGY REPORT

Sets out our commitments and progress across our four pillars

**Q SEE PAGES 29 TO 33**

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## OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

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

**Q SEE PAGES 34 TO 43**

# 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.

<b>STAKEHOLDER OUTCOMES</b> 	<b>ENVIRONMENTAL IMPACT</b> 	<b>PEOPLE DEVELOPMENT</b> 	<b>RESPONSIBLE INVESTMENTS</b> 
<p><b>OUR COMMITMENTS:</b></p> <p>CONTINUE TO ENHANCE OUR PROPOSITIONS AND SERVICE QUALITY TO IMPROVE CLIENT OUTCOMES</p> <hr/> <p>EMPHASIS ON ECONOMIC VALUE CREATION AND ENDURING FINANCIAL DELIVERY</p> <hr/> <p>BE AN ACTIVE PARTICIPANT IN OUR LOCAL COMMUNITIES</p>	<p><b>OUR COMMITMENTS:</b></p> <p>MINIMISE THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS AND SUPPLY CHAINS</p> <hr/> <p>REGULAR AND TRANSPARENT REPORTING ON OUR SUSTAINABILITY ACTIVITIES</p> <hr/> <p>EMBED CLIMATE RISK CONSIDERATIONS IN BUSINESS-AS-USUAL PROCESSES</p>	<p><b>OUR COMMITMENTS:</b></p> <p>CREATE AN ENVIRONMENT WHERE OUR PEOPLE CAN ACHIEVE THEIR ASPIRATIONS AND REACH THEIR FULL POTENTIAL</p> <hr/> <p>INCREASE DIVERSE REPRESENTATION AND STRENGTHEN OUR LEADERSHIP FOCUS ON DIVERSITY, EQUITY AND INCLUSION</p> <hr/> <p>ENRICH EMPLOYEE ENGAGEMENT AND LEARNING TO DEVELOP OUR TALENT</p>	<p><b>OUR COMMITMENTS:</b></p> <p>FULFIL OUR DUTIES AS A SIGNATORY TO THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT ("UN PRI")</p> <hr/> <p>NET ZERO 2050 TARGET FOR OUR SHAREHOLDER INVESTMENT PORTFOLIO AS MEASURED BY CARBON INTENSITY</p> <hr/> <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 has remained consistent year-on-year, with a small decrease of one percentage point. 2025 marked the first year with our Luxembourg business included in the data.

85%



2025	85%
2024	86%

### 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 by our transition to renewable energy sources, deployment of energy-efficient technologies, and advancing a reduction of business travel by air.

(80)%



2025	176.77tCO <sub>2e</sub>
2022*	900.16tCO <sub>2e</sub>



\* 2022 is our baseline year for our operational carbon emissions

## STAKEHOLDER OUTCOMES



### KEY HIGHLIGHTS:

- Progressed with our digital strategy, including core system upgrades, introduction of new contact systems, and a new internal AI assistant
- Over £92,000 raised for employee-supported charities

Utmost 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 primary focus this year was to integrate our new Luxembourg business into our existing wealth business. This was successfully completed in November 2025. The focus of the work was to ensure that clients received consistent service across all our entities and that we presented a unified brand identity to the market. The rebrand reinforces our continued commitment to Luxembourg as a strategic hub for Utmost's European operations, alongside the Group's existing presence in Ireland, ensuring regulatory continuity and choice of jurisdiction for customers.

We continue to encourage our employees to dedicate time and resources to their local communities, acknowledging the importance of these communities in Utmost's long-term success. This year, we supported a number of local charities from St John Guernsey to SOSAD Ireland and have raised over £92,000 for those causes.

## ENVIRONMENTAL IMPACT



### KEY HIGHLIGHTS:

- Reduction in the Group's overall carbon emissions
- Continued education of our employees to help embed sustainable practices

At Utmost we recognise we have a responsibility to limit our environmental impact and to protect the environment. This is a responsibility we take seriously.

We report on our operational carbon emissions annually, covering Scopes 1 and 2, as well as the Scope 3 emissions associated with business travel.

In 2025, our total carbon emissions were stable against our baseline year. This result is made more significant by the inclusion of Utmost Luxembourg for the first time, which expanded our reporting scope. Given that Utmost Luxembourg is not included in our baseline year, this result reflects wider progress driven by the hard work of teams across the Group.

Across Utmost, since our baseline year, we have focused on: transitioning to renewable energy sources, deploying energy-efficient technologies, and encouraging a reduction of business travel by air. Alongside these operational changes, we have invested in employee education programmes to embed sustainable practices across our organisation.

Our new Luxembourg office, where the majority of Utmost Luxembourg's employees are based, had already adopted renewable energy solutions prior to joining the Group, and is fully aligned with Utmost's broader sustainability approach.

Full details on our operational emissions on a tCO<sub>2e</sub> basis can be found in our Streamlined Energy and Carbon Reporting ("SECR") on page 42.

We have elected to monitor our investment portfolio separately. Our

steps to reduce these can be found in the Responsible Investment pillar on page 33.

In our shareholder investment portfolio, we have committed to be net zero by 2050, with an interim target of a 50% reduction by 2030 against a 2020 baseline. Based on our current position, we are currently on track to achieve both these targets. We report progress against these targets every three years and will be updating our Pathway to Net Zero in 2026 in our 2026 Annual Report.

This revised pathway will reflect the acquisition of Lombard International and the sale of Utmost Life and Pensions. We anticipate that the sale of Utmost Life and Pensions will have a positive impact on our overall carbon footprint.

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 34 to 43.

## PEOPLE DEVELOPMENT



### KEY HIGHLIGHTS:

- Ongoing high response rate to our employee engagement survey, with 82% of respondents
- Investment in learning and development programmes across the organisation

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.

Employee engagement remains a priority as we continue to grow. Our annual engagement survey provides a structured way to understand colleague experience, identify trends, and shape targeted actions. This year we expanded coverage to include our Luxembourg colleagues for the first time, establishing a baseline for future improvement and enabling more consistent insight across the Group. Following the survey, each business area developed an action plan addressing its top themes, with local CEOs accountable for delivery and progress reviewed through local Executive Committees.

We have continued to champion an ambitious, dynamic and entrepreneurial mindset across Utmost. At the core of this is empowerment: empowerment to come forward with new ideas and empowerment to be trusted to drive forward with your role. Our engagement survey results clearly demonstrate the success of this mindset with 93% of employees indicating that they feel trusted by management to do their role and 88% of our colleagues feel encouraged to come forward with new ideas. This is across both Luxembourg and the wider Utmost business, supporting our view that Utmost's values are being adopted across the Group.

We are building on our strong learning and development capabilities and in 2025 we piloted a standardised manager training programme. This programme is crucial if we want to ensure that our employees have the tools and resources to be effective managers and leaders. Initial feedback has been very positive. The programme will be rolled out across all our locations in 2026.

### OUR VALUES

- W Wise
- E Exceptional
- A Aspiring
- L Lively
- T Trustworthy
- H Human



## RESPONSIBLE INVESTMENTS



### KEY HIGHLIGHTS:

- Onboarded Utmost Luxembourg's assets to our Pathway to Net Zero
- Remain on track to meet our 2030 interim and 2050 net zero target
- Increased coverage of ESG risks for the shareholder risk assets to include cash holdings, and where possible liquidity fund exposures

Our responsible investment approach is designed to support the transition to net zero greenhouse gas emissions, in line with the Paris Agreement, to reduce the severity and impact of climate change. We approach this through two different lens, governed by our two investment portfolios: our shareholder assets and our guided architecture funds. Across both, we understand the importance of a rounded and informed analysis to ensure considerations of ESG are considered alongside traditional investment frameworks. This facilitates a complete and full financial analysis.

Across our shareholder assets, environmental, social and governance ("ESG") factors are incorporated into all direct investment mandates. This covers both portfolios that are internally managed and those that are managed by third parties. We are committed to reducing the impact on climate change, and so we monitor ESG risk ratings to assess unmanaged risk and their financial materiality along with the emissions relating to the assets.

We continue to make progress against our net zero target. The primary emissions metric we have adopted to monitor the portfolio impact relative to our net zero targets has been the Weighted Average Carbon Intensity ("WACI"), measured as Scope 1 and Scope 2 emissions / US dollar revenues (expressed in millions).

In 2025, we expanded our analysis and began to assess financed emissions and implied temperature rises, derived using data on emissions relative to targets deemed aligned to the Paris agreement, being a maximum temperature rise of 1.5 degrees Celsius above pre-industrial levels. In 2026, we will continue to analyse these data points to reinforce our reporting.

This year, we also worked with our new Luxembourg colleagues to include their investment data in our reporting. This involved training our colleagues on our responsible investment approach and ensuring it was embedded across their universe and governance structure.

For our Guided Architecture funds, our engagement with our top 10 providers continued. During the year, our existing ESG due diligence questionnaires, previously used as the basis for engagement, were augmented with the use of AI to source additional information from sources including stewardship reports and other publicly available documentation. The output of this work will be used to support future engagement activity.

We remain committed to the UN PRI and 2025 was a partial reporting year for Utmost, giving us an opportunity to share information relating to our other ESG commitments, including the regulatory and public disclosures that we make each year. We will be completing a full report in 2026.

### SHAREHOLDER ASSETS

This is where the risks within an investment portfolio are borne in their entirety by the Group. The investment guidelines for these assets are solely at the discretion of the Group.

### GUIDED ARCHITECTURE

These are fund ranges where the individual funds are selected by Utmost and managed by external investment managers.

Utmost exercises choice over the inclusion of a fund within a particular guided architecture fund range.

# OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

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

## 1. GOVERNANCE

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

Strong governance frameworks are in place across Utmost to reinforce the effective management of climate-related risks and opportunities. These frameworks clearly define the roles and responsibilities for effective oversight and management of climate-related risks and opportunities at the Board and senior management levels.

### Board Oversight of Climate-Related Risks and Opportunities

The Utmost Group plc Board is responsible for overseeing the delivery of the Group's sustainability strategy, including how climate-related risks and opportunities are managed. 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.

In 2025, the Board and ARCC considered a number of climate-related matters. This includes: reviewing and approving the Group's TCFD disclosure; analysing the outputs of the Climate Disclosure Dashboard; approving Own Risk and Solvency Assessments ("ORSA") climate scenarios, and; approving a number of policies in the year which addressed sustainability-related topics. These were the Responsible Investment Policy, Investment and Market Risk Policy, Whistleblowing Policy, and our Modern Slavery Statement.

### Management Oversight of Climate-Related Risks and Opportunities

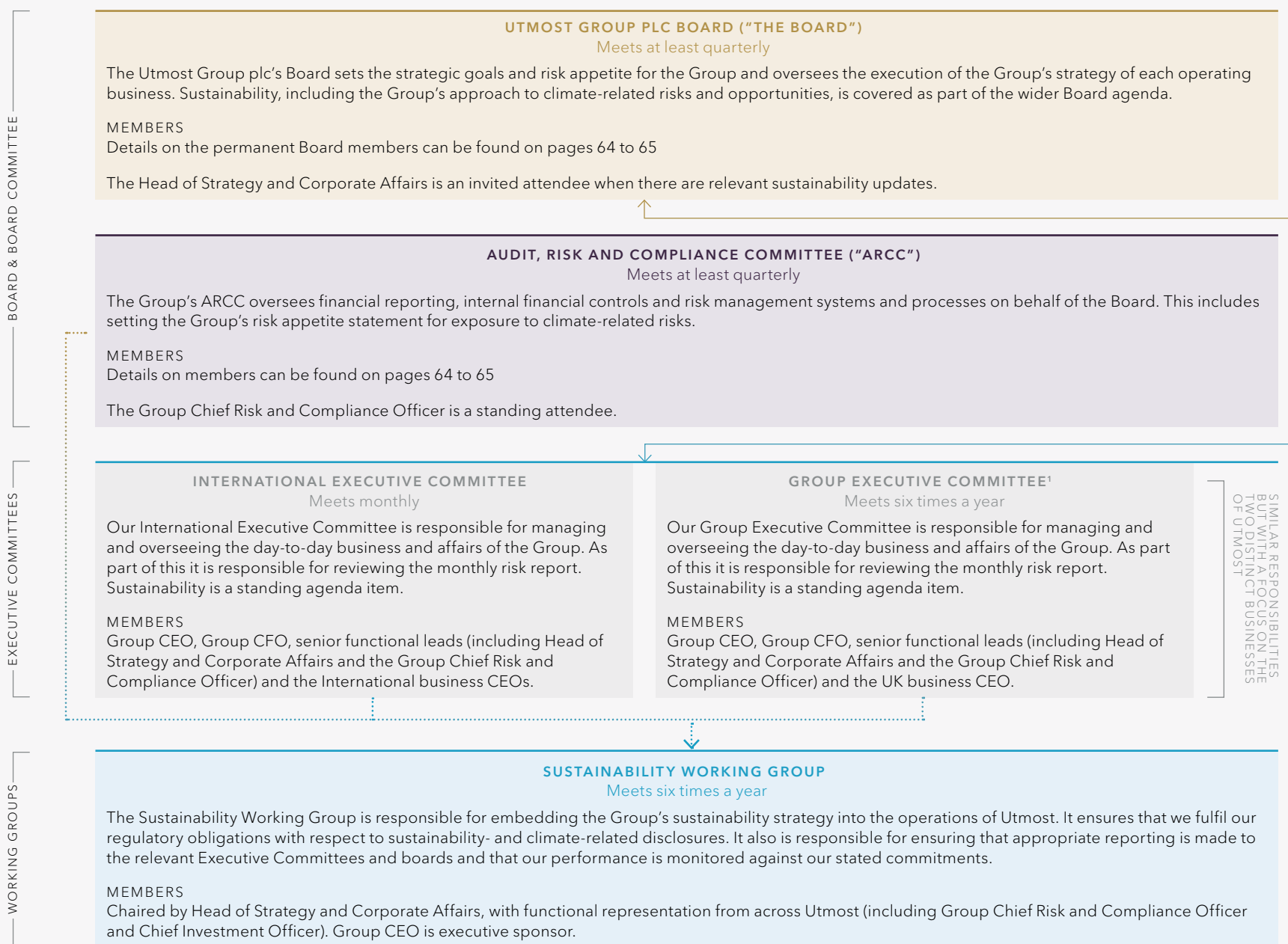
Our Sustainability Working Group ("SWG") is charged with implementing Utmost's sustainability strategy, which covers climate-related risks and opportunities. The membership of the group is comprised of representatives from each entity as well as functional leads. Their role is to ensure that sustainability and the consideration of climate-related issues is discussed and embedded into their respective entities.

### Individual Responsibilities

- The **Group CEO** is the executive director with overall responsibility for Utmost's sustainability strategy and is executive sponsor of the SWG.
- The **Head of Strategy and Corporate Affairs** is chair of the SWG and is responsible for ensuring the successful implementation of our sustainability strategy. They also provide updates to the relevant boards and committees as to our sustainability progress. The Head of Strategy and Corporate Affairs sits on both the Group and International Executive Committees.
- The **Group Chief Risk and Compliance Officer** has overall responsibility for the identification, assessment, management and reporting of climate-related risks and opportunities that could impact Utmost. They sit on both the Group and International Executive Committees.
- Our **Chief Investment Officer** owns the integration of climate-related considerations into strategic asset allocation and investment manager due diligence. They are responsible for ensuring we meet the requirements set out as part of being a signatory to the UN PRI and that we remain on track to achieve our net zero targets. They report to the International and Group executive committees through the Head of Strategy and Corporate Affairs and is a member of Utmost Guernsey's executive committee.
- 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** 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.

# 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 pages 62 to 70 gives further details on the frequency of the Utmost Group plc Board and ARCC meetings.

<sup>1</sup> Our UK business, ULP, has been sold (subject to regulatory approval). Once the sale completes this Executive Committee will be withdrawn.

## 2. STRATEGY

In our role as a long-term wealth partner for HNW and UHNW individuals, we are aware of the importance of considering the impacts that climate-related risks and opportunities can have on our business and strategic direction. We have assessed our exposure to a range of climate-related risks and opportunities, which we have assessed against TCFD guidelines.

Utmost 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.

Efforts to mitigate and adapt to climate change can also result in opportunities for Utmost. We have identified that the most relevant to 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

We have assessed our risks and opportunities over the following time horizons:

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

The outlined risks and opportunities are reviewed and revised annually and reflect our current view of our climate risk and opportunity landscape. Given the predominance of unit-linked products and limited exposure to insurance/investment risks, we believe that we are not materially exposed to climate-related risks and are fairly resilient to their impact. We are aware, however, that given the acquisitive nature of Utmost the shape of organisation has changed significantly since we originally set out our risks and opportunities. In 2026, we will undertake a formal review process, ensuring we solicit feedback from stakeholders across the expanded organisation, across both function and entity.

To achieve this, we plan to conduct materiality assessments and scenario planning workshops to assess the relevant opportunities and risks. To ensure alignment with existing outputs, we leverage the existing scenario planning workshops conducted as part of the Own Risk and Solvency Assessment ("ORSA") process. We will also utilise the double materiality assessments that our Irish and Luxembourg entities conducted as part of their Corporate Sustainability Reporting Directive ("CSRD") preparations.

Once the revised risks and opportunities are identified, we will compare against our existing risks and opportunities to understand any gaps and seek to address it. Each of the identified risks and opportunities will be assessed on their impact on our products and services, supply chain and operational processes. These initial assessments will be carried out qualitatively. However, we are exploring relevant quantitative measures that can be applied to provide further insight.

Utmost undertakes forward-looking stress and scenario analysis to evaluate how a range of plausible climate pathways could influence the achievement of our long-term strategic objectives. This strategic assessment enhances our ability to anticipate emerging vulnerabilities and proactively strengthen the controls and mitigants needed to maintain resilience across the Group. Further detail on the methodology and outcomes of this stress and scenario testing is provided in the Risk Management section.



## 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

POTENTIAL IMPACTS FOR UTMOST	ESTIMATE TIME HORIZON	MITIGATION	MAP TO PRINCIPAL RISK
<b>POLICY AND LEGAL</b>			
<b>Exposure to litigation:</b> Utmost fails to respond to changing climate regulations which could result in fines and/or reputation damage	<ul style="list-style-type: none"> <li>– Short</li> <li>– Medium</li> <li>– Long</li> </ul>	<ul style="list-style-type: none"> <li>– Regular horizon scanning is conducted to ensure policy and regulatory developments are tracked and addressed</li> <li>– Annual review of existing disclosures to ensure compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Regulatory Change and Supervision Risk</li> </ul>
<b>Increased costs:</b> Potential for increased costs to achieve compliance with new climate reporting rules and regulations	<ul style="list-style-type: none"> <li>– Short</li> <li>– Medium</li> </ul>	<ul style="list-style-type: none"> <li>– Regular horizon scanning is conducted to ensure policy and regulatory developments are tracked and addressed</li> <li>– Ongoing commitment to make progress to reduce our operational emissions, with significant progress made across the Group</li> </ul>	<ul style="list-style-type: none"> <li>– Regulatory Change and Supervision Risk</li> </ul>
<b>New regulation of existing products:</b> Potential for regulatory changes which impact the distribution and sale of our products in certain jurisdictions	<ul style="list-style-type: none"> <li>– Short</li> <li>– Medium</li> <li>– Long</li> </ul>	<ul style="list-style-type: none"> <li>– Regular horizon scanning is conducted to ensure policy and regulatory developments are tracked and addressed</li> <li>– Attendance of industry forums to promote benefits of our products</li> </ul>	<ul style="list-style-type: none"> <li>– Regulatory Change and Supervision Risk</li> </ul>
<b>TECHNOLOGY</b>			
<b>Cost of transition to new technology:</b> May force the early retirement of existing technology estate if unable to meet the demands of the workforce	<ul style="list-style-type: none"> <li>– Short</li> <li>– Medium</li> </ul>	<ul style="list-style-type: none"> <li>– Our IT teams continually assess the needs of the organisation to ensure that it is being met</li> <li>– Engage in conversations with our suppliers to ensure an understanding of our requirements</li> </ul>	<ul style="list-style-type: none"> <li>– Technological Risk</li> </ul>
<b>Unsuccessful investments in new technology:</b> Potential for poor performance of investments in new technology as we look to expand our technology estate. Successful deployment of new technologies is likely to also result in costs as the organisation adopts new practices and processes	<ul style="list-style-type: none"> <li>– Medium</li> </ul>	<ul style="list-style-type: none"> <li>– Our IT teams conduct thorough review processes prior to the introduction of new technology, including trials and tests with core users</li> <li>– Ensure that cost-effective training solutions are adopted</li> </ul>	<ul style="list-style-type: none"> <li>– Technological Risk</li> </ul>
<b>Data limitations impede understanding:</b> Potential for unknown exposure to climate-related risks due to data limitations	<ul style="list-style-type: none"> <li>– Medium</li> <li>– Long</li> </ul>	<ul style="list-style-type: none"> <li>– Our investment teams have regular engagement with our data providers to ensure understanding of risk landscape and new data points</li> </ul>	<ul style="list-style-type: none"> <li>– Technological Risk</li> </ul>

## CLIMATE-RELATED RISKS continued

## TRANSITION RISKS continued

POTENTIAL IMPACTS FOR UTMOST	ESTIMATE TIME HORIZON	MITIGATION	MAP TO PRINCIPAL RISK
<b>MARKET</b>			
<b>Changing customer behaviour:</b> Reduced demand in products due to a shift in customer preferences or amount of investible wealth	– Medium	– Regular horizon scanning is conducted to ensure products continue to meet clients' needs	– Social and Environmental Risks – Business and Strategy
<b>Uncertainty in market:</b> Volatility from the repricing of climate-related assets could result in reduced flows impacting our inflows and revenues	– Medium	– Ensure a globally diverse client base to protect against regional shocks	– Market and Investment Risk
<b>REPUTATION</b>			
<b>Increased stakeholder concern or negative stakeholder feedback:</b> Reduced revenue from decreased demand for products if we are unable to adapt to changing customer preferences	– Short – Medium	– Regular engagement with our distribution partners and wider stakeholders to understand client expectations in relation to climate-related investments	– Business and Strategy
<b>Reduced ability to retain employees:</b> A delayed response to climate-related risks could result in employee dissatisfaction and a reduction in employee retention. This could impact revenue as we are unable to service clients to a high standard	– Short – Medium	– Ongoing engagement with all of our employees as to their views on sustainability – Ensure we are adopting best practice in our locations in line with our peers	– People and Employment Practices

## PHYSICAL RISKS

POTENTIAL IMPACTS FOR UTMOST	ESTIMATE TIME HORIZON	MITIGATION	MAP TO PRINCIPAL RISK
<b>ACUTE</b>			
<b>Increased severity of extreme weather events:</b> Could result in reduced revenue and increased costs as buildings and supply chains are impacted. Consequences could include increased employee absence and outages impacting service quality	– Short – Medium	– Each business entity has an operational resilience programme which is reviewed annually – Investment in remote working capabilities to ensure ability to continue to service our clients	– Business and Systems Disruption
<b>CHRONIC</b>			
<b>Extreme variability in weather patterns:</b> Could impact demographic assumptions in our modelling. The potential negative effects on asset prices could impact profitability	– Long	– Ensure climate is reflected in our modelling assumptions and changes are considered annually – Consideration of climate risks and opportunities are embedded into our shareholder investment analysis – Ensure a globally diverse client base to protect against regional shocks	– Insurance Risk – Market and Investment Risk

## CLIMATE-RELATED OPPORTUNITIES

POTENTIAL IMPACTS FOR UTMOST	ESTIMATE TIME HORIZON	APPROACH
<b>RESOURCE EFFICIENCY</b>		
<b>Use of more efficient technology:</b> Opportunity to reduce operating costs through efficiency gains and cost reductions	– Short	– Our IT and procurement teams continue to investigate suitable solutions that meet the needs of our employees and monitor environment credentials
<b>Investment in our carbon-reduction office solutions:</b> Opportunity to improve employee satisfaction through consideration of the climate in decision-making. It could also reduce overall cost as buildings become more efficient to run	– Short	– We have a comprehensive employee education programme on sustainability ensuring all staff are aware of our activities – We have adopted renewable energy solutions in all offices, where appropriate, and are continuing to research new solutions to ensure we reduce our carbon footprint
<b>ENERGY SOURCE</b>		
<b>Use of lower emission sources of energy:</b> Opportunity to reduce our exposure to future fossil fuel price increases. There could be a benefit to our reputation through our sustainability commitments which could result in increased demand for goods/services.	– Short	– We have reviewed each of our offices and have changed to renewable energy solutions where possible. This is articulated in our public reports.
<b>RESILIENCE</b>		
<b>Adoption of energy-efficiency measures:</b> Opportunity to further future proof the organisation through resiliency planning. This could also contribute to the increased reliability of our supply chain, as we are able to operate under various conditions.	– Medium	– We consider climate-related events as part of our operational resiliency planning, with each entity accounting for scenarios that are relevant to their respective locations

## BUSINESS PLANNING AND CLIMATE-RELATED CONSIDERATIONS

We know that the effective management of risks is important to the ongoing resilience of Utmost. Climate-related risks at Utmost are managed as part of our Enterprise Risk Management framework. This centralised, groupwide framework is embedded in local operating businesses and complemented by local frameworks, policies and procedures. The groupwide framework is supported by stress and scenario testing, which is described in detail in the Risk Management section of the TCFD on page 41.

