



# Omnilife Insurance Company Limited Annual Report and Accounts

Year ended 31 December 2025  
Registered Number 2294080



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## CHAIRMAN'S STATEMENT

I am pleased to introduce Omnilife's Annual Report and Accounts for 2025, a year in which our focus was on maturity and efficiency to support the execution of our strategy.

### Strategy

Omnilife is in a relatively unique position by being a direct insurance company sitting within a reinsurance group. Our core purpose is to support RGA clients through offering a broader range of risk transfer solutions. We also remain vigilant to potential opportunities to acquire and consolidate UK books of business. This two-pillar strategy drives the Board's confidence in the Company's future growth prospects.

### Customers

As a closed book consolidator, we recognise that our annuity customers did not buy their policy from Omnilife but were transferred to us through a Part VII or similar transfer. Our outcome testing activity is alert to this factor and seeks to ensure that we remain well-placed to deliver good outcomes to all our customers. I'm pleased to report that complaints remained at a very low level throughout the year, and that there were no material service-related issues.

Operational resilience remains a key area of regulatory focus and a high priority for Omnilife. Our annuity policies reflect a vital source of income for many of our customers and we work closely with our chosen administration partner to ensure that our service remains resilient to potential future adverse events and that our customers are paid on time.

### Capital

Last year, I reported Omnilife's very strong SCR coverage ratio of 385% with surplus capital significantly above our internal risk appetite. In November 2025, the Board agreed to distribute £92.2 million of our surplus capital to our immediate parent. This decision creates greater capital efficiency within Omnilife and enables the Group to mobilise and redeploy the surplus. After making the distribution, there remains around £40 million of surplus capital above our internal risk appetite.

Our parent remains fully committed to our strategy including the provision of further growth capital to support our growth plans when required.

### Financial performance

Our focus is on solvency capital management. Omnilife's SCR coverage ratio reduced to 335% at 31 December 2025 (2024: 385%) as a result of the capital distribution referred to above. The Board remains comfortable that the Company is strongly capitalised and in compliance with our internal capital management policies.

We continue to ensure that our investment strategy is suitably robust to withstand ongoing market volatility and adverse outcomes, and our use of reinsurance provides us with increased resilience to volatility and potential changes in economic conditions.

The reported profit after tax for 2025 was £9.5 million (2024: loss of £1.3 million). The profit in the year resulted from positive investment and demographic experience and reserve releases from actuarial assumption changes.

### Reinsurer counterparty risk

As a member of the RGA group, the diligent assessment and mitigation of counterparty risk to our parent has been an integral part of our strategy both in terms of the structuring of reinsurance arrangements and our ongoing risk management.

Our risk management approach includes the assessment of recapture risks and how these are appropriately mitigated in line with regulatory expectations.

## Climate change

As part of the RGA Group, the Company has aligned its plans to prepare for the future impacts of climate change to those of RGA. The Board received a presentation from RGA's Corporate Responsibility and Sustainability function during the year and is pleased to report that RGA remains committed to its sustainability goals.

RGA's 2024 Sustainability Report is available on its website.

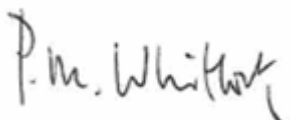
## Governance

As I reported last year, the non-executive directors appointed by RGA, namely Hamish Galloway and Peter Banthorpe, intended to step down from the Omnilife Board in 2025. Their resignations took place on 31 March 2025 and on the same date we appointed Emma Ferris, who is RGA's UK Managing Director, to the Board.

I thank both Hamish and Peter for their valuable contribution to Omnilife's growth and development during their time on the Board. The change in approach to only having one RGA nominated director on the Board is a good reflection of the progress made by Omnilife since being acquired by RGA and the extent to which it has been integrated into the group.

## The team

It has been another year of considerable progress, and on behalf of the whole Board, I would like to thank the management team for their commitment and diligence in protecting the interests of our customers over the past year. I would also like to thank my Board colleagues for their continuing guidance and support during 2025.



Paul Whitlock  
Chairman

## STRATEGIC REPORT

The strategic report contains information about Omnilife, our strategy, our 2025 business performance, our key performance indicators, our principal risks and uncertainties and the short-term outlook for the Company. The Strategic report was approved by the Board on 25 March 2026 and signed on its behalf by Deian Jones, CEO and Paul Whitlock, Chairman.

### Strategy

The Company's strategy has 2 key pillars:

- Omnilife, being a direct insurance company sitting within a reinsurance group, is well placed to work with RGA clients to offer a broad range of risk transfer solutions.
- We also remain vigilant to potential opportunities to acquire and consolidate UK books of business.

Under this strategy, Omnilife intends to leverage the relationships, experience and expertise of RGA to actively pursue closed book acquisition opportunities in the UK market, generating sustainable profitability, whilst delivering excellent customer service for incoming customers.

The market presents opportunities for closed book acquisition and consolidation, driven by changes in regulation, customer behaviour and structural changes.

### Business performance

The financial results for the year are set out on pages 31 to 34.

During the year the company has continued to focus on managing the existing business. We have developed our outcome testing activity to ensure we are delivering good outcomes for customers. Operational resilience remains a key regulatory focus and a high priority for Omnilife. Alongside this, following an exercise to simplify the capital structure of the business in 2024, we have paid a substantial distribution to our parent.

The gross long term technical provision is £526.8 million (2024: £579.8 million) whilst the reinsurer's share of the long term technical provision was £206.8 million (2024: £228.7 million). The change in the long term technical provision for annuity business primarily related to interest rate movements.

Total expenses were £5.6 million (2024: £6.3 million). The lower expenses in 2025 reflect efficiency savings through reduced group recharges for both people costs and overheads.

The 2025 profit after tax of £9.5 million (2024: loss of £1.3 million) resulted from the underlying surplus generation of the business, positive economic and demographic experience and reserve releases from actuarial assumption changes.

The Company's financial position remained strong on a Solvency UK basis, with Shareholder's funds being £90.0 million (2024: £172.7 million); this represents 335% (2024: 385%) coverage of the solvency capital requirement (SCR).

## Key Performance Indicators

Management uses a range of measures to report to the Board and to manage business performance. These measures cover wider areas of business performance in addition to financial indicators and are developed as necessary to support ongoing changes to the business.

**Financial** – Omnilife returned a £9.5m profit after tax, compared to the £1.3m loss in 2024. The higher profit was driven by positive economic movements and changes in actuarial assumptions. Our capital position remains strong, with the solvency ratio significantly higher than the Company's risk appetite target.

**Customers & Growth** – We have approximately 15,000 customers from our two closed book annuity transfers. The Company has successfully implemented the Consumer Duty regulations.

**Organisation & Development** – The organisation has been stable during 2025. We continue to develop our skills to be ready to successfully onboard and manage future closed books.

**Operating Excellence** – The Company focuses on providing reliable customer service and driving good customer outcomes aligned to Consumer Duty principles. We monitor the quality and timeliness of customer services, using KPIs, oversight controls and outcome testing to monitor, learn from and continue to improve our services. Strong oversight from Omnilife's Board and management team ensures that our customer focus remains a core business priority.

## Principal risks & uncertainties

During 2025, the Company's principal business focus was on continual process improvement and preparation for the next phase of growth.

The Company operates a robust risk management framework which ensures that all risks are understood and monitored regularly by management, with oversight by the Board Risk Committee. The Company's most significant on-going risks relate to:

- Third-party risks – The Omnilife business model makes use of third-party suppliers to deliver a scalable, cost efficient platform. A primary focus of our risk management framework is to deliver consistent customer service and protection while complying with all regulatory requirements as a firm regulated by both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA);
- Reinsurance – we use highly rated reinsurance providers to share our insurance and investment risks. The longevity business is reinsured with RGA Americas, Hannover Re and Assured Guaranty Re Overseas Ltd (AGRO). The remaining group risk business is largely reinsured through Gen Re. RGA Americas is rated AA- (Stable) by S&P, Hannover Re is rated AA- (Stable) by S&P and AGRO is rated AA (Stable) by S&P. We will only use highly rated reinsurers and continually monitor the risk of counterparty default;
- Investments – our investments are a diversified portfolio of mainly high quality bonds and mortgages which comply with risk limits set out in our investment policy, thereby managing the exposure to credit risk. The Company monitors liquidity risk, to ensure it can meet its obligations when due, by forecasting and managing cashflow and by liquidity stress testing. Investment risk is mitigated through reinsurance arrangements which transfer both longevity and investment risks.

## Climate change

The Chief Risk Officer is responsible for ensuring climate-related risks are identified, measured, monitored and managed through the Company's risk management framework and in line with its risk appetite and the regulatory requirements for managing the financial risks relating to climate change.

For key risks in the risk register we consider if the risk has the potential to be affected by physical risks from climate change or from the transition effects associated with adjustment towards a low-carbon economy.

Climate change is considered within ORSA scenarios and stress tests.

The investment team considers potential climate change effects, along with broader environmental, social and governance assessments, in the decision-making process for selecting new bonds and reviewing current holdings. During the year we achieved near 100% data coverage of carbon risk assessment across our investment portfolio.

As part of the RGA Group, Omnilife forms part of group wide targets most recently reported to the market in the RGA Sustainability Report 2024. These are subject to monitoring and action to deliver against those targets.

The Board Risk Committee oversees the management of the climate-related risks.

## Conflict in Middle East

Management has reviewed the investment portfolios for exposure to assets that might be impacted by the war in Iran. Exposures to the Middle East through state-owned issuers do not pose a material risk.

## Engaging with our stakeholders

Omnilife aims to create value for its stakeholders balanced across both the short and long term. Omnilife engages with stakeholders to better inform them of our activities and to create mutually supportive opportunities and outcomes for them. The Board has identified the following as key stakeholders being most impacted by our business and at the same time being important to our ongoing success.

Who are Omnilife's key stakeholders?	Why are these stakeholders important to Omnilife?	How does Omnilife engage them?
<b>Customers</b> Our customers are those stakeholders who use our products and rely on Omnilife to pay their annuities or insurance claims at times of need	Our customers are central to our business without whom we would not exist	We monitor service levels, call listening and complaints handling to monitor our customer outcomes
<b>Third-party administrators</b> Our third-party administration partners are fundamental in delivering our strategy	Our operating model is to use experienced third-party administrators with an excellent track record to support the core team in meeting our service objectives	We work closely with our third-party administrators to ensure that our annuitants receive the value and service they expect
<b>Our people</b> Our people drive our business, embody our culture and provide excellent service to our other stakeholders	Our people deliver our strategy and operate the daily activities of running the business	Engagement with our people takes many forms such as weekly informal updates, one-to-ones, surveys and various wellbeing groups
<b>Regulators</b> Omnilife is regulated by both the PRA and the FCA who set the standards by which we operate and look after the interests of customers	Omnilife operates in a regulated market and is authorised to do so by the PRA. The FCA monitors our business conduct	Omnilife adopts an open and proactive approach, keeping our regulators up to date with our plans for the future, any significant changes and other important matters
<b>Shareholders</b> Our sole shareholder is RGA	Our sole shareholder provides the capital which sustains our business and the RGA Group is also a key outsourced service provider to Omnilife	There is an RGA Group nominated Non-Executive Director on the Board to ensure the shareholder's interests are reflected in our decision making. The shareholder nominated Director also provides a wealth of experience and technical expertise

Long-term security is important for all stakeholders which is promoted through sound capital management. The Board has approved a capital management policy that includes a capital limit and capital target.

