

Solvency Financial Condition Report (SFCR)

As at 31 December 2025



Othe SINCE 1810
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Terms used in this document:

| | |
|---------------------|--|
| FCA: | Financial Conduct Authority |
| LTB | The Long Term Business of the Society |
| ORSA: | Own Risk and Solvency Assessment |
| PRA: | Prudential Regulatory Authority |
| SF | Standard Formula |
| The Board: | The Society's Main Board |
| The Society: | The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited |

Introduction and Summary

This is the Solvency and Financial Report (SFCR) for the Independent Order of Odd Fellows Manchester Unity Friendly Society Limited (the “Society”) and the Fraternal Branches (together the ‘Wider Society’), it is based on the financial position as at 31 December 2025.

The report covers the following information as set out in the Solvency II regulations:

- Business and Performance;
- Systems of Governance;
- Risk Profile;
- Valuation for Solvency Purposes; and;
- Capital Management.

The Society’s Board has ultimate responsibility for these areas, with the support of various governance and control functions which manage and monitor the business.

The contents of the report are considered to be appropriate for the nature, scale and complexity of the Society’s business.

1. Business and performance

The Society is one of the largest and oldest branch based friendly societies in the United Kingdom and undertakes both regulated and discretionary social and benevolent activities.

The Society’s Long Term Business (LTB) is made up of regulated with-profits, non-profit and unit linked life and pensions business. There is a very small amount of regulated non-life business (short term medical cover) written via the Guernsey and Jersey Branches.

The social and benevolent business conducted by the Society’s Branches is known as its Fraternal business.

As a mutual organisation, the Society does not have any shareholder interests to consider. However, as the LTB Fund ultimately benefits from the availability of support from the Society’s Fraternal assets (which form part of the total assets of the Society) the Fraternal business is considered to be a stakeholder with an interest in the running of the LTB Fund.

The financial results of the Society showed:

- LTB premium income net of investment contracts of £1.2m, a decrease of 5% over the year (2024: £1.3m)
- Income from annual management charges on investment contracts of £3.2m (2024: £3.2m)
- An LTB surplus of £1.3m (2024: £1.2m surplus)
- Funds under management £565m (2024: £531m)
- 318,000 members (2024: 340,000)

2. Systems of governance

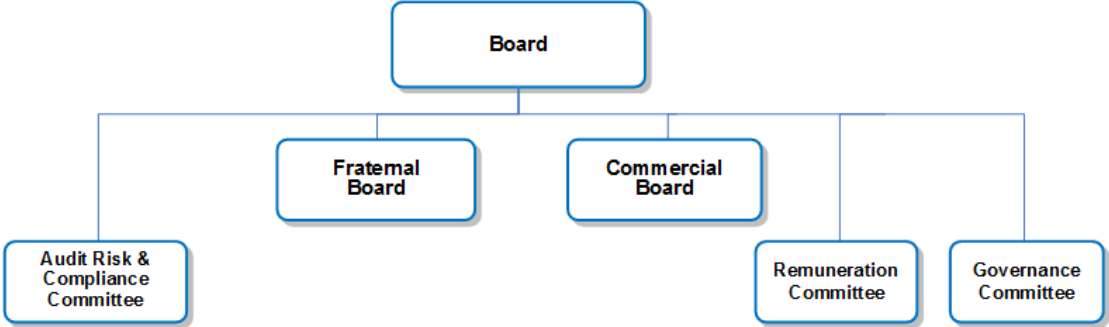
As a mutual, the Society’s members can have a say in how the Society operates, which is very important to the Society’s culture and ethos. It ensures the Society remains focussed on what really matters – its members and their needs.

The Board believes in responsible, respectful collaboration, and for over 200 years as a friendly society, it has shown that so much more can be achieved by coming together.

The Directors are appointed by resolution, in accordance with the Rules, at the Society’s Annual Moveable Conference (AMC), the annual meeting of the Society.

The Society recognises the importance of strong corporate governance and has established a well-defined governance framework, systems of control and committee structure.

Overview of Board and Sub Board/Committee structure:



The Society is a proud member of the Association of Financial Mutuals (AFM), the trade body that represents mutual insurers, friendly societies such as ourselves and other financial mutuals across the UK, and adheres to their corporate governance code.

The Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) regulate the Society, and the Board takes seriously its responsibilities to treat its customers – its members – fairly.

3. Risk profile

The principal risks faced by the Society are influenced by the nature and scale of business currently in-force, the assets held to back the business and the management actions around bonus distribution and investment policy in the future as the business runs off.

The risks to the Society may change over time depending on how the current strategy evolves and the changes to the environment under which the Society operates.

The risk assessment calculates the Solvency Capital Requirements (SCR) using Standard Formula and the risk profile as at 31 December 2025 is shown overleaf:

| Standard Formula Risk | 31/12/2025 | 31/12/2024 |
|----------------------------|-------------|-------------|
| Market Risk | 97.8% | 97.9% |
| Counterparty Default | 0.7% | 1.1% |
| Life Underwriting Risk | 1.3% | 0.8% |
| Health Underwriting Risk | 0.0% | 0.0% |
| Non-Life Underwriting Risk | 0.2% | 0.2% |
| | 100% | 100% |

As can be seen from the table above the SCR occurs mainly from market risk. This is because the assessment includes the Fraternal assets of the Wider Society.

4. Valuation for solvency purposes

The policies used for valuing assets and liabilities for solvency purposes have remained consistent throughout the reporting period.

The Society has reconciled to the valuation of Technical Provisions between their GAAP basis and the Solvency II basis in the period.

There are no new material classes of assets or liabilities to which the Society is exposed.

5. Capital management

For the purposes of assessing the Society's available funds and capital requirements the Fraternal assets of the Wider Society are included, as Fraternal assets are available to support the Society's capital requirements in extremis.

The capital available at 31 December 2025 is shown in the table below:

| | 31/12/2025 £000s | 31/12/2024 £000s |
|-----------------------------|---------------------|---------------------|
| Own Funds | 373,656 | 359,749 |
| Capital requirements | 109,850 | 99,901 |
| Excess assets | 263,806 | 259,847 |
| Solvency cover ratio | 340% | 360% |

The SCR calculation only uses simplification for the calculation of the mortality-catastrophe SCR component. This is applied on materiality grounds.

The Board's objective is to manage the capital position so that there are sufficient Own funds to cover the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) at all times.

Board Statement

The Board are responsible for preparing the Solvency and Financial Condition Reports ('SFCR') in accordance with applicable law and regulations.

The PRA Rulebook for Solvency II firms in Rule 6.1(2) and Rule 6.2(1) of the reporting Part requires that the Society must have in place a policy of ensuring the ongoing appropriateness of any information disclosed and that the Society must ensure that its SFCR is approved by the Board.

The Directors below certify that:

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

Approved on behalf of the Board.

Signature



Simon Gallimore
Chief Executive Officer
10 April 2026



Keith Ashcroft
Chief Financial Officer
10 April 2026

A. Business and performance

A.1 Business

The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited (the “Society”) is an incorporated Friendly Society founded in 1810.

a) Name and legal form

The Society’s registered office address is:

Oddfellows House
184-186 Deansgate
Manchester M3 3WB

The Society is a mutual organisation and, therefore, does not have any shareholder interests to consider.

b) Supervisory authority

The Society is regulated by both the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The PRA is the lead supervisor for the purposes of Solvency II regulation. As the Society is a Category 5 firm it is managed through the smaller insurer regime and has no named supervisor.

The contact details for the PRA and the FCA can be found on their respective websites:

www.bankofengland.co.uk/pr
www.fca.org.uk

c) External auditor

The external auditor of the Society is:

PKF Littlejohn LLP
3rd Floor, One Park Row
Leeds
LS1 5HN

d) Material lines of business and geographical areas

The Society’s LTB is made up of with-profits, non-profit and unit linked life and pensions business.

Under Solvency II, the Society’s LTB obligations are classified as Life (non-health).

The Society’s LTB business is transacted in the United Kingdom under the Unity Mutual brand.

In addition, there is an immaterial amount of non-life business based in the branch network in Guernsey and Jersey.

e) Structure of the Society

The Society is one of the largest and oldest branch based friendly societies in the United Kingdom and consists of semi-autonomous Branches spread throughout the UK which are supported by a Central Office based in Manchester.

The Long Term Business (LTB) administration is managed from the Manchester office, with no regulated life insurance business being carried out by the Branches. There is a very small amount of regulated non-life business (short term medical cover) written via the Guernsey and Jersey Branches.

The Society is a mutual organisation and, therefore, does not have any shareholder interests to consider. However, as the LTB Fund ultimately benefits from the availability of support from the Society's Fraternal assets (which form part of the total assets of the Society on a Solvency II basis) the Fraternal business is considered to be a stakeholder with an interest in the running of the LTB Fund.

i. The Society's Fraternal Business

The social and benevolent business conducted by the Society's Branches is known as its Fraternal business. Administration of this business at national level is carried out by a Central Office (also known as Unity Office) in Manchester where full-time staff provide services to Branches and members alike.

Whilst services and support for members are provided by Unity Office the main point of contact for members is their local Branch.

The Fraternal assets of the Society are used to provide social and benevolent benefits to members as well as discretionary support for dental and optical treatment, as well as contributing to the funding of Unity Office and its supportive functions. The Society provides social activities, care and support and non-contractual benefits to the Fraternal members through the UK-wide network of 90 Branches. As well as caring for members, the Society has a tradition of support for both local and national charities. Each Branch has its own Committee of Management (CoM) but support and guidance for Branches and members are also provided by Unity Office.

The Society's aim is to continue as a Branch based friendly society growing both its numerical strength of members and the coverage of Branches around the UK. Each Branch is separately registered with the Society and is responsible for managing its own assets subject to the Rules and Procedures of the Society.

ii. The Society's Long Term Business (LTB)

As at 31 December 2025 the Society's LTB consisted of approximately 288,000 policies, of which approx. 248,000 were Child Trust Fund (CTF) accounts. The LTB is administered from the Manchester office by a dedicated insurance team. Since 2007, the Society has successfully integrated LTB books from five other friendly societies in line with its strategy of expanding its

LTB by proactively seeking transfers of engagements from other friendly societies. Most recently, Tees Mutual transferred into the Society in February 2025.

The LTB has assets under management of approximately £362.5m (2024: £339.7m), which sit separately from the Fraternal business of the Society. Under the delegated authority of the Main Board, the Commercial Board is responsible for the strategic direction of the Society's LTB and oversight of operational issues affecting LTB.

f) Significant business events

Economic environment

The financial markets showed resilience in 2025 despite the geopolitical uncertainty and continued persistent inflation.

As a Society, we operated effectively and efficiently throughout the whole of the year and continued to maintain a business as usual approach. Throughout the year the Society continued to monitor its Solvency Capital Requirement (SCR) and cover ratio which, as at 31 December 2025, stood at 340% (2024: 360%).