We also factor climate-related considerations into our business planning processes and core decisions.

TOPIC	UTMOST'S APPROACH
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>– Our proposition team includes an assessment of sustainability-related considerations as part of their development process</li> </ul>
<b>Supply Chain</b>	<ul style="list-style-type: none"> <li>– Integrate sustainability questions into our due diligence questionnaires with key suppliers</li> </ul>
<b>Acquisitions/Divestments</b>	<ul style="list-style-type: none"> <li>– Climate-related issues are considered as a part of acquisition due diligence across investment portfolios and business lines</li> </ul>
<b>Shareholder Investments</b>	<ul style="list-style-type: none"> <li>– Monitor and report internally to Group and local boards on climate-related data, tracking the Group's climate-related exposures within the shareholder investment portfolio</li> </ul>
<b>Access to capital/Expectations of investors</b>	<ul style="list-style-type: none"> <li>– Monitor external stakeholder perceptions, ensuring negative perceptions are addressed. 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</li> </ul>

### 3. RISK MANAGEMENT

Utmost considers climate-related risks to be a cross-cutting rather than a standalone risk type, given its 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 Utmost. Our ERM framework embeds 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 page 48.

To provide a clear categorisation of the risks associated with climate change, Utmost 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.

Utmost identifies and assesses climate-related risks through the processes embedded within the ERM framework, including regular Risk and Control Self Assessments, climate specific stress and scenario testing, and the integration of climate considerations into the Group and entity ORSA processes. The Sustainability Working Group further supports the identification and embedding of climate-related considerations across the Group's operations. Climate-related issues are also reviewed through monthly and quarterly Executive and Risk Committee meetings, which provide structured forums for oversight, challenge and escalation.

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 34 to 43.

#### 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 the temperature increase being kept below 2°C.
- **Scenario 2:** A long-term orderly transition scenario broadly in line with the Paris Agreement and the temperature increase below 2°C.
- **Scenario 3:** Failed future improvements in climate policy with the temperature increase reaching in excess of 4°C.

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

Utmost uses metrics and targets to track progress against its sustainability commitments and targets, and to ensure we manage climate-related risks appropriately.

##### Operational Footprint Methodology and Calculation

Utmost reports its operational carbon emissions annually, reporting in line the requirements of the Streamlined Energy and Carbon Reporting (“SECR”). This captures Scopes 1 and 2 GHG emissions and Scope 3 emissions associated with business travel.

Utmost’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.

We have dual-assessed both our location and market-based Scope 2 emissions from electricity usage and reported our market-based emissions. The operational control approach has been used.

The GHG emissions data capture covers all of our offices at year-end 2025.

#### DEFINITIONS

- **Scope 1:** Emissions from sources that a company owns or directly controls
- **Scope 2:** Indirect emissions from the generation of purchased energy consumed by the company
- **Scope 3:** All other indirect emissions that occur in the company’s value chain, both upstream and downstream, but are not directly owned or controlled by the company

We have included relevant Scope 3 emissions. These are largely associated with our business travel which is one of our largest contributors to our overall carbon emissions. We continue to review wider Scope 3 emissions capture. Data, however, for Scope 3 emissions is less readily available than for Scopes 1 and 2, resulting in lower overall data quality and inaccurate reporting. We will continue to review our data collection methods and breadth of reporting on an ongoing basis.

The table below summarises Utmost’s emissions for 1 January 2025 to 31 December 2025, with 2022 acting as the baseline year.

Our 2022 baseline year has not been restated to include Utmost Luxembourg. Our 2025 data includes all our entities, including Utmost Luxembourg.

We have consistently encouraged our employees to embrace sustainable practices throughout our offices. Our initiative emphasises turning off IT equipment and lighting at the end of each day. Additionally, we promote the use of video conferencing instead of flights whenever possible.

The results include Utmost Luxembourg. Our main office in Luxembourg operates on renewable energy, so this change has not significantly impacted our overall emissions.

#### UTMOST MARKET-BASED EMISSIONS<sup>1,2</sup>

ACTIVITY	2025		2022 <sup>5</sup>	
	UK Operations	Global	UK Operations	Global
Total Energy Consumed (kWh)	<b>149,255</b>	<b>3,154,226</b>	774,852	3,862,278
Total CO <sub>2</sub> e emissions (in tonnes)	<b>10.42</b>	<b>1,044.85</b>	192.28	1,394.04
Scope 1	<b>4.12</b>	<b>68.57</b>	90.83	233.54
Scope 2	<b>5.39</b>	<b>108.20</b>	100.02	666.62
Scope 3 <sup>3</sup>	<b>0.91</b>	<b>868.07</b>	1.43	463.88
Intensity Ratio: tCO <sub>2</sub> e per employee	<b>0.04</b>	<b>0.51</b>	0.89	0.93
Intensity Ratio: tCO <sub>2</sub> e per revenue <sup>4</sup>	<b>0.02</b>	<b>1.71</b>	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. For the global business, it is predominantly business travel emissions.

4. Revenue calculation uses Group revenue.

5. Our baseline has not been restated to include Utmost Luxembourg. 2025 data includes Utmost Luxembourg.

### Climate Risk Dashboard and Risk Metrics

Utmost produces an internal climate disclosure dashboard (“Dashboard”), which provides climate-related data to the Utmost Group plc Board to track Utmost’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).

Utmost 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 Utmost’s work to reduce our impact.

We have frequent engagements with our data providers to reduce data gaps and also identify new data streams that we can leverage to provide meaningful insights.

We have six strategic risk metrics that are utilised internally to monitor our performance. During the annual metric review which took place in Q3 2025, the current carbon emissions intensity ratio was split into two metrics to cover corporate, government agencies and supranational exposures as well as directly issued government bonds. We are currently within our risk tolerance for the listed metrics.

### Shareholder Investment Portfolio: Net Zero Target

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 2030.

In 2025, our investment teams have worked on integrating our Luxembourg business’ shareholder assets into the pathway and the consolidated data is reported at a Board level on a quarterly basis. We remain on track to achieve our 2030 and 2050 targets.

In line with our stated commitments, we will be updating our pathway in 2026 for publication in our 2026 Annual Report.

## CLIMATE-RELATED RISK METRICS

STRATEGIC RISK	METRIC	FREQUENCY	REPORTING LEVEL	RISK TOLERANCE		
				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	≤30	>30 to ≤40	>40
Total carbon emissions in our shareholder assets across the Group <sup>1</sup>	Carbon emissions: intensity ratio - corporate, government agencies and supranational exposures	Annual	Group	≤75%	>75% to ≤100%	>100%
	Carbon emissions: intensity ratio - directly issued government bonds	Annual	Group	≤125% of G10	>125% to ≤150% of G10	>150% of G10
ESG and Stewardship: shareholder funds	Sustainalytics ESG risk rating	Quarterly	Operating Entities	≤20	>20 to ≤30	>30
ESG and Stewardship: guided architecture	Group average Sustainalytics ESG risk rating	Quarterly	Operating Entities	≤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's position on key non-financial and sustainability matters.

REPORTING REQUIREMENTS	FURTHER INFORMATION
Anti-Corruption and Anti-Bribery	Page 72
Business Model	Pages 18 to 19
Climate-Related Matters including Climate Risk	Pages 34 to 43
Employees	Page 32 and 46
Environment Matters	Pages 28 to 43
Non-Financial KPIs	Page 30
Principal Risks	Pages 52 to 59
Respect for Human Rights	Page 72
Social Matters	Page 55 to 59 and 72

# 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, 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 were 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 2025. 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 82% completion rate (2024: 88%) and an overall positive score of 85% (2024: 86%). There were some notable areas of increased scores such as employee satisfaction with the level of training they receive. Strong efforts have been made to increase staff training, so it was positive to receive this employee feedback.

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## REGULATORS

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### 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.

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### WHAT IS IMPORTANT TO THE REGULATORS?

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

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### 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 were 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.

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## COMMUNITY AND ENVIRONMENT

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### WHY ARE THEY IMPORTANT?

Utmost 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.

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### 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.

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### 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 28 TO 43**

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## SUPPLIERS

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### 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.

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### WHAT IS IMPORTANT TO OUR SUPPLIERS?

Utmost 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.

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### 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 way we partner together and the manner in which our policyholders are serviced.

# RISK MANAGEMENT

The Group's 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 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 incidents. 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 Utmost is appropriately rewarded for the risks it takes. To ensure that all risks are managed effectively, that Utmost 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.

Lombard International Assurance Holdings S.a.r.l. ("Lombard") was acquired at the end of 2024 and the integration project into the wider Utmost business was completed in 2025 including the rebranding of related entities. The addition of Lombard has brought strength and resilience to the group in terms of scale, geographical reach and diversity of client solutions.

The integration process has included the adoption of the Group's ERM framework, ensuring a consistent and robust approach to risk management across the enlarged Group. This alignment strengthens governance, enhances risk oversight, and supports the Group's strategic objectives.

## RISK CULTURE

Utmost 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 Chief Risk and Compliance Officer 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 have an impact on the risk profile of that operating business or the 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 Utmost 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.

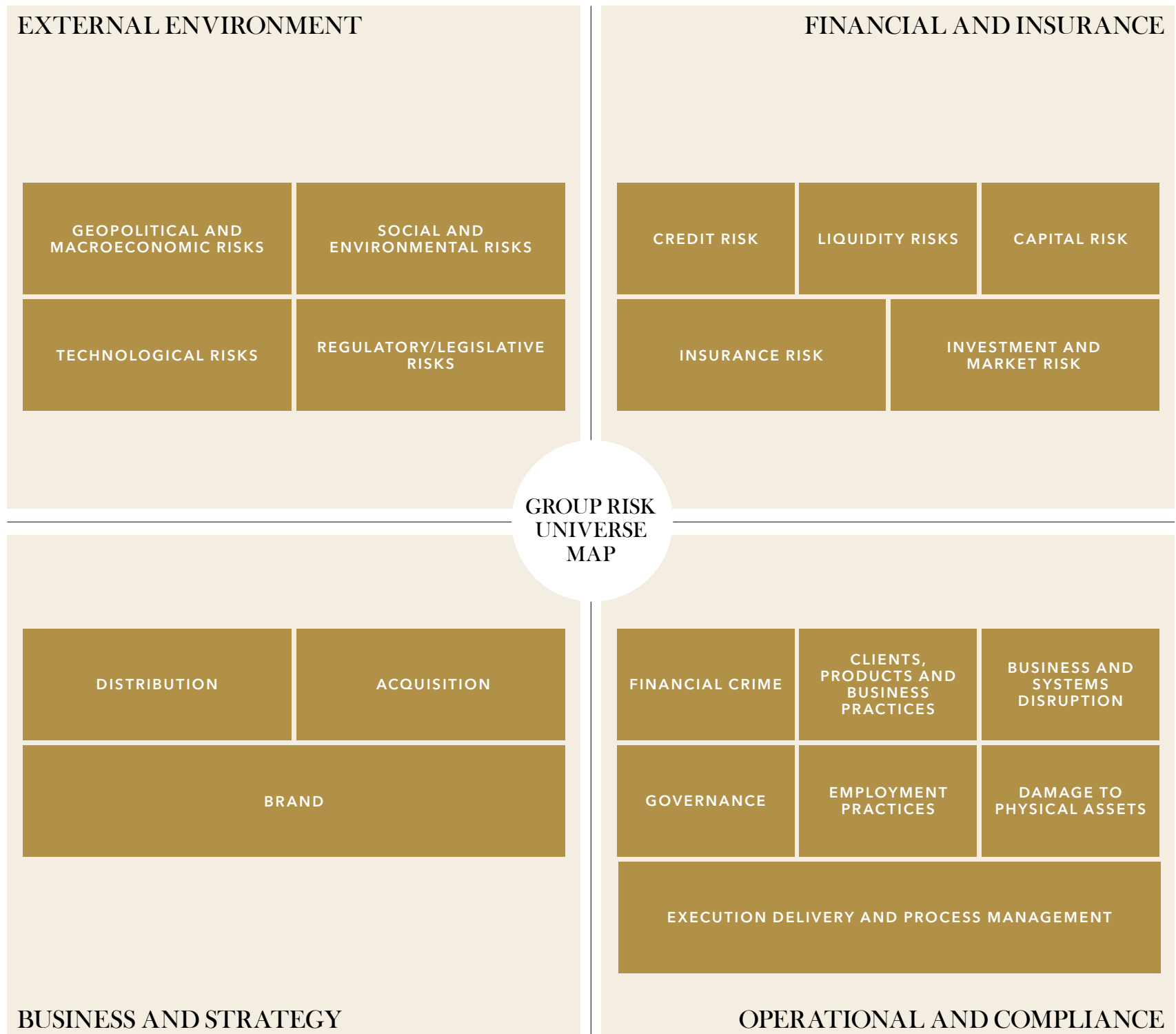
Utmost embeds its risk appetite into key decision-making processes by defining consistent risk metrics (including limits and key risk indicators) to ensure that its risk profile is managed within the stated appetite, triggering consideration of appropriate actions when the metrics reach or exceed defined 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 review of the metrics took place in Q3 which resulted in a strengthening and broadening of a number of risk appetite metrics, reflecting the maturing control environment.

# THE GROUP ENTERPRISE RISK MANAGEMENT FRAMEWORK



# THE GROUP RISK UNIVERSE MAP



## RISK GOVERNANCE

The Group Board has ultimate responsibility for risk management, overseeing the effectiveness of the ERM framework and is supported by the 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 Chief Risk and Compliance Officer 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, Utmost 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 68 onwards.

Risk-taking activities in the operating businesses are governed by the three lines 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 a bi-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.

## 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 MODEL

# 1

### FIRST LINE

#### OWN AND MANAGE THE RISKS

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

# 2

### SECOND LINE

#### OVERSEE AND PROVIDE SPECIALIST SUPPORT

The second line 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.

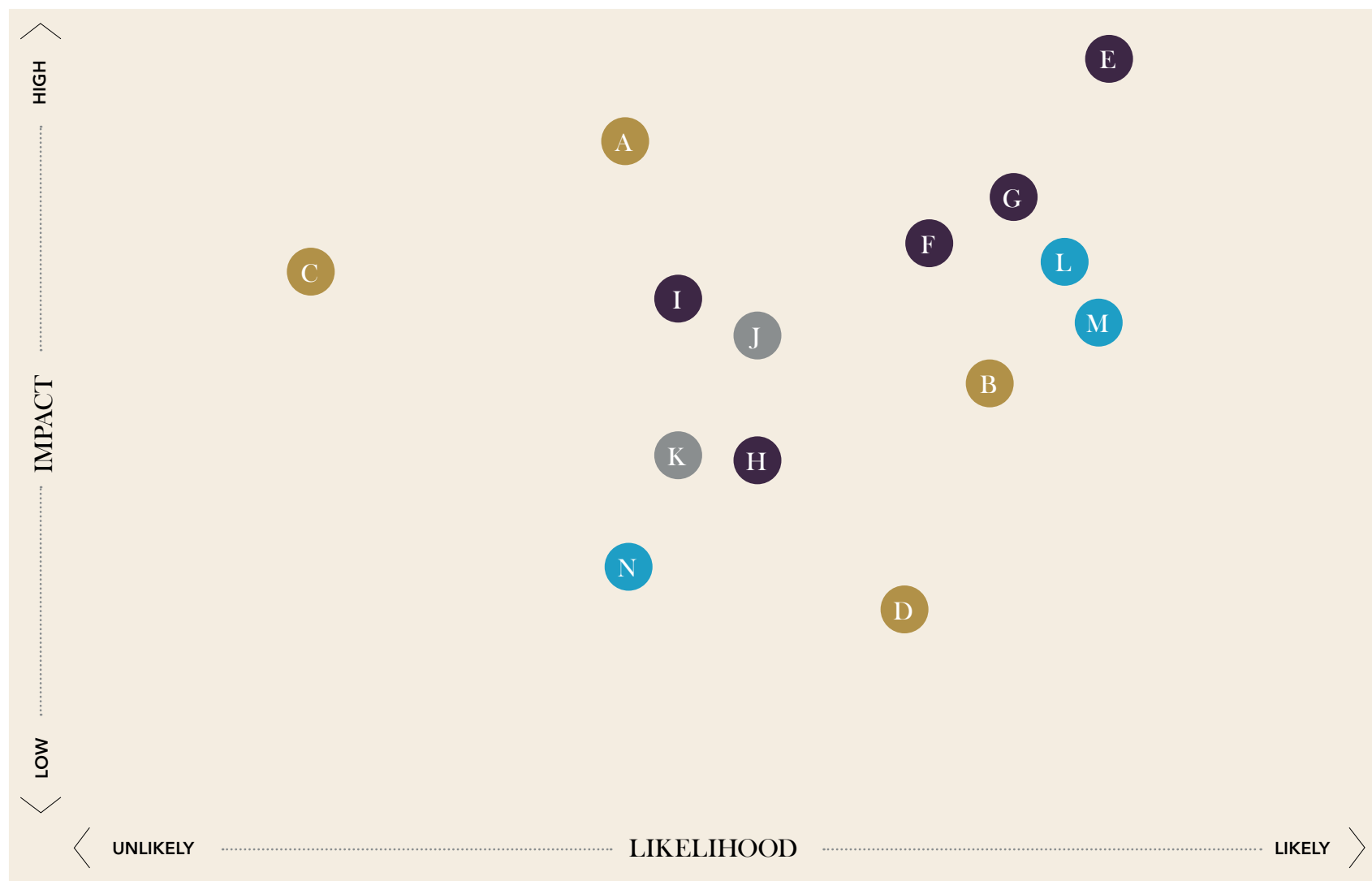
# 3

### THIRD LINE

#### INDEPENDENT PROCESS ASSURANCE

The third line 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 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.

Effective management of insurance risks safeguards the Group's ability to meet policyholder commitments over the long term, supporting stable cash flows and reinforcing trust in our propositions. Strong underwriting discipline and reinsurance partnerships directly underpin the Group's strategy of providing secure, sustainable long-term savings solutions.

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 2025



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.

By actively managing market exposures and maintaining a high quality investment portfolio, the Group protects the stability of earnings and capital generation that fund long-term growth. This supports the strategy of offering resilient wealth solutions that remain attractive across economic cycles.

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.

## PRINCIPAL RISKS continued

## RISK

## CAPITAL AND LIQUIDITY RISK

Capital risk 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.

Maintaining robust capital and liquidity levels enables the Group to withstand volatility, invest in growth opportunities and support future acquisitions. This directly aligns to the strategic ambition to deliver sustainable value creation through disciplined capital management.

Link to strategy:



## MITIGANT

Utmost 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 the Group 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. Utmost'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.

## RISK TREND 2025



The Group has continued to enjoy a strong capital and liquidity position throughout the year, and this is reflected by the Stable Outlook assessment by Fitch Ratings following an upgrade in 2024.

## CREDIT AND COUNTERPARTY RISK

The Group is exposed to credit and counterparty risk through investments of its own financial assets and through its banking and reinsurance counterparties.

Prudent credit risk management protects the long-term security of shareholder and policyholder assets, enabling consistent financial performance. This supports the Group's strategy of building a high quality, low risk business with reliable long-term value generation.

Link to strategy:



Utmost 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.

In 2025 ULP strengthened its position in the BPA market which in turn brings exposure to credit risk on the assets backing the annuity business. These backing portfolios are of mixed duration.



The increase in credit risk brought by the BPA business remains a small portion of the overall Group business. Other aspects of the business have remained stable in the year.

## OPERATIONAL AND COMPLIANCE

### RISK

#### BUSINESS AND SYSTEM DISRUPTION (INCLUDING CYBER)

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.

Resilience to operational and cyber disruptions preserves customer confidence, prevents value erosion and ensures continuity of service. Investment in cyber capability and technology modernisation supports the Group's long-term strategy to provide a reliable and digitally enabled client experience.

Link to strategy:



### MITIGANT

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.

The Group operates a centralised cyber security model overseen by the 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 and in 2025 enhancements were made to cyber policies, standards, risk management, and development practices, strengthening control effectiveness. In addition, all staff receive frequent security awareness training and are subject to simulated phishing tests.

### RISK TREND 2025



The Group continues to assess cyber risk as its top risk given the growing sophistication of attacks. Cyber risk remained stable during 2025, driven by more sophisticated external threats balanced by stronger internal controls.

#### EXECUTION, DELIVERY AND PROCESS MANAGEMENT

These risks arise from inadequate design, management or execution of processes.

Strengthening operational processes reduces cost, enhances efficiency and supports scalable growth, contributing directly to long-term value creation. This aligns with the Group's strategy of operational excellence and the delivery of good client outcomes.

Link to strategy:



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.



Overall risk incidents have remained stable in the year, although management remains focused on strengthening controls to reduce avoidable incidents.

## PRINCIPAL RISKS continued

## 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.

Strong governance over product design, outsourcing, legal and tax matters ensures customer trust and regulatory confidence, supporting durable franchise value. This is central to the strategy of offering compliant, competitive and client-centric products across multiple markets.

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 strengthening 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 2025



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. Notable changes included the introduction of Italy's new stamp duty prepayment regime from 1 January 2025, and the OECD Pillar Two GloBE rules regime.

## 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.

Attracting and retaining skilled, engaged employees enables sustained operational performance, innovation and client service excellence. This supports long-term value creation by ensuring the Group has the expertise required to execute its strategy effectively.

Link to strategy:



To ensure that Utmost 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 was stable throughout the year.

## RISK

### 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.

Robust controls over fraud and financial crime protect the Group's reputation, financial position and regulatory standing. This underpins sustainable long-term growth by ensuring Utmost continues to operate as a trusted and responsible financial institution.

Link to strategy:



## MITIGANT

Utmost 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.

Additional Fraud and Financial Crime metrics were introduced during the year as part of the annual metrics review, strengthening the overall control environment.

## RISK TREND 2025



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 creating a stable risk environment.

## BUSINESS AND STRATEGY

## RISK

### DISTRIBUTION RISK

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.

A strong and diversified distribution network supports consistent new business flows and long-term growth. Managing distribution risk effectively enables the Group to scale sustainably in line with its strategic ambition to grow across client segments and geographies.

Link to strategy:



## MITIGANT

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.

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. The team actively identifies 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. Utmost Luxembourg also operates a Direct Distribution model in some markets bringing different risks and opportunities.

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.

ULP runs a closed book of business with pension drawdown and consolidation of pensions available to existing customers only. In addition ULP operates in the BPA market, writing 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.

## RISK TREND 2025



Distribution risk has remained stable, operating with an experienced sales team and supporting control functions.

## PRINCIPAL RISKS continued

## RISK

## ACQUISITION AND INTEGRATION RISK

The Group is exposed to the risk of failing to drive value and benefits through acquisitions.

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.

Disciplined execution of acquisitions and integrations generates synergies, enhances operational efficiency and strengthens long-term franchise value. This risk is intrinsically linked to the Group's strategy, which relies on successful integration to deliver cost efficiencies and expand market presence.

Link to strategy:



## MITIGANT

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.

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.

## RISK TREND 2025



The acquisition of Lombard International has provided increased breadth and depth across a number of markets and the integration project is now complete.

## EXTERNAL ENVIRONMENT

## RISK

## REGULATORY AND LEGISLATIVE RISK

The potential for non-compliance with new or existing regulatory or legislative change impacting our operational, financial or solvency position.

Proactive management of regulatory change protects the Group's licence to operate and ensures business models remain sustainable over time. This supports long-term value creation by enabling Utmost to adapt its strategy to evolving regulatory expectations across multiple jurisdictions.

Link to strategy:



## MITIGANT

Utmost Group plc 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 CAA, 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.

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.

## RISK TREND 2025



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.

## RISK

### TECHNOLOGICAL RISK

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.

Keeping pace with digital change enables Utmost to enhance client experience, improve efficiency and remain competitive in the long term. This is core to the Group's strategy of delivering a modern, digitally enabled service model that meets evolving client expectations.

Link to strategy:



## MITIGANT

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. Utmost 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.

## RISK TREND 2025



The speed of new technological developments, in particular the increased use of AI brings both new opportunities and challenges. The company is engaging positively with new technologies within a controlled, risk-managed framework.

### SOCIAL AND ENVIRONMENTAL RISK

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.

Actively addressing social and environmental expectations builds long-term stakeholder trust and protects the Group's reputation, supporting sustainable business growth. This is directly aligned with the Group's responsible business strategy and long-term commitment to positive societal impact.

Link to strategy:



Utmost 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 the 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.

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.

