

COLUMBIA THREADNEEDLE INVESTMENTS

Threadneedle Pensions Limited

Solvency and Financial Condition Report

31 December 2025

Report date: 25 March 2026

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1 Summary

The Solvency and Financial Condition Report (“**SFCR**”) is an annual Solvency II disclosure report for Threadneedle Pensions Limited (“**TPEN**”) comprising five descriptive sections summarised under **Section 1.1** to **1.6** with further corresponding details under respective **Sections A to E** and the relevant Solvency II Quantitative Reporting Templates (“**QRTs**”).

1.1 Business and performance

TPEN is a subsidiary of Threadneedle Asset Management Holdings Limited (“**TAMHL**”). TAMHL is a subsidiary via a number of UK holding companies of TAM UK International Holdings Limited (“**TAMUKIHL**”), a United Kingdom registered company owned by Ameriprise Financial, Inc. (“**Ameriprise**”), the ultimate parent company. TAMUKIHL is deemed as the operational parent entity of Europe, Middle East and Africa (“**EMEA**”) asset management business comprising of TAMUKIHL and its subsidiaries and Columbia Threadneedle Investments UK International Limited (“**CTIUKIL**”) and its subsidiaries. TAMUKIHL and CTIUKIL’s combined operations, and all its subsidiaries are referred to as “**the Group**”. The Group forms part of Columbia Threadneedle Investments, a global brand name of the global asset management business of Ameriprise. TPEN is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by both the PRA and the Financial Conduct Authority (“**FCA**”).

TPEN is a unit-linked life assurance company within the Group which manages assets for UK pension schemes, including defined benefit (“**DB**”) and defined contribution (“**DC**”) pension schemes in insured unit-linked pooled funds under unit-linked insurance contracts. It does not write life assurance protection but earns fees on assets under management (“**AUM**”) for investment management and related services.

AUM decreased from £2,027.1 million (“**m**”) at 31 December 2024 to £1,779.6m at 31 December 2025, largely due to net client outflows (client inflows minus client outflows) of £368.0m resulting from DB pension schemes de-risking (and pooling across local governments pension schemes) and some DC pension scheme clients transferring their assets to a Master Trust, and offset by £120.5m net investment return and change in other technical provisions net of reinsurance and expenses.

TPEN reported total comprehensive income of £1.0m for the reporting period (2024: £1.5m). Year-on-year profitability decreased partly attributable to reduction in AUM and as a result of reduced income from the non-linked unit assets investment driven mainly by lower returns from TPEN’s own investment in the CT Sterling Short-Term Money Market Fund, offset by a lower tax charge attributable to the unit-linked business. Total equity in the financial statements increased from £27.3m at 31 December 2024 to £28.4m at 31 December 2025.

1.2 System of governance

The Board of Directors of TPEN (the “**TPEN Board**”) bears ultimate responsibility and accountability for all matters pertaining to TPEN and in the exercise of that, delegates to the following Board committees (refer to **Section B.1.1**):

- **TPEN General Management Committee (“GMC”)**, which provides management, governance and risk management oversight over the day-to-day business process which supports the TPEN business;
- **Fund Pricing and Dealing Committee (“FPDC”)**, which is a Group committee responsible for monitoring and reviewing pricing activities and the pricing of, and dealing in, funds to ensure that the clients and funds are treated equitably; and
- **TPEN Audit Committee** that provides advice to assist the Board in carrying out its responsibilities as they relate to the statutory audit, financial reports and effectiveness of TPEN’s internal quality controls and risk management systems as well as the Internal Audit function.

There have been no Director resignations or appointments in the year ending 31 December 2025 and changes after this period up to the date of publication of this report are noted in **Section B.1.2**.

The following Senior Management Functions (“**SMFs**”) personnel changes took place in the year ended 31 December 2025 and up to the date of publication of this report, as noted in **Section B.1.2**:

- Tammuz Rhead was appointed as SMF17 ‘Money Laundering Reporting Officer’ replacing Darrel Buckley following regulatory approval by the FCA on 26 November 2025.

No other material changes in the system of governance have taken place over the reporting period.

TPEN’s activities are undertaken via shared service arrangements with entities based in the United Kingdom,

either through Group companies (including investment management and distribution) or third-party service providers (including the Chief Actuary and third-party administration services). All arrangements are governed by legally binding agreements which outline the functions and activities provided, stipulating the duties and responsibilities of the parties. Individual SMFs have overall accountability for services provided to TPEN as set out in **Section B.7.1**, while the Chief Operating Officer (SMF24) is responsible for the TPEN's overall framework, policy, systems and controls relating to outsourcing. Responsibility for individual outsourcing arrangements may still be with relevant business lines or other areas within the Group and/or wider Ameriprise in respect of its obligations to outsourced operational functions and activities as set out under the Conditions Governing Business part of the PRA Rulebook (under Section 7 'Outsourcing'). The arrangements are overseen by the TPEN Board and the GMC in accordance with TPEN's governance arrangements as well as the Outsourcing Policy and Third-Party Risk Management Policy.

TPEN has no direct employees as its services are performed under contract by other Group companies or service providers. However, within TPEN's management responsibilities all SMFs and committee members, for the purposes of the Senior Managers and Certification Regime, are considered employees of TPEN. The Group's remuneration and recruitment policies cover TPEN's directors as well as the Group employees who provide services to TPEN and ensure that all persons who are involved in the operation of TPEN or who have other TPEN's key functions are at all times fit and proper and remunerated appropriately.

TPEN is part of the Group's Enterprise Risk Management ("**ERM**") framework which is embedded in the business through a Three Lines of Defence model which comprises Business Unit functions, Risk and Compliance functions, and Internal Audit (refer to **Section B.3.1**).

The primary components of the internal control system operated by TPEN are the risk management framework and related processes, specifically the Risk and Control Self-Assessment ("**RCSA**") process (refer to **Section B.4.1**). The RCSA is performed by the responsible teams within the First Line business unit function with independent challenge provided by the risk and compliance functions within the Second Line of Defence and Internal Audit function within the Third Line of Defence. The RCSA is the process by which TPEN concludes on the status of risks and the associated control environment in terms of inherent and residual risk. The Group Finance function is responsible for the statutory and regulatory financial reporting for TPEN including oversight of the actuarial calculations and forms part of the First Line of Defence.

1.3 Risk profile

The Pillar 1 SCR is calculated using the Solvency II standard formula. For TPEN, this was £7.3m at 31 December 2025 (restated 2024: £8.6m) after adjustments for risk diversification and the loss absorbing capacity of deferred taxes ("**LACDT**").

The most material risks to TPEN's business, by contribution to the SCR, are set out below:

- **operational risk** is the risk of loss caused by failure in processes, systems, people or external events. Operational risk is TPEN's most material risk and represented 78% of the total SCR at 31 December 2025. The Pillar 1 SCR operational risk capital requirement is assessed by determining the trailing 12 months' expenses (excluding acquisition costs) and applying the factors specified for this risk in the standard formula SCR. Pillar 1 operational risk capital requirement decreased to £5.7m at 31 December 2025 (2024: £6.7m) due to net decrease in the trailing 12 months' combined shareholder and policyholder-borne expenses that are included in the calculation of the operational risk capital requirement primarily reflecting lower volume of business over 2025 leading to lower expenses;
- **market risk** is the risk that arises from fluctuations in values of, or income from assets, or in interest or exchange rates. Capital requirements are mainly estimated by applying stress scenarios to the projected cash flows of TPEN and decreased to £1.2m at 31 December 2025 (restated 2024: £1.5m). The decrease is primarily due to a reduction in revenue following a reduction in AUM year on year and an increase in the average base lapse rate from 17.3% to 23.3%;
- **insurance (life underwriting) risk** is the risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions. Capital requirements are estimated by applying various stresses to the projected cash flows and expense base of TPEN. The capital requirement for insurance risk decreased to £1.2m at 31 December 2025 (restated 2024: £1.5m), primarily due to reduction in revenue from lower AUM and an increase in the average base lapse rate (as noted above) in the current reporting period; and
- **credit (counterparty default) risk** is the risk of loss resulting from counterparty default on assets on TPEN's shareholder balance sheet (including policyholder debtors, intra-group debtors and cash and cash

equivalents). The Pillar 1 SCR credit (counterparty default) risk capital requirement broadly remained stable £0.2m at 31 December 2025 (2024: £0.2m). The Pillar 1 credit risk capital represents a relatively minor proportion of the SCR due to the high quality of the counterparties with which TPEN does business and that TPEN's own funds are primarily invested in high quality liquid assets within a collective investment scheme.

1.4 Valuation for solvency purposes

The valuation of assets and liabilities for Solvency II purposes is the same as under International Financial Reporting Standards (“IFRS”) except for differences in the value of Technical Provisions for unit-linked contracts and a consequential difference in the deferred tax liability.

The table below sets out Technical Provisions per financial statements and under Solvency II:

Table 1: Technical Provisions at 31 December

Technical Provisions (£'m)	2025	2024 ²
Technical Provisions calculated as a whole (per financial statements)	1,779.6	2,027.1
Best Estimate Liability	(0.7)	(1.5)
Gross Best Estimate (IR.12.01.02)¹	1,778.9	2,025.7³
Risk Margin	0.9	1.2
Technical Provisions per Solvency II	1,779.8	2,026.8

¹ As reported in QRT IR.12.01.02.

² Prior year comparatives have been restated to correct an error in the classification of certain non-fund direct expenses within the prior year expense information used in the Best Estimate Liability valuation (“BEL”). As a result of this reclassification, forecast expense assumptions at 31 December 2024 omitted ~£0.2m of expenses that should have been included. The year-on-year movements in the Own Funds and associated SCR in this disclosure reflect the impact of the prior year restatement and TPEN's current year capital position is not impacted as the BEL is a point in time assessment.

³ The sum may reflect rounding differences of £0.1m

The key movements in the Technical Provisions are set out below:

- **Technical Provisions calculated as a whole** (the value of units allocated to in-force policies) decreased in line with AUM which has decreased over the year 2025 largely due to net client outflows (client inflows minus client outflows) of £368.0m resulting from DB pension schemes de-risking and pooling across Local Government Pension Scheme (“LGPS”), some DC pension scheme clients transferring their assets to a Master Trust, and offset by £120.5m net investment return and change in other technical provisions net of reinsurance and expenses.
- **Best Estimate Liability (“BEL”)** is a provision calculated by determining the discounted present value of best estimates of future cashflows of the policies and is an asset due to the profitable nature of the unit-linked insurance contracts. The BEL has decreased to £0.7m at 31 December 2025 (restated 2024: £1.5m) due to a lower expected profitability. This primarily reflects the lower projected AUM at the valuation date and an increase in the assumed base lapse rate; and
- **Risk Margin (“RM”)** is a cost estimate of providing additional own funds to support the SCR under a hypothetical transfer of the insurance liabilities to a third party. This has reduced to £0.9m (restated 2024: £1.2m) primarily due to a lower SCR, upon which the Risk Margin is based.

The total equity in the financial statements represents TPEN's paid up share capital and retained earnings. Own Funds under Solvency II are calculated by taking total equity in the financial statements and adjusting for the BEL, RM and Deferred Tax relating to Technical Provisions.

The table below shows the reconciliation from total equity in the financial statements to Own Funds calculated under Solvency II.

Table 2: Own Funds at 31 December

Own Funds (£'m)	2025	2024 ¹
Total equity in the financial statements	28.4	27.3
<i>Items not recognised in the financial statements:</i>		
Best Estimate Liability	0.7	1.5
Risk Margin	(0.9)	(1.2)
Deferred Tax Liability relating to Technical Provisions	-	(0.1)
Own Funds under Solvency II	28.2	27.5

¹ Prior year comparatives have been restated as explained in table 1 on previous page.

Total equity in the financial statements increased from £27.3m at 31 December 2024 to £28.4m at 31 December 2025 due to an increase in retained earnings of £1.0m for the year to 31 December 2025. There were no dividends paid to the parent company during the year.

Own Funds under Solvency II increased from £27.5m (restated) at 31 December 2024 to £28.2m at 31 December 2025, reflecting movements in the component elements discussed above.

1.5 Capital management

All TPEN's Own Funds (refer to **Section E.1**) are deemed to have loss absorbing characteristics allowing them to be categorised as Tier 1 capital and hence contribute to Own Funds available to meet the SCR and Minimum Capital Requirement ("MCR").

At 31 December 2025, Own Funds were £28.2m (restated 2024: £27.5m) compared to the SCR of £7.3m (restated 2024: £8.6m) after adjustments for risk diversification and LACDT. The Solvency Coverage Ratio (Own Funds / SCR) was 389% (restated 2024: 319%) and the capital surplus (Own Funds less SCR) was £21.0m (restated 2024: £18.9m).

The SCR is laid out in the below table:

Table 3: Solvency Capital Requirement at 31 December

Solvency Capital Requirement (£'m)	2025	2024 ¹
Basic Solvency Capital Requirement	1.9	2.5
Operational risk (IR.25.04.21)	5.7	6.7
Loss absorbing capacity of deferred taxes	(0.3)	(0.5)
Solvency Capital Requirement (SCR)	7.3	8.6²

¹ Prior year comparatives have been restated as explained in table 1 on previous page.

² The sum may reflect rounding differences of £0.1m.

LACDT recognises that a future loss may also result in a reduction in associated tax liabilities, therefore reducing the potential impact to Own Funds. The LACDT assumes that the notional loss represented by the SCR occurs on the day after the valuation date (i.e., 1 January) rather than the valuation date itself (i.e., 31 December) and therefore profits arising only in the year to the valuation date are available to be carried forward to offset this notional loss.

As at 31 December 2025, the MCR was £3.5m (restated 2024: £3.9m) resulting in a capital surplus (Basic Own Funds less MCR) of £24.7m (restated 2024: £23.7m). TPEN's policy is that sufficient Own Funds will be maintained to meet regulatory requirements with adequate surplus in line with operating and strategic objectives. TPEN was compliant with the MCR and SCR over the reporting period. TPEN holds regular board meetings at least quarterly at which regulatory capital requirements are monitored by comparing capital requirements to Own Funds.

1.6 Additional information

1.6.1 Impacts of challenging macroeconomic environment

The impact of macroeconomic environment from ongoing market pressures and structural trends including a shift in investor preference from active to passive strategies, geo-political uncertainty and rate movements (e.g. interest and inflationary rates), have contributed to heightened caution and uncertainty across investors. This is unhelpful for business with bias towards growth and TPEN has taken these into account within the latest financial forecast carried out as part of the recent ORSA exercise approved by the TPEN Board on 12 December 2025.

Consideration of appropriate market growth, client flow and operating expense assumptions within the stress testing analysis of how TPEN is impacted by these economic, group and entity specific scenarios indicate TPEN is expected to remain adequately capitalised with sufficient liquidity to meet its liabilities as they fall due and is therefore able to continue to operate as a going concern.

A Business and Performance

A.1 Business

A.1.1 Name and legal form of the undertaking

Threadneedle Pensions Limited is incorporated in England and Wales and is a private company limited by shares. The address of the registered office is:

Cannon Place
78 Cannon Street
London
EC4N 6AG

This Solvency and Financial Condition Report cover TPEN on a standalone basis.