Liquidity strategy

As part of the Society's Own Risk and Solvency Assessment (ORSA) it stresses its liquidity needs and considers the Society's ability to respond to a number of individual and combined shocks to its liquidity. As part of that assessment, we regularly monitor our investments including our holding of cash and other marketable securities that can be realised quickly. Liquidity requirements are built into our investment management mandates that are approved by the Society's Board.

The Society maintains a balanced portfolio approach to all our areas of business ensuring that no area is left overly exposed to changes in any market movements in any one asset class. This approach includes reviewing the spread of such assets, to maximise long term investment returns whilst ensuring that we are able to continue operating and meet our liabilities as they fall due.

The maturing profile of our assets are matched with our liabilities, and in conjunction with advice from the Society's Actuary we adapt our investment model according to the needs of our insurance book. For our non-insurance activities, we are diversified into a number of funds which enable us to spread risk.

Child Trust Fund Maturities

The Society currently manages approximately 248,000 Child Trust Fund (CTF) accounts. The CTFs mature on the child's 18th birthday and started to mature from 1 September 2020. During 2024 we managed to maintain a generally high level of service for maturing accountholders, processing their maturities in line with our set service levels.

Overall, a run-off plan was produced in 2019 which showed a gradual increase across the maturity profile of the CTFs over the ten year time span (2020 – 2030). During 2025 this plan was closely monitored and analysis shows that the matured plans are running off broadly in line with our assumptions.

However, given the ongoing maturities, it is expected that the business will continue to be impacted by:

- **Workload:** expectation of increased customer contacts is expected. However, investments in online portals for customers with self-service options is expected to reduce the impact to the admin team. Customer behaviour and contact volumes will be closely monitored to react to demand.
- **A reduction in the assets under management:** The business continues to target maturing policy holders in an attempt to retain customers in other suitable products with some levels of success. The trend still remains that the majority of policy holders withdraw funds at maturity.
- **Cashflow:** As the CTF is a unit linked contract units are being sold to generate sufficient capital to pay out the maturities. This process is working well.
- **A reduction in the funds will have an impact in the income from the annual management charge and this is being monitored closely.**

Retention Activity

Retention strategy currently being offered to CTF customers to schedule appointments with our team to discuss options at maturity. This has seen an increase in reinvestment into existing product range, the majority choosing ISA products, but some with higher balances investing in fix term investments.

Regulation

In accordance with Consumer Duty, the Society is required to deliver better outcomes for customers and put their interests first at every stage, from product design through to communications and customer support. As a mutual organisation, customer's interests are central to the Society's culture and through regular ongoing reviews and assessments we will continue to identify and implement improvements to the customer experience.

The Society regularly reviews both its open and closed book products, paying particular attention to whether they offer fair value and also identifying and implementing a range of improvements to the customer journey.

Monitoring is an essential tool to assess the outcomes customers experience and identify whether enhancements could be made. Management information required to evidence the outcomes customers receive in key areas is frequently reported and reviewed by the Society's Commercial and Main Boards. This also includes evidencing whether the outcomes customers in vulnerable circumstances receive are as good as the outcomes of other customers.

Transfers of Engagements

The Society's Business Plan outlined that inward transfers of engagements was a key strategy of the Society. The Society has a track record of successful transfers of engagement and any future activity isn't expected to significantly disrupt the Society's Operations.

Climate Change Risk Strategy

The Society recognises its role in terms of reducing its impact on climate change. The Society is aware that this is a journey and continues to evolve its governance, strategy, risk

management and target setting as it takes a strategic approach to assessing climate related risks and identifying opportunities.

The Society continuously considers how best to address the material risks it is exposed to from climate change. The Society is exposed to both direct and indirect risks from climate change. Direct exposure results from its own activities and energy consumed carrying out those activities. Indirect risk arises from the Society's property portfolio and investments.

A number of measures have been implemented to mitigate these risks, including adopting a steady approach of pragmatic solutions to reduce its carbon emissions, working with its Investment Managers to monitor the ESG performance of its investment portfolio and continuing to implement a strategy to raise the energy performance of its property portfolio to raise the energy performance of new and existing rented properties, both commercial and residential, even though there is now some uncertainty around UK Government changes to current Energy Performance Certificate (EPC) requirements.

The Society has commissioned carbon emission assessments on an annual basis since 2021. The purpose of the assessment is to measure and monitor the greenhouse gas emissions from our operations and develop a strategy to reduce and/or offset these. For 2025, the Society's total location based carbon emissions across its operations, including its Head Office and associated travel costs equated to 143.19 tonnes, down from 147.98 in 2024.

When factoring in the switch to renewable energy, the effect of the reduction in emissions equates to 74.36 tonnes, down from 77.78 in 2024. Since 2021, the Society has offset these emissions through the funding of a range of climate change solutions. For 2025, support was given to a variety of projects, including reforestation, safe water, hydro, solar and wind power projects, achieving Carbon Neutral Plus status.

The Society will take further steps to continue to evolve its climate change risk strategy throughout 2026. The Society will strive to take a proportionate and risk based approach that is appropriate to its exposure to climate change risk and complexity of the Society's business model and strategy.

The Board retains ultimate responsibility for climate related financial risks and opportunities. The Board, in turn, has assigned responsibility for the management of climate related financial risks and opportunities to the Chief Executive Officer and this includes the development and delivery of the Society's strategy.

A.2 Underwriting performance

Existing policyholders are generally located in the United Kingdom, although, there are a small number of policies owned by former UK residents.

The table overleaf sets out the Society's premiums, claims and expenses as shown in the Financial Statements of the Society for 1 January to 31 December 2025:

| Underwriting performance | 2025 £000s | 2024 £000s |
|---|-----------------|-----------------|
| Premiums | 1,247 | 1,311 |
| Annual management charges for investment contracts | 3,225 | 3,210 |
| Investment income | 12,536 | 12,087 |
| Unrealised gains/(losses) on investments | 46,272 | 10,909 |
| <i>Total technical income</i> | 63,280 | 27,517 |
| Claims | (4,805) | (3,930) |
| Change in Long-Term Business Provision | | |
| Decrease in non-linked investment contract liabilities | 1,576 | (580) |
| (Increase) in insurance contract liabilities | (2,967) | 4,149 |
| <i>Change in Long-Term Business Provisions</i> | (1,391) | 3,569 |
| Change in technical provisions for linked liabilities | | |
| (Increase)/Decrease in linked investment contract liabilities | (50,721) | (22,127) |
| (Increase)/Decrease in insurance contract liabilities | (78) | 35 |
| <i>Change in technical provisions for linked liabilities</i> | (50,799) | (22,092) |
| Operational expenses | (4,226) | (3,613) |
| Investment expenses and charges | (267) | (275) |
| Tax | (434) | - |
| Net Underwriting Performance | 1,358 | 1,176 |

Some of the Society's business is classed as Investment Contracts in the accounting basis, FRS 102, and are accounted for on a deposit basis. As such premiums are not included in the premium line in the technical account, but are reported in the change in technical provisions in the technical account. Income is earned on Investment Contracts through Annual management charges.

A.3 Investment performance

The investment performance over 2025 is shown below along with 2024 for comparison:

| Investment performance | 2025 | | | 2024 | | |
|------------------------------|---------------|---------------------------|---------------|---------------|---------------------------|---------------|
| | Income | Unrealised Gains/(Losses) | Total | Income | Unrealised Gains/(Losses) | Total |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| By asset type | | | | | | |
| Debt | 150 | 4,338 | 4,488 | 224 | (992) | (768) |
| Equities | 10,668 | 41,482 | 52,150 | 8,916 | 12,289 | 21,205 |
| Property | 1,691 | 452 | 2,143 | 2,897 | (388) | 2,509 |
| Other | 27 | - | 27 | 50 | - | 50 |
| Investment return | 12,536 | 46,272 | 58,808 | 12,087 | 10,909 | 22,996 |
| Investment expenses | (267) | - | (267) | (275) | - | (275) |
| Net investment return | 12,269 | 46,272 | 58,541 | 11,812 | 10,909 | 22,721 |

Investment performance for 2025 was positive on the back of a strong year for financial markets and positive economic outlook, in line with expected long term market returns underpinning our long term investment strategy.

A.4. Performance of other activities

There are no other activities to report performance on for the Society.

A.5. Other information

There is no other material information to disclose in relation to the business and performance of the Society.

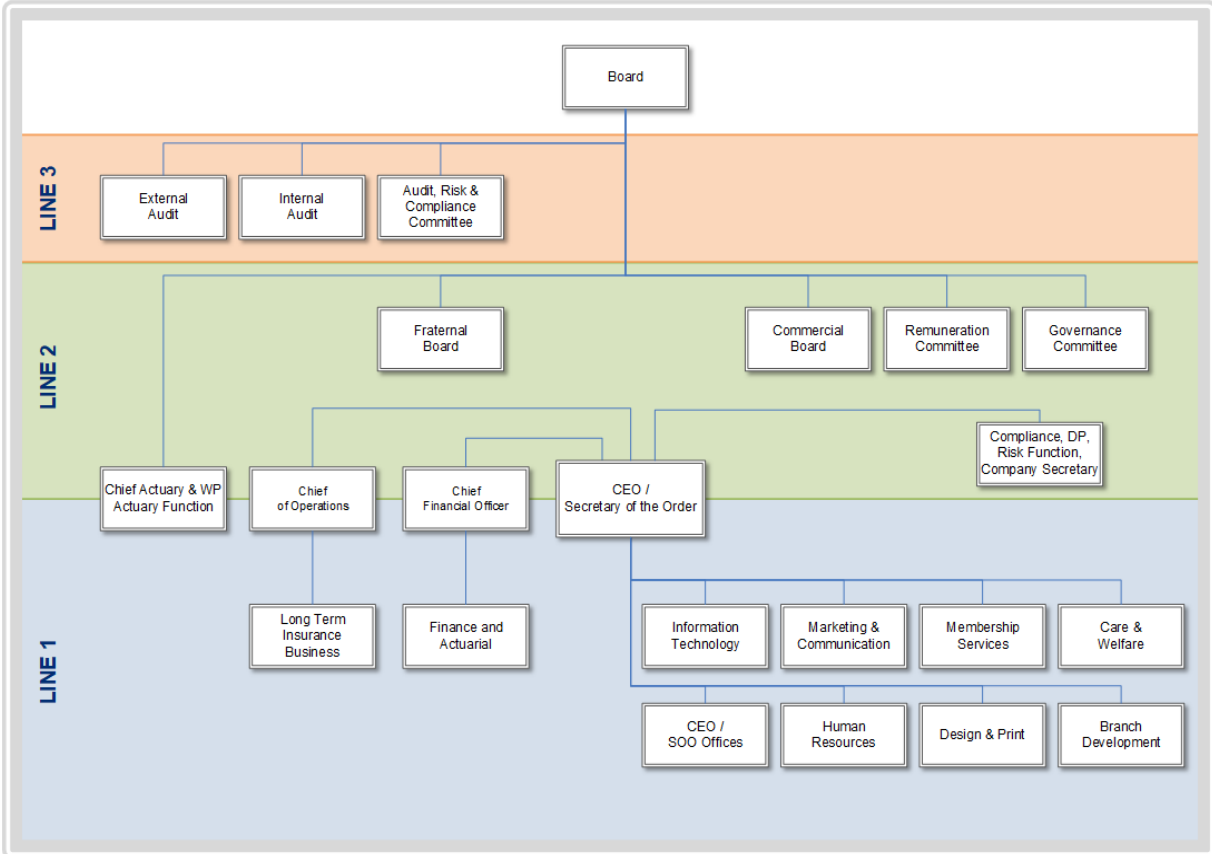
B. System of governance

B.1 General information on system of governance

The Board is accountable to the Society’s members for the operation of the Society and good governance is fundamental to this responsibility. The principal role of the Board is to focus on the Society’s strategy. As the business develops and changes and, as the challenges the Society faces change, the Board has to ensure that there are the necessary resources in place with the relevant competencies, skills and experience. It is also essential that the Society’s Risk Management Framework and internal controls are robust and effective. In particular, the Board’s role is to provide general direction to the Society and to safeguard the interests of its Members and policyholders.

a) Corporate governance structure

The Society’s corporate governance structure encompasses the following Sub-Boards and/or Committees and business functions



The Board is not involved in the conduct of the day-to-day business of the Society, apportionment of significant responsibilities or overseeing the establishment and maintenance of systems of control. These functions are delegated to the Chief Executive Officer (CEO).