Further detail on the sustainability strategy is set out on pages 29 to 33



The Group continues to enhance its sustainability strategy whilst monitoring changing regulatory and social requirements.

# GOVERNANCE REPORT

## IN THIS SECTION

Chairman's Introduction to Governance	63
Board Biographies	64
Corporate Governance Report	66
Directors' Report	71

# CHAIRMAN'S INTRODUCTION TO GOVERNANCE



“ Strong governance is fundamental to the long-term success of our business, underpins the trust placed in us by our stakeholders, and ensures that our decision-making remains principled and aligned with our strategic objectives.

”

JAMES FRASER  
CHAIRMAN

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2025. 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 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 2025. 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 Utmost Luxembourg integration. 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 our 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 45. It is also vital that the Board pays due regard to the interests of our stakeholders in the decision-making process. The Board will continue to review and strengthen our governance practices to support the delivery of sustainable, long-term value for all stakeholders. We explain how we have done so in the context of some key decisions throughout the year on page 67.



**JAMES FRASER**  
CHAIRMAN  
15 APRIL 2026

# 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.



**JAMES FRASER**  
INDEPENDENT NON-EXECUTIVE  
DIRECTOR AND 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**  
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 Utmost 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**  
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 Utmost 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
- Mergers and Acquisitions



**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, UW Limited, incorporated in Guernsey and Utmost Luxembourg S.A. 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 Utmost. 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") met five times throughout 2025. 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 45, 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 45.**

## BOARD ATTENDANCE TABLE

Date	IAN MAIDENS	PAUL THOMPSON	CHRIS BOEHRINGER	KATHERINE RALPH	JAMES FRASER	GAVIN PALMER
21/01/2025	✓		✓		✓	✓
13/03/2025	✓	✓	✓		✓	✓
24/04/2025	✓	✓	✓	✓	✓	✓
23/06/2025	✓	✓	✓		✓	✓
09/09/2025	✓	✓	✓	✓	✓	✓
27/11/2025	✓	✓	✓	✓	✓	✓
10/12/2025	✓	✓	✓		✓	✓

## MATTERS CONSIDERED

### LOMBARD INTERNATIONAL INTEGRATION

#### OBJECTIVE

The objective of the integration was to align operating systems and processes across the two businesses as well as rebranding Lombard International to Utmost.

#### WHAT WE DID

The Board received quarterly updates on the progress of the integration project. These updates allowed the Board to track progress against the agreed project plan.

The Board's discussions helped shape the strategic direction of the combined businesses.

#### BENEFITS

The overarching benefit is the successful integration of the two businesses.

This allows Utmost to leverage our expanded geographic footprint, bespoke client offering and local market knowledge.

There is now a unified market offering to clients. Clients are provided with a clear and consistent proposition.

A key benefit of the integration is that now Utmost employees are working under one brand and have access to the same infrastructure allowing them to connect more easily.

#### S.172 FACTORS/ KEY

#### STAKEHOLDERS

Clients  
Investors  
Employees

### SALE OF ULP

#### OBJECTIVE

The objective was to ensure a streamlined sales process ensuring that the impact of the sale was considered for all stakeholders.

#### WHAT WE DID

The focus of the Board during the sale of ULP was to promote the long term success of the company, and consider the impact on all key stakeholders.

The Board were regularly kept up to date on the sale progress by executive management. This was at quarterly Board meetings and through ad hoc updates.

The Board discussed the potential buyers ensuring that they understood the buyer's motivations and long-term ambitions. This allowed the Board to understand the implications for customers and employees.

The Board also ensured that regulators were kept up to date on the sale process to help facilitate a smooth transition.

#### BENEFITS

The proceeds from the sale will be used to repay the outstanding bank debt issued to finance the acquisition of Lombard International. The remaining funds will be used for general corporate purposes, enabling Utmost to deliver even greater value for its customers, shareholders, employees and wider stakeholders.

In addition Utmost is now entirely focused on our market-leading wealth solutions business. The sale will strengthen our ability to invest in growth and innovation, ensuring Utmost remains at the forefront of this attractive global market.

#### S.172 FACTORS/ KEY

#### STAKEHOLDERS

Clients  
Investors  
Employees

**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 67, the Board's agenda for the year included:

- Regular updates from the CEO on business performance
- Updates from the Chairman of the ARCC
- Updates 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
- 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 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 Utmost. 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 70.

The subsidiary boards are comprised of an independent Chairman and a majority of non-executive directors, including the Founders. They are representatives of Utmost and in accordance with the relevant 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 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 70.

**STRATEGY AND PERFORMANCE**

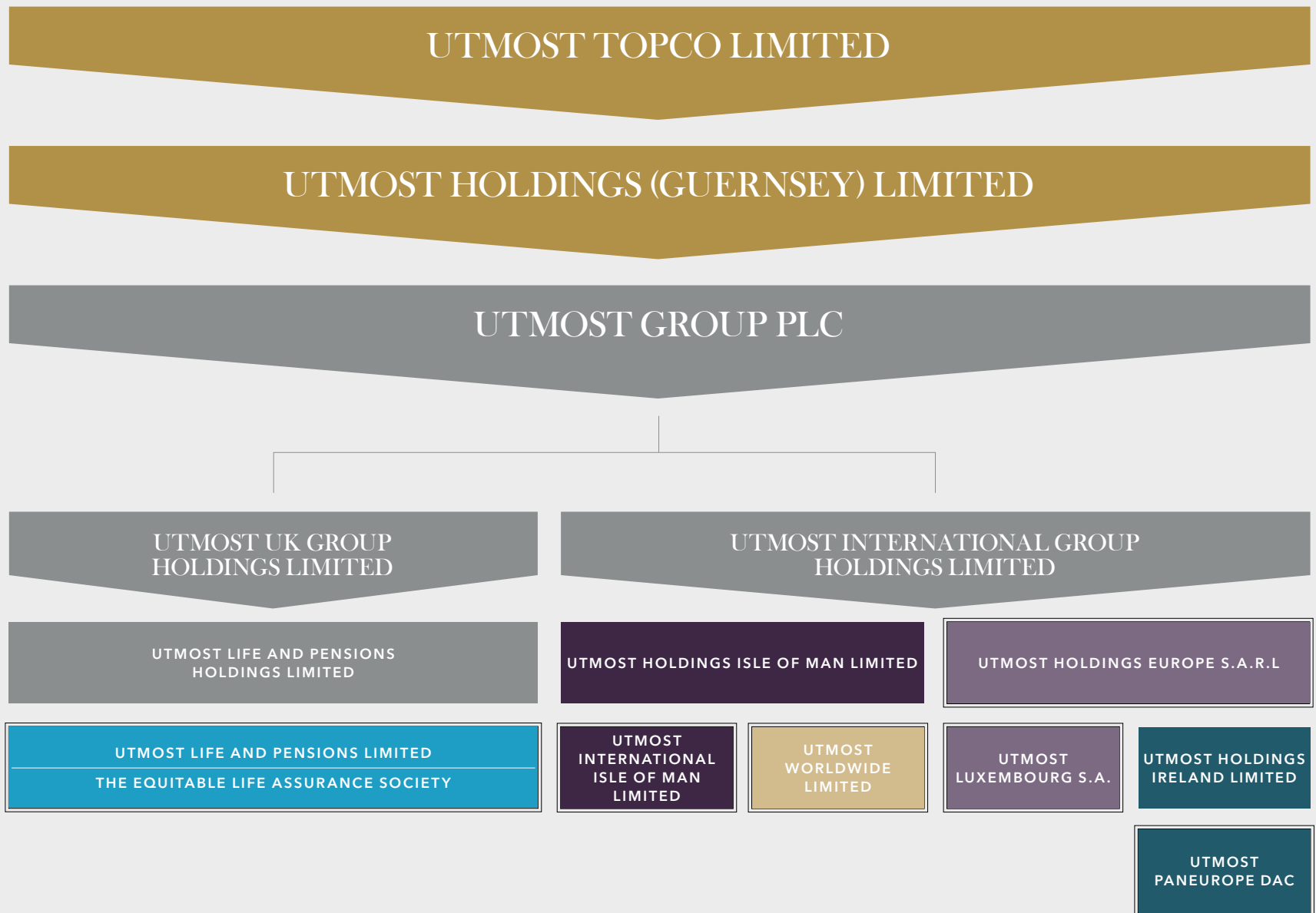
The subsidiary boards each develop their business plans to enable the achievement of the strategic pillars of the Group, whilst ensuring that the entities operate within each of their risk appetites and frameworks. The subsidiary boards also monitor business performance and the ability of each business 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 Group are also aligned. A summary of the key terms of reference of board committees is provided overleaf.

**OWNERSHIP AND CONTROL**

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 Group, please refer to the Directors' Report on pages 71 to 73.

# OWNERSHIP AND GOVERNANCE STRUCTURE



- Guernsey Holding Company
- Guernsey Operating Company
- UK Holding Company
- UK Operating Company
- Irish Company
- Isle of Man Company
- Luxembourg Company
- Regulated Entity

**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;
- Recommending and monitoring 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
- Reviewing of the overall remuneration budget and structure for each business, and providing 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.

**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 2025

The directors present their report together with the audited consolidated and Company financial statements for the year ended 31 December 2025.

## 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), UW (registered in Guernsey) and Utmost Luxembourg S.A. (Registered in Luxembourg).

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

## 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
- Larysa Dlaboha (Secretary)  
Appointed 7 February 2025
- Alice Rivers (Secretary)  
Resigned 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 82.

## 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 69). 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 2025. 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 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 Utmost are controlled by the Board, comprised of the Founders, representatives of Oaktree and independent directors.

## INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP has 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 their 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****Group Reorganisation**

On 25 January 2025 the Company's direct subsidiary Utmost International Group Holdings Limited ("UIGHL") sold its investment in its direct subsidiary, Utmost Worldwide Limited to another of its subsidiaries, Utmost Holdings Isle of Man Limited. The consideration for the sale was £376,524k of which £176,524k was from the allotment and issuance of 176,524,000 ordinary shares of £1 each and the remainder was a £200,000k sterling facility agreement entered into between UIGHL and Utmost Holdings Isle of Man Limited. The interest rate on the loan is 8% and the £200,000k is repayable on 1 January 2035. A group reorganisation under which the ownership of indirect subsidiary Utmost Holdings Ireland Limited ("UHIL") was transferred to another indirect subsidiary, Utmost Holdings Europe S.a r.l ("UHE"), was completed on 31 July 2025. Under the terms of the group reorganisation, UHE issued 19,258 ordinary shares of €1.00 to UIGHL and entered into a loan agreement under which UHE borrowed £13,000k from UIGHL.

**Sale of ULP**

On 22 December 2025, Utmost announced the sale (subject to regulatory approval) of Utmost Life and Pensions Limited. The sale is expected to complete by mid-2026.

**EVENTS SUBSEQUENT TO YEAR-END****Guernsey Enforcement**

Subsequent to the year end, Utmost Worldwide Limited received a regulatory censure and financial penalty of £1.96 million relating to historic compliance matters. See note 38 of the consolidated financial statements.

**Corporate Restructure**

On 16 February 2026, the Company paid a cash dividend of £50m to its immediate parent company UHGL.

**DIVIDEND****Interim Dividend**

An interim dividend of £62.0m was declared on 21 January 2025 and paid on 30 January 2025. A further dividend of £38.0m was declared on 23rd June 2025 and paid on 26th June 2025. Both were paid 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 (2024: 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 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 2025.

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, we are committed to respecting human rights, and 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 14-59.

- 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 14-59 of this Annual Report and Accounts, the Governance Report comprising pages 66-70, and the Directors' Report comprising pages 71-73 were approved by the Board and signed by order of the Board by:



**IAN MAIDENS**  
GROUP CHIEF FINANCIAL OFFICER  
15 APRIL 2026

# FINANCIAL STATEMENTS

## IN THIS SECTION

Independent Auditor's Report	76
Consolidated Statement of Comprehensive Income	82
Consolidated Statement of Financial Position	83
Consolidated Statement of Changes in Equity	84
Consolidated Statement of Cash Flows	85
Notes to the Consolidated Financial Statements	86
Company Financial Statements	150
Notes to the Company Financial Statements	153
Alternative Performance Measures	156
Glossary	158
Company Information	160
Forward-Looking Statements	161

# 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 2025 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 2025 (the "Annual Report"), which comprise:

- the Consolidated Statement of Financial Position as at 31 December 2025;
- the Company Statement of Financial Position as at 31 December 2025;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Company Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Company Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Company Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## 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)
- Valuation of certain level 3 assets within the entity Utmost Luxembourg S.A. (group)
- Recoverability of the Company's investments in related undertakings (company)

#### MATERIALITY

- Overall group materiality: £15,200,000 (2024: £15,500,000) based on 1% of Total Equity.
- Overall company materiality: £16,400,000 (2024: £15,900,000) based on 1% of Total Equity.
- Performance materiality: £11,400,000 (2024: £11,625,000) (group) and £12,300,000 (2024: £11,900,000) (company).
- Specific overall group materiality of assets held to cover linked liabilities, investment contract liabilities and associated income statement line items: £1,100,000,000 (2024: £1,028,900,000) based on 1% (2024:1%) of the Financial assets at fair value held to cover linked liabilities.
- Specific group performance materiality of assets held to cover linked liabilities, investment contract liabilities and associated income statement line items: £825,000,000 (2024: £771,675,000)

## 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. (group), which was a key audit matter last year, is no longer included because of the accounting of the acquisition is no longer applicable for the 31 December 2025 financial statements. 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.

### 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.

Determining these future expense levels requires significant judgement.

In addition, in the UK business the methodology used needs to allow for the diseconomies of scale that arise from the decline in business volumes and fixed costs, and in Utmost PanEurope dac (UPE) and Utmost Holdings Isle of Man (UHIO) the expense levels need to account for the emerging economies of continuing integration of the business.

We consider these assumptions underpinning gross insurance contract liabilities to be a key audit matter.

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

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

- 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 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;
- 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 wider factors impacting improvements; 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 and expense inflation assumptions;
- 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 challenged the 2026 budgeted expenses by assessing the accuracy of the 2025 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 to the extent not supported by new business.

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 relate to the rate at which policyholders surrender their policy, withdraw funds or cease payment of premiums.

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).

However, judgement is then required to allow for potential differences in the future experience and how long these differences may influence the assumptions.

Persistency assumptions are a significant risk due to the need for management judgement and the inherent uncertainty involved. These assumptions impact the measurement of fulfilment cash flows on insurance contracts and therefore the insurance contract liabilities.

**VALUATION OF CERTAIN LEVEL 3 ASSETS WITHIN THE ENTITY UTMOST LUXEMBOURG S.A. (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.

Within Utmost Luxembourg S.A. hold a portfolio of financial assets held to cover unit 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 a holding company, we consider this to be the key audit matter to the parent company accounts.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We performed the following procedures over persistency assumptions:

- 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;
- 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;
- 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 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; and
- For a sample of assets within each asset class we have tested managements valuation by inspecting supporting documentation.

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 investments 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.

### 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, Utmost PanEurope DAC, and Utmost Luxembourg S.A.. 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:

- 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;
- Reviewing reporting and supporting evidence requested from component teams, including those areas determined to be of heightened audit risk; and
- Reviewing the detailed working papers of component teams, where relevant.

### 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
<b>OVERALL MATERIALITY</b>	£15,200,000 (2024: £15,500,000).	£16,400,000 (2024: £15,900,000).
<b>HOW WE DETERMINED IT</b>	1% of Total Equity	1% of Total Equity
<b>RATIONALE FOR BENCHMARK APPLIED</b>	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. 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. 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. Materiality has been consistently rounded down to the nearest thousand.	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. Materiality has been consistently rounded down to the nearest thousand.

For certain balances: assets held to cover linked liabilities, investment contract liabilities and associated income statement line items, our specific overall materiality was £1,100,000,000 (2024: £1,028,900,000) based on 1% (2024:1%) 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 £2,000,000 and £14,000,000 (£30,078,320 and £950,000,000 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% (2024: 75%) of overall materiality, amounting to £11,400,000 (2024: £11,625,000) for the group financial statements and £12,300,000 (2024: £11,900,000) 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 £825.0m (2023: £771.7m).

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £760,000 (group audit) (2024: £775,000) and £825,000 (company audit) (2024: £795,000) and specifically £15.2m (group audit) (2024: £15.5m) 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.

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 2025 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 and the Board of Directors;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of insurance contract liabilities;
- 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 details 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **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.

Peter O'Brien (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 April 2026

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2025

	Note	2025 £'000	2024* £'000
<b>Continuing operations</b>			
Insurance revenue		216,018	208,094
Insurance service expenses		(160,359)	(153,742)
Net expense from reinsurance contracts held		(43,731)	(50,000)
<b>Insurance service result</b>	21	<b>11,928</b>	4,352
Fees and charges receivable on investment business	6	395,697	283,198
Investment return		8,033,780	5,329,663
Finance expenses from insurance contracts issued		(810,731)	(660,529)
Finance income from reinsurance contracts held		33,878	34,556
Movement in investment contract liabilities	20	(7,242,697)	(4,702,183)
<b>Net financial result</b>	7	<b>14,230</b>	1,507
Other income		62,702	66,483
Administrative expenses	8	(277,156)	(191,273)
Gain on bargain purchase		-	509,104
Amortisation of acquired value of in-force business	11	(137,684)	(100,173)
<b>Profit for the year before interest and tax</b>		<b>69,717</b>	573,198
Finance costs	9	(31,074)	(17,752)
<b>Profit for the year before tax</b>		<b>38,643</b>	555,446
Tax (charge) / credit	10	(18,645)	697
Profit for the year after tax from continuing operations		19,998	556,143
Profit after tax from discontinued ULP operations	37	4,850	7,881
<b>Profit for the year after tax</b>		<b>24,848</b>	564,024
<b>Other comprehensive income/(expense)</b>			
<b>Continuing operations</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>			
Change in fair value of financial assets at fair value through OCI		1,381	4,812
Foreign currency translation movements in the year	27	58,470	(11,596)
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurement on retirement benefit asset/obligation		(479)	(1,196)
<b>Discontinued ULP operations</b>			
Remeasurement on retirement benefit asset/obligation		421	422
Shareholder tax on items that will not be reclassified subsequently to profit and loss		(105)	(87)
<b>Total comprehensive income for the year</b>		<b>84,536</b>	556,379

Income and expenses for the year derive wholly from both continuing operations and discontinued operations. The notes on pages 86 to 149 form an integral part of these financial statements.

\* The comparative results have been re-presented from those previously published to reflect the Utmost Life and Pensions operations as discontinued in 2025 (see note 2.1).

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2025**

Assets	Note	2025 31 December £'000	2024 31 December £'000
Acquired value of in-force business	11	1,125,910	1,271,544
Deferred acquisition costs	12	132,767	110,827
Other intangible assets		8,515	10,418
Property, plant and equipment	13	36,931	36,402
Insurance contract assets	21	51	86
Reinsurance contract assets	21	698,334	877,468
Withholding tax asset	16	167,885	299,803
Stamp duty tax asset	16	177,016	
Deferred tax asset	24	1,645	1,056
Financial assets at fair value held to cover linked liabilities	14		
Financial investments		111,075,170	103,197,567
Cash and cash equivalents		5,557,714	5,190,566
<b>Total financial assets at fair value held to cover linked liabilities</b>		<b>116,632,884</b>	<b>108,388,133</b>
Other investments	15	942,299	1,597,582
Other receivables	17	438,104	416,202
Deposits		173,605	130,618
Assets held for sale	37	5,948,017	-
Cash and cash equivalents	18	410,023	538,155
<b>Total assets</b>		<b>126,893,986</b>	<b>113,678,294</b>
<b>Liabilities</b>			
Investment contract liabilities	20	104,213,469	97,012,674
Insurance contract liabilities	21	13,574,228	13,337,256
Reinsurance contract liabilities	21	-	33,108
Borrowings	23	549,644	598,661
Deferred tax liabilities	24	189,608	201,126
Deferred front end fees	22	106,511	88,581
Other payables	25	875,516	774,418
Liabilities held for sale	37	5,783,162	-
<b>Total liabilities</b>		<b>125,292,138</b>	<b>112,045,824</b>
<b>Capital and reserves</b>			
Called up share capital	26	392,500	392,500
Retained earnings		859,248	949,721
Other reserves		4,617	3,236
Restricted Tier 1 notes	26	297,600	297,600
Foreign currency translation reserve	27	47,883	(10,587)
<b>Total equity</b>		<b>1,601,848</b>	<b>1,632,470</b>
<b>Total equity and liabilities</b>		<b>126,893,986</b>	<b>113,678,294</b>

The financial statements on pages 82 to 149 were approved and authorised for issue by the Board of directors on 15 April 2026 and signed on its behalf by:



Ian Maidens  
Director  
15 April 2026

The notes on pages 86 to 149 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2025**

	Called up share capital £'000	Retained earnings £'000	Restricted Tier 1 notes £'000	Other reserves* £'000	Foreign currency translation reserve £'000	Total £'000
<b>CONSOLIDATED</b>						
<b>Balance as at 1 January 2024</b>	<b>392,500</b>	<b>400,339</b>	<b>297,600</b>	<b>(1,576)</b>	<b>1,009</b>	<b>1,089,872</b>
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)
Shareholder tax on items that will not be reclassified subsequently to profit and loss	-	(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)
<b>Balance as at 1 January 2025</b>	<b>392,500</b>	<b>949,721</b>	<b>297,600</b>	<b>3,236</b>	<b>(10,587)</b>	<b>1,632,470</b>
Profit for the year	-	24,848	-	-	-	24,848
Foreign currency translation movements in the year	-	-	-	-	58,470	58,470
Remeasurement on retirement benefit asset	-	(58)	-	-	-	(58)
Shareholder tax on items that will not be reclassified subsequently to profit and loss	-	(105)	-	-	-	(105)
Dividends paid	-	(100,000)	-	-	-	(100,000)
Change in fair value of financial assets at fair value through OCI	-	-	-	1,381	-	1,381
Coupon paid on Restricted Tier 1 notes, net of tax relief	-	(15,158)	-	-	-	(15,158)
<b>Balance as at 31 December 2025</b>	<b>392,500</b>	<b>859,248</b>	<b>297,600</b>	<b>4,617</b>	<b>47,883</b>	<b>1,601,848</b>

\*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 2025**

Continuing operations	Note	2025 £'000	2024* £'000
<b>Net cash flows from operating activities</b>	28	<b>144,136</b>	104,759
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries – net of cash acquired		-	(224,511)
Acquisition of property, plant and equipment	13	<b>(3,932)</b>	(1,784)
Acquisition of intangible assets		-	(276)
Proceeds on disposals of property, plant and equipment		-	11
<b>Net cash flows from investment activities</b>		<b>(3,932)</b>	(226,560)
<b>Cash flows from financing activities</b>			
Increase in borrowings		-	197,793
Repayment of borrowings		<b>(50,000)</b>	-
Repayment of leases		<b>(4,232)</b>	(1,734)
Dividends paid		<b>(100,000)</b>	-
Finance costs paid (including on Restricted Tier 1 Notes)		<b>(47,046)</b>	(34,375)
<b>Net cash flows from financing activities</b>		<b>(201,278)</b>	161,684
<b>Net (decrease) / increase in cash and cash equivalents from continuing operations</b>		<b>(61,074)</b>	39,883
<b>Net (decrease) / increase in cash and cash equivalents from discontinued ULP operations</b>		<b>(34,964)</b>	30,864
Cash and cash equivalents at the beginning of the year		<b>538,155</b>	469,516
Exchange differences on cash and cash equivalents		<b>8,478</b>	(2,108)
<b>Cash and cash equivalents at the end of the year</b>		<b>450,595</b>	538,155
<b>Comprising:</b>			
Cash and cash equivalents from continuing operations		<b>410,023</b>	462,619
Cash and cash equivalents from discontinued ULP operations		<b>40,572</b>	75,536

The notes on pages 86 to 149 form an integral part of these financial statements.

\* The comparative results have been re-presented from those previously published to reflect the Utmost Life and Pensions operations as discontinued in 2025 (see note 2.1).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 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.

### DISCONTINUED UTMOST LIFE AND PENSIONS OPERATIONS

On 22 December 2025, the Board announced that it had decided to dispose of the Utmost Life and Pensions operations from the Group through a sale, which is expected to complete in the first half of 2026. In accordance with IFRS 5 ‘Non-Current Assets Held for Sale and Discontinued Operations’, the results of the Group’s Utmost Life and Pensions operations have been classified as discontinued operations in these consolidated financial statements.

In order to present the results of the continuing operations on a comparable basis, and consistent with IFRS 5 requirements, profit after tax attributable to the discontinued Utmost Life and Pensions operations in 2025 has been shown in a single line in the income statement. Comparatives have been restated accordingly and notes 5 to 10 have also been prepared on this basis.

IFRS 5 does not permit the comparative 31 December 2024 statement of financial position to be re-presented, as the Utmost Life and Pensions operations were not classified as discontinued at that point in time. In the analysis of movements in Group’s assets and liabilities between the beginning and end of the 2025, the balances of the discontinued Utmost Life and Pensions operations are removed from the opening balances to show the underlying movements from continuing operations.