When setting the Company's strategy, the Directors consider the likely consequences for our stakeholders of any decision over the long term. During the year a number of key decisions were made which involved balancing the interests of our key stakeholder groups.

#### Section 172(1) statement

The Directors of Omnilife have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its Shareholders and in doing so (amongst other matters) took into account:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's people;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.

Engagement with key stakeholders is detailed in the previous section of this strategic report, "Engaging with our stakeholders". The Directors also took into account the views and interests of a wider set of stakeholders including the Government, our reinsurers and our suppliers.

Considering this broad range of interests is an important part of the way the Board makes decisions, although it recognises that in balancing those different perspectives it won't always be possible to deliver all desired outcomes.

The Board considers and discusses information presented regularly from the senior management team of the Company to help it understand the interests and views of our key stakeholders.

The Board also reviews management information on financial and operational performance as well as information covering key risks and regulatory compliance. This includes reporting on the exposure to climate change risks, along with broader environmental, social and governance assessments on investments. The Board reviews and approves the Company's strategy and any significant changes to the business.

As result of these activities the Board has an overview of engagement with stakeholders, and other relevant factors which enables the Directors to comply with their legal duty under Section 172 of the Companies Act 2006.

## Outlook and business development

We have continued to enhance our reporting and risk monitoring processes. This places the Company in a strong position to accept further books.

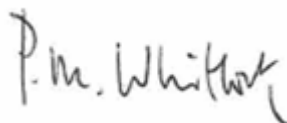
The principal source of future growth will be through the acquisition of closed books of life insurance business, sourced and executed in partnership with RGA.

The Company will continue to monitor the overall performance of the business against its plans through reports to management committees, which are continually being enhanced to reflect the changing objectives and risks of the business. Additional monitoring and reporting have been established as part of the risk management framework in line with the Company's outsourced operating model and level of counterparty risk. This will be subject to regular review at relevant management committees, with quarterly oversight by the Board Risk Committee and the Board.

Approved and authorised for issue by the Board.



Deian Jones  
Chief Executive Officer  
Date: 25 March 2026



Paul Whitlock  
Chairman

## DIRECTORS and ADVISORS

### Paul Whitlock – Chairman

Paul joined the Omnilife Board in 2020 and was appointed Chairman in 2022. Paul is a qualified actuary and has over 35 years' experience in the life insurance industry in both corporate and consulting environments. Latterly, Paul spent 25 years in consulting and business leadership positions at Willis Towers Watson, working with a wide range of UK and overseas companies, including as Chief Actuary to two major writers of annuity business. Paul also acts as a director of Threadneedle Pensions Limited.

### Deian Jones – CEO

Deian was appointed CEO in 2022 and is responsible for developing and growing the business. Deian is a Chartered Accountant with over 20 years' experience in the insurance industry including 15 years at Hodge Life Assurance Company where he held the role of Managing Director, responsible for all aspects of developing the business, focusing on product design, customer outcomes and strategy. He previously worked as a Senior Manager at KPMG specialising in the retail financial services and life assurance sectors.

### Mark Laidlaw

Mark joined the Omnilife Board in 2020 and currently also serves as the Chair of the Board Risk Committee. Mark is a qualified actuary with a career spanning more than 30 years in the insurance industry working across life insurance, general insurance, pensions and asset management. Mark acts as a director of Kilter Finance Services Limited, London LGPS CIV Limited, as well as being a Trustee of the LV= pension scheme. He has previously acted as CFO role at Aegon UK, Global Head of Solvency II for Aegon nv and as Corporate Strategy Director of LV=.

### Martin Pringle

Martin joined the Omnilife Board in 2023 and currently also serves as the Chair of the Board Audit Committee. Martin is a qualified Chartered Accountant with over 20 years of experience in the Financial Services Industry for blue chip organisations such as Lloyds TSB, Scottish Widows, Assurant and Scottish Friendly. He has held a number of senior positions in his career including Acting Chief Executive for Scottish Friendly along with several senior Finance and Risk positions.

### Lynzi Harrison

Lynzi joined the Omnilife Board in 2023 and also serves as the Chair of the Nomination and Remuneration Committee and Customer Champion. Lynzi is a qualified Accountant, HR Professional and Customer Experience Professional with over 25 years of experience in the Financial Services Industry, in Plc, Private Equity and Mutuals. She has held a number of senior positions in her career including UK Platform Director for Quilter plc and Managing Director of the Liverpool Victoria With Profits business. Lynzi now works as a Portfolio iNED and holds a number of iNED positions in the financial services sector.

## Emma Ferris

Emma joined the Omnilife Board in 2025 and is the RGA UK Managing Director responsible for leading the management and growth of business in the UK market. Prior to taking on the UK MD role, Emma led acquisition activity in the EMEA region and business development for the UK financial solutions business. Prior to joining RGA, Emma held executive positions at AXA U.K., including Chief Risk Officer and as Director of Pensions, Treasury, ALM & Capital Management. Emma is a Fellow of the Institute and Faculty of Actuaries (FIA).

## Company Secretary

Thomas Coombs  
RGA UK Services  
Level 45  
22 Bishopsgate  
London  
EC2N 4BQ

## Statutory auditor

Deloitte LLP  
1 New Street Square  
London  
EC4A 3HQ

## Bankers

Bank of America  
2 King Edward Street  
London  
EC1A 1HQ

## CORPORATE GOVERNANCE

### The Omnilife Board

The Board is ultimately accountable for all of Omnilife's activities, with responsibility for defining, controlling and monitoring all business functions.

The Board is comprised of the chair, Paul Whitlock, and the other Company directors, as detailed on pages 12-13. It has an experienced and diverse membership which is effective at governing the Company's insurance business. During the year the Board met 10 times.

The Board is supported by 3 sub-committees which each meet separately and make recommendations to the Board for approval.

### Board risk committee

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities for Omnilife's risk management, customer security, capital strength, customer operations, reinsurance arrangements and compliance matters. The Committee reviews, challenges, evaluates and then reports its findings, with recommendations, to the Board.

During 2025, the Committee continued its emphasis on risk management including development of the reinsurance policy, recovery and resolution planning and ORSA stress and scenario testing including the new solvent exit analysis requirements.

At 31 December 2025, the Committee was comprised of the chair, Mark Laidlaw, as well as Non-Executive Directors, Martin Pringle, and Lynzi Harrison. The Committee met 5 times during the year.

### Board audit committee

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities for Omnilife's audit activities, its financial and regulatory reporting, the internal control framework, external audit, and internal audit. The Committee reviews, challenges, evaluates and then reports its findings, with recommendations, to the Board.

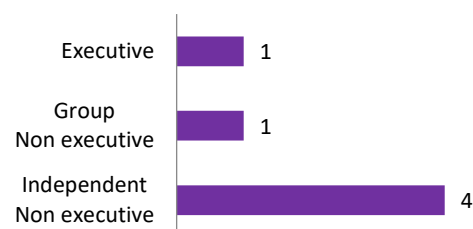
During 2025, the Committee agreed the external audit plan for these Report and Accounts, received updates on internal audit activity in 2025 and agreed an internal audit plan for 2026.

At 31 December 2025, the Committee was comprised of the chair, Martin Pringle, as well as Non-Executive Directors, Mark Laidlaw and Lynzi Harrison. The Committee met 5 times during the year.

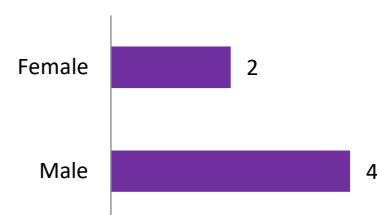
### Board nomination and remuneration committee

The Committee assists in ensuring the effectiveness of the Board by overseeing the composition and skills of the Board and by leading the identification of suitable candidates for election to the Board. In addition, the Committee makes recommendations to the Board for the appointment of individuals into senior management functions and oversees the framework for remuneration.

Composition of Board



Board member balance



During 2025 the Nomination and Remuneration Committee oversaw succession plans for its Group Directors, NEDs and senior management function holders; assessments of Board composition, skills, diversity and effectiveness; and recommended an appropriate Board training programme for 2026.

At 31 December 2025, the committee was comprised of the chair, Lynzi Harrison, as well as Non-Executive Directors Paul Whitlock and Emma Ferris. During the year the Committee met 3 times.

## DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of Omnilife Insurance Company Limited, registered number 2294080, ("the Company") for the year ended 31 December 2025.

### Principal activities

The principal activity of the Company during the year under review was the acquisition and administration of closed life insurance business.

### Financial performance

The Company's financial performance is covered within the Strategic Report.

### Future developments

The Company's strategy is covered within the Strategic Report. In 2026 we will continue our core purpose of supporting the wider RGA strategy to offer a broad range of risk transfer solutions.

### Principal risks and uncertainties

The Company's principal risks and uncertainties and how they are managed are covered within the Strategic Report.

### Dividends

In November 2025, the Company paid a distribution in specie of £92.2m to our immediate parent company RGA Americas Investments LLC. The Directors do not recommend the payment of a further dividend based on the 31 December 2025 balance sheet position (2024: £nil).

### Directors and Secretary

Details of the Directors and Secretary of the Company at 31 December 2025 are listed on pages 12-14.

The Directors who held office during the year and up to the date of this annual report unless otherwise stated are listed below:

P. Whitlock	Chair
M. Laidlaw	Independent NED
L. Harrison	Independent NED
M. Pringle	Independent NED
D. Jones	CEO
E. Ferris	RGA NED (appointed 31 March 2025)
H. Galloway	RGA NED (resigned 31 March 2025)
P. Banthorpe	RGA NED (resigned 31 March 2025)

### Reappointment of auditor

In October 2025 the Directors reappointed Deloitte as external auditor for these Report and Accounts.

### Directors' liabilities

Qualifying third-party indemnity arrangements (subject to the conditions in section 234 of the Companies Act 2006) in the Company's articles were in force for the benefit of Directors of the Company during the year and remain in place at the date of approval of this Directors' Report.