There are a number of different Sub-Boards and/or Committees within the Society, the Chairman of each presents summaries of their activities to the Board, which include:

i. Audit, Risk & Compliance Committee (ARCC)

The ARCC is responsible for:

- Risk Management and Internal Controls
- Compliance and Prevention of Financial Crime
- Financial Reporting
- Internal Audit
- External Audit
- Whistleblowing

The overall role of the ARCC is to protect the interests of the members and policyholders as regards the effectiveness of the Society's internal control framework and appropriate management of risk and compliance, the integrity of the published financial information and the effectiveness of the auditors.

ii. Commercial Board

The Commercial Board works with the Board in respect of all regulated business and Long Terms Business (LTB) Funds.

The responsibilities of the Commercial Board cover the tactical application and implementation of policy with respect to matters listed below:

- Strategy and Management of the Society's LTB Funds and appointment of external Investment Managers
- Operational Management of the LTB Funds
- Risk Management
- Compliance & Prevention of Financial Crime
- Appointment of the Society's Chief Actuary and With-Profits Actuary, Actuarial Valuations
- Consumer Duty and Conduct Risk, including oversight of good customer outcomes
- Determination of bonus rates and declarations of bonuses on consideration of recommendations from the With Profits Actuary

The Commercial Board is responsible for the investments of the Society and as such appoint Investment Managers and meet with them on a quarterly basis to challenge and discuss their performance. The strategy for the investments of the Society is determined in conjunction with advice from the Actuaries as and when appropriate. One of the roles of the Commercial Board is to act as the Investment Committee.

iii. Governance Committee

The Governance Committee considers aspects of the Society's corporate governance and regulatory matters. Where appropriate it makes recommendations based on its deliberations and conclusions to the Board and/or other standing committees. The Committee also acts as the Society's Nominations Committee with regards the appointment of Directors.

The Governance Committee are also responsible for ensuring a succession plan is in place for the Executive Directors.

iv. Remuneration Committee

The Remuneration Committee is responsible for:

- Determining and agreeing with the Board the framework or broad policy for remuneration of Executive Directors, Non-Executive Directors and External Skilled Persons
- Performance reviews of Executive Directors
- Liaising with the Board and Governance Committee in respect of succession planning for Executive Directors

Annual performance reviews of the Executive Directors are undertaken by the Remuneration Committee, based on the objectives derived from the Society's Strategic Plan.

The Committee reviews Executive Directors' remuneration annually. It considers it is in the members' and policyholders' interests for remuneration packages to be competitive in order to attract, retain and motivate people of the required calibre.

b) Remuneration Policy

The Society's remuneration structure has traditionally been a fairly straightforward one that is aimed at providing a fixed level of remuneration to employees, and does not include performance related bonuses.

The overall remuneration structure and practice are in line with the business and risk strategy, risk profile, objectives, values, risk management practices, and long-term interests of the Society.

The Remuneration Policy is intended to recruit and retain employees whose values are aligned to the Society's culture and values.

The Society achieves this through a robust performance management practice, which ensures equitable and, where appropriate, competitively benchmarked pay levels. Annual performance reviews of the Directors are undertaken by the Remuneration Committee, based on the Directors' objectives derived from the Society's Strategic Plan.

B.2 Fit and Proper requirements

The Society ensures that all persons who effectively run the Society and hold PRA & FCA Senior Manager and Certification Regime (SM&CR) positions are fit and proper to provide sound and prudent management through their professional qualifications, skills and experience, including collective experience and knowledge, depending on their role, in:

- Market Knowledge;
- Business Strategy and Model;
- Risk Management and Control;
- Financial Analysis and Controls;
- Governance, Oversight and Controls; and

- Regulatory Framework and Requirements.

In order to ensure persons holding PRA and FCA Senior Manager Function positions are fit and proper in accordance with Regulatory requirements they are subject to Regulatory due diligence, which includes:

- Three year employment history;
- Credit and Disclosure & Barring Service (DBS) checks;
- FCA and Directorship register search;
- Professional Qualifications / Membership check; and
- Identity check.

In addition to the above initial Regulatory due diligence, all persons holding PRA and FCA SM&CR roles are subject to an annual fitness and propriety assessment, overseen by the Society's Governance Committee.

All Directors and External Skilled Persons participate in the Training & Development Scheme, including a Skills and Knowledge Gap Analysis, which ensures that Board, Sub Board/Committee members are competent to perform their role.

The Training and Development Scheme ensures that the training, development and knowledge standards are appropriate not only to demonstrate a level equal to the Regulatory requirements and obligations, but also appropriate and suitable to meet the needs of the Society.

The SMF roles are held by:

SMF1 – Chief Executive Officer – Simon Gallimore

SMF2 – Chief Finance Function – Keith Ashcroft

SMF9 – Chair of the Board of Directors – David Webster

SMF10 – Chair of the Risk Committee – Peter Darragh

SMF11 – Chair of the Audit Committee – Peter Darragh

SMF12 – Chair of the Remuneration Committee – Sheila Martland

SMF13 – Chairman of Nominations (Governance) Committee – Debbie Jex

SMF14 – Senior Independent Director – Barbara Needham

SMF15 – Chair of With Profits (Commercial Board) Committee – Mike Perry

SMF16 - Compliance Oversight – Vicky Morley

SMF17 – Money Laundering Reporting – Vicky Morley

SMF20 – Chief Actuary Function – Scott Robinson

SMF20(a) – With Profits Actuary Function – Scott Robinson

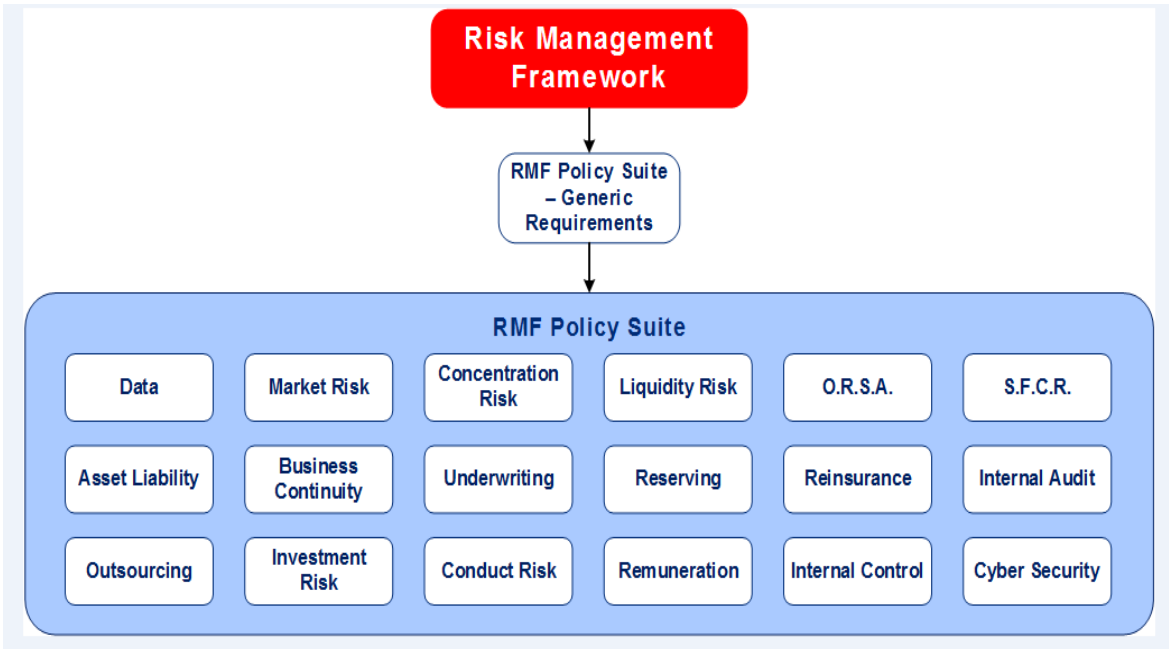
The table below lists those persons in the Society who are responsible for the key functions:

| 1 Key Function | Person Responsible for Key Function |
|----------------------|--|
| *Investment Managers | CEO/ Chief Financial Officer |
| *Property Managers | CEO/ Chief Financial Officer |
| Compliance & Risk | CEO |
| *Actuarial | Chief Financial Officer |
| Internal Auditors | Chairman of Audit, Risk & Compliance Committee |
| External Auditors | Chairman of Audit, Risk & Compliance Committee |

B.3 Risk management system including the own risk and solvency assessment

The Society’s risk management systems and controls are articulated in its ‘Risk Management Framework (RMF)’. The strategic aims of the RMF are for the Board/Sub Boards and Committees, Executive Directors and all Staff to have an understanding and ownership of, and commitment to, the control and management of all reasonably foreseeable risks that may arise within the context of the Society’s LTB activities. The management of risk is the responsibility of all staff. All staff will be involved in the identification, management and mitigation of risks in their day-to-day work.

The RMF includes the following Risk Policies to ensure that adequate processes and procedures are in place to manage all types of risk:



* denotes outsourced key functions

The RMF encompasses the following cyclical process:



The Society’s RMF operates around the proven ‘three lines of defence model’ for overseeing its internal control frameworks:

First line of defence: this encompasses the controls the Society has in place to deal with the day-to-day business. The controls are embedded within the Society’s business departments’ systems and processes to highlight control breakdown, inadequacy of process and unexpected events, and appropriately mitigate risk.