### 2.1.1 CHANGE IN ACCOUNTING POLICIES

#### 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 or 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 Intangible assets and acquired value of in-force policies ('AVIF')

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 are detailed in note 3.1.

## 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%

## 2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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 OF FINANCIAL ASSETS

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 private company shares and other investment funds that are illiquid, have been suspended or are 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 financial assets 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 and other receivables carried at amortised cost as well as the financial assets at fair value through other comprehensive income. Expected credit losses are an unbiased, probability-weighted estimate of credit losses. It considers all reasonable and supportable information, including forward

looking economic assumptions and a range of possible outcomes. 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 at the balance sheet date. 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.

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.

## 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.

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

Segment	Contracts Issued	Product Classification	Measurement model (see 2.13)
<b>Contracts issued</b>			
UWS	Individual unit-linked contracts with material insurance benefits	Insurance Contracts with Direct Participation Features	VFA GMM VFA
	Non-linked whole of life contracts	Insurance Contracts	
	Individual unit-linked contracts with investments linked to external with-profits funds	Insurance Contracts with Direct Participation Features	
UCS	Life and disability insurance benefits	Insurance Contracts	GMM
	Non-linked term life and health contracts	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
<b>Reinsurance contracts held</b>			
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

## 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

## 2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

"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 and this treatment therefore ensures there is not an accounting mismatch.

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.

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 the Group's 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. 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. The substantive obligation ends when the Group has the ability to reprice the underlying contract.

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.

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.

## 2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### *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; and
- b. cash flows arising from the contracts in the group at that date.
- 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:

- a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereon;
- b. changes in the FCF relating to the LIC; and
- c. 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:

- a. changes in the Group's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
  - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
  - ii. 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;
  - iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
  - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
  - v. 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:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
  - i. changes in the FCF relating to the LIC; and
  - ii. 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:

- a. The effect of any new contracts added to the group.
- b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c. 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.
- d. The effect of any currency exchange differences.
- e. 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:

- a. Coverage units in the period, divided by
- b. The sum of:
  - i. coverage units in the period, and
  - ii. end of period coverage units total forecast.
- c. Where all amounts included in this calculation are undiscounted.

The coverage units used by the Group are as follows:

Business Type	Coverage Units (proxy for "quantity of benefits").
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 loss 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.

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

#### 2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

- 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 administrative 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 accounted for under IFRS 15. 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 point in time 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 for contracts in scope of IFRS 15 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 “Administrative 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.

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 Administrative expenses**

All administrative 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.

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.

## 2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

Critical accounting estimates

### 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 insurance contract liabilities could vary from the amounts provided. 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 persistency. 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 30.

### 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, guarantee costs 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 2025 (the subsidiaries as at 31 December 2025 are consistent with those as at 31 December 2024 with the exception of the addition of Utmost Wealth Portugal, Unipessoal LDA in 2025):

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	Dormant	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 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 Le Truchot St Peter Port Guernsey GY1 1GR	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 Le Truchot St Peter Port Guernsey GY1 1GR	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 Le Truchot St Peter Port Guernsey GY1 1GR	Provision of financial services	100% of issued share capital
Utmost International Middle East Limited		Level 14, Central Park Offices, Dubai International Financial Centre, UAE	Service Company	100% of issued share capital
Utmost Worldwide Employee Pension Scheme Limited		Albert House South Esplanade St Peter Port, Guernsey	Group pension scheme trustee	100% of issued share capital
Utmost Holdings Europe S.à r.l.		4, rue Lou Hemmer, L-1748 Luxembourg	Investment holding	100% of issued share capital
Utmost Luxembourg S.A.		4, rue Lou Hemmer, L-1748 Luxembourg	Life insurance	100% of issued share capital
Utmost PCC Limited		Utmost House Le Truchot St Peter Port Guernsey GY1 1GR	Life insurance	100% of issued share capital
Utmost Distribution Holdings Europe S.a.r.l.		4, rue Lou Hemmer, L-1748 Luxembourg	Investment holding	100% of issued share capital
Utmost Wealth Advisers Limited		1 King William Street, London, England, EC4N 7AF	Provision of financial services	100% of issued share capital
Utmost Patrimoine		140 rue du Faubourg Saint- Honoré 75008 Paris	Provision of financial services	100% of issued share capital
Utmost Patrimonio Iberia SL		Calle Serrano No. 82, 1st left. 28006 Madrid	Provision of financial services	100% of issued share capital
Utmost Wealth Portugal, Unipessoal LDA		Avenida Republica, Lisboa, Portugal	Provision of financial services	100% of issued share capital
Utmost UK Group Holdings Limited		5th Floor Saddlers House 44 Gutter Lane London	Investment holding	100% of issued share capital
Utmost Life and Pension Holdings Limited		Walton Street, Aylesbury, HP21 7QW	Investment holding	100% of issued share capital
Utmost Life and Pensions Limited		Walton Street, Aylesbury, HP21 7QW	Life insurance	100% of issued share capital
Utmost Life and Pensions Services Limited		Walton Street, Aylesbury, HP21 7QW	Service Company	100% of issued share capital
The Equitable Life Assurance Society		Walton Street, Aylesbury, HP21 7QW	Life insurance	100% of issued share capital
Reliance Pension Scheme Trustee Limited		Walton Street, Aylesbury, HP21 7QW	Group pension scheme trustee	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 as our 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
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
Pacific Commercial Services 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	Punta Pacifica, Oceania Business Plaza, Torre 2000, Piso 43, Republica De Panama	Private company holding	100% of issued share capital
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

#### 4 SUBSIDIARIES CONTINUED

Subsidiary	Date of acquisition	Registered address / business address	Nature of business	Shares held
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
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
Tixtan Ltd Private Co Share	30 Nov 21	Gaspe House, 66-72 Esplanade, St Helier, JE2 3QT, Jersey	Private company holding	100% of issued share capital
Joy Investment Holding Ltd	16 Jan 2025	Trident Chambers, PO Box 146, Road Town, Tortola, VG1110, BVI	Private company holding	100% of issued share capital

#### 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.

### 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.

### Other Group activities

Centrally held assets and group head office expenses together with financing costs arising on the Tier 2 loan notes and external bank debt 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:

	2025 £'000	2024 £'000
<b>Operating profit</b>		
UWS	230,172	175,188
UCS	3,344	4,919
Other reconciling items	(9,651)	(4,020)
<b>Total segmental operating profit</b>	<b>223,865</b>	<b>176,087</b>
Amortisation of AVIF and depreciation	(147,079)	(104,573)
Finance costs	(31,074)	(17,752)
Gain on bargain purchase	-	509,104
Non-recurring items	(7,069)	(7,420)
<b>Profit before tax from continuing operations</b>	<b>38,643</b>	<b>555,446</b>
Profit before tax from discontinued ULP operations	5,501	8,534
<b>Profit before tax</b>	<b>44,144</b>	<b>563,980</b>

A breakdown of revenue by segment for continuing operations is provided below:

	UWS	UCS	Other reconciling items	Total
<b>2025</b>				
Insurance revenue	23,998	192,020	-	216,018
Fees and charges receivable	407,943	-	(12,246)	395,697
<b>Total segmental revenue</b>	<b>431,941</b>	<b>192,020</b>	<b>(12,246)</b>	<b>611,715</b>
<b>2024</b>				
Insurance revenue	10,607	197,487	-	208,094
Fees and charges receivable	288,827	-	(5,629)	283,198
<b>Total segmental revenue</b>	<b>299,434</b>	<b>197,487</b>	<b>(5,629)</b>	<b>491,292</b>

Of the revenue from external customers presented in the table above, £611,715k (2024: £491,292k) is attributable to customers outside of the United Kingdom. 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 £782k (2024: £52,081k) located in the United Kingdom and £1,303,341k (2024: £1,377,110k) located in the rest of the world.

## 6 FEES AND CHARGES RECEIVABLE

	2025 £'000	2024 £'000
<b>Operating profit</b>		
Fee income from investment contracts	405,293	291,591
Net movement in deferred front-end fees	(9,596)	(8,393)
<b>Total fee income</b>	<b>395,697</b>	<b>283,198</b>

7 NET FINANCIAL RESULT

Continuing operations 2025	Utmost Wealth Solutions	Utmost Corporate Solutions	Total
<i>Net investment income – underlying assets</i>			
Net gains on FVTPL investments	7,985,969	31,963	8,017,932
<b>Net investment income – underlying assets</b>	<b>7,985,969</b>	<b>31,963</b>	<b>8,017,932</b>
<i>Net investment income – other investments</i>			
Interest revenue from financial assets not measured at FVTPL	2,065	2,335	4,400
Net gains on FVTPL investments	4,504	5,847	10,351
Net gains on investments in debt securities measured at FVOCI	1,678	800	2,478
<b>Net investment income – other investments</b>	<b>8,247</b>	<b>8,982</b>	<b>17,229</b>
Movement in investment contract liabilities	(7,242,718)	21	(7,242,697)
<b>Movement in investment contract liabilities</b>	<b>(7,242,718)</b>	<b>21</b>	<b>(7,242,697)</b>
<b>Total net investment income</b>	<b>751,498</b>	<b>40,966</b>	<b>792,464</b>
<i>Finance (expenses)/income from insurance contracts held</i>			
Change in fair value of underlying assets of contracts measured under the VFA	(807,765)	(39,419)	(847,184)
Interest accreted	(194)	(11,674)	(11,868)
Effect of changes in interest rates and other financial assumptions	1,460	8,200	9,660
Foreign exchange differences	29,590	9,071	38,661
<b>Finance expenses from insurance contracts issued</b>	<b>(776,909)</b>	<b>(33,822)</b>	<b>(810,731)</b>
<i>Finance income/(expenses) from reinsurance contracts held</i>			
Interest accreted	339	7,538	7,877
Effect of changes in interest rates and other financial assumptions	48,436	(6,600)	41,836
Foreign exchange differences	(14,773)	(1,062)	(15,835)
<b>Finance income / (expenses) from reinsurance contracts held</b>	<b>34,002</b>	<b>(124)</b>	<b>33,878</b>
<b>Net insurance finance expenses</b>	<b>(742,907)</b>	<b>(33,946)</b>	<b>(776,853)</b>
<b>Summary of the amounts recognised in profit or loss</b>			
Net investment income – underlying assets	7,985,969	31,963	8,017,932
Net investment income – other investments	7,228	8,620	15,848
Movement in investment contract liabilities	(7,242,718)	21	(7,242,697)
Net insurance finance expenses	(742,907)	(33,946)	(776,853)
	7,572	6,658	14,230
<b>Summary of the amounts recognised in OCI</b>			
Net investment income – other investments	1,019	362	1,381
<b>Net insurance finance expenses</b>			
<i>Summary of the amounts recognised</i>			
Insurance service result	8,034	3,894	11,928
Net investment income	751,498	40,966	792,464
Net insurance finance expenses	(742,907)	(33,946)	(776,853)
<b>Net insurance and investment result</b>	<b>16,625</b>	<b>10,914</b>	<b>27,539</b>

	Utmost Wealth Solutions	Utmost Corporate Solutions	Total
<b>Continuing operations 2024</b>			
<i>Net investment income – underlying assets</i>			
Net gains on FVTPL investments	5,280,917	34,377	5,315,294
<b>Net investment income – underlying assets</b>	5,280,917	34,377	5,315,294
<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	15,104
Net gains on investments in debt securities measured at FVOCI	736	957	1,693
<b>Net investment income – other investments</b>	13,454	5,727	19,181
Movement in investment contract liabilities	(4,702,129)	(54)	(4,702,183)
<b>Movement in investment contract liabilities</b>	(4,702,129)	(54)	(4,702,183)
<b>Total net investment income</b>	592,242	40,050	632,292
<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)	(633,189)
Interest accreted	(34)	(15,662)	(15,696)
Effect of changes in interest rates and other financial assumptions	849	4,051	4,900
Foreign exchange differences	(21,085)	4,541	(16,544)
<b>Finance expenses from insurance contracts issued</b>	(614,410)	(46,119)	(660,529)
<i>Finance income/(expenses) from reinsurance contracts held</i>			
Interest accreted	3,253	9,930	13,183
Effect of changes in interest rates and other financial assumptions	9,545	518	10,063
Foreign exchange differences	11,192	118	11,310
<b>Finance income / (expenses) from reinsurance contracts held</b>	23,990	10,566	34,556
<b>Net insurance finance expenses</b>	(590,420)	(35,553)	(625,973)
<b>Summary of the amounts recognised in profit or loss</b>			
Net investment income – underlying assets	5,280,917	34,377	5,315,294
Net investment income – other investments	12,622	1,747	14,369
Movement in investment contract liabilities	(4,702,129)	(54)	(4,702,183)
Net insurance finance expenses	(590,420)	(35,553)	(625,973)
	990	517	1,507
<b>Summary of the amounts recognised in OCI</b>			
Net investment income – other investments	832	3,980	4,812
<b>Net insurance finance expenses</b>			
<i>Summary of the amounts recognised</i>			
Insurance service result	2,098	2,254	4,352
Net investment income	592,242	40,050	632,292
Net insurance finance expenses	(590,420)	(35,553)	(625,973)
<b>Net insurance and investment result</b>	3,920	6,751	10,671

## 8 EXPENSES

	2025 £'000	2024 £'000
<b>Continuing operations</b>		
Claims and benefits	<b>120,946</b>	129,120
<b>Staff costs</b>		
Wages and salaries	<b>117,579</b>	76,982
Social insurance costs	<b>13,531</b>	7,563
Pension costs – defined contributions	<b>8,445</b>	6,221
Termination costs	<b>4,772</b>	299
Other staff costs	<b>9,086</b>	2,678
	<b>153,413</b>	93,743
Depreciation of property, plant and equipment	<b>7,228</b>	3,554
Amortisation of intangible assets	<b>2,219</b>	144
Auditors' fees	<b>4,444</b>	4,225
Auditors' fees for non-audit services	<b>1,686</b>	1,002
Professional fees	<b>14,096</b>	21,936
Commission expenses	<b>47,250</b>	42,920
Other administrative costs	<b>86,233</b>	48,371
<b>Total expenses</b>	<b>437,515</b>	345,015
Administrative expenses	<b>277,156</b>	191,273
Insurance service expenses	<b>160,359</b>	153,742
	<b>437,515</b>	345,015

The average number of employees during the year was 2,024 (2024: 1,517). The auditors' fees for the audit of the annual financial statements of the Company are £626k (2024: £602k), the auditors' fees for the audit for the annual financial statements of the subsidiaries are £3,818k (2024: £4,480k) and the auditor fees for audit-related assurance services are £1,686k (2024: £1,002k).

## 9 FINANCE COSTS

	2025 £'000	2024 £'000
<b>Continuing operations</b>		
Interest expense	<b>29,911</b>	17,410
Lease liability finance cost	<b>1,163</b>	342
	<b>31,074</b>	17,752

The interest expense arises on financial liabilities measured at amortised cost using the effective interest rate method. The borrowings in place at 31 December 2025 are detailed in note 23. There are no other gains or losses on these liabilities.

## 10 TAX CHARGE

	2025 £'000	2024 £'000
<b>Continuing operations</b>		
Current taxation charge	26,096	7,406
Deferred taxation credit	(7,451)	(8,103)
Taxation charge/(credit)	18,645	(697)

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% (2024: 25.0%).

### Guernsey taxation

The Group entities are subject to tax at 0% (2024: 0%) on profits in Guernsey. Applicable tax rates in other jurisdictions where the Guernsey subsidiaries suffer taxation in branches are Hong Kong 8.25% (2024: 8.25%) on the first HKD 2m of assessable profits and 16.5% (2024: 16.5%) thereafter, 12.5% (2024: 12.5%) in Ireland, Switzerland average 18.8% (2024: 18.8%) and 17% (2024: 17%) in Singapore.

### Isle of Man taxation

The Group entities are subject to tax at 0% (2024: 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% (2024: 8.25%) on the first HKD 2m of assessable profits and 16.5% (2024: 16.5%) thereafter, 25% in the UK (2024: 23.5%), 12.5% (2024: 12.5%) in Ireland and 17% (2024: 17%) in Singapore.

### Ireland taxation

The Irish entities are subject to tax at 12.5% (2024: 12.5%). The applicable tax rate in the other jurisdiction where the Ireland subsidiaries suffer taxation in permanent establishments is Italy 30.8% (2024: 30.8%).

### Luxembourg taxation

The Luxembourg entities are subject to tax at 23.87% (2024: 24.94%). Applicable tax rates in the other jurisdictions where Luxembourg subsidiaries suffer taxation in permanent establishments are Italy 30.8% (2024: 30.8%), Belgium 25% (2024: 25%) and Switzerland 18.8% (2024: 18.8%).

### Tax losses for which no deferred tax asset is recognised

The Group has gross tax losses of £73m (2024: £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:

	2025 £'000	2024 £'000
Profit on ordinary activities before taxation	38,643	555,441
Tax charge expected at the UK rate of 25.0% (2024: 25.0%)	9,661	138,860
Adjustment in respect of prior year	(1,857)	3,750
Pillar 2 top up taxes	14,835	-
Recognition of unrecognised tax losses	-	(239)
Non-taxable profits	-	(128,270)
Non-deductible expenses	4,051	1,547
Increase in unvalued tax losses	5,397	56
Tax on profits subject to a different rate	(14,767)	(16,484)
Other	1,325	83
<b>Tax charge/(credit) for the year</b>	<b>18,645</b>	<b>(697)</b>

The OECD/G20 Inclusive Framework member countries have agreed Pillar Two model rules introducing a global minimum effective tax rate of 15%. Under these rules, if the Group's Pillar Two effective tax rate in a jurisdiction is below 15%, a top-up tax is payable to bring the rate up to the minimum. The Group fell within the scope of the tax from 1 January 2025. The Group has provided for a total Pillar 2 tax liability of £ 15m for the year, which has arisen primarily due to the low rates of local corporate income tax in Isle of Man and Guernsey. The Group applies the mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar 2 income taxes.

## 11 ACQUIRED VALUE OF IN-FORCE BUSINESS

	2025 £'000	2024 £'000
<b>Cost</b>		
At 1 January	1,833,826	1,172,081
Classification of ULP as held for sale	(75,289)	-
Additions on acquisition of subsidiary	-	672,644
Foreign exchange movement	49,613	(10,899)
At 31 December	1,808,150	1,833,826
<b>Accumulated amortisation</b>		
At 1 January	562,282	462,486
Classification of ULP as held for sale	(25,629)	-
Charge for the year*	137,684	105,192
Foreign exchange movement	7,903	(5,396)
At 31 December	682,240	562,282
Net book value at 31 December	1,125,910	1,271,544
Current (within 12 months)	122,049	140,353
Non-current (after 12 month)	1,003,861	1,131,191
	1,125,910	1,271,544

\* The charge for the year ended 31 December 2024 includes £5,019k in relation to the discontinued ULP operations.

AVIF is considered for impairment indicators 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. No impairment indicators were noted and no impairments were recognised during the year.

## 12 DEFERRED ACQUISITION COSTS

	2025 £'000	2024 £'000
At 1 January	110,827	101,748
Acquisition costs capitalised during the year	32,613	22,061
Acquisition costs amortised during the year	(13,596)	(10,705)
Foreign exchange movement	2,923	(2,277)
At 31 December	132,767	110,827
Current (within 12 months)	5,518	4,661
<b>Non-current (after 12 months)</b>	127,249	106,166
	132,767	110,827

There were no indicators of impairment were identified over deferred acquisition costs and no impairments were recognised during the year.

### 13 PROPERTY, PLANT AND EQUIPMENT

	Right of use asset £'000	Property and office equipment £'000	Investment property £'000	Total £'000
<b>Year ended 31 December 2025</b>				
Opening net book value	17,686	13,016	5,700	36,402
Classification of ULP as held for sale	(1,224)	-	-	(1,224)
Additions in the year	4,093	3,932	-	8,025
Depreciation charge	(4,732)	(2,496)	-	(7,228)
Foreign exchange movement	718	238	-	956
<b>Closing net book value</b>	<b>16,541</b>	<b>14,690</b>	<b>5,700</b>	<b>36,931</b>
<b>At 31 December 2025</b>				
Cost	38,698	41,955	5,700	86,353
Accumulated depreciation	(22,157)	(27,265)	-	(49,422)
<b>Net book value</b>	<b>16,541</b>	<b>14,690</b>	<b>5,700</b>	<b>36,931</b>

	Right of use asset £'000	Property and office equipment £'000	Investment property £'000	Total £'000
<b>Year ended 31 December 2024</b>				
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)
<b>Closing net book value</b>	<b>17,686</b>	<b>13,016</b>	<b>5,700</b>	<b>36,402</b>
<b>At 31 December 2024</b>				
Cost	37,282	27,686	5,700	70,668
Accumulated depreciation	(19,596)	(14,670)	-	(34,266)
<b>Net book value</b>	<b>17,686</b>	<b>13,016</b>	<b>5,700</b>	<b>36,402</b>

### 14 FINANCIAL ASSETS AT FAIR VALUE HELD TO COVER LINKED LIABILITIES

Underlying items	2025 £'000	2024 £'000
Fixed income securities	13,051,142	12,319,163
Deposits and loans	349,614	365,134
Ordinary shares and funds	96,782,504	89,760,089
Other investments	648,762	501,104
Modified coinsurance account	243,148	252,077
Cash and cash equivalents	5,557,714	5,190,566
	<b>116,632,884</b>	<b>108,388,133</b>

Included in the analysis above are investments of £9,643,562k (2024: £8,899,381k) 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).

#### 14 FINANCIAL ASSETS AT FAIR VALUE HELD TO COVER LINKED LIABILITIES CONTINUED

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:

	2025 £'000	2024 £'000
Balance at 1 January	252,077	235,207
Deposits to investment contracts	430	-
Withdrawals from investment contracts	(70,300)	(27,043)
Attributable investment income	429	1,155
Change in investment contract liabilities	61,378	43,733
Policy charges	(857)	(967)
Attributable expenses and charges	(9)	(8)
Balance at 31 December	243,148	252,077

#### 15 OTHER INVESTMENTS

	2025 £'000	2024 £'000
<b>Other investments</b>		
Debt securities	336,526	796,209
Ordinary shares and funds – at fair value through profit and loss	259,404	244,296
Other	169	469
	596,099	1,040,974
<b>Underlying items</b>		
Debt securities	331,968	423,798
Ordinary shares and funds – at fair value through profit and loss	14,232	132,030
Other	-	780
	346,200	556,608
<b>Total other investments</b>	942,299	1,597,582

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 £37,074k at 31 December 2025 (2024: £35,101k) 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 AND STAMP DUTY TAX ASSET

	2025 £'000	2024 £'000
<b>Asset</b>		
Balance at 1 January	299,803	94,805
Payable in the year	24,266	37,976
Recovered from policyholders during the year	(37,776)	(19,816)
Offset special credit	(4,782)	(5,475)
Additions on acquisitions of subsidiaries	-	196,983
Other movements*	(123,067)	-
Foreign exchange movement	9,441	(4,670)
<b>Balance at 31 December</b>	<b>167,885</b>	<b>299,803</b>
<b>Liability</b>		
Balance at 1 January	160,241	-
Payable in the year	24,266	37,976
Paid during the year	(47,896)	-
Additions on acquisitions of subsidiaries	-	123,067
Other movements*	(123,067)	-
Foreign exchange movement	1,618	(802)
<b>Balance at 31 December</b>	<b>15,162</b>	<b>160,241</b>
<b>Maturity analysis of tax expected to be recovered</b>		
In one financial year or less	10,690	-
In more than one financial year, but not more than five financial years	126,298	262,629
In more than five financial years, but not more than twenty financial years	30,897	37,174
<b>Total</b>	<b>167,885</b>	<b>299,803</b>

\* In 2024 the withholding tax asset in Utmost Luxembourg S.A was presented on a gross basis with offsetting amounts in the withholding tax asset and other payables. This gross presentation had previously been requested of Utmost Luxembourg S.A by the Luxembourg regulator. Following discussions with the regulator it was agreed that for 2025 the balances could be presented on a net basis and the transition from gross to net is presented in 'other movements' in the reconciliations above. There is no impact to profit or equity from this change in presentation.

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 UL 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.

	2025 £'000	2024 £'000
Stamp duty tax asset	177,016	-
	<b>177,016</b>	<b>-</b>

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% paid in 2025, 20% payable in 2026 & 2027 and 10% payable in 2028.