A.1.2 Name of the Supervisory Authority responsible for the financial supervision of the undertaking and group

The supervisory authorities of TPEN are the Prudential Regulation Authority (“**PRA**”) and the Financial Conduct Authority (“**FCA**”). They can be contacted at:

Prudential Regulation Authority

Bank of England
20 Moorgate
London
EC2R 6DA

Financial Conduct Authority

12 Endeavour Square
London
E20 1JN

A.1.3 External auditor of the undertaking

The independent auditors of TPEN are:

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

A.1.4 Holders of qualifying holdings in the undertaking

The direct and indirect holders of qualifying holdings in TPEN at any time during the reporting period and at the end of the financial year were:

- **TAMHL**, a company incorporated in England and Wales which is the immediate parent company of TPEN. At the reporting date, TAMHL owned 100% of the voting shares of TPEN and was able to exercise 100% of the voting power at any general meeting;
- **TAMUKIHL**, a company incorporated in England and Wales which is TPEN’s ultimate European holding company. At the reporting date, TAMUKIHL owned 100% of the voting shares of TAMHL, via a number of intermediate holding companies, and was able to exercise 100% of the voting power at any general meeting; and
- **Ameriprise Financial, Inc.**, the ultimate parent company incorporated in Delaware, United States of America. At the reporting date, Ameriprise owned 100% of the voting shares of TAMUKIHL and was able to exercise 100% of the voting power at any general meeting.

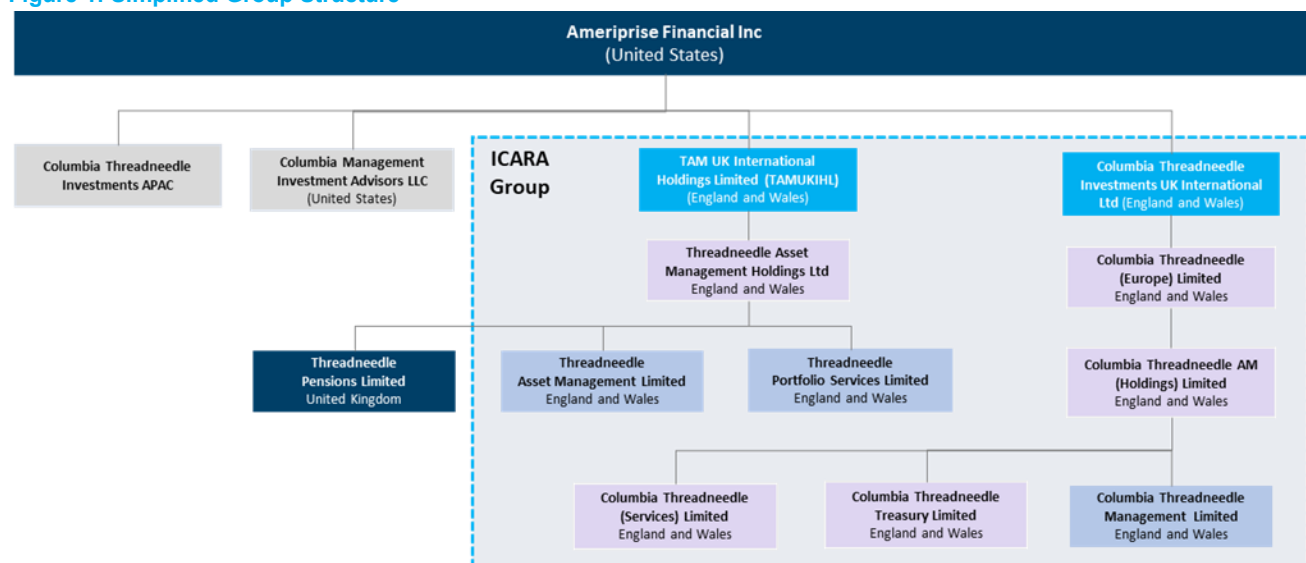
A.1.5 Legal structure of the Group

Columbia Threadneedle Investments is a global brand name of the global asset management business of Ameriprise, a leading US-based financial services provider. The EMEA business of Columbia Threadneedle Investments comprises TAMUKIHL Group and CTIUKIL Group and its subsidiaries.

TPEN has shared service arrangements with TAMHL and Threadneedle Asset Management Limited (“**TAML**”). All service providers are set out in **Section B.7**. From time to time, TPEN may have an interest in property management firms which relate to the premises owned by its Property Fund. As at 31 December 2025, there were Six (2024: Seven) companies where TPEN held more than 10% of the nominal value of any class of share capital that met the requirements to be classified as a subsidiary. The schematic below sets out a simplified

Group structure and excludes a number of intermediate holding companies and related parties. TPEN is indicated in the diagram by a dark blue background.

Figure 1: Simplified Group Structure



Key:	TPEN	Other EMEA regulated entities	EMEA Parent Companies	Non-regulated entities	Non-EMEA
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Note: Some legal entities including non-regulated subsidiaries and intermediate holding companies are excluded from the diagram above.

A.1.6 Material lines of business and geographical areas

TPEN is a unit-linked life assurance company which manages assets for UK pension schemes (both DB and DC) through unit-linked pooled funds. The assets in the unit-linked pooled funds are managed under unit-linked life insurance contracts and are shown on the Statement of Financial Position under “Assets held to cover linked liabilities”. TPEN does not write life assurance protection.

One of the unit-linked pooled funds invested via reinsurance contracts and managed on a passive basis by a third-party asset manager was closed as at 31 December 2025.

All TPEN's business is carried out in the United Kingdom.

A.1.7 Significant business events during the reporting period

AUM decreased from £2,027.1m at 31 December 2024 to £1,779.6m at 31 December 2025, largely due to net client outflows (client inflows minus client outflows) of £368.0m resulting from DB pension schemes de-risking (and pooling across LGPS) and some DC pension scheme clients transferring their assets to a Master Trust, and offset by £120.5m net investment return, change in other technical provisions net of reinsurance and expenses.

TPEN remains profitable, reporting total comprehensive income for the year of £1.0m (2024: £1.5m). The year-on-year decrease in profitability was due to reduction in AUM and lower investment income from TPEN's shareholder investments, reflecting reduced returns from the CT Sterling Short-Term Money Market Fund, offset by a lower tax charge attributable to the unit-linked business. Total equity in the financial statements increased from £27.3m at 31 December 2024 to £28.4m at 31 December 2025 following inclusion of retained earnings of £1.0m for the year ended 31 December 2025.

The following significant business events occurred during the reporting period:

- New Transfer Pricing model and intercompany project for TPEN's parent Group's legal entities were effective 1 January 2025 which has provided benefits such as capital/liquidity efficiency and operational simplicity to the legal entities including TPEN (with direct fund cost allocations and 'Business, Goods and Services' cost replaced with AUM based cost allocation). The Transfer Pricing project harmonises legal entity revenue attribution and cost allocations (e.g. allocation of back-office costs across relevant entities) in line with a standardised set of principles which is aligned to tax authorities' expectations while automating the end-to-end process for recognising revenue/costs between legal entities and settlements.

- Transitioning of fund administration and custodian after a Group-wide review has been notified to the PRA. TPEN's ORSA includes a scenario evaluating financial and continuity implications of migrating to an alternative provider, with no material concern for TPEN.

There have been no other material changes during the reporting period with respect to TPEN's business and performance, system of governance or risk profile.

A.2 Underwriting performance

Under UK GAAP FRS, the unit-linked life insurance contracts written by TPEN are classified as investment contracts and are reported on TPEN's balance sheet. The balance sheet value of the assets held for unit-linked contracts (which are carried at market value) is always equal to the balance sheet value of the liabilities under the unit-linked contracts. Further deductions are made to arrive at the Technical Provisions under Solvency II as set out in **Section D.2.1**.

Client inflows (funds received from unit-linked policyholders to be invested on their behalf) are described as "premiums" in this report because they relate to insurance contracts. Premiums are recorded as an increase in both the assets and liabilities shown on the balance sheet. Client outflows (previously invested funds repaid to policyholders) are described as "claims" and are recorded as a reduction in assets and liabilities.

The technical provision for unit-linked contracts per UK GAAP FRS at 31 December 2025 was £1,779.6m (2024: £2,027.1m). The decrease is largely due to net client outflows (client inflows minus client outflows) of £368.0m resulting from DB pension schemes de-risking (and pooling across LGPS) and some DC pension scheme clients transferring their assets to a Master Trust and offset by £120.5m net investment return and change in other technical provisions net of reinsurance and expenses. The net client outflows of £368.0m (2024: £326.0m) is shown in the table below.

Table 4: Unit-linked pooled fund flows in year to 31 December

Net flows - unit linked pooled funds	2025 £'m	2024 £'m
Premiums earned (client inflows)	61.5	103.0
Claims incurred (client outflows)	(429.5)	(429.0)
Net flows (premiums earned less claims incurred)	(368.0)	(326.0)

A.3 Investment Performance

A.3.1 Income and expenses arising from investments by asset class

Assets held for unit-linked contracts (including reinsurance recoverables) decreased to £1,779.6m (2024: £2,027.1m) largely due to net client outflows of £368.0m resulting from DB pension schemes de-risking (and pooling across local governments pension schemes) and some DC pension scheme clients transferring their assets to a Master Trust, and offset by £120.5m net investment return, and change in other technical provisions net of reinsurance and expenses as shown in the table below:

Table 5: Investment performance at 31 December

Investment performance	2025 £'m	2024 £'m
Opening balance – AUM held (1 January)	2,027.1	2,210.2
Investment income	111.4	139.0
Unrealised gains / (loss) on investments	47.0	50.8
Premiums earned (client inflows)	61.5	103.0
Claims incurred (client outflows)	(429.5)	(429.0)
Fund expenses	(37.6)	(41.5)
Others ¹	(0.2)	(5.4)
Closing balance – AUM held (31 December)	1,779.6²	2,027.1

¹ Others relate to other technical provision movements on reinsured assets, fund rebates and timing differences on flows.

² The sum may reflect rounding differences of £0.1m.

Fund expenses of £37.6m (2024: £41.5m) relate to the costs of buying and selling the financial assets in the unit-linked pooled funds as well as specific property fund expenses. The property fund expenses include letting costs, property management fees, cost of repairs and ground rent charges. Fund expenses for 2025 decreased as a result of a decreased in AUM in 2025 when compared to 2024.

The table below shows the change in the value of assets held for unit-linked contracts between 31 December 2024 and 31 December 2025 by asset type:

Table 6: Increase in asset value at 31 December

Asset type	2025 £'m	2024 £'m	Variance £'m
Reinsurance recoverable unit-linked	0.0	37.5	(37.5)
Equity	336.3	410.5	(74.2)
Property	1,304.0	1,347.6	(43.6)
Fixed interest	86.2	139.5	(53.3)
Other financial investments	13.3	38.0	(24.7)
Cash and cash equivalents	60.0	80.7	(20.7)
Other assets	31.0	31.3	(0.3)
Property liabilities	(30.9)	(34.1)	3.2
Ground/head lease liabilities	(20.3)	(23.9)	3.6
Asset value¹	1,779.6	2,027.1	(247.5)

¹ The sum may reflect rounding differences of £0.1m.

A.3.2 Information about any gains and losses recognised directly in equity over the reporting period

There were no gains or losses recognised directly in equity during the 12 months to 31 December 2025 (2024: £nil).

A.3.3 Information about any investments in securitisation over the reporting period

TPEN did not hold any investments in securitisations in its non-linked assets over the reporting period and at 31 December 2025 (2024: nil).

A.4 Performance of Other Activities

A.4.1 Summary of other material income and expenses

TPEN manages pooled investments (unit-linked contracts) for pension schemes operating within the United Kingdom.

TPEN's Statement of Comprehensive Income includes the following:

- income for the provision of specialist investment and other technical services relating to the management of the unit-linked investment contracts;
- direct product costs relating to these services (for example third-party administration services agency costs);
- costs for distribution and investment management services supplied by other Group companies in line with the Group transfer pricing framework under which TPEN retains a fixed proportion of gross revenue; and
- AUM based cost allocation for other Group services (e.g., finance, compliance and legal).

The table below sets out material income and expenses as at 31 December 2025 including comparatives from the prior year.

Table 7: Summary of material income and expenses

Material income and expenses	2025 £'m	2024 £'m
Income from management of unit-linked investment contracts	8.4	9.0
Investment income: non-linked assets	1.0	1.2
Investment management costs	(7.8)	(5.4)
Distribution costs	(0.3)	(2.8)
Other costs (including tax)	(0.3)	(0.5)
Comprehensive income	1.0	1.5

Key movements include:

- Income from management of unit-linked investment contracts fell as a result of the fall in AUM over the year and consequently investment management fees charged by TPEN;
- Investment income from non-linked assets is driven by year-on-year reduction in returns from the short-term money market fund investments;
- Investment management and distribution costs combined decreased in 2025 in line with falls in fund related revenue; and

- Other costs have reduced due to the related taxes which are linked to AUM.

A.5 Any other information

A.5.1 Shareholder Rights Directive (“SRD II”)

TPEN falls within scope of the ‘Institutional Investor’ definition under the Shareholder Rights Directive (2007/36/EC) as amended by Directive (EU) 2017/828 (“SRD II”) incorporated into UK law under the European Union (Withdrawal) Act 2018, and as such is required to make certain disclosures in respect of its arrangements with its appointed asset manager.

Under a discretionary investment management agreement, TAML has been appointed by TPEN as the Investment Manager of the unit-linked pooled funds who in turn may co-manage with or delegate to companies within the Group.

TAML employs an investment strategy which seeks to achieve the investment objective of each unit-linked pooled fund offered to clients. It is incentivised to generate positive total investment returns for each unit-linked pooled fund, as opposed to aligning its investment strategy and decisions with the profile and duration of TPEN’s liabilities, which are limited to and exactly match the unit-linked assets.

Furthermore, TPEN does not seek to align its evaluation of TAML’s performance and its remuneration for asset management services with the profile and duration of its liabilities, instead these are based on TAML’s ability to generate positive total investment returns for and achieve the investment objective of each unit-linked pooled fund it manages.

In undertaking its contractual obligation of seeking to achieve the investment objective of each unit-linked pooled fund, TAML integrates shareholder engagement in its investment strategy in accordance with Columbia Threadneedle Investments Responsible Investment and Stewardship policy framework. This includes, amongst other things, the monitoring of performance linked to financially material environmental, social, and governance (“ESG”) factors of investee companies.

Whilst TPEN does not define a targeted portfolio turnover or turnover range, it reviews turnover data (which includes associated costs incurred) of each unit-linked pooled fund provided to it by the asset manager on a quarterly basis. This data is comparative to prior periods, and detailed comments and observations are considered and challenged by TPEN’s General Management Committee where necessary.

The investment management agreement with TAML can be terminated at any time on three months’ written notice or with immediate effect in the event of certain events (including regulatory requirement or insolvency).

TPEN has no further material information to disclose.