## Political donations

No political donations were made in the year (2024: none).

## Going Concern

The Company's business activities, strategy and financial position are set out in the Strategic Report on pages 5 to 11. In addition, notes 2.1 to 2.9 to the financial statements include details of the Company's exposure to certain risks including insurance risk, market risk, liquidity risk, credit risk and operational risk.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of signing the annual report and accounts. Therefore, they continue to adopt the going concern basis of accounting in preparing these financial statements.

## Post balance sheet events

None

## Disclosure of information to auditor

Having made appropriate enquiries, each of the Directors confirms that:

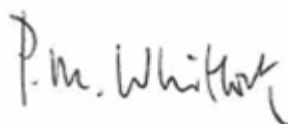
a) So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and

b) They have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved and authorised for issue by the Board.



Deian Jones  
Chief Executive Officer  
Date: 25 March 2026



Paul Whitlock  
Chairman

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" issued by the Financial Reporting Council. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMNILIFE INSURANCE COMPANY

## Report on the audit of the financial statements

### 1. Opinion

In our opinion the financial statements of Omnilife Insurance Company Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25, excluding the capital adequacy disclosures calculated in accordance with the Solvency II regime in note 2.10 which are marked as unaudited.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

#### Key audit matters

The key audit matters that we identified in the current year were:

- *Valuation of the Long-term business provision (LTBP);*
- *Valuation of Lifetime mortgage (LTM) assets; and*

- *Valuation of the Expense overrun reserve.*

Within this report, key audit matters are identified as follows:

- ⓘ Newly identified
- ⏪ Similar level of risk

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**Materiality** The materiality that we used in the current year was £2.20m which was determined on the basis of approximately 2.5% of net assets.

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**Scoping** Audit work to respond to risks of material misstatement was performed directly by the audit engagement team.

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**Significant changes in our approach** In the current year, as a result of our ongoing risk assessment and materiality of these balances compared to the wider balance sheet, we have identified two new key audit matters namely;

- Lifetime mortgage (LTM) assets – illiquidity spread assumption;
- Expense overrun reserve with reference to a four-year time horizon used to calculate the reserve.

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#### 4. Conclusions relating to going concern

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

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

- Evaluating management’s going concern assessment by checking the consistency of business plans with other available information and our understanding of the business;
- Evaluating management’s stress scenario testing within their Own Risk and Solvency Assessment (“ORSA”). We assessed the governance over, and the production of, solvency monitoring information and considered its consistency with other available information and our understanding of the business;
- Assessing the capital and liquidity position of the Company, including the Company’s ability to meet short-term obligations, highlighting a net asset position of £90.0m, including a cash balance of £15.2m;
- Testing of clerical accuracy of the capital forecasts (including expenses) and performing an assessment of the historical accuracy of forecasts;
- Considering the Company’s ability to pursue its business strategy due to this being a closed book of business in run-off; and
- Assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1 Valuation of Long-term business provision (LTBP)

<b>Key audit matter description</b>	<p>The long-term business provision is the most significant liability on the Company's balance sheet, totalling £526.8m as at 31 December 2025 (2024: £579.8m). The valuation of this liability is dependent on a certain number of management's key judgements on the assumptions, the view of the likely level of future cash flows, and the models used to calculate the liability. Further, within the assumption-setting process, management applies judgement in setting the base mortality and mortality improvement assumptions. Based on our analysis and risk assessment of the components of the technical provisions, we have pinpointed the key audit matter to the annuity portfolio, which remains the largest block of business, to the base mortality and mortality improvement assumptions. We have also deemed there to be a risk of fraud, due to the inherent risk of management bias around the setting of these assumptions used within the calculation of technical provisions. The principal accounting policies adopted by the Company are explained within note 1(h) to the financial statements. Further details relating to technical provisions are provided in note 21 and 23.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>With the involvement of our actuarial specialists, we have performed the following procedures:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of and tested the relevant controls around the technical provisioning process, with specific reference to the determination of the base mortality and mortality improvement assumptions;</li><li>• Performed testing to evaluate whether the historical data used in the setting the base mortality assumption is reflective of the behaviours of the cohort through the current period;</li><li>• Validated the summary calculations used to set the base mortality rates by performing an independent calculation of the experience study result and credibility weighting approach to derive the base mortality rates;</li><li>• Assessed whether the calculated and approved assumptions relating to base mortality and mortality improvement are accurately reflected within the technical provision model;</li><li>• Challenged the key judgements that management made in the basis-review paper to set the base mortality and mortality improvements assumptions. We have done this with reference to the results of experience studies and industry standards;</li></ul>

- Where relevant, we have performed benchmarking of assumptions against similar life insurance companies; and
- Assessed the appropriateness of the long-term business provisions disclosure included in the financial statements.

In addition to the above, the audit team have performed the following procedures:

- Performed tests of the data underpinning the assumptions by reconciling to audited sources or source documentation, and tested other data used within the technical provisioning process, such as experience studies to source documentation;

<b>Key observations</b>	Based on the work performed we are satisfied that the valuation of the long-term business provision on the base mortality and mortality improvement assumptions is appropriate.
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## 5.2 Valuation of Lifetime Mortgage (LTM) assets

<b>Key audit matter description</b>	<p>The financial assets held by the Company include a portfolio of Lifetime Mortgage assets. These LTMs are held within investments, and amount to £98.1m as at 31 December 2025 (2024: £105.2m). The book of mortgages forming the valuation is closed to new business. The valuation of LTMs requires judgement as it relies on a number of assumptions with high estimation uncertainty including those relating to No Negative Equity Guarantee (“NNEG”), illiquidity spread, discount rate, mortality rates (base mortality and mortality improvements), property level, property growth and volatility stress, expense levels and voluntary early redemption assumptions, as indicated in note 14 and 19.</p> <p>Considering the level of judgement over the derivation of the illiquidity premium, including sources of information and the term of the asset, our key audit matter is pinpointed to the illiquidity spread assumption. Due to the judgement involved in setting the assumptions we identify a risk of fraud within this key audit matter.</p> <p>The principal accounting policies adopted by the Company is documented within note 1(f) to the financial statements. Further details relating to Lifetime Mortgage (LTM) Assets are provided in note 14 and 19.</p>
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<b>How the scope of our audit responded to the key audit matter</b>	<p>With the involvement of our actuarial specialists, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant controls over the LTMs valuation process;</li> <li>• Obtained and inspected management’s basis papers and assessed methodology changes from the prior period, challenging the justification of significant methodology changes;</li> <li>• Assessed the accuracy of the illiquidity premium calculation through replication, considering if it is in line with the agreed methodology;</li> <li>• Performed benchmarking of the calculated illiquidity premium spread against other annuity providers; and</li> </ul>
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- Assessed the appropriateness of the LTMs disclosures included in the financial statements.

In addition to the above, the audit team have performed the following procedures:

- Performed tests of the data underpinning the assumptions by reconciling against independently obtained external data sources.

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**Key observations** Based on the work performed we are satisfied that the valuation of the lifetime mortgage - illiquidity premium is appropriate.

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### 5.3 Valuation of the Expense overrun reserve

#### Key audit matter description

The Company has established an expense overrun reserve to cover all expenses expected over a forward-looking four-year business planning cycle. The reserve is established as the expense margins emerging from the business in-force are expected to be insufficient to meet the overhead expenses associated with the business.

Since the initial establishment of the expense overrun reserve, the Company has completed acquisitions for two annuity portfolios. Despite these acquisitions it is assessed that more transactions of similar scale will be needed before the Company reaches a size that is sufficient to support its overhead expenses.

Management applies judgement in considering a forward-looking time horizon to enable the business to reach scale, and we consider this a key audit matter. This is a significant judgement given the lack of certainty around opportunities for growth by acquisition over this forward-looking period.

We also deem there to be a risk of fraud, due to the inherent risk of management bias around the setting of assumptions used within the calculation of the expense overrun.

The principal accounting policies adopted by the Company is documented within note 1(h) to the financial statements.

#### How the scope of our audit responded to the key audit matter

With the involvement of our actuarial specialists, we have performed the following procedures:

- Obtained an understanding of the relevant controls over the expense overrun setting process;
- Challenged the appropriateness of the forward-looking time horizon used to set the expense overrun reserve, considering contradictory evidence which could suggest a shorter or longer period required to reach scale; and
- Assessed the appropriateness of the expense overrun reserve disclosure included in the financial statements.

In addition to the above, the audit team have performed the following procedures:

- Obtained the expense overrun reserve calculation and the breakdown of the budgeted expenses to test these for accuracy; and
- Assessed budgeted expenses over the period by comparing historical budgets against actuals to determine management's accuracy in the budgeting process,

and compared budgeted expenses to forecasts obtained elsewhere in the audit, such as the going concern assessment.

<b>Key observations</b>	Based on the work performed we are satisfied that the valuation of the expense overrun reserve is appropriate.
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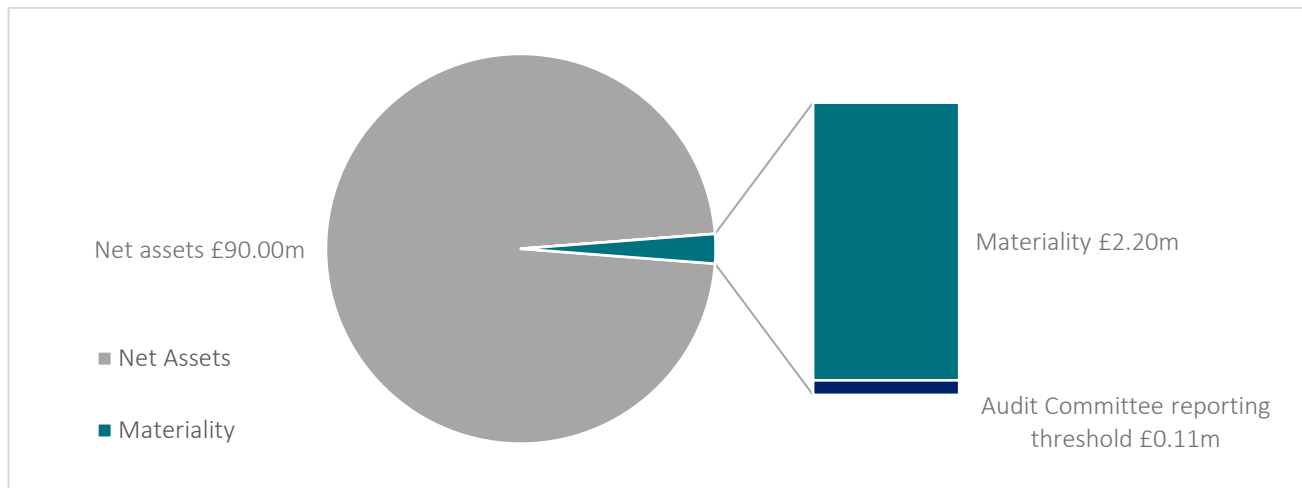
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

<b>Materiality</b>	£2.20m (2024: £5.20m)
<b>Basis for determining materiality</b>	Approximately 2.5% of net assets (2024: 3% of net assets)
<b>Rationale for the benchmark applied</b>	As a life insurer, net assets are an appropriate measure to give the clearest indication of the financial position of the Company and represent a stable long-term measure of value. The net assets balance presented in the financial statements reflects the changes in the business (which included a distribution in-specie which reduced the current net asset position).