## 17 OTHER RECEIVABLES

	2025 £'000	2024 £'000
Debtors and accrued income arising out of investment contracts	124,523	124,978
Investment dealing debtors	33,104	30,844
Retirement benefit asset (see note 19)	8,364	8,378
Policyholder loans	121,456	140,600
Other receivables	150,657	111,402
	<b>438,104</b>	<b>416,202</b>
Current (within 12 months)	429,740	407,824
Non-current (after 12 months)	8,364	8,378
	<b>438,104</b>	<b>416,202</b>

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

	2025 £'000	2024 £'000
Deposits with credit institutions	95,617	22,196
Cash at bank	314,406	515,959
	<b>410,023</b>	<b>538,155</b>

## 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 2025	
	RPS £'000	UWEPS £'000
Present value of funded obligations	(20,395)	(10,133)
Fair value of plan assets	19,063	18,497
Net (liability)/asset recognised in the Statement of Financial Position	(1,332)	8,364

The amounts recognised in the Statement of Comprehensive Income are as follows:

Net interest on defined benefit obligation	(79)	(464)
Remeasurement recognised	1,079	(478)
Actual return on fund assets	(658)	-
Pension scheme expenses	(541)	-
	<b>(199)</b>	<b>(942)</b>

	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)

The changes in the retirement benefit obligations of the two defined benefit schemes are as follows:

	FOR THE YEAR ENDED 31 DECEMBER 2025	
	RPS £'000	UWEPS £'000
<b>Change in retirement benefit obligation</b>		
Retirement benefit obligation at 1 January	21,262	10,141
Benefits paid	(966)	(271)
Interest on obligation	1,178	554
Experience losses	(547)	187
Gains from changes in financial assumptions	(632)	(523)
Losses from changes in demographic assumptions	100	45
Retirement benefit obligation at 31 December	20,395	10,133

	FOR THE YEAR ENDED 31 DECEMBER 2024	
	RPS £'000	UWEPS £'000
<b>Change in retirement benefit obligation</b>		
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)
Losses from changes in demographic assumptions	(4)	(97)
Retirement benefit obligation at 31 December	21,262	10,141

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 2025	
	RPS £'000	UWEPS £'000
<b>Change of fair value of plan assets</b>		
Fair value of plan assets at 1 January	20,129	18,519
Interest on assets	1,099	1,019
Return on assets (not including interest)	(658)	(770)
Benefits paid	(966)	(271)
Contributions by the Group	-	-
Pension scheme expenses	(541)	-
Closing fair value of plan assets	19,063	18,497

19 RETIREMENT BENEFIT SCHEMES CONTINUED

	FOR THE YEAR ENDED 31 DECEMBER 2024	
	RPS £'000	UWEPS £'000
<b>Change of fair value of plan assets</b>		
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

The weighted average durations of the liabilities of RPS and UWEPS were 14 years and 16 years respectively as at 31 December 2025 (15 years and 17 years respectively as at 31 December 2024).

	AS AT 31 DECEMBER 2025	
	RPS %	UWEPS %
<b>Plan asset disaggregation by asset class</b>		
Equities	-	-
Bonds	62.0	99.4
Cash	38.0	0.6
	100.0	100.0

98% of plan assets are valued based upon a quoted market price.

	AS AT 31 DECEMBER 2024	
	RPS %	UWEPS %
<b>Plan asset disaggregation by asset class</b>		
Equities	30.5	-
Bonds	67.5	96.7
Cash	2.0	3.3
	100.0	100.0

	AS AT 31 DECEMBER 2025	
	RPS %	UWEPS %
<b>Plan assumptions</b>		
Discount rate	5.7	5.6
Inflation	2.9	3.1
Rate of increase in deferred pensions	2.5	3.1
Rate of increase in pension payments	2.5	3.1

	AS AT 31 DECEMBER 2024	
	RPS %	UWEPS %
<b>Plan assumptions</b>		
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

## 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 2025	RPS	21.9	23.5	24.3	26.0
	UWEPS	23.0	24.0	24.5	25.6
31 December 2024	RPS	21.6	23.2	23.9	25.3
	UWEPS	22.8	23.7	24.4	25.5

## Sensitivity Analysis

The following tables illustrate the sensitivity of the Retirement Benefit Obligations of the two schemes at 31 December 2025 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.

RPS

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2025		
Interest rates – up 50 bps/down 50 bps	(1.3)	1.6
Inflation – up 50 bps/down 50 bps	1.0	(1.0)
Mortality tables – add/subtract 5% to long-term rate of improvement	(0.2)	0.2

	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

UWEPS

	IMPACT ON VALUE OF RETIREMENT BENEFIT OBLIGATION	
	£m	£m
2025		
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
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

## 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 2024, and this resulted in the scheme showing a small surplus. During the year from 1 January to 31 December 2025 the Company did not make any contributions, (2024 contributions of £0.1m solely in respect of administration fees). During 2025 the Group entered into negotiations with the Trustee of RPS with a view to buying out the scheme's remaining liabilities.

## 19 RETIREMENT BENEFIT SCHEMES CONTINUED

### 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:

	2025 £'000	2024 £'000
Balance at start of year	97,012,674	54,116,049
Classification of ULP as held for sale	(4,152,231)	-
Deposits to investment contracts	8,957,250	3,478,151
Withdrawals from investment contracts	(6,822,867)	(4,591,409)
Fees and charges deducted including third-party charges	(545,836)	(379,258)
Commissions and rebates receivable	385	735
Change in investment contract liabilities*	7,242,697	5,102,675
Additions on acquisitions of subsidiaries	-	39,835,228
Foreign exchange and other movements**	2,521,397	(549,497)
Movement in the year	7,200,795	42,896,625
<b>Closing balance carried forward</b>	<b>104,213,469</b>	<b>97,012,674</b>

\* The change in investment contract liabilities balance for the year ended 31 December 2024 includes £400,493k in relation to the discontinued ULP operations.

\*\* As part of the process to implement the Utmost actuarial models in Utmost Holdings Europe S.à r.l. it was identified that £215,980k of unit reserves as at 31 December 2024 had been incorrectly classified as insurance contract liabilities rather than investment contract liabilities. This balance is not considered to be material and as such the correction of this error is included in the other movements balance above and the prior period closing balance has not been restated.

## 21 INSURANCE CONTRACT LIABILITIES

### Composition of the balance sheet

£'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total	Current portion	Non-current portion	Total
<b>2025</b>								
Insurance contract assets	51	-	51	16	67	-	67	67
Insurance contract liabilities	12,570,448	1,003,780	13,574,228	1,416,948	14,991,176	1,779,954	13,211,222	14,991,176
Reinsurance contract assets	450,458	247,876	698,334	203,584	901,918	144,564	757,354	901,918
Reinsurance contract liabilities	-	-	-	27,904	27,904	613	27,291	27,904
<b>2024</b>								
Insurance contract assets	58	-	58	28	86	18	68	86
Insurance contract liabilities	11,217,230	962,949	12,180,179	1,157,077	13,337,256	1,531,642	11,805,614	13,337,256
Reinsurance contract assets	441,656	219,255	660,911	216,557	877,468	132,653	744,815	877,468
Reinsurance contract liabilities	7,004	-	7,004	26,104	33,108	803	32,305	33,108

## Insurance revenue and insurance service result

### INSURANCE REVENUES AND EXPENSES

2025 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Total
<b>Insurance revenue</b>			
<i>Amounts relating to the changes in the LRC</i>			
– Expected incurred claims and other expenses after loss component allocation	12,734	125,017	137,751
– Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	2,719	11,012	13,731
– CSM recognised in profit or loss for the services provided	7,612	46,699	54,311
Insurance acquisition cash flows recovery	933	9,292	10,225
<b>Total insurance revenue</b>	<b>23,998</b>	<b>192,020</b>	<b>216,018</b>
<b>Insurance service expenses</b>			
Incurred claims and other directly attributable expenses	(9,878)	(138,247)	(148,125)
Changes that relate to past service – adjustments to the LIC	-	10,673	10,673
Losses on onerous contracts and reversal of the losses	(5,029)	(7,578)	(12,607)
Insurance acquisition cash flows amortisation	(938)	(9,362)	(10,300)
<b>Total insurance service expenses</b>	<b>(15,845)</b>	<b>(144,514)</b>	<b>(160,359)</b>
<b>Net expenses from reinsurance contracts held</b>			
<i>Reinsurance expenses</i>			
<i>Amounts relating to the changes in the remaining coverage</i>			
– Expected claims and other expenses recovery	(2,460)	(93,451)	(95,911)
– Changes in the risk adjustment recognised for the risk expired	(320)	(8,743)	(9,063)
– CSM recognised for the services received	(731)	(26,180)	(26,911)
<b>Reinsurance expenses</b>	<b>(3,511)</b>	<b>(128,374)</b>	<b>(131,885)</b>
Other incurred directly attributable expenses	(36)	-	(36)
Effects of changes in the risk of reinsurers non-performance	11	294	305
Claims recovered	474	91,706	92,180
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	2,943	6,531	9,474
Changes that relate to past service – adjustments to incurred claims	-	(13,769)	(13,769)
<b>Total net expenses from reinsurance contracts held</b>	<b>(119)</b>	<b>(43,612)</b>	<b>(43,731)</b>
<b>Total insurance service result</b>	<b>8,034</b>	<b>3,894</b>	<b>11,928</b>

**21 INSURANCE CONTRACT LIABILITIES CONTINUED**  
**Insurance revenue and insurance service result continued**  
INSURANCE REVENUES AND EXPENSES

2024 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Total
<b>Insurance revenue</b>			
<i>Amounts relating to the changes in the LRC</i>			
– Expected incurred claims and other expenses after loss component allocation	4,961	118,708	123,669
– Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,342	9,990	11,332
– CSM recognised in profit or loss for the services provided	3,812	59,952	63,764
Insurance acquisition cash flows recovery	492	8,837	9,329
<b>Total insurance revenue</b>	<b>10,607</b>	<b>197,487</b>	<b>208,094</b>
<b>Insurance service expenses</b>			
Incurring claims and other directly attributable expenses	(3,987)	(123,104)	(127,091)
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)	(18,555)
Insurance acquisition cash flows amortisation	(497)	(8,893)	(9,390)
<b>Total insurance service expenses</b>	<b>(8,565)</b>	<b>(145,177)</b>	<b>(153,742)</b>
<b>Net expenses from reinsurance contracts held</b>			
<i>Reinsurance expenses</i>			
<i>Amounts relating to the changes in the remaining coverage</i>			
– Expected claims and other expenses recovery	(26)	(99,330)	(99,356)
– Changes in the risk adjustment recognised for the risk expired	(155)	(7,694)	(7,849)
– CSM recognised for the services received	259	(44,752)	(44,493)
<b>Reinsurance expenses</b>	<b>78</b>	<b>(151,776)</b>	<b>(151,698)</b>
Effects of changes in the risk of reinsurers non-performance	(29)	59	30
Claims recovered	4	93,681	93,685
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	12,863
Changes that relate to past service – adjustments to incurred claims	-	(4,880)	(4,880)
<b>Total net expenses from reinsurance contracts held</b>	<b>56</b>	<b>(50,056)</b>	<b>(50,000)</b>
<b>Total insurance service result</b>	<b>2,098</b>	<b>2,254</b>	<b>4,352</b>

**Amounts determined by transition method**

2025 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total
<b>Insurance contracts issued</b>					
<b>Insurance revenue</b>					
New contracts	14,539	185,271	199,810	10,125	209,935
Contracts measured under the fair value approach at transition	9,459	6,749	16,208	70,742	86,950
	<b>23,998</b>	<b>192,020</b>	<b>216,018</b>	<b>80,867</b>	<b>296,885</b>
<b>CSM as at 31 December</b>					
New contracts	55,943	19,090	75,033	6,691	81,724
Contracts measured under the fair value approach at transition	37,333	5,699	43,032	66,259	109,291
	<b>93,276</b>	<b>24,789</b>	<b>118,065</b>	<b>72,950</b>	<b>191,015</b>
<i>Reinsurance contracts held</i>					
<b>CSM as at 31 December</b>					
New contracts	1,948	12,195	14,143	(475)	13,668
Contracts measured under the fair value approach at transition	1,282	264	1,546	36,616	38,162
	<b>3,230</b>	<b>12,459</b>	<b>15,689</b>	<b>36,141</b>	<b>51,830</b>

2024 £'000	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total
<b>Insurance contracts issued</b>					
<b>Insurance revenue</b>					
New contracts	3,302	188,427	191,729	(2,277)	189,452
Contracts measured under the fair value approach at transition	7,305	9,060	16,365	73,235	89,600
	10,607	197,487	208,094	70,958	279,052
<b>CSM as at 31 December</b>					
New contracts	34,785	17,714	52,499	5,613	58,112
Contracts measured under the fair value approach at transition	26,657	9,102	35,759	85,018	120,777
	61,442	26,816	88,258	90,631	178,889
<b>Reinsurance contracts held</b>					
<b>CSM as at 31 December</b>					
New contracts	127	11,903	12,030	-	12,030
Contracts measured under the fair value approach at transition	(3,195)	301	(2,894)	54,298	51,404
	(3,068)	12,204	9,136	54,298	63,434

### Expected recognition of the contractual service margin

2025 £'000	INSURANCE CONTRACTS HELD					REINSURANCE CONTRACTS HELD				
	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total CSM for insurance contracts issued	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total CSM for reinsurance contracts held
1 year	6,930	16,174	23,104	6,267	29,371	90	10,126	10,216	2,853	13,069
2 years	7,244	3,521	10,765	4,917	15,682	882	2,005	2,887	1,950	4,837
3 years	5,967	486	6,453	4,592	11,045	98	107	205	1,901	2,106
4 years	5,546	346	5,892	4,291	10,183	103	16	119	1,845	1,964
5 years	5,154	325	5,479	4,007	9,486	109	16	125	1,780	1,905
6-10 years	20,678	1,330	22,008	16,406	38,414	524	72	596	8,000	8,596
>10 years	41,757	2,607	44,364	32,770	77,134	1,424	117	1,541	17,812	19,353
<b>Total</b>	<b>93,276</b>	<b>24,789</b>	<b>118,065</b>	<b>73,250</b>	<b>191,315</b>	<b>3,230</b>	<b>12,459</b>	<b>15,689</b>	<b>36,141</b>	<b>51,830</b>

2024 £'000	INSURANCE CONTRACTS HELD					REINSURANCE CONTRACTS HELD				
	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total CSM for insurance contracts issued	Utmost Wealth Solutions	Utmost Corporate Solutions	Total from continuing operations	Utmost Life and Pensions	Total CSM for reinsurance contracts held
1 year	4,789	15,857	20,646	7,524	28,170	(440)	10,039	9,599	4,160	13,759
2 years	5,186	2,870	8,056	5,858	13,914	271	1,743	2,014	2,934	4,948
3 years	4,130	780	4,910	5,572	10,482	(350)	178	(172)	2,865	2,693
4 years	3,811	576	4,387	5,252	9,639	(312)	17	(295)	2,789	2,494
5 years	3,528	536	4,064	4,954	9,018	(281)	16	(265)	2,704	2,439
6-10 years	13,911	2,147	16,058	20,607	36,665	(912)	78	(834)	12,000	11,166
>10 years	26,087	4,050	30,137	40,864	71,001	(1,044)	133	(911)	26,846	25,935
<b>Total</b>	<b>61,442</b>	<b>26,816</b>	<b>88,258</b>	<b>90,631</b>	<b>178,889</b>	<b>(3,068)</b>	<b>12,204</b>	<b>9,136</b>	<b>54,298</b>	<b>63,434</b>

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	2025					2024				
	1 years	5 years	10 years	15 years	20 years	1 years	5 years	10 years	15 years	20 years
GBP	3.54%	3.67%	4.04%	4.36%	4.54%	4.46%	4.04%	4.07%	4.23%	4.30%
EUR	2.10%	2.50%	2.86%	3.11%	3.21%	2.24%	2.14%	2.27%	2.33%	2.26%
USD	3.43%	3.47%	3.84%	4.14%	4.28%	4.18%	4.02%	4.07%	4.13%	4.10%

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Utmost Wealth Solutions

£'000	2025	2024
Insurance contract reserves	12,562,629	11,210,140
Claims payable	8,261	7,427
Premium receivable	(442)	(337)
<b>Insurance contract liabilities</b>	<b>12,570,448</b>	<b>11,217,230</b>

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2025				2024			
	LRC		LIC	Total	LRC		LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Opening insurance contract liabilities	11,205,706	4,434	-	11,210,140	5,607,968	975	-	5,608,943
Opening insurance contract assets	(95)	37	-	(58)	(83)	-	-	(83)
<b>Net balance as at 1 January</b>	<b>11,205,611</b>	<b>4,471</b>	<b>-</b>	<b>11,210,082</b>	<b>5,607,885</b>	<b>975</b>	<b>-</b>	<b>5,608,860</b>
<b>Insurance revenue</b>	<b>(23,998)</b>	<b>-</b>	<b>-</b>	<b>(23,998)</b>	<b>(10,607)</b>	<b>-</b>	<b>-</b>	<b>(10,607)</b>
<b>Insurance service expenses</b>								
Incurred claims and other directly attributable expenses	-	(1,227)	11,105	9,878	-	(539)	4,526	3,987
Losses on onerous contracts and reversal of those losses	-	5,029	-	5,029	-	4,081	-	4,081
Insurance acquisition cash flows amortisation	938	-	-	938	497	-	-	497
<b>Insurance service expenses</b>	<b>938</b>	<b>3,802</b>	<b>11,105</b>	<b>15,845</b>	<b>497</b>	<b>3,542</b>	<b>4,526</b>	<b>8,565</b>
<b>Insurance service result</b>	<b>(23,060)</b>	<b>3,802</b>	<b>11,105</b>	<b>(8,153)</b>	<b>(10,110)</b>	<b>3,542</b>	<b>4,526</b>	<b>(2,042)</b>
Finance expenses/(income) from insurance contracts issued	777,057	(148)	-	776,909	614,353	57	-	614,410
<b>Total amounts recognised in comprehensive income</b>	<b>753,997</b>	<b>3,654</b>	<b>11,105</b>	<b>768,756</b>	<b>604,243</b>	<b>3,599</b>	<b>4,526</b>	<b>612,368</b>
Investment components	(484,404)	-	484,404	-	(425,249)	-	425,249	-
Acquisition of subsidiary	-	-	-	-	5,121,635	-	-	5,121,635
Effect of movements in exchange rates	501,639	336	(1)	501,974	(178,931)	(103)	(1)	(179,035)
Other movements*	(215,980)	-	-	(215,980)	-	-	-	-
<b>Cash flows</b>								
Premiums received	804,827	-	-	804,827	478,658	-	-	478,658
Claims and other directly attributable expenses paid	-	-	(495,508)	(495,508)	-	-	(429,774)	(429,774)
Insurance acquisition cash flows amortisation	(11,573)	-	-	(11,573)	(2,630)	-	-	(2,630)
<b>Total cash flows</b>	<b>793,254</b>	<b>-</b>	<b>(495,508)</b>	<b>297,746</b>	<b>476,028</b>	<b>-</b>	<b>(429,774)</b>	<b>46,254</b>
<b>Net balance as at 31 December</b>	<b>12,554,117</b>	<b>8,461</b>	<b>-</b>	<b>12,562,578</b>	<b>11,205,611</b>	<b>4,471</b>	<b>-</b>	<b>11,210,082</b>
Closing insurance contract liabilities	12,554,206	8,423	-	12,562,629	11,205,706	4,434	-	11,210,140
Closing insurance contract assets	(89)	38	-	(51)	(95)	37	-	(58)
<b>Net balance as at 31 December</b>	<b>12,554,117</b>	<b>8,461</b>	<b>-</b>	<b>12,562,578</b>	<b>11,205,611</b>	<b>4,471</b>	<b>-</b>	<b>11,210,082</b>

\* As part of the process to implement the Utmost actuarial models in Utmost Holdings Europe S.à r.l. it was identified that £215,980k of unit reserves as at 31 December 2024 had been incorrectly classified as insurance contract liabilities rather than investment contract liabilities. This balance is not considered to be material and as such the correction of this error is included in the other movements balance above and the prior period closing balance has not been restated.

## Reconciliation of the measurement components of insurance contract balances

£'000	2025				2024			
	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	11,119,449	29,249	61,442	11,210,140	5,554,436	13,332	41,175	5,608,943
Opening insurance contract assets	(58)	-	-	(58)	(96)	-	13	(83)
<b>Net balance as at 1 January</b>	<b>11,119,391</b>	<b>29,249</b>	<b>61,442</b>	<b>11,210,082</b>	<b>5,554,340</b>	<b>13,332</b>	<b>41,188</b>	<b>5,608,860</b>
<b>Changes that relate to current service</b>								
CSM recognised in profit or loss for the services provided	-	-	(7,612)	(7,612)	-	-	(3,812)	(3,812)
Change in the risk adjustment for non-financial risk for the risk expired	-	(2,719)	-	(2,719)	-	(1,342)	-	(1,342)
Experience adjustments	(2,871)	-	-	(2,871)	(1,061)	-	-	(1,061)
	(2,871)	(2,719)	(7,612)	(13,202)	(1,061)	(1,342)	(3,812)	(6,215)
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	(28,338)	1,605	26,733	-	(3,948)	523	3,425	-
Changes in estimates that result in onerous contract losses or reversal of losses	629	-	-	629	3,915	-	-	3,915
Contracts initially recognised in the period	(3,626)	1,791	6,255	4,420	(8,398)	1,262	7,394	258
	(31,335)	3,396	32,988	5,049	(8,431)	1,785	10,819	4,173
<b>Insurance service result</b>	<b>(34,206)</b>	<b>677</b>	<b>25,376</b>	<b>(8,153)</b>	<b>(9,492)</b>	<b>443</b>	<b>7,007</b>	<b>(2,042)</b>
Finance expenses from insurance contracts issued	773,069	89	3,751	776,909	610,038	613	3,759	614,410
<b>Total amounts recognised in comprehensive income</b>	<b>738,863</b>	<b>766</b>	<b>29,127</b>	<b>768,756</b>	<b>600,546</b>	<b>1,056</b>	<b>10,766</b>	<b>612,368</b>
Acquisition of subsidiary	-	-	-	-	5,095,468	15,328	10,839	5,121,635
Effect of movements in exchange rates	497,868	1,399	2,707	501,974	(177,217)	(467)	(1,351)	(179,035)
Other movements*	(215,980)	-	-	(215,980)	-	-	-	-
<b>Cash flows</b>								
Premiums received	804,827	-	-	804,827	478,658	-	-	478,658
Claims and other directly attributable expenses paid	(495,508)	-	-	(495,508)	(429,774)	-	-	(429,774)
Insurance acquisition cash flows	(11,573)	-	-	(11,573)	(2,630)	-	-	(2,630)
<b>Total cash flows</b>	<b>297,746</b>	<b>-</b>	<b>-</b>	<b>297,746</b>	<b>46,254</b>	<b>-</b>	<b>-</b>	<b>46,254</b>
<b>Net balance as at 31 December</b>	<b>12,437,888</b>	<b>31,414</b>	<b>93,276</b>	<b>12,562,578</b>	<b>11,119,391</b>	<b>29,249</b>	<b>61,442</b>	<b>11,210,082</b>
Closing insurance contract liabilities	12,437,939	31,414	93,276	12,562,629	11,119,449	29,249	61,442	11,210,140
Closing insurance contract assets	(51)	-	-	(51)	(58)	-	-	(58)
<b>Net balance as at 31 December</b>	<b>12,437,888</b>	<b>31,414</b>	<b>93,276</b>	<b>12,562,578</b>	<b>11,119,391</b>	<b>29,249</b>	<b>61,442</b>	<b>11,210,082</b>

\* As part of the process to implement the Utmost actuarial models in Utmost Holdings Europe S.à.r.l. it was identified that £215,980k of unit reserves as at 31 December 2024 had been incorrectly classified as insurance contract liabilities rather than investment contract liabilities. This balance is not considered to be material and as such the correction of this error is included in the other movements balance above and the prior period closing balance has not been restated.