B. System of Governance

B.1 General Information on the system of governance

B.1.1 Role and responsibilities of the administrative, management or supervisory body

Board of Directors

The Board of TPEN bears ultimate responsibility and accountability for all matters pertaining to TPEN. Specific matters reserved for the TPEN Board have been defined in TPEN's Management Responsibility Map.

The TPEN Board receives a range of information to help carry out its duties, including:

- Financial and Capital Position Reporting and Financial Statements;
- Health and Safety Compliance Reports;
- General Management Committee Reporting;
- Risk Management Updates, including in respect of Operational Resilience;
- Compliance and Consumer Duty Reports;
- Distribution and Product related activities;
- Operating Reports;
- Investment Performance Reports; and
- Internal Audit Reports.

The Board is responsible for the ORSA (see **Section B.4.2**), as well as for implementing and managing TPEN's Enterprise Risk Management Framework (see **Section B.3.1**). The above information is presented to the TPEN Board by the head of the relevant functions including the Chief Actuary, Head of Controllershship, EMEA Chief Risk Officer / Head of Operational Risk EMEA, Global Head of Investment Risk, Head of Compliance or relevant representatives

The Board is composed of the following Directors who are deemed to be 'fit and proper' in line with internal policies (refer to **Section B.2**):

- Kathleen Shailer (néé Cates), Independent Non-Executive Director and Chair of Audit Committee;
- Joseph Vullo, Chief Executive Officer;
- Elliot Bennett, Chief Finance Officer; and
- Paul Whitlock, Non-Executive Director / Chair.

The Board meets at least quarterly, and the quorum is two. All TPEN Board and Board Committee meetings are formally minuted. The TPEN Board delegates to three Board committees:

- **TPEN General Management Committee ("GMC")**, which provides management, governance and risk management oversight over the day-to-day business process that supports the TPEN business. The GMC membership is drawn from the Group functions, ensuring management of the TPEN business has sufficient coordination, knowledge and expertise to be able to challenge performance and results, including but not limited to any outsourced arrangements. The GMC reports to the TPEN Board;
- **Fund Pricing and Dealing Committee ("FPDC")**, which is a Group committee responsible for pricing activities and for monitoring and reviewing the pricing of, and dealing in, funds to ensure that clients and funds are treated equitably. The Committee has particular regard to the requirements for Treating Customers Fairly ("TCF") and the Funds' obligations under Consumer Duty regulations; and
- **TPEN Audit Committee** provides advice to assist the Board in carrying out its responsibilities as they relate to the selection of the statutory auditor, financial reports and effectiveness of TPEN's internal quality controls and risk management systems as well as the internal audit function.

The roles and responsibilities of these TPEN Committees are outlined in their respective Terms of Reference ("TOR"). The Board approves the Board Committees' TOR and any changes thereto.

Persons have been appointed to SMFs with responsibility for managing one or more aspects of TPEN's affairs, so far as they relate to the SMF activity and those aspects which involve, or might involve, a risk of serious

consequences for TPEN or for business/other interests in the UK. Each SMF has a Statement of Responsibilities (“SOR”), setting out their areas of responsibility and accountability.

TPEN’s governance and management framework allows for delegation of authority. However, the allocated Senior Manager retains ultimate and overall responsibility for the SMF, Prescribed Responsibility (“PR”), or overall responsibilities assigned to them.

The TPEN Board has assessed the system of governance and has concluded that it effectively provides sound and prudent management of the business and, is proportionate to the nature, scale and complexity of the operations of TPEN. This includes the governance of outsourced activities described further in **Section B.7**. The internal audit function performs an independent evaluation of the adequacy and effectiveness of the internal control system and other elements of the internal control system.

As a subsidiary of TAMUKIHL, TPEN is a part of the EMEA Governance Framework and matters relating to TPEN are discussed at the EMEA Financial and Operational Risk Committee (“**EMEA FORC**”), EMEA Business Management Committee (“**EMEA BMC**”) and TAMUKIHL Audit and Risk Committee. The TPEN Board committees are able to make decisions but only to the extent delegated to them by the Board.

Three of the four key internal control functions (i.e., risk management, internal audit, and compliance) are undertaken via shared services arrangement with Group companies while the fourth (actuarial) is outsourced to a third party, Barnett Waddingham LLP (refer to **Section B.7**). Oversight of these service providers is performed by the Board and the GMC (where the Board has delegated authority to the GMC) which ensures that these functions perform to the level required (based on direct attendance by these internal control functions at either the Board or the GMC).

B.1.2 Material changes in the system of governance that have taken place over the reporting period

There have been no Director resignations or appointments in the year ending 31 December 2025. The changes after this period up to the date of publication of this report are noted below and form part of Board succession planning arrangements given the long tenure of certain Board members:

- Ted Truscott resigned from the Board and was replaced by Paul Whitlock, as an Independent Non-Executive Director and Chairperson of the Board with effect from 5 January 2026 following his regulatory approval on 19 December 2025; and
- Ann Roughead resigned from the Board as Independent Non-Executive Director with effect from 11 February 2026.

The following Senior Management Functions (“SMFs”) personnel changes took place in the same period and up to the date of publication of this report:

- Tammuz Rhead was appointed as SMF17 ‘Money Laundering Reporting Officer’ replacing Darrel Buckley following regulatory approval by the FCA on 26 November 2025.

No other material changes in the system of governance have taken place over the reporting period noted above.

B.1.3 Remuneration policy for the administrative, management or supervisory body and employees

TPEN has no employees as its services are performed under contract by other Group companies or service providers. The Group Remuneration Policy covers TPEN’s directors as well as the Group employees who provide services to TPEN.

B.1.3.1 Principles of the Group remuneration policy

The Group’s remuneration policies and practices are an integral part of arrangements that support the work, culture and commitment to serving the Group’s clients.

The remuneration policies and practices are based on those of Ameriprise and are consistent with applicable regulatory requirements including Solvency II, Undertakings for the Collective Investment in Transferable Securities (“**UCITS**”), Alternative Investment Fund Managers Directive (“**AIFMD**”), Markets in Financial Instruments Directive II (“**MiFID**”) and the Investment Firms Prudential Regime (“**IFPR**”).

The Group remuneration policy is based on the following principles:

- remuneration programmes must be aligned with the Group and Ameriprise strategy, objectives, values and long-term interests;
- remuneration opportunity and rewards must be competitive enough to attract and retain the key talent who

can help the Group achieve consistently superior results for its clients and stakeholders;

- there should be a strong linkage between remuneration and both financial and non-financial performance, while also supporting the Group's culture and values;
- remuneration decisions must be made on a well-informed basis based on the employee's experience, responsibilities, and performance, while also considering external market and internal comparability;
- remuneration programmes must be operated in full compliance with all applicable legal, tax, and regulatory requirements. No alternative remuneration arrangements will be established that might circumvent local legislation and regulatory requirements; and
- remuneration programmes must be consistent with and promote sound and effective risk management and not induce imprudent risk-taking or impair the safety and soundness of the Group. This includes the need for remuneration programmes to avoid introducing or incentivising conflicts of interest or potential mis-selling.

With regards to fixed remuneration the Group is committed to ensuring that:

- salaries remain competitive within the labour market, by conducting an annual pay review and benchmarking salaries against other employers from an independent third party;
- salary adjustments consider individual performance and that individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed term contract;
- each employee is paid at the level of at least the national minimum wage; and that
- each employee's annual fixed remuneration is adequate without having to rely on incentive payments.

B.1.3.2 Share options, shares or variable components of remuneration

With regard to variable compensation, all permanent employees are eligible to participate in the Group's incentive arrangements which are entirely discretionary in nature and may be amended or withdrawn by the Group in its absolute discretion at any time. The incentive schemes applicable to each role and business may be varied from time to time.

The amounts of any individual incentive awards made by the Group are discretionary and based on business and individual performance against financial and non-financial criteria.

Awards are made according to the individual employee's performance against their Goals and Leadership scores, market remuneration levels for comparable roles, internal comparators and the funding available to fund total incentive awards, further influenced by the employee's adherence to and delivery of the Group's risk and regulatory compliance responsibilities.

Incentive awards due immediately and not deferred are normally paid in cash but may be delivered in other instruments. Incentive awards that are deferred may be delivered in cash or other instruments, including shares or options over shares in Ameriprise, as required from time to time by Group practice or by regulatory requirement, either Group-wide or applied to specific individuals.

Incentive deferral rates, deferral instruments, and deferral periods comply with the deferral requirements of the regulation applicable to their roles; incentive deferral is also applied to senior and higher paid employees outside this group as a matter of good practice.

B.1.3.3 Supplementary pension for the members of the administrative, management and other key function holders

The Group's remuneration policy does not include any supplementary pension or early retirement schemes for members of the Board or other key function holders. The Group offers all staff the choice of making contributions into a DC scheme which the Group will match up to a limit. TPEN is not exposed to any risks from these pension scheme arrangements.

B.1.4 Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking and with members of the administrative, management or supervisory body

There were no material transactions in the reporting period.

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

Under the Senior Managers and Certification Regime (“**SMCR**”), TPEN is required to assess the fitness and propriety of individuals performing any of the following roles:

- Designated Senior Management Functions;
- Notified Non-Executive Directors; and
- Certification Function or Key Function Holders.

Fitness and propriety are assessed prior to an individual performing a role, on an annual basis and in the event of a change, which may include but not limited to a conduct breach or disciplinary investigation, change of role and extended periods of absence.

The Fitness and Propriety Policy, designed to meet the PRA’s Insurance - Fitness and Propriety Rulebook and the FCA’s Fit and Proper test (known as “**FIT**”), sets how the fitness and proper assessment is carried out.

In deciding whether a person is fit and proper, TPEN satisfies itself that the person:

- a. has the personal characteristics (including being honest, of good repute and having integrity);
- b. possesses the level of competence, knowledge and experience;
- c. has the qualifications and has undergone, or will undergo, all training required to enable such person to perform their role effectively and in accordance with any relevant regulatory requirements, including those under the regulatory system, and to enable sound and prudent management of TPEN; and
- d. is financially sound.

Examples of the checks to assess fitness propriety of such persons include, but not limited to the following:

- Bankruptcy & Credit;
- Criminal Records;
- Global Sanctions;
- Advanced Media;
- UK Directorship;
- FCA Register;
- Qualification Certificates;
- Regulatory references;
- Ongoing performance reviews;
- Pre-employment interviews; and
- Continuous Professional Development.

TPEN Board Competency is reviewed to ensure that the Board has sufficient knowledge and information in order to provide effective review and challenge.

B.3 Risk management system including the Own Risk and Solvency Assessment

B.3.1 Risk Management Framework, implementation and integration

Ameriprise has implemented a comprehensive ERM programme for all subsidiaries and operations, including TPEN. In addition, TPEN maintains its own Operational Risk Management policy that sets out the operational risk strategy, framework components and roles and responsibilities. This policy is closely aligned to that of Columbia Threadneedle. The policy aims to establish effective operational risk management and governance practices which are understood and adhered to by all staff. The framework is designed to manage the operational risk exposures identified by the TPEN Board and the GMC who have ultimate responsibility for managing risks in the TPEN business

Key components of the Operational Risk Framework include Risk and Control Self- Assessments (“**RCSAs**”), Risk Events (“**REVs**”) and the tracking and reporting of Key Risk Indicators (“**KRIs**”). The Operational Risk team

produces regular management information for the GMC and TPEN Board on a quarterly basis. Any significant risk events are escalated promptly in line with standard protocols.

The Group operates a Three Lines of Defence model which can be summarised as follows:

Table 8: Three Lines of Defence model

Line of Defence	Roles and Responsibilities
First Line - Business Units	Undertake day-to-day risk management
	Comply with risk management framework, policies, and procedures
	Apply internal management controls and improvement actions
Second Line - Risk & Compliance	Oversee and challenge risk management in First Line of Defence
	Provide guidance and direction to First Line of Defence
	Develop and communicate the risk management framework
Third Line - Internal Audit	Independent perspective and challenge process
	Review and oversee the First and Second Lines of Defence

Further information on the roles and responsibilities of each line of defence is set out below:

- **First Line of Defence** refers to the main departments of the business that manage money for clients, distribute our funds and provide our supporting operations. These departments have primary responsibility for identifying and managing risks and potential harms in their area. Also, for developing and implementing controls, policies and procedures necessary to manage those risks in order to protect the best interests of policyholders;
- **Second Line of Defence** comprises functions that provide oversight and challenge of the effective operation of the Group's internal control framework. Second Line of Defence functions report significant findings to the appropriate Executive and Oversight Committee(s) and also provide reports to the TPEN Board, the TPEN Audit Committee and the TAMUKIHL Audit and Risk Committee ("**ARC**") as appropriate; and
- **Third Line of Defence** is the Internal Audit function, which reports to the TAMUKIHL ARC, the TPEN Audit Committee and the Board. The Head of Internal Audit has direct reporting lines to the Chairman of the TAMUKIHL ARC and the General Auditor of Ameriprise. Internal Audit provides independent assurance of the suitability and effectiveness of the Group's processes, controls and Risk Management Framework, including management's execution of its responsibilities to seek to ensure an effective system of internal controls, risk management, and compliance is embedded throughout the Group. Internal Audit undertakes a programme of risk-based audits, as well as ad hoc reviews and investigations, covering all aspects of both the First and Second Lines of Defence. The findings are reported to all three lines of defence, including accountable line management, the functional business, Risk and Compliance functions, the EMEA FORC, the TAMUKIHL ARC and the TPEN Audit Committee.

B.3.2 Own Risk and Solvency Assessment

The TPEN Board is responsible for the ORSA process while the EMEA CRO (SMF4) is accountable for the delivery.

The ORSA process includes the following:

- review and confirmation of key risks by the GMC and TPEN Board;
- identification of operational risks for discussion at operational risk workshops;
- operational risk workshops held with Subject Matter Experts ("**SMEs**") from the First and Second Lines of Defence to identify and quantify severe but plausible loss events based on the identified key operational risks and considering internal and external loss data;
- calculation of Pillar 2 capital requirements (including credit risk, market and insurance risk, tax risk, and liquidity risk) as assessed through the ORSA by SMEs including the Chief Actuary, Regulatory Capital Management and Investment Risk;
- define and implement stress testing scenarios;
- refine capital requirements if appropriate; and
- extensive review of results of the process by internal SMEs.

The ORSA process involves SMEs and senior management across TPEN and the Group:

- Regulatory Capital Management team co-ordinates the process;
- Finance Controllership team provides balance sheet and other financial figures;
- Chief Actuary assists in estimation of the Pillar 2 market and insurance risk capital requirements;
- Counterparty Credit Risk team assists in the estimation of the Pillar 2 credit risk capital requirement;
- SMEs drive the determination of appropriate loss event scenarios and the Operational Risk team facilitate and challenge;
- Treasury reviews and challenges the ORSA and underlying Pillar 2 methodologies and assessments; and
- Governance forums, including the GMC, EMEA FORC (following a review by the Financial and Risk Management Committee (“FRMC”), TPEN Audit Committee and TPEN Board, review and approve the results.