Second line of defence: this encompasses the Society’s Sub Boards/Committees and key functions that are in place to provide an oversight of the effective operation of the internal control framework. The Society’s Sub Boards/Committees review the management of risk in relation to the particular risk appetite of the business, as determined by the Board.

Third line of defence: this encompasses the independent assurance and challenge provided by the Society’s ARCC and internal and external audit functions, which undertake a programme of risk based audits covering all aspects of both first and second lines of defence, and External Auditors who provide independent challenge of the internal control framework in respect of financial reporting.

The Society’s Board has responsibility for determining the strategic direction of the Society and retains ultimate responsibility for the RMF, but delegates some of its decision making responsibilities to the Executive Directors and/or Sub Boards/Committees.

All key decisions made in the Society such as product launches, capital management, investment strategy, follow internal governance processes, which includes an assessment of the risk exposure and mitigation strategies.

The Compliance & Risk Function provides the Audit, Risk & Compliance Committee with quarterly assurance reports to confirm the adequacy and effectiveness of the Society’s compliance and risk management systems and controls, and that they are appropriate and proportionate to the Society’s scale, complexity and business model.

Own Risk Solvency Assessment (ORSA)

The Society undertakes an ORSA assessment each year. In addition, material changes in the business may trigger an ad-hoc ORSA to be completed.

This ORSA report assists the Board in considering and managing the risks faced by the Society and its capital requirements under different scenarios. It discusses the main risks faced by the Society, the processes and procedures in place to monitor, mitigate and manage these risks, the capital set aside against these risks and the risks that may arise in the future. The ORSA forms an integral part of the Society's business strategy and is taken into account on an on-going basis in the development of the future strategy.

The ORSA considers the Long Term Business (LTB) for the purposes of defining and assessing key risks and calculating capital requirements. However, the financial structure of the Society allows that Fraternal business can provide such cover.

The ORSA includes the consideration of operational risks within the Society, and again these have focussed on the LTB.

The following principles guide the performance and cycle of the Society's ORSA:

- The ORSA is forward-looking, taking into account the Society's business strategy, business plans and projections.
- The ORSA encompasses all material risks that could impact obligations to policyholders and the Society's business strategy.
- The ORSA is proportionate, providing more detail on the highest ranked risks.
- The ORSA demonstrates that capital levels and liquidity are in line with the risk profile and suitable management procedures and actions in place to remain within risk appetite.
- The ORSA demonstrates robust processes exist to assess solvency requirements and that information from these processes influences decision making.
- The ORSA demonstrates robust processes exist to identify, measure, monitor, manage and report risk exposures and that information from these processes influence decision making including the determination of the appropriate amount and quality of capital required.
- The ORSA is sufficiently documented and evidenced to support independent review.
- The ORSA contains feedback loops to support on-going improvement of ORSA processes.

ORSA process

The ORSA is undertaken in line with the requirements of the ORSA policy and follows the documented ORSA procedure.

The ORSA Report sets out the results of the ORSA of the Society for review and approval by the Commercial Board and the Board.

The 30 June 2025 Report incorporated the financial analysis and commentary provided by Zenith Actuarial (the Society's Actuarial Function). This also included discussions around the content of the Report, agreement over assumptions and the methodology used and establishing how this links to the overall ORSA process and the current business strategy.

The governance process for the development and approval of the ORSA included:

- discussions with Zenith Actuarial on the initial ORSA results;
- approval by the Society of reports from Zenith Actuarial setting out the assumptions to be used for the ORSA i.e. the base and stress assumptions;
- approval by the Society of the Zenith Actuarial ORSA results; and
- approval by the Society of this ORSA Report.

The Society's approval process included:

- discussions at the Commercial Board of the various ORSA papers, with the Commercial Board providing a recommendation to the Board for the approval of the ORSA;
- reviews of the process by the Internal Audit function;
- oversight by the ARCC of the process involved in approving the ORSA, and recommendation to the Board that an appropriate governance process has been adopted; and
- approval of the Board of the recommendations from the Commercial Board and ARCC, and therefore, approval of the ORSA.

B.4 Internal control system

As previously detailed the Society operates a 'three lines of defence model' for overseeing its internal control frameworks.

The Society maintains a financial control framework that governs financial and regulatory reporting. The financial control framework is subject to annual review of the appropriateness and effectiveness of the controls. The Internal Audit Function conducts this review and the results are submitted to the Audit, Risk & Compliance Committee.

The Society's Reports and Financial Statements in their production and review leading up to publication are also subject to a robust review. The actuarial liabilities are produced using best practices and are subject to review by the Commercial Board. The Reports and Financial Statements are also subject to internal review and External Audit review. They are presented to the Audit, Risk & Compliance Committee, Board and AMC for sign-off prior to publishing.

i. Compliance & Risk Function

The Compliance & Risk Function is responsible for the independent assessment of the Society's conduct of regulated business, including risk management processes and procedures to ensure compliance with Regulatory Principles, Rules and / or Guidance and the policies and standards established by the Society.

The Society's Compliance & Risk Function has direct reporting lines to the CEO who sits on the Commercial Board, and has access to all information and staff necessary to carry out its strategy and responsibilities.

The Society's Compliance & Risk strategy is as follows.

- Create and maintain a compliance and risk, anti-money laundering / financial crime environment within the Society, in which the Board, Sub Board/Committees and staff

understand their roles and responsibilities for ensuring they operate in a manner, which complies with Regulatory Principles, Rules, Guidance and the Society's own policies and procedures.

- Create and maintain a vigilant Compliance & Risk Function that:
 - advises the Board, Sub Board/Committees, line management and staff as appropriate on matters of Regulatory compliance and in particular in respect of Regulatory change and development as well as any areas of particular focus raised by the Regulators (e.g. relevant thematic reviews);
 - serves to monitor and report to the Board, Sub Board/Committees and line management as appropriate on the compliance and risk performance of the regulated functions of the Society, proposing any necessary remedial actions;
 - ensures the Society's Consumer Duty and Conduct Risk cultures and values are understood across all levels of the Society; Board, Sub Board/Committees and Staff;
 - provides timely guidance and support to foster a culture of compliance and risk in the Society;
 - if necessary, prompts or initiates timely and effective disciplinary action; and
 - ensures the Society deals with its Regulators in an open and cooperative way at all times.

B.5 Internal Audit Function

For 2025, the Society outsourced the performance of the Internal Audit Function to RSM UK Risk Assurance Services LLP, therefore, the people that carry out the audit work and report the findings to the Audit, Risk & Compliance Committee are independent from the Staff that work in the areas under review.

Each year the Internal Audit Function undertakes a programme of internal audit work on the Society's business functions. The audit work is based on an annual assessment of the Society's audit needs and in accordance with the Society's Internal Audit policy. The Society's CEO and the Audit, Risk & Compliance Committee agree the scheduled work, from which a strategic audit plan is drawn up setting out the specific areas to be audited including the scope of each audit.

The audit programme and strategy is developed and maintained in accordance with the Society's Internal Audit & Internal Control Policies and Risk Management Framework (RMF) to provide the Board with its opinion on the effectiveness of the Society's risk management, internal control, and governance arrangements. The strategy aims to add value for Line Managers by providing them with audit analyses, findings and recommendations.

Internal Audit Policy

The effective operation of internal audit is a key part of the control environment required for the Society to achieve its objectives and to meet its obligations.

The Society's Internal Audit Policy details the relevant responsibilities, objectives, processes and reporting procedures to be applied by the Internal Audit Function.

The Society has designed processes and controls, which are in place to ensure that the requirements set out in this Policy are met on an on-going basis in practice.

The Policy is reviewed on an annual basis to ensure that it is still applicable and aligned with the business strategy and Risk Management Framework of the Society. In 2024 no significant changes were made to the Policy.

B.6 Actuarial

The Society's Actuarial Function is outsourced to Zenith Actuarial (Zenith).

The position of Chief Actuary (specified as SMF20 under the Senior Insurance Management Function Regime) is held by Scott Robinson.

The position of With-Profits Actuary (specified as SMF21 under the Senior Insurance Management Function Regime) was held by Andy Pennington between January and August 2025 and Gemma Stonehouse between September and December 2025.

The Chief Actuary and the With-Profits Actuary are supported by Fellows and members of the Institute and Faculty of Actuaries at Zenith.

The Chief Actuary and With-Profits Actuary are not involved in the day to day business of the Society.

The Actuarial Function produces a series of reports, which are submitted to the Commercial Board and Board each year. These reports detail the work undertaken, the assumptions used, the results and resulting recommendations.

B.7 Outsourcing

Prior to outsourcing a key function, the Society's Outsourcing Policy ensures that:

- a detailed examination is performed to ensure that the potential service provider has the ability and capacity and any authorisation required by law to deliver the required functions or activities satisfactorily, taking into account the Society's objectives and needs (e.g. including Consumer Duty and customer outcome considerations) and Regulatory requirements;
- the service provider has adopted all means to ensure that no conflicts of interest exist;
- a written agreement is entered into between the Society and the service provider which clearly defines the respective rights and obligations of both parties;
- the general terms and conditions of the outsourcing agreement are clearly explained and understood, at a high-level, by the Board and authorised by them;
- the outsourcing does not breach any law or regulatory requirements in particular with regard to rules on data protection;
- the service provider is subject to the same provisions on the safety and confidentiality of the information as the Society.

- the service provider has in place adequate risk management and internal control systems;
- where required, that the fitness and propriety requirements are met by the persons employed by the service provider to perform the outsourced functions;
- activities are established; a contractual right to information about the outsourced activities and a contractual right to issue instructions concerning the outsourced activities;
- the service provider has the necessary financial resources to perform the outsourced tasks in a proper and reliable way; and
- the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and periodically tests backup facilities where necessary, taking into account the outsourced functions and activities.

The above requirements allow the Society to understand the main risks that might arise from the outsourcing and where necessary identify the most suitable processes for mitigating and managing any risk to ensure the service provider has the ability, capacity and authorisation required by law and/or regulatory standards to perform the outsourced functions and activities.

The Society has a documented tender process which is used in every assessment.

The Society currently outsources the following key functions:

| Key Function | Name of Firm | Jurisdiction |
|---------------------|---|----------------|
| Investment Managers | Fidelity Worldwide Investment | United Kingdom |
| | TrinityBridge | United Kingdom |
| | Rathbones (previously Investec Wealth & Investment Limited) | United Kingdom |
| | LGT Wealth Management UK LLP | United Kingdom |
| Actuarial | Zenith Actuarial Services | United Kingdom |
| Internal Auditors | RSM UK Risk Assurance Services LLP | United Kingdom |
| External Auditors | PKF Littlejohn LLP | United Kingdom |
| Property Managers | Christopher Dee LLP | United Kingdom |
| | Lambert Smith Hampton (LSH) (previously Ryden LLP) | United Kingdom |
| | MIR Project Management Limited | United Kingdom |

In addition, some elements of the IT Function are also outsourced but these are generally managed by the Head of IT.