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	
	2025	2024	2025	2024
Opening balance	337	308	7,427	9,613
Incurred	175	277	170,134	373,678
Received/paid	(68)	(297)	(169,468)	(375,825)
Foreign exchange movement	(2)	49	168	(39)
<b>Closing balance</b>	<b>442</b>	<b>337</b>	<b>8,261</b>	<b>7,427</b>

**21 INSURANCE CONTRACT LIABILITIES CONTINUED**  
**Insurance revenue and the CSM by the transition method**

£'000	2025			2024		
	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	9,459	14,539	23,998	7,305	3,302	10,607
<b>CSM as at 1 January</b>	<b>26,657</b>	<b>34,785</b>	<b>61,442</b>	<b>25,388</b>	<b>15,800</b>	<b>41,188</b>
Changes that relate to current service: CSM recognised in profit or loss for the services provided	(4,522)	(3,090)	(7,612)	(3,038)	(774)	(3,812)
Changes that relate to future service: Changes in estimate that adjust the CSM	13,216	13,517	26,733	2,359	1,066	3,425
Contract initially recognised in the period	-	6,255	6,255	-	7,394	7,394
Finance expenses from insurance contracts issued	8,694	16,682	25,376	(679)	7,686	7,007
	1,132	2,619	3,751	2,726	1,033	3,759
<b>Total amounts recognised in comprehensive income</b>	<b>9,826</b>	<b>19,301</b>	<b>29,127</b>	<b>2,047</b>	<b>8,719</b>	<b>10,766</b>
Acquisition of subsidiary	-	-	-	-	10,839	10,839
Foreign exchange movement	850	1,857	2,707	(778)	(573)	(1,351)
<b>CSM as at 31 December</b>	<b>37,333</b>	<b>55,943</b>	<b>93,276</b>	<b>26,657</b>	<b>34,785</b>	<b>61,442</b>

£'000	2025	2024
Reinsurance contract reserves	450,347	441,463
Reinsurance receivable	111	193
<b>Reinsurance contract assets</b>	<b>450,458</b>	<b>441,656</b>

**Reinsurance contracts held**

£'000	2025			2024		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	441,463	-	441,463	469,354	-	469,354
Opening reinsurance contract liabilities	(7,004)	-	(7,004)	(1,132)	-	(1,132)
<b>Net balance as at 1 January</b>	<b>434,459</b>	<b>-</b>	<b>434,459</b>	<b>468,222</b>	<b>-</b>	<b>468,222</b>
<i>Net income/(expenses) from reinsurance contracts held</i>						
Reinsurance expenses	(3,511)	-	(3,511)	78	-	78
Other incurred directly attributable expenses	(25)	-	(25)	29	-	29
Claims recovered	-	474	474	-	4	4
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	2,943	-	2,943	(3)	-	(3)
<b>Net income from reinsurance contracts held</b>	<b>(593)</b>	<b>474</b>	<b>(119)</b>	<b>104</b>	<b>4</b>	<b>108</b>
Finance income from reinsurance contracts held	34,002	-	34,002	23,990	-	23,990
<b>Total amounts recognised in comprehensive income</b>	<b>33,409</b>	<b>474</b>	<b>33,883</b>	<b>24,094</b>	<b>4</b>	<b>24,098</b>
Investment components	(34,323)	34,323	-	(49,250)	49,250	-
Acquisition of subsidiary	-	-	-	3,156	-	3,156
Effect of movements in exchange rates	12,552	-	12,552	(11,708)	-	(11,708)
<i>Cash flows</i>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	4,250	-	4,250	(55)	-	(55)
Recoveries from reinsurance	-	(34,797)	(34,797)	-	(49,254)	(49,254)
<b>Total cash flows</b>	<b>4,250</b>	<b>(34,797)</b>	<b>(30,547)</b>	<b>(55)</b>	<b>(49,254)</b>	<b>(49,309)</b>
<b>Net balance as at 31 December</b>	<b>450,347</b>	<b>-</b>	<b>450,347</b>	<b>434,459</b>	<b>-</b>	<b>434,459</b>
Closing reinsurance contract assets	450,347	-	450,347	441,463	-	441,463
Closing reinsurance contract liabilities	-	-	-	(7,004)	-	(7,004)
<b>Net balance as at 31 December</b>	<b>450,347</b>	<b>-</b>	<b>450,347</b>	<b>434,459</b>	<b>-</b>	<b>434,459</b>

## Reconciliation of the measurement components of reinsurance contract balances

£'000	2025				2024			
	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	443,139	2,049	(3,725)	441,463	466,350	1,468	1,536	469,354
Opening reinsurance contract liabilities	(9,218)	1,557	657	(7,004)	(1,552)	272	148	(1,132)
<b>Net balance as at 1 January</b>	<b>433,921</b>	<b>3,606</b>	<b>(3,068)</b>	<b>434,459</b>	<b>464,798</b>	<b>1,740</b>	<b>1,684</b>	<b>468,222</b>
<b>Changes that relate to current service</b>								
CSM recognised in profit or loss for the services received	-	-	(476)	(476)	-	-	492	492
Change in the risk adjustment for non-financial risk for the risk expired	-	(335)	-	(335)	-	(169)	-	(169)
Experience adjustments	(2,229)	-	(22)	(2,251)	(197)	-	(15)	(212)
	(2,229)	(335)	(498)	(3,062)	(197)	(169)	477	111
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	(4,739)	904	3,835	-	5,604	(332)	(5,272)	-
Contracts initially recognised in the period	258	212	(470)	-	-	-	-	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(321)	(40)	3,304	2,943	(3)	-	-	(3)
	(4,802)	1,076	6,669	2,943	5,601	(332)	(5,272)	(3)
<b>Net (expenses)/income from reinsurance contracts held</b>	<b>(7,031)</b>	<b>741</b>	<b>6,171</b>	<b>(119)</b>	<b>5,404</b>	<b>(501)</b>	<b>(4,795)</b>	<b>108</b>
Finance income/(expenses) from insurance contracts issued	33,956	(108)	154	34,002	23,945	113	(68)	23,990
<b>Total amounts recognised in comprehensive income</b>	<b>26,925</b>	<b>633</b>	<b>6,325</b>	<b>33,883</b>	<b>29,349</b>	<b>(388)</b>	<b>(4,863)</b>	<b>24,098</b>
Acquisition of subsidiary	-	-	-	-	786	2,301	69	3,156
Foreign exchange movements	12,356	223	(27)	12,552	(11,703)	(47)	42	(11,708)
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	4,250	-	-	4,250	(55)	-	-	(55)
Recoveries from reinsurance	(34,797)	-	-	(34,797)	(49,254)	-	-	(49,254)
<b>Total cash flows</b>	<b>(30,547)</b>	<b>-</b>	<b>-</b>	<b>(30,547)</b>	<b>(49,309)</b>	<b>-</b>	<b>-</b>	<b>(49,309)</b>
<b>Net balance as at 31 December</b>	<b>442,655</b>	<b>4,462</b>	<b>3,230</b>	<b>450,347</b>	<b>433,921</b>	<b>3,606</b>	<b>(3,068)</b>	<b>434,459</b>
Closing reinsurance contract assets	442,655	4,462	3,230	450,347	443,139	2,049	(3,725)	441,463
Closing reinsurance contract liabilities	-	-	-	-	(9,218)	1,557	657	(7,004)
<b>Net balance as at 31 December</b>	<b>442,655</b>	<b>4,462</b>	<b>3,230</b>	<b>450,347</b>	<b>433,921</b>	<b>3,606</b>	<b>(3,068)</b>	<b>434,459</b>

£'000	REINSURANCE RECEIVABLE	
	2025	2024
Opening balance	193	1,307
Incurred	24,586	35,480
Received	(24,717)	(36,490)
Foreign exchange movement	49	(104)
<b>Closing balance</b>	<b>111</b>	<b>193</b>

## Utmost Corporate Solutions

£'000	2025	2024
Insurance contract reserves	1,018,269	979,705
Claims payable	4,324	5,615
Premium receivable	(18,813)	(22,371)
<b>Insurance contract liabilities</b>	<b>1,003,780</b>	<b>962,949</b>

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2025				2024			
	LRC		LIC	Total	LRC		LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Opening insurance contract liabilities	651,868	7,450	320,387	979,705	632,927	7,299	377,846	1,018,072
Opening insurance contract assets	-	-	-	-	-	-	-	-
<b>Net balance as at 1 January</b>	<b>651,868</b>	<b>7,450</b>	<b>320,387</b>	<b>979,705</b>	<b>632,927</b>	<b>7,299</b>	<b>377,846</b>	<b>1,018,072</b>
<b>Insurance revenue</b>	<b>(192,020)</b>	-	-	<b>(192,020)</b>	<b>(197,487)</b>	-	-	<b>(197,487)</b>
<b>Insurance service expenses</b>								
Incurred claims and other directly attributable expenses	-	(9,741)	147,988	138,247	-	(14,020)	137,124	123,104
Changes that relate to past service – adjustments to the LIC	-	-	(10,673)	(10,673)	-	-	(1,294)	(1,294)
Losses on onerous contracts and reversal of those losses	-	7,578	-	7,578	-	14,474	-	14,474
Insurance acquisition cash flows amortisation	9,362	-	-	9,362	8,893	-	-	8,893
<b>Insurance service expenses</b>	<b>9,362</b>	<b>(2,163)</b>	<b>137,315</b>	<b>144,514</b>	<b>8,893</b>	<b>454</b>	<b>135,830</b>	<b>145,177</b>
<b>Insurance service result</b>	<b>(182,658)</b>	<b>(2,163)</b>	<b>137,315</b>	<b>(47,506)</b>	<b>(188,594)</b>	<b>454</b>	<b>135,830</b>	<b>(52,310)</b>
Finance expenses / (income) from insurance contracts issued	35,971	38	(2,187)	33,822	38,178	12	7,929	46,119
<b>Total amounts recognised in comprehensive income</b>	<b>(146,687)</b>	<b>(2,125)</b>	<b>135,128</b>	<b>(13,684)</b>	<b>(150,416)</b>	<b>466</b>	<b>143,759</b>	<b>(6,191)</b>
Investment components	(78,529)	-	78,529	-	(75,364)	-	75,364	-
Effect of movements in exchange rates	1,020	328	15,521	16,869	(853)	(315)	(12,733)	(13,901)
<b>Cash flows</b>								
Premiums received	247,414	-	-	247,414	254,897	-	-	254,897
Claims and other directly attributable expenses paid	-	-	(202,893)	(202,893)	-	-	(263,849)	(263,849)
Insurance acquisition cash flows amortisation	(9,142)	-	-	(9,142)	(9,323)	-	-	(9,323)
<b>Total cash flows</b>	<b>238,272</b>	-	<b>(202,893)</b>	<b>35,379</b>	<b>245,574</b>	-	<b>(263,849)</b>	<b>(18,275)</b>
<b>Net balance as at 31 December</b>	<b>665,944</b>	<b>5,653</b>	<b>346,672</b>	<b>1,018,269</b>	<b>651,868</b>	<b>7,450</b>	<b>320,387</b>	<b>979,705</b>
Closing insurance contract liabilities	665,944	5,653	346,672	1,018,269	651,868	7,450	320,387	979,705
Closing insurance contract assets	-	-	-	-	-	-	-	-
<b>Net balance as at 31 December</b>	<b>665,944</b>	<b>5,653</b>	<b>346,672</b>	<b>1,018,269</b>	<b>651,868</b>	<b>7,450</b>	<b>320,387</b>	<b>979,705</b>

## Reconciliation of the measurement components of insurance contract balances

£'000	2025				2024			
	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	932,057	20,832	26,816	979,705	967,658	26,169	24,245	1,018,072
Opening insurance contract assets	-	-	-	-	-	-	-	-
<b>Net balance as at 1 January</b>	<b>932,057</b>	<b>20,832</b>	<b>26,816</b>	<b>979,705</b>	<b>967,658</b>	<b>26,169</b>	<b>24,245</b>	<b>1,018,072</b>
<b>Changes that relate to current or past service</b>								
CSM recognised in profit or loss for the services provided	-	-	(46,699)	(46,699)	-	-	(59,903)	(59,903)
Change in the risk adjustment for non-financial risk for the risk expired	-	(11,012)	-	(11,012)	-	(9,990)	-	(9,990)
Experience adjustments	13,300	-	-	13,300	4,403	-	-	4,403
	13,300	(11,012)	(46,699)	(44,411)	4,403	(9,990)	(59,903)	(65,490)
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	(20,448)	632	19,816	-	(38,010)	600	37,410	-
Changes in estimates that result in onerous contract losses or reversal of losses	(4,880)	-	-	(4,880)	4,436	-	-	4,436
Contracts initially recognised in the period	(20,588)	9,473	23,573	12,458	(22,741)	8,945	23,834	10,038
	(45,916)	10,105	43,389	7,578	(56,315)	9,545	61,244	14,474
Changes that relate to past service – adjustments to the LIC	(10,774)	101	-	(10,673)	3,987	(5,281)	-	(1,294)
<b>Insurance service result</b>	<b>(43,390)</b>	<b>(806)</b>	<b>(3,310)</b>	<b>(47,506)</b>	<b>(47,925)</b>	<b>(5,726)</b>	<b>1,341</b>	<b>(52,310)</b>
Finance expenses from insurance contracts issued	32,289	684	849	33,822	43,455	1,182	1,482	46,119
<b>Total amounts recognised in comprehensive income</b>	<b>(11,101)</b>	<b>(122)</b>	<b>(2,461)</b>	<b>(13,684)</b>	<b>(4,470)</b>	<b>(4,544)</b>	<b>2,823</b>	<b>(6,191)</b>
Effect of movements in exchange rates	15,494	941	434	16,869	(12,856)	(793)	(252)	(13,901)
<b>Cash flows</b>								
Premiums received	247,414	-	-	247,414	254,897	-	-	254,897
Claims and other directly attributable expenses paid	(202,893)	-	-	(202,893)	(263,849)	-	-	(263,849)
Insurance acquisition cash flows	(9,142)	-	-	(9,142)	(9,323)	-	-	(9,323)
<b>Total cash flows</b>	<b>35,379</b>	<b>-</b>	<b>-</b>	<b>35,379</b>	<b>(18,275)</b>	<b>-</b>	<b>-</b>	<b>(18,275)</b>
<b>Net balance as at 31 December</b>	<b>971,829</b>	<b>21,651</b>	<b>24,789</b>	<b>1,018,269</b>	<b>932,057</b>	<b>20,832</b>	<b>26,816</b>	<b>979,705</b>
Closing insurance contract liabilities	971,829	21,651	24,789	1,018,269	932,057	20,832	26,816	979,705
Closing insurance contract assets	-	-	-	-	-	-	-	-
<b>Net balance as at 31 December</b>	<b>971,829</b>	<b>21,651</b>	<b>24,789</b>	<b>1,018,269</b>	<b>932,057</b>	<b>20,832</b>	<b>26,816</b>	<b>979,705</b>

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	
	2025	2024	2025	2024
Opening balance	22,371	20,000	5,615	5,948
Incurred	719,816	713,243	194,257	259,203
Received/paid	(723,962)	(710,947)	(195,684)	(259,452)
Foreign exchange movement	588	75	136	(84)
<b>Closing balance</b>	<b>18,813</b>	<b>22,371</b>	<b>4,324</b>	<b>5,615</b>

## 21 INSURANCE CONTRACT LIABILITIES CONTINUED

### Impact of contracts recognised in the year

£'000	2025			2024		
	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	3,192	4,162	7,354	3,405	4,991	8,396
- Claims and other directly attributable expenses	53,475	62,110	115,585	56,820	59,910	116,730
<b>Estimates of the present value of future cash outflows</b>	<b>56,667</b>	<b>66,272</b>	<b>122,939</b>	<b>60,225</b>	<b>64,901</b>	<b>125,126</b>
Estimates of the present value of future cash inflows	(82,851)	(60,676)	(143,527)	(86,907)	(60,960)	(147,867)
Risk adjustment for non-financial risk	2,611	6,862	9,473	2,848	6,097	8,945
CSM	23,573	-	23,573	23,834	-	23,834
<b>Increase in insurance contract liabilities from contracts recognised in the period</b>	<b>-</b>	<b>12,458</b>	<b>12,458</b>	<b>-</b>	<b>10,038</b>	<b>10,038</b>

### Insurance revenue and the CSM by the transition method

£'000	2025			2024		
	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	6,749	185,271	192,020	9,060	188,427	197,487
<b>CSM as at 1 January</b>	<b>9,102</b>	<b>17,714</b>	<b>26,816</b>	<b>7,686</b>	<b>16,559</b>	<b>24,245</b>
<i>Changes that relate to current service:</i>						
CSM recognised in profit or loss for the services provided	(461)	(46,238)	(46,699)	(1,104)	(58,799)	(59,903)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	(3,209)	23,025	19,816	2,252	35,158	37,410
Contract initially recognised in the period	-	23,573	23,573	-	23,834	23,834
Finance expenses from insurance contracts issued	210	639	849	181	1,301	1,482
<b>Total amounts recognised in comprehensive income</b>	<b>(3,460)</b>	<b>999</b>	<b>(2,461)</b>	<b>1,329</b>	<b>1,494</b>	<b>2,823</b>
Foreign exchange movement	57	377	434	87	(339)	(252)
<b>CSM as at 31 December</b>	<b>5,699</b>	<b>19,090</b>	<b>24,789</b>	<b>9,102</b>	<b>17,714</b>	<b>26,816</b>

	2025 £'000	2024 £'000
Reinsurance contract reserves	303,522	286,120
Reinsurance payable	21,593	20,634
Reinsurance receivable	(77,239)	(87,499)
Reinsurance contract assets	247,876	219,255

## Reinsurance contracts held

£'000	2025			2024		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	26,445	259,675	286,120	37,344	259,408	296,752
Opening reinsurance contract liabilities	-	-	-	-	-	-
<b>Net balance as at 1 January</b>	<b>26,445</b>	<b>259,675</b>	<b>286,120</b>	<b>37,344</b>	<b>259,408</b>	<b>296,752</b>
<i>Net (expenses)/income from reinsurance contracts held</i>						
Reinsurance expenses	(128,374)	-	(128,374)	(151,776)	-	(151,776)
Claims recovered	-	91,706	91,706	-	93,681	93,681
Changes that relate to past service – adjustments to incurred claims	-	(13,769)	(13,769)	-	(4,880)	(4,880)
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	6,531	-	6,531	12,860	-	12,860
Effect of changes in the risk of reinsurers non-performance	4	290	294	33	26	59
<b>Net (expenses)/income from reinsurance contracts held</b>	<b>(121,839)</b>	<b>78,227</b>	<b>(43,612)</b>	<b>(138,883)</b>	<b>88,827</b>	<b>(50,056)</b>
Finance income/(expenses) from reinsurance contracts held	1,442	(1,566)	(124)	4,446	6,120	10,566
<b>Total amounts recognised in comprehensive income</b>	<b>(120,397)</b>	<b>76,661</b>	<b>(43,736)</b>	<b>(134,437)</b>	<b>94,947</b>	<b>(39,490)</b>
Foreign exchange movements	1,127	12,591	13,718	(929)	(10,452)	(11,381)
<i>Cash flows</i>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	118,653	-	118,653	124,467	-	124,467
Recoveries from reinsurance	-	(71,233)	(71,233)	-	(84,228)	(84,228)
<b>Total cash flows</b>	<b>118,653</b>	<b>(71,233)</b>	<b>47,420</b>	<b>124,467</b>	<b>(84,228)</b>	<b>40,239</b>
<b>Net balance as at 31 December</b>	<b>25,828</b>	<b>277,694</b>	<b>303,522</b>	<b>26,445</b>	<b>259,675</b>	<b>286,120</b>
Closing reinsurance contract assets	25,828	277,694	303,522	26,445	259,675	286,120
Closing reinsurance contract liabilities	-	-	-	-	-	-
<b>Net balance as at 31 December</b>	<b>25,828</b>	<b>277,694</b>	<b>303,522</b>	<b>26,445</b>	<b>259,675</b>	<b>286,120</b>

21 INSURANCE CONTRACT LIABILITIES CONTINUED

Reconciliation of the measurement components of reinsurance contract balances

£'000	2025				2024			
	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	259,342	14,574	12,204	286,120	262,785	18,625	15,342	296,752
Opening reinsurance contract liabilities	-	-	-	-	-	-	-	-
<b>Net balance as at 1 January</b>	<b>259,342</b>	<b>14,574</b>	<b>12,204</b>	<b>286,120</b>	<b>262,785</b>	<b>18,625</b>	<b>15,342</b>	<b>296,752</b>
<b>Changes that relate to current service</b>								
CSM recognised in profit or loss for the services received	-	-	(26,180)	(26,180)	-	-	(44,752)	(44,752)
Change in the risk adjustment for non-financial risk for the risk expired	-	(8,743)	-	(8,743)	-	(7,694)	-	(7,694)
Experience adjustments	(1,745)	-	-	(1,745)	(5,649)	-	-	(5,649)
	(1,745)	(8,743)	(26,180)	(36,668)	(5,649)	(7,694)	(44,752)	(58,095)
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	(13,285)	139	13,146	-	(14,821)	(3,761)	18,582	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	6,531	6,531	-	-	12,860	12,860
Contracts initially recognised in the period	(14,174)	8,156	6,018	-	(16,585)	7,090	9,495	-
	(27,459)	8,295	25,695	6,531	(31,406)	3,329	40,937	12,860
Changes that relate to past service – adjustments to incurred claims	(13,616)	(153)	-	(13,769)	(4,975)	95	-	(4,880)
Effect of changes in the risk of reinsurers non-performance	294	-	-	294	59	-	-	59
<b>Net expenses from reinsurance contracts held</b>	<b>(42,526)</b>	<b>(601)</b>	<b>(485)</b>	<b>(43,612)</b>	<b>(41,971)</b>	<b>(4,270)</b>	<b>(3,815)</b>	<b>(50,056)</b>
Finance (expenses)/income from reinsurance contracts issued	(1,096)	502	470	(124)	8,887	827	852	10,566
<b>Total amounts recognised in comprehensive income</b>	<b>(43,622)</b>	<b>(99)</b>	<b>(15)</b>	<b>(43,736)</b>	<b>(33,083)</b>	<b>(3,443)</b>	<b>(2,963)</b>	<b>(39,489)</b>
Foreign exchange movement	12,724	724	270	13,718	(10,598)	(608)	(175)	(11,381)
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	118,653	-	-	118,653	124,467	-	-	124,467
Recoveries from reinsurance	(71,233)	-	-	(71,233)	(84,228)	-	-	(84,228)
<b>Total cash flows</b>	<b>47,420</b>	<b>-</b>	<b>-</b>	<b>47,420</b>	<b>40,239</b>	<b>-</b>	<b>-</b>	<b>40,239</b>
<b>Net balance as at 31 December</b>	<b>275,864</b>	<b>15,199</b>	<b>12,459</b>	<b>303,522</b>	<b>259,342</b>	<b>14,574</b>	<b>12,204</b>	<b>286,120</b>
Closing reinsurance contract assets	275,864	15,199	12,459	303,522	259,342	14,574	12,204	286,120
Closing reinsurance contract liabilities	-	-	-	-	-	-	-	-
<b>Net balance as at 31 December</b>	<b>275,864</b>	<b>15,199</b>	<b>12,459</b>	<b>303,522</b>	<b>259,342</b>	<b>14,574</b>	<b>12,204</b>	<b>286,120</b>

£'000	REINSURANCE RECEIVABLE		REINSURANCE PAYABLE	
	2025	2024	2025	2024
Opening balance	20,634	21,386	87,499	81,335
Incurred	91,192	104,904	138,297	145,143
Received	(91,221)	(104,843)	(150,559)	(136,810)
Foreign exchange movement	988	(813)	2,002	(2,169)
<b>Closing balance</b>	<b>21,593</b>	<b>20,634</b>	<b>77,239</b>	<b>87,499</b>

## Impact of contracts recognised in the year

£'000	2025			2024		
	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	35,717	50,383	86,100	42,635	40,740	83,375
Estimates of the present value of future cash outflows	(55,896)	(44,378)	(100,274)	(63,353)	(36,607)	(99,960)
Risk adjustment for non-financial risk	1,937	6,219	8,156	2,140	4,950	7,090
CSM	18,242	(12,224)	6,018	18,578	(9,083)	9,495

## Reinsurance CSM by the transition method

£'000	2025			2024		
	New contracts	Contracts measured under the fair value approach at transition	Total	New contracts	Contracts measured under the fair value approach at transition	Total
<b>CSM as at 1 January</b>	11,903	301	12,204	13,989	1,353	15,342
Changes that relate to current service:						
CSM recognised in profit or loss for the services provided	(26,156)	(24)	(26,180)	(41,222)	(3,530)	(44,752)
<i>Changes that relate to future service:</i>						
Changes in estimate that adjust the CSM	19,677	-	19,677	31,592	(150)	31,442
Contract initially recognised in the period	6,018	-	6,018	9,495	-	9,495
Finance income/(expenses) from reinsurance contracts held	483	(13)	470	721	132	853
<b>Total amounts recognised in comprehensive income</b>	22	(37)	(15)	586	(3,548)	(2,962)
Foreign exchange movement	270	-	270	(2,672)	2,496	(176)
<b>CSM as at 31 December</b>	12,195	264	12,459	11,903	301	12,204

## Claims development

£'000	Accident year					2025	Total
	2020	2021	2022	2023	2024		
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	59,703	69,757	84,268	76,388	91,941	95,745	
1 year later	59,994	82,994	88,896	75,862	84,254	-	
2 years later	61,720	84,579	89,176	75,352	-	-	
3 years later	67,646	77,553	85,655	-	-	-	
4 years later	65,289	74,342	-	-	-	-	
5 years later	64,014	-	-	-	-	-	
Cumulative gross claims and other directly attributable expenses paid	(36,723)	(43,060)	(38,497)	(31,605)	(24,547)	(8,223)	
Gross cumulative claims liabilities – accident years from 2020 to 2025	27,291	31,283	47,158	43,747	59,708	87,521	296,708
Gross cumulative claims liabilities – prior accident years							121,772
Effect of discounting							(85,069)
Effect of the risk adjustment margin for non-financial risk							13,262
Gross LIC for the contracts originated							346,673