B.3.2.1 Review and approval of the ORSA

The ORSA process is usually conducted throughout the year and the results of the ORSA are reviewed and approved by the TPEN Board at least annually. However, in exceptional circumstances the TPEN Board will consider re-performing the ORSA on an ad-hoc basis as documented in the ORSA Policy. A new assessment may be required following a significant change in risk profile.

Events that may require a reassessment of the ORSA include:

- an acquisition or divestiture of a business;
- significant change in market conditions; or
- significant change to type or level of new business.

To ensure that the risk and capital implications of business decisions are constantly monitored, a monthly report is prepared and submitted to the EMEA FORC, an EMEA governance forum via the FRMC which includes executive directors of TPEN, and a quarterly update is provided to the GMC and the TPEN Board. This will assess any material changes in TPEN’s business, strategy, shared service arrangements or outsource providers and its financial position as well as recent material internal loss events that affect TPEN or its unit-linked funds.

B.3.2.2 Solvency needs

The Board determines the solvency needs of TPEN in the following way:

- **capital surplus** (i.e., Own Funds minus capital requirements) under Pillar 1 and Pillar 2 internal capital requirement is assessed through the ORSA;
- **overall capital requirement** is based on higher of Pillar 1 and Pillar 2 capital requirement assessments; and
- **capital management activities** are monitored to ensure that Own Funds remain in excess of 125% of the capital requirement, as calculated under a ten-year projection period.

B.4 Internal control system

B.4.1 Internal control system

Ameriprise Financial has implemented a comprehensive ERM programme for all subsidiaries, including TPEN, which provides a framework for the identification, monitoring and management of risk, including compliance with applicable local regulatory requirements and expectations. It is designed to enable the Group to protect the interests of its clients by managing all elements of risk on a forward-looking basis.

The primary components of the internal control system operated by TPEN are the risk management framework and related processes, specifically the RCSA undertaken across Columbia Threadneedle Investments EMEA’s key processes and the REV process used to manage any risk events and incidents. The TPEN Board are informed of the RCSA results related to the processes supporting its operations, including the status of risks and the effectiveness of associated controls. The RCSA process is performed by First Line of Defence Business Unit functions with independent challenge provided by control and enterprise functions within the Second Line of Defence and the Internal Audit function within the Third Line of Defence.

The REV process enables risk events to be reported, escalated and remediated. First Line Business functions record them with assistance from the first line risk team before they are reviewed and challenged by the second

line operational risk team prior to closure. Any relevant risk events or other control environment issues are reported to the TPEN Board by way of regular risk reporting, and an assessment is made on whether further action is required. Any significant REV's follow established escalation protocols.

The Group, through a shared services arrangement, provides financial services to TPEN. The Group's finance responsibilities include maintaining the books and records of TPEN and the production of the statutory and regulatory financial reporting. The Group Finance function is part of the First Line of Defence of the Group and so follows the RCSA process including identifying and documenting the risks and mitigating controls relating to its business processes. These include the production of financial information. As described above, the Finance RCSA is subject to review and challenge from the control functions within the Second and Third Lines of Defence.

The financial statements are subject to rigorous controls in the production and review leading to finalisation while the actuarial provisioning calculations are prepared by the Chief Actuary and reviewed by the Group's Finance function and TPEN's Board.

B.4.2 Implementation of the compliance function

The EMEA Deputy Head of Compliance (SMF16) is responsible for Compliance Framework and the Head of Financial Crime Prevention (Money Laundering Reporting Officer, SMF17) is responsible for the Financial Crime Prevention Framework for TPEN.

The Role of Compliance, as the Second Line of Defence, is to provide oversight and challenge of the effective operation of TPEN's internal control framework and to advise on all areas of regulatory principles, rules and guidance, including leading on any regulatory changes, and undertaking monitoring activity on key areas of regulatory risk while remaining independent. Compliance responsibilities include advising the Board and the GMC on these matters.

B.4.3 Material changes in internal control system

There were no material changes to the components of the internal control system in the 12 months to 31 December 2025. However, a new enterprise risk management system was implemented successfully in June 2025 and is now the repository for RCSA and REV information. A number of the underlying enterprise minimum standards and policies for managing operational risk have also been updated and improved during 2025.

B.5 Internal audit function

B.5.1 Implementation of the function

The Group provides TPEN with an effective internal audit function through a shared service arrangement with Group companies which includes an evaluation of the adequacy and effectiveness of the internal control system and other elements of the system of governance and is objective and independent from the operational functions. The Head of Global Asset Management Audit, Risk and Control Services fulfils the SMF5 role under the SMCR regime and the accountabilities of the SMF5 are documented within the Statement of Responsibilities.

The Group's Internal Audit function acts as the Third Line of Defence. It is responsible for the independent assessment of, and providing advice on, the control environment structure and risk implications of TPEN's business activities, which is achieved through:

- delivery of an annual risk-based audit plan, presented to the TAMUKIHL Audit and Risk Committee, the TPEN Board and the TPEN Audit Committee;
- completion of ad hoc reviews and investigations; and
- building relationships with Senior Management and the wider business in order to act in an advisory capacity to promote good governance and risk management.

Any relevant findings and recommendations are reported to the TPEN Board and the TPEN Audit Committee.

B.5.2 Independence of the internal audit function

The Internal Audit function of the Group is managed by the Head of Global Asset Management Audit, Risk and Control Services who is an employee of the Group, has no responsibility for any other function across the business and has direct reporting lines to the General Auditor of Ameriprise, the Chair of the TPEN Audit Committee, and the Chair of TAMUKIHL Audit and Risk Committee. This reporting structure ensures the continual independence of the internal audit function.

B.6 Actuarial function

B.6.1 Actuarial function

Actuarial services (from the Chief Actuary) are provided to TPEN by Barnett Waddingham. The Chief Actuary is a Fellow of the Institute and Faculty of Actuaries and has complied continuously with the specific professional obligations this requires. The Chief Actuary holds a Practising Certificate and fulfils the SMF20 function under the SMCR regime.

The Chief Actuary is accountable for:

- providing financial reporting numbers as appropriate, including Pillar 1 calculations and Pillar 2 insurance and market risk calculations;
- providing input as to whether TPEN would comply continuously with the requirements regarding the calculation of Technical Provisions;
- identifying potential risks arising from the uncertainties connected to the above calculation; and
- providing overall guidance and direction in relation to the production of the ORSA.

The Chief Actuary's specific responsibilities as part of the First Line of Defence include:

- determining a semi-annual Solvency II balance sheet for TPEN;
- advising on Solvency II reporting;
- preparing semi-annual market and insurance risk assessments; and
- summarising the methods, assumptions and data used for the above.

The Chief Actuary's specific responsibilities as part of the Second Line of Defence include:

- reviewing and providing opinion on TPEN's underwriting policy (effectively for TPEN the types of business it is prepared to write and on what terms) and the adequacy of its reinsurance arrangements;
- contributing to the effectiveness of the risk management system referred to in Section 3 of the Conditions Governing Business part of the PRA Rulebook;
- concluding on the adequacy of the use of the Standard Formula;
- contributing to the review of whether TPEN meets the requirements for Technical Provisions referred to in the PRA Rulebook; and
- providing guidance in relation to the production of the ORSA.

The full accountabilities of the Chief Actuary are documented within the SOR. To fulfil these responsibilities the Chief Actuary liaises extensively with the Group Finance function and produces an annual report (and a half-yearly update) which she submits and presents to the Board setting out the tasks that she has undertaken and their results, and any relevant recommendations.

B.7 Outsourcing

B.7.1 Outsourcing and Third-Party Risk Management Policy

TPEN's business model and strategy is to appoint third parties, including intra-group companies and in particular through outsourcing arrangements to provide services and in general, permit sub-delegation.

When appointing third parties, TPEN:

- remains fully responsible for discharging all of its obligations and assigns accountability for services provided as set out in **Section B.1**;
- determines that outsourcing will not lead to materially impairing the quality of the firm's system of governance, unduly increasing the operational risk, impairing the ability of the supervisory authorities to monitor the firm's compliance with its obligations, undermining continuous and satisfactory service to policyholders;
- assesses the appropriateness of the delegate for the services to be provided, including both competency and capabilities, financial soundness and other key areas;
- specifies the nature of the proposed arrangements in legally binding agreements;
- defines, documents, and understands its responsibilities and its third parties' respective responsibilities;

- pays particular attention to any unusual or new investment or product type; and
- identifies, assesses, and manages conflicts of interests.

Third Parties, including intra-group companies, impact upon the risk profile of TPEN. Pillar 2 capital is held in light of the risks associated with outsourced services and the potential harms that they could cause TPEN's clients and or the firm itself. The legal agreements TPEN has in place with Third Parties are considered when determining the operational risk capital requirement. Refer to **Section C.5**.

B.8 Any other information

TPEN has no further material information to disclose.

C. Risk profile

The largest risk to which TPEN is exposed is operational risk which represented 78% of the SCR at 31 December 2025 (restated 2024: 77%) as shown in the chart below. Operational risk is the risk of loss caused by failure in processes, systems, people or external factors. It is described in this section together with other categories of risk.

The standard formula SCR for TPEN at 31 December 2025 was £7.3m (restated 2024: £8.6m) after adjustments for risk diversification and the LACDT.

An overview of the SCR by risk type is set out below:

Table 9: Solvency Capital Requirement

Solvency Capital Requirement (£'m)	2025	2024 ¹
Market risk	1.2	1.5
Credit (counterparty default) risk	0.2	0.2
Insurance (life underwriting) risk	1.2	1.5
Diversification offset	(0.6)	(0.8)
Operational risk	5.7	6.7
Loss absorbing capacity of deferred taxes (LACDT)	(0.3)	(0.5)
Total SCR²	7.3	8.6

¹ Prior year comparatives have been restated as explained in table 1.

² The sum may reflect rounding differences of £0.1m.

Further information on the SCR and commentary on movements over the reporting period are set out in **Section E.2**.

Prudent person principle

TPEN is required to consider whether assets are invested in accordance with the Prudent Person Principle (“PPP”) as defined in Sections 2 and 3 of the Investments part of the PRA Rulebook. The PPP sets out the expectation that TPEN must only invest in assets and instruments whose risks the undertaking concerned can properly identify, measure, monitor, manage, control and report and appropriately take into account in the assessment of its overall solvency needs.

As set out in **Section D.1**, the majority of assets on TPEN’s balance sheet are held in respect of unit-linked pooled contracts which are invested on behalf of policyholders in line with the investment guideline of each fund. Investment management activities are outsourced to TAML. TPEN has arrangements in place to ensure that the external investment manager invests in accordance with the PPP for the unit-linked pooled funds.

TPEN’s Own Funds are prudently invested taking account quality, security, liquidity, profitability, and the investment portfolio as a whole. TPEN invests the majority of its Own Funds in the CT Sterling Short-Term Money Market Fund (“**CT Sterling Fund**”) which was chosen taking into account the Prudent Person criteria. For example, constituents of the fund have high credit ratings and holdings with individual counterparties within the CT Sterling Fund are managed within counterparty exposure tolerance levels. The remaining assets on TPEN’s balance sheet relate to corporate cash, the majority of which is held with a third-party banking provider with a long-term Standard & Poor’s credit rating of A+, debtors largely relating to fees receivable, and small ‘box holdings’ in some unit-linked funds.

C.1 Underwriting risk

C.1.1 Material underwriting risks and changes over the reporting period

Underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions.

Two of the life underwriting sub-modules in the SCR are relevant to TPEN:

- **lapse risk** relates to the risk that profitable unit-linked investment contracts are withdrawn at a faster rate than expected and that non-profitable contracts are not withdrawn; and
- **expense risk** relates to the risks that expenses will be higher than expected and the future rate of inflation on these expenses will be higher than expected.

Underwriting risk is estimated by applying stress scenarios defined in the standard formula to the projected cash flows of TPEN used to calculate the BEL. For expense risk, the stress involves a one-off increase in certain

types of expenses together with higher ongoing increases in these expenses. Refer to **Section C.1.3** where stresses and sensitivity analysis are noted.

The underwriting risk SCR has fallen compared to the prior year amount, primarily due to a reduction in the pre-stress revenue stream from lower AUM and an increase in the average base lapse rate from 17.3% to 23.3%.

There were no material changes over the reporting period to the risks TPEN is exposed to and no material changes in measurement techniques.

C.1.2 Assessment of and risk mitigation techniques used for underwriting risks

The capital requirement for underwriting risk is calculated in accordance with the standard formula SCR:

- **lapse risk** is the most material underwriting risk for TPEN. All TPEN's business is subject to a 40% mass lapse stress which is based on an assessment by the Chief Actuary that TPEN's unit-linked pooled funds do not meet the requirements as stated in Section 3B6.6(1) of the Solvency Capital Requirement - Standard Formula part of the PRA Rulebook; and
- **expense risk** stresses assume expenses rise by 10% initially and then inflate by 1% per annum more than would otherwise have been assumed (in line with Section 3B4 of the Solvency Capital Requirement - Standard Formula part of the PRA Rulebook). The stresses are applied to direct expenses and allocated costs for Group services (e.g., finance, compliance, legal and fund management by the Group which is considered as fund direct expenses), but are not applied to variable costs for distribution and investment management services provided by other Group companies, which are based on the level of unit-linked assets managed by TPEN (refer to **Section A.4.1**).

Client flows and expenses are monitored by the Board at quarterly meetings. The following risk mitigation techniques are used to assess lapse risk and expense risk respectively:

- client service teams work closely with key clients to increase client retention; and
- the fee-related nature of the majority of the expenses payable under TPEN would mean that whilst changes in experience can reduce profitability, TPEN is protected from making a loss in all but the most extreme scenarios.

Over the reporting period there was no material change to the potential impact of lapse risk, which continued to be the main underwriting risk.

C.1.3 Risk sensitivity for underwriting risk

The most material underwriting risk to TPEN is lapse risk. Three different lapse stresses are considered as part of the calculation of the SCR for underwriting risk:

- a 50% increase in lapse rates;
- a 50% decrease in lapse rates; and
- a mass lapse of profitable business.

The mass lapse stress assumes that TPEN suffers an immediate, one-off business outflow of 40% (2024: 40%). The results of these lapse stresses give an indication of the sensitivity of the SCR to different lapse rates. The most onerous lapse rate stress, the mass lapse stress, is included in the SCR. The mass lapse stress contributes approximately £0.9m (restated 2024: £1.2m) to the SCR (before diversification effects and allowance for LACDT).

The following risk sensitivities were assessed to measure the potential impact to TPEN's solvency capital position:

- **direct expenses and allocated costs for other Group services** increase by 10%; and
- **lapse rates** increase by 100% (i.e., lapse rates double).

The table below sets out the impact of these scenarios on TPEN's SCR and coverage ratio (Own Funds divided by SCR) at 31 December 2025:

Table 10: Underwriting risk - risk sensitivities

Sensitivity analysis	Change in SCR £'000	Change in SCR coverage ratio %
Direct expenses and allocated costs increase by 10%	(3)	(0.0%)
Lapse rates increase by 100%	(813)	48.6%

C.2 Market risk

C.2.1 Material market risks and changes over reporting period

Market risk is the risk of loss or of adverse change in the financial condition of TPEN resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets and liabilities and financial instruments.