Internal Audit

The Internal Audit Function of the Society in terms of its offices in Manchester has been carried out by RSM UK Risk Assurance Services LLP (RSM) since the start of 2022 following a thorough tender process which was completed in 2021. During 2025, RSM have reported their findings from completed audits to the Society's Audit Risk and Compliance Committee (ARCC). In addition, the Internal Audit Partner also met with the Chief Financial Officer on a quarterly basis to discuss any operational issues.

B.8. Any other information

There is no other material information to disclose regarding Systems of Governance.

C. Risk profile

Overview

The principal risks faced by the Society are influenced by the nature and scale of business currently in-force, the assets held by the Wider Society to back the business and the management actions around bonus distribution and investment policy in the future as the business runs off.

The risks to the Society may change over time depending on how the current strategy evolves and the changes to the environment under which the Society operates.

The highest ranked risks are identified via the Risk Management system and/or those risks requiring the largest capital support under the SCR calculation.

The risk assessment calculates the SCR using Standard Formula and the risk profile as at 31 December 2025 is as follows:

| Standard Formula Risk | 31/12/2025 | 31/12/2024 |
|----------------------------|-------------|-------------|
| Market Risk | 97.8% | 97.9% |
| Counterparty Default | 0.7% | 1.1% |
| Life Underwriting Risk | 1.3% | 0.8% |
| Health Underwriting Risk | 0.0% | 0.0% |
| Non-Life Underwriting Risk | 0.2% | 0.2% |
| | 100% | 100% |

As can be seen from the table above the SCR occurs mainly from market risk. This is because the assessment includes the Fraternal assets of the Wider Society.

C.1 Underwriting risk

Underwriting risk arises through adverse claims experience, and, where expenses are higher than anticipated.

The Society has a medium appetite for taking underwriting risk.

The level of underwriting risk is assessed by the calculation of the SCR for each of the following risks:

- mortality risk;
- longevity risk;
- morbidity risk;
- expense risk;
- lapse risk; and
- catastrophe risk.

a) Key underwriting risks

The Society is exposed to each of the underwriting risks to varying degrees with the most significant risks being set out below:

i. Expense risk

Expense risk arises from the impact on the own funds of changes in expenses and expense inflation and, also from the profile of expenses as policies run-off.

The management of this risk falls to the Society's internal infrastructure, processes, procedures and controls. However, whilst the Society can point to internal controls, including budgeting processes etc. this does not alleviate the need to undertake the expense stress test and, therefore, the requirement to hold capital against this risk.

The Society recognises that this risk exists and considers different ways in which it can be contained. This could include improving the efficiency of operations, and thereby reducing expenses, or providing a greater base to spread expenses across via writing new business or the acquisition of other long term insurance blocks.

ii. Lapse risk

Lapse risk is a material risk with the capital requirement for LTB, and relates mainly to a mass lapse / surrender event. The mass lapse event assumes that 40% of policies would instantaneously lapse/surrender and, the impact of this is that a large proportion of future profits would not materialise.

The mass lapse stress of 40% of business is prescribed under the Solvency II Standard Formula approach. Although, it is noted that the Society's experience is significantly lower than the mass lapse stress.

C.2 Market risk

Market risk arises through the possibility of losses on the Society's financial investments through movements in market prices.

The Society has a medium appetite for taking market risk in order to achieve favourable returns for policyholders.

The level of market risk is assessed by the calculation of the SCR for each of the following risks:

- interest rate risk;
- equity risk;
- property risk;
- spread risk;
- currency risk; and;
- concentration risk

b) Key market risks

The Society is exposed to each of the market risks to varying degrees with the most significant risks being set out below:

i. Equity risk

Equity risk is material for the Society's Fraternal business due to the size of the equity holdings. Equity risk is also a key market risk in the Society's LTB business, where it arises mainly in relation to unit-linked business where the equity stress results in lower future expected profits as a result of lower income, its impact is, however, less significant.

ii. Property risk

Property risk is the key market risk in the Society's Fraternal business due to the significant property holdings. It arises through the impact of a reduction in property values.

C.3 Credit risk

Credit risk arises if another party fails to meet its financial obligations to the Society, and, is assessed through the measurement of counterparty default, concentration and credit risk.

The Society's credit risk arises primarily from its corporate bond and cash holdings; it has minimal reinsurance arrangements in place.

C.4 Liquidity risk

Liquidity risk arises in circumstances where, while the Society remains solvent, it is unable to meet its financial obligations as they fall due.

The Society's exposure to liquidity risk is generally low as it aims to ensure it has sufficient liquid investments to meet its liabilities in the short to medium term.

C.5 Operational risk

Operational risk occurs from the failure of internal processes, people or systems and from external events.

The Society aims to minimise the potential impact of operational risk across the business by operating within an appropriate control environment.

The Society assesses operational risk by considering different types of events, using a risk-based analysis of the likelihood of an event and the severity of possible losses.

C.6 Other material risks

There are no other material risks to report.

C.7 Risk mitigation

In order to mitigate risks faced by the Society, risks are included in the risk register and are reviewed on a regular basis, and a number of actions are in place.

In relation to underwriting risk:

- Expense information is monitored on a regular basis;

- Lapse rates are monitored and are reported to the Commercial Board on a quarterly basis; and
- An experience analysis is undertaken as part of the annual Solvency II assessment.

In relation to market and counterparty default risk:

- The Society has clearly defined investment strategies which include agreed tolerance limits with regard to asset and cash counterparty; these strategies are reviewed on a regular basis;
- Admissibility reporting is undertaken on a quarterly basis; and
- The Society's overall risk strategy and appetite in relation to concentration risk is to avoid any material concentration risk.

In order to mitigate liquidity risk, the Insurance Department will notify the Finance Department of the value of claims that are expected to be due within the next month, and pending claims of a material amount.

C.8 Prudent person principle for asset investment

The Society has set out how it will invest its assets in accordance with the prudent person principle (required under Solvency II), as follows:

- To only invest in assets and instruments whose risks the Society can properly identify, measure, monitor, manage, control and report, and appropriately take into account in the assessment of its overall solvency needs under Pillar 2;
- All assets will be invested to ensure the security, quality, liquidity and expected returns of the various funds.
- Assets held to cover the technical provisions will be invested appropriately given the nature and duration of the insurance liabilities. Those assets will be invested in the best interest of all policyholders and beneficiaries taking into account any policyholder disclosures.
- Subject to the relevant Market Risk Policy the use of derivative instruments shall be possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management.
- Investments and assets (excluding property) which are not traded on a regulated financial market shall be avoided.
- Assets shall be properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer, geographical area etc.
- Investments in assets issued by the same company, or by companies belonging to the same group, will be limited to ensure the Society is not exposed to excessive risk concentration.
- Fraternal assets will be invested in a manner that is appropriate for the fund mandates in place and the target objectives of the fund, or where the investment strategy is at

the discretion of the Society in a manner which is considered appropriate by the Fraternal Board.

C.9 Stress and scenario tests

The Society includes a number of stress and sensitivity tests covering market and underwriting risk, including reverse stress tests, within its ORSA process to assess the robustness of the Society's capital position.

C.10 Any other information

There is no other material information to disclose regarding the Society's risk profile.

D. Valuation for solvency purposes

D.1 Assets

a) Solvency II valuation of assets

The table below sets out the Society's financial assets as at 31 December 2025:

| Assets | Solvency II £000s | GAAP £000s | Difference £000s |
|--|----------------------|----------------|---------------------|
| Land and Buildings | 269,915 | 82,317 | 187,598 |
| Shares and Other Variable Yield Securities | 95,264 | 102,563 | (7,299) |
| Debt and Other Fixed Income Securities | 121,428 | 109,782 | 11,646 |
| Assets Held to Cover Linked Liabilities | 245,967 | 245,967 | - |
| Cash at Bank and In Hand | 6,414 | 9,605 | (3,191) |
| Total Financial Assets | 738,988 | 550,234 | 188,754 |
| Debtors | 1,318 | 1,318 | - |
| Tangible assets | 3,311 | 3,311 | - |
| Loans | 78 | 78 | - |
| Other | 8,784 | 9,940 | (1,156) |
| Total Assets | 752,480 | 564,882 | 187,598 |

Assets are valued as follows:

- Land and Building valuations are based on open market value in accordance with the provisions of the RICS Appraisal and Valuation Manual. No allowances have been made for the costs of realisation.
- Shares and Other Variable Yield Securities valuations are the fair value as at 31 December 2025. Fair values are determined by reference to observable market prices where available and reliable. The fair value of financial assets quoted in an active market, are their bid prices at the Balance Sheet date.
- Debt and Other Fixed Income Securities valuations are the market value as at 31 December 2025 and include accrued interest on interest bearing securities.
- Assets Held to Cover Linked Liabilities were valued as at 31 December 2025 at fair value. Fair values are determined by reference to observable market prices where available and reliable. The fair value of financial assets quoted in an active market, are their bid prices as at the Balance Sheet date.
- Cash and Cash equivalents with a maturity of three months or less are valued at the amount of cash held, not including any accrued income. This is limited to non-linked

assets. The cash value of any linked assets are included within Assets held for index-linked and unit linked contracts.

- Cash term deposits with a maturity of greater than three months as cash held for investment.

The Land and Building figure is higher under Solvency II because the totals include investments held by Branches. In total this amounts to an additional £187.6m (2024: £185.3m). These assets are not included under UK GAAP as the investments are not controlled by Unity Office. However, on a Solvency basis the capital can be accessed under the rules of the Society in a number of circumstances. As such, the amounts are brought into the Solvency II Balance Sheet and are available for use in extremis.

b) Solvency II and UK GAAP valuation differences

For the purposes of assessing the Society's available funds and solvency capital requirements under Solvency II Fraternal assets are included, as Fraternal assets are available to support the Society's solvency capital requirements in extremis. These assets are not consolidated for UK GAAP reporting purposes.

D.2 Technical provisions

a) Valuation results

The Solvency II Pillar I technical provisions at 31 December 2025 for the Society as a whole are set out in the table below, with the 31 December 2024 figures are shown for comparison:

| Total LTB | | 2025 | 2024 |
|---|------------------------------|----------------|----------------|
| | | £000s | £000s |
| <i>Best Estimate Liability</i> | With Profits - Guaranteed | 44,270 | 46,446 |
| | With Profits - Discretionary | 24,312 | 26,002 |
| | Non-Profit | 44,954 | 38,965 |
| | Unit Linked | 237,866 | 218,367 |
| | Total | 351,403 | 329,780 |
| <i>Risk Margin</i> | With Profits | 38 | 41 |
| | Non-Profit | 148 | 97 |
| | Unit Linked | 355 | 272 |
| | Total | 540 | 410 |
| <i>Technical Provisions</i> | With Profits | 68,620 | 72,489 |
| | Non-Profit | 45,102 | 39,062 |
| | Unit Linked | 238,221 | 218,639 |
| | Total | 351,943 | 330,190 |
| General Insurance Technical Provisions | | 1,862 | 1,789 |
| Total Technical Provisions | | 353,804 | 331,979 |

Valuation Methodology – Best Estimate Liabilities

All policyholder cashflows are included within the calculation of best estimate liabilities (“BEL”) where these are based on the best estimate of future experience. These include:

- All expected future death, maturity, surrender and sickness claims.
- All expected future renewal and investment expenses.
- All expected future premiums, subject to Solvency II contract boundary restrictions.