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit (2024: 70%). In determining performance materiality, we considered the following factors:

- Our understanding of the control environment and whether we are able to rely on controls; and

- Considered the value of uncorrected misstatements identified in the prior year.

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.11m (2024: £0.26m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Scoping

The scope of our audit was determined by obtaining an understanding of the Company and its environment, including internal controls, and assessing the risks of material misstatement. Audit work to respond to risks of material misstatement was performed directly by the audit engagement team.

### 7.2. Our consideration of the control environment

In planning our 2025 audit, we identified eight (2024: eight) systems that were relevant to the Company's financial reporting processes. We have worked with our IT specialists to test the automated controls associated with these systems, as well as the wider general IT control (GITC) environments. We have identified no GITC deficiencies as at year-end.

We identified business processes that were key to the Company's financial reporting processes. These processes spanned the Company's material transactions and account balances including the Long-term business provision (including the expense overrun reserve), Lifetime Mortgage asset and the financial reporting close process. We obtained an understanding of the processes and tested relevant controls within these key business cycles. Although we have tested the controls, we have not reduced the nature, timing and extent of our substantive testing as a result of the controls testing performed. We have identified no control deficiencies as year-end within these key business processes.

### 7.3. Our consideration of climate-related risks

In planning our audit, we made enquiries of management to understand the extent of the potential impact of climate change risk on the financial statements. We obtained and reviewed the climate change assessment to support our own risk assessment related to climate change. We note the Chief Risk Officer is responsible for ensuring climate-related risks are identified, measured, monitored and managed through the Company's risk management framework and in line with its risk appetite. The Board Risk Committee oversees the management of climate-related risks and opportunities.

Management concluded that there was no material impact on the financial statements. Our evaluation of this conclusion includes assessing key judgements and estimates in areas where we considered that there was greatest potential for climate change impact. Our risk assessment procedures did not identify any specific risk of material misstatements related to climate change. Key areas considered in our assessment were long-term insurance reserves, and investments held at fair value. We have read the climate-related disclosures in the Strategic Report (page 5) and in note 1 in the financial statements to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

## 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;

- results of our enquiries of management, internal audit, legal, the directors and the Audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, IT, valuations and actuarial specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of the long-term business provision (LTBP), valuation of lifetime mortgage (LTM) asset and valuation of the expense overrun reserve. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's regulatory solvency requirements and compliance with the requirements of the Financial Conduct Authority and Prudential Regulatory Authority.

## **11.2. Audit response to risks identified**

As a result of performing the above, we identified valuation of the long-term business provision (LTBP), valuation of lifetime mortgage (LTM) asset and valuation of the expense overrun reserve as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, FCA and PRA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. Matters on which we are required to report by exception

#### 13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

### 14. Other matters which we are required to address

#### 14.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the board on 10 September 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years, covering the years ending 31 December 2019 to 31 December 2025.

#### 14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

## 15. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jamie Weisfeld, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25 March 2026

## Profit and loss account

Technical account - long term business

For the year ended 31 December 2025

		2025		2024	
	Notes	£millions	£millions	£millions	£millions
<b>Earned premiums, net of reinsurance</b>					
Gross premiums written	3	-	-	-	-
Outward reinsurance premiums	3	(9.8)	(9.8)	(10.9)	(10.9)
Investment return	4		28.5		6.8
<b>Claims incurred, net of reinsurance</b>					
Claims incurred:					
Gross amount	3	(55.6)		(60.4)	
Reinsurers' share	3	23.3		22.5	
		(32.3)		(37.9)	
<b>Change in provision for claims</b>					
Gross amount	3	-		-	
Reinsurers' share	3	0.8		0.9	
		0.8		0.9	
Net claims incurred			(31.5)		(37.0)
<b>Change in other technical provisions</b>					
Long term business provision, net of reinsurance					
Gross amount	21, 23	53.0		82.0	
Reinsurers' share	21, 23	(21.9)		(36.4)	
			31.1		45.6
Net operating expenses	5		(5.6)		(6.3)
Foreign exchange gain/(loss)	22		-		-
Profit/(loss) on the technical account before tax			12.7		(1.8)
Tax (charge)/credit	8		(3.2)		0.5
<b>Balance on the technical account - Long term business</b>			<b>9.5</b>		<b>(1.3)</b>

All the above amounts are derived from continuing activities.

The notes on pages 35 – 57 form part of these financial statements.

## Profit and loss account

Non - technical account

For the year ended 31 December 2025

		<b>2025</b>	<b>2024</b>
	Notes	£millions	£millions
<b>Balance on the long-term business technical account</b>		9.5	(1.3)
Tax (credit)/charge attributable to technical account		3.2	(0.5)
Profit/(loss) on ordinary activities before tax		<u>12.7</u>	<u>(1.8)</u>
Tax credit/(charge) on profit on ordinary activities	8	(3.2)	0.5
<b>Profit/(loss) and total comprehensive income for the financial year</b>		<u><b>9.5</b></u>	<u><b>(1.3)</b></u>

All the above amounts are derived from continuing activities.

There was no other comprehensive income recognised for the year (2024: Nil)

The notes on pages 35 – 57 form part of these financial statements.

## Balance sheet at 31 December 2025

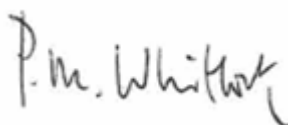
	Notes	2025 £millions	2024 £millions
<b>ASSETS</b>			
Investments:			
Debt securities and other fixed income securities	14, 19	293.3	386.3
Loans secured by mortgages	14, 19	98.1	105.2
Other		0.1	0.1
		<u>391.5</u>	<u>491.6</u>
Reinsurers' share of technical provision:			
Long term business provision	23	206.8	228.7
Claims outstanding		0.4	0.4
		<u>207.2</u>	<u>229.1</u>
Debtors:			
Debtors arising out of direct insurance operations	9	0.2	0.2
Other debtors	8, 10	3.4	7.2
Prepayments and accrued income	11	4.4	6.4
Cash at bank and in hand	19	15.2	22.3
		<u>33.2</u>	<u>36.1</u>
<b>Total ASSETS</b>		<b><u>621.9</u></b>	<b><u>756.8</u></b>
<b>LIABILITIES</b>			
Capital and reserves:			
Called up share capital	16, 17	20.0	20.0
Profit and loss account	17	70.0	152.7
Shareholders' funds - equity interest		<u>90.0</u>	<u>172.7</u>
Technical Provisions:			
Long term business provision	21, 23	526.8	579.8
Claims outstanding - gross amount		0.5	0.6
Gross Technical Provisions		<u>527.3</u>	<u>580.4</u>
Creditors:			
Creditors arising out of direct insurance operations		2.7	2.6
Creditors arising out of reinsurance operations		0.1	0.2
Other creditors including taxation and social security	8, 12	1.3	0.7
Accruals and deferred income		0.5	0.2
		<u>4.6</u>	<u>3.7</u>
<b>Total LIABILITIES</b>		<b><u>621.9</u></b>	<b><u>756.8</u></b>

The notes on pages 35 – 57 form part of these financial statements.

Approved and authorised for issue by the Board



Deian Jones  
Chief Executive Officer  
Date: 25 March 2026



Paul Whitlock  
Chairman

Statement of Changes in Equity  
For the year ended 31 December 2025

	Share Capital £millions	Share Premium £millions	Capital contribution Reserve £millions	Profit and Loss account £millions	Total £millions
<b>As at 1 January 2024</b>	<b>20.0</b>	<b>135.6</b>	<b>79.1</b>	<b>(60.7)</b>	<b>174.0</b>
Capital restructuring		(135.6)	(79.1)	214.7	-
Loss for the financial year				(1.3)	(1.3)
<b>As at 31 December 2024</b>	<b>20.0</b>	<b>-</b>	<b>-</b>	<b>152.7</b>	<b>172.7</b>
Capital distribution				(92.2)	(92.2)
Profit for the financial year				9.5	9.5
<b>As at 31 December 2025</b>	<b>20.0</b>	<b>-</b>	<b>-</b>	<b>70.0</b>	<b>90.0</b>

All shareholders' funds are attributable to equity shareholders.

There was no other comprehensive income recognised for the year (2024: Nil)

The notes on pages 35 – 57 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. PRINCIPAL ACCOUNTING POLICIES

Omnilife Insurance Company Limited is a private company limited by shares and is incorporated and domiciled in England. The Registered Office is 45th Floor, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standards 102 (FRS 102) and 103 (FRS 103) issued by the Financial Reporting Council and approved by the Directors in accordance with the Companies Act 2006. The Company is subject to the requirements of the Companies Act 2006.

The Company has not disclosed a cash flow statement as permitted under FRS 102 paragraph 1.12(b) on the basis that an equivalent disclosure will be presented in the financial statements of the ultimate parent company's consolidated financial statements.

The financial statements are prepared in sterling which is the functional and presentational currency of the Company.

The Company's principal business is acquiring and administering closed books of life insurance.

#### a) Basis of preparation

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern. In forming this assessment, the Directors have considered:

- Projections of the Company's financial position covering the period up to 31 December 2028. These projections show that based on the Directors' assumptions regarding, inter-alia, longevity experience, investment performance and expense levels, the Company will meet its regulatory capital requirements;
- The balance sheet at 31 December 2025 which demonstrates a strong financial position with shareholders' funds of £90.0 million and a regulatory solvency margin of 335% (unaudited);
- The level of liquid assets together with expected cash inflows compared to expected cash outflows; and
- The credit rating from S&P Global of A+.

Based on the above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months. Accordingly, the financial statements have been prepared on a going concern basis.

#### b) Translation and conversion of foreign currencies

Revenue transactions in foreign currencies are translated to sterling at average rates of exchange ruling during the year, and assets and liabilities at the rates ruling at the end of the year.

#### c) Premiums

Premiums are accounted for when due for payment in accordance with the contract terms.