TPEN is exposed to market risk through the following assets:

- **assets held in the unit-linked funds** including equity, property and fixed income securities are exposed to market risk. However, the value of the liabilities for the unit-linked contracts increases or decreases in line with the fair value of the financial assets thus eliminating the balance sheet market risk for TPEN; and
- **non-linked assets on TPEN's balance sheet** including assets held in the CT Sterling Fund deemed subject to market risk (e.g., commercial papers, certificates of deposits, time deposits and bonds), and a small amount of seed money in unit-linked pooled funds.

As a result of the above, the primary exposure to market risk arises from the fixed income, equity and property market impact on the revenues from policyholders linked to the value of unit-linked assets. However, for the purpose of determining stressed revenues with relevant stress factors, a simplified approach was adopted with effect from 2025 under which all relevant assets held directly in the TPEN Property Fund are classified as property in GBP currency and all others defaulted to Type 2 equity in non-GBP currency. This is consistent with Chapter 2 and Section 3D7 of the Solvency Capital Requirement – Standard Formula part of the PRA Rulebook where prudent.

The decrease in market risk to £1.2m at 31 December 2025 (restated 2024: £1.5m) is primarily due to a reduction in the pre-stress revenue stream from lower AUM and a higher base lapse rate. There were no other material changes over the reporting period and there were no other material changes in the measurement techniques.

The impact of market risk on the AUM and future revenue of TPEN has been assessed as part of the ORSA through stress testing as described **Section C.7.1**.

C.2.2 Assessment and risk mitigation techniques used for market risk

The Company does not incur direct market risk from unit-linked assets / liabilities, but its revenues are indirectly impacted. Whilst changes to the value of the fund itself and associated market risks are borne by policyholders, the Company earns revenue based on the level of client AUM. As such, the revenue and subsequent profitability from the funds are impacted by market risk as this can result in an increase or decrease to the underlying value of assets.

The Company's non-linked assets are also exposed to market risk and are primarily short-term investments held in the CT Sterling Short-Term Money Market Fund.

The methodologies used to estimate market risk mainly involve stress scenarios defined in the standard formula SCR.

Market risk requirements are derived by assessing the impact of these stresses on the profitability of unit-linked contracts and on the Company's holdings in the CT Sterling Short-Term Money Market Fund.

As TPEN's business model significantly mitigates balance sheet market risk arising from unit-linked assets (see **Section C.2.1**), and the residual exposure is minimal, no further market risk mitigation techniques are used.

C.2.3 Risk sensitivity for market risk

The following market risk sensitivities were assessed to measure the potential impact to the SCR and the solvency coverage ratio (Own Funds divided by SCR):

- market value of unit-linked assets increases by 10%;
- market value of unit-linked assets reduces by 10%; and
- interest rates increase/decrease by 1%. In both scenarios, no allowance has been made for the change in the value of unit-linked assets in the event of a change in interest rates, only the subsequent impact on the SCR stresses has been considered. The change in the non-linked assets as a result of the interest rate changes is calculated and therefore affects the SCR coverage ratio.

The table below sets out the impact of these scenarios on TPEN's SCR and coverage ratio (Own Funds divided by SCR) at 31 December 2025:

Table 11: Market risk - risk sensitivity

Sensitivity analysis	Change in SCR £'000	Change in SCR coverage ratio. %
Market value of unit-linked assets increases by 10%	140	(3.8%)
Market value of unit-linked assets reduces by 10%	(179)	5.6%
Interest rates increase by 1%	7	0.4%
Interest rates reduce by 1%	(8)	(0.4%)

Additional analysis is performed as part of the ORSA process to understand the impact of the stress scenarios on the profitability and solvency capital adequacy of TPEN. This stress testing includes scenarios covering a severe market downturn, and a stress which assumes the business is closed following two successive years of large outflows of business. The result of these tests demonstrated that TPEN remains adequately capitalised under such scenarios.

C.3 Credit risk

C.3.1 Material credit risks and changes over reporting period

Credit risk is defined as the risk of loss resulting from counterparty default. TPEN is exposed to credit risk in the following areas:

- policyholder debtors;
- intra-group debtors; and
- cash at bank and holdings in the CT Sterling Fund.

There were no material changes over the reporting period and no material changes in measurement techniques.

C.3.2 Assessment of risk mitigation techniques used for credit risk

Exposures within the scope of the credit (counterparty default) risk module have been categorised between 'Type 1' and 'Type 2' exposures according to Section 3.13 of the Solvency Capital Requirement - Standard Formula part of the PRA Rulebook. For example, cash at bank (in a call account) is classified as a Type 1 exposure while policyholder debtors are classified as Type 2 exposures.

The majority of the risk calculated under the SCR arises from policyholder debtors which attract a 15% capital charge as they are all less than three months due, noting that the Company monitors outstanding debtors via a long-established credit control process and escalation process for aged invoices.

Policyholder debtors where TPEN has the right to recover any such debts from the unit-linked pooled funds are excluded from the Type 2 counterparty default calculation, on the basis that such exposures do not create counterparty exposure to policyholders for TPEN shareholders. At 31 December 2025, less than 30% (2024: less than 30%) of policyholder debtors fell into this category.

No additional credit risk capital is held where a TPEN fund accesses a third-party insurance fund via reinsurance as per the PRA letter to TPEN on 21 December 2015 concluding that TPEN is not required to hold capital against reinsurer counterparty default risk on such funds. Refer to **Section C.6.2** for details on how risks relating to Fund Liquidity (including the Property Fund) are managed.

Credit risk in TPEN's unit-linked pooled funds (including equity and fixed income securities and properties) is borne by policyholders.

The Group Counterparty Credit Risk team performs credit risk assessments on the counterparties in which TPEN invests shareholders assets. The Group Counterparty Credit Risk policy sets out the requirements for reviewing the creditworthiness of counterparties including the frequency of assessment, monitoring and escalation. Credit exposures are monitored on a daily basis to ensure they remain within pre-defined limits.

Credit (counterparty default) risk broadly remained stable at £0.2m at 31 December 2025 (2024: £0.2m) as the minor movements in the underlying exposures in both Type 1 (cash deposit and call account with banks) and Type 2 counterparty risk exposures (policyholder debtors) from their previous levels were not material to the risk.

There were no other material changes over the reporting period and no other changes in measurement technique.

C.3.3 Risk sensitivity for credit risk

The following credit risk sensitivities were assessed to measure the potential impact to TPEN:

- all banks where TPEN holds cash are downgraded by one credit quality step; and
- policyholder debtors increase by 20%.

The table below sets out the impact of these scenarios on TPEN's SCR and coverage ratio (Own Funds divided by SCR) at 31 December 2025:

Table 12: Credit risk - risk sensitivity

Sensitivity analysis	Change in SCR £'000	Change in SCR coverage ratio %
Exposures to banks downgraded by one credit quality step	23	(1.3%)
20% increase in policyholder debtors (<3 months due)	15	(0.8%)

C.4 Liquidity risk

C.4.1 Material liquidity risks and changes over reporting period

Liquidity risk is defined as the risk arising in the event TPEN is unable to meet its obligations as they fall due, either because of an inability to liquidate assets, obtain funding due or only doing so as a result of incurring unacceptable losses.

TPEN continues to hold sufficient liquid assets well in excess of minimum risk appetite levels.

Liquidity risk in relation to TPEN's pooled fund range (i.e., Fund Liquidity Risk) is described in **Section C.6.2**.

C.4.2 Assessment of and risk mitigation techniques used for liquidity risks

Any potential financial harms to TPEN or any impact to clients are mitigated through the Group Corporate Liquidity Risk Policy and Management Framework ("**Liquidity Policy**"). The Liquidity Policy documents the management framework, responsibilities, processes, and contingency arrangements of the Group and its subsidiaries, supporting the ability to meet future financial commitments as they fall due either in business-as-usual or under a stress environment.

Liquidity is managed daily with cash management and monitoring of balances in place to ensure obligations are met and minimum liquidity requirements are satisfied.

Liquidity risk for TPEN is considered under the ORSA, with liquidity stress testing undertaken to assess the impact of severe but plausible stress events on TPEN's liquidity position. The results of the stress test assessment are used to calibrate the company's liquidity risk appetite and associated KRIs.

TPEN's liquidity position is discussed and reported to relevant regional risk governance committees (monthly) and TPEN Board (quarterly) to aid monitoring, oversight, and escalation (as and when required).

C.4.3 Risk sensitivity for liquidity risks

Liquidity stress testing is conducted as part of the ORSA to assess the liquidity required under a range of

stressed conditions. The scenarios include idiosyncratic, market-wide and combined scenarios over a range of time horizons. This testing demonstrated that TPEN maintains sufficient liquid resources to withstand severe liquidity shocks.

C.5 Operational risk

C.5.1 Material operational risks and changes over reporting period

TPEN defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. TPEN categorises the risks it could be exposed to using its Risk Library which is reviewed annually.

C.5.2 Assessment of risk mitigation techniques used for operational risks

TPEN's Operational Risk Policy aims to establish an effective and sustainable operational risk framework and governance practices which can be understood and adhered to by all staff. The framework is designed to manage operational risk exposures identified by the TPEN Board and the GMC.

The Operational Risk Framework includes:

- Top-down assessment of operational risks facing the business;
- Risk and Control Self-Assessment of key processes across the Group;
- Managing risk events "REVs" ensuring they are recorded and escalated in line with standard protocols and controls enhanced where appropriate;
- important business activities and services are assessed for operational resilience;
- Monitoring for any potential emerging risks;
- SMEs from the First and Second Lines of Defence are engaged when defining severe but plausible operational risk scenarios for TPEN;
- Key Risk Indicators (KRIs) are reviewed quarterly and as part of GMC and TPEN Board reporting; and
- intragroup service agreements are maintained and reviewed.

All risks are reported to the GMC and the Board in the TPEN Dashboard with KRIs monitored to provide an early indication as to the status and direction of movement of the underlying risk.

Since the majority of TPEN's operational activities are delivered by Group Asset Management entities, Ameriprise Group shared services, and by external providers, this is coupled with the review by the GMC and TPEN Board of the performance of the respective intra-group and external outsourced service providers. The ORSA also considers to what extent that the underlying contracts provide legal protection to TPEN in the event of a loss caused by a service provider.

The contribution from operational risk in the SCR is calculated as 25% of non-acquisition expenses incurred over the last 12 months. Policyholder-borne expenses, largely relating to the Property Fund, are included in the calculation of the operational risk module. Dilapidation costs relating to individual properties within the Property Fund, which form only a modest fraction of total expenses, are excluded from the expense base to the extent that such expenses are not incurred by TPEN but are borne by tenants when tenants are contractually obliged to meet dilapidation costs.

C.5.3 Risk sensitivity for operational risks

The following operational risk sensitivities were assessed to measure the potential impact to the SCR and the solvency coverage ratio:

- policyholder-borne expenses are 20% higher; and
- policyholder-borne expenses are 20% lower.

Table 13: Operational risk - risk sensitivity

Sensitivity analysis	Change in SCR (£'000s)	Change in SCR coverage ratio %
Policyholder-borne expenses increase by 20%	730	(36.7%)
Policyholder-borne expenses reduce by 20%	(730)	44.9%

C.6 Other material risks

C.6.1 Concentration risk

TPEN is exposed to concentration risk arising from its key clients, outsourced service providers and corporate banking counterparties:

- **key client** concentration is assessed by monitoring the proportion of AUM and revenue attributable to these clients. Dedicated client service teams work closely with the clients to ensure that TPEN continues to meet their needs. Stress testing scenarios are used to model the impact of the loss of key clients on the profitability, solvency coverage, and liquidity position;
- **outsourced service providers** (refer to **Section B.7**) concentration is monitored through performance assessments of these providers by the GMC and TPEN Board on a regular basis. As part of the ORSA process, specific stress scenarios are used to model the impact of operational failures of material outsourced service providers and TPEN ensures it has sufficient capital to withstand such severe events. Changes to TPEN's outsourced service providers over the reporting period included a change of TPEN's third-party administration services to an existing Group service provider as described in **Section A.1.7**; and
- concentration risk may arise as a by-product of TPEN placing its cash with **banking counterparties**. This is mitigated through a counterparty limit noting that TPEN invests the majority of its excess cash in the CT Sterling Fund which is also diversified over a range of highly rated counterparties. TPEN operates within its internal limit for exposure to a single counterparty.

C.6.2 Fund liquidity risk

Fund / client liquidity risk is defined as the risk of being unable to manage fund liquidity in accordance with agreed terms or objectives. This would include the inability to meet redemption requests. In a liquidity-constrained environment where redemptions may exceed the ability to raise liquidity, TPEN has the option to defer redemption requests or suspend dealing in a fund to protect the interests of clients (for example, property fund suspension during 2020 and property fund redemption deferrals in 2022).

C.6.3 Other material risks

TPEN offers asset management services to its clients in the form of unit-linked insurance contracts. The nature of this service introduces the following risks to TPEN:

- **investment performance/sustained underperformance** making funds less attractive;
- **market events** resulting in a decline in AUM and a reduction in fees earned;
- **profit margin compression** due to changing market conditions;
- **talent risk** due to loss of key talent resulting in client outflows; and
- **financial risks from climate change** for the TPEN corporate entity which could result in an absolute reduction in AUM over the longer term, which will in turn reduce revenue and could eventually jeopardise its business model. The impacts to policyholders from potential impact to unit-linked assets are managed by the Group's Responsible Investments team (see **Section C.7.2**). The Chief Finance Officer (SMF2) is accountable for financial risks arising from climate change risk.

The potential impact of these risks is assessed through stress scenarios (see **Section C.7.1**) as part of the ORSA process and KRIs relating to these risks are reported to the GMC and TPEN Board.

There were no material changes to the risk profile of TPEN over the reporting period.

C.7 Any other information

C.7.1 Stress and scenario testing and sensitivity analysis

Stress tests are performed to model the impact of severe but plausible stresses on TPEN's profitability and capital position as part of the ORSA process, including:

- **stress testing** is performed to assess the impact of a range of single and multifactor stress tests (including climate change) on TPEN's three-year (20 years for climate change) financial forecast to assess impact to TPEN's profitability and capital position. TPEN was forecast to remain in a capital surplus position under the base case and across all stress scenarios. The scenarios are developed based on an assessment of TPEN's risk profile, and are informed by key business changes, emerging risks, and recent REVs and external losses;

- **liquidity stress testing** is conducted as part of the ORSA to assess the liquidity required under normal and stressed conditions; and
- **reverse stress testing** in which TPEN performs an assessment on its business plan to identify a range of adverse circumstances which could cause its business plan to become unviable.

The stress testing performed as part of the ORSA has shown that while these severe scenarios would have a material impact on profitability, TPEN would continue to maintain a capital surplus above its internal threshold and would continue to be able to service its clients.