Reinsurance arrangements are considered to be immaterial.

The BEL for with-profits products is calculated in terms of previously guaranteed benefits and future discretionary benefits. With-profits future discretionary benefits are set using expert judgement to determine the best estimate of the value of future bonus declarations.

Non-profit liabilities are valued using a gross premium reserve approach.

Unit linked liabilities are valued as the sum of unit fund liabilities and non-linked reserves. Unit fund liabilities are equal to the value of the units allocated to policies on the valuation date. Non-linked reserves are equal to the present value of all non-unit cashflows including charges, expenses and claims in excess of unit funds.

Credit is taken for negative liabilities where a policy is assumed to be profitable.

For General technical provisions, the best estimate liabilities are based on prior years’ experience as the cover is provided on a one year renewable basis.

No simplifications are applied within the calculation of best estimate liabilities except where these relate to materiality and proportionality as allowed by Chapter 27 of the ‘Technical Provisions – Further Requirements’ part of the PRA Rulebook for Solvency II firms.

Valuation Methodology – Risk Margin

The risk margin is the additional amount, over and above the BEL, that may be required to transfer the insurance obligations to another insurer. The risk margin is a formulaic calculation prescribed by the Solvency II regulations, including UK-specific adjustments resulting from the UK’s Solvency II reforms. The risk margin uses a simplified risk driver approach as allowed under Solvency II rules, which assumes that the non-hedgeable risks reduce over time in line with the BEL.

Within the risk margin calculation, it is assumed that assets are selected in such a way as to minimise the SCR for market risk so that only non-hedgeable risks are allowed for. These include:

- All life underwriting risks
- Operational risks
- Counterparty default risk excluding those relating to cash holdings

Main Assumptions

All assumptions are on a best estimate basis with no prudent margins such that:

- Mortality, morbidity and surrender assumptions are based on the Society's actual experience of deaths, sickness and surrender claims.
- Expense assumptions are based on actual and budgeted expenses (with allowances made for expected one-off expenses and the risk that expenses do not run off as quickly as expected).
- Investment return and discounting assumptions are based on the prescribed Solvency II interest rate curves.
- Retrospective asset share roll-forward assumptions are based on actual expenses incurred and investment returns earned by the fund over the previous year.
- Prospective asset share roll-forward assumptions are based on expected expenses and prescribed Solvency II investment returns.

b) Material Uncertainty

The uncertainty associated with the value of technical provisions is primarily driven by the uncertainty associated with the assumptions of future experience. Technical provisions are calculated on a best estimate basis and as such, are sensitive to future economic and non-economic experience. Any change in experience could have an impact on future levels of technical provisions.

Other Relevant Information

There are no material differences between the valuation of liabilities for solvency purposes and those used for statutory reporting purposes.

The Matching Adjustment has not been applied in the calculation of the Society's technical provisions.

The Volatility Adjustment has not been applied in the calculation of the Society's technical provisions.

The transitional risk-free interest rate-term structure has not been applied in the calculation of the Society's technical provisions

The transition deduction referred to in the 'Transitional Measure on Technical Provisions' part of the PRA Rulebook for Solvency II firms has not been applied in the calculation of the Society's technical provisions.

D.3 Other liabilities

The table below shows the other liabilities as at 31 December 2025:

| Other liabilities | Solvency II £000s | GAAP £000s | Difference £000s |
|--|----------------------|----------------|---------------------|
| Pension benefit obligations | - | - | - |
| Financial liabilities other than debts owed to credit institutions | 19,000 | 190,739 | (171,739) |
| Payables | 5,608 | 5,608 | - |
| Total other liabilities | 24,608 | 196,347 | (171,739) |

The differences in liabilities are as follows:

- The £171,739k (2024: £160,391k restated) for 'Financial liabilities other than debts owed to credit institutions' included under GAAP has been re-measured on a Solvency II basis. As a result of the inclusion of branch asset amounts within the capital calculation (as outlined in D.1(a)) the liability to branch invested amounts has been revalued to nil. This revaluation is made to reflect the nature of the capital contribution of the branch network towards the Solvency's capital base, and to reflect the purely discretionary nature of these funds.

D.4 Alternative methods of valuation

No alternative methods of valuation have been used.

D.5 Any other information

The Society believes the information provided in Section D is comprehensive. There is no other material information regarding the valuation of the Society's assets and liabilities to add.

As previously detailed branch held assets are included in the capital calculations, although they are not consolidated for UK GAAP reporting purposes.

E. Capital management

E.1 Own funds

a) Objectives, policies and processes for managing own funds

The Society's objective is to manage the capital position so that there are sufficient own funds to cover the Solvency Capital Requirements (SCR) and Minimum Capital Requirements (MCR) at all times.

There have been no material changes to the Society's objectives, policies and processes relating to the management of Own Funds over 2025.

The Society's business planning period is 3 years.

Given the size of the Society's Own Funds the issue of how Own Funds will potentially run-off over time is not considered to be a material aspect for the Society providing capital cover.

b) Classification of own funds

The Society has a simple capital structure, with Balance Sheet reserves comprising a single item: tier 1 unrestricted capital. These own funds have arisen from past underwriting and investment surpluses.

Under Solvency II there are no liabilities to investing Branches as the underlying benefits are purely discretionary and this has the effect of increasing own funds item.

On a Solvency II basis, the Fraternal surplus is classified as Basic Own Funds, covered under Chapter 3A of the Own Funds part of the PRA Rulebook for Solvency II firms as "surplus funds that are not considered as insurance and reinsurance obligations" and, as such, is included within the Solvency II Balance Sheet of the Society.

In addition, there are Branch held investments of £187.6m (2024: £185.3m) in the Solvency II Balance Sheet, these are not included in the statutory valuation as they are not consolidated under UK GAAP.

c) Eligibility of own funds

The Eligible amount of Own Funds to cover MCR and SCR is £374m (2024: £360m).

There are no items of Own Funds subject to transitional arrangements.

There are no ancillary Own Funds items.

The Society does not disclose any additional ratios to those shown IR.23.01.01

d) Reconciliation of excess assets to Reports and Financial Statements

A reconciliation between equity as shown in the Reports and Financial Statements and the Solvency II value excess of assets over liabilities is shown below:

| Reconciliation of excess assets | 31/12/2025 | 31/12/2024 |
|---|----------------|----------------|
| | £000s | £000s |
| Equity in financial statement | 16,593 | 16,547 |
| Asset adjustments | | |
| Inclusion of Branch assets | 187,598 | 185,313 |
| Liability adjustments | | |
| Removal of Liabilities to Investing Branches | 171,739 | 160,391 |
| Inclusion of Technical provision – non-life | (1,862) | (1,789) |
| Solvency II excess assets over liabilities | 374,068 | 360,462 |

e) Deductions from Own Funds

There are no items deducted from Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

a) Amount of Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement for the Society is calculated using the Standard Formula approach. The Life Underwriting Risk, Market Risk, Counterparty Default Risk and Operational Risk modules are applicable to the LTB funds. The market risk, non-life underwriting risk and counterparty default risk modules are applicable to the Fraternal funds including Branch held assets.

The calculation of the MCR is based on the prescribed Solvency II methodology. This includes components relating to the non-life technical provisions, life technical provisions and SCR as well as being subject to a floor of £5.9 million.

The table below sets out the SCR and MCR as at 31 December 2025:

| | 31/12/2025 | 31/12/2024 |
|------------|----------------|---------------|
| | £000s | £000s |
| SCR | 109,850 | 99,901 |
| MCR | 27,463 | 24,975 |

The SCR amount is subject to Supervisory assessment at present.

b) Solvency Capital Requirement split by risk modules

The SCR at 31 December 2024 is shown in the table below, split by risk module.

| Solvency Capital Requirements | 31/12/2025 | 31/12/2024 |
|---|----------------|----------------|
| | £000s | £000s |
| Standard Formula Risk Module | | |
| Market Risk | 121,357 | 111,411 |
| Counterparty Default | 1,295 | 1,429 |
| Life Underwriting Risk | 9,658 | 9,747 |
| Health Underwriting Risk | 429 | 442 |
| Non-Life Underwriting Risk | 233 | 223 |
| BSCR – Gross | 124,924 | 115,165 |
| Loss absorbing capacity of technical provisions | (16,094) | (16,221) |
| BSCR – Net | 108,830 | 98,944 |
| Operational Risk | 1,020 | 957 |
| SCR | 109,850 | 99,901 |

The SCR shown above is subject to supervisory assessment.

c) Simplified calculations in risk modules

The simplification described in 7.14 of the ‘Solvency Capital Requirement - Standard Formula’ part of the PRA Rulebook for Solvency II firms is used in the calculation of the mortality-catastrophe SCR component. This is applied on materiality grounds. No other simplifications are made.

d) Undertaking-specific parameters

No undertaking-specific parameters are used in the SCR calculations.

e) Inputs used to calculate the MCR

The table below sets out the inputs for the MCR calculation as at 31 December 2025. Note the Absolute Floor MCR (Euros) and the Exchange Rate are prescribed by the PRA:

| MCR inputs | 31/12/2025 | 31/12/2024 |
|--------------------------|----------------|---------------|
| MCR Floor | | |
| Absolute Floor MCR (GBP) | 5,900 | 5,900 |
| Combined MCR | | |
| SCR | 109,850 | 99,901 |
| BSCR – Net | 108,830 | 98,944 |
| 25% SCR | 27,463 | 24,975 |
| MCR | 27,463 | 24,975 |

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

The Society does not use an internal model and, therefore, this section is not relevant.

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

The Society has complied with the MCR and SCR throughout the period covered by the report and does not foresee any risk of non-compliance in future.

E.5 Any other information

There is no other material information to disclose in relation to capital management.