#### d) Reinsurance

Reinsurance premiums are accounted for when due in accordance with the contract terms and stated net of profit commission due for the period. Reinsurance recoveries recognised in the profit and loss account reflect the amounts received or receivable from reinsurers in respect of claims incurred during the year. Reinsurance recoveries recognised in the balance sheet reflect the amount recoverable from reinsurers after provision for any amounts considered not to be receivable.

## e) Investments

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. In general, purchases and sales of financial assets are recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Loans are recognised on their funding dates. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

The Company has chosen to elect the recognition and measurement provisions of IFRS 9 Financial Instruments. Financial assets at fair value through profit or loss (FVTPL) are initially recognised and subsequently measured at fair value in the balance sheet. All changes in fair value are recognised in the profit and loss account as described in the accounting policy for investment return. Policy and Other loans are recognised at cost less any provision for impairment as they are not publicly traded.

Fair value hierarchy levels 1 to 3 are assigned, based on the degree to which the fair value is observable:

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

## f) Loans secured by mortgages

Loans secured by mortgages solely comprise lifetime mortgages. Lifetime mortgages are classified as FVTPL due to the existence of an embedded derivative in the form of the no-negative equity guarantee (NNEG) which is part of the terms and conditions of these products.

The fair value of lifetime mortgages is calculated by projecting the future cash flows expected to be generated by the portfolio on redemption, allowing for credit losses caused by the NNEG using a variant of the Black Scholes option pricing method. An allowance for possible voluntary early redemption of the lifetime mortgages has been determined by reference to historic rates observed on the portfolio. These cash flows are then discounted at risk-free rates plus an allowance for illiquidity of lifetime mortgages assets, based on observable market rates for new business.

On initial recognition, if the difference between the fair value at the transaction date and the transaction price is a gain, it is not recognised immediately but instead deferred over a period of 12 months. If the difference is a loss, this is expensed to the Income Statement immediately.

## g) Investment return

Investment return comprises investment income, including realised investment gains and losses, and movements in unrealised gains and losses, net of investment expenses and charges.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and original cost. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the last balance sheet date. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

## **h) Long term business provision**

The long term business provision is determined by the Chief Actuary. The methodology underlying the calculations follows that prescribed under Solvency UK implemented by the PRA. Under Solvency UK the technical provisions are calculated using best estimate assumptions for mortality and expenses and include a risk margin and allowance for the transitional measure on technical provisions.

The interest rate assumptions, required for discounting, are specified by the PRA. The annuity, term assurances and other miscellaneous reserves are valued using discounted cash-flow methods. The group business calculations use a combination of unearned premium and incurred but not reported reserves. The reserve for individual investment contracts is made up of the policy balances, with provisions for the guaranteed maturity values.

The long term business provision reported in these accounts is the same as in the Solvency UK balance sheet.

## **i) Claims and annuity benefits**

Annuity benefits, maturities and PHI claims are recognised when due for payment. Surrenders are accounted for when paid for or, if earlier, on the date when the policy ceases to be included in the calculation of the long-term business provision. Death claims and all other claims are accounted for when notified.

Claims payable include internal and external claims handling costs. Reinsurance recoveries are accounted for in the same period as the related claims.

## **j) Acquisition costs**

Acquisition costs comprise direct costs, such as acquisition commissions, and indirect costs of obtaining and processing new business. Acquisition costs are expensed in the technical account - long term business because they are recovered from margins levied at the time they are incurred.

## **k) Taxation**

Deferred taxation is provided on timing differences that have originated, but not reversed by the balance sheet date on a non-discounted basis.

Deferred taxation assets are recognised to the extent that it is more likely than not that there will be suitable trading profits and group tax relief from which future reversals of the underlying timing differences can be deducted. No provision is made where the amounts involved are not material.

Current tax expense is charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations in the year.

The standard rate of tax applied to the reported profit is 25% (2024: 25%).

## **l) Operating Leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred over the lease term.

## **m) Climate change**

In preparing these financial statements the Directors have considered the impact of the physical and transition risks of climate change but have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities. This is because the assets are reported at fair value and therefore utilise market prices at the period end. These market prices will include the current expectations of the impact of climate change on these investments.

However, we recognise that future valuations of assets may differ as the market responds to changing impacts or assesses the impact of current requirements differently. The valuation of insurance liabilities may also change because of the effect of climate risks.

## Critical judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management doesn't consider there to be any critical judgements in preparing these financial statements.

The following key sources of estimation uncertainty had the most significant effect on amounts recognised in the financial statements:

- Valuation of the long term business provision - The long term business provision of £526.8m (2024: £579.8m) is valued using best estimate assumptions for mortality and expenses as detailed in note 1(h). Due to the complexity of the valuation and the underlying assumptions, such estimates are subject to significant uncertainty. Note 23 details the underlying assumptions, including sensitivity analysis.
- Valuation of lifetime mortgages - The value of lifetime mortgages of £98.1m (2024: £105.2m) is determined using an actuarial model and best estimate assumptions for mortality, voluntary early redemption, illiquidity spread, property prices and expenses and also including the valuation of the NNEG as detailed in note 1(f). There is no significant insurance risk, and therefore the lifetime mortgages are accounted for under IFRS9. Due to the complexity of the valuation and the underlying assumptions, such estimates are subject to significant uncertainty. Note 14 details the underlying assumptions, including sensitivity analysis.
- Valuation of private placements – The value of private placements of £21.2m (2024: £nil) is determined by a third party using a fair value approach that maximises the use of observable inputs. The key inputs are bond yields of government securities, bond credit spreads and a 'private placement premium' representing the additional spread a buyer would expect for the perceived illiquidity of a private placement. Due to the complexity of the valuation and the judgement involved in determining the private placement premium, such estimates are subject to significant uncertainty. Note 14 details the underlying assumptions, including sensitivity analysis.

## 2. RISK MANAGEMENT

### 2.1 Risk Management Overview

The Company operates a robust risk management framework to ensure that all risks are understood and regularly monitored, with oversight by the Board Risk Committee.

The Company operates in a manner that focuses on risk and allocates responsibilities to specific individuals. Management maintains an on-going Risk Register which records each significant risk, alongside an assessment of its likelihood and impact, and the steps the Company is taking to mitigate each risk. The Board Risk Committee reviews quarterly updates of the Risk Register.

The Company also undertakes stress and scenario testing to evaluate the likely effect on the Company of certain adverse events. This informs the Board's strategic decision making.

### 2.2 Insurance Risks

The principal insurance risk that the Company is exposed to is that annuitants live longer than expected, resulting in actual benefit payments exceeding the carrying amount of the insurance liabilities held.

The Company has an established framework of procedures and measures in place to manage this risk, including reinsurance as the primary means of mitigating risk, regular mortality tracing and the monitoring of actual versus expected longevity experience.

In testing the sensitivity of the assumptions, those that carry more material risk have been considered. For annuity business, a 5% change in the best estimate mortality would result in an increase in net reserves of £2.6m (2024: £3.0m). This sensitivity has been calculated by reducing the base mortality tables by 5% with all other assumptions remaining unchanged.

### 2.3 Market Risk

Market risk encompasses any adverse movement in the financial situation, resulting directly or indirectly from fluctuations in the volatility of market prices of assets, liabilities and financial instruments due to changes in interest rates, credit spreads and foreign exchange rates.

The Company follows an investment strategy approved by the Board and implemented through its Investment Policy Statement. The Investment Policy Statement details the permitted securities, including limits, minimum credit ratings and maximum concentrations and reflects the Company's appetite for market risk.

The Company holds high-quality bonds. It does not invest in equities or use any derivative instruments, and its investments are traded in liquid markets with the exception of private placements and lifetime mortgages.

The Company manages the risk of credit spread volatility through the use of reinsurance stop loss arrangements and the ongoing review of investment risk and limits. The Company has approval for the Solvency UK Volatility Adjustment that provides some mitigation of the exposure to credit spread movements.

If interest rates increase by 1% it would result in a reduction in the Company's shareholder funds by £3.2m (2024: £11.6m). Whilst the assets and liabilities are closely matched the fall in surplus arises largely due to the fall in the value of surplus assets. This sensitivity has been calculated by applying a 1% increase in interest rates to both the assets, through an increase in the yield and liabilities through an increase to the discount rate applied.

A 1% increase in credit spreads would result in a £9.1m (2024: £18.0m) reduction in shareholder funds. This sensitivity has been calculated by applying a 1% increase in credit spreads to the yields on financial investments with no assumed increase in the liability discount rate.

The Company invests in US Dollar denominated assets, principally in the form of private placements. The currency risk exposure is managed by having a limit of value of currency assets held. A 12.5% deterioration in the foreign-exchange rate would result in a reduction in shareholder funds by £1.4m (2024: nil). This sensitivity has been calculated by applying a 12.5% reduction to the total value of both the USD denominated assets and liabilities.

## 2.4 Liquidity Risk

Omnilife defines liquidity risk as the risk that sufficient liquid resources are not available to meet customer and other liabilities as they fall due. Liquidity risks, or changes in the liquidity risk profile, are identified through day-to-day management and monitoring. The methods used to identify liquidity risks are:

- Liquidity stress testing
- Cash flow forecasting
- Cash flow management

Omnilife maintains a minimum amount of highly liquid assets to ensure that sufficient liquidity is available to meet all outflows for a 90 day period in a stressed liquidity scenario.

## 2.5 Credit Risk

The Company is exposed to the risk of default or credit downgrade of the issuer of a bond that the Company holds. This risk increases if there is high exposure to a single counterparty.

For investment counterparties, this risk is managed through the limits specified in the Investment Policy Statement.

- The Company only invests in counterparties with a high-quality credit rating.
- The guidelines specify a limit on the amount held with a single counterparty.

### Investments bearing credit risk

	As at 31 December 2025						
£millions	AAA	AA	A	BBB	BB	B	Total
Bonds	21.7	32.3	134.7	102.4	2.2	0.0	293.3
	As at 31 December 2024						
£millions	AAA	AA	A	BBB	BB	B	Total
Bonds	17.5	49.5	161.4	157.9	0.0	0.0	386.3

The largest investment with one counterparty is £9.2m (2024: £12.4m).

## 2.6 Counterparty Risk

The Company is exposed to the risk of a counterparty defaulting, such as a reinsurer liable for a share of the Company's claims, or a bank in which it has a deposit. This risk increases if there is high exposure to a single counterparty.

Omnilife reinsures its longevity exposure through a quota share arrangement with RGA Americas, a longevity swap with Hannover Re and through stop loss arrangements with RGA Americas and AGRO. The Company reinsures its group business with GenRe.

The Company manages the risk of a default on its reinsurance by:

- Avoiding exposure to external reinsurers with poor financial strength or which are un-rated;
- Reinsurers are monitored to ensure they continue to meet required financial standards;
- The use of a collateral agreement and the provision of a Letter of Credit facility should there be a default; and
- A robust capital management policy and recovery & resolution plan are in place to respond to the unlikely scenario of a reinsurer default.