21 INSURANCE CONTRACT LIABILITIES CONTINUED

£'000	Accident year						Total
	2020	2021	2022	2023	2024	2025	
Estimate of ultimate claim costs (net of reinsurance, undiscounted)							
At end of accident year	16,958	18,578	21,236	21,604	27,058	<b>23,397</b>	
1 year later	17,908	22,789	21,051	22,148	26,151	–	
2 years later	17,650	21,700	20,808	24,354	–	–	
3 years later	18,261	20,412	20,043	–	–	–	
4 years later	17,497	20,287	–	–	–	–	
5 years later	17,443	–	–	–	–	–	
Cumulative net claims and other directly attributable expenses paid	(12,363)	(13,949)	(13,543)	(14,142)	(12,614)	<b>(5,586)</b>	
Net cumulative claims liabilities – accident years from 2020 to 2025	5,080	6,337	6,500	10,212	13,537	<b>17,811</b>	59,477
Net cumulative claims liabilities – prior accident years							21,529
Effect of discounting							(14,997)
Effect of the risk adjustment margin for non-financial risk							2,968
Net LIC for the contracts originated							68,978

Utmost Life and Pensions

£'000	2025	2024
Insurance contract reserves	<b>1,408,263</b>	1,150,797
Claims payable	<b>8,685</b>	6,280
Insurance contract liabilities	<b>1,416,948</b>	1,157,077

Reconciliation of the liability for remaining coverage and the liability for incurred claims

£'000	2025 LRC				2024 LRC			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
Opening insurance contract liabilities	<b>1,147,683</b>	<b>3,114</b>	–	<b>1,150,797</b>	1,194,009	3,816	–	1,197,825
Opening insurance contract assets	(28)	–	–	(28)	(42)	–	–	(42)
<b>Net balance as at 1 January</b>	<b>1,147,655</b>	<b>3,114</b>	–	<b>1,150,769</b>	1,193,967	3,816	–	1,197,783
<b>Insurance revenue</b>	<b>(80,867)</b>	–	–	<b>(80,867)</b>	(70,958)	–	–	(70,958)
<b>Insurance service expenses</b>								
Incurred claims and other directly attributable expenses	–	–	<b>69,081</b>	<b>69,081</b>	–	–	61,933	61,933
Losses on onerous contracts and reversal of those losses	–	<b>6,316</b>	–	<b>6,316</b>	–	(696)	–	(696)
Insurance acquisition cash flows amortisation	<b>29</b>	–	–	<b>29</b>	–	–	–	–
<b>Insurance service expenses</b>	<b>29</b>	<b>6,316</b>	<b>69,081</b>	<b>75,426</b>	–	(696)	61,933	61,237
<b>Insurance service result</b>	<b>(80,838)</b>	<b>6,316</b>	<b>69,081</b>	<b>(5,441)</b>	(70,958)	(696)	61,933	(9,721)
Finance expenses/(income) from insurance contracts issued	<b>101,655</b>	<b>20</b>	–	<b>101,675</b>	38,170	(6)	–	38,164
<b>Total amounts recognised in comprehensive income</b>	<b>20,817</b>	<b>6,336</b>	<b>69,081</b>	<b>96,234</b>	(32,788)	(702)	61,933	28,443
Investment components	(51,002)	–	<b>51,002</b>	–	(62,876)	–	62,876	–
<b>Cash flows</b>								
Premiums received	<b>283,029</b>	–	–	<b>283,029</b>	49,852	–	–	49,852
Claims and other directly attributable expenses paid	–	–	(120,083)	(120,083)	–	–	(124,809)	(124,809)
Insurance acquisition cash flows	(1,702)	–	–	(1,702)	(500)	–	–	(500)
<b>Total cash flows</b>	<b>281,327</b>	–	(120,083)	<b>161,244</b>	49,352	–	(124,809)	(75,457)
<b>Net balance as at 31 December</b>	<b>1,398,797</b>	<b>9,450</b>	–	<b>1,408,247</b>	1,147,655	3,114	–	1,150,769
Closing insurance contract liabilities	<b>1,398,813</b>	<b>9,450</b>	–	<b>1,408,263</b>	1,147,683	3,114	–	1,150,797
Closing insurance contract assets	(16)	–	–	(16)	(28)	–	–	(28)
<b>Net balance as at 31 December</b>	<b>1,398,797</b>	<b>9,450</b>	–	<b>1,408,247</b>	1,147,655	3,114	–	1,150,769

## Reconciliation of the measurement components of insurance contract balances

£'000	2025				2024			
	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	1,047,818	12,354	90,625	1,150,797	1,090,883	13,292	93,650	1,197,825
Opening insurance contract assets	(36)	2	6	(28)	(52)	3	7	(42)
<b>Net balance as at 1 January</b>	<b>1,047,782</b>	<b>12,356</b>	<b>90,631</b>	<b>1,150,769</b>	<b>1,090,831</b>	<b>13,295</b>	<b>93,657</b>	<b>1,197,783</b>
<b>Changes that relate to current service</b>								
CSM recognised in profit or loss for the services provided	-	-	(6,357)	(6,357)	-	-	(7,730)	(7,730)
Change in the risk adjustment for non-financial risk for the risk expired	-	(23)	-	(23)	-	(1,077)	-	(1,077)
Experience adjustments	(5,855)	-	-	(5,855)	(667)	-	-	(667)
	(5,855)	(23)	(6,357)	(12,235)	(667)	(1,077)	(7,730)	(9,474)
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	20,046	(1,072)	(18,974)	-	727	(1,553)	826	-
Changes in estimates that result in onerous contract losses or reversal of losses	3,188	-	-	3,188	(247)	-	-	(247)
Contracts initially recognised in the period	(7,992)	5,609	5,989	3,606	(3,628)	905	2,723	-
	15,242	4,537	(12,985)	6,794	(3,148)	(648)	3,549	(247)
<b>Insurance service result</b>	<b>9,387</b>	<b>4,514</b>	<b>(19,342)</b>	<b>(5,441)</b>	<b>(3,815)</b>	<b>(1,725)</b>	<b>(4,181)</b>	<b>(9,721)</b>
Finance expenses from insurance contracts issued	98,900	814	1,961	101,675	36,223	786	1,155	38,164
Total amounts recognised in comprehensive income	108,287	5,328	(17,381)	96,234	32,408	(939)	(3,026)	28,443
<b>Cash flows</b>								
Premiums received	283,029	-	-	283,029	49,852	-	-	49,852
Claims and other directly attributable expenses paid	(120,083)	-	-	(120,083)	(124,809)	-	-	(124,809)
Insurance acquisition cash flows	(1,702)	-	-	(1,702)	(500)	-	-	(500)
<b>Total cash flows</b>	<b>161,244</b>	<b>-</b>	<b>-</b>	<b>161,244</b>	<b>(75,457)</b>	<b>-</b>	<b>-</b>	<b>(75,457)</b>
<b>Net balance as at 31 December</b>	<b>1,317,313</b>	<b>17,684</b>	<b>73,250</b>	<b>1,408,247</b>	<b>1,047,782</b>	<b>12,356</b>	<b>90,631</b>	<b>1,150,769</b>
Closing insurance contract liabilities	1,317,334	17,683	73,246	1,408,263	1,047,818	12,354	90,625	1,150,797
Closing insurance contract assets	(21)	1	4	(16)	(36)	2	6	(28)
<b>Net balance as at 31 December</b>	<b>1,317,313</b>	<b>17,684</b>	<b>73,250</b>	<b>1,408,247</b>	<b>1,047,782</b>	<b>12,356</b>	<b>90,631</b>	<b>1,150,769</b>

The claims payable balance forms part of the Liability for Incurred Claims and the Present Value of Future Cash Flows.

£'000	CLAIMS PAYABLE	
	2025	2024
Opening balance	6,280	13,042
Claims incurred	108,724	116,305
Claims paid	(106,319)	(123,067)
<b>Closing balance</b>	<b>8,685</b>	<b>6,280</b>

## Impact of contracts recognised in the year

£'000	2025			2024		
	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	819	1,293	2,112	478	-	478
- Claims and other directly attributable expenses	98,502	170,990	269,492	40,826	-	40,826
<b>Estimates of the present value of future cash outflows</b>	<b>99,321</b>	<b>172,283</b>	<b>271,604</b>	<b>41,304</b>	<b>-</b>	<b>41,304</b>
Estimates of the present value of future cash inflows	(106,358)	(173,238)	(279,596)	(44,932)	-	(44,932)
Risk adjustment for non-financial risk	2,177	3,432	5,609	905	-	905
CSM	4,860	1,129	5,989	2,723	-	2,723
<b>Increase in insurance contract liabilities from contracts recognised in the period</b>	<b>-</b>	<b>3,606</b>	<b>3,606</b>	<b>-</b>	<b>-</b>	<b>-</b>

**21 INSURANCE CONTRACT LIABILITIES CONTINUED**  
**Insurance revenue and the CSM by the transition method**

£'000	2025			2024		
	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	70,742	10,125	80,867	73,235	(2,277)	70,958
<b>CSM as at 1 January</b>	<b>85,017</b>	<b>5,614</b>	<b>90,631</b>	90,546	3,111	93,657
<i>Changes that relate to current service:</i> CSM recognised in profit or loss for the services provided	(6,016)	(341)	(6,357)	(7,449)	(281)	(7,730)
<i>Changes that relate to future service:</i> Changes in estimate that adjust the CSM	(14,259)	(4,715)	(18,974)	1,058	(233)	825
Contract initially recognised in the period	-	5,989	5,989	-	2,723	2,723
Finance expenses from insurance contracts issued	1,516	444	1,960	862	294	1,156
<b>Total amounts recognised in comprehensive income</b>	<b>(18,759)</b>	<b>1,377</b>	<b>(17,382)</b>	(5,529)	2,503	(3,026)
<b>CSM as at 31 December</b>	<b>66,259</b>	<b>6,991</b>	<b>73,250</b>	85,017	5,614	90,631

**Reinsurance contracts held**

£'000	2025			2024		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Opening reinsurance contract assets	216,557	-	216,557	237,986	-	237,986
Opening reinsurance contract liabilities	(26,104)	-	(26,104)	(29,848)	-	(29,848)
<b>Net balance as at 1 January</b>	<b>190,453</b>	<b>-</b>	<b>190,453</b>	208,138	-	208,138
<i>Net (expenses)/income from reinsurance contracts held</i>						
Reinsurance expenses	(41,751)	-	(41,751)	(43,373)	-	(43,373)
Claims recovered	-	34,552	34,552	-	36,749	36,749
Changes that relate to future service – changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	240	-	240	449	-	449
Effect of changes in the risk of reinsurers non-performance	90	-	90	333	-	333
<b>Net (expenses)/income from reinsurance contracts held</b>	<b>(41,421)</b>	<b>34,552</b>	<b>(6,869)</b>	(42,591)	36,749	(5,842)
Finance income/(expenses) from reinsurance contracts held	1,390	-	1,390	(2,103)	-	(2,103)
<b>Total amounts recognised in comprehensive income</b>	<b>(40,031)</b>	<b>34,552</b>	<b>(5,479)</b>	(44,694)	36,749	(7,945)
Investment components	(1,329)	1,329	-	(967)	967	-
<i>Cash flows</i>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	26,587	-	26,587	27,976	-	27,976
Recoveries from reinsurance	-	(35,881)	(35,881)	-	(37,716)	(37,716)
<b>Total cash flows</b>	<b>26,587</b>	<b>(35,881)</b>	<b>(9,294)</b>	27,976	(37,716)	(9,740)
<b>Net balance as at 31 December</b>	<b>175,680</b>	<b>-</b>	<b>175,680</b>	190,453	-	190,453
Closing reinsurance contract assets	203,584	-	203,584	216,557	-	216,557
Closing reinsurance contract liabilities	(27,904)	-	(27,904)	(26,104)	-	(26,104)
<b>Net balance as at 31 December</b>	<b>175,680</b>	<b>-</b>	<b>175,680</b>	190,453	-	190,453

## Reconciliation of the measurement components of reinsurance contract balances

£'000	2025				2024			
	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	167,052	4,333	45,172	216,557	183,888	5,022	49,076	237,986
Opening reinsurance contract liabilities	(38,466)	3,236	9,126	(26,104)	(42,871)	3,677	9,346	(29,848)
<b>Net balance as at 1 January</b>	<b>128,586</b>	<b>7,569</b>	<b>54,298</b>	<b>190,453</b>	<b>141,017</b>	<b>8,699</b>	<b>58,422</b>	<b>208,138</b>
<b>Changes that relate to current service</b>								
CSM recognised in profit or loss for the services received	-	-	(2,864)	(2,864)	-	-	(4,157)	(4,157)
Change in the risk adjustment for non-financial risk for the risk expired	-	(357)	-	(357)	-	(681)	-	(681)
Experience adjustments	(3,978)	-	-	(3,978)	(1,787)	-	-	(1,787)
	(3,978)	(357)	(2,864)	(7,199)	(1,787)	(681)	(4,157)	(6,625)
<b>Changes that relate to future service</b>								
Changes in estimates that adjust the CSM	16,100	(193)	(15,907)	-	2,329	(946)	(1,383)	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	240	240	-	-	449	449
Contracts initially recognised in the period	(3,865)	4,338	(473)	-	-	-	-	-
	12,235	4,145	(16,140)	240	2,329	(946)	(934)	449
<b>Changes that relate to past service</b>								
Effect of changes in the risk of reinsurers non-performance	90	-	-	90	333	-	-	333
<b>Net income/(expenses) from reinsurance contracts held</b>	<b>8,347</b>	<b>3,788</b>	<b>(19,004)</b>	<b>(6,869)</b>	<b>875</b>	<b>(1,627)</b>	<b>(5,091)</b>	<b>(5,843)</b>
Finance income/(expenses) from reinsurance contracts held	113	430	847	1,390	(3,566)	497	967	(2,102)
<b>Total amounts recognised in comprehensive income</b>	<b>8,460</b>	<b>4,218</b>	<b>(18,157)</b>	<b>(5,479)</b>	<b>(2,691)</b>	<b>(1,130)</b>	<b>(4,124)</b>	<b>(7,945)</b>
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	26,587	-	-	26,587	27,976	-	-	27,976
Recoveries from reinsurance	(35,881)	-	-	(35,881)	(37,716)	-	-	(37,716)
<b>Total cash flows</b>	<b>(9,294)</b>	<b>-</b>	<b>-</b>	<b>(9,294)</b>	<b>(9,740)</b>	<b>-</b>	<b>-</b>	<b>(9,740)</b>
<b>Net balance as at 31 December</b>	<b>127,752</b>	<b>11,787</b>	<b>36,141</b>	<b>175,680</b>	<b>128,586</b>	<b>7,569</b>	<b>54,298</b>	<b>190,453</b>
Closing reinsurance contract assets	166,419	4,291	32,874	203,584	167,052	4,333	45,172	216,557
Closing reinsurance contract liabilities	(38,667)	7,496	3,267	(27,904)	(38,466)	3,236	9,126	(26,104)
<b>Net balance as at 31 December</b>	<b>127,752</b>	<b>11,787</b>	<b>36,141</b>	<b>175,680</b>	<b>128,586</b>	<b>7,569</b>	<b>54,298</b>	<b>190,453</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2025

**22 DEFERRED FRONT END FEES**

The movement in value over the year is summarised below:

	2025 £'000	2024 £'000
At 1 January	88,581	82,456
Fees received and deferred during the year	29,387	20,287
Recognised in contract fees and other movements during the year	(14,177)	(11,861)
Foreign exchange movements	2,720	(2,301)
	<b>106,511</b>	<b>88,581</b>
Current (within 12 months)	5,046	4,133
Non-current (after 12 months)	101,465	84,448
	<b>106,511</b>	<b>88,581</b>

**23 BORROWINGS**

	2025 £'000	2024 £'000
Tier 2 Loan principal	400,000	400,000
Tier 2 Loan accrued interest	710	710
	<b>400,710</b>	<b>400,710</b>
Bank loan principal	150,000	200,000
Bank loan accrued interest	589	159
Bank loan arrangement fee unamortised	(1,655)	(2,208)
	<b>148,934</b>	<b>197,951</b>
Payable within one year	50,747	50,316
Payable after more than one year	498,897	548,345
	<b>549,644</b>	<b>598,661</b>

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 2025 is £365,452k (2024: £335,452k).

On 3 July 2024 Utmost Group plc entered into a loan facility agreement to borrow £200,000k to facilitate the acquisition of Utmost Holdings Europe S.à r.l. which was utilised and drawn down on 27 December 2024. £50,000k of the facility was repaid in December 2025. 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 £1,645k (2024: £1,056k) is recognised because it is considered probable from projections that future taxable profits will be available against which this temporary difference can be utilised.

	2025 £'000	2024 £'000
Deferred tax assets	1,645	1,056

The movement between the opening and closing deferred tax asset balance is shown in the table below:

	2025 £'000	2024 £'000
Balance as at 1 January	1,056	2,268
Classification of ULP as held for sale	(283)	-
Deferred tax movement for the year	872	(1,212)
Balance as at 31 December	<b>1,645</b>	<b>1,056</b>
	<b>189,608</b>	<b>201,126</b>
Deferred tax liability	<b>189,608</b>	<b>201,126</b>

The deferred tax liability arises on the acquisitions of Utmost Luxembourg S.A (£172,834k), UPE (£14,627k) and Utmost Worldwide Limited (£2,147k) representing the associated tax impact of recognising the AVIF asset detailed in note 11. 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:

	2025 £'000	2024 £'000
Balance as at 1 January	201,126	42,166
Classification of ULP as held for sale	(13,583)	-
Additions on acquisitions of subsidiaries	-	166,956
Deferred tax charge for the year	(6,415)	(16,498)
Other	-	9,341
Foreign exchange movement	8,480	(839)
Balance as at 31 December	189,608	201,126

## 25 OTHER PAYABLES

	2025 £'000	2024 £'000
Tax payable – policyholders	292,373	241,334
Corporation tax payable	-	11,531
Premiums received in advance of policy issue	16,994	50,099
Amounts due to investment contract holders	223,931	202,354
Investment dealing creditors	17,394	13,819
Lease liability	17,709	17,915
Other creditors and accruals	307,115	237,366
	875,516	774,418

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, collateral due to BNPP and the lease liability as disclosed below:

	2025 £'000	2024 £'000
Opening amount	17,915	10,878
Classification of ULP as held for sale	(584)	-
Additions	4,263	515
Addition on acquisition of subsidiary	-	10,078
Interest charge in the year (note 9)	1,163	388
Lease payments made in the year	(5,689)	(3,755)
Foreign exchange movements	641	(189)
	17,709	17,915
Current (within 12 months)	3,729	4,925
Non-current (after 12 months)	13,980	12,990
	17,709	17,915

## 26 CALLED UP SHARE CAPITAL PRESENTED AS EQUITY / SHARE PREMIUM

	2025 Number	2024 Number
<b>Allotted, called up and fully paid</b>		
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 2025	Ordinary No. of shares 2024
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

	2025 £'000	2024 £'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 2025 (net of tax relief) are £15,158k (2024: £13,781k).

## 27 FOREIGN CURRENCY TRANSLATION RESERVE

	2025 £'000	2024 £'000
At beginning of the year	(10,587)	1,009
Foreign currency translation movements in the year	58,470	(11,596)
At end of year	47,883	(10,587)

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

	2025 £'000	2024 £'000
<b>Continuing operations</b>		
Profit before taxation	38,643	555,446
<b>Non-cash movements</b>		
Amortisation of AVIF	137,684	100,173
Gain on bargain purchase	-	(509,104)
Depreciation of property, plant and equipment	7,228	4,252
Amortisation of intangible assets	2,219	144
Finance costs	31,074	17,752
<b>Change in working capital</b>		
Movement in investment contract and insurance contract liabilities, net of policyholder claims	8,773,370	4,716,299
Net movement in financial assets	(8,833,820)	(4,738,791)
Change in other working capital items	4,426	(40,761)
Tax paid	(16,688)	(651)
<b>Net cash flows from operating activities</b>	144,136	104,759

## 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.

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 plc 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.

### 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 78% (2024 – 79%).

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.

### 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
2025	(1,507)	(1,312)
2024	(20,647)	(15,898)

## 29 RISK MANAGEMENT CONTINUED

### 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
2025	(56,148)	(40,465)
2024	(115,253)	(85,897)

### 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
2025	3,789	3,180
2024	6,367	5,778

A 10% increase in mortality has been estimated to have the below impacts:

	Profit before tax	Equity
2025	(4,317)	(3,679)
2024	(7,183)	(6,462)

### 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 2025 and 2024 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.

### Insurance risk by product

Of the insurance business which is not reinsured, the most material blocks of business are the annuities sold by UW 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:

	2025	2024
Unit-linked	12,440,834	11,124,738
Annuities	47,471	545,872
Retirement and savings	578,250	1,090,973
Life and disability	342,063	316,904
Other	1,131	20,644
<b>Total</b>	<b>13,409,749</b>	<b>13,099,131</b>

### ANNUITY PRODUCTS

The Group has a book of annuity business in UW 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. These funds are included within the retirement and savings balance in the insurance risk by product table above.

### 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.

### 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). 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.

## 29 RISK MANAGEMENT CONTINUED

### 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
2025	2,091	1,700
2024	1,820	1,655

The following table details the impact to the Group if a 10% decrease in equity prices were to occur:

	Profit before tax	Equity
2025	(1,546)	(1,285)
2024	(68,079)	(52,132)

### 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. 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
2025	1,222	(2,680)
2024	(3,197)	(5,857)

The following table details the impact to the Group if a 1% decrease in interest rates were to occur:

	Profit before tax	Equity
2025	(2,312)	1,427
2024	(7,905)	(2,798)

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 unitised 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 against the reporting currency were to occur:

	Profit before tax	Equity
2025	(98,169)	(81,676)
2024	(41,062)	(36,982)

The following table details the impact to the Group if a 20% decrease in exchange rates against the reporting currency were to occur:

	Profit before tax	Equity
2025	106,588	92,023
2024	16,763	20,152

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.

The maximum exposure to credit risk before any credit enhancements at 31 December 2025 and 31 December 2024 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:

2025 £'000	AAA	AA	A	BBB	BB	Non-Rated	Total
Cash and cash equivalents	11,168	104,165	280,678	337	8,469	5,206	410,023
Deposits	-	52,733	120,461	-	-	411	173,605
Other receivables	-	7,174	37,437	13,360	-	380,133	438,104
Withholding tax asset	-	-	-	167,885	-	-	167,885
<i>Other investments:</i>							
Debt securities	217,256	328,759	82,313	39,271	-	895	668,494
<b>Total</b>	<b>228,424</b>	<b>492,831</b>	<b>520,889</b>	<b>220,853</b>	<b>8,469</b>	<b>386,645</b>	<b>1,858,111</b>

29 RISK MANAGEMENT CONTINUED

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	129,618
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
<b>Total</b>	<b>240,770</b>	<b>746,912</b>	<b>732,179</b>	<b>540,246</b>	<b>67,115</b>	<b>276,563</b>	<b>2,603,785</b>

Maturity analysis

31 December 2025	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Financial investments	117,575,183	456,954	379,734	105,611	116,632,884
Cash and cash equivalents	410,023	410,023	-	-	-
Deposits	173,605	173,605	-	-	-

31 December 2025	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Investment contract liabilities	104,213,469	-	-	-	104,213,469
Borrowings	549,644	50,747	98,897	400,000	-

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	573,528	591,054	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	-

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 2025	Total £'000	1 year £'000	2 years £'000	3 years £'000	4 years £'000	5 years £'000	>5 years £'000
Insurance contract liabilities (PVFCF)	13,409,749	1,608,649	994,169	909,012	845,778	775,266	8,276,874
Reinsurance contract liabilities (PVFCF)	-	-	-	-	-	-	-

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

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 reputation 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.

### **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. For private companies these unobservable inputs consist of valuations based on unaudited financial statements or valuations provided by a third-party administrator. For investments in private equity and real estate funds these inputs relate to capital account or net asset statements from the fund administrators. In both cases the valuations are adjusted for any capital calls or distributions that have occurred since the date of the last input. 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. There were no changes in the valuation techniques during the year compared to those described in the 2024 Annual Report and Accounts.

31 December 2025	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Assets</b>				
- Financial assets held at fair value to cover linked liabilities	116,632,884	71,988,772	35,000,550	9,643,562
- Debt securities – fair value through profit and loss	541,073	541,073	-	-
- Debt securities – fair value through other comprehensive income	127,422	127,422	-	-
- Other assets at fair value	273,805	177,840	90,381	5,584
- Investment property	5,700	-	-	5,700
	117,580,884	72,835,107	35,090,931	9,654,846
Total assets not at fair value	9,313,102			
<b>Total assets per Statement of Financial Position</b>	<b>126,893,986</b>			
Investment contract liabilities	104,213,469	-	94,569,907	9,643,562

31 December 2024	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Assets</b>				
- 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			
<b>Total assets per Statement of Financial Position</b>	113,678,294			
Investment contract liabilities	97,012,674	-	88,113,293	8,899,381

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 2024	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
Classification of ULP as held for sale	(9,449)
Additions	763,917
Transfers into level 3	269,197
Transfers out of level 3	(518,057)
Total gains	868,366
Disposals	(998,240)
Foreign exchange movements	363,119
Balance at 31 December 2025	9,654,846

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.