F. Templates

The following QRTs are included in **Appendix A** of the SFCR:

| QRT ref | QRT Template name |
|----------------|---|
| IR.02.01.01 | Balance sheet |
| IR.05.02.01.01 | Premiums, claims and expenses by country: Non-life obligations |
| IR.05.02.01.04 | Premiums, claims and expenses by country: Life obligations |
| IR.05.03.02 | Life income and expenditure |
| IR.05.04.02 | Non-life income and expenditure : reporting period |
| IR.12.01.02 | Life technical provisions |
| IR.17.01.02 | Non-Life Technical Provisions |
| IR.19.01.21 | Non-Life insurance claims |
| IR.23.01.01 | Own Funds |
| IR.25.04.21 | Solvency Capital Requirement |
| IR.28.02.01 | Minimum Capital Requirement - Both life and non-life insurance activity |

Appendix A SFCR templates

Independent Order of
Oddfellows
Manchester Unity
Friendly Society

Solvency and Financial
Condition Report

Disclosures

31 December

2025

(Monetary amounts in GBP thousands)

General information

| | |
|---|--|
| Entity name | Independent Order of Oddfellows Manchester Unity Friendly Society |
| Entity identification code and type of code | LEI/5493007GYE7RU65WNU39 |
| Type of undertaking | non-life insurance activity (paragraph 2.3 of Supervisory Statement (SS) 8/15 - Solvency II: the treatment of pension scheme risk) |
| Country of incorporation | GB |
| Language of reporting | en |
| Reporting reference date | 31 December 2025 |
| Currency used for reporting | GBP |
| Accounting standards | Local GAAP |
| Method of Calculation of the SCR | Standard formula |
| Matching adjustment | No use of matching adjustment |
| Volatility adjustment | No use of volatility adjustment |
| Transitional measure on the risk-free interest rate | No use of transitional measure on the risk-free interest rate |
| Transitional measure on technical provisions | No use of transitional measure on technical provisions |

List of reported templates

-

- IR.02.01.02 - Balance sheet
- IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations
- IR.05.02.01 - Premiums, claims and expenses by country: Life obligations
- IR.05.03.02 - Life income and expenditure
- IR.05.04.02 - Non-life income and expenditure : reporting period
- IR.12.01.02 - Life technical provisions
- IR.17.01.02 - Non-Life Technical Provisions
- IR.19.01.21 - Non-Life insurance claims
- IR.23.01.01 - Own Funds
- IR.25.04.21 - Solvency Capital Requirement
- IR.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

IR.02.01.02

Balance sheet

| | | Solvency II value |
|---------------|--|----------------------|
| | | C0010 |
| Assets | | |
| R0030 | Intangible assets | 0 |
| R0040 | Deferred tax assets | 0 |
| R0050 | Pension benefit surplus | 7,752 |
| R0060 | Property, plant & equipment held for own use | 3,311 |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 486,607 |
| R0080 | <i>Property (other than for own use)</i> | 269,915 |
| R0090 | <i>Holdings in related undertakings, including participations</i> | 0 |
| R0100 | <i>Equities</i> | 55,176 |
| R0110 | <i>Equities - listed</i> | 55,176 |
| R0120 | <i>Equities - unlisted</i> | 0 |
| R0130 | <i>Bonds</i> | 99,362 |
| R0140 | <i>Government Bonds</i> | 52,224 |
| R0150 | <i>Corporate Bonds</i> | 45,221 |
| R0160 | <i>Structured notes</i> | 0 |
| R0170 | <i>Collateralised securities</i> | 1,917 |
| R0180 | <i>Collective Investments Undertakings</i> | 59,690 |
| R0190 | <i>Derivatives</i> | 0 |
| R0200 | <i>Deposits other than cash equivalents</i> | 2,464 |
| R0210 | <i>Other investments</i> | 0 |
| R0220 | Assets held for index-linked and unit-linked contracts | 245,967 |
| R0230 | Loans and mortgages | 78 |
| R0240 | <i>Loans on policies</i> | 0 |
| R0250 | <i>Loans and mortgages to individuals</i> | 30 |
| R0260 | <i>Other loans and mortgages</i> | 49 |
| R0270 | Reinsurance recoverables from: | 0 |
| R0280 | <i>Non-life and health similar to non-life</i> | 0 |
| R0315 | <i>Life and health similar to life, excluding index-linked and unit-linked</i> | 0 |
| R0340 | <i>Life index-linked and unit-linked</i> | 0 |
| R0350 | Deposits to cedants | 0 |
| R0360 | Insurance and intermediaries receivables | 0 |
| R0370 | Reinsurance receivables | 0 |
| R0380 | Receivables (trade, not insurance) | 1,318 |
| R0390 | Own shares (held directly) | 0 |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0 |
| R0410 | Cash and cash equivalents | 6,414 |
| R0420 | Any other assets, not elsewhere shown | 1,032 |
| R0500 | Total assets | 752,480 |

| | | Solvency II value |
|--------------------|--|------------------------------|
| | | C0010 |
| Liabilities | | |
| R0505 | Technical provisions - total | 353,804 |
| R0510 | <i>Technical provisions - non-life</i> | 1,862 |
| R0515 | <i>Technical provisions - life</i> | 351,943 |
| R0542 | Best estimate - total | 353,193 |
| R0544 | <i>Best estimate - non-life</i> | 1,790 |
| R0546 | <i>Best estimate - life</i> | 351,403 |
| R0552 | Risk margin - total | 611 |
| R0554 | <i>Risk margin - non-life</i> | 72 |
| R0556 | <i>Risk margin - life</i> | 540 |
| R0565 | Transitional (TMTP) - life | 0 |
| R0740 | Contingent liabilities | 0 |
| R0750 | Provisions other than technical provisions | 0 |
| R0760 | Pension benefit obligations | 0 |
| R0770 | Deposits from reinsurers | 0 |
| R0780 | Deferred tax liabilities | 0 |
| R0790 | Derivatives | 0 |
| R0800 | Debts owed to credit institutions | 0 |
| R0810 | Financial liabilities other than debts owed to credit institutions | 19,000 |
| R0820 | Insurance & intermediaries payables | 0 |
| R0830 | Reinsurance payables | 0 |
| R0840 | Payables (trade, not insurance) | 5,608 |
| R0850 | Subordinated liabilities | 0 |
| R0860 | <i>Subordinated liabilities not in Basic Own Funds</i> | 0 |
| R0870 | <i>Subordinated liabilities in Basic Own Funds</i> | 0 |
| R0880 | Any other liabilities, not elsewhere shown | 0 |
| R0900 | Total liabilities | 378,412 |
| R1000 | Excess of assets over liabilities | 374,068 |

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

| | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 |
|-------------------------|---|---|-------|-------|-------|-------|------------------------------|
| | Home Country | Top 5 countries (by amount of gross premiums written) | | | | | Total Top 5 and home country |
| R0010 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |
| Premiums written | | | | | | | |
| R0110 | Gross - Direct Business | 2,022 | | | | | 2,022 |
| R0120 | Gross - Proportional reinsurance accepted | | | | | | 0 |
| R0130 | Gross - Non-proportional reinsurance accepted | | | | | | 0 |
| R0140 | Reinsurers' share | | | | | | 0 |
| R0200 | Net | 2,022 | | | | | 2,022 |
| Premiums earned | | | | | | | |
| R0210 | Gross - Direct Business | 2,022 | | | | | 2,022 |
| R0220 | Gross - Proportional reinsurance accepted | | | | | | 0 |
| R0230 | Gross - Non-proportional reinsurance accepted | | | | | | 0 |
| R0240 | Reinsurers' share | | | | | | 0 |
| R0300 | Net | 2,022 | | | | | 2,022 |
| Claims incurred | | | | | | | |
| R0310 | Gross - Direct Business | 1,899 | | | | | 1,899 |
| R0320 | Gross - Proportional reinsurance accepted | | | | | | 0 |
| R0330 | Gross - Non-proportional reinsurance accepted | | | | | | 0 |
| R0340 | Reinsurers' share | | | | | | 0 |
| R0400 | Net | 1,899 | | | | | 1,899 |
| R0550 | Net expenses incurred | 185 | | | | | 185 |

IR.05.02.01

Premiums, claims and expenses by country: Life obligations

| | | C0150 | C0160 | C0170 | C0180 | C0190 | C0200 | C0210 |
|-------|------------------------------|--------------|---|-------|-------|-------|-------|------------------------------|
| | | Home Country | Top 5 countries (by amount of gross premiums written) | | | | | Total Top 5 and home country |
| | | | C0220 | C0230 | C0240 | C0250 | C0260 | |
| R1400 | | | | | | | | |
| | Premiums written | | | | | | | |
| R1410 | Gross | 21,359 | | | | | | 21,359 |
| R1420 | Reinsurers' share | | | | | | | 0 |
| R1500 | Net | 21,359 | | | | | | 21,359 |
| | Premiums earned | | | | | | | |
| R1510 | Gross | 21,359 | | | | | | 21,359 |
| R1520 | Reinsurers' share | | | | | | | 0 |
| R1600 | Net | 21,359 | | | | | | 21,359 |
| | Claims incurred | | | | | | | |
| R1610 | Gross | 56,524 | | | | | | 56,524 |
| R1620 | Reinsurers' share | | | | | | | 0 |
| R1700 | Net | 56,524 | | | | | | 56,524 |
| R1900 | Net expenses incurred | 4,724 | | | | | | 4,724 |

IR.05.03.02

Life income and expenditure

| | Insurance with profit participation | Index-linked and unit-linked insurance | Life annuities | Non-life annuities | Other life insurance | Health insurance | Total life and health | |
|--------------------------------|---|--|-------------------|-----------------------|-------------------------|---------------------|--------------------------|--------|
| | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | |
| Premiums written | | | | | | | | |
| R0010 | Gross direct business | 1,160 | 4,956 | 0 | 0 | 15,235 | 9 | 21,359 |
| R0020 | Gross reinsurance accepted | | | | | | | 0 |
| R0030 | Gross | 1,160 | 4,956 | 0 | 0 | 15,235 | 9 | 21,359 |
| R0040 | Reinsurers' share | | | | | | | 0 |
| R0050 | Net | 1,160 | 4,956 | 0 | 0 | 15,235 | 9 | 21,359 |
| Claims incurred | | | | | | | | |
| R0110 | Gross direct business | 7,911 | 33,593 | 65 | 0 | 14,732 | 29 | 56,329 |
| R0120 | Gross reinsurance accepted | | | | | | | 0 |
| R0130 | Gross | 7,911 | 33,593 | 65 | 0 | 14,732 | 29 | 56,329 |
| R0140 | Reinsurers' share | | | | | | | 0 |
| R0150 | Net | 7,911 | 33,593 | 65 | 0 | 14,732 | 29 | 56,329 |
| Expenses incurred | | | | | | | | |
| R0160 | Gross direct business | 242 | 3,164 | 6 | 0 | 1,263 | 50 | 4,724 |
| R0170 | Gross reinsurance accepted | | | | | | | 0 |
| R0180 | Gross | 242 | 3,164 | 6 | 0 | 1,263 | 50 | 4,724 |
| R0190 | Reinsurers' share | | | | | | | 0 |
| R0200 | Net | 242 | 3,164 | 6 | 0 | 1,263 | 50 | 4,724 |
| R0300 | Other expenses | | | | | | | 0 |
| Transfers and dividends | | | | | | | | |
| R0440 | Dividends paid | | | | | | | 0 |