The PRA's Policy Statement (PS20/24) and Supervisory Statement (SS11/24), published in December 2024, set out new expectations for insurers to develop solvent exit plans as part of their routine business planning. From 30 June 2026, firms like TPEN must have a documented Solvent Exit Analysis (SEA) outlining how they would exit the market in an orderly and solvent manner, without relying on insolvency or resolution. TPEN is within scope of these requirements and has acknowledged the regulatory expectation with preparations currently underway to ensure the SEA is integrated into TPEN's governance and risk management framework in line with PRA guidance.

C.7.2 Climate Change

The PRA, on 3 December 2025, issued a Policy Statement (PS25/25) and Supervisory Statement (SS5/25), replacing SS3/19 and setting enhanced expectations for insurers across governance, risk management, climate-scenario analysis, data and disclosures. These expectations apply proportionately, based on the materiality of a firm's climate-related exposures.

A formal SS5/25 gap analysis and alignment plan is underway and scheduled for June 2026 Board approval, in line with the PRA's six-month requirement for firms to undertake an internal review and develop an implementation plan.

TPEN operates as a unit-linked life insurer, and therefore its exposure to climate-related financial risks at the balance-sheet level is limited, as linked liabilities move in line with linked assets. Climate-related financial risks therefore primarily transmit to TPEN through its business model principally via impacts on assets under management or fee compression arising from adverse policyholder flows rather than through direct investment losses in shareholder assets. These risks are recognised within the Risk Library with relevant stress testing performed in the ORSA and KRIs have been established which are monitored through the TPEN Risk Dashboard (see **Section B.3 and C.7.1**)

The following summarises TPEN's approach to managing financial risks arising from climate change, covering governance, risk management, scenario analysis, data, metrics and TPEN's forward alignment plan.

Governance and risk management

The TPEN Board has ultimate accountability for climate related financial risks, and they are overseen through an existing governance framework: the Board, TPEN GMC, and Group level Risk Committees. Responsibility for financial climate risk is assigned to the Chief Finance Officer (SMF2), with challenge from Risk, Compliance and Internal Audit through the Three Lines of Defence (see **Section B.3**).

Climate risk is embedded within TPEN's Risk Library with KRIs (e.g., flood risk and EPC indicators for the Property Fund) monitored through the TPEN Risk Dashboard with oversight by the GMC and the Board on a quarterly basis.

Scenario analysis

TPEN performs climate scenario analysis as part of the ORSA using the Bank of England's Climate Biennial Exploratory Scenario pathways, including the Late Action scenario, which is the most adverse from a profitability perspective. This modelling extends over a 20-year horizon, complementing TPEN's stress testing and reverse stress testing (see **Section C.7.1**).

Under the last assessed climate pathways, TPEN is forecast to remain profitable and above its 125% solvency coverage threshold, with no additional Own Funds deemed necessary by the Chief Actuary.

Data, metrics and performance

The TPEN Property Fund seeks positive environmental outcomes and targets net-zero operational carbon by 2040 under the Net Zero Investment Framework. Quarterly reporting covers key environmental metrics, including energy efficiency, flood risk and water use. Although TPEN qualifies as a low-energy user under Streamlined Energy and Carbon Reporting ("**SECR**"), it monitors Scope 1 and 2 emissions for assets under

operational control using the greenhouse gas protocol developed in line with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. For 1 Oct 2024–30 Sep 2025, these assets recorded 3,384 absolute tonnes of carbon dioxide (tCO₂e) and 18.4m KWh of absolute energy consumption, reflecting an 8.9% decrease in overall greenhouse gas emissions and a 2.1% decrease in overall energy use like-for-like. The total energy consumption of the baseline year considered for this report is 20% higher than the stated consumption for the same period in last year's report for the period October 2023 to September 2024. The increase is primarily driven by additional consumption data availability (additional meter coverage and additional months of coverage), consumption credits, rebills, and the overwriting of previously estimated data upon receipt of actual values; these are standard components of data received from Energy Brokers, and reflect the dynamic nature of utility consumption data sets. Data are validated through a Sustainability Information & Environmental Reporting Application, supporting TPEN's goals to reduce energy intensity by 70% and carbon intensity by 95% by 2040 (from a 2023 baseline). Delivery is supported by 46 Net Zero Carbon audits and ESG KPIs for managing agents. In 2025, the Fund achieved a Global Real Estate Sustainability Benchmark score of 76/100 (2-Star), with a management score of 30/30 (2 points above peer average) and a Performance score of 46/70 (4 points below the peer average of 50). The TPEN Global Select Fund investment policy was updated to formalise its strengthened sustainability characteristics, including its 2050 net-zero target (effective April 2025).

Future developments

TPEN is on track towards formalising an implementation plan to align with SS5/25 requirements, including strengthening documentation, refining climate-related KPIs (as required), and further evidencing how climate-scenario outputs inform business planning and risk appetite. The alignment plan is scheduled for June 2026 Board approval, any remaining enhancements will be confirmed at that stage, ensuring TPEN continues to meet the PRA's enhanced expectations on a proportionate, risk-based basis

TPEN has no further material information to disclose.

D. Valuation for Solvency Purposes

A summarised balance sheet as at 31 December 2024 and 2025 is set out below:

Table 14: Assets and Liabilities - Solvency II valuation - as at 31 December

Solvency II valuation (QRT IR.02.01.02) (£'m)		2025	2024 ²
Assets	D.1.1	1,809.7	2,056.5
Liabilities ^{1,3}	D.2.1 and D.3.1	1,781.3	2,029.2
<i>Items not recognised in the financial statements:</i>			
Best Estimate Liability (IR 02.01.02)		0.7	1.5
Risk Margin (IR.02.01.02)		(0.9)	(1.2)
Deferred tax liability relating to Technical Provisions		-	(0.1)
Own Funds		28.2	27.5

¹ At 31 December 2025, liabilities include £1,779.6m of technical provisions (2024: £2,027.1m) relating to TPEN's insurance business (refer to Section D.2.1) and the remaining £1.7m (2024: £2.1m) relate to other liabilities (refer to Section D.3.1)

² Prior year comparatives have been restated as explained in table 1.

³ The sum may reflect rounding differences of £0.1m.

D.1 Assets

D.1.1 Solvency II valuation for each material class of asset

The following table analyses TPEN's assets at fair value per the financial statements and on a Solvency II basis.

Table 15: Assets per Financial Statement and on a Solvency II basis - as at 31 December

Asset class £'m	2025		2024	
	Financial Statement	Solvency II basis	Financial Statement	Solvency II basis
Collective investment undertakings ¹	26.4	26.4	25.5	25.5
Other investments	0.0	0.0	0.0	0.0
Assets held for unit-linked contracts ^{2,3}	1,830.9	1,779.6	2,047.6	1,989.6
Reinsurance recoverable unit-linked ³	0.0	0.0	37.5	37.5
Liabilities associated with unit-linked ^{2,3}	(51.2)	0.0	(58.0)	-
Receivables (trade not insurance)	1.5	1.5	1.6	1.6
Cash and cash equivalents	2.2	2.2	2.3	2.3
Total assets⁴	1,809.7	1,809.7	2,056.5	2,056.5

¹ £0.03m amount of Investment used to seed TPEN's funds is shown separately as 'Other investments' on the Solvency II balance sheet but included as collective investment undertakings in the financial statements. This does not show in the table because the table is presented in £m, and the amount rounds to £0.

² Liabilities associated with unit-linked funds are shown separately in the financial statements. The net amount of assets and liabilities are shown as an asset on the Solvency II balance sheet.

³ These three items sum to the net value of units allocated to in-force policies of £1,779.6m (2024: £2,027.1m) and match against Technical Provisions calculated as a whole of £1,779.6m (2024: £2,027.1m).

⁴ The sum may reflect rounding differences of £0.1m.

A description of each asset type is set out below along with key movements in the 12 months:

Collective investment undertakings and other investments

At the reporting date TPEN held £26.4m (2024: £25.5m) in collective investment schemes, which were invested as follows:

- holdings in the CT Sterling Fund of £26.4m (2024: £25.5m) which is a Variable Net Asset Value Short Term Money Market Fund under the EU Money Market Fund Regulation ("MMFR"). The fund is actively managed by TAML to seek to achieve its objective to provide income and preserve the original value of the investment. Shares in assets in collective investment schemes are valued at fair value for Solvency II based on market prices of the underlying assets at the reporting date; and
- seed investments in TPEN's pooled funds of £0.03m (2024: £0.02m) are held within a variety of collective investment schemes and valued at fair value based upon the published price of the collective investment scheme.

Collective investment undertakings and other investments increased by £0.9m over the reporting period due to additional investment in the CT Sterling Fund.

Assets held for unit-linked contracts

Assets held for unit-linked contracts represent policyholder investments into TPEN's pooled fund range, and are fair valued as follows:

- **Level 1** – fair value is derived from quoted prices (unadjusted) in active market prices for identical assets or liabilities;
- **Level 2** – fair value is derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices); and
- **Level 3** – fair value is derived from valuation techniques using inputs that include significant inputs for the asset or liability that are not based on observable market data (unobservable market inputs).

At 31 December 2025 TPEN held £526.8m Level 1 (2024: £765.3m), nil Level 2 (2024: nil) and £1,304.0m at Level 3 (2024: £1,347.6m) assets (net of associated liabilities) to cover linked liabilities. Level 3 investments comprise investment property in TPEN's Property Fund which is measured initially at cost, including related transaction costs, on the date of acquisition or the date of unconditional exchange, if earlier. After initial recognition, investment property is carried at fair value, after the deduction of unamortised lease incentives.

Assets held for unit-linked contracts (net of liabilities associated with unit-linked and including reinsurance recoverables, see below) decreased by £247.5m largely due to net client outflows (client inflows minus client outflows) of £368.0m resulting from DB pension schemes de-risking (and pooling across LGPS) and some DC pension scheme clients transferring their assets to a Master Trust, and offset by £120.5m net investment return and change in other technical provisions net of reinsurance and expenses.

TPEN's Management engages independent, professional third-party Chartered Surveyors to assist with valuations of its UK Real Estate investments in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. Historically, valuations were carried out by CBRE Limited ("CBRE"); however, Knight Frank LLP was appointed as the Standard Independent Valuer ("SIV") in August 2025, replacing CBRE. Valuations are performed on either a quarterly or monthly basis by the appointed SIV, with Jones Lang LaSalle ("JLL") engaged on an ad-hoc basis. An alternative valuer is appointed where required, such as in cases of conflicts of interest (for example, where Knight Frank LLP acted for the seller during acquisition) or where regulatory rotation is necessary. In such cases, JLL may be used, although Savills would typically be preferred where available for the required period. Where Knight Frank LLP becomes ineligible to value a property due to reaching or approaching the 10-year valuation limit, Savills will be appointed as the long-term alternate valuer. JLL remains part of the pool of potential SIVs but is considered the third-choice option for TPEN.

Knight Frank LLP calculates the gross value of each property by comparing the expected rental cash flows with an appropriate rental yield. Future cash flows are calculated based on the surveyor's expectation of rental receipts during and after the current tenancy ends, typically informed by an assessment of rents charged on comparable properties. Fair value is based on active market information, adjusted, where necessary, for any difference in the nature, location or condition of the specific asset.

The fair values by asset exposure class are set out in Table 6 of **Section A.3.1**.

Reinsurance recoverable unit-linked

No reinsurance recoverables from unit-linked contracts were held as at 31 December 2025, as the prior-year exposure was fully exited during 2025 with the exception of less than £1k held due to residual cash following the payment of management fees. Reinsurance recoverables represented amounts ceded under arrangements used by TPEN to delegate investment management rather than for risk mitigation. In the prior year, this related to a single passively managed fund benchmarked to the FTSE Actuaries UK Conventional Gilts Over 15 Years Index, with oversight provided by the GMC.

Receivables (trade not insurance)

Receivables (trade not insurance) are amounts due for services performed in the ordinary course of business, which generally have 30-day payment terms. Receivables are recognised at fair value equivalent to the invoice amount and are maintained at this value as the amount receivable for services is not subject to change after the invoice is issued. Receivables totalling £nil were past due as at 31 December 2025 (2024: £nil). No receivables were written-off as bad debts in 2025 (2024: £nil).

At 31 December 2025 and 2024 there were no material expected credit losses provision. As a result, there is

no difference between the IFRS and Solvency II measurement.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, bank overdrafts, over-night call accounts and other short term highly liquid investments that are readily convertible on demand to known amounts of cash with an insignificant change in their fair values. Such investments are those with less than three months' maturity from the date of acquisition. As at 31 December 2025 deposits at call with banks amounted to £2.2m (2024: £2.3m) which included cash held overnight with UK banks.

D.1.2 Solvency II and IFRS valuation differences by material class of asset

There are no differences between the valuation of assets under Solvency II and the valuation in the financial statements which are produced under IFRS. There have been no changes to the valuation and recognition approach during the year.

TPEN has made no adjustments to reinsurance recoverables in its financial statements in recording the reinsurance share of claims provisions for solvency purposes.

D.2 Technical Provisions

D.2.1 Technical Provisions by material line of business

There has been no change to the methodology used to calculate the Technical Provisions as at the reporting period.

Technical Provisions relating to unit-linked contracts were £1,779.8m at 31 December 2025 (2024: £2,026.1m) as set out below:

Table 16: Technical Provisions at 31 December

Technical Provisions (£'m)	2025	2024 ²
Technical Provisions calculated as a whole	1,779.6	2,027.1
<i>Items not recognised in the financial statements:</i>		
Best Estimate Liability (negative provision)	(0.7)	(1.5)
Gross Best Estimate ¹	1,778.9	2,025.7 ²
Risk Margin	0.9	1.2
Technical Provisions per Solvency II	1,779.8	2,026.8²

¹ As reported in QRT IR.12.01.02.

² Prior year comparatives have been restated as explained in table 1.

³ The sum may reflect rounding differences of £0.1m.

Technical Provisions calculated as a whole

For liabilities that can be replicated reliably using financial instruments for which a reliable market value is observable (for example, TPEN's unit-linked liabilities, because they exactly match the unit-linked assets), the market value of replicating financial instruments is used.

The Technical Provisions calculated as a whole are equal to and fully covered by the sum of assets held to cover linked liabilities, liabilities associated with linked liabilities and the reinsurers' share of technical provisions as shown in the financial statements. The Technical Provisions calculated as a whole are equal to the Technical Provisions for linked liabilities (before deduction of the reinsurers' share) shown in the financial statements.

The reinsurers' share of technical provisions at 31 December 2025 is nil (2024: £37.5m), as the reinsurance arrangement to which it related was in place only for part of the year and was exited during 2025. As described in **Section D.1.1**, when in place, the associated reinsurance recoverable related solely to Technical Provisions calculated as a whole and did not form part of the calculation of the BEL or the Risk Margin.

Technical Provisions (before deduction of the reinsurers' share) per financial statements decreased by £247.5m (2024: £183.1m) in line with the decrease in the value of unit-linked assets (refer to **Section A.3**).

Best Estimate Liability (negative provision)

For liabilities that cannot be replicated in the manner set out above within this section, a best estimate of the provision (i.e., the BEL) is calculated as well as a Risk Margin in accordance with Solvency II requirements.