### The credit rating of external reinsurers

Counterparty	Credit rating	
	December 2025	December 2024
AGRO	AA	AA
GenRe	AA+	AA+
Hannover Re	AA-	AA-

As a result of the measures above there is no material residual exposure to counterparty risk arising from reinsurance.

### The credit rating of banks where deposits are held

As at 31 December 2025							
£millions	AAA	AA	A	BBB	BB	B	Total
Cash	0.0	9.8	5.4	0.0	0.0	0.0	15.2
As at 31 December 2024							
£millions	AAA	AA	A	BBB	BB	B	Total
Cash	0.0	13.6	8.7	0.0	0.0	0.0	22.3

Counterparty risk from banks is managed through holding deposits in multiple banks with strong credit ratings.

## 2.7 Property Risk

The Company's holding of lifetime mortgages give rise to an exposure to house price risk. The risk arises through adverse movements between actual house prices and those implicit in the valuation of the lifetime mortgages, such that the ultimate realisation of the property is of a lower amount than expected and could result in a reduced redemption value. Property risks on lifetime mortgages are partially mitigated by a stop-loss reinsurance arrangement.

### *Geographical analysis of lifetime mortgages*

The Company holds loans secured on property across England, Scotland, Northern Ireland and Wales. An analysis of residential property by geographical location is provided below:

Lifetime mortgages – Fair Value	2025		2024	
	£m	%	£m	%
Wales	3.8	3.9	4.0	3.8
East Anglia	2.4	2.4	2.4	2.3
East Midlands	4.5	4.6	4.7	4.4
Greater London	15.3	15.6	16.8	15.9
Yorkshire & Humberside	5.5	5.6	5.8	5.5
North West	5.7	5.8	6.9	6.6
Northern Ireland	6.4	6.5	6.0	5.7
Scotland	5.0	5.1	5.6	5.3
Outer Metropolitan	18.8	19.2	19.7	18.7
Outer South East	11.2	11.4	11.6	11.0
South West	11.7	11.9	12.5	11.9
West Midlands	4.7	4.8	6.1	5.9
North	3.1	3.2	3.1	3.0
Total	98.1	100.0	105.2	100.0

The weighted average loan to value (LTV) in respect of lifetime mortgage loans is estimated to be 45% (2024: 43%). LTV analysis has been undertaken by using a combination of external valuations and internal and external desktop reviews which consider the type and quality of security and geographical location.

The largest individual exposure to property risk is £1.0m or 1.0% of fair value (2024: £0.9m, 0.9%).

## 2.8 Operational Risk

The Company has documented policies and procedures for all aspects of the business that define the end-to-end business processes, provide guidelines, put in place appropriate governance structures and include control activities to ensure the robustness of the business operations.

The Company has a range of qualitative and quantitative measures used to monitor and report on operational risk. All issues relating to operational risk are reported to the Executive Customer, Conduct & Operations Committee. Issues will be reported to the Board Risk Committee by both the management team and risk function. The Board Risk Committee monitors the management actions being implemented to address the issues.

## 2.9 Emerging Risks

The Company's strategy is the acquisition of closed books of life insurance, particularly annuities, which will be largely reinsured to RGA. The Company manages the risks associated with new business acquisition by performing appropriate due diligence and updating relevant internal processes, frameworks and policies taking into consideration the impact of any new acquisition. A primary focus of this approach is to deliver consistent customer service and protection while complying with all regulatory requirements as a firm regulated by both the FCA and the PRA.

## 2.10 Capital adequacy - unaudited

Under the rules prescribed by the PRA, the Company must at all times maintain assets sufficient to meet its liabilities together with sufficient capital to meet its Solvency Capital Requirement (SCR) under the Solvency UK regulatory rules. Capital is represented on the Balance Sheet by Shareholders' funds equity interest, amounting to £90.0 million (2024: £172.7 million). Throughout the year the Company's capital remained substantially above the SCR and at 31 December 2025 represented 335% (2024: 385%) of the SCR.

Further details of the Company's capital position are contained in its annual Solvency and Financial Condition Report (SFCR) which can be accessed on the Omnilife website.

### 3. PREMIUMS AND CLAIMS

a) Written premiums	2025 £millions	2024 £millions
<u>Gross written premiums:</u>		
Total gross written premiums	0.0	0.0
<u>Reinsurance</u>		
Longevity	(9.8)	(10.9)
Total reinsurance	<u>(9.8)</u>	<u>(10.9)</u>
<b>Total net written premiums</b>	<b><u>(9.8)</u></b>	<b><u>(10.9)</u></b>
b) Net claims incurred	2025 £millions	2024 £millions
<u>Gross claims incurred</u>		
Longevity	55.6	60.2
Overseas Individual	0.0	0.2
Total gross claims incurred	<u>55.6</u>	<u>60.4</u>
<u>Reinsurance</u>		
Longevity	(24.1)	(23.4)
Total reinsurance	<u>(24.1)</u>	<u>(23.4)</u>
<b>Total net claims incurred</b>	<b><u>31.5</u></b>	<b><u>37.0</u></b>

### 4. INVESTMENT RETURN

	2025 £millions	2024 £millions
Investment Income and realised gain/(loss) – Investments measured at fair value through profit or loss	(10.9)	19.0
Unrealised gain/(loss) – Investments measured at fair value through profit or loss	39.4	(12.2)
<b>Total Investment Return</b>	<b><u>28.5</u></b>	<b><u>6.8</u></b>

The distribution in specie in 2025 resulted in the reversal of £31.6m of previously reported unrealised losses, which are reported in 2025 as unrealised gains with a corresponding realised loss.

## 5. NET OPERATING EXPENSES

	2025 £millions	2024 £millions
Administrative expenses	5.6	6.3
<b>Net operating expenses</b>	<b>5.6</b>	<b>6.3</b>
<b>Total expenses</b>	<b>5.6</b>	<b>6.3</b>

Net operating expenses include the following:

	2025 £millions	2024 £millions
Directors' emoluments (note 7)	0.7	0.6
Auditor's remuneration:		
- Audit of these financial statements	0.4	0.4
Professional fees	0.5	0.6
Other	4.0	4.7
<b>Net operating expenses</b>	<b>5.6</b>	<b>6.3</b>

There were no other non-audit services provided by the Auditor in the current and prior year.

## 6. EMPLOYEE INFORMATION

The Company has no direct employees (2024:0), our people are employed by RGA UK Services Limited, and costs are recharged to the Company.

## 7. DIRECTORS' EMOLUMENTS

	2025 £millions	2024 £millions
Aggregate emoluments	0.7	0.6
	<b>0.7</b>	<b>0.6</b>

The emoluments of the highest paid Director were £468,969 (2024: £346,000). The highest paid Director does not hold any options in the shares of the Company but does hold shares in Reinsurance Group of America, Incorporated ("RGA Inc") (2024: none).

The Company made no payments to the pension scheme of any Director (2024: Nil).

No other Directors have any options in shares of the Company however, one Director employed by other group companies holds shares in RGA Inc or any other group company at 31 December 2025. Their interest does not represent more than 1% of the nominal value of the issued shares of, or debentures or loan stock of the company or any other company within the consolidated holdings of RGA Inc. All interests were beneficially held. During the year the Company paid no loss of office compensation (2024: Nil).

In 2025, four Directors were employed and remunerated by other group companies (2024: three Directors). Only the costs of one of these Directors are recharged to the Company. No disclosure of the remuneration of the other Directors has been made in these financial statements.

## 8. TAXATION

	2025 £millions	2024 £millions
<b>a) Analysis of tax charge for the year</b>		
Current Tax:		
United Kingdom corporation tax	1.3	0.0
Adjustments in respect of prior years	(1.3)	(1.5)
Current tax (credit)/charge	<u>0.0</u>	<u>(1.5)</u>
Deferred Tax:		
The origination of timing differences	1.9	(0.4)
Adjustments in respect of prior years	1.3	1.4
(Credit)/charge on loss on ordinary activities	<u>3.2</u>	<u>(0.5)</u>
The tax (credit)/charge arises from:		
Long term business technical account	3.2	(0.5)
The non-technical account	0.0	0.0
	<u>3.2</u>	<u>(0.5)</u>
<b>b) Factors affecting current tax charge for the year</b>		
Profit/(loss) on ordinary activities before tax	12.7	(1.8)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK at 25% (2024 at 25%)	3.2	(0.5)
Rate differential on deferred items	0.0	0.2
Other timing differences	0.0	(0.2)
Adjustments in respect of prior years	0.0	0.0
Current tax (credit)/charge	<u>3.2</u>	<u>(0.5)</u>

### c) Deferred tax asset

The deferred tax included in the balance sheet is £2.6m (2024: £5.8m). This balance includes deferred tax assets of £2.6m (2024: £6.4m) and deferred tax liabilities of £nil (2024: £0.6m). The tax asset is in respect of tax losses incurred in previous years.

The amount of the net reversal of deferred tax expected to occur next year is £0.3m relating to the reversal of existing timing differences on depreciable assets and net operating loss utilisation.

### d) Pillar II

The Organization for Economic Cooperation and Development developed model Global Anti-Base Erosion ("GloBE") rules under Pillar Two establishing a global minimum tax regime to ensure multinational enterprises with consolidated revenue of more than EUR 750 Million pay at least an effective tax rate of 15% on income arising in each jurisdiction in which they operate. Omnilife Insurance Company Limited, as part of a multinational enterprise, is subject to these rules. The GloBE model rules serve as a template to allow for each jurisdiction to modify and incorporate into domestic law.

The United Kingdom enacted Pillar Two legislation, including Transitional Safe Harbors, with an effective date of January 1, 2024. Omnilife Insurance Company Limited did not incur current Pillar Two top-up tax for the period ended 31 December 2025. The Company continues to monitor and evaluate Pillar Two guidance as the rules are complex and can result in unforeseen outcomes.

The Company adopted the amendments to FRS 102 effective January 2023 and has applied the mandatory temporary exception related to the Organization for Economic Co-operation and Development (OECD) Pillar Two model rules for recognising and disclosing information about deferred tax assets and liabilities.

## 9. DEBTORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2025 £millions	2024 £millions
<b>Debtors arising out of direct insurance operations</b>		
Premium debtors over 90 days old	0.2	0.2
Premium debtors under 90 days old	0.0	0.0
	<u>0.2</u>	<u>0.2</u>

Debtors arising out of direct insurance operations relate to premiums due from policy holders, analysed as premium debtors that are past due for less than 90 days and premium debtors that are past due for more than 90 days. Debtors over 90 days old are followed up on a monthly basis for indications of impairment. At 31 December 2025 the provision for bad and doubtful debts is £0.0m (2024: £0.0m).