IR.05.04.02

Non-life income and expenditure : reporting period

| | Non-life insurance and accepted proportional reinsurance obligations | | | | | | | | Accepted non-proportional reinsurance | | | | Annuities stemming from non-life insurance contracts | Annuities stemming from non-life accepted reinsurance contracts |
|---|--|-----------------------------|------------------------|-------------------------|---------------------------------|--------------------------|------------|------------------------------|---------------------------------------|----------|--------------------------------|----------|--|---|
| | General liability insurance | | | | Credit and suretyship insurance | Legal expenses insurance | Assistance | Miscellaneous financial loss | Health | Casualty | Marine, aviation and transport | Property | | |
| | Employers Liability | Public & products Liability | Professional Indemnity | Other general liability | | | | | | | | | | |
| | C0190 | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0310 | C0320 | C0330 | C0340 | C0525 | C0545 |
| Income | | | | | | | | | | | | | | |
| Premiums written | | | | | | | | | | | | | | |
| R0110 Gross written premiums | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0111 Gross written premiums - Insurance (direct) | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0113 Gross written premiums - accepted reinsurance | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0160 Net written premiums | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Premiums earned and provision for unearned | | | | | | | | | | | | | | |
| R0210 Gross earned premiums | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0220 Net earned premiums | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Expenditure | | | | | | | | | | | | | | |
| Claims incurred | | | | | | | | | | | | | | |
| R0610 Gross (undiscounted) claims incurred | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0611 Gross (undiscounted) direct business | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0612 Gross (undiscounted) reinsurance accepted | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0690 Net (undiscounted) claims incurred | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0730 Net (discounted) claims incurred | | | | | | | | | | | | | #REF! | #REF! |
| Analysis of expenses incurred | | | | | | | | | | | | | | |
| R0910 Technical expenses incurred net of reinsurance ceded | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| R0985 Acquisition costs, commissions, claims management costs | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| Other expenditure | | | | | | | | | | | | | | |
| R1140 Other expenses | | | | | | | | | | | | | | |
| R1310 Total expenditure | | | | | | | | | | | | | | |

IR.12.01.02
Life technical provisions

Best estimate

R0025 Gross Best Estimate (direct business)
R0026 Gross Best Estimate (reinsurance accepted)
R0030 **Gross Best Estimate**

R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re

R0100 **Risk margin**

Amount of the transitional on Technical Provisions

R0140 TMTP - risk margin
R0150 TMTP - best estimate dynamic component
R0160 TMTP - best estimate non-dynamic component
R0170 TMTP - amortisation adjustment
R0180 **Transitional Measure on Technical Provisions**

R0200 **Technical provisions - total**

| | 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 |
| | 67,267 | 237,866 | 776 | 0 | 44,178 | 1,316 | 351,403 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 67,267 | 237,866 | 776 | 0 | 44,178 | 1,316 | 351,403 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 67,267 | 237,866 | 776 | 0 | 44,178 | 1,316 | 351,403 |
| | 37 | 355 | 1 | 0 | 147 | 1 | 540 |
| | | | | | | | 0 |
| | | | | | | | 0 |
| | | | | | | | 0 |
| | | | | | | | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 67,303 | 238,221 | 777 | 0 | 44,325 | 1,317 | 351,943 |

IR.19.01.21
 Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

| Gross Claims Paid (non-cumulative) | | | | | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|------------------|---|---|---|---|-------|--------|--------------------|---------------------------|--|
| (absolute amount) | | | | | | | | | | | | | | |
| Year | C0010 | C0020 | C0030 | C0040 | Development year | | | | | C0100 | C0110 | C0170 | C0180 | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | In Current year | Sum of years (cumulative) | |
| R0100 | Prior | | | | | | | | | | | 0 | 0 | |
| R0160 | -9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0170 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0180 | -7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0190 | -6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0200 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0210 | -4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0220 | -3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0230 | -2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0240 | -1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0250 | 0 | 1,899 | | | | | | | | | | 1,899 | 1,899 | |
| R0260 | | | | | | | | | | | | Total 1,899 | 1,899 | |

| Gross Undiscounted Best Estimate Claims Provisions | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|------------------|---|---|---|---|-------|--------|----------------------------|--|
| (absolute amount) | | | | | | | | | | | | | |
| Year | C0200 | C0210 | C0220 | C0230 | Development year | | | | | C0300 | C0360 | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | Year end (discounted data) | |
| R0100 | Prior | | | | | | | | | | | 0 | |
| R0160 | -9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0170 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0180 | -7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0190 | -6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0200 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0210 | -4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0220 | -3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0230 | -2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0240 | -1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R0250 | 0 | 0 | | | | | | | | | | 0 | |
| R0260 | | | | | | | | | | | | Total 0 | |

| Gross premium | | |
|---------------|--|---|
| | C0570 | C0580 |
| | Gross earned premium at reporting reference date | Estimate of future gross earned premium |
| R0160 | N-9 | 0 |
| R0170 | N-8 | 0 |
| R0180 | N-7 | 0 |
| R0190 | N-6 | 0 |
| R0200 | N-5 | 0 |
| R0210 | N-4 | 0 |
| R0220 | N-3 | 0 |
| R0230 | N-2 | 0 |
| R0240 | N-1 | 0 |
| R0250 | N | 0 |

IR.23.01.01
Own Funds

| | |
|-------|--|
| R0010 | Ordinary share capital (gross of own shares) |
| R0030 | Share premium account related to ordinary share capital |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings |
| R0050 | Subordinated mutual member accounts |
| R0070 | Surplus funds |
| R0090 | Preference shares |
| R0110 | Share premium account related to preference shares |
| R0130 | Reconciliation reserve |
| R0140 | Subordinated liabilities |
| R0160 | An amount equal to the value of net deferred tax assets |
| R0180 | Other own fund items approved by the supervisory authority as basic own funds not specified above |
| R0220 | Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds |
| R0290 | Total basic own funds |
| | Ancillary own funds |
| R0300 | Unpaid and uncalled ordinary share capital callable on demand |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand |
| R0320 | Unpaid and uncalled preference shares callable on demand |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand |
| R0340 | Letters of credit and guarantees |
| R0350 | Letters of credit and guarantees other |
| R0360 | Supplementary members calls |
| R0370 | Supplementary members calls - other |
| R0390 | Other ancillary own funds |
| R0400 | Total ancillary own funds |
| | Available and eligible own funds |
| R0500 | Total available own funds to meet the SCR |
| R0510 | Total available own funds to meet the MCR |
| R0540 | Total eligible own funds to meet the SCR |
| R0550 | Total eligible own funds to meet the MCR |
| R0580 | SCR |
| R0600 | MCR |
| R0620 | Ratio of Eligible own funds to SCR |
| R0640 | Ratio of Eligible own funds to MCR |
| | Reconciliation reserve |
| R0700 | Excess of assets over liabilities |
| R0710 | Own shares (held directly and indirectly) |
| R0720 | Foreseeable dividends, distributions and charges |
| R0725 | Deductions for participations in financial and credit institutions |
| R0730 | Other basic own fund items |
| R0740 | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds |
| R0760 | Reconciliation reserve |

| Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|----------|------------------------|----------------------|--------|--------|
| C0010 | C0020 | C0030 | C0040 | C0050 |
| 0 | 0 | | 0 | |
| 0 | 0 | | 0 | |
| 374,068 | 374,068 | | 0 | |
| 0 | | 0 | 0 | 0 |
| 0 | 0 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 |
| -412 | -412 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | | | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | | | | |
| 373,656 | 373,656 | 0 | 0 | 0 |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | 0 | 0 |
| 373,656 | 373,656 | 0 | 0 | 0 |
| 373,656 | 373,656 | 0 | 0 | |
| 373,656 | 373,656 | 0 | 0 | 0 |
| 373,656 | 373,656 | 0 | 0 | |
| 109,850 | | | | |
| 27,463 | | | | |
| 340.15% | | | | |
| 1360.60% | | | | |
| C0060 | | | | |
| 374,068 | | | | |
| 0 | | | | |
| | | | | |
| | | | | |
| 374,068 | | | | |
| 412 | | | | |
| -412 | | | | |

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

| | C0010 |
|--|----------------|
| Market risk | |
| R0070 Interest rate risk | 4,957 |
| R0080 Equity risk | 40,880 |
| R0090 Property risk | 67,483 |
| R0100 Spread risk | 3,240 |
| R0110 Concentration risk | 0 |
| R0120 Currency risk | 12,551 |
| R0125 Other market risk | 0 |
| R0130 Diversification within market risk | -20,923 |
| R0140 Total Market risk | 108,187 |
| Counterparty default risk | |
| R0150 Type 1 exposures | 598 |
| R0160 Type 2 exposures | 272 |
| R0165 Other counterparty risk | 0 |
| R0170 Diversification within counterparty default risk | -48 |
| R0180 Total Counterparty default risk | 823 |
| Life underwriting risk | |
| R0190 Mortality risk | 375 |
| R0200 Longevity risk | 152 |
| R0210 Disability-Morbidity risk | 0 |
| R0220 Life-expense risk | 947 |
| R0230 Revision risk | 0 |
| R0240 Lapse risk | 531 |
| R0250 Life catastrophe risk | 20 |
| R0255 Other life underwriting risk | 0 |
| R0260 Diversification within life underwriting risk | -567 |
| R0270 Total Life underwriting risk | 1,458 |
| Health underwriting risk | |
| R0280 Health SLT risk | 0 |
| R0290 Health non SLT risk | 0 |
| R0300 Health catastrophe risk | 0 |
| R0305 Other health underwriting risk | 0 |
| R0310 Diversification within health underwriting risk | 0 |
| R0320 Total Health underwriting risk | 0 |
| Non-life underwriting risk | |
| R0330 Non-life premium and reserve risk (ex catastrophe risk) | 233 |
| R0340 Non-life catastrophe risk | 0 |
| R0350 Lapse risk | 0 |
| R0355 Other non-life underwriting risk | 0 |
| R0360 Diversification within non-life underwriting risk | 0 |
| R0370 Non-life underwriting risk | 233 |
| R0400 Intangible asset risk | 0 |
| Operational and other risks | |
| R0422 Operational risk | 1,020 |
| R0424 Other risks | 0 |
| R0430 Total Operational and other risks | 1,020 |
| R0432 Total before all diversification | 133,259 |
| R0434 Total before diversification between risk modules | 111,720 |
| R0436 Diversification between risk modules | -1,870 |
| R0438 Total after diversification | 109,850 |
| R0440 Loss absorbing capacity of technical provisions | 0 |
| R0450 Loss absorbing capacity of deferred tax | 0 |
| R0455 Other adjustments | 0 |
| R0460 Solvency capital requirement including undisclosed capital add-on | 109,850 |
| R0472 Disclosed capital add-on - excluding residual model limitation | 0 |
| R0474 Disclosed capital add-on - residual model limitation | 0 |
| R0480 Solvency capital requirement including capital add-on | 109,850 |
| R0490 Biting interest rate scenario | increase |
| R0495 Biting life lapse scenario | mass |