The BEL has been calculated as the present value of expected future cashflows (fee income and expenses) arising from the in-force business, discounted using the "risk-free" yield curve (term dependent rates) specified by the PRA. The BEL is an asset due to the profitable nature of contracts.

The key assumptions are set out below:

- **projection period** over which the best estimate is accrued remains ten years following TPEN Board's approval in June 2023. The use of the ten-year projection period is a simplification that the TPEN Board considers proportionate to TPEN's business and remains compliant with Solvency II requirements;
- **lapse rates** on existing policies are 23.3% (2024: 17.3%) per annum taking account of past experience; and
- **expenses** continue to be primarily subject to the Group transfer pricing policy. This policy provides some protection to TPEN's profit in that if revenue were to decrease, so too would expenses.

Economic assumptions used at 31 December 2025 reflect the economic environment at that date, with "risk-free" interest rates significantly higher and short-term inflation lower than at the previous year-end.

The BEL has decreased, compared to the amount at 31 December 2024, to £0.7m at 31 December 2025 (restated 2024: £1.5m), primarily due to lower expected profitability as a result of the lower AUM along with the increase in the assumed lapse rate.

Risk Margin

The Risk Margin is determined as the cost of providing additional Own Funds to support the future SCR requirements under a hypothetical transfer of the insurance liabilities to a third party. The Risk Margin is derived by using the elements of the SCR not deemed hedgeable (that is, elements other than bank counterparty and market risk exposures). Relevant elements of the SCR are projected forward over the ten-year projection period, and the Risk Margin is determined by applying the formula set out in Section 4A of the Technical Provisions part of the PRA Rulebook. The formula multiplies the projected SCR amounts by a tapering factor (multiplier) which starts at 1 and reduces to give less weight to the SCR amounts projected in future years. The taper-adjusted SCRs are then multiplied by a specified cost of capital rate (4%) and the resulting amounts discounted to the valuation date using the risk-free rates and added to give the Risk Margin.

The Risk Margin has reduced, compared to the amount at 31 December 2024, to £0.9m at 31 December 2025 (restated 2024: £1.2m) primarily due to a lower SCR, upon which the Risk Margin is based.

D.2.2 Uncertainty associated with the value of Technical Provisions

A source of uncertainty is how actual experience will differ from the best estimate assumptions used to calculate Technical Provisions. A range of sensitivity analyses is performed in accordance with Section 3.4A(2)(b) of the Reporting part of the PRA Rulebook to ensure TPEN understands this uncertainty including increases and decreases in AUM, and increases in policyholder expenses, other expenses and lapse rates.

Estimates, assumptions and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although the BEL depends upon the projection assumptions, the result is small in comparison to the overall technical provisions, which are dominated by the value of the unit linked liabilities.

Consequently, if different plausible assumptions were to be used, the technical provisions in aggregate would not be materially different.

D.2.3 Solvency II and IFRS valuation differences of Technical Provisions by material line of business

At 31 December 2025, the IFRS valuation of unit-linked liabilities is £1,779.6m (2024: £2,027.1m) and the valuation for solvency purposes is £1,779.8m (restated 2024: 2,026.8m). The Solvency II valuation includes the BEL and Risk Margin as required under Solvency II. There has been no change to the valuation and recognition approach during the year. Refer to Table 19 in **Section D.2.1**.

D.2.4 Other

TPEN does not apply or make use of the following:

- matching adjustment referred to in Section 2 of the Matching Adjustment part of the PRA Rulebook;
- volatility adjustment referred to in Section 8 of the Technical Provisions part of the PRA Rulebook;
- transitional risk-free interest rate term structure referred to Section 10.1 of the Transitional Measures part of the PRA Rulebook; or
- transitional deduction / Transitional Measure on Technical Provisions ("**TMT**P") referred to in Section 2 of the Transitional Measure on Technical Provisions part of the PRA Rulebook.

D.3 Other Liabilities

D.3.1 Solvency II valuation for each material class of other liabilities

Total other liabilities decreased by £0.5m in the year ended 31 December 2025. The decrease primarily reflects the change in presentation of the prior year tax position. The 2024 income tax position presented within 'Any other liabilities not shown elsewhere' was fully settled through group relief, and the related amount is presented in the current year within 'Payables (trade not insurance)' as it relates to amounts due to related parties rather than income tax liabilities as disclosed in the prior year. Accordingly, no income tax liability is recognised within 'Any other liabilities not shown elsewhere' in 2025.

The table sets out a summary of other liabilities:

Table 17: Other liabilities at 31 December

Other Liabilities ¹	2025 £'m	2024 £'m
Deferred tax liability	-	0.1 ²
Payables (trade not insurance)	0.8	0.8
Any other liabilities not shown elsewhere	0.9	1.2
Total other liabilities³	1.7	2.2²

¹ As reported in QRT IR.02.01.02.

² Prior year comparatives have been restated as explained in table 1.

³ The sum may reflect rounding differences of £0.1m

A description of each of these other liabilities is set out below:

Deferred tax liability

At 31 December 2025 the deferred tax liability reflects deferred tax relating to Technical Provisions (see **Table 23**). This has been calculated by multiplying the negative BEL less the Risk Margin by an assumed tax rate of 25% (2024: 25%) and is not included in the financial statements.

Payables (trade not insurance)

Payables include the following:

- **amounts due to Group undertakings** relating to investment management services and distribution services supplied by other Group companies in line with the Group transfer pricing framework. These services are invoiced and settled quarterly; and
- **fees to the third-party administration services provider** which are paid quarterly after a receipt of a valid invoice that reconciles to the rate card per the service level agreement.

No payables were past due during the year 2025 (2024: £nil).

Any other liabilities not shown elsewhere

Any other liabilities include custody and sub-advisor fees and corporation tax payables recognised on an accrual's basis.

D.3.2 Solvency II and IFRS valuation differences by material class of other liabilities

There are no material differences between the valuation of other liabilities for solvency purposes and the valuation in the financial statements. The only difference is that the Solvency II other liabilities include a minor deferred tax liability relating to the Solvency II Technical Provisions (as described in **Section D.3.1**).

D.4 Alternative methods for valuation

Refer to **Section D.1.1** for details of valuation methods for TPEN's assets. No other alternative valuation techniques are used.

D.5 Any other information

TPEN has no further material information to disclose.

E. Capital management

E.1 Own Funds

E.1.1 Objective, policies and process for managing own funds

TPEN's policy is that sufficient Own Funds will be maintained to meet regulatory requirements with adequate surplus in line with operating and strategic objectives. TPEN holds regular board meetings at least quarterly in which it reviews regulatory capital requirements compared to Own Funds.

As part of the ORSA process, a three-year (20 years for climate change) plan is prepared which assists in capital planning.

None of TPEN's Own Funds are subject to transitional arrangements and TPEN has no ancillary Own Funds. No deductions are applied to Own Funds and there are no material restrictions affecting their availability and transferability.

E.1.2 Own funds classified by tiers

Own Funds can be classified as Tier 1, Tier 2 or Tier 3 depending on the loss absorbing characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses. TPEN's Own Funds are deemed to have loss absorbing characteristics allowing them to be treated as Tier 1 capital and hence contribute to Own Funds available to meet the SCR and MCR.

Own Funds increased by 2.5% following incorporation of retained profits of £1.0m offset by a decrease in technical provision (BEL and the RM).

Table 18: Own Funds classified by tiers at 31 December

Own funds ¹ (£'m)	Tier	2025	2024 ²	YoY % ²
Share capital	1	11.3	11.3	0.0%
Reconciliation reserve	1	16.9	16.2	4.2%
Own Funds under Solvency II		28.2	27.5	2.5%

¹ As reported in QRT IR.23.01.01.
² Prior year comparatives have been restated as explained in table 1.

As shown in the table below, the reconciliation reserve comprises retained earnings and reconciliation adjustments from the IFRS balance sheet to the Solvency II balance sheet. Changes in the reconciliation reserve and therefore Own Funds could arise from changes in the profitability of TPEN, any dividends paid by TPEN to its parent, Solvency II adjustments of BEL and Risk Margin.

The share capital and reconciliation reserve are available for distribution subject to meeting SCR and capital surplus requirements, are not subordinated in any way, and have no restricted duration.

The reconciliation reserve is calculated as follows:

Table 19: Reconciliation reserve at 31 December

Reconciliation reserve (£'m)	2025	2024 ¹
Retained earnings in the financial statements	17.1	16.0
<i>Items not recognised in the financial statements:</i>		
Best Estimate Liability (IR.02.01.02)	0.7	1.5
Risk Margin (IR.02.01.02)	(0.9)	(1.2)
Deferred tax liability relating to Technical Provisions	-	(0.1)
Reconciliation reserve¹	16.9	16.2

¹ Prior year comparatives have been restated as explained in table 1

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, by tier

All TPEN's Own Funds are Tier 1 and are therefore eligible to be used for meeting the SCR.

E.1.4 Eligible amount of basic own funds to cover the Minimum Capital Requirement, by tier

All TPEN's Own Funds are Tier 1 and are therefore eligible to be used for meeting the MCR.

E.1.5 Difference between equity as shown in the financial statements and the Solvency II Own funds

The following table reconciles the differences (reconciliation reserve) between the equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes (Solvency II - Basic Own Funds).

Table 20: Solvency II - Basic Own Funds at 31 December

Own Funds (£'m)	2025	2024 ¹
Total equity in financial statements	28.4	27.3
<i>Items not recognised in the financial statements:</i>		
Best Estimate Liability (IR02.01.02)	0.7	1.5
Risk Margin (IR.02.01.02)	(0.9)	(1.2)
Deferred tax liability relating to Technical Provisions	-	(0.1)
Own Funds under Solvency II	28.2	27.5

¹ Prior year comparatives have been restated as explained in table 1.

Movements in components of Own Funds under Solvency II are described in **Section E.1.2**.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

The amount of TPEN's SCR and MCR at the end of the reporting period are £7.3m (restated 2024: £8.6m) and £3.5m (restated 2024: £3.9m) respectively. The Solvency Coverage Ratio was 389% at 31 December 2025 (restated 2024: 319%).

E.2.2 Solvency Capital Requirement split by risk modules

The table below sets out the components of the SCR (using the standard formula):

Table 21: Solvency Capital requirement split by risk modules at 31 December

Solvency Capital Requirement (£'m)	2025	2024 ¹
Market risk	1.2	1.5
Credit (Counterparty default) risk	0.2	0.2
Insurance (Life underwriting) risk	1.2	1.5
Diversification benefit	(0.6)	(0.8)
Basic Solvency Capital Requirement²	1.9	2.5
Operational risk (IR.25.04.21)	5.7	6.7
Loss absorbing capacity of deferred taxes	(0.3)	(0.5)
Solvency Capital Requirement (SCR)	7.3	8.6²

Note: As reported in QRT IR.25.04.21.

¹Prior year comparatives have been restated as explained in table 1

²The sum may reflect rounding differences of £0.1m

The methodology for the calculation of individual components of the SCR is described in **Section C**.

The largest single contributor to the decrease in the SCR, compared to the 31 December 2024, is the £1.0m decrease in the operational risk capital requirement reflecting a fall in the expenses incurred in the 12 months to the valuation date.

The market risk capital requirement decreased to £1.2m at 31 December 2025, compared to the amount at 31 December 2024 (restated 2024: £1.5m). Although there is a small contribution to the market risk SCR from the potential loss of shareholder assets under stress, the market risk SCR primarily reflects the loss of income to TPEN should unit-linked asset values fall. The market risk stresses affecting unit-linked assets are, in general, applied as a percentage fall in AUM and, broadly speaking, the SCR elements reflect a percentage fall in TPEN's projected future income. At 31 December 2025, AUM was lower than at the previous year-end and the best estimate lapse assumption was higher. Both factors reduce TPEN's projected income, which can be seen by the reduction in the BEL over the period. The lower projected income results in lower market risk capital requirements as a similar percentage stress applied to a lower amount of income results in a lower monetary value of the income lost under stress, and it is the income lost under stress that contributes to the capital requirement. The largest impacts are seen under the property risk and equity risk sub-modules, reflecting the predominance of these asset classes in the unit-linked funds.

The capital requirement for insurance risk decreased to £1.2m at 31 December 2025, compared to the amount at 31 December 2024 (restated 2024: £1.5m). The mass lapse stress is applied in a similar way to the market stresses in that it effectively results in percentage loss of future income. Similar to the market risk SCR, the mass lapse risk SCR falls as the same stress applied to a lower future income stream results in a lower monetary

value of income lost under the stress. The expense risk SCR element also decreased as the increase in expected non-allocated expenses, which would have raised the capital requirement, is more than offset by higher expense run-off rates.

LACDT decreased to £0.3m at 31 December 2025 (restated 2024: £0.5m). The LACDT assumes that, on incurring a loss equal to the SCR excluding the LACDT, TPEN could recover Corporation Tax paid or payable in respect of the year to the valuation date and that the deferred tax liability relating to Technical Provisions could be reversed. The LACDT at 31 December 2025 comprises £0.3m from the recovery of tax payable in respect of the year to 31 December 2025 as current year profit falls, and £nil from the anticipated reduction in the deferred tax liability relating to Technical Provisions (described in **Section D.3.1**).

E.2.3 Simplified calculations and Company specific parameters

TPEN uses the Solvency II standard formula to calculate its SCR, where:

- In September 2025, the Board approved a simplification to the market risk SCR calculation for unit-linked assets and the seeding capital, removing the need for a full look-through. Assets held directly in the TPEN Property Fund are treated as property in GBP, while all other unit-linked assets are treated as non-GBP Type 2 equities. This is an allowable and prudent simplification under Chapters 2 and 3D7 of the Solvency Capital Requirement – Standard Formula in the PRA Rulebook;
- No undertaking-specific parameters have been used; and
- TPEN was not subject to a capital add-on or any required use of undertaking-specific parameters by the PRA that might need to be disclosed in the SFCR.

E.2.4 Inputs used to calculate the Minimum Capital Requirement

TPEN is required by Section 2.1 of the Minimum Capital Requirement part of the PRA Rulebook to maintain an amount of eligible basic own funds, the MCR. The MCR is calculated as the maximum of £3.5m and the linear MCR derived from a proportion of Technical Provisions and a proportion of the SCR, with the linear MCR subject to upper and lower bounds of 25% to 45% of the SCR.

At the reporting date, the upper bound (i.e., 'MCR cap' as shown in the table below) was applied and the MCR of £3.5m (restated 2024: £3.9m) was 45% of the SCR.

Table 22: Minimum Capital Requirement at 31 December

Minimum Capital Requirement ¹	2025	2024 ³
Linear MCR (Technical Provisions (excl. reinsurance and risk margin) x 0.007)	12.5	13.9
SCR	7.3	8.6
MCR cap	3.3	3.9
MCR floor	1.8	2.2
Combined MCR	3.3	3.9
Absolute floor of the MCR ²	3.5	3.5
MCR	3.5	3.9

¹ As reported in QRT IR.28.01.01.