99.9% (2024: 99.8%) 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.

### 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.

### 31 CAPITAL MANAGEMENT CONTINUED

As at 31 December 2025 the Group's Solvency Coverage Ratio was 167% (2024: 175%).

Entities within the Group which are regulated as at 31 December 2025 are as follows:

- Utmost International Isle of Man Limited, Utmost International Trustee Solutions Limited, Utmost Administration Limited and Utmost International Business Services 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 Utmost 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 Utmost Wealth Advisers Limited are regulated by the Financial Conduct Authority.
- Utmost Luxembourg 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
2025	2,938	247	3,185
2024	2,850	243	3,093

The highest paid director received £1,520k (2024: £1,478k).

#### 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 2025 and 31 December 2024 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 2025	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	14,090,945	14,090,945
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

### 35 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings £'000
<b>2025</b>	
As at 1 January	598,663
<b>Movements:</b>	
Interest accrued	29,099
Interest paid	(28,671)
Repayment of borrowings	(50,000)
Movement in unamortised arrangement fee	553
As at 31 December	549,644
<b>2024</b>	
As at 1 January	400,710
<b>Movements:</b>	
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

### 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 outcome of the preliminary trial has been delayed on account of the illness of the judge, however based on feedback from the Isle of Man Court it is anticipated in the second quarter of 2026.

The second legal case being defended along with another insurer was served in the Isle of Man Courts in May 2023. The Morrison case and the related Pankovas and Parry cases are now being managed together by the Court since they involve the same underlying legal allegations and share the same litigation funder and legal team. The claimants are seeking to recover investment losses in respect of insurance policies issued by each defendant. 12 Utmost test claimants, 6 for each Utmost company, have now been confirmed and a disclosure exercise is underway. A test claimant trial is not anticipated to begin until March 2027 at the earliest. Under the Morrison claim as issued, there are a total of 314 policies included in the action and the claimants appear to be claiming £82m against the Company excluding costs and interest. The additional claims (Pankovas and Parry) add a further 22 policies and a sum claimed of approximately £5m excluding costs and interest (although the claim form acknowledges that these figure do 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. Other than a provision recorded for the costs to complete the Court-mandated disclosure exercise which is underway, no allowance for future spend is included in these financial statements. The Group believes that these claims are without merit and it has strong prospects of successfully defending the claims against it. 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 claims.

### 37 DISCONTINUED ULP OPERATIONS

The results for the discontinued ULP operations presented in the consolidated financial statements are analysed below.

#### Statement of comprehensive income

	2025 £'000	2024* £'000
Insurance revenue	80,867	70,958
Insurance service expenses	(75,425)	(61,238)
Net expense from reinsurance contracts held	(6,869)	(5,842)
<b>Insurance service result</b>	<b>(1,427)</b>	<b>3,878</b>
Fees and charges receivable on investment business	26,773	26,442
Investment return	670,322	443,685
Finance expenses from insurance contracts issued	(101,675)	(38,165)
Finance income from reinsurance contracts held	1,390	(2,102)
Movement in investment contract liabilities	(566,313)	(400,493)
<b>Net financial result</b>	<b>3,724</b>	<b>2,925</b>
Other income	4,584	5,502
Administrative expenses	(23,109)	(25,148)
Amortisation of acquired value of in-force business	(5,019)	(5,019)
<b>Profit for the year before interest and tax</b>	<b>5,526</b>	<b>8,580</b>
Finance costs	(25)	(46)
<b>Profit for the year before tax</b>	<b>5,501</b>	<b>8,534</b>
Tax charge	(651)	(653)
<b>Profit for the year after tax</b>	<b>4,850</b>	<b>7,881</b>
<b>Other comprehensive income/(expense)</b>		
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurement on retirement benefit asset/obligation	421	422
Shareholder tax on items that will not be reclassified subsequently to profit and loss	(105)	(87)
<b>Total comprehensive income for the year</b>	<b>5,166</b>	<b>8,216</b>

#### Statement of Financial Position

	2025 31 December £'000	2024 31 December £'000
<b>Assets</b>		
Acquired value of in-force business	44,640	49,659
Property, plant and equipment	641	1,224
Insurance contract assets	16	28
Reinsurance contract assets	203,584	216,557
Deferred tax asset	333	283
Financial assets at fair value held to cover linked liabilities		
Financial investments	4,632,487	4,487,219
Cash and cash equivalents	1,848	5,588
Total financial assets at fair value held to cover linked liabilities	4,634,335	4,492,807
Other investments	980,986	684,694
Other receivables	42,910	49,708
Cash and cash equivalents	40,572	75,536
<b>Total assets</b>	<b>5,948,017</b>	<b>5,570,496</b>
<b>Liabilities</b>		
Investment contract liabilities	4,277,093	4,152,231
Insurance contract liabilities	1,416,948	1,157,077
Reinsurance contract liabilities	27,904	26,104
Deferred tax liabilities	16,196	13,583
Other payables	45,021	62,303
<b>Total liabilities</b>	<b>5,783,162</b>	<b>5,411,298</b>
<b>Net assets and liabilities of discontinued ULP operations</b>	<b>164,855</b>	<b>159,198</b>

## Cash flows

£'000	2025	2024
Net cash flows from operating activities	(34,326)	81,523
Net cash flows from investing activities	-	-
Net cash flows from financing activities	(638)	(50,659)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(34,964)</b>	<b>30,864</b>
Cash and cash equivalents at 1 January	75,536	44,672
<b>Cash and cash equivalents at 31 December</b>	<b>40,572</b>	<b>75,536</b>

## Financial assets held at fair value held to cover linked liabilities

Underlying items	2025 £'000	2024 £'000
Deposits and loans	6,465	6,897
Ordinary shares and funds	4,626,022	4,480,322
Cash and cash equivalents	1,848	5,588
	<b>4,634,335</b>	<b>4,492,807</b>

## Other investments

	2025 £'000	2024 £'000
<b>Other investments</b>		
Debt securities	689,328	484,239
Ordinary shares and funds – at fair value through profit and loss	125,144	32,175
Other	1,217	470
	<b>815,689</b>	<b>516,884</b>
<b>Underlying items</b>		
Debt securities	102,201	102,106
Ordinary shares and funds – at fair value through profit and loss	62,702	64,924
Other	394	780
	<b>165,297</b>	<b>167,810</b>
<b>Total other investments</b>	<b>980,986</b>	<b>684,694</b>

## Other receivables

	2025 £'000	2024 £'000
Debtors arising out of investment contracts	1,388	1,308
Investment dealing debtors	5,524	3,605
Accrued income and prepayments	14,303	16,436
Other receivables	21,695	28,359
	<b>42,910</b>	<b>49,708</b>
Current (within 12 months)	42,910	49,708
Non-current (after 12 months)	-	-
	<b>42,910</b>	<b>49,708</b>

## Cash and cash equivalents

	2025 £'000	2024 £'000
Deposits with credit institutions	-	10,053
Cash at bank	40,573	65,483
	<b>40,573</b>	<b>75,536</b>

### 37 DISCONTINUED ULP OPERATIONS CONTINUED

#### Shareholder-backed assets

2025 £'000	AAA	AA	A	BBB	Non-Rated	Total
Cash and cash equivalents	-	-	40,572	-	-	40,572
Other receivables	221	3,086	4,394	5,116	30,093	42,910
<i>Other investments:</i>						
Debt securities	7,534	278,689	254,982	250,324	-	791,529
<b>Total</b>	<b>7,755</b>	<b>281,775</b>	<b>299,948</b>	<b>255,440</b>	<b>30,093</b>	<b>875,011</b>

2024 £'000	AAA	AA	A	BBB	Non-Rated	Total
Cash and cash equivalents	-	123	75,413	-	-	75,536
Other receivables	294	1,910	5,814	4,086	37,604	49,708
<i>Other investments:</i>						
Debt securities	34,865	205,587	177,931	167,962	-	586,345
<b>Total</b>	<b>35,159</b>	<b>207,620</b>	<b>259,158</b>	<b>172,048</b>	<b>37,604</b>	<b>711,589</b>

#### Maturity analysis

31 December 2025	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Financial investments	5,615,321	48,273	131,743	800,970	4,634,335
Cash and cash equivalents	40,572	40,572	-	-	-

31 December 2025	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Investment contract liabilities	4,277,093	-	-	-	4,277,093

31 December 2024	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Financial investments	5,177,501	46,212	177,603	460,879	4,492,807
Cash and cash equivalents	75,536	75,536	-	-	-

31 December 2024	Total £'000	Within 1 Year £'000	1-5 years £'000	Over 5 years £'000	Policyholder £'000
Investment contract liabilities	4,152,231	-	-	-	4,152,231

31 December 2025	Total	1 year	2 years	3 years	4 years	5 years	>5 years
Insurance contract liabilities (PVFCF)	1,317,336	149,375	120,325	114,018	102,572	93,933	737,113
Reinsurance contract liabilities (PVFCF)	38,667	1,587	2,633	2,631	2,615	2,585	26,616

31 December 2024	Total	1 year	2 years	3 years	4 years	5 years	>5 years
Insurance contract liabilities (PVFCF)	1,047,783	124,077	100,493	93,836	89,028	78,978	561,371
Reinsurance contract liabilities (PVFCF)	38,466	1,425	2,298	2,328	2,346	2,346	27,723

#### Insurance risk by product

	2025	2024
Unit-linked	2,451	2,558
Annuities	763,408	497,066
Retirement and savings	533,113	528,628
Other	18,364	19,531
<b>Total</b>	<b>1,317,336</b>	<b>1,047,783</b>

## Fair value hierarchy

31 December 2025	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Assets</b>				
Financial assets held at fair value to cover linked liabilities	4,634,335	4,634,252	83	-
Debt securities – fair value through profit and loss	791,529	241,567	525,756	24,206
Other assets at fair value	189,457	185,189	1,610	2,658
	5,615,321	5,061,008	527,449	26,864
Total assets not at fair value	332,696			
<b>Total assets per Statement of Financial Position</b>	<b>5,948,017</b>			
Investment contract liabilities	4,277,093	-	4,277,093	-
<b>31 December 2024</b>				
	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Assets</b>				
Financial assets held at fair value to cover linked liabilities	4,492,807	4,492,807	-	-
Debt securities – fair value through profit and loss	586,346	190,394	390,624	5,328
Other assets at fair value	98,349	92,978	1,249	4,122
	5,177,502	4,776,179	391,873	9,450
Total assets not at fair value	392,994			
<b>Total assets per Statement of Financial Position</b>	<b>5,570,496</b>			
Investment contract liabilities	4,152,231	-	4,152,231	-

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 2024	5,036
Transfers into level 3	5,328
Total losses	(914)
Balance at 31 December 2024	9,450
Additions	19,634
Total losses	(2,220)
Balance at 31 December 2025	26,864

## 38 EVENTS AFTER THE YEAR-END DATE

On 9 February 2026 the Board approved a dividend of £50m to the immediate parent company Utmost (Holdings) Guernsey Limited which was paid on 16 February 2026.

Subsequent to the year end, the Guernsey Financial Services Commission (“GFSC”) published the outcome of an enforcement action against Utmost Worldwide Limited. The action related to historic compliance matters and resulted in a public censure of Utmost Worldwide Limited, together with a financial penalty of £1.96 million. The matters giving rise to the enforcement action relate to conditions that existed at or before the balance sheet date and the financial penalty has accordingly been recognised as a liability as at 31 December 2025, included within other payables.

# COMPANY FINANCIAL STATEMENTS

## COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
<b>Investment income</b>			
Dividends received	4	179,500	50,000
		<b>179,500</b>	<b>50,000</b>
Interest income		19,308	2,482
<b>Expenses</b>			
Administrative expenses		(2,462)	(728)
Interest expense		(29,101)	(16,159)
<b>Profit for the year before tax</b>			
Tax (charge) / credit	8	(198)	3,430
<b>Profit for the year after interest and tax</b>		<b>167,047</b>	<b>39,025</b>

Income and expenses for the year derive wholly from continuing operations. The notes on pages 153 to 155 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 86 to 96.

**COMPANY STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
<b>Assets</b>			
Investment in subsidiaries	3	1,943,625	1,943,625
Cash and cash equivalents		13,924	21,125
Other assets		330	5,450
Receivables from subsidiaries	5	216,202	200,202
Deposits		26,882	26,526
<b>Total assets</b>		<b>2,200,963</b>	<b>2,196,928</b>
<b>Liabilities</b>			
Creditors and other payables		1,979	812
Borrowings	6	148,934	197,952
Tier 2 loan notes	7	400,710	400,710
<b>Total liabilities</b>		<b>551,623</b>	<b>599,474</b>
<b>Equity</b>			
Called up share capital presented as equity	9	392,500	392,500
Merger relief reserve	9	155,910	155,910
Retained earnings		803,330	751,444
Restricted Tier 1 Notes	9	297,600	297,600
<b>Total equity</b>		<b>1,649,340</b>	<b>1,597,454</b>
<b>Total equity and liabilities</b>		<b>2,200,963</b>	<b>2,196,928</b>

The financial statements on pages 150 to 152 were approved and authorised for issue by the Board of Directors on 15 April 2026 and signed on its behalf by:



Ian Maidens  
Director  
15 April 2026

The notes on pages 153 to 155 form an integral part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
 FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Called up share capital presented as equity £'000	Restricted Tier 1 notes £'000	Merger relief reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2024</b>		<b>392,500</b>	<b>297,600</b>	<b>155,910</b>	<b>726,200</b>	<b>1,572,210</b>
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)
<b>Balance as at 31 December 2024</b>		<b>392,500</b>	<b>297,600</b>	<b>155,910</b>	<b>751,444</b>	<b>1,597,454</b>
Profit for the year after interest and tax		-	-	-	167,047	167,047
Dividends paid		-	-	-	(100,000)	(100,000)
Restricted Tier 1 notes interest net of tax relief	9	-	-	-	(15,161)	(15,161)
<b>Balance as at 31 December 2025</b>		<b>392,500</b>	<b>297,600</b>	<b>155,910</b>	<b>803,330</b>	<b>1,649,340</b>

The notes on pages 153 to 155 form an integral part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
<b>Net cash flows from operating activities</b>	10	<b>186,893</b>	53,854
<b>Cash flows from investing activities</b>			
Intercompany loan		-	(200,000)
Interest income		3,402	2,425
Transfer to deposit account		(450)	-
<b>Net cash used in investing activities</b>		<b>2,952</b>	(197,575)
<b>Cash flows from financing activities</b>			
Change in borrowings		(50,000)	197,793
Interest paid		(47,046)	(34,375)
Dividends paid		(100,000)	-
<b>Net cash flows from financing activities</b>		<b>(197,046)</b>	163,418
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(7,201)</b>	19,697
Cash and cash equivalents at the beginning of the year		21,125	1,428
<b>Cash and cash equivalents at the end of the year</b>		<b>13,924</b>	21,125

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1 SIGNIFICANT ACCOUNTING POLICIES

Where applicable, the accounting policies of the Company are the same as those of the Group on pages 86 to 96. The notes identified on pages 153 to 155 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

Cost	2025 £'000	2024 £'000
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 £179,500k from its subsidiaries (2024: £50,000k).

## 5 RECEIVABLES FROM SUBSIDIARIES

	2025 £'000	2024 £'000
Other receivables	158	158
Intercompany loan	200,000	200,000
Intercompany loan accrued interest	16,044	44
	216,202	200,202

The receivables from subsidiaries balance includes a 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

	2025 £'000	2024 £'000
Bank loan principal	150,000	200,000
Bank loan accrued interest	589	159
Bank loan arrangement fee unamortised	(1,655)	(2,207)
	148,934	197,952
Payable within one year	50,037	49,606
Payable after more than one year	98,897	148,346
	148,934	197,952

On 3 July 2024 the Company entered into a loan facility agreement to borrow £200,000k to facilitate the acquisition of Utmost Holdings Europe S.a.r.l which was utilised and drawn down on 27 December 2024. £50,000k of this facility was repaid in December 2025. 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

	2025 £'000	2024 £'000
Tier 2 loan notes principal	400,000	400,000
Tier 2 loan notes accrued interest	710	710
	<b>400,710</b>	400,710
Payable within one year	710	710
Payable after more than one year	400,000	400,000
	<b>400,710</b>	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 2025 is £365,452k (2024: £335,452k).

## 8 TAXATION

	2025 £'000	2024 £'000
Current tax (charge)/credit	(198)	3,430

The tax (charge)/credit per the Statement of Comprehensive Income can be reconciled to the taxation on profits at the standard UK income tax rate as follows:

	2025 £'000	2024 £'000
Profit on ordinary activities before taxation	167,245	35,595
Tax at the UK rate of 25% (2024: 25%)	(41,811)	(8,899)
Non-taxable income	44,875	12,500
Disallowable expenses	(292)	-
Unrecognised tax losses	(2,664)	(277)
Prior year adjustment	(306)	106
<b>Tax (charge)/credit for the financial year</b>	<b>(198)</b>	<b>3,430</b>

## 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

	2025 £'000	2024 £'000
Restricted Tier 1 loan notes	297,600	297,600
	<b>297,600</b>	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 2025 (net of tax relief) are £15,161k (2024: £13,781k).

## 10 CASH FLOW STATEMENT

	2025 £'000	2024 £'000
Profit before taxation	167,245	35,595
<b>Non-cash movements</b>		
Finance costs	29,101	16,159
Interest income	(19,308)	(2,482)
Change in accruals	1,167	(697)
<b>Change in working capital</b>		
Change in other working capital items	8,688	5,279
<b>Net cash flows generated from operating activities</b>	<b>186,893</b>	<b>53,854</b>

## 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 2025, the Company held deposits of £26,882k (2024: £26,526k). 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 38 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 2025), 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.

## 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’s AUA at full year 2025 has risen from the full year 2024 figure as a result of net inflows and positive market movements in the period. 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.

## 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:

### Gain on bargain purchase:

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 integration of Utmost Luxembourg and the planned disposal of Utmost Life and Pensions.

A reconciliation between the Group’s operating profit and IFRS PBIT for 2025 and 2024 is shown below:

	2025 £m	2024 £m
IFRS PBIT	70	573
Gain on bargain purchase	-	(509)
Amortisation of AVIF and depreciation	147	105
Non-recurring items	7	7
<b>Group Operating Profit</b>	<b>224</b>	<b>176</b>

## VALUE OF NEW BUSINESS (“VNB”)

Whereas APE provides a view of how much new business is written in the year, VNB provides a view of the profitability of new business to the Group. Management monitor the VNB margin (defined as VNB expressed as a percentage of APE) on a monthly basis across each business. 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. 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 £2,602m (2024: £2,392m).

#### CLIENT RETENTION

Client retention is a measure of the assets held for clients at the start of the year, and still held at the end of the year. Client Retention is an indicator that our strategic goals, especially around good client outcomes, are being met.

The KPI is influenced by factors such as the average age and duration of the book, longevity and mortality. It is calculated as:  $1 - (\text{Outflows}) / (\text{AUA at the Start of the Period})$ .

#### 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:

UWS	2025 £m	2024 £m
Fee income	432	436
Average AUA for the year	109,891	100,419
<b>Revenue margin</b>	<b>0.39%</b>	0.43%

#### 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:

UWS	2025 £m	2024 £m
Fee income	432	300
Net financial result	8	1
Other income	56	61
Total revenue	496	362
Operating profit	230	175
<b>Operating profit margin</b>	<b>46%</b>	48%

#### 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 and the interest on the external bank debt. The calculation of operating cash generation is shown in the table below:

	2025 £m	2024 £m
Operating profit	224	176
Coupon paid on Tier 2 loan notes	(16)	(16)
Coupon paid on Restricted Tier 1 loan notes	(18)	(18)
Interest on external bank debt	(13)	-
<b>Operating cash generation</b>	<b>177</b>	142

#### 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

<b>AMCS</b> Annual Management Charges	<b>FFA</b> Fund for Future Appropriation	<b>OAKTREE</b> 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
<b>APE</b> Annual Premium Equivalent	<b>FITCH</b> Fitch Ratings Agency	<b>ORSA</b> Own Risk and Solvency Assessment
<b>APMS</b> Alternative Performance Measures	<b>FOUNDERS</b> Paul Thompson (Group CEO) and Ian Maidens (Group CFO)	<b>OTHER METHODS BASIS</b> A reporting submission in accordance with specific information requested by a regulator
<b>ARCC</b> Audit, Risk and Compliance Committee	<b>GFSC</b> Guernsey Financial Services Commission	<b>OUHL</b> OCM Utmost Holdings Ltd
<b>AUA</b> Assets under Administration	<b>GHG</b> Greenhouse Gas	<b>OWN FUNDS</b> Own Funds represents the amount of capital available to cover the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") under Solvency II
<b>AVIF</b> Acquired Value of In-Force business	<b>GROUP (THE)</b> Utmost Group plc and its direct and indirect subsidiaries as detailed in note 4 to the consolidated financial statements	<b>PRA</b> Prudential Regulation Authority
<b>BOARD (THE)</b> Board of directors of Utmost Group plc	<b>HNW</b> High Net Worth	<b>SECR</b> Streamlined Energy and Carbon Reporting
<b>BPA</b> Bulk Purchase Annuity	<b>HOLDCOS</b> The indirect holding companies of the Group operating entities	<b>SCR</b> Solvency Capital Requirement
<b>CAA</b> The Luxembourg Commissariat aux Assurances	<b>IDR</b> Issuer Default Rating	<b>SII</b> Solvency II
<b>CFD</b> Climate-related Financial Disclosures	<b>IFS</b> Insurer Financial Strength	<b>SII EV</b> Solvency II Economic Value
<b>COMPANY (THE)</b> Utmost Group plc	<b>IOM FSA</b> Isle of Man Financial Services Authority	<b>STANDARD FORMULA</b> Solvency II Standard Formula for calculation of the SII Balance Sheet
<b>CSM</b> Contractual Service Margin	<b>IVASS</b> Institute for the Supervision of Insurance	<b>SUBSIDIARY BOARD</b> Board of directors of the operating businesses
<b>CSSF</b> Commission de Surveillance du Secteur Financier	<b>KPIS</b> Key Performance Indicators	<b>SWG</b> Sustainability Working Group
<b>DAC</b> Designated Activity Company (Irish entities)	<b>LIAH</b> Lombard International Assurance Holdings S.a.r.l.	<b>TCFD</b> Task Force on Climate-related Financial Disclosures
<b>ESG</b> Environmental, Social and Governance	<b>NAV</b> Net Asset Value	
<b>ERM</b> Enterprise Risk Management	<b>NET SOLVENCY COVERAGE RATIO</b> 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	
<b>FCA</b> Financial Conduct Authority		

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**TCO<sub>2</sub>E**

tCO<sub>2</sub>e 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.

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**TOPCO**

Utmost Topco Limited

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**UCS**

Utmost Corporate Solutions

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**UHGL**

Utmost Holdings (Guernsey) Limited

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**UHIL**

Utmost Holdings Ireland Limited

---

**UHNW**

Ultra-High Net Worth

---

**UIIOM**

Utmost International Isle of Man

---

**ULP**

Utmost Life and Pensions

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**UN PRI**

UN Principles for Responsible Investment

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**UPE**

Utmost PanEurope dac

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**UTMOST INTERNATIONAL**

Utmost International Group Holdings Limited and its direct and indirect subsidiaries as detailed in note 4 of the consolidated financial statements

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**UTMOST INTERNATIONAL IRELAND**

The Group of companies comprising Utmost Holdings Ireland Limited and its subsidiaries, including Utmost PanEurope dac

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**UTMOST INTERNATIONAL ISLE OF MAN**

Utmost Holdings Isle of Man Limited and all its subsidiaries, including Utmost Limited and Utmost Services Limited

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**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

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**UW**

Utmost Worldwide Limited

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**UWS**

Utmost Wealth Solutions

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**VNB**

Value of New Business

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**VIF**

Value of In-Force

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# COMPANY INFORMATION

## **DIRECTORS**

Paul Thompson  
Ian Maidens  
Christopher Boehringer  
Katherine Ralph  
Gavin Palmer  
James Fraser

## **SECRETARY**

Larysa Dlaboha (Appointed 7th February 2025)  
Alice Rivers (Resigned 7th February 2025)

## **REGISTERED OFFICE**

Saddlers' House  
Fifth Floor  
44 Gutter Lane  
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 2025 Annual Report and Accounts is or should be construed as a profit forecast or estimate.







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