## 10. OTHER DEBTORS

	2025 £millions	2024 £millions
<b>Other debtors</b>		
Amount due from related parties	0.0	0.9
Taxation	0.5	0.1
Deferred taxation asset	2.6	5.8
Other debtors	0.3	0.4
	<u>3.4</u>	<u>7.2</u>

## 11. PREPAYMENTS AND ACCRUED INCOME

	2025 £millions	2024 £millions
Accrued interest	4.4	6.4
	<u>4.4</u>	<u>6.4</u>

## 12. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2025 £millions	2024 £millions
Amount due to related parties	0.9	0.7
Other creditors	0.4	0.0
	<u>1.3</u>	<u>0.7</u>

### 13. AMOUNTS DUE FROM / (TO) RELATED PARTIES

The terms of all outstanding balances with related parties are market-standard and on an arms-length basis. All balances are unsecured, and no guarantees are received or given. The Company has reinsurance relationships and for 2025 a distribution in specie cash in transit balance with RGA Americas Investments LLC. The Company has servicing contracts to provide our people with RGA UK Services Limited and investment management services with RGA Enterprise Services Company. The Company has a tax sharing agreement with RGA International.

	<b>2025</b> £millions	<b>2024</b> £millions
<b>Arising from tax sharing and servicing operations</b>		
RGA UK Services Limited	(0.3)	(0.6)
RGA Enterprise Services Company	0.0	(0.1)
RGA International	0.0	0.9
RGA Americas Investments LLC	(0.6)	0.0
<b>Total net due (to) / from related parties</b>	<b>(0.9)</b>	<b>0.2</b>

Transactions with related parties are detailed as follows:

	<b>RGA UK Services</b> £millions	<b>RGA Int</b> £millions	<b>RGA Enterprise</b> £millions	<b>RGA Americas</b> £millions	<b>Total</b> £millions
<b>1 January 2024</b>	<b>(0.4)</b>	<b>7.3</b>	<b>(0.1)</b>	<b>0.0</b>	<b>6.8</b>
Tax sharing (to)/from related parties	0.0	0.0	0.0	0.0	0.0
Services (to)/from related parties	(4.6)	0.0	0.3	0.0	(4.3)
Amounts settled with related parties	4.4	(6.4)	(0.3)	0.0	(2.3)
<b>31 December 2024</b>	<b>(0.6)</b>	<b>0.9</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.2</b>
Tax sharing (to)/from related parties	0.0	0.0	0.0	0.0	0.0
Services (to)/from related parties	(3.9)	0.0	(0.4)	(0.6)	(4.9)
Amounts settled with related parties	4.2	(0.9)	0.5	0.0	3.8
<b>31 December 2025</b>	<b>(0.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.6)</b>	<b>(0.9)</b>

## 14. FINANCIAL INVESTMENTS

	2025 Market value £millions	2025 Cost £millions	2024 Market value £millions	2024 Cost £millions
<b>Debt securities and other fixed income securities</b>				
UK Government Bonds	6.2	7.3	13.3	17.5
Corporates	252.2	270.9	338.6	395.9
Government – non UK	10.3	11.9	10.7	12.7
Hybrids	11.6	11.6	16.1	17.0
Money market funds	13.0	13.0	7.6	7.6
	<u>293.3</u>	<u>314.7</u>	<u>386.3</u>	<u>450.7</u>
<b>Other FVTPL investment</b>				
Lifetime Mortgages	98.1	105.7	105.2	111.7
<b>Total measured at fair value through profit or loss</b>	<b>391.4</b>	<b>420.4</b>	<b>491.5</b>	<b>562.4</b>
<b>Policy and Other Loans</b>				
Policy loans	0.1	0.1	0.1	0.1
<b>Total measured at cost less impairment</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Total Financial Investments</b>	<b>391.5</b>	<b>420.5</b>	<b>491.6</b>	<b>562.5</b>

### Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The table below summarises the fair value hierarchy of the Company's financial assets and liabilities. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which all significant inputs are based on observable market data.
- Level 3: Valuation techniques for which significant inputs are not based on observable market data.

#### 14. FINANCIAL INVESTMENTS continued

The following table presents the Company's financial assets and liabilities that are measured at fair value on the face of the Company's Balance Sheet and the disaggregation by fair value hierarchy:

<b>As at 31 December 2025</b>	Level 1	Level 2	Level 3	Total
	£millions	£millions	£millions	£millions
Financial investments at FVTPL				
UK Government Bonds	0.0	6.2	0.0	6.2
Corporates	0.0	231.0	21.2	252.2
Government – non UK	0.0	10.3	0.0	10.3
Hybrids	0.0	11.6	0.0	11.6
Money market funds	13.0	0.0	0.0	13.0
Lifetime mortgages	0.0	0.0	98.1	98.1
<b>Total financial investments at FVTPL</b>	<b>13.0</b>	<b>259.1</b>	<b>119.3</b>	<b>391.4</b>
<b>As at 31 December 2024</b>	Level 1	Level 2	Level 3	Total
	£millions	£millions	£millions	£millions
Financial assets at FVTPL				
UK Government Bonds	0.0	13.3	0.0	13.3
Corporates	0.0	338.6	0.0	338.6
Government – non UK	0.0	10.7	0.0	10.7
Hybrids	0.0	16.1	0.0	16.1
Money market funds	7.6	0.0	0.0	7.6
Lifetime mortgages	0.0	0.0	105.2	105.2
<b>Total financial assets at FVTPL</b>	<b>7.6</b>	<b>378.7</b>	<b>105.2</b>	<b>491.5</b>

#### Level 1 assets measured at fair value

Level 1 assets comprise money market funds, valued at quoted prices for identical assets.

#### Level 2 assets measured at fair value

UK Government bonds, Corporates, Government – Non UK and Hybrids:

These assets use valuations obtained from a pricing service which are determined by taking the average of independent external quotations from multiple sources.

#### Level 3 assets measured at fair value

Level 3 assets comprise lifetime mortgages and private placement corporates.

#### Lifetime mortgages

The valuation of lifetime mortgages is determined using a discounted cash flow model. The principal assumptions underlying the calculation of lifetime mortgages include the following:

#### *Mortality or entry into long term care*

This is based on the expected death or entry into long term care of the customer or the last remaining customer for a joint contract. Mortality assumptions have been derived by reference to PMA16/PFA16. This table is adjusted by calendar year for mortality improvements based an RGA developed mortality projection model "RGA\_2025".

#### *Voluntary early redemption*

Due to limited market information, these assumptions have been derived from the Company's own experience on this product.

## 14. FINANCIAL INVESTMENTS continued

### Expenses

Assumptions for future policy expense levels are based on internal and external direct management costs. Expenses are modelled as a percentage of in force loan balance in line with the fee agreements.

### Discount rate

The discount rate applied to the mortgage cash flows comprises two parts: a risk-free yield curve and an allowance for illiquidity. The risk-free yield curve is based on the GBP curve published by the PRA. The average discount rate for each mortgage (assumed to be the 10-year point on the yield curve) depends on the loan to value of the mortgage and the age of the customer. The business is categorised into several LTV buckets, where the average discount rate ranges from 5.55% to 10.55% due to a 150bps to 650bps allowance for illiquidity.

### No-negative equity guarantee

The fair value of lifetime mortgages takes into account an explicit provision in respect of the no-negative equity guarantee which is calculated using a variant of the Black Scholes option pricing model. The key assumptions used to derive the value of the no-negative equity guarantee include property growth and volatility. The current property price is based on the last survey valuation adjusted by the Nationwide Regional House Price Index and an annual underperformance assumption. The future property price is based on the Bank of England's implied future inflation and an annual property price underperformance assumption.

The property growth assumed at 31 December 2025 is the implied Bank of England RPI curve plus 50 bps. The assumption for the representative average duration of the lifetime mortgages of 10 years was 3.46% (2024: 3.48%). The property volatility assumed at 31 December 2025 was 15% (2024: 15%). The value of the NNEG as at 31 December 2025 was £3.8m (2024: £3.9m).

### Sensitivity analysis

Changes to material unobservable inputs used in the valuation technique could give rise to significant changes in the fair value of the assets. The Company has estimated the net decrease on profit before tax for the period in changes to these inputs as follows.

	Illiquidity spread +200 BPS	Illiquidity spread -200 BPS	Property level -15%
	£millions	£millions	£millions
31 December 2024	(12.7)	16.2	(5.7)
31 December 2025	(11.5)	14.5	(5.2)

The sensitivity factors are applied via actuarial models. The analysis represents a change in each variable with other assumptions remaining constant. In reality, such an occurrence is unlikely due to correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts cannot be interpolated or extrapolated from these results. The property level sensitivity has been calibrated to represent a combined property level, growth and volatility stress. These sensitivities are chosen as they are all key components of the fair value calculation.

## 14. FINANCIAL INVESTMENTS continued

### *Private placements*

The valuation of private placements is determined using a fair value model. Omnilife uses a third-party service for the valuation of private placements. The principal assumptions underlying the calculation of private placements include the following:

- The modelled price is based on the bond characteristics and a derived yield.
- Broadly, the derived yield on a specific bond is composed of three aspects:
  - The yield curve for government bonds of that currency.
  - Bond spread indices relevant to the bond credit rating and term, to adjust for general credit market spread movements.
  - A 'private placement premium' which represents the additional spread a buyer would require for the perceived illiquidity of a private placement relative to an equivalent public bond.

The private placement premium is derived from a matrix of primary and secondary inputs adjusted for credit quality and maturity. Inputs include pricing on new issuance, secondary market trades, pricing of comparable public bonds and bid/offer spreads.

### *Sensitivity analysis*

As part of Solvency UK reporting, stress scenarios are tested to determine the impact of changes in the credit spread. The Company has estimated the net impact to the asset values as follows.

	Credit spread +100 BPS	Credit spread -100 BPS
	£millions	£millions
31 December 2025	(1.0)	1.1
31 December 2024	0.0	0.0

The sensitivity factors are applied via actuarial models.

### **Transfers**

There were no transfers between levels 1, 2 and 3 during the period.

## 15. LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the board of directors, which has approved a liquidity risk management policy for setting liquidity requirements. The Company manages liquidity risk by maintaining adequate liquid resources, by monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial assets and liabilities with agreed repayment periods. In practice, lifetime mortgage assets may be repaid ahead of their contractual maturity. As such, the Company uses past performance of each asset and liability class along with management judgement to forecast likely cash flow requirements. The table includes both interest and principal cash flows.