² The PRA, with effect from 31 December 2024, published the MCR absolute floor directly in GBP. The sterling-denominated floor was set at £3.5 million at 31 December 2024 and remains unchanged for the 2025 reporting period.

³ Prior year comparatives have been restated as explained in table 1

E.3 Differences between the standard formula and any internal model used

TPEN applies the standard formula model and does not use an internal model to calculate the SCR.

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

There was no breach of the SCR or the MCR over the reporting period.

E.5 Any other information

Potential dividend consideration

Following conclusion of the most recent ORSA, the Company continues to report significant financial resources (capital and liquidity surplus) over minimum regulatory requirements. Management will assess potential for a dividend distribution from TPEN, as part of the 2026 overall dividend planning exercise, with any such proposal subject to established internal governance, concluding with final recommendation for approval by the Company's Board.

TPEN has no further material information to disclose.

F. Validations

F.1 Directors' confirmation

Threadneedle Pensions Limited

Approval by the Board of Directors of the Solvency and Financial Condition Report

Financial period ended 31 December 2025

We certify that:

The Solvency and Financial Condition Report (“**SFCR**”) has been properly prepared in all material respects in accordance with the PRA rules and Solvency II regulations; and

We are satisfied that:

- a. Throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the insurer; and
- b. It is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued to comply and will continue to comply in future.



Jose Ph vullo (Mar 26, 2026 14:36:49 GMT)

Threadneedle Pensions Limited Board of Directors

26 March 2026

Glossary

The following abbreviations and acronyms have been included in this report:

AIFMD	Alternative Investment Fund Managers Directive
ARC	Audit and Risk Committee
AUM	Assets Under Management
BEL	Best Estimate Liability
CBRE	CBRE Limited
CT Sterling Fund	CT Sterling Short-Term Money Market Fund
DB	Defined Benefit
DC	Defined Contribution
EMEA	Europe Middle East and Africa
EMEA BMC	EMEA Business Management Committee
EMEA FORC	EMEA Finance and Operational Risk Committee
ERM	Enterprise Risk Management
FCA	Financial Conduct Authority
FPDC	Fund Pricing and Dealing Committee
FIT	FCA's Fit and Proper test
GMC	General Management Committee of TPEN
GRESB	Global Real Estate Sustainability Benchmark
IFRS	International Financial Reporting Standards
IFPR	Investment Firms Prudential Regime
JLL	Jones Lang LaSalle
LACDT	Loss Absorbing Capacity of Deferred Taxes
LGPS	Local Government Pension Scheme
KRI	Key Risk Indicators
m	Million
MCR	Minimum Capital Requirement
MiFID	Markets in Financial Instruments Directive
MMFR	EU Money Market Fund Regulation
ORSA	Own Risk and Solvency Assessment
PPP	Prudent Person Principle
PR	Prescribed Responsibility
PRA	Prudential Regulation Authority
PS	Policy Statement
QRT	Solvency II Quantitative Reporting Template
RCSA	Risk and Control Self-Assessment
REV	Internal Risk Events
SCR	Solvency Capital Requirement
SECR	Streamlined Energy and Carbon Reporting
SFCR	Solvency and Financial Condition Report
SMCR	Senior Managers & Certification Regime
SME	Subject Matter Expert
SMF	Senior Management Function
SRD	Shareholder Rights Directive
SS	Supervisory Statement
TAMHL	Threadneedle Asset Management Holdings Limited
TAML	Threadneedle Asset Management Limited
TAMUKIHL	Threadneedle Asset Management UK International Holdings Limited
TMTF	Transitional Measure on Technical Provisions
TPEN	Threadneedle Pensions Limited
TPEN Board	Board of Directors of TPEN
UCITS	Undertakings for Collective Investment in Transferable Securities

Quantitative Reporting Templates

Quantitative Reporting Templates (“QRTs”) are reported in GBP thousands while the tables in the Summary (Section 1), and Sections A – E of this document are reported in GBP million.

QRTs subject to external audit are IR.02.01.02, IR.05.02.01, IR.05.03.02, IR.12.01.02, IR.23.01.01, IR.25.04.21 and IR.28.01.01.

The following QRTs are included in the SFCR:

- IR.02.01.02 - Balance sheet
- IR.05.02.01 - Premiums, claims and expenses by country
- IR.05.03.02 - Revenue Account (Life)
- IR.12.01.02 - Life Technical Provisions
- IR.23.01.01 - Own Funds
- IR.25.04.21 - Solvency Capital Requirement – for all undertakings
- IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02 - Balance sheet – assets (GBP thousands) – (1 of 2)

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	26,404
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	26,377
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	27
Assets held for index-linked and unit-linked contracts	R0220	1,779,647
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1
Non-life and health similar to non-life	R0280	
Life and health similar to life, excluding index-linked and unit-linked	R0315	
Life index-linked and unit-linked	R0340	1
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	1,474
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	2,171
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	1,809,697

IR.02.01.02 - Balance sheet – liabilities (GBP thousands) - (2 of 2)

	Solvency II value	
		C0010
Liabilities		
Technical provisions - total	R0505	1,779,647
Technical provisions - non-life	R0510	
Technical provisions - life	R0515	1,779,647
Best estimate - total	R0542	-730
Best estimate - non-life	R0544	
Best estimate - life	R0546	-730
Risk margin – total	R0552	866
Risk margin - non-life	R0554	
Risk margin - life	R0556	866
Transitional (TMTP) - life	R0565	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	-
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	774
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	911
Total liabilities	R0900	1,781,468
Excess of assets over liabilities	R1000	28,229

IR. 05.02.01 - Premiums, claims and expenses by country (GBP thousands)

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	Life	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	<i>Gross</i>	62,521						62,521
R1420	<i>Reinsurers' share</i>							
R1500	<i>Net</i>	62,521						62,521
	Premiums earned							
R1510	<i>Gross</i>	62,521						62,521
R1520	<i>Reinsurers' share</i>							
R1600	<i>Net</i>	62,521						62,521
	Claims incurred							
R1610	<i>Gross</i>	439,616						439,616
R1620	<i>Reinsurers' share</i>							
R1700	<i>Net</i>	439,616						439,616
R1900	Net expenses incurred	0						0

IR.05.03.02 – Revenue Account (life) (GBP thousands)

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Income							
Premiums written							
R0010 Gross direct business		5,951					5,951
R0020 Gross reinsurance accepted		56,570					56,570
R0030 Gross	0.00	62,521	0.00	0.00	0.00	0.00	62,521
R0040 Reinsurers' share		0					0
R0050 Net	0.00	62,521	0.00	0.00	0.00	0.00	62,521
Expenditure							
Claims incurred							
R0110 Gross direct business		247,075					247,075
R0120 Gross reinsurance accepted		192,541					192,541
R0130 Gross	0.00	439,616	0.00	0.00	0.00	0.00	439,616
R0140 Reinsurers' share		0					0
R0150 Net	0.00	439,616	0.00	0.00	0.00	0.00	439,616
Expenses incurred							
R0160 Gross direct business		86,076					86,076
R0170 Gross reinsurance accepted		34,418					34,418
R0180 Gross	0.00	120,494	0.00	0.00	0.00	0.00	120,494
R0190 Reinsurers' share		0					0
R0200 Net	0.00	120,494	0.00	0.00	0.00	0.00	120,494
R0300 Other expenses							45,982
R0440 Dividends paid							

IR.12.01.02 – Life technical provisions (GBP thousands) – (1 of 2)

Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
C0010	C0020	C0030	C0040	C0050	C0060	C0070

Best estimate

R0025	Gross Best Estimate (direct business)		1,383,851								1,383,851
R0026	Gross Best Estimate (reinsurance accepted)		395,067								395,067
R0030	Gross Best Estimate	0.00	1,778,917	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,778,917
R0040	Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	0	1	0	0	0	0	0	0	0	1
R0050	Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses		1								1
R0060	Recoverables from SPV before adjustment for expected losses										0
R0070	Recoverables from Finite Re before adjustment for expected losses										0
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		1								1
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re	0	1,778,916	0	0	0	0	0	0	0	1,778,916
R0100	Risk margin		866								866

IR.12.01.02 – Life technical provisions (GBP thousands) – (2 of 2)

Amount of the transitional on Technical Provisions

R0140	TMP - risk margin							0.00
R0150	TMP - best estimate dynamic component							0.00
R0160	TMP - best estimate static component							0.00
R0170	TMP - amortisation adjustment							0.00
R0180	Transitional Measure on Technical Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00

R0200	Technical provisions - total	0	1,779,783	0	0	0	0	1,779,783
R0210	Technical provisions minus recoverables from re-insurance/SPV and Finite Re - total	0	1,779,783	0	0	0	0	1,779,783

R0300	Surrender value	1,779,647
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R0302	Nominal value of units	1,779,647
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R0304	Matching value of units	1,779,647
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R0310	Best estimate subject to transitional of the interest rate							0.00
R0320	Technical provisions without transitional on interest rate							0.00
R0330	Best estimate subject to volatility adjustment							0.00
R0340	Technical provisions without volatility adjustment and without others transitional measures							0.00
R0350	Best estimate subject to matching adjustment							0.00
R0360	Technical provisions without matching adjustment and without all the others							0.00

IR.23.01.01 - Own Funds (GBP thousands) – (1 of 2)

		Total	Tier 1 unre- stricted	Tier 1 re- stricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds						
R0010	Ordinary share capital (gross of own shares)	11,300	11,300		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	16,929	16,929			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0290	Total basic own funds	28,229	28,229	0	0	0

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand	0.00			
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0.00			
R0320	Unpaid and uncalled preference shares callable on demand	0.00			
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0.00			
R0340	Letters of credit and guarantees	0.00			
R0350	Letters of credit and guarantees - other	0.00			
R0360	Supplementary members calls	0.00			
R0370	Supplementary members calls - other	0.00			
R0390	Other ancillary own funds	0.00			
R0400	Total ancillary own funds	0.00		0.00	0.00

Available and eligible own funds

R0500	Total available own funds to meet the SCR	28,229	28,229	0	0	0
R0510	Total available own funds to meet the MCR	28,229	28,229	0	0	
R0540	Total eligible own funds to meet the SCR	28,229	28,229	0	0	0
R0550	Total eligible own funds to meet the MCR	28,229	28,229	0	0	

R0580	SCR	7,253
R0600	MCR	3,500
R0620	Ratio of Eligible own funds to SCR	389.21%
R0640	Ratio of Eligible own funds to MCR	806.54%

Reconciliation reserve

		C0060
R0700	Excess of assets over liabilities	28,229
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	11,300
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	Reconciliation reserve	16,929

**THREADNEEDLE PENSIONS LIMITED
QUANTATIVE REPORTING TEMPLATES**

IR.25.04.21 - Solvency Capital Requirement – for all undertakings - (GBP thousands) – (1 of 3)

Market risk		C0010
R0070	Interest rate risk	64
R0080	Equity risk	335
R0090	Property risk	693
R0100	Spread risk	174
R0110	Concentration risk	188
R0120	Currency risk	147
R0125	Other market risk	0.00
R0130	Diversification within market risk	-414
R0140	Total Market risk	1,187
Counterparty default risk		
R0150	Type 1 exposures	51
R0160	Type 2 exposures	182
R0165	Other counterparty risk	0.00
R0170	Diversification within counterparty default risk	-10
R0180	Total Counterparty default risk	223
Life underwriting risk		
R0190	Mortality risk	0.00
R0200	Longevity risk	0.00
R0210	Disability-Morbidity risk	0.00
R0220	Life-expense risk	346
R0230	Revision risk	0.00
R0240	Lapse risk	946
R0250	Life catastrophe risk	0.00
R0255	Other life underwriting risk	0.00
R0260	Diversification within life underwriting risk	-134
R0270	Total Life underwriting risk	1,159

IR.25.04.21 - Solvency Capital Requirement – for all undertakings - (GBP thousands) – (2 of 3)

	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	Total Health underwriting risk	0.00
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	
R0340	Non-life catastrophe risk	
R0350	Lapse risk	
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	
R0370	Non-life underwriting risk	0.00
R0400	Intangible asset risk	
	Operational and other risks	
R0422	Operational risk	5,661
R0424	Other risks	
R0430	Total Operational and other risks	5,661

IR.25.04.21 - Solvency Capital Requirement – for all undertakings - (GBP thousands) – (3 of 3)

R0432	Total before all diversification	8,787
R0434	Total before diversification between risk modules	8,230
R0436	Diversification between risk modules	-632
R0438	Total after diversification	7,598
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	-345
R0455	Other adjustments	
R0460	Solvency capital requirement including undisclosed capital add-on	7,253
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	Solvency capital requirement including capital add-on	7,253
R0482	Undisclosed capital add-on - residual model limitation	
R0484	Capital add-on	0
R0490	Biting interest rate scenario	decrease
R0495	Biting life lapse scenario	mass

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (GBP thousands) – (1 of 3)

Linear formula component for non-life insurance and reinsurance obligations

C0010

R0010 MCR_{NL} Result

0.00

	Net (of reinsurance/SP V) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months			
	C0020	C0030	α	β	α.B + β.C
R0020			4.7%	4.7%	0
R0030			13.1%	8.5%	0
R0040			10.7%	7.5%	0
R0050			8.5%	9.4%	0
R0060			7.5%	7.5%	0
R0070			10.3%	14.0%	0
R0080			9.4%	7.5%	0
R0090			10.3%	13.1%	0

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (GBP thousands) – (2 of 3)

R0100	Credit and suretyship insurance and proportional reinsurance			17.7%	11.3%	0
R0110	Legal expenses insurance and proportional reinsurance			11.3%	6.6%	0
R0120	Assistance and proportional reinsurance			18.6%	8.5%	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance			18.6%	12.2%	0
R0140	Non-proportional health reinsurance			18.6%	15.9%	0
R0150	Non-proportional casualty reinsurance			18.6%	15.9%	0
R0160	Non-proportional marine, aviation and transport reinsurance			18.6%	15.9%	0
R0170	Non-proportional property reinsurance			18.6%	15.9%	0
					TS MCR.12	0

Linear formula component for life insurance and reinsurance obligations

R0200	MCR _L Result	C0040	12,452
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Net (of reinsurance/SP V) best estimate and TP calculated as a whole	Net (of reinsurance/SP V) total capital at risk
C0050	C0060

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (GBP thousands) – (3 of 3)

R0210	Obligations with profit participation - guaranteed benefits			3.7%	0
R0220	Obligations with profit participation - future discretionary benefits			-5.2%	0
R0230	Index-linked and unit-linked insurance obligations	1,778,916		0.7%	12452
R0240	Other life (re)insurance and health (re)insurance obligations			2.1%	0
R0250	Total capital at risk for all life (re)insurance obligations			0.07%	0
				TS	
				MCR.13	13912

Overall MCR calculation

		C0070
R0300	Linear MCR	12,452
R0310	SCR	7,253
R0320	MCR cap	3,264
R0330	MCR floor	1,813
R0340	Combined MCR	3,264
R0350	Absolute floor of the MCR	3,500
R0400	Minimum Capital Requirement	3,500