## 15. LIQUIDITY RISK MANAGEMENT continued

The amounts provided in this maturity analysis are undiscounted cash flows. These amounts will differ from the amounts disclosed in the balance sheet for financial assets and liabilities which are discounted amounts.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than five years	Total
	£millions	£millions	£millions	£millions	£millions	£millions
<b>As at 31 December 2025</b>						
<b>Assets</b>						
Financial Investments	14.8	11.0	40.4	280.8	369.1	716.1
Cash at bank and in hand	15.2	0.0	0.0	0.0	0.0	15.2
Reinsurers' share of technical provision	2.1	2.3	11.6	64.3	255.9	336.2
Deferred Tax	0.0	0.0	0.0	2.6	0.0	2.6
Other assets	0.0	5.4	0.0	0.0	0.0	5.4
<b>Total financial assets</b>	<b>32.1</b>	<b>18.7</b>	<b>52.0</b>	<b>347.7</b>	<b>625.0</b>	<b>1,075.5</b>
<b>Liabilities</b>						
Long term business provision	5.8	9.7	43.1	198.9	534.6	792.1
Other liabilities	0.0	4.6	0.0	0.0	0.0	4.6
<b>Total financial liabilities</b>	<b>5.8</b>	<b>14.3</b>	<b>43.1</b>	<b>198.9</b>	<b>534.6</b>	<b>796.7</b>
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than five years	Total
	£millions	£millions	£millions	£millions	£millions	£millions
<b>As at 31 December 2024</b>						
<b>Assets</b>						
Financial Investments	21.1	13.4	27.4	263.7	638.9	964.5
Cash at bank and in hand	22.3	0.0	0.0	0.0	0.0	22.3
Reinsurers' share of technical provision	2.0	2.0	11.1	62.9	302.7	380.7
Deferred Tax	0.0	0.0	0.0	5.8	0.0	5.8
Other assets	0.0	7.1	0.0	0.9	0.0	8.0
<b>Total financial assets</b>	<b>45.4</b>	<b>22.5</b>	<b>38.5</b>	<b>333.3</b>	<b>941.6</b>	<b>1,381.3</b>
<b>Liabilities</b>						
Long term business provision	6.0	10.3	46.2	215.5	602.2	880.2
Other liabilities	0.0	3.7	0.0	0.0	0.0	3.7
<b>Total financial liabilities</b>	<b>6.0</b>	<b>14.0</b>	<b>46.2</b>	<b>215.5</b>	<b>602.2</b>	<b>884.0</b>

## 16. SHARE CAPITAL

	2025 £millions	2024 £millions
<b>Authorised:</b>		
20,000,001 (2024: 20,000,001) Ordinary shares of £1 each	20.0	20.0
<b>Allotted and fully paid:</b>		
20,000,001 (2024: 20,000,001) Ordinary shares of £1 each	20.0	20.0
	<u>20.0</u>	<u>20.0</u>

## 17. MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £millions	Share Premium £millions	Capital contribution reserve £millions	Profit & Loss Account £millions
At 1st January 2025	20.0	0.0	0.0	152.7
Capital distribution	0.0	0.0	0.0	(92.2)
Profit for the year	0.0	0.0	0.0	9.5
At 31 December 2025	<u>20.0</u>	<u>0.0</u>	<u>0.0</u>	<u>70.0</u>

In November 2025 the Company made a distribution in specie of a portfolio of assets to our immediate parent company RGA Americas Investments LLC. The transfer was made at market value and on the date of transfer this was £92.2m.

## 18. ASSETS IN THE LONG-TERM BUSINESS FUND

At 31 December 2025, the total amount of assets representing the long-term fund is £526.8m (2024: £579.8m). This is the value of the long term business provision.

## 19. RECONCILIATION OF BALANCES OF PORTFOLIO INVESTMENTS TO AMOUNTS SHOWN IN THE BALANCE SHEET

	Closing Balance 2023 £millions	Cash movement £millions	Unrealised gain/(loss) £millions	Closing Balance 2024 £millions	Cash movement £millions	Unrealised gain/(loss) £millions	Closing Balance 2025 £millions
Cash at bank	28.0	(5.7)	0.0	22.3	(7.1)	0.0	15.2
Financial Investments							
Debt securities and other fixed income securities	420.9	(23.5)	(11.1)	386.3	(134.5)	41.5	293.3
Lifetime mortgages	109.0	(2.7)	(1.1)	105.2	(5.0)	(2.1)	98.1
Other investments	0.1	0.0	0.0	0.1	0.0	0.0	0.1
	<u>558.0</u>	<u>(31.9)</u>	<u>(12.2)</u>	<u>513.9</u>	<u>(146.6)</u>	<u>39.4</u>	<u>406.7</u>

## 20. OTHER FINANCIAL COMMITMENTS

At 31 December 2025 the Company had no other financial commitments (2024: none).

## 21. MOVEMENT IN TECHNICAL PROVISIONS

	2025 £millions	2024 £millions
Long term business provisions at 01 January	579.8	661.8
Impact of assumption changes on technical provisions	(13.1)	(6.9)
Foreign exchange gain on technical provisions (Note 22)	(0.1)	0.0
Other change in technical provisions	(39.8)	(75.1)
<b>Long term business provision at 31 December</b>	<b>526.8</b>	<b>579.8</b>

	2025 £millions	2024 £millions
Reinsurers' share of technical provisions at 01 January	228.7	265.1
Impact of assumption changes on technical provisions	(8.9)	(5.0)
Foreign exchange gain on technical provisions (Note 22)	(0.0)	0.0
Other change in technical provisions	(13.0)	(31.4)
<b>Reinsurers' share of technical provisions at 31 December</b>	<b>206.8</b>	<b>228.7</b>

## 22. NET FOREIGN EXCHANGE GAIN / (LOSS)

	2025 £millions	2024 £millions
<u>Technical account</u>		
Foreign exchange loss on assets	(0.1)	0.0
Foreign exchange gain on technical provisions	0.1	0.0
Total gain	0.0	0.0
<b>Net foreign exchange gain</b>	<b>0.0</b>	<b>0.0</b>

## 23. TECHNICAL PROVISIONS

The principal assumptions underlying the calculation of the long-term business provision are as follows:

Class of business	Mortality / Disability termination	
	2025	2024
<b>Ex-Generali Annuities (base mortality)</b>		
Males – annuity <£6,802 p.a.	97% PMA16	97% PMA16
Males – annuity >£6,802 p.a.	89% PMA16	84% PMA16
Females	95% PFA16	91% PFA16
Mortality improvement	RGA_2025	RGA_2024
<b>Ex-HLAC Annuities (base mortality)</b>		
Reversionary / Mortgage Schemes	105% PM.FA16	106% PM.FA16
Purchase Life Annuities	94% PM.FA16	94% PM.FA16
Pension Annuities (year 1)	21% PM.FA16	21% PM.FA16
Pension Annuities (year 2 - 5)	41% PM.FA16	41% PM.FA16
Pension Annuities (year 6 - 10)	64% PM.FA16	64% PM.FA16
Pension Annuities (year 11+)	80% PM.FA16	80% PM.FA16
Mortality improvement	RGA_2025	RGA_2024

The calculation of the long-term business provision also includes an allowance for future expenses associated with the administration of the business. This is modelled on a per-policy expense of £74.74 p.a. (2024: £72.05 p.a.) and an expense inflation assumption of RPI plus 0.5% (2024: RPI plus 0.5%).

The principal assumptions relate to annuity business, other lines of business represent less than 1% of overall technical provisions. For term assurance the most significant assumption is the mortality basis. For PHI claims in payment, it is the termination rates of the claims. For group business it is the unexpired risk premium period and incurred but not reported period. These books of business are discounted at risk-free rates. These assumptions are best estimates.

The majority of ex-HLAC annuities are discounted at risk free rates. The ex-Generali sterling annuity business and for the ex-HLAC annuity business wholly reinsured through funded reinsurance are discounted at risk-free rates with a volatility adjustment. The risk-free interest rates and volatility adjustment at the valuation date come from the risk-free yield curve for each currency published by BoE.

Under the Solvency UK regime, the assumptions are best estimates but include a risk margin.

In testing the sensitivity of the assumptions, those that carry more material risk have been considered. For annuity business, a 5% reduction in the best estimate mortality would result in an increase in net reserves of £2.6m (2024: £3.0m). Applying a combined 5% increase in the level of expenses and a 0.5% increase in expense inflation would result in an increase in net reserves of £2.6m (2024: £3.0m).

The movements in the gross and reinsurance Long Term Business Provisions from 31 December 2024 to 31 December 2025 are set out in the table below.

Long Term Business Provisions (£millions)	Gross	Reins	Net
<b>At 31 December 2024</b>	<b>579.8</b>	<b>228.7</b>	<b>351.1</b>
Change in annuity	(53.6)	(21.9)	(31.7)
Change in group risk and individual including term assurance	0.0	0.0	0.0
Change in expense reserve	(0.7)	0.0	(0.7)
Change in Transitional adjustment	1.8	0.0	1.8
Change in risk margin	(0.5)	0.0	(0.5)
<b>At 31 December 2025</b>	<b>526.8</b>	<b>206.8</b>	<b>320.0</b>

## Actual claims compared with previous estimates

The table below sets out analysis of actual claims in the financial year compared to actuarial projections for the financial year at the previous balance sheet date.

Claims incurred plus change in claims provision (£millions)	Previous estimate of claims in the financial year	Actual claims incurred in the financial year	Variance
Gross	60.8	55.6	(5.2)
Reinsurance	27.8	24.2	(3.6)
Net	33.0	31.5	(1.5)

The actual claims have been lower than expected due to favourable mortality.

## 24. LETTER OF CREDIT

The Company's intra-group reinsurance arrangements are supported by a letter of credit for £31.5m taken out by RGA Americas and issued by Standard Chartered Bank which expires annually. The letter of credit can automatically be extended unless notice of cancellation is given by RGA Americas, in which case alternative arrangements will be put in place if required or it can be drawn down before maturity.

## 25. CONTROLLING PARTY

As at the balance sheet date the immediate controlling party is RGA Americas Investments LLC, a company incorporated in the US.

The smallest consolidated results including Omnilife are RGA Americas Reinsurance Company, Ltd. Consolidated financial statements can be obtained from the principal place of business which is: Crown House, Level 2,4 Par-la-Ville Road, Hamilton, HM 08, Bermuda. The registered address is Canon's Court, Hamilton, HM12, Bermuda.

The ultimate parent and largest controlling party is Reinsurance Group of America Incorporated, a company incorporated in the State of Missouri. The group consolidated financial statements can be obtained from the principal place of business of the ultimate parent company which is: 16600 Swingley Ridge Road, Chesterfield, Missouri 63017-1706. The registered address is c/o C T Corporation System, 120 South Central Avenue, Clayton, Missouri 63